



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-EIGHTH LEGISLATURE

Bill 490

An Act to amend the Taxation Act

Introduction

**Introduced by
Mr. Sylvain Simard
Member for Richelieu**

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EXPLANATORY NOTES

This bill amends the Taxation Act to include a refundable tax credit for individuals who have not received the retirement benefits to which they are entitled under their registered pension plan.

LEGISLATION AMENDED BY THIS BILL:

- Taxation Act (R.S.Q., chapter I-3).

Bill 490

AN ACT TO AMEND THE TAXATION ACT

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Taxation Act (R.S.Q., chapter I-3) is amended by inserting the following division after section 1029.8.125:

“DIVISION II.21

“CREDIT FOR LOSS OF RETIREMENT INCOME

“§1. — *Interpretation*

“**1029.8.126.** In this division,

“defined benefit provision” has the meaning assigned by section 965.0.1;

“eligible individual” for a taxation year means an individual, other than a trust, who was entitled for the year, under a registered pension plan, to

(a) benefits under the defined benefit provisions of the plan;

(b) benefits under the money purchase provisions of the plan if the employer had made the contributions required to be made by the employer in respect of those money purchase provisions; or

(c) benefits referred to in paragraphs *a* and *b*;

“money purchase provision” has the meaning assigned by section 965.0.1.

“§2. — *Credit*

“**1029.8.127.** An eligible individual, for a taxation year, who is resident in Québec on 31 December of that year and who files a fiscal return under section 1000 for that year is deemed to have paid to the Minister, on the eligible individual’s balance-due day for that year, on account of the eligible individual’s tax payable for the year under this Part, an amount equal to the amount determined by the formula

$22\% \times (A - B).$

In the formula provided for in the first paragraph,

(a) A is the sum of

i. the total of all benefits payable to the individual in the taxation year that ends at the end of a calendar year in respect of the defined benefit provisions of a registered pension plan; and

ii. the total of all benefits that would have been payable to the individual in the taxation year that ends at the end of a calendar year in respect of the money purchase provisions of a registered pension plan if the employer and the employees had made the contributions required to be made by them in respect of those money purchase provisions of the plan; and

(b) B is the amount included in computing the income of the taxpayer for the taxation year under section 313.5, 890.9 or 429.”

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