



NATIONAL ASSEMBLY

FIRST SESSION

FORTY-FIRST LEGISLATURE

Bill 126

**An Act to foster the financial health and
sustainability of the Pension Plan of
Management Personnel and to amend
various legislative provisions**

Introduction

**Introduced by
Mr. Pierre Moreau
Minister responsible for Government Administration and
Ongoing Program Review and Chair of the Conseil du
trésor**

**Québec Official Publisher
2017**

EXPLANATORY NOTES

This bill restructures the Pension Plan of Management Personnel to improve its financial health and ensure its sustainability. The restructuring reflects consultations held with associations of active members and associations of retirees under the plan.

To that end, the bill provides more stringent eligibility criteria for granting a pension without actuarial reduction at retirement, and it increases the actuarial reduction applicable to the pension of an employee who takes early retirement. The number of annualized pensionable salaries considered in computing the pension is increased from the three highest to the five highest. The bill allows members to accumulate, for each year of service completed after 2016, an additional year of service over and above the 38 years of service used in computing the pension, up to a maximum of 40 years. It also specifies that the contribution rate applicable to the plan will be prescribed by regulation.

Indexation of benefits is suspended for five years and the indexation rates subsequently applicable are modified.

The bill provides that the Government will be responsible for paying certain pensions and other benefits and that, consequently, the sums necessary for paying those benefits will be taken out of the Consolidated Revenue Fund. To that end, an amount established on the basis of data from an amended actuarial valuation will be transferred from the employees' contribution fund to the pension plans' sinking fund.

The bill amends, for a certain period, the way the plan is funded. A compensatory amount will be paid into the employees' contribution fund under the plan for the years 2018 to 2022. The Government will pay into that fund a contributory amount, resulting from certain amendments made by this bill, and may also pay into it any other sum to reduce the plan's deficiency.

Certain persons appointed by the National Assembly are deemed to be qualified under the plan and, if applicable, to have completed the additional 60-month period of membership in the plan from the effective date of the appointment.

The constituting Acts of the Centre de recherche industrielle du Québec, the Société de développement de la Baie James and the Société des Traversiers du Québec are amended to provide that the remuneration, employment benefits and other conditions of employment of their employees are determined in accordance with the conditions set by the Government, subject to the provisions of the collective agreements.

Lastly, the bill includes consequential amendments and miscellaneous and transitional provisions.

LEGISLATION AMENDED BY THIS BILL:

- Public Administration Act (chapter A-6.01);
- Act respecting the Centre de recherche industrielle du Québec (chapter C-8.1);
- James Bay Region Development Act (chapter D-8.0.1);
- Act respecting the Pension Plan of Management Personnel (chapter R-12.1);
- Act respecting Retraite Québec (chapter R-26.3);
- Act respecting the Société des Traversiers du Québec (chapter S-14);
- Act to amend certain Acts establishing pension plans applicable to public sector employees (2016, chapter 14).

Bill 126

AN ACT TO FOSTER THE FINANCIAL HEALTH AND SUSTAINABILITY OF THE PENSION PLAN OF MANAGEMENT PERSONNEL AND TO AMEND VARIOUS LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

ACT RESPECTING THE PENSION PLAN OF MANAGEMENT PERSONNEL

1. Section 18.1 of the Act respecting the Pension Plan of Management Personnel (chapter R-12.1) is amended by adding the following paragraph after the first paragraph:

“The same applies in the case of a person appointed pursuant to a resolution of the National Assembly who is a member of this plan pursuant to that resolution or to an order of the Government, from the first day the appointment is in effect.”

2. Section 31 of the Act is amended by replacing “38” in the first paragraph by “40”.

3. Section 37 of the Act is amended by replacing “38” by “40”.

4. Section 41 of the Act is amended by replacing “38” in the third paragraph by “40”.

5. Section 44 of the Act is amended by striking out the second sentence.

6. Section 49 of the Act is amended, in the first paragraph,

(1) by replacing “60” in subparagraph 1 by “61”;

(2) by inserting the following subparagraph after subparagraph 2:

“(2.1) has attained 56 years of age and has at least 35 years of service;”;

(3) by replacing “55” in subparagraph 3 by “58”.

