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THE PPCJB

The Pension Plan of Certain Judges
Appointed before 1 January 2001
(Part VI of the *Courts of Justice Act*)

July 2009



The Commission administrative des régimes de retraite et d'assurances (CARRA) administers over 20 public and parapublic pension plans with a total of about 544 000 active members and some 273 000 beneficiaries. It also administers the basic life insurance plan.

This document discusses the main provisions of the Pension Plan of Certain Judges Appointed before 1 January 2001 (PPCJBJ) contained in Part VI of the *Courts of Justice Act* (R.S.Q., c. T-16), to which the amendments adopted in May 2009 have been integrated.

It applies to the judges appointed before January 1, 2000 who did not choose to participate in the Pension Plan of the Judges of the Court of Québec and of Certain Municipal Courts whose provisions are contained in Part V.1 of the *Courts of justice Act*. Judges appointed in 2000 are deemed to have opted for this plan.

Since the adoption of Bill 403 (chapter 79, statutes of 1991) in December 1991, the Pension plan of Certain Judges Appointed Before 1 January 2001, then known as Pension Plan of the Judges of the Court of Québec, has been composed of a pension plan registered for income tax purposes and an excess benefit plan adopted by regulation (Order in Council 326-93), which guarantees that the provisions of the Pension Plan of the Judges of the Court of Québec that were in force prior to January 1, 1992 will be upheld. The provisions of your registered pension plan and those of your excess benefit plan have been consolidated to make this text easier to understand.

We invite you to keep this reference document. We hope that the information given will be useful and will enable you to better plan your retirement.

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MEMBERSHIP IN THE PLAN

To whom does the PPCJBJ apply?

This pension plan applies to:

- ◆ The judges of the Court of Québec appointed between May 29, 1978 and January 1, 2000 who did not opt for the pension plan provided for in Part V.1 of the *Courts of Justice Act*;
- ◆ The judges of the Court of Québec appointed before May 30, 1978 who opted for this plan and did not subsequently elect to participate in the pension plan provided for in Part V.1 of the *Courts of Justice Act*;
- ◆ The judges of the municipal courts of Laval and of Québec appointed before January 1, 2000 who did not opt for the pension plan provided for in Part V.1 of the *Courts of Justice Act*.

What is the contribution rate to the PPCJBJ?

The plan has been non-contributory since January 1, 1990.

Who pays for the plan?

The balance of the cost of the plan with respect to the judges of the Court of Québec is met by the Government and that with respect to the judges of municipal courts contemplated under the plan, by the municipality concerned.

What is meant by “pensionable salary”?

The pensionable salary is the salary that is used for the calculation of your pension. It is set by order in council and it is the salary that you received or would have received if you had not been on leave without pay or leave with deferred pay.

Any additional remuneration related to the functions of a coordinating judge or an associate coordinating judge, or to a mandate entrusted to a judge by an order in council or by the Governor General, **is excluded** from the pensionable salary. However, any additional remuneration related to the functions of a chief judge, senior associate chief judge, associate chief judge, president of the Human Rights Tribunal or chairman of the Professions Tribunal **is included** in the pensionable salary, **provided the judge held office for at least seven years.**

A salary adjustment for the period prior to July 1, 2001 forms part of the salary of the year in which it is paid. For the period since July 1, 2001, it is recognized in the year **in which it should have been paid.**

What is considered a “year of service”?

A year of service corresponds to a calendar year, that is, from January 1 to December 31. The basis used to calculate a year or part of a year of service is 260 days, which means 52 five-day weeks.

Your years of service include all the years during which you held office as a judge of the Court of Québec, at the municipal court of Québec or Laval or at the municipal court of Montréal, if you availed yourself of the transfer agreement (see next question). However, if you obtained the refund of your contributions, your years of service are considered for eligibility purposes only, except if you redeemed them.

A year in which you are granted leave without pay or leave with deferred pay or in which you are entitled to disability benefits under your social benefits plan counts as a year of service.

The years of service of a judge of a municipal court are counted only if he held that office on January 1, 1992. Otherwise, he must avail himself of a transfer agreement if he wishes to have those years counted.

It is important to note that the service credited to you for the year during which you retire cannot exceed the service that corresponds to the period from January 1 to the date on which your pension begins to be paid.

Service cannot be accumulated or rights acquired for supplementary pension after the date on which you reach 71 years of age.

Can I have years of service as a judge of the municipal court of Montréal transferred to the PPCJBJ?

