

Régie des rentes du Québec

Supplemental Pension Plans

Guide to Pension Plan

Termination



Québec 

Notice

This document is the first part of the *Guide to Pension Plan Termination*.
The following topics are covered:

- the decision to terminate a pension plan;
- the steps to follow in order to pay the members' and beneficiaries' benefits.

A third topic, the allocation of surplus assets, will be covered in the second part of the Guide, which will be published later.

Important

This guide covers the termination of a traditional plan. It in no way applies to the termination of a simplified pension plan.

This publication is for information only and does not have force of law. In cases of conflicting interpretation, the *Supplemental Pension Plans Act* and its regulations prevail over the contents of this publication.

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1. Introduction

Each year, several pension plans are terminated for various reasons. For example, a company closes or the employer simply decides to eliminate a pension plan. The pension fund is not immediately liquidated when the decision is made to terminate a plan. The *Supplemental Pension Plans Act* sets the steps that must be followed to liquidate a pension fund.

On 1 January 2001, amendments were made to the *Act*, and the procedure for terminating pension plans was changed. The new procedure mainly applies to plans whose termination date is on or after 1 January 2001.

Important

In certain special circumstances, it is possible that the new termination procedure will apply to a pension plan whose termination date is prior to 1 January 2001. In such cases, the Régie des rentes du Québec will inform the plan administrator.

The Régie's involvement in the termination procedure is quite limited. Nevertheless, plan terminations are carried out in a context of plan administration openness, while ensuring the protection of members' and beneficiaries' rights. For example, a pension committee can transmit the various documents required within the allotted time and pay the members' and beneficiaries' benefits without having to wait for an authorization from the Régie.

However, the Régie still has broad powers to ensure that the rights of all parties, including members and beneficiaries, are respected. The Régie can suspend termination procedures to carry out specific verifications or can require that corrections be made.

This guide describes the measures that pension committees and employers must take to carry out liquidation of a pension fund.

- Section 2 answers the following questions:
 - Who can terminate a pension plan and to whom must the notice of termination be sent?
 - What are the rules for setting a plan's termination date?
- Sections 3 and 4 describe the steps to take and the documents to transmit before paying members' and beneficiaries' benefits.
- *Section 5 will cover the allocation of any surplus assets that a plan may have (text to come).*

2. The decision to terminate a pension plan

Who can terminate a pension plan?

Under the *Act*, the employer and sometimes the Régie have the power to terminate a pension plan. This power is subject to specific rules.

2.1 The employer decides to terminate a pension plan

The employer's right to terminate a pension plan

As a general rule, the employer can decide on its own to terminate a pension plan. There are 2 exceptions to this rule.

- The employer cannot terminate a pension plan if an agreement provides otherwise. For example, a collective agreement may provide for the continuation of a pension plan at least for the duration of the agreement.
- If a pension plan is required under an order or decree, the employer cannot terminate the plan unless the plan's provisions so provide.

If a plan has more than one employer, the decision to terminate the plan must be a joint decision of all the employers party to the plan.

Important

If a plan has more than one employer and one of them withdraws from the plan, the plan is not terminated. There is simply the withdrawal of that employer. An application for registration of an amendment must be made to the Régie to confirm the withdrawal. The application must include all the documents required for that type of amendment.

A written notice to the members and beneficiaries

The employer must send a written notice of termination to:

- all the affected members and beneficiaries. The notice must be sent to them even if the plan was established under a collective agreement or the plan's termination was negotiated with the union¹;
- the union;
- the pension committee;
- the insurer, if the plan is an insured plan.

The written notice of termination must at least contain the following information:

- the plan's identification (its name, registration number at the Régie, etc.);
- the plan's termination date;

¹ Union: Any accredited association that represents the plan's members.

- the affected members and beneficiaries. The notice must give the rule for determining the affected members and beneficiaries but not a list of their names.

The plan's termination date

The employer chooses the plan's termination date. He must, however, follow the rules provided for in the *Act*. There is a general rule and two particular rules.

Under the general rule, the following two conditions must be met:

- the termination date cannot be prior to the date on which collection of member contributions ceased, AND
- the written notice of termination must be sent to the active members no later than 30 days after the termination date.

Example

Suppose the employer stops collecting member contributions on 31 March and wishes to terminate the plan on that date. He must send the written notice to the active members no later than 30 April. The non-active members and the beneficiaries can be notified later without affecting the termination date.

One of the particular rules allows an employer to terminate a plan on a date prior to the date allowed under the general rule. To do so, the employer must obtain the written consent of ALL the members who were active members on the termination date.

Example

The employer stops collecting member contributions on 31 March but does not send the written notice until 30 May. Under the general rule, the termination date could not be prior to 30 April (30 May less 30 days). The termination can be 31 March if the employer obtains the written consent of all the active members. If not, the contributions required between 31 March and the termination date will have to be paid.