7. Section 50.2 of the Act is amended by replacing “38” in the second paragraph by “40”.

8. Section 50.3 of the Act is amended by striking out “, 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,” in paragraph 1.

9. Section 56 of the Act is amended

(1) by replacing the first paragraph by the following paragraphs:

“Where an employee is entitled to a pension under subparagraph 4 of the first paragraph of section 49, the employee’s pension is reduced for its duration by 1/2 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 that first paragraph.

Where an employee is entitled to a pension under subparagraph 3 of the second paragraph of that section 49, 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 that second paragraph.”;

(2) by replacing “the employee’s pension under the first paragraph” in the second paragraph by “the pension under the first or second paragraph”.

10. Section 92 of the Act is amended by adding the following paragraph after the first paragraph:

“Sections 108.1, 108.2, 116.1 and 116.2 apply to the excess amount referred to in the first paragraph.”

11. The Act is amended by inserting the following sections after section 108:

“108.1. Despite the indexing provided for in section 108, the pension amounts added under sections 104 and 105 are not indexed for 2018 and the subsequent years if they are added to

(1) the pension of an employee who ceased to be a member of the plan before 1 January 2017;

(2) the pension of an employee referred to in the first paragraph of section 9 who ceased to hold pensionable employment under the plan before 1 January 2017; or

(3) in the case of a deferred pension, the pension of an employee who retired before 1 January 2017.

The first paragraph also applies to the pension amounts added under section 104 and payable to the spouse of such an employee.

“**108.2.** Despite the indexing provided for in section 108, the pension amounts added under sections 104 and 105 are not indexed for 2021 and the subsequent years if they are added to

(1) the pension of an employee who ceased to be a member of the plan after 31 December 2016 and before 1 July 2019;

(2) the pension of an employee referred to in the first paragraph of section 9 who ceased to hold pensionable employment under the plan after 31 December 2016 and before 1 July 2019; or

(3) in the case of a deferred pension, the pension of an employee who retired after 31 December 2016 and before 1 July 2019.

The first paragraph also applies to the pension amounts added under section 104 and payable to the spouse of such an employee.”

12. The Act is amended by inserting the following sections after section 116:

“**116.1.** Despite the indexing provided for in section 115, the following pensions are not indexed for the years 2018 to 2022 inclusively:

(1) the pension of an employee who ceased to be a member of the plan before 1 January 2017;

(2) the pension of an employee referred to in the first paragraph of section 9 who ceased to hold pensionable employment under the plan before 1 January 2017; and

(3) in the case of a deferred pension, the pension of an employee who retired before 1 January 2017.

As of 1 January 2023, a pension referred to in the first paragraph is, at the time prescribed under section 119 of the Act respecting the Québec Pension Plan (chapter R-9), indexed annually, for the part attributable to service prior to 1 July 1982 and the part attributable to service subsequent to 31 December 1999, by one half of the rate of increase in the Pension Index determined by that Act, as well as by 0% for the period attributable to service subsequent to 30 June 1982 and prior to 1 January 2000.

The first and second paragraphs also apply to a pension payable to the spouse of an employee referred to in the first paragraph.

This section applies only to a pension paid in accordance with the second paragraph of section 180.

“116.2. Despite the indexing provided for in section 115, the following pensions are not indexed for the years 2021 to 2025 inclusively:

(1) the pension of an employee who ceased to be a member of the plan after 31 December 2016 and before 1 July 2019;

(2) the pension of an employee referred to in the first paragraph of section 9 who ceased to hold pensionable employment under the plan after 31 December 2016 and before 1 July 2019; and

(3) in the case of a deferred pension, the pension of an employee who retired after 31 December 2016 and before 1 July 2019.

As of 1 January 2026, a pension referred to in the first paragraph is, at the time prescribed under section 119 of the Act respecting the Québec Pension Plan (chapter R-9), indexed annually, for the part attributable to service prior to 1 July 1982 and the part attributable to service subsequent to 31 December 1999, by one-half of the rate of increase in the Pension Index determined by that Act, as well as by 0% for the period attributable to service subsequent to 30 June 1982 and prior to 1 January 2000.