Yes. CARRA and Ville de Montréal plan to sign a transfer agreement allowing the transfer of all the years of service as judge **only**. The agreement does not provide for the transfer of years or parts of a year of service credited under the Civil Service Superannuation Plan (CSPS), the Government and Public Employees Retirement Plan (RREGOP) or any other pension plan.



Can my years of service under another pension plan recognized?

You could have transferred to the plan the **value of the benefits accumulated** under another plan before your appointment as a judge, but not the accumulated service. However, you had to apply before December 12, 2002. In that case, you will then be entitled to a pension credit payable at age 65 that will be added to the benefits acquired under the PPCJB.

Payment of the pension credit resulting from the transfer may be anticipated or postponed, subject to a reduction or an increase of 0.5% per month included between the date of the first payment and your 65th birthday. It is not payable before the date of your retirement or after December 31 of the year of your 69th birthday.

Can my pension plan be seized or alienated?

As a rule, the value of the benefits acquired under your pension plan can neither be alienated nor seized.

However, up to 50% of that value can be seized in the case of the payment of support. Furthermore, as the benefits acquired under the plan are included in the family patrimony, up to 50% of the value of those benefits may be alienated or seized if they are subject to partition.

CALCULATION OF YOUR PENSION

What does my retirement pension include?

Your retirement pension includes a **basic pension**, which complies with the registration requirements of the *Income Tax Act*, and a **supplementary pension**, which offsets the difference caused by the fact that your basic pension is calculated on the maximum pensionable salary on which you contributed instead of your actual salary.

How will my pension be calculated?

Your pension will be calculated as follows: annual accrual rate (2.8%) × number of years of service (maximum 35) × average pensionable salary of your three best-paid years.

- ◆ For the years prior to January 1, 1992:
The annual accrual rate of the basic pension is set at 2.8%.

- ◆ For the years after December 31, 1991:
 - The annual accrual rate of the basic pension is set at 1.5%; and
 - The annual accrual rate of the supplementary pension is set at 1.3%, or the difference between the rate applicable to the years before January 1, 1992 (2.8%) and the rate of the basic pension for the years after December 31, 1991 (1.5%).

ELIGIBILITY FOR A RETIREMENT PENSION

When will I be eligible for a pension?

Pension with no reduction

A pension is payable when you cease to hold office, provided:

- ◆ You have reached age 70, the compulsory age of retirement. (The Government may, when it deems this to be in the interest of justice, authorize a judge who is over 70 years of age to continue to hold office. The judge will then be eligible for a retirement pension when he ceases to hold office or, at the latest, on December 31 of the year during which he reaches 71 years of age; in this case, his salary will be reduced from that date by an amount equal to his retirement pension.); **or**
- ◆ you have reached 65 years of age; **or**
- ◆ you have at least 25 years of service.

If payment of your pension begins before you reach 65 years of age or before your age and years of service total 80, the rules set under tax legislation provide for a permanent reduction of your basic pension. However, the supplementary pension will offset the loss incurred.

Pension with reduction

A pension is payable with reduction if you cease to hold office before you meet those requirements and if:

- ◆ you are at least 55 years of age and have at least 5 years of service.

In this case, the amount of your pension will be reduced permanently by 0.5% per month (6% a year) included between the date of your retirement and the date on which you would become entitled to a pension with no reduction.



Example

- ◆ You retire at 60 years of age with 16 years of service;
- ◆ The number of months between the date of your retirement and the date on which you would become entitled to a pension with no reduction is 60 (from age 60 to age 65);
- ◆ The reduction rate is 0.5% per month of anticipation, that is, 30% (60 months x 0.5%);
- ◆ Your annual pension before reduction is \$85 568.

The reduction applied to your pension corresponds to \$85 568 x 30% = \$26 670. Your annual pension will therefore be: \$85 568- \$26 670 = \$59 898.

To avoid any interruption of income, we recommend sending your "Application for retirement pension" form to CARRA at least three months before your retirement date, after the "Employer information" section has been completed by the Direction de la gestion et de la rémunération, Centre des services partagés.

Will my retirement pension be indexed when I am retired?

Your pension will be indexed on January 1 of every year by the Pension Index adjustment rate determined each year by the Régie des rentes du Québec according to the various formulas described below. The first indexation will be proportional to the number of days for which the pension was paid in the first year:

- ◆ The part attributable to service **prior to July 1, 1990** will be fully indexed.
- ◆ The part attributable to service **subsequent to June 30, 1990 but prior to January 1, 2000** will be indexed by the Pension Index adjustment rate, minus 3%.
- ◆ The part attributable to service **after December 31, 1999** will be indexed according to the most profitable formula between:
 - 50% of the pension Index adjustment rate; or
 - the pension Index adjustment rate, minus 3%.

