



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FOURTH LEGISLATURE

Bill 47

**An Act respecting the payment of a
retirement allowance and other benefits
and amending the Act respecting the
Government and Public Employees
Retirement Plan**

Introduction

Introduced by
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EXPLANATORY NOTES

This bill enables the Government to establish a plan which provides for a retirement allowance in favour of employees who satisfy certain eligibility requirements established by law. The administrative rules and modalities concerning this new measure, in particular in relation to the computation and payment of the retirement allowance, are defined by regulation.

The bill also provides that an employee who is eligible for the payment of the retirement allowance is entitled in addition to receive certain other benefits under the Act respecting the Government and Public Employees Retirement Plan.

The bill also permits the Government to determine, by regulation, the date on which the new measures expire and any other date until which they may continue to apply.

Finally, the bill defines the method of financing these measures, makes certain amendments for concordance to the early retirement measures in the Act respecting the Government and Public Employees Retirement Plan, and contains some technical provisions concerning the financing of the temporary criteria of eligibility for a pension.

Bill 47

An Act respecting the payment of a retirement allowance and other benefits and amending the Act respecting the Government and Public Employees Retirement Plan

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Government may, by regulation, establish a plan providing for the payment of a retirement allowance to an employee who was a member of the Government and Public Employees Retirement Plan on 31 December 1988, who retires in accordance with that plan after 1 September 1992 and who satisfies the following requirements:

- (1) he is under 65 years of age;
- (2) he is 62 years of age or over and has two years of service for purposes of eligibility for the pension;
- (3) he has never availed or is not availing himself of the measures provided for in this Act, or those provided for in Division III of Chapter V.1 of Title I of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10), Chapter III of Title IV of that Act, including the special provisions of Chapter I of Title IV.1 of that Act or of subdivision 3 of Division II.1 of the Act respecting the Civil Service Superannuation Plan (R.S.Q., chapter R-12).

A pensioner who could have availed himself of the measure provided for in Division III of Chapter V.1 of Title I of the Act respecting the Government and Public Employees Retirement Plan, as it read on 1 September 1992, but who did not apply therefor before 2 September 1992, may avail himself of the measure provided for in the first paragraph.

2. A person to whom section 1 applies may also avail himself of the measure provided for in Division III of Chapter V.1 of Title I of the Act respecting the Government and Public Employees Retirement Plan in accordance with the provisions of that division.

3. The Commission administrative des régimes de retraite et d'assurances shall, on the dates fixed by the Government pursuant to subparagraph 5 of the first paragraph of section 4, cause to be prepared, by the actuaries it designates, the following valuations:

(1) in respect of unionizable employees,

(a) a valuation of the amounts granted pursuant to section 1 and the actuarial value of the amounts granted pursuant to section 2, except, in the latter case, benefits granted under section 85.9 of the Act respecting the Government and Public Employees Retirement Plan;

(b) a valuation of the actuarial value of the benefits resulting from the measures provided for in Division III of Chapter V.1 of Title I of that Act and granted before 2 September 1992, except that which results from benefits provided for in section 85.9 of that Act;

(c) a valuation of the actuarial value of the benefits resulting from the measures provided for in Division IV of the said Chapter V.1, to the extent that, for the purposes of eligibility for and computation of any pension granted under the Government and Public Employees Retirement Plan, the pension eligibility criterion of 35 years of service is introduced;

(d) a valuation of the total of the amounts obtained pursuant to the first paragraph of section 85.18 of that Act;

(2) in respect of non-unionizable employees,

(a) a valuation of the amounts referred to in paragraph *a* of subparagraph 1 and the actuarial values referred to in paragraphs *a*, *b* and *c* of that subparagraph;

(b) a valuation of the actuarial value of the benefits resulting from the measure provided for in Chapter III of Title IV of that Act, taking into account the special provisions concerning the application of that measure provided for in Chapter I of Title IV.1 of that Act;

(c) a valuation of the total of the amounts obtained pursuant to the first paragraph of section 215.6 of that Act.