The *Act* provides another particular rule. The plan must be terminated before it no longer has any members or beneficiaries. The termination date cannot be after the day preceding the day on which the benefits of the last member or beneficiary were paid. This condition applies mainly to small plans. It is intended to ensure that there is at least one person who is deemed to be a member or beneficiary on the termination date proposed by the employer. Moreover, this rule must be applied regardless of the date on which that member or beneficiary was notified of the plan's termination.

Example

The only member of the plan dies on 31 March. The death benefit is paid to the surviving spouse on 30 April. The termination date must be no later than 29 April, regardless of the date on which the spouse received the written notice of termination.

The members and beneficiaries affected by the plan's termination

All the members and beneficiaries who have benefits in the pension fund on the plan's termination date are affected by the termination.

Moreover, some members must be added to the list if the plan's termination was the result of one of the following events: division, merger, disposal or closure of the company (in whole or in part). In any of those cases, the termination also affects any members whose active membership ceased between the date on which the event was announced and the termination date. This rule applies even if the benefits of those members were transferred out of the pension fund before the termination date.

Example

On 31 January, the employer announces that the plant will close on 30 June. In fact, the plant does close on 30 June and the pension plan is terminated on that date. All the members whose active membership in the plan ceased on or after 31 January will automatically be affected by the plan's termination.

It must be remembered that the written notice must be sent to all the affected members and beneficiaries and that it must indicate the rule used to identify them.

References to the Act

- *Supplemental Pension Plans Act*, sections 204, 207 and 211

2.2 The Régie decides to terminate a pension plan

The Régie can terminate a pension plan under the following circumstances:

- where the plan no longer has any active members.
- where the employer fails to collect member contributions or to pay member and employer contributions into the pension fund, or
- where the pension committee, its delegatee or any other party to the plan fails to comply with an order issued by the Régie.

Before terminating a plan for one of those reasons, the Régie sends a notice of intention to the pension committee, which is given at least 10 days to present its views. Unless the pension committee presents new elements, the Régie terminates the pension plan. It renders a decision confirming the termination date and identifies the affected members and beneficiaries.

The pension committee must, without delay, send a copy of that decision to:

- each of the affected members and beneficiaries;
- the union;
- the employer;
- the insurer, if the plan is an insured plan.

References to the Act

- *Supplemental Pension Plans Act*, sections 205, 206, 207 and 211

2.3 Deadlines for subsequent steps in the pension plan termination process

The pension committee must be notified when a pension plan is terminated. Thus:

- an employer who decides to terminate a plan must send a written notice to the pension committee;
- where the Régie decides to terminate a plan, it must send its decision to the pension committee.

The date on which the pension committee is notified is crucial. The deadlines for carrying out the subsequent steps in the termination procedure are based on the notification date.

1. Within **15 days** following the notification date, the pension committee must send a “declaration of termination”.
2. Within **90 days** following the notification date, the pension committee must:
 - have a termination report prepared;
 - send statements of benefits to the members and beneficiaries of the pension plan;
 - have a notice published in a daily newspaper.
3. Within **150 days** following the notification date, the employer must handle the question of the allocation of surplus assets (if the plan has any).

References to the Act

- *Supplemental Pension Plans Act*, sections 207.1 to 207.4 and 230.1

3. The declaration of termination

The purpose of the declaration of termination

As administrator of the pension plan, the pension committee must issue a “declaration of termination”. The purpose of the declaration is twofold.

- A confirmation that the legal requirements surrounding the decision to terminate the plan have been met.

For example, if an employer has decided to terminate a pension plan, the pension committee must confirm, among other matters, that a notice of termination was sent to all the affected members and beneficiaries and that the termination date meets the requirements of the *Act*.

- A confirmation of the date on which the pension committee received a copy of the notice of termination from the employer or a copy of the Régie’s decision, as the case may be.

As mentioned before, that date is the date from which the deadlines for the subsequent steps in the termination procedure are determined.

The contents of the declaration of termination are prescribed in the *Regulation respecting supplemental pension plans*. They are adapted depending on whether the termination was decided by the employer or by the Régie. The contents of the declaration are listed in Appendix 1, at the end of this document.

Sending the declaration of termination

The pension committee must send a copy of the declaration of termination to:

- the Régie;
- the employer, and
- the union.

Where the decision was made by the employer, the employer’s written notice of termination must be enclosed with the committee’s declaration.

The declaration must be sent within 15 days following the date on which the pension committee received the notice of termination from the employer or the decision from the Régie.

References to the Act and regulations

- *Supplemental Pension Plans Act*, section 207.1
- *Regulation respecting supplemental pension plans*, section 63 and schedules II and III.

4. Payment of the members' and beneficiaries' benefits

Upon notification of the termination of a pension plan, the pension committee must take the measures required to allow the payment of benefits to the members and beneficiaries.

The pension committee must take the following measures within 90 days:

1. have a termination report prepared;
2. send statements of benefits to the members and beneficiaries;
3. have a notice published in a daily newspaper.

The 90-day period begins when the pension committee receives notice of the plan's termination. It must be remembered that such notice is given only when the committee receives the employer's written notice of termination or the Régie's decision.

