

## Draft Regulation

Supplemental Pension Plans Act  
(chapter R-15.1)

### Measures related to supplemental pension plans to reduce the consequences of the public health emergency declared on 13 March 2020 due to the COVID-19 pandemic

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation respecting measures related to supplemental pension plans to reduce the consequences of the public health emergency declared on 13 March 2020 due to the COVID-19 pandemic, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation provides temporary measures that are mainly intended to reduce the effects of the economic slowdown on employers and administrators and of the stock market context on pension funds.

It provides conditions so that the temporary cessation of benefits accrued under a defined benefit plan or a defined contribution plan does not constitute termination of active membership.

Special measures are also provided for in respect of defined benefit pension plans. For that purpose, an actuarial valuation will not be required as at 31 December 2020 under a private-sector pension plan whose funding level as at 31 December 2019 is less than 90%. In addition, for the purpose of paying the benefits of members and beneficiaries as of 17 April 2020 to 31 December 2020 under any defined benefit plan, a degree of solvency established monthly based on the estimate of the financial position of the plan should be used. The last degree of solvency estimated in 2020 for payments made in 2021 should also be used.

Lastly, the draft Regulation extends by three months the time periods provided for in the Supplemental Pension Plans Act (chapter R-15.1) that expire after 12 March 2020, but before 1 January 2021, for an administrator to send certain prescribed documents to Retraite Québec and to send annual statements and invitations to members and beneficiaries to attend the annual meeting.

The measures provided for in the draft Regulation apply as of the date of its prior publication in the *Gazette officielle du Québec*, except those concerning the payment of benefits that apply as of 17 April 2020 and the extension of the periods that apply as of 13 March 2020.

The draft Regulation has no major financial impact on enterprises, including small and medium-sized businesses. The proposed modifications in respect of active membership are intended to accommodate enterprises that want to temporarily reduce their financial obligations under a pension plan. In addition, the elimination of the requirement of an actuarial valuation as at 31 December 2020 under a defined benefit plan with a funding level less than 90% makes it possible to avoid additional costs for enterprises. The extension of periods does not entail additional costs for enterprises that pay the administration costs of a pension plan. Despite the foregoing, using the most recent degree of solvency could, if they are borne by the employer, increase those costs and the amounts that employers are required to pay into the pension fund for payment of residual benefits.

Further information may be obtained by contacting Geneviève Couture, Retraite Québec, Place de la Cité, 2600, boulevard Laurier, 5<sup>e</sup> étage, Québec (Québec) G1V 4T3; telephone: 418 657-8714, extension 4268; fax: 418 643-7421; email: genevieve.couture@retraitequebec.gouv.qc.ca.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to Michel Després, President and Chief Executive Officer, Retraite Québec, Place de la Cité, 2600, boulevard Laurier, 5<sup>e</sup> étage, Québec (Québec) G1V 4T3. Those comments will be forwarded by Retraite Québec to the Minister of Finance, responsible for the administration of the Supplemental Pension Plans Act.

ERIC GIRARD,  
*Minister of Finance*

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### Regulation respecting measures related to supplemental pension plans to reduce the consequences of the public health emergency declared on 13 March 2020 due to the COVID-19 pandemic

Supplemental Pension Plans Act  
(chapter R-15.1, s. 2, 2<sup>nd</sup> and 3<sup>rd</sup> pars.)

#### DIVISION I DEFINED BENEFIT PENSION PLANS

**1.** This Division applies to a pension plan to which Chapter X or Chapter X.2 of the Supplemental Pension Plans Act (chapter R-15.1) applies and to a pension plan to which a regulation made under section 2 of the Act applies.

**2.** Despite section 36 of the Act, the temporary cessation of accrued benefits does not terminate active membership under the following conditions:

(1) it may only apply to the service that is subsequent to 14 July 2020;

(2) it must begin in 2020 and end, subject to tax requirements, not later than within 12 months after the date on which benefits cease to be accrued.

For the purposes of subparagraph 2 of the first paragraph, where a plan is subject to more than one period of temporary cessation of accrued benefits, the 12-month period applies as of the date on which the first period begins where benefits cease to be accrued.

**3.** Despite the first paragraph of section 120 of the Act and despite the last paragraph of section 119 of the Act as it read on 31 December 2009 under the first paragraph of section 64.1 of the Regulation respecting the exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act (chapter R-15.1, r. 7), where the purpose of an amendment is to terminate the required current service contributions, those contributions cease to be paid as of the date on which the amendment becomes effective.

**4.** Despite the second paragraph of section 118 of the Act, an actuarial valuation as at 31 December 2020 is not required for a pension plan whose funding level determined in the actuarial valuation as at 31 December 2019 is less than 90%.

The notice referred to in the first paragraph of section 119.1 on the financial position of the plan as at 31 December 2020 must be sent to Retraite Québec, not later than nine months after that date.

In addition, the pension plan must be subject to an actuarial valuation not later than on 31 December 2021.

**5.** For the purpose of paying benefits after 16 April 2020, but prior to 1 January 2021, the degree of solvency to be used pursuant to the third paragraph of section 143 or the first paragraph of section 146.20 of the Act is the one established by an actuary based on the the financial position of the plan estimated on the last working day of the month that precedes the date on which the value of benefits is established. Despite the foregoing, if the date on which the value is established is prior to 1 April 2020, the degree of solvency must be determined based on the financial position of the plan estimated at 31 March 2020.