Example

- ◆ You retire after 25 years of service. Nineteen of those 25 years are after June 30, 1990;
- ◆ Your average salary is \$220 000.
- ◆ The Pension Index adjustment rate is set at 2.5%.
- ◆ Your pension has been paid since July 1.
- ◆ The first indexation rate is 2.5% x 184/365, that is 1.26%.

The part of your pension attributable to service prior to July 1, 1990 (2.8% x 6 years x \$220 000 = **\$36 960**) is indexed by 1.26%. This part of your pension is therefore increased to **\$37 426** on January 1.

As for the part attributable to service subsequent to June 30, 1990 but before January 1, 2000 (2.8% x 9.5 years x \$220 000 = **\$58 520**), it is not increased since, in that example, the Pension Index adjustment rate is lower than 3%.

The part attributable to years of service subsequent to December 31, 1999 (2.8% x 9.5 years x \$220 000 = **\$58 520**) is indexed by 0.63%, that is, half of the increase in the Pension Index adjustment rate. This part of your pension reaches **\$58 889**.

What will happen if I become disabled?

If you are entitled to disability benefits under your social benefits plan, your service and pensionable salary are calculated in the same manner as if you held office.

Furthermore, you will be eligible for a retirement pension from the day on which you cease to be entitled to disability benefits under your social benefits plan if, in the opinion of the Government, a permanent physical or mental disability prevents you from effectively performing the duties of your office. This disability is established, after inquiry, by the Conseil de la magistrature at the request of the Minister of Justice. The amount of the disability pension is determined according to the number of years of service accumulated at the time the payment of the disability benefits under your social benefits plan ceases.



Once I have retired, will my pension be affected if I return to work?

A retired judge who exercises **judicial functions** again continues to receive his pension. However, he does not acquire entitlement to additional benefits in respect of those functions.

A retired judge who holds **any other office** (appointment by order in council) with the gouvernement du Québec or the municipality, continues to receive his pension, but his salary for these functions is reduced by the amount of that pension.

It is therefore strongly recommended that retired judges who wish to return to work obtain, **before** they come to a decision, all the necessary information regarding the possible consequences of this decision from the Ministère de la Justice or from CARRA.

To what I am entitled if I cease to hold office before I meet an eligibility requirement?

Deferred pension

If you cease to hold office and have two years of service or more but do not meet any of the eligibility criteria for a retirement pension, you are entitled to a deferred pension payable as of your 65th birthday. To determine the amount of that pension, see the "Calculation of your pension" section.

This pension is indexed to the Pension Index adjustment rate in the same way as the retirement pension, from January 1 following the date of your 65th birthday.

The first indexation is proportional to the number of days for which the pension was paid or would have been paid during the year of the 65th birthday.

IN THE EVENT OF DEATH

Who does the PPCBJB recognize as my spouse?

Within the meaning of the retirement plan, your spouse is the person who is married or civilly united to you. If you were not married or civilly united, your spouse is the person of the opposite sex or of the same sex who, at the time of your death, had been living maritally with you for at least three years.

That period is only one year if a child is born or to be born of your union or if you jointly adopted a child during your marital life, or if one of you adopted the child of the other during your marital life.

What benefits are provided under the PPCBJB at my death?

In the event of your death, your plan provides for the payment of a pension to your surviving spouse and to your dependent children or for the refund of your contributions to your heirs.

Surviving spouse's pension

Your surviving spouse will receive, upon request, a pension equal to half the pension that would have been payable or was paid to you, as the case may be.

You may, before a pension becomes payable to you, opt for a pension payable to your spouse that is equal to 60% or to 66 2/3% of the pension to which you are entitled. Your initial pension will then be reduced permanently by 3.5% or 5.7%, as the case may be. To inform us of the option you have chosen, simply notify CARRA in writing.

Example

While you were in office, you opted for a pension payable to your spouse equal to 66 2/3%. You retire after 25 years of service; your average salary for the three best paid years is \$220 000. Your pension will be determined in the following manner:

| | | |
|---|---|-----------------------|
| $2.8\% \times 25 \text{ years} \times \$220\,000$ | = | \$154 700 |
| minus | | |
| <i>permanent 5.7% reduction</i> | = | <u>\$8 778</u> |
| <i>annual amount of your pension</i> | = | \$145 222 |

Therefore, at your death, your spouse will be entitled to an annual pension of \$96 815, that is, 66 2/3% of your reduced annual pension.

