



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-SIXTH LEGISLATURE

Bill 196
(1999, chapter 56)

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

**Introduced 13 May 1999
Passage in principle 15 June 1999
Passage 2 November 1999
Assented to 5 November 1999**

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EXPLANATORY NOTES

The object of this bill is to propose changes to the pension plan of the members of the non-teaching staff of the Commission des écoles catholiques de Montréal that will entail no increase in employee contributions since the resulting costs will be paid out of the actuarial surplus of the plan.

The method used to calculate the pension and the death benefits granted to the surviving spouse or the succession of a member is modified. The current indexing formula is reviewed, and the pensions in payment or payable on 31 December 1998 for retirement years prior to 1989 are upvalued.

Until 31 December 2002, members will be entitled to retire, without penalty, on reaching their fifty-sixth birthday or after 31 years of membership in the plan. In addition, certain members will receive an additional pension, equivalent to the pension payable under the Old Age Security Act, for a maximum period of four years or until their sixty-fifth birthday.

Bill 196

AN ACT RESPECTING THE PENSION PLAN OF THE NON-TEACHING STAFF OF THE COMMISSION DES ÉCOLES CATHOLIQUES DE MONTRÉAL

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 to the extent provided for by this Act without increasing employee contributions, and any additional costs resulting from the amendments shall be paid out of the actuarial surplus of the plan.

2. The pension of a member who retired before 1 January 1999 and the pension of a member who retires after 31 December 1998 shall be increased by 0.1% of the final salary per year of membership up to 35 years.

The surviving spouse's pension shall also be increased on the basis of the increase in the pension of the deceased spouse.

3. Where, after 31 December 1998, a retired member dies within five years after the date of retirement, the eligible surviving spouse shall be entitled to the total amount of the retired member's pension for a period of five years after the date of the member's retirement.

Where a retired member dies within 15 years after the date of retirement and there is no eligible surviving spouse at the time of death, the succession of the member shall be entitled to receive, in a lump sum, the total amount of the pension that would have been paid from the time of the member's death until 15 years had elapsed since the date of the member's retirement.

Notwithstanding the first and second paragraphs, if the member's death occurs before the member's sixty-fifth birthday, the amounts of death benefits payable under the plan shall be reduced to take into account the pension payable under the Act respecting the Québec Pension Plan (R.S.Q., chapter R-9) as if the member had reached the age of 65 at the time of death.

4. To replace the indexing of the member's pension under section 3 of the Act respecting the pension plan of the non-teaching staff of the Commission des écoles catholiques de Montréal (1994, chapter 50) and the indexing under Order in Council 494-97 (1997, G.O. 2, 2524), every pension in payment or

payable under the plan on 31 December each year shall be indexed annually on 1 January of the following year,

(1) for that part of the pension that pertains to service prior to 1 July 1983, at the rate of increase in the Pension Index determined under the Act respecting the Québec Pension Plan ; and

(2) for that part of the pension that pertains to service subsequent to 30 June 1983, at the rate by which the said rate exceeds 3%.

5. In addition to the indexing under section 4, all pensions in payment or payable on 31 December 1998 shall be increased on 1 January 1999 by 4% for each year of retirement before the year 1989.

6. An active member 56 years of age or over or with at least 31 years of membership who retires during the period beginning on 1 January 1999 and ending on 31 December 2002 is entitled, from the first day of retirement, to an early retirement pension at least equal to the normal pension credited to the member at that time, with no reduction.

7. An active member 55 years of age or over who retires during the period beginning on 1 January 1999 and ending on 31 December 2002 may apply for the payment of an early retirement pension. The pension payable shall, however, be reduced by one third of 1% for each month comprised between the date on which payment commences and the earlier of:

(1) the first day of the month following the member's fifty-sixth birthday, and

(2) the first day of the month following the date on which the member would have completed 31 years of membership had the member remained an employee of any employer to whom the plan applies.

8. A member who is receiving a retirement pension on 31 December 1998 or who retires after that date but before 1 January 2003 is entitled to an additional pension equal to the pension payable under the Old Age Security Act (Revised Statutes of Canada, 1985, chapter O-9), determined on 1 January of the year in which payment of the pension commences.

The member is entitled to an additional pension from the date of retirement or from 1 January 1999 if the retirement date is prior to that date. The right to the additional pension is extinguished on the first day of the month following the date of the member's sixty-fifth birthday. In all cases and notwithstanding the first paragraph of section 58 of the Supplemental Pension Plans Act (R.S.Q., chapter R-15.1), the additional pension shall be paid for a period not exceeding four years.

The deceased member's survivors shall be entitled to the additional pension according to the terms and conditions provided for in the first and second paragraphs, with the necessary modifications. However, the additional pension

shall be reduced according to the percentage used to calculate the survivor's pension.

9. Sections 6 to 8 replace the provisions of Order in Council 494-97 (1997, G.O. 2, 2524) which have the same purpose.

10. The amounts of the benefits resulting from the application of each of the provisions of this Act shall not exceed the limit fixed in their respect by the fiscal rules, as defined under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).

11. The provisions of this Act do not apply to members who ceased to be employees before 1 January 1999 and who elected to have the actuarial value of their benefits transferred.

12. This Act has effect from 1 January 1999.

13. This Act comes into force on 5 November 1999.