For an estimate of the financial position of the plan, in particular the actual rate of return of the pension fund or, if the rate is unknown, the estimated rate of return of the

pension fund, changes in interest rates determined on a solvency basis and contributions paid under the plan since the last complete actuarial valuation of the plan must be taken into account.

In addition, for a payment made after 31 December 2020, the last degree of solvency estimated in 2020 must be used until a more recent degree is established:

(1) in a report on an actuarial valuation sent to Retraite Québec; or

(2) in the notice referred to in section 119.1 of the Act sent to Retraite Québec.

**6.** Section 5 applies for the purpose of establishing the value of a member's benefits in the assignment of a member's benefits or the seizure of such benefits for non-payment of support referred to in section 146.22 of the Act.

**7.** The periods provided for in the following provisions of the Act that expire after 12 March 2020 but before 1 January 2021, are extended by three months:

(1) the nine-month period provided for in section 112, to send to each member and beneficiary a summary of the provisions of the pension plan that were amended during the last fiscal year and a brief description of the rights and obligations arising therefrom and the annual statement;

(2) the nine-month period provided for in subparagraph 1 of the first paragraph of section 119, to send to Retraite Québec a report on an actuarial valuation covered by subparagraph 2, 4 or 5 of the first paragraph or the second paragraph of section 118;

(3) the four-month period provided for in subparagraph 1.1 of the first paragraph of section 119, to send to Retraite Québec a report on an actuarial valuation referred to in subparagraph 3 of the first paragraph of section 118;

(4) the time fixed by Retraite Québec, which must be at least 60 days, provided for in subparagraph 2 of the first paragraph of section 119, to send to Retraite Québec an actuarial valuation referred to in subparagraph 6 of the first paragraph of section 118, until such time;

(5) the nine-month period provided for in the second paragraph of section 119, to send to Retraite Québec an actuarial valuation that is not referred to in section 118;

(6) the nine-month period provided for in the first paragraph of section 119.1, to send to Retraite Québec a notice on the financial position of the plan;

(7) the six-month period provided for in section 146.16, to send to Retraite Québec a report on an actuarial valuation of a negotiated contribution plan;

(8) the 18-month period provided for in section 146.28, to send to Retraite Québec the recovery plan of a negotiated contribution plan;

(9) the 24-month period provided for in the first paragraph of section 146.37, to file with Retraite Québec an application for the registration of amendments covered by the recovery plan of a negotiated contribution plan;

(10) the six-month period provided for in section 161, to send to Retraite Québec an annual statement and cause to be prepared a financial report of the plan;

(11) the nine-month period provided for in the first paragraph of section 166, to call each member and beneficiary and the employer to attend an annual meeting;

(12) the 90-day period provided for in section 207.2, to send to Retraite Québec a termination report.

Every period prescribed by the Act as it read on 31 December 2009 under the first paragraph of section 64.1 of the Regulation respecting the exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act (chapter R-15.1, r. 7) and every period prescribed by a regulation made under section 2 of the Act, that expires after 12 March 2020 but before 1 January 2021, and that concerns one of the obligations described in the first paragraph, with the necessary modifications, is also extended by three months.

## DIVISION II DEFINED CONTRIBUTION PLAN

**8.** This Division applies to a defined contribution plan to which the Supplemental Pension Plans Act applies and a defined contribution plan to which a regulation made under section 2 of the Act applies.

This Division also applies to defined contribution provisions set out in a plan referred to in Division I.

**9.** Section 2 applies to the temporary cessation of benefits accrued under a plan referred to in section 8.

**10.** Contributions cease to be required as of the date on which the amendment becomes effective for that purpose or a notice intended to temporarily cease the accrual of benefits covered by a regulation made under section 2 of the Act becomes effective.

**11.** The periods provided for in the following provisions of the Act that expire after 12 March 2020 but before 1 January 2021, are extended by three months:

(1) the nine-month period provided for in section 112, to send to each member and beneficiary a summary of the provisions of the pension plan that were amended during the last fiscal year and a brief description of the rights and obligations arising therefrom and the annual statement;

(2) the six-month period provided for in section 161, to send to Retraite Québec an annual statement and cause to be prepared a financial report of the plan;

(3) the nine-month period provided for in the first paragraph of section 166, to call each member and beneficiary and the employer to attend an annual meeting;

(4) the 90-day period provided for in section 207.2, to send to Retraite Québec a termination report.

Every period prescribed by a regulation made under section 2 of the Act, that expires after 12 March 2020 but before 1 January 2021, and that concerns one of the obligations described in the first paragraph, with the necessary modifications, is also extended by three months.

**12.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*. Despite the foregoing, it has effect from 15 July 2020, except sections 5 and 6 that apply from 17 April 2020 and sections 7 and 11 that apply from 13 March 2020.

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## Draft Regulation

An Act respecting remunerated passenger transportation by automobile  
(chapter T-11.2)

Highway Safety Code  
(chapter C-24.2)

Financial Administration Act  
(chapter A-6.001)

## Remunerated passenger transportation by automobile

Notice is hereby given, in accordance with section 10 of the Regulations Act (chapter R-18.1) and section 303 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2), that the Regulation respecting remunerated passenger transportation by automobile, appearing below, may be made by the Government on the expiry of 20 days following this publication.