Upon expiry of the 90-day period, the pension committee must send the termination report to the Régie. It is only thereafter that the members' and beneficiaries' benefits can be paid.

Important

The time allotted is 90 days, not 3 months. Thus, the expiry date of the period is the starting date plus 90 calendar days; it is not correct to simply change the month. For example, if the pension committee received the employer's notice on 30 April, the expiry date is 29 July (*30 April plus 90 days*), not 30 July (*30 April plus 3 months*).

In the following pages, we will refer to a "90-day period".

4.1 The termination report

The main purpose of a termination report is to determine the pension benefits of the plan's members and beneficiaries, that is, to establish the amounts to which they are entitled and the manner in which the benefits can be paid.

Who can prepare a termination report?

Generally, a termination report must be prepared by an actuary².

However, a pension committee can prepare the termination report on a defined contribution plan. It can also delegate that task to a third party, for example, an accountant, an actuary or the trust company or insurance company that is the depository of the pension fund's assets.

² An actuary, within the meaning of the *Act*, is any person who is a Fellow of the Canadian Institute of Actuaries or any person with a status recognized by the Institute as equivalent.

A defined contribution pension plan is a plan in which the entirety of the members' and beneficiaries' benefits are constituted of sums credited to their accounts. The following types of plan are, therefore, excluded from that definition:

- a plan under which pensions are being paid directly from the pension fund or whose pensions purchased from an insurer were not purchased as the result of a member's exercise of his or her transfer right;
- a plan that also has a defined benefit component, and
- an insured plan.

The contents of a termination report

Several sections of the *Act* (sections 207.2, 209, 210, 211 to 220, 223 to 230 and 236 to 240) and the *Regulation* (section 64) cover termination reports from various aspects:

- the information that a termination report must contain;
- the valuation of a pension plan's assets and liabilities;
- the amount of assets and liabilities related to each employer party to the plan;
- the calculation of the debt that must be paid by the employer in the event that the pension fund's assets are insufficient;
- the payment methods for the members' and beneficiaries' benefits.

This document does not describe in detail the contents of a termination report. You can refer to the Régie's annotated edition of the *Act* for information on each of the sections mentioned above. Please note that the annotated version of the *Act* is published in French only, under the title *Loi sur les régimes complémentaires de retraite, annotations et commentaires*³.

However, the following elements are important:

- Life pension annuities for retired members and beneficiaries must be purchased from an insurer.

Important

This applies only to pensions already being paid on the plan's termination date. A member who had applied for payment of his or her pension but who, on the plan's termination date, had not yet received the first payment is not subject to the rule.

³ When this guide was published, the amendments made to the *Act* and regulations that have been in effect since 1 January 2001 had not yet been incorporated into the *Loi sur les régimes complémentaires de retraite, annotations et commentaires*. Those amendments will be covered in a future update.

- The benefits of the other members and beneficiaries must be paid by transferring the value of those benefits to an authorized retirement savings instrument.

Example

A member has accrued a pension of 1 000 \$ a month. By using the appropriate actuarial assumptions, it is determined that the value of the pension is 50 000 \$. The termination report cannot offer a choice between a 50 000 \$ transfer OR the purchase of a 1 000 \$-a-month pension from an insurer.

- The termination of the plan does not remove the employer's obligation to fund the plan. If the plan's assets are insufficient to pay the benefits of all the members and beneficiaries, the termination report will show a "debt" owing. The employer will have to pay that debt to the pension fund.
- If the plan has surplus assets, the termination report must determine only the amount of that surplus (and nothing more). Where a plan has more than one employer, however, the termination report must also determine the portion of the surplus related to each employer. Later, the employer or employers will have to make a proposal to the members and beneficiaries as to the allocation and distribution of the surplus.

Sending the termination report to the employer and the union

Once the termination report is ready, a copy of it must be sent to the employer and the union (if any).

The pension committee must also send the employer a notice containing the following information:

- any sums that the employer must pay to the pension fund:
 - required employer contributions that have not been paid to the pension fund;
 - member contributions collected by the employer but not paid to the pension fund, and
 - any employer "debt" shown in the termination report;
- the deadline for the employer to make a proposal on the allocation and distribution of any surplus assets. The date must be the 150th day following the date on which the pension committee received the employer's notice of termination or the Régie's decision to terminate the plan.

Important

The time allotted is 150 days, not 5 months. Thus, the employer's deadline is the starting date plus 150 calendar days; it is not correct to simply change the month. For example, if the pension committee received the employer's notice on 30 April, the deadline is 27 September (30 April plus 150 days), not 30 September (30 April plus 5 months).

The pension committee must also notify the employer and the union that they can present their views in writing. The notice must give the deadline for doing so. The employer and the union can, for example, request corrections if they have found any errors or omissions in the termination report.

The time allotted to them must meet the following conditions:

- the employer and the union have until the day preceding the expiry of the 90-day period to present their views;
- the time allotted must, however, be at least 10 days.

