

Bill 68

**An Act mainly to allow the
establishment of target benefit pension
plans**

Section 61

AMENDMENT:

Replace "according to an index or rate" in paragraph 2 of proposed section 146.47 by "other than according to a fixed rate".

*Adopté
SA*

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Section 61

AMENDMENT:

Insert after proposed section 146.54:

“146.54.1. A target benefit pension plan may be established only if the eligible employees consent to the obligations incumbent on them under the plan.

Likewise, a plan amendment resulting in an increase in member contributions may be made only if the members subject to the increase consent to it, unless the amendment

- (1) results from the application of recovery measures;
- (2) is submitted for a consultation pursuant to section 146.3 or 146.84;
- (3) is made for the withdrawal of an employer or a cessation of eligibility considered a withdrawal of an employer under section 146.89.1; or
- (4) has been made mandatory by a new legislative or regulatory provision.

Approval in writing of the plan's establishment or amendment, as the case may be, by a certified association constitutes consent of the eligible employees or the members concerned that it represents.

For the employees eligible for membership under the plan or the members concerned who are not represented by such an association, their consent is deemed obtained if less than 30% of them oppose the plan's establishment or amendment, as the case may be. The second and third paragraphs of section 146.84 apply, with the necessary modifications, to the consultation required to obtain the consents.

“146.54.2. The application for registration referred to in section 24 shall be filed with Retraite Québec by the pension committee. In the absence of a pension committee, the application for registration of the plan is filed by the person or body

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who establishes the plan, if the application concerns the registration of the plan, or the person or body who has the authority to amend the plan, if the application concerns an amendment to the plan.

If consents are required under section 146.54.1, the application for registration must be accompanied, in addition to the information and documents mentioned in section 24, by an attestation that those consents have been obtained and that they can be provided to Retraite Québec on request.

“146.54.3. The notice required by section 16 shall be given by the pension committee or, in the absence of a pension committee, by the person or body who establishes the plan.

ADOPTÉ
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Section 61

AMENDMENT:

In proposed section 146.80:

1. Replace "equal to or greater than its liabilities increased by the value" in the first paragraph by "both greater than 105% of its liabilities and greater than its liabilities increased by 50% of the value".
2. Replace "non-compliance with the condition set out in the first paragraph" in the second paragraph by "the plan's assets being less than the greater of 105% of its liabilities and its liabilities increased by 50% of the value of the stabilization provision target level".

*APTE
sa*

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Section 61

AMENDMENT:

Insert after section 146.89:

“146.89.1. The cessation of members' eligibility under the plan that results from a decision concerning the certification of an association of employees is considered to be a withdrawal of an employer.

The following are then considered to be affected by the withdrawal:

- (1) active members who cease to be eligible employees under the plan as a result of the decision;
- (2) non-active members who would have ceased to be eligible employees if they had been active on the date of the decision; and
- (3) beneficiaries whose benefits derive from the service credited to a member who, were it not for his or her death, would have been referred to in subparagraph 1 or 2.

*SCPTÉ
SA*

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Section 61

AMENDMENT:

Replace "reduction" in the first paragraph of proposed section 146.94 by "reduced benefits".

*ACCEPTED
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Section 52

AMENDMENT:

Replace proposed section 146.9.1.5 by:

“146.9.1.5. The surplus assets appropriated for the benefit of non-active members and beneficiaries, in proportion to the plan’s liabilities, determined on a funding basis, that relate to their benefits, may not exceed the surplus assets appropriated for the benefit of active members, in proportion to the plan’s liabilities, determined on a funding basis, that relate to their benefits.

In addition, such an appropriation may not result in any disparities between members or beneficiaries of the same group.

*Adopté
sa*

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Section 3

AMENDMENT:

Insert after paragraph 3:

(3.1) by inserting “and, in the case of a target benefit plan, the conditions on which and the person or persons by whom the plan may be terminated” at the end of subparagraph 15;

*ADOPTÉ
SAL*

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Section 31

AMENDMENT:

Withdraw.

*ADPTU
SA*

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Section 61

AMENDMENT:

Insert after section 61:

61.1. Section 149 of the Act is amended by adding the following paragraph at the end:

“In the case of a target benefit plan, the pension plan shall be administered by the person or body who establishes the plan.”

*ADPTE
SP*

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Section 86

AMENDMENT:

Replace the second paragraph of proposed section 318.10 by:

Section 146.44.2 applies to any amendment to the plan required for that purpose.

If, on *(insert the date of introduction of this bill)*, the plan includes provisions referred to in paragraph 1 of section 146.47 or provisions allowing the termination, on the cessation of active membership, of the periodic increase of the pension referred to in section 146.48, those provisions may be maintained.

*Adopté
SAL*

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Section 86

AMENDMENT:

In proposed section 318.12:

1. Replace "the actuarial valuation" in the first paragraph by "an actuarial valuation of the plan".
2. Replace "Any insufficiency" in the second paragraph by "An insufficiency".
3. Replace the fourth paragraph by:

In addition, no restoration of benefits or appropriation of surplus assets may be carried out following that actuarial valuation.

This section applies to any subsequent actuarial valuation of the plan until the text of the plan is brought into compliance with this Act.

*ACCEPTÉ
SR*

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Section 59.1

AMENDMENT:

Insert after section 59:

59.1. The Act is amended by inserting the following section after section 146.42:

“146.42.1. If the plan’s assets do not permit, according to the criteria prescribed by regulation, payment in full of the benefits of the members and beneficiaries affected by the withdrawal of the employer or the termination of the plan, a member or beneficiary whose pension is referred to in section 237 may opt to have his or her benefits transferred to a pension plan referred to in section 98.

The conditions and procedure relating to that option are prescribed by regulation.

*Accepté
SA*

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Section 93

AMENDMENT:

Replace by:

93. Section 19 of the Regulation is amended by replacing paragraph 1 by the following paragraph:

“(1) the estimated value of the pension reduced to take into account insufficient assets with a statement that that value may be transferred to a pension plan referred to in section 98 of the Act;”.

*Sept 12
JA*

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Section 81

AMENDMENT:

In paragraph 3:

1. Insert before proposed subparagraph 8.0.5:

“(8.0.4.1) for the purposes of section 146.42.1, determine the criteria according to which the plan’s assets do not permit payment in full of the benefits of the members and beneficiaries, and the conditions and procedure relating to the option provided for in that section;

2. Insert after proposed subparagraph 8.0.7:

“(8.0.7.1) prescribe, for the purposes of the provisions it specifies, in relation to target pension plans, the use of a degree other than the degree of solvency;”;

3. Insert “that is a party to a target benefit pension plan” after “employer” in proposed subparagraph 8.0.8.

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Section 94.1

AMENDMENT:

Insert before section 95:

94.1. Until the date of coming into force of a regulation made for the purposes of the third paragraph of section 61 and the second paragraph of section 81 of the Supplemental Pension Plans Act (chapter R-15.1), amended by sections 18 and 25, respectively, the assumptions to be used in the case of a target benefit plan are those described in section 67.4 of the Regulation respecting supplemental pension plans (chapter R-15.1, r. 6).

*Adopté
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Section 94.2

AMENDMENT:

Insert after section 94.1, introduced by amendment:

94.2. The first regulation made for the purposes of section 146.42.1 of the Supplemental Pension Plans Act (chapter R-15.1) may, if it so provides, apply as of any date not prior to (*insert the date of assent to this Act*).

*Adopte
SP*

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Section 73

AMENDMENT:

Withdraw.

*ACCEPTÉ
SA*