The premium paid or to be paid by the employer for persons who have availed themselves of any of the measures under this Act or any of the measures provided for in Division III of Chapter V.1 of Title I of the said Act as it read on 1 September 1992, and concerning their continued participation in the basic health insurance plan in accordance with the conditions of employment applicable to them, must be added to the actuarial value of the amounts and benefits referred to in the first paragraph.

4. The Government may, by regulation made under section 1, establish

(1) the rules and terms governing the computation of the retirement allowance;

(2) the rules, conditions and terms governing the payment of the retirement allowance;

(3) the average pensionable salary used to compute the retirement allowance and the amount of adjustment of that salary below which no correction is made to the amount of the allowance;

(4) any other requirement to be satisfied in order to receive all or part of a retirement allowance under the plan established pursuant to section 1;

(5) the dates on which the Commission shall cause to be prepared, by the actuaries it designates, the valuations described in section 3;

(6) the rules and conditions required for the transfer of sums between the unionizable and non-unionizable employees' funds at the Caisse de dépôt et placement du Québec and the employers' contributory fund at the Caisse to take account of the retirement allowances granted pursuant to section 1;

(7) any amount of contributions from which it may be exempted as compensation for the sums it has taken out of the consolidated revenue fund for the payment of the retirement allowances granted pursuant to section 1.

Except with respect to a person who has availed himself thereof, the Government may also determine, by regulation, the date on which the measures provided for in this Act will expire and, if need be, any other date until which they may continue to apply.

5. No regulation made under section 1 or 4 may have effect more than 12 months prior to its adoption.

6. To be entitled to the measures provided for in this Act, a person to whom section 1 applies must apply therefor, retire and cease to be a person to whom the Government and Public Employees Retirement Plan applies before those measures cease to have effect.

7. The sums granted pursuant to sections 1 and 2 are payable from one of the following dates, as the case may be:

(1) the first day of the month occurring not less than three months after the date of retirement where the application required under section 6 is made before that date;

(2) the first day of the month occurring not less than three months after the date on which the Commission receives that application where it is made on or after the date of retirement.

However, no sum is payable before the first day of the month occurring not less than three months after the date of adoption of the first regulation made pursuant to this Act.

8. The Commission administrative des régimes de retraite et d'assurances is entrusted with the administration of the plan established pursuant to section 1. It is responsible, on behalf of the employers, for the payment of the retirement allowance.

9. Any decision rendered with respect to a person pursuant to the provisions of this Act may be the subject of an application for reexamination and arbitration in the manner provided in Chapter IV of Title III of the Act respecting the Government and Public Employees Retirement Plan.

[[10. The sums required for the payment of the retirement allowances granted pursuant to section 1 are taken out of the consolidated revenue fund.

These sums, and the actuarial value of the benefits granted pursuant to section 2, shall not exceed the sums obtained pursuant to the first paragraph of sections 85.18 and 215.6 of the Act respecting the Government and Public Employees Retirement Plan, including any other benefit to be financed pursuant to those sections.]]

11. For the purposes of the first paragraph of section 85.20 of the Act respecting the Government and Public Employees Retirement Plan and section 215.10 of that Act, the amount of the retirement allowances granted pursuant to section 1 and the actuarial value of the amounts granted pursuant to section 2 shall be taken into consideration.

However, the actuarial value of the benefit provided for in the first paragraph of section 85.9 of the Act respecting the Government and Public Employees Retirement Plan shall not be taken into consideration.

AN ACT RESPECTING THE GOVERNMENT AND PUBLIC EMPLOYEES RETIREMENT PLAN

12. Section 85.7 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10) is replaced by the following section:

“85.7 An employee who retires may, if he is entitled to an actuarially reduced pension, obtain that an amount equal to the actuarial reduction be added to the amount of the pension that is payable to him.

The amount added to the pension under the first paragraph is considered to be a benefit acquired after 30 June 1982. However, section 38 or, as the case may be, section 85.15 does not apply to the increased pension.”

13. Section 85.8 of the said Act is repealed.

14. Section 85.9 of the said Act is amended

(1) by replacing the word “any” in the ninth line of the second paragraph by the word “the”;

(2) by striking out the last paragraph.