The first and second paragraphs also apply to a pension payable to the spouse of an employee referred to in the first paragraph.

This section applies only to a pension paid in accordance with the second paragraph of section 180.”

13. Section 153 of the Act is amended by adding the following paragraph after the second paragraph:

“Despite subparagraph 1 of the first paragraph of section 177, the contributions of an employee referred to in the first paragraph of this section are paid into the Consolidated Revenue Fund if that employee is entitled to benefits whose payment is referred to in section 181.1.”

14. Section 156 of the Act is amended by adding the following paragraph after the first paragraph:

“Sections 108.1, 108.2, 116.1 and 116.2 apply to the pension referred to in the first paragraph.”

15. Section 157 of the Act is amended by inserting the following paragraph after the first paragraph:

“Sections 108.1, 108.2, 116.1 and 116.2 apply to the pension referred to in the first paragraph.”

16. Section 174 of the Act is replaced by the following section:

“**174.** The rate of contribution applicable to the plan each year is determined according to the rules, terms and conditions prescribed by regulation.”

17. Section 177.1 of the Act is repealed.

18. The Act is amended by inserting the following section after section 181:

“**181.1.** [[The sums necessary for the payment of the benefits due to a pensioner who retired before 1 January 2015, and the sums necessary for the payment of the benefits due to such a pensioner’s spouse or successors, that are to be taken out of the employees’ contribution fund under the second paragraph of section 180 and the first paragraph of section 181 shall instead be taken out of the Consolidated Revenue Fund.

The same applies in the case of the sums necessary for the payment of the benefits that became due before 1 January 2015 to a spouse under Division II of Chapter IV and the sums necessary for the payment of the benefits due under section 69.1 upon the death of the spouse.]]

An employee who is entitled to a deferred pension and who is deemed to have retired before 1 January 2015 under the third paragraph of section 76 is not considered to be a pensioner who retired before 1 January 2015 within the meaning of the first paragraph of this section if the employee did not receive his or her first pension payment before that date.”

19. Section 196 of the Act is amended, in the first paragraph,

(1) by striking out subparagraph 18.1;

(2) by inserting the following subparagraph after subparagraph 20:

“(20.1) determine, for the purposes of section 196.30, a percentage, a reference year for the sum of the salaries used for the purposes of the multiplication, and any condition applicable to the payment of the annual contributory amount into the employees’ contribution fund;”.

20. The Act is amended by inserting the following chapter after section 196.26:

“CHAPTER XI.3

“SPECIAL PROVISIONS REGARDING FINANCING OF THE PLAN

“**196.27.** Despite section 177.1, for the years 2018 to 2022 inclusively, Retraite Québec must establish, not later than 31 December of the year that follows each of those years, an annual compensatory amount. For the years 2018 and 2019, that amount corresponds to three times the difference between the

sum of the contributions required to finance the benefits accrued annually and the plan administration costs, according to the contribution rate 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), as shown by the amended actuarial valuation prepared under the first paragraph of section 35 of the Act to foster the financial health and sustainability of the Pension Plan of Management Personnel and to amend various legislative provisions (*insert the year and chapter number of this Act*), for the year concerned, and the sum of the contributions that would have been paid into the employees' contribution fund referred to in section 176 if the contribution rate resulting from that actuarial valuation, established with the same exemption, had applied for the year concerned. The same applies for the years 2020 to 2022 inclusively, with the exception that the annual compensatory amount is to be established on the basis of the most recent actuarial valuation prepared under the first paragraph of section 171.

In addition, for the years 2018 to 2022 inclusively, Retraite Québec must estimate, not later than 31 December of the year that follows each of those years, a minimum annual compensatory amount. That amount corresponds to the sum of the losses assumed by the employees' contribution fund due to the transfer of employees who were members of the Government and Public Employees Retirement Plan to this plan during the year concerned.

The annual compensatory amount to be paid into the employees' contribution fund, for each of the years concerned, is the highest of the amounts respectively determined under the first and second paragraphs of this section but it may not, in any case, exceed 100 million dollars. The annual compensatory amount is apportioned among the employers proportionately to the ratio of the sum of the employee contributions paid by an employer to Retraite Québec for a year concerned to the sum of the employee contributions paid by all employers for the same year.

