



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-NINTH LEGISLATURE

Bill 58
(2012, chapter 6)

**An Act to amend the Act respecting the
Pension Plan of Management Personnel
and other legislative provisions**

**Introduced 22 February 2012
Passed in principle 29 March 2012
Passed 2 May 2012
Assented to 3 May 2012**

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EXPLANATORY NOTES

This Act amends the Act respecting the Pension Plan of Management Personnel to provide that new employees who begin their qualification period after 31 December 2012 must complete an additional 60-month membership period after qualifying for membership to benefit from the pension eligibility criteria and the provisions respecting the computation of the pension set out in the plan. Qualified employees who do not complete the additional membership period will be governed, with respect to those criteria and those provisions, by provisions similar to those set out in the Act respecting the Government and Public Employees Retirement Plan.

The Act respecting the Pension Plan of Management Personnel is also amended to provide adequate funding for the plan through the payment of certain amounts into the employees' contribution fund. Amendments to the Act also enable employees to retire without actuarial reduction if they are at least 55 years of age and if their age and their years of service total 90 or more. As amended, the Act withdraws the 35 years of service criterion for a pension without an actuarial reduction, increases the actuarial reduction that applies to the pension of an employee who anticipates the payment of his or her benefits, standardizes the provisions on a return to work and makes it possible for an employee to continue to be a member of the Pension Plan of Management Personnel until 31 December of the year during which he or she reaches the age of 71.

The Act respecting the Pension Plan of Management Personnel and the Act respecting the Government and Public Employees Retirement Plan are also amended to allow employees to redeem certain periods of absence from work without pay for parental or family reasons at a more advantageous cost than that currently provided for in the plans.

Lastly, various technical, consequential and transitional amendments are introduced.

LEGISLATION AMENDED BY THIS ACT:

- Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10);
- Act respecting the Pension Plan of Management Personnel (R.S.Q., chapter R-12.1).

Bill 58

AN ACT TO AMEND THE ACT RESPECTING THE PENSION PLAN OF MANAGEMENT PERSONNEL AND OTHER LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

ACT RESPECTING THE PENSION PLAN OF MANAGEMENT PERSONNEL

- 1.** Section 3 of the Act respecting the Pension Plan of Management Personnel (R.S.Q., chapter R-12.1) is amended by replacing “69” in subparagraph 2 of the first paragraph by “71”.
- 2.** Section 5 of the Act is amended by replacing “69” by “71”.
- 3.** Section 10 of the Act is amended by adding the following paragraph at the end:

“Furthermore, the employee whose qualification period began after 31 December 2012 must complete an additional 60-month period of membership in the plan for the employee’s pension to be established in accordance with the first paragraph of section 49. Periods of absence without pay of more than 30 consecutive days are not taken into account for that additional period.”

- 4.** Section 13 of the Act is replaced by the following section:

“13. An employee who dies before qualifying for membership in this plan or, if applicable, before completing the additional 60-month period of membership in this plan and who, at the time of death, was holding employment referred to in the first paragraph of section 7 is deemed to have qualified and, if applicable, to have completed the additional period, as the case may be, on the date of his or her death.

An employee referred to in the second paragraph of section 80 who applies for the amount referred to in the first paragraph of that section before qualifying for membership in this plan or, if applicable, before completing the additional 60-month period of membership in this plan and who, at the time the Commission receives the employee’s application, is holding employment referred to in the first paragraph of section 7 is deemed to have qualified or to have completed the additional period, as the case may be, on the date of receipt of the application.”

5. Section 18 of the Act is amended by replacing “qualification under this plan” by “qualification under this plan or of the additional 60-month period of membership in this plan”.

6. Section 18.1 of the Act is amended by inserting “under the plan and, if applicable, to have completed the additional 60-month period of membership in the plan” after “to be qualified”.

7. Section 39.1 of the Act is amended by inserting “or a period of absence without pay, referred to in sections 79.8 to 79.12 of the Act respecting labour standards (chapter N-1.1), taken, or that would have been taken had it not been for the employee’s conditions of employment, under those sections and in progress on 1 January 2012 or beginning after that date” after “adoption leave”.

8. Section 44 of the Act is amended by adding the following sentence at the end of the first paragraph: “If applicable, they must also pay to the Commission, at the same time as they pay the compensatory amount established under section 177.1, a contributory amount equal to that compensatory amount.”

9. Section 49 of the Act is amended

(1) by striking out subparagraph 2 of the first paragraph;

(2) by replacing “88” in subparagraph 3 of the first paragraph by “90”;

(3) by inserting the following paragraph after the first paragraph:

“Despite the first paragraph, the employee referred to in the fourth paragraph of section 10 who has not completed the additional 60-month period of membership in this plan is entitled to a pension when he or she ceases to be a member of the plan if the employee

(1) has attained 60 years of age;

(2) has at least 35 years of service; or

(3) has attained 55 years of age, subject to section 56.”

10. Section 50.3 of the Act is amended by replacing “to 3 or, if the aggregate is less than 3, selecting all the salaries” at the end of paragraph 1 by “, in the case where the employee is entitled to a pension under the first paragraph of section 49, to 3 or, if the aggregate is less than 3, selecting all the salaries, or, in the case where the employee is entitled to a pension under the second paragraph of that section, to 5 or, if the aggregate is less than 5, selecting all the salaries;”.

11. Section 56 of the Act is amended by replacing the first paragraph by the following paragraph:

“56. Where an employee is entitled to a pension under subparagraph 4 of the first paragraph of section 49 or under subparagraph 3 of the second paragraph of that section, the employee’s pension is reduced for its duration by 1/3 of 1% per month, computed for each month comprised between the date on which the pension is granted and the nearest date on which the pension would have otherwise been granted to the employee without actuarial reduction, at the time the employee ceased to be a member of the plan, under the first or the second of those paragraphs, as the case may be.”