15. Section 85.10 of the said Act is replaced by the following section:

“85.10 The amount added under the first paragraph of section 85.7 is indexed annually, at the time prescribed under section 119 of the Act respecting the Québec Pension Plan, by the excess of the rate of increase of the Pension Index over 3 %.

However, the first adjustment of this amount is made in the same proportion as the first adjustment of the regular pension established in accordance with section 78.”

16. Section 85.11 of the said Act is repealed.

17. Section 85.12 of the said Act is amended by replacing the word “amounts” in the fourth line of the first paragraph by the word “amount”.

18. Section 85.13 of the said Act is amended by replacing the words “amounts provided for in the first paragraph of” in the fourth line by the words “amount provided for in”.

19. Section 85.18 of the said Act is amended

(1) by replacing the figure “1992” in the third line of subparagraph 3 of the first paragraph by the figure “1991”;

(2) by striking out the word “also” in the first line of the third paragraph;

(3) by adding, at the end, the following paragraph:

“The Commission shall also, on 31 March each year and following the application of the temporary criteria of eligibility for a pension prescribed in Division IV of this chapter, transfer with interest

(1) from the employers’ contributory fund at the Caisse de dépôt et placement du Québec and from the employees’ contribution funds at the Caisse to the consolidated revenue fund, an amount taken equally from the employers’ fund and the employees’ fund corresponding to the actuarial value of the reduction which, were it not for the application of the said division, would otherwise have been applicable to that part of the pension pertaining to the years or parts of years of service relating to the Teachers Pension Plan or the Civil Service Superannuation Plan which have been transferred to this plan;

(2) from the employees’ contribution funds at the Caisse de dépôt et placement du Québec to the employers’ contributory fund at the Caisse, an amount equal to 1/12 of the actuarial value of the reduction which, were it not for the application of the said division, would otherwise have been applicable to that part of the pension pertaining to the years or parts of years of service credited to this plan before 1 July 1982 which were not transferred from the Teachers Pension Plan or the Civil Service Superannuation Plan.”

20. Chapter I of Title IV.1 of the said Act, comprising sections 215.1 to 215.5, is repealed.

21. Section 215.6 of the said Act is amended

(1) by inserting the words “and 31 December 1991 and which is equal to 6.02 % of the contributions paid by non-unionizable employees during the period comprised between 1 January 1992” after the figure “1991” in the fourth line of subparagraph 3 of the first paragraph;

(2) by adding, at the end, the following paragraph:

“The Commission shall also, on 31 March each year and following the application of the temporary criteria of eligibility for a pension prescribed in Division IV of Chapter V.1 of Title I, transfer with interest from the employers’ contributory fund at the Caisse de dépôt et placement du Québec and from the non-unionizable employees’ contribution funds at the Caisse to the consolidated revenue fund, an amount taken equally from the employers’ fund and the employees’ fund corresponding to the actuarial value of the reduction which, were it not for the application of the said division, would otherwise have been applicable to that part of the pension pertaining to the years or parts of years of service relating to the Teachers Pension Plan or the Civil Service Superannuation Plan which have been transferred to the pension plan under this Act.”

TRANSITIONAL AND FINAL PROVISIONS

22. Sections 85.7 to 85.13 of the Act respecting the Government and Public Employees Retirement Plan, as they read on 1 September 1992, continue to apply in respect of any person who availed himself of Division III of Chapter V.1 of Title I of that Act before 2 September 1992 and the actuarial value of the benefits, if any, granted under those sections continues to be considered for the purposes of sections 85.18 and 85.20 of that Act.

Sections 215.1 to 215.5 of the said Act, as they read on 1 September 1992, continue to apply in respect of any person who availed himself of Chapter I of Title IV.1 of that Act before 2 September 1992 and the special provisions of those sections continue to be considered for the purposes of sections 215.6 and 215.10 of that Act.

23. This Act comes into force on (*insert here the date of assent to this Act*) but has effect from 2 September 1992.