Example

The 90-day period for sending a termination report to the Régie expires on 30 June. The employer and the union have until 29 June to present their views. The termination report must therefore be sent to them no later than 19 June.

References to the Act and regulations

- *Supplemental Pension Plans Act*, section 207.2 as well as sections 209, 210, 211 to 220, 223 to 230 and 236 to 240
- *Regulation respecting supplemental pension plans*, section 64

4.2 Statements of benefits for members and beneficiaries

The pension committee must send a statement of benefits to all the members and beneficiaries affected by a plan's termination. The purpose of the statement is to inform them of the benefits they have accrued under the plan, the payment methods for those benefits and the general financial situation of the plan.

Contents of the statement of benefits

The purpose of this guide is not to describe the contents of the statement of benefits. You will find that information in section 207.3 of the *Act* and section 65 of the *Regulation*.

However, the following elements are important.

- A copy of the "Declaration of Termination" must be enclosed with the statement of benefits.
- The statement of benefits issued upon plan termination is akin to the one issued when a member's active membership ceases. However, some adjustments are required because of the plan's termination. Among them, it should be noted that information on the plan's general financial situation must be added.
- The statement must indicate that a member or beneficiary can consult, without charge, the termination report as well as the data used to determine his or her benefits. That consultation must take place either at the pension committee's office or at a place of business of the employer that is designated by the pension committee, depending on which place is nearest the member's or beneficiary's residence.

- The statement must indicate the payment methods for the member's and beneficiary's benefits, which include:
 - available retirement savings instruments (e.g., locked-in retirement accounts, life income funds, another pension plan, etc.);
 - the conditions for exercising his or her options, that is, the deadlines and the information that must be provided to the pension committee (e.g., the forms prescribed by the Canada Customs and Revenue Agency).

That information must be given for the payment of the members' and beneficiaries' benefits and for the share of any surplus assets that may eventually be allocated to them (if the plan is likely to have surplus assets upon liquidation). The information on surplus assets must be provided even if the employer's proposal on the allocation and distribution of surplus assets has not yet been sent. The members and beneficiaries must still give their instructions as to the payment method for any eventual share of surplus assets that may be allocated to them.

- A member or beneficiary can present his or her views in writing to the pension committee. He or she can, for example, request a correction of benefits if he or she has detected any errors or omissions. The statement of benefits must indicate the deadline for presenting views.

The period allotted to members and beneficiaries and the sending date for statements of benefits

The pension committee must give the members and beneficiaries time to present their views and to indicate their choice of payment options. The sending date for the statements of benefits must take the time allotted into account. The time allotted is subject to the following conditions:

- the members and beneficiaries have until the day preceding the expiry of the 90-day period to indicate their choice of payment options and to present their views;
- the time allotted must, however, be at least 10 days.

Example

The 90-day period for sending the termination report to the Régie expires on 30 June. The members and beneficiaries have until 29 June to indicate their choice of a retirement savings instrument and to present their views. Therefore, the statements of benefits must be sent no later than 19 June.

References to the Act and regulations

- *Supplemental Pension Plans Act*, section 207.3
- *Regulation respecting supplemental pension plans*, section 65

4.3 Publication of a notice

The pension committee must have a notice published when a pension plan is terminated. The purpose of the notice is to invite people who did not receive a statement of benefits but who believe that they have rights under the pension plan or the *Supplemental Pension Plans Act* to come forward and claim them.

Publication of the notice in a daily newspaper

A notice must be published in a daily newspaper circulated in the region in Québec where the greatest number of active members were living on the plan's termination date. It must be noted that the notice cannot be published in a weekly newspaper, even in a region where the only local newspaper is a weekly publication.

Where a pension plan has more than one employer, there are some specific requirements:

- A separate notice must be published for each employer party to the plan.
- The notice must be published in a daily newspaper circulated in the region in Québec where the greatest number of the members working for each employer were living on the plan's termination date.
- A notice must be published even for an employer who no longer has any active members. In that case, the notice must be published in a daily newspaper circulated in the region that will allow the notice to reach the greatest number of non-active members and beneficiaries associated with that employer.
- The pension committee can have a joint notice covering several employers published in a single newspaper.

Contents of the public notice

The *Act* provides for the minimum contents of the public notice. To fulfill its purpose, the public notice must also contain a certain number of additional items. It must therefore include all of the following items:

- the plan's name;
- the event requiring the notice to be published, that is, the plan's termination;
- if the plan has more than one employer, the names of the employers covered by the notice;
- an invitation to any person who did not receive a statement of benefits but who believes that he or she has rights under the plan or the *Act* to assert his or her rights with the pension committee (this element is a legal requirement);
- the deadline for asserting rights (this element is a legal requirement);
- the pension committee's address.

Example

Company “A” and Company “B” totally terminate their multi-employer pension plan. The pension committee must therefore have a notice published for each employer. The committee decides to publish a joint notice since the greatest number of active members working for each employer live in the same region.