12. Section 57 of the Act is amended by replacing “69” in the last paragraph by “71”.

13. Section 59 of the Act is amended by replacing “69” in the second paragraph by “71”.

14. Section 89 of the Act is amended by replacing “69” in the last paragraph by “71”.

15. Section 103 of the Act is amended by replacing “69” by “71”.

16. Section 118 of the Act is amended by replacing the second sentence of the third paragraph by the following sentence: “However, in the case of a period of absence without pay relating to a maternity, paternity or adoption leave in progress on 1 January 1991 or beginning after that date, or a period of absence without pay referred to in sections 79.8 to 79.12 of the Act respecting labour standards (chapter N-1.1), taken, or that would have been taken had it not been for the employee’s conditions of employment, under those sections and in progress on 1 January 2012 or beginning after that date, the amount required of the employee is determined in accordance with section 39.1.”

17. Section 154 of the Act is amended by striking out the third paragraph.

18. Section 155 of the Act is amended by adding the following sentence at the end: “The pension of a pensioner is recomputed by using the same provisions as those used to establish and compute his or her original pension.”

19. The Act is amended by inserting the following section after section 177:

“177.1. The Commission must establish, not later than the date and for the years determined by government regulation, the amount the employers must pay into the employees’ contribution fund at the Caisse de dépôt et placement du Québec to cover the difference between the sum of the contributions that would have been paid if the contribution rate determined by the most recent actuarial valuation prepared under the first paragraph of section 171, established with an exemption of 35% of the maximum pensionable earnings within the meaning of the Act respecting the Québec Pension Plan (chapter R-9), had applied to the plan for the year concerned, and the sum of the contributions that were paid for that year.

This compensatory amount is established and paid according to the rules, terms and conditions prescribed in the regulation.

In the case of the employers referred to in Schedule IV, the Commission must transfer this compensatory amount from the employers' contributory fund at the Caisse de dépôt et placement du Québec to the employees' contribution fund at the Caisse. If the employers' contributory fund is exhausted, the sums needed for the transfer are to be taken, first, out of the funds capitalized under section 48 and, thereafter, out of the Consolidated Revenue Fund. In the case of employers not referred to in that Schedule, the Commission must pay into the employees' contribution fund at the Caisse the compensatory amount received from those employers."

20. Section 196 of the Act is amended

(1) by replacing "qualification under the plan" in subparagraph 3 of the first paragraph by "qualification under the plan or the additional 60-month period of membership in the plan";

(2) by inserting the following subparagraph after subparagraph 18 of the first paragraph:

"(18.1) prescribe, for the purposes of section 177.1, the rules, terms and conditions for establishing and paying the compensatory amount in respect of the years determined under this regulation and the latest date on which that amount must be established;"

21. Section 198 of the Act is amended by replacing "69" in the last paragraph by "71".

22. Schedule II to the Act is amended by adding "or who were hired after that date" after "Investissement Québec, in respect of employees who were members of this plan on 31 March 2011" in paragraph 1.

**ACT RESPECTING THE GOVERNMENT AND PUBLIC EMPLOYEES
RETIREMENT PLAN**

23. Section 25.1 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10) is amended by replacing "date" by "date or a period of absence without pay, referred to in sections 79.8 to 79.12 of the Act respecting labour standards (chapter N-1.1), taken, or that would have been taken had it not been for the employee's conditions of employment, under those sections and in progress on 1 January 2012 or beginning after that date".

24. Section 215.13 of the Act is amended by inserting " , 79.16" after "79.3" in subparagraph 1 of the first paragraph.

25. Schedule I to the Act is amended by adding “or who were hired after that date” after “Investissement Québec, in respect of employees who were members of this plan on 31 March 2011” in paragraph 1.

FINAL PROVISIONS

26. Sections 49 and 56 of the Act respecting the Pension Plan of Management Personnel (R.S.Q., chapter R-12.1), as they read on 31 December 2012, continue to apply to an employee who ceased to be a member of the Pension Plan of Management Personnel before 1 January 2013.

They will also continue to apply to an employee who entered into a retirement agreement under his or her conditions of employment

(1) before 22 February 2012; or

(2) within 90 days following 21 February 2012, if the agreement begins no later than 1 September 2012 and if the employee retires no later than two years following the date on which the agreement began.

Sections 49 and 56 also continue to apply to presiding justices of the peace until the date preceding the date on which paragraphs 1 and 2 of section 9 and section 11 apply in their respect.

27. The third paragraph of section 154 of the Act respecting the Pension Plan of Management Personnel, as it reads on 31 December 2012, continues to apply in respect of a pensioner under the Pension Plan of Management Personnel who, on that date, holds pensionable employment under that plan, the Government and Public Employees Retirement Plan or the Pension Plan of Peace Officers in Correctional Services, for as long as the pensioner has not ceased to hold that employment.

The third paragraph also continues to apply to presiding justices of the peace until the date preceding the date section 17 applies in their respect.

28. Despite the first paragraph of section 177.1 of the Act respecting the Pension Plan of Management Personnel, the first regulation made under that section may, for the years 2012 and 2013, provide for a contribution rate other than the rate referred to in that paragraph but without exceeding it.

29. Sections 22 and 25 have effect from 1 April 2011.

30. Sections 7, 16, 23 and 24 have effect from 1 January 2012.

31. Paragraphs 1 and 2 of section 9 and sections 11 and 17 apply to presiding justices of the peace only from the date or dates to be set by the Government.

32. This Act comes into force on 3 May 2012 except sections 1 to 6, 9 to 15, 17, 18, 21, 26 and 27, which come into force on 1 January 2013.

