

The PPEMO in a Nutshell



Pension Plan of Elected Municipal Officers

<p>What does PPEMO mean?</p>	<ul style="list-style-type: none"> • PPEMO stands for Pension Plan of Elected Municipal Officers, which came into force on January 1, 1989. • The PPEMO replaced the Retirement Plan for Mayors and Councillors of Municipalities (RPMCM), which had been in force since January 1, 1975.
<p>How much does my pension plan cost me?</p>	<ul style="list-style-type: none"> • Since January 1, 2010, the contribution rate is 6.15% of your pensionable salary. • The contribution of the municipality, the supramunicipal body or the mandatory body of the municipality is equal to the total elected officers' contributions × 337%. • You stop paying contributions to the PPEMO when your term of office ends. However, if your term of office exceeds your 69th birthday, you stop paying contributions on December 30 of the year in which you reach age 69.
<p>What is included in my pensionable salary?</p>	<p>Your pensionable salary corresponds to the remuneration, including attendance allowance, you receive as member of:</p> <ul style="list-style-type: none"> • a municipal council; • a supramunicipal; • a mandatory body of the municipality. <p>Expense allowances and termination allowances are excluded. Tax laws limit the pensionable salary to \$127 611 in 2011.</p>
<p>What is a pension credit?</p>	<ul style="list-style-type: none"> • For every year of participation, your plan grants you an amount that is called a "pension credit". • Before January 1, 1992: the pension credit is equal to 2.8% of your pensionable salary up to the MPE (maximum pensionable earnings set by the Québec Pension Plan) for the year in question, plus 3.5% of any portion of your pensionable salary exceeding the MPE. In 2010, the MPE is \$47 200. • Since January 1, 1992: the pension credit is equal to 2% of your pensionable salary of each year. • The pension credit is fully indexed each year to the pension index adjustment rate (PIAR) on January 1 following the year in which it is granted up to January 1 preceding the date on which payment of your pension begins. • In 2011, the PIAR is 1.7% and the MPE is \$48 300.

To what benefits am I entitled at the end of my term?	Your benefits depend on the number of years of credited service and your age.			
	Service \ Age	Less than 2 years of credited service	2 to 7 years of credited service	8 years of credited service or more
	Under age 50	Refund of contributions with interest	Choice between deferred pension and refund of contributions with interest	Deferred pension
	50 or over, but under 60	Refund of contributions with interest	Immediate pension with reduction	Immediate pension with reduction
60 or over	Refund of contributions with interest	Immediate pension with no reduction	Immediate pension with no reduction	
How will my pension be calculated?	<ul style="list-style-type: none"> Your retirement pension will be equal to the total pension credits granted to you. In addition to those pension credits, if you were in office on December 31, 2000, you will be entitled to an additional benefit calculated as follows: <i>total pension credits acquired before January 1, 2002 minus total PPEMO pension credits actually earned as at December 31, 2001.</i> Your pension will be indexed, on January 1 of each year, to the pension index adjustment rate (PIAR) set by the Régie des rentes du Québec, minus 3%. When the PIAR is equal to or lower than 3%, your pension will not be indexed. 			
Once I am retired, can I be a member of a municipal council again?	<p>Yes. You will then have the choice between:</p> <ul style="list-style-type: none"> Not to participate in the PPEMO and continue to receive your PPEMO retirement pension; AND Participate in the PPEMO. Your pension will be suspended during your term. 			
What is partition of the family patrimony?	<ul style="list-style-type: none"> Benefits accumulated in the PPEMO during marriage or civil union are included in the family patrimony. Their value may be partitioned in the event of a divorce, a legal separation, a marriage annulment or the dissolution or cancellation of a civil union. 			