NOTICE CONCERNING THE TERMINATION OF THE PENSION PLAN OF
COMPANY « A » AND ITS SUBSIDIARIES

The pension plan named above covers employees of Company “A” and Company “B”.

Since the Pension Plan of Company “A” and its subsidiaries is being terminated, notice is hereby given to any person who has not received a statement of benefits and who believes he or she has rights under the plan or under the *Supplemental Pension Plans Act* that such person has until 29 June 2002 to assert rights with the pension committee, at the following address:

Pension Plan of Company “A”
and its subsidiaries
40, rue Principale
Québec (Québec) G0Z 0Z0

For the pension committee,
André Paradis

The notice's publication date and the deadline for those affected by the notice

As mentioned above, the purpose of the public notice is to reach people who believe they have rights but who did not receive a statement of benefits. Thus, the notice should be published only after the statements of benefits are sent, not before.

The pension committee must give those affected by the public notice time to assert their rights. The publication date of the notice must make it possible to respect the time allotted to them. The time allotted is the following:

- the people affected by the notice have until the day preceding the expiry of the 90-day period to assert their rights;
- the time allotted must however be at least 10 days.

Example

The 90-day period for sending the termination report to the Régie expires on 30 June. The people affected by the public notice have until 29 June to assert their rights. Therefore, the notice must be published no later than 19 June.

Exemption from having a notice published

The pension committee can be exempted from the requirement to have a notice published in some circumstances. A public notice is not required if all the members and beneficiaries who can assert rights under the plan or the *Act* have been personally notified. The pension committee must be able to affirm that all those people have in fact **received** the written notice; proof that the notice was sent is not sufficient.

The exemption is automatic if the conditions are met. The pension committee does not have to obtain authorization from the Régie.

Reference to the Act

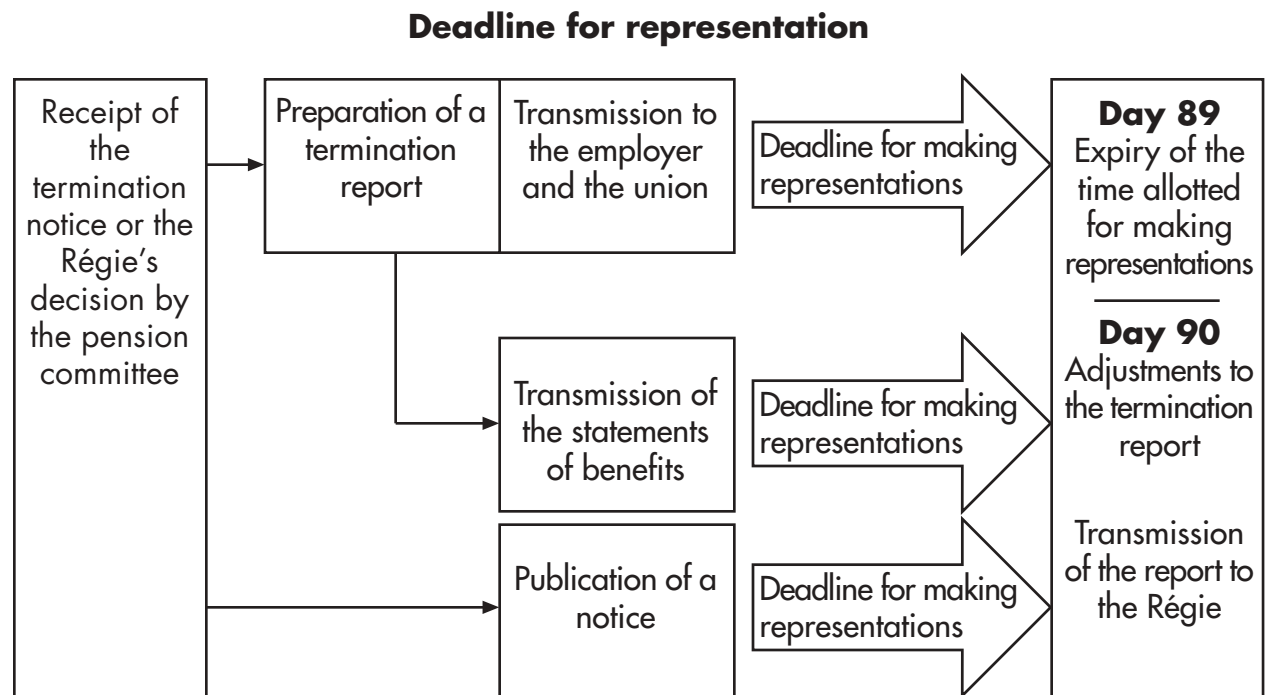
- *Supplemental Pension Plans Act*, section 207.4

4.4 Deadline for the various parties to present their views

In the preceding pages, we mentioned that time had to be given to the various parties to present their views or to assert their rights, that is:

- to the employer and the union when a copy of the termination report is sent to them;
- to the members and beneficiaries when the statements of benefits are sent and when the notice is published.