[[Within 30 days after the date on which Retraite Québec determines the annual compensatory amount to be paid, it must transfer, from the employers' contributory fund referred to in section 176 to the employees' contribution fund, the part of the amount that is attributable to the employers listed in Schedule IV. If the employers' contributory fund is exhausted, the sums necessary for the transfer must be taken first out of the funds capitalized under section 48 and thereafter out of the Consolidated Revenue Fund.]]

Within 60 days after the date on which Retraite Québec determines the annual compensatory amount to be paid, it must send each employer not listed in Schedule IV a statement of account showing the compensatory amount attributable to the employer. Section 43 of the Regulation under the Act respecting the Government and Public Employees Retirement Plan (chapter R-10, r. 2) applies, with the necessary modifications. Any amount received from such an employer must be deposited in the employees' contribution fund.

“196.28. Despite section 196.27, for the years 2018 to 2022 inclusively, no annual compensatory amount is paid into the employees’ contribution fund referred to in section 176 for the year that follows a year in which that fund reports a surplus equal to or greater than 25% of the actuarial value of the benefits payable out of the fund.

For the purposes of the first paragraph, “surplus” means any amount by which the actuarial value of the employees’ contribution fund exceeds the actuarial value of the benefits accrued at the date of the valuation and payable out of the fund, as it appears in either of the actuarial valuations mentioned in section 196.32 or in their update, if applicable. The actuarial value of the employees’ contribution fund includes the present value at the valuation date of the remaining amounts payable in accordance with section 196.30.

“196.29. Unless they are listed in Schedule IV, employers must pay to Retraite Québec, at the same time they pay the annual compensatory amount under section 196.27, a contributory amount equal to the compensatory amount.

“196.30. The Government shall pay into the employees’ contribution fund referred to in section 176 an annual contributory amount corresponding to the product obtained by multiplying a percentage and the sum of the salaries of the employees who are members of the plan for a given year. This percentage, the reference year for the sum of the salaries used for the purposes of the multiplication, and any condition applicable to the payment of the annual contributory amount are determined by regulation.

The annual contributory amount is based on the amount corresponding to the reduction of the amortization expense for unamortized actuarial losses, reported in the Government’s income statement for the year concerned, due to the decrease in the actuarial value of the Government’s obligations with regard to the plan. That decrease is determined by Retraite Québec and is related to the amendments made by the Act to foster the financial health and sustainability of the Pension Plan of Management Personnel and to amend various legislative provisions (*insert the year and chapter number of this Act*). However, the annual contributory amount may not exceed that amount.

Despite the preceding paragraphs, the Government may pay an additional contributory amount into the employees’ contribution fund, according to the terms and conditions it determines. If applicable, the annual contributory amount for subsequent years is reduced as a result of the additional contributory amount paid.

[[The sums required for the purposes of this section must be taken out of the Consolidated Revenue Fund.]]

For the purposes of the first paragraph, “salary” means the pensionable salary on which contributions are based, without taking into account the exemption of 35% of the Maximum Pensionable Earnings within the meaning of the Act respecting the Québec Pension Plan (chapter R-9).

“196.31. [[For the years 2017 to 2022 inclusively, the Government may transfer sums from the Consolidated Revenue Fund into the employees’ contribution fund referred to in section 176, but only if the latter fund reports a deficiency. The sums transferred following the most recent deficiency may not exceed the amount of that deficiency.]]

For the purposes of the first paragraph, “deficiency” means the amount by which the actuarial value of the benefits accrued as at the date of the valuation and payable out of the employees’ contribution fund exceeds the actuarial value of the fund, as it appears in the most recent of the following actuarial valuations or updates:

- (1) the actuarial valuation prepared under the first paragraph of section 171;
- (2) the amended actuarial valuation prepared under the first paragraph of section 35 of the Act to foster the financial health and sustainability of the Pension Plan of Management Personnel and to amend various legislative provisions (*insert the year and chapter number of this Act*); and
- (3) the update of either of those valuations.