You may revoke this option **as long as you hold office**, at which time it becomes irrevocable, even in the absence of a spouse entitled to a pension.

Orphan's pension

If you have dependent children under 18, or under 25 if they attend a recognized educational institution on a full-time basis, or a child who suffers from a disability that renders him totally incapable of carrying out any work, each of them will be entitled to 10% of the pension that would have been payable to you or that



was being paid to you, as the case may be, up to a maximum of 40%.

If you have no spouse at the time of your death, or if your spouse, who survived you, has also died, each of your children who meet the above conditions will receive a pension equal to 20% of the pension that would have been payable to you or that was being paid to you, up to a maximum of 80%.

It is important to note that:

- ◆ if the children are under 18 years of age, the pension is paid to the person responsible for them;
- ◆ if there are more than four children, the maximum amount of the pension is divided equally among them;
- ◆ the pension of a disabled child is paid for the period of that disability.

Refund of contributions

The contributions you paid into your pension plan or from which you were exempted from 1979 to 1989, with interest, represent a guaranteed minimum.

Therefore, if you have no spouse or dependent children at the time of your death, your heirs will receive, upon application, a full refund of your contributions, with interest. This refund takes into account the benefits already paid if your death occurs after your retirement.

However, if you die while you no longer hold office and you are not eligible for a retirement pension, your spouse, or your heirs if you have no spouse, will receive the refund of contributions paid before January 1, 1990, with interest.

IN THE EVENT OF MARRIAGE OR CIVIL UNION BREAK-UP

Will a legal separation or a divorce affect my pension plan?

Since July 1, 1989, the benefits accrued in a retirement plan during the marriage or civil union by you and your spouse are part of the family patrimony. The value of these benefits can therefore be partitioned in the event of divorce, legal separation, annulment of marriage or civil union.

Upon request and after such proceedings are instituted (or before if an accredited mediator confirms family mediation), CARRA will establish the value of the benefits accrued under your pension plan. If the Court then decides that the value of the benefits must be partitioned, CARRA will transfer the sum allocated to your spouse to a locked-in retirement account (LIRA), a life income fund (LIF), an annuity contract in his name or an RRSP at the financial institution of his choice.

Will the transfer affect the amount of my pension?

Yes. In order to take into account the sum to be transferred to your spouse, CARRA will determine the amount of the reduction due to partition. When you retire, your pension will be reduced accordingly.

For more information on the subject, please read the document entitled *Partition of the family patrimony*.

It is available in the "Documentation > For members" section of CARRA'S Web site.



RECOURSE

What can I do if I disagree with a decision rendered by CARRA?

If you disagree with a decision rendered by CARRA concerning the application of a provision of your pension plan, you may, within 12 months of that decision, submit the dispute to an arbitrator chosen by you and CARRA from a list established by the Government. If the parties fail to agree on the choice of the arbitrator, he is chosen, on a motion by one party served on the other, by a judge of the Superior Court.

If I am not satisfied with CARRA's services, whom must I contact?

If you wish to submit a complaint concerning the quality of CARRA's services please contact the Complaints Officer at:

Bureau du responsable des plaintes
Commission administrative des régimes
de retraite et d'assurances
475, rue Saint-Amable
Québec (Québec) G1R 5X3

By phone:

418 644-3092 (Québec region)
1 866 239-2985 (toll free)

By fax:

418 644-5050

By e-mail:

bplainte@carra.gouv.qc.ca

Make sure you have mentioned your social insurance number in your letter.

If you need more information on certain aspects of your pension plan, you can contact us at 418 643-4881 (Québec region), 1 800 463-5533 (toll free) or by fax at 418 644-5353.

You can also write to:

Commission administrative des régimes
de retraite et d'assurances
Division des régimes particuliers
475, rue Saint-Amable
Québec (Québec) G1R 5X3

An application must be sent to CARRA to obtain any benefit or refund provided under your plan.

This document is published by the Direction des communications et de la planification stratégique.

The information in this publication does not replace the legislation governing your pension plan or the related orders-in-council or regulations.

The masculine form is used in certain places to indicate either sex.

Web site: www.carra.gouv.qc.ca

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