In all cases, the time allotted ends on the day preceding the expiry of the 90-day period. Thus, all of the preceding measures must be taken within that 90-day period.



4.5 Sending the termination report to the Régie

The pension committee must send the termination report to the Régie upon expiry of the 90-day period. In fact, the committee must wait for the expiry of the times given to the employer, the union and the plan members and beneficiaries to express their views or assert their rights. The report sent to the Régie must therefore be the “final” report that takes into account the views or claims of the various parties.

The pension committee must enclose the following with the termination report:

- a copy of the notice to the employer (the notice indicating any employer debt and the deadline for making a proposal on the allocation of any surplus assets);
- payment of the required fees.

We suggest that the following information also be included:

- the date on which the termination report was sent to the employer and the union;
- the date on which the statements of benefits were sent to the members and beneficiaries;
- the name of the daily newspaper in which the notice was published and the date of publication (or an indication that the pension committee was exempt from the requirement to publish a notice).

Payment of required fees

The termination report must be accompanied with payment of the required fees. The fees are calculated in the following manner, up to a maximum of 100 000 \$:

- a fixed amount of either 250 \$ or 500 \$, depending on the type of plan:
 - 500 \$ for a plan that was required to submit periodic actuarial valuation reports;
 - 250 \$ for any other plan (mainly plans that are entirely defined contribution plans);
- plus the pre-determined amount for each active member, non-active member and beneficiary on the date of the plan's termination:
 - 14,00 \$ if the termination date is prior to 31 December 2002;
 - 14,30 \$ if the termination date is between 31 December 2002 and 30 December 2003.

Note: If the termination date is after 30 December 2003, you can consult the Régie's Internet site for the [prevailing amount](#).

Additional fees equal to 10% of the required fees are charged for each complete month of delay:

- if the termination report is not sent to the Régie upon expiry of the 90-day period, or
- if the required fees are not paid to the Régie.

Calculation grill					
Basic amount (250 \$ or 500 \$)					<input type="text"/>
Number of active members, non-active members and beneficiaries		<input type="text"/>		+	
Current rate	x	<input type="text"/>			
	=	<input type="text"/>	→		<input type="text"/>
Total				=	<input type="text"/>

References to the Act and regulations

- *Supplemental Pension Plans Act*, section 207.2
- *Regulation respecting supplemental pension plans*, sections 13.0.3 and 14

4.6 Payment of the members' and beneficiaries' benefits

The pension committee must pay the members' and beneficiaries' benefits between the 30th and 60th day following the date on which the Régie receives the termination report. The Régie will send the pension committee an acknowledgement of receipt. The acknowledgement will give the date as of which the committee can pay the members' and beneficiaries' benefits.

The 30-day period preceding the date on which payment of the members' and beneficiaries' benefits can begin is to allow the Régie to study the termination report. In certain cases, the Régie can order the pension committee to delay payment of the members' and beneficiaries' benefits. That could happen if the Régie identifies elements that need to be clarified. The Régie will inform the pension committee of the new payment period.

Important

The foregoing measures permit payment only of the members' and beneficiaries' basic benefits. If there are surplus assets, they must remain in the pension fund until a supplement to the termination report is sent to the Régie. *The following section of this guide covers the distribution of surplus assets. (text to come)*

The table in Appendix 2 shows the main steps and time periods for the payment of members' and beneficiaries' benefits.

Reference to the Act

- *Supplemental Pension Plans Act*, section 210

5. Allocation of surplus assets

Text to come

The table in Appendix 3 shows the main steps and the deadlines for payment of a pension plan's surplus assets.

Appendixes



Appendix 1: Termination declarations

DECLARATION OF TERMINATION OF A PENSION PLAN

(FOLLOWING NOTICE GIVEN BY THE EMPLOYER WHO IS PARTY TO THE PLAN)

Name of the plan: _____

Number: _____

I, _____, being duly authorized to act as the administrator or mandatary of the administrator of the plan mentioned above, declare that the plan is being terminated and that the date of its termination is _____.

I certify that:

- (1) the termination follows a decision of the employer who is party to the plan (or, in the case of a multi-employer plan, the unanimous decision of the employers who are parties to the plan);
- (2) to the best of my knowledge, no agreement prevents the employer or the employers from terminating the plan;
- (3) the employer or the employers communicated their decision to terminate the plan by giving written notice, a copy of which is attached hereto, that, to the best of my knowledge, was transmitted to all the affected members and beneficiaries (that is, all the plan's members and beneficiaries whose benefits were not paid in full before the termination date and, if the termination resulted from a division, merger, disposal or closure of the enterprise or a part of the enterprise, all the members whose active membership ceased during the period between the date on which the members were informed of the event in question and the date of termination), the accredited association representing the members, the pension committee and the insurer, if any;
- (4) the notice mentioned in paragraph 3 indicates the plan's date of termination as well as the members and beneficiaries affected;
- (5) the date of termination mentioned above is not subsequent to the day preceding the day on which the benefits of the plan's last member or beneficiary were paid in full;

