NATIONAL ASSEMBLY

FIRST SESSION THIRTY-FOURTH LEGISLATURE

Bill 196

An Act respecting the pension plan of the non-teaching staff of the Commission des écoles catholiques de Montréal

Introduction

Introduced by
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EXPLANATORY NOTES

The object of this bill is to allow the Commission des écoles catholiques de Montréal to amend the pension plan of the non-teaching staff of the Commission des écoles catholiques de Montréal so as to provide for

– the indexing, at the time prescribed pursuant to section 119 of the Act respecting the Québec Pension Plan, of the pensions payable to all members at the rate by which the rate of increase in the Pension Index determined by the said Act exceeds 3 %;

– the extension to all members of the possibility of retiring upon attaining 60 years of age provided they have been members of the plan for two years or more. Presently, only employees hired between 1 October 1969 and 1 July 1973 are not entitled to retire upon attaining 60 years of age;

and in accordance with the Supplemental Pension Plans Act,

– vesting and locking-in after two years of membership in respect of service recognized from 1 January 1990 only;

– the payment of interest on all employee contributions from 1 January 1990;

– the introduction of the notion of minimum pension benefits;

– the benefits payable in the event of death before or after retirement;

– the elimination of measures found to be discriminatory having to do with the notion of eligible widower and provisions concerning the contribution rate and retirement criteria applicable to female employees hired prior to 1 October 1969.

In addition, this bill provides that the additional costs entailed by the new measures will be paid out of the actuarial surplus of the *pension plan and will result in no increase in employee or employer contributions.*

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THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Notwithstanding section 125 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10), the pension plan of the non-teaching staff of the Commission des écoles catholiques de Montréal may be amended without increasing the employee contributions and any additional costs shall be paid out of the actuarial surplus of the plan.

2. From 1 January 1990, all pensions paid and payable shall be indexed, at the time prescribed under section 119 of the Act respecting the Québec Pension Plan (R.S.Q., chapter R-9), at the rate by which the rate of increase in the Pension Index determined under the said Act exceeds 3 %.

However, in no case may the indexing entail a decrease of the annual pension beneath the annual pension acquired on 31 December of the preceding year, should the indexing formula produce a negative result.

3. Any member may retire on the first day of any month following the month in which he attains 60 years of age provided he has been a member for at least two years.

4. If a member who has been a member for less than two years ceases to be an employee for any reason other than retirement, he is entitled, so long as he does not again become a member, to the refund of his contributions, with accrued interest, in full satisfaction of his rights under the pension plan.

5. If a member who has been a member for two years or more ceases to be an employee for any reason other than retirement, he is entitled to a pension payable on the first day of the month immediately following the month of his sixty-fifth birthday of an amount equal to the amount of the pension credited on the date of termination of employment computed as if it were a pension payable at normal retirement age.

6. Sections 4 and 5 apply from 1 January 1990 in respect of the recognized service of a member.

7. All employee contributions and additional voluntary contributions paid into the pension fund by a member before 1 January 1990, including any accrued interest, shall bear interest from that date at the rate specified in the pension plan.

8. The employee contributions paid by a member, including accrued interest, shall not be used to pay more than 50 % of the value

(1) of any pension benefit to which the member becomes entitled, including benefits related thereto;

(2) of any pension benefit to which a beneficiary becomes entitled, where the member dies before becoming entitled to a pension.

9. Where a member dies before receiving any refund or pension benefit, his spouse or, if he has no spouse, his assigns, is or are entitled to receive a lump sum payment equal to or greater than

(1) the value of any pension to which the member was entitled before his death;

(2) if the member was not entitled to a pension before his death, the value of the deferred pension to which he would have been entitled had he ceased to be an active member on the day of his death for any reason other than his death.

Any additional voluntary contribution credited to the account of the member and any employee contributions paid in excess of the limit set by section 8, with accrued interest, shall be added to the values referred to in subparagraphs 1 and 2 of the first paragraph. The values shall, in addition, be established without reference to the assumptions as to survival or mortality for the period prior to the first payment of the pension.

10. The spouse of a member is entitled to a pension from the time of the member's death if the member was receiving a pension before his death. The spouse may, before the date on which payment of the member's pension begins, waive such entitlement or revoke such a waiver, provided the pension committee is notified thereof in writing before that date.

The amount of the spouse's pension shall be equal to 60 % of the amount of the member's pension.

The value of the pension provided for the spouse and the member's pension, reduced accordingly, shall, on the date payment of the pension begins, be at least actuarially equivalent to the pension the member would have received had entitlement to the spouse's pension not been granted by this section.

11. Where a member whose pension was postponed in whole or in part dies during the postponement period, the spouse of the member shall be entitled, unless the spouse has waived such entitlement, to a pension the value of which shall be equal to or greater than the higher of

(1) the value of the pension the spouse would have been entitled to receive pursuant to section 10 if payment of the postponed pension had begun on the day preceding the death of the member, and

(2) the value of the survivor pension the spouse would have been entitled to receive pursuant to section 9, under the postponed pension.

12. The pension plan may, in addition, be amended to

(1) define the notion of spouse in accordance with section 85 of the Supplemental Pension Plans Act (R.S.Q., chapter R-15.1);

(2) replace, in the pension plan, all references to a widow or a widower by references to a spouse;

(3) establish a single contribution rate for all members of the plan;

(4) eliminate all distinctions as to the sex of a member in respect of the criteria for entitlement to a pension.

13. The sums required for the administration of the pension plan shall be borne by the pension fund from 29 August 1990.

14. This Act comes into force on (*insert here the date of assent to this Act*).