



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-SEVENTH LEGISLATURE

Bill 194

An Act to amend the Supplemental Pension Plans Act

Introduction

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

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EXPLANATORY NOTES

The purpose of this bill is to amend the Supplemental Pension Plans Act in order to establish a Pension Benefits Guarantee Fund.

The bill provides that the Fund is to be dedicated to the payment of a portion of the benefits of a defined benefit pension plan for which a termination report is prepared because of the bankruptcy of the employer and the insolvency of the pension plan.

The bill also provides that the members and beneficiaries of the pension plan would in that case be entitled to receive a guaranteed percentage of the value of the benefits determined on the last actuarial valuation rather than the value of the benefits determined on the termination of the plan.

Lastly, the bill specifies what sums make up the Fund, defines the powers of the Régie des rentes du Québec to make regulations establishing the contribution that is payable by members of a plan and employers, and sets out the administrative rules governing the Fund.

Bill 194

AN ACT TO AMEND THE SUPPLEMENTAL PENSION PLANS ACT

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Supplemental Pension Plans Act (R.S.Q., chapter R-15.1) is amended by inserting the following after section 243.19:

“CHAPTER XIV.2

“PENSION BENEFITS GUARANTEE FUND

“**243.20.** The Pension Benefits Guarantee Fund is established.

“**243.21.** The Fund is dedicated to the payment of a portion of the benefits of a defined benefit pension plan for which a termination report has been prepared under section 207.2 because of the bankruptcy of the employer and the insolvency of the plan.

“**243.22.** The Fund is made up of

- (1) the contributions paid by the members of defined benefit pension plans;
- (2) the contributions paid by employers party to defined benefit pension plans; and
- (3) the income from the investment of the sums mentioned in paragraphs 1 and 2.

“**243.23.** The Régie shall determine, by regulation,

- (1) the contribution payable by a member of a defined benefit pension plan;
- (2) the contribution payable by an employer party to a defined benefit pension plan; and
- (3) the conditions for collecting the contributions.

Regulations under this section are submitted to the Government for approval.

“243.24. The Régie is responsible for the administration of the Fund, including the investment of the sums making up the Fund.

The Régie shall ensure that commitments and the payments arising from them do not exceed and are consistent with the available balances.

The Régie may reimburse itself out of the sums making up the Fund for the reasonable expenses it has incurred in the administration of the Fund.

“243.25. The sums required to ensure that, as of the date of termination of a pension plan referred to in section 243.21, the members and beneficiaries of the plan receive one of the following amounts are taken out of the Fund:

(1) the value of the benefits determined on the date of termination of the plan if \$1,000 per month or over, plus 70% of the difference between that value and the value of the benefits determined on the last actuarial valuation made under section 118;

(2) a minimum of \$1,000 per month, plus 70% of the difference between that amount and the value of the benefits determined on the last actuarial valuation made under section 118, if that value is \$1,000 per month or over and the value of the benefits determined on the date of termination of the plan is under \$1,000 per month; or

(3) 100% of the value of the benefits determined on the last actuarial valuation made under section 118 if that value is under \$1,000 per month.

“243.26. The following are not guaranteed by the Fund:

(1) the payment of a pension benefit under a defined benefit pension plan established or maintained for less than three years at the date of termination of the plan; and

(2) any increase in a pension benefit that became effective within three years before the date of termination of the plan.”

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