The actuarial value of the employees’ contribution fund includes the present value at the valuation date of the remaining amounts payable in accordance with section 196.30.

“196.32. For the sole purpose of determining the existence of a surplus referred to in section 196.28 or of a deficiency referred to in section 196.31 and, if applicable, the value of such a surplus or deficiency, the pension committee must ask Retraite Québec each year to cause to be prepared by the actuaries designated by Retraite Québec an update of, as the case may be, the amended actuarial valuation prepared under the first paragraph of section 35 of the Act to foster the financial health and sustainability of the Pension Plan of Management Personnel and to amend various legislative provisions (*insert the year and chapter number of this Act*) or the actuarial valuation prepared under the first paragraph of section 171 and subsequent to the amended actuarial valuation.

However, the committee shall not ask for an update of an actuarial valuation referred to in the first paragraph the year in which such an evaluation is prepared.”

21. The Act is amended by inserting the following sections after section 211.1:

“211.2. Sections 49, 50.3, 56, 92, 156 and 157, as they read on (*insert the date that precedes the date of assent to this Act*), continue to apply to presiding justices of the peace or to persons who have previously held that office but only with regard to the years or parts of a year credited under this plan while they hold or held such an office.

Sections 108.1, 108.2, 116.1, 116.2, 211.3 and 211.5, as well as section 31 of the Act to foster the financial health and sustainability of the Pension Plan of Management Personnel and to amend various legislative provisions (*insert the year and chapter number of this Act*), are not applicable to presiding justices of the peace or to persons who have previously held that office with regard to the years or parts of a year credited under this plan while they hold or held such an office.

“211.3. The computation of the actuarial values under the following provisions must take into account, as of the retirement age determined in the actuarial assumption, the five-year absence of indexation of a pension:

(1) section 5 of the Regulation respecting the application of Title IV.2 of the Act respecting the Government and Public Employees Retirement Plan (chapter R-10, r. 4) where it applies to the Pension Plan of Management Personnel, section 80 in the case of a deferred pension, and section 88, to the extent that an application is received by Retraite Québec after (*insert the date that precedes the date of introduction of this bill*) and before 1 July 2019;

(2) sections 68 and 74 to the extent that the employee’s death occurs after (*insert the date that precedes the date of introduction of this bill*) and before 1 July 2019;

(3) section 164 to the extent that the date of the application for the partition and assignment of the benefits accrued under this plan is after (*insert the date that precedes the date of introduction of this bill*) and before 1 July 2019; and

(4) section 167 to the extent that the sums are payable after (*insert the date that precedes the date of introduction of this bill*) and before 1 July 2019, if the sums awarded to the spouse were paid during that same period following an application referred to in subparagraph 3.

The computation of the actuarial values referred to in the first paragraph must also take into account the indexation applicable every year after the absence of indexation, that is, one-half of the rate of increase in the Pension Index determined by the Act respecting the Québec Pension Plan (chapter R-9), for the part attributable to service prior to 1 July 1982 and the part attributable to service subsequent to 31 December 1999, as well as an indexation of 0% for the period attributable to service subsequent to 30 June 1982 and prior to 1 January 2000.

The computation of the actuarial values referred to in the first and second paragraphs must also take into account sections 49, 50.3 and 56, as they read on (*insert the date of introduction of this bill*).

The computation of the actuarial values under section 167 must not take the absence of indexation into account for any sum payable after 30 June 2019 if the sums awarded to the spouse were paid following an application referred to in subparagraph 3 of the first paragraph, nor must it take into account the indexation referred to in the second paragraph of this section.

This section applies despite any inconsistent regulatory provision.

“211.4. Sections 49 and 50.3, as they read on 1 July 2019, apply in cases where an application under section 164 for the partition and assignment of the benefits accrued under this plan is received after 30 June 2019, even though the date of establishment and assessment of those benefits is before 1 July 2019.