(6) to the best of my knowledge, the date of termination (*check, as appropriate, one of the following boxes*):

is not prior to the date of the cessation of collection of member contributions nor the date preceding by 30 days the transmittal of the notice of termination to the active members;

is prior to the date of the cessation of collection of member contributions or the date preceding by 30 days the transmittal of the notice of termination to the active members, but each of the members whose active membership ended on the occasion of the termination or thereafter has consented in writing to the termination of the plan at the date mentioned above and the pension committee is able to produce those consents at the request of the Régie;

(7) the pension committee received the written notice of termination from the employer (or employers) on _____

(signature)

(date)

Enclosure: notice of termination

DECLARATION OF TERMINATION OF A PENSION PLAN
(FOLLOWING A DECISION OF THE RÉGIE DES RENTES DU QUÉBEC)

Name of the plan: _____

Number: _____

I, _____, being duly authorized to act as the administrator or as the mandatary of the administrator of the plan mentioned above, declare that I was notified of the decision of the Régie des rentes du Québec (the Régie) to terminate the plan at

_____.

I certify that:

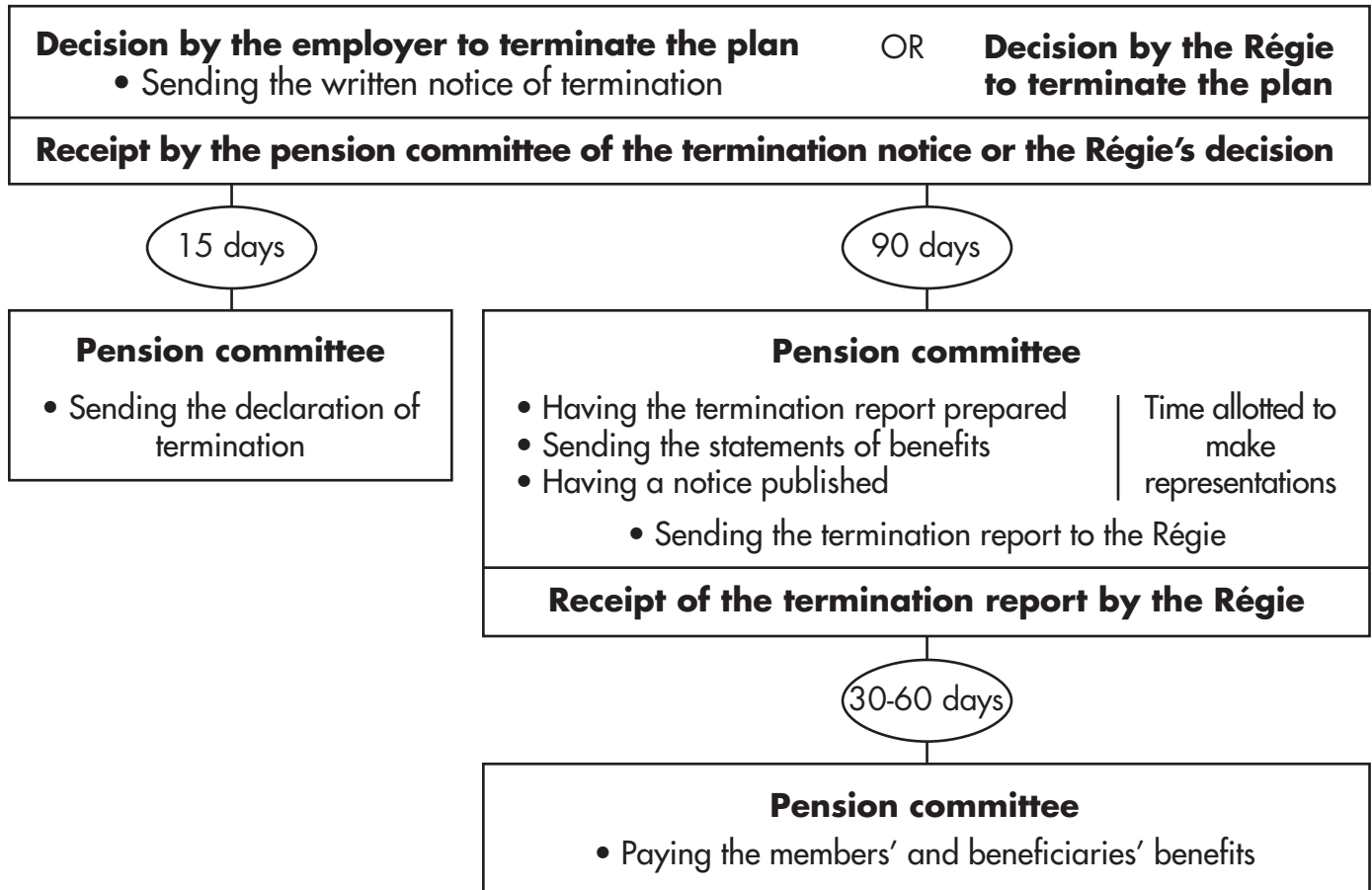
(1) the pension committee that administers the plan received a copy of the Régie's decision on _____;

(2) the pension committee transmitted a copy of the decision of the Régie to all the members and beneficiaries affected by the decision, the accredited association representing the members, the employer and the insurer, if any.

