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# NATIONAL ASSEMBLY

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FIRST SESSION

THIRTY-THIRD LEGISLATURE

Bill 5

## **An Act to amend the Act respecting the Québec Pension Plan**

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### **Introduction**

**Introduced by  
Mr Pierre Paradis  
Minister of Manpower and Income Security**



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#### EXPLANATORY NOTES

*This bill proposes necessary amendments to the Act respecting the Québec Pension Plan following the change by Statistics Canada of the method of computing average weekly salaries and wages. That average is used to establish Maximum Pensionable Earnings under the Québec Pension Plan.*

*The bill allows Maximum Pensionable Earnings to be maintained at the same level as those under the Canada Pension Plan.*

*The new formula for computing Maximum Pensionable Earnings will apply from the year 1988.*

## Bill 5

### **An Act to amend the Act respecting the Québec Pension Plan**

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

**1.** Section 40 of the Act respecting the Québec Pension Plan (R.S.Q., chapter R-9) is replaced by the following section:

**“40.** For each of the years 1966 and 1967, the amount of the Maximum Pensionable Earnings is \$5,000.

For each of the years 1968 to 1972, the amount of the Maximum Pensionable Earnings is obtained by multiplying \$5 000 by the ratio that the Pension Index for the year bears to the Pension Index for the year 1967.

For the years 1973, 1974 and 1975, the Maximum Pensionable Earnings shall be \$5 900, \$6 600 and \$7 400, respectively.

For each of the years 1976 to 1987, the amount of the Maximum Pensionable Earnings for one year is equal to 112½% of the Maximum Pensionable Earnings for the preceding year, until it has reached 52 times the Base Wage for the year; commencing with the year it reaches such level, it shall be equal, for each year, to 52 times the Base Wage.

For the year 1988, the amount of the Maximum Pensionable Earnings is equal to the Maximum Pensionable Earnings for the year 1987 multiplied by the ratio that the average, for the twelve-month period ending on 30 June 1987, of average weekly salaries and wages of the Industrial Composite in Canada for each month within that period,

as published by Statistics Canada under the Statistics Act, bears to the average, for the twelve-month period ending on 30 June 1986, of average weekly salaries and wages of the Industrial Composite in Canada for each month within that period, as published by Statistics Canada under the Statistics Act.

For the year 1989 and each subsequent year, the amount of the Maximum Pensionable Earnings is equal to the Maximum Pensionable Earnings for the preceding year, established without reference to the seventh and eighth paragraphs, multiplied by the ratio that the average, for the twelve-month period ending on 30 June of the preceding year, of average weekly salaries and wages of the Industrial Composite in Canada for each month within that period, as published by Statistics Canada under the Statistics Act bears to the average, for the twelve-month period ending with the end of June of the year immediately preceding that preceding year, of average weekly salaries and wages of the Industrial Composite in Canada for each month within that period, as published by Statistics Canada under the Statistics Act.

When the product obtained under the second, fourth, fifth and sixth paragraphs is not a multiple of \$100, the next lowest multiple of \$100 shall be substituted therefor.

Notwithstanding the second, fourth, fifth and sixth paragraphs, the Maximum Pensionable Earnings for a year shall not be lower than the Maximum Pensionable Earnings for the preceding year.”

**2.** The said Act is amended by inserting, after section 40, the following sections:

**“40.1** If the amount of average weekly salaries and wages of the Industrial Composite in Canada for a month ceases to be published by Statistics Canada under the Statistics Act, the Government may, by regulation, prescribe another measurement of average weekly salaries and wages for that month, using the data published by Statistics Canada under the Statistics Act. The amount of average weekly salaries and wages of the Industrial Composite in Canada for that month is then deemed to correspond, for the purposes of the fifth and sixth paragraphs of section 40, to the measurement so prescribed for that month.

**“40.2** Where Statistics Canada has published, for a particular month, a revision of either the amount of average weekly salaries and wages of the Industrial Composite in Canada for that month or the measurement prescribed under section 40.1, the last revised datum to

be published in that regard prior to the computation for that month shall be used to compute the Maximum Pensionable Earnings for the year that includes that month.

**“40.3** Where, after (*insert here the date of assent to this Act*), Statistics Canada adopts a new time basis or content basis to establish either the amount of average weekly salaries and wages of the Industrial Composite in Canada for a month or the measurement prescribed under section 40.1 for a particular month, and where, as a result, there is between

(1) the average, for that twelve-month period ending on 30 June of a year, of average weekly salaries and wages of the Industrial Composite in Canada or of the measurement prescribed under section 40.1 for each month within that period, computed using the former time basis or content basis, as the case may be; and

(2) the average, for that twelve-month period, of average weekly salaries and wages of the Industrial Composite in Canada or of the measurement prescribed under section 40.1 for each month within that period, computed using the new time basis or content basis,

a difference of more than 1 % of the average, for that twelve-month period, of the amount of average weekly salaries and wages of the Industrial Composite in Canada or of the substitute measurement contemplated in section 40.1 for each month within that period, computed using the former time basis or content basis, the averages to be used for the purposes of the fifth and sixth paragraphs of section 40, for each twelve-month period affected by the change of basis, are adjusted by the Minister, in cooperation with the Minister of Manpower and Income Security, in such a way as to take into account the data gathered according to the former basis.

The first paragraph ceases to apply where, in respect of a particular month, the computation of average weekly salaries and wages of the Industrial Composite in Canada for a month or of the substitute measurement contemplated in section 40.1 has been made, during a period of twenty-four consecutive months ending on 30 June of a particular year, using the data of the new time basis or content basis.”

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