“211.5. The computation of the actuarial values established for the purposes of section 203 must take into account the actuarial assumptions and methods of the amended actuarial valuation prepared under the first paragraph of section 35 of the Act to foster the financial health and sustainability of the Pension Plan of Management Personnel and to amend various legislative provisions (*insert the year and chapter number of this Act*) until the date of receipt of the independent actuary’s report on the actuarial valuation referred to in section 171 following the date of receipt of the amended actuarial valuation.”

PUBLIC ADMINISTRATION ACT

22. Section 40 of the Public Administration Act (chapter A-6.01) is amended by replacing “subparagraph 7 of the first paragraph of section 3, section 23 and the first” in paragraph 4.1 by “subparagraph 7 of the first paragraph of section 3, sections 23 and 196.31 and the first”.

ACT RESPECTING THE CENTRE DE RECHERCHE INDUSTRIELLE DU QUÉBEC

23. Section 10 of the Act respecting the Centre de recherche industrielle du Québec (chapter C-8.1) is replaced by the following section:

“10. The personnel members of the Centre shall be appointed according to the staffing plan and the standards established by by-law of the Centre.

Subject to the provisions of a collective agreement, the Centre shall determine the standards and scales of remuneration, employment benefits and other conditions of employment of its personnel members in accordance with the conditions defined by the Government.”

JAMES BAY REGION DEVELOPMENT ACT

24. The James Bay Region Development Act (chapter D-8.0.1) is amended by inserting the following section after section 7.2:

“7.3. The personnel members of the Société are appointed according to the staffing plan established by the Société.

Subject to the provisions of a collective agreement, the Société shall determine the standards and scales of remuneration, employment benefits and other conditions of employment of its personnel members in accordance with the conditions defined by the Government.”

ACT RESPECTING RETRAITE QUÉBEC

25. Section 59 of the Act respecting Retraite Québec (chapter R-26.3) is amended by inserting the following paragraph after the third paragraph:

“[[Despite the first and second paragraphs, the sums required to cover the administrative expenses related to the benefit payments referred to in section 181.1 of the Act respecting the Pension Plan of Management Personnel (chapter R-12.1) are taken out of the Consolidated Revenue Fund.]]”

ACT RESPECTING THE SOCIÉTÉ DES TRAVERSIERS DU QUÉBEC

26. The Act respecting the Société des Traversiers du Québec (chapter S-14) is amended by inserting the following section after section 12.3:

“**12.4.** The personnel members of the Société shall be appointed in accordance with the staffing plan established by the Société.

Subject to the provisions of a collective agreement, the Société shall determine the standards and scales of remuneration, employee benefits and other conditions of employment of its personnel members in accordance with the conditions defined by the Government.”

ACT TO AMEND CERTAIN ACTS ESTABLISHING PENSION PLANS APPLICABLE TO PUBLIC SECTOR EMPLOYEES

27. Section 43 of the Act to amend certain Acts establishing pension plans applicable to public sector employees (2016, chapter 14) is replaced by the following section:

“**43.** Section 56 of the Act is amended

(1) by replacing the first and second paragraphs by the following paragraph:

“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 1/2 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 second paragraph, as the case may be.”;

(2) by striking out “or second” in the third paragraph.”

MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

28. For the purposes of the provisions amended by sections 2 to 4 and 7 of this Act, the years of service that may be credited over and above 38 years of service used in computing the pension must be subsequent to 2016.

29. The first paragraph of section 49 of the Act respecting the Pension Plan of Management Personnel (chapter R-12.1), as it reads on 30 June 2019, continues to apply to an employee referred to in the first paragraph of section 9 of that Act, who is also referred to in the fourth paragraph of section 10 of that Act and has completed the additional 60-month period of membership in the Pension Plan of Management Personnel, if he or she ceases to hold pensionable employment under that plan before 1 July 2019.

The same applies in the case of an employee referred to in the first paragraph of section 9 of that Act but not referred to in the fourth paragraph of section 10 of that Act if he or she ceases to hold pensionable employment under that plan before 1 July 2019.

30. Section 50.3 of the Act respecting the Pension Plan of Management Personnel, as it reads on 30 June 2019, continues to apply to an employee referred to in the first paragraph of section 9 of that Act who is entitled to a pension under the first paragraph of section 49 of that Act and who ceases to hold pensionable employment under the Pension Plan of Management Personnel before 1 July 2019.