(signature)

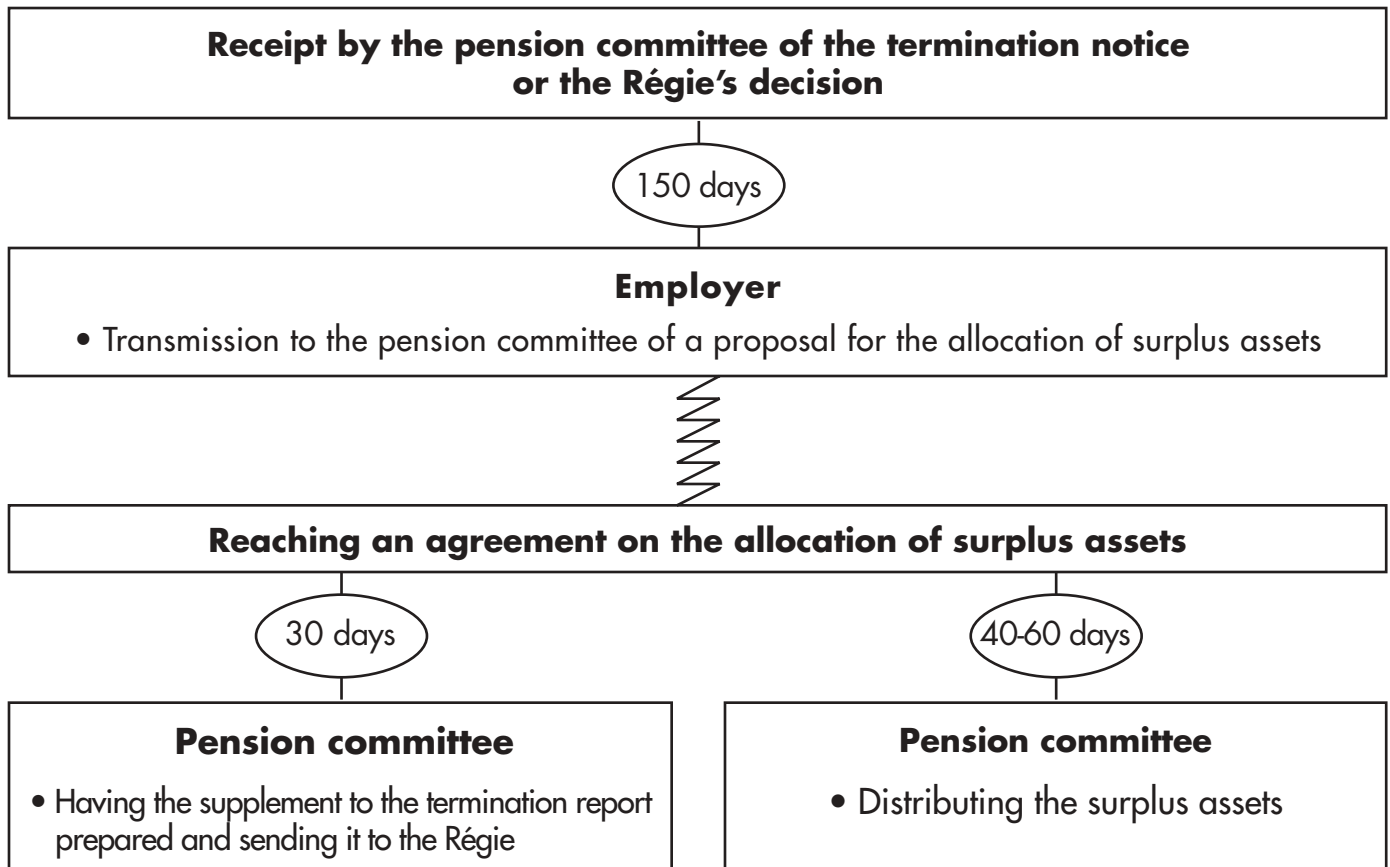
(date)

Appendix 2: Payment of the members' and beneficiaries' benefits



Important: This table is a brief, non-exhaustive summary of the procedure for paying benefits to the members and beneficiaries.

Appendix 3: Payment of surplus assets



Important: This table is a brief, non-exhaustive summary of the procedure for paying the surplus assets.

How to reach us

For more information on the *Supplemental Pension Plans Act* and its applications, you can contact us:

By Internet

www.rrq.gouv.qc.ca

By telephone or fax

Telephone: (418) 643-8282

Fax: (418) 643-7421

By mail

Information Officer

Direction des régimes de retraite

Régie des rentes du Québec

Case postale 5200

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