31. Section 50.3 of the Act respecting the Pension Plan of Management Personnel, as it reads on 1 July 2019, applies to an employee who ceases to be a member of the Pension Plan of Management Personnel before that date, at which time he or she is only entitled to a deferred pension, which becomes payable after 30 June 2019, unless that employee is referred to in the second paragraph of this section.

Section 50.3 of that Act, as it reads on 1 July 2019, applies to an employee referred to in the first paragraph of section 9 of that Act who ceases to hold pensionable employment under the plan before that date, while he or she is only entitled to a deferred pension, which becomes payable after 30 June 2019, despite section 30 of this Act.

This section does not apply if the computation of the actuarial values referred to in section 211.3 of the Act respecting the Pension Plan of Management Personnel takes into account the absence of indexation for a five-year period and the indexation applicable annually following that absence of indexation.

32. Section 56 of the Act respecting the Pension Plan of Management Personnel, as it reads on 30 June 2019, continues to apply to an employee who is entitled to a pension under subparagraph 4 of the first paragraph of section 49 of that Act and who ceases to be a member of the Pension Plan of Management

Personnel before 1 July 2019, unless that employee is referred to in the second paragraph of this section.

Section 56 of that Act, as it reads on 30 June 2019, continues to apply to an employee referred to in the first paragraph of section 9 of that Act who is entitled to a pension under subparagraph 4 of the first paragraph of section 49 of that Act and who ceases to hold, before 1 July 2019, pensionable employment under the Pension Plan of Management Personnel.

33. The end date of a progressive retirement agreement described in section 133 of the Act respecting the Pension Plan of Management Personnel for which the application period began before (*insert the date of introduction of this bill*) may be postponed to a date subsequent to the date initially set if the employee concerned sends his or her employer, more than 12 months before the end date initially set, a notice in writing specifying that subsequent date. The same may apply if the employee concerned and the employer agree, in writing and before the end date initially set, on a subsequent end date.

The change in the agreement end date need not be previously authorized by Retraite Québec.

The application period of the extended agreement may exceed five years.

34. Despite the obligation to retire at the end of a progressive retirement agreement described in section 133 of the Act respecting the Pension Plan of Management Personnel, an employee who is a party to such an agreement for which the application period began before (*insert the date of introduction of this bill*) may, at the end of the application period, continue to be a member of the Pension Plan of Management Personnel provided he or she sends his or her employer, more than 12 months before the agreement end date, a notice in writing to that effect. The same may hold if the employee concerned and the employer agree, in writing and before the agreement end date, that the employee will not cease to be a member of the plan.

An employee's choice to remain a member of the plan at the end of the agreement under the first paragraph does not nullify the agreement.

An employee who has exercised his or her right under section 33 of this Act may not do so under this section.

35. Retraite Québec must see to it that amendments are made, on the basis of the data as at 31 December 2014, to the actuarial valuation of the Pension Plan of Management Personnel that was the subject of a report received by the minister responsible for the Act respecting the Pension Plan of Management Personnel on 24 October 2016. The amendments must consist only in changes to the actuarial assumptions for actual rates of increase of salaries and for retirement rates, and in taking into account the amendments made by this Act regarding eligibility criteria for a pension without actuarial reduction, the average pensionable salary, the actuarial reduction applicable to a pension, the

maximum number of years of credited service, the five-year absence of indexation of a pension and the subsequently applicable rates of indexation.

The part of the actuarial value of the employees' contribution fund under the plan that relates to beneficiaries the payment of whose benefits is referred to in section 181.1 of the Act respecting the Pension Plan of Management Personnel is determined according to the ratio of the actuarial value of the beneficiaries' accrued benefits to the total amended actuarial value of the benefits accrued as at 31 December 2014 and payable out of the fund.

The amended actuarial valuation determines the resulting contribution rate as well as the contribution rate required to finance the benefits accrued annually and the administration expenses of the plan, which rates are applicable to the part of the pensionable salary that exceeds 35% of the Maximum Pensionable Earnings within the meaning of the Act respecting the Québec Pension Plan (chapter R-9), taking into account neither the part of the actuarial value of the employees' contribution fund that relates to beneficiaries the payment of whose benefits is referred to in section 181.1 nor the actuarial value of the beneficiaries' accrued benefits as at 31 December 2014 and payable out of that fund.

The pension committee referred to in section 196.2 of that Act may determine any other terms applicable to the preparation of the amended actuarial valuation.

The amended actuarial valuation must be received by the pension committee before 15 June 2017. The committee must, within 90 days after the date it receives the amended actuarial valuation, send it to the minister responsible for the Act respecting the Pension Plan of Management Personnel, who must make it public within 30 days after the date he or she receives it.

36. Retraite Québec must prepare a forecast, at the date the sums referred to in the second and third paragraphs of this section are transferred, of the market value of the part of the employees' contribution fund under the Pension Plan of Management Personnel that relates to beneficiaries the payment of whose benefits is referred to in section 181.1 of the Act respecting the Pension Plan of Management Personnel and of the value of the Government's obligations in relation to those beneficiaries, determined for the purpose of recording the Government's liabilities in its financial statements.

The sums representing the projected market value of the part of the employees' contribution fund referred to in the first paragraph must be transferred from the fund to the pension plans' sinking fund established under section 8 of the Financial Administration Act (chapter A-6.001).

If the projected value of the Government's obligations exceeds the projected market value of the part of the employees' contribution fund by more than 150 million dollars, the sums representing the amount in excess of that 150 million dollars must also be transferred from the employees' contribution fund to the pension plans' sinking fund.

The obligations provided for in this section must be fulfilled before 30 September 2017.

37. The sums necessary for the following payments are to be taken out of the employees' contribution fund under the Pension Plan of Management Personnel, and more specifically out of the sums representing the part of the actuarial value of the employees' contribution fund, as determined under the second paragraph of section 35 of this Act:

(1) the payments referred to in section 181.1 of the Act respecting the Pension Plan of Management Personnel, as enacted by section 18 of this Act, and payable before the date the sums referred to in the second and third paragraphs of section 36 of this Act are transferred, despite that section 181.1; and

(2) the payment referred to in the fourth paragraph of section 59 of the Act respecting Retraite Québec (chapter R-26.3), as enacted by section 25 of this Act, and payable before the date the sums referred to in the second and third paragraphs of section 36 of this Act are transferred, despite that fourth paragraph.

The sums taken out of the employees' contribution fund are to be subtracted from the sums that must be transferred under section 36.

38. The contributions of an employee referred to in the first paragraph of section 153 of the Act respecting the Pension Plan of Management Personnel, paid into the employees' contribution fund under the Pension Plan of Management Personnel after 31 December 2014 and before 1 January 2017, are transferred to the Consolidated Revenue Fund if that employee was previously a pensioner who retired before 1 January 2015. Such contributions bear interest, computed in accordance with section 206 of that Act, until the date they are transferred to the Consolidated Revenue Fund.

39. The first regulation made under subparagraph 8 of the first paragraph of section 196 of the Act respecting the Pension Plan of Management Personnel after this Act is assented to may, if it so provides, have effect from any date not prior to 1 January 2017.

40. The obligation incumbent on Retraite Québec under section 175 of the Act respecting the Pension Plan of Management Personnel does not apply with regard to the amendments made to the Pension Plan of Management Personnel by this Act.

41. Sections 2 to 4, 7, 13, 18, 25, 28 and 37 have effect from 1 January 2017.

Section 21, to the extent that it enacts section 211.3 of the Act respecting the Pension Plan of Management Personnel, and sections 33, 34 and 40 have effect from (*insert the date of introduction of this bill*).

42. This Act comes into force on (*insert the date of assent to this Act*), subject to the following:

(1) section 16, and section 20 to the extent that it enacts sections 196.27 to 196.29 of the Act respecting the Pension Plan of Management Personnel, come into force on 1 January 2018;

(2) sections 5 and 17 and paragraph 1 of section 19 come into force on 31 December 2018;

(3) sections 6, 8, 9 and 29 to 32 come into force on 1 July 2019; and

(4) section 27 comes into force on 1 July 2020.