<p>What benefits are payable at my death?</p>	<p>Death before end of term or while waiting for a deferred pension</p>										
	<table border="1"> <tr> <th style="text-align: center;">Service Age at death</th> <th style="text-align: center;">Less than 2 years of credited service</th> <th style="text-align: center;">2 years or more of credited service</th> </tr> <tr> <td> <ul style="list-style-type: none"> Under age 60 </td> <td> <p>Your spouse or, if you have no spouse, your heirs are entitled to the refund of your contributions with interest.</p> </td> <td> <p>Your spouse or, if you have no spouse, your heirs are entitled to the payment of the value of the deferred pension that would have been payable at age 60. That value is determined as at the date of the death.</p> </td> </tr> <tr> <td> <ul style="list-style-type: none"> 60 and over </td> <td> <p>Your spouse or, if you have no spouse, your heirs are entitled to the refund of your contributions with interest.</p> </td> <td> <p>Your spouse is entitled to 60% of the basic pension and the supplementary pension you would have received.</p> <p>If you don't have a spouse, your heirs are entitled to the refund of your contributions with interest.</p> </td> </tr> </table>	Service Age at death	Less than 2 years of credited service	2 years or more of credited service	<ul style="list-style-type: none"> Under age 60 	<p>Your spouse or, if you have no spouse, your heirs are entitled to the refund of your contributions with interest.</p>	<p>Your spouse or, if you have no spouse, your heirs are entitled to the payment of the value of the deferred pension that would have been payable at age 60. That value is determined as at the date of the death.</p>	<ul style="list-style-type: none"> 60 and over 	<p>Your spouse or, if you have no spouse, your heirs are entitled to the refund of your contributions with interest.</p>	<p>Your spouse is entitled to 60% of the basic pension and the supplementary pension you would have received.</p> <p>If you don't have a spouse, your heirs are entitled to the refund of your contributions with interest.</p>	
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	<p>Your spouse is entitled to 60% of the basic pension and the supplementary pension you were receiving.</p>	<p>If you don't have a spouse, your heirs are entitled to your total contributions, plus the interest accrued until your retirement, minus the benefits received by you and your spouse, as the case may be.</p>									
<p>Can my spouse renounce his rights?</p>	<ul style="list-style-type: none"> Yes. Your spouse may waive his spousal benefits in favour of your heirs. He can, however, revoke that waiver later. The notice of waiver or revocation must be received by CARRA before the date of your death. However, the waiver will be cancelled and your spouse will receive a surviving spouse's pension if, at your death, your heirs are entitled to nothing because the difference between the contributions plus the interest and the benefits paid is equal to zero. The waiver of spousal benefits under the PPEMO does not entail the waiver of spousal benefits under the RPMCM. 										
<p>Can I buy back years of service or parts of a year of service?</p>	<p>Yes. You can buy back years of service from 1975 under certain conditions. Here is a list of the years you can buy back.</p> <ul style="list-style-type: none"> From January 1, 1975 to December 31, 1988: <ul style="list-style-type: none"> ➤ years as member of the council of a municipality for which you did not contribute to a pension plan; ➤ years of participation to a pension plan¹ for which you obtained the refund of your contributions; ➤ years of participation to a pension plan¹ for which you did not obtain the refund of your contributions. In that case, the regular contributions accumulated in the plan for those years will be transferred to the PPEMO to pay for your buy back. Form January 1, 1989: <ul style="list-style-type: none"> ➤ years as member of the council of a municipality for which you did not contribute to a pension plan; ➤ years of participation to a pension plan² for which you obtained the refund of your contributions. <p>1. The RPMCM or a supplemental pension plan (SPP) for the elected officers of a municipality. 2. The PPEMO or a supplemental pension plan (SPP) for the elected officers of a municipality.</p>										

<p>What are the advantages of a buy-back?</p>	<ul style="list-style-type: none"> • As a rule, for each bought-back year, the PPEMO grants you a pension credit. • The pension credit is equal to $2\% \times$ annual pensionable salary as at January 1 of the year to buy back¹ (excluding expenses allowance) \times credited service. • That pension credit is fully indexed on January 1 of each year following the bought-back year until January 1 before the date on which payment of your pension begins.
<p>How is the cost of a buy-back calculated?</p>	<ul style="list-style-type: none"> • First, we must calculate the pension credit of the year to buy back. • Then, we index that pension credit from January 1 following the year concerned until January 1 preceding the date of receipt of your application by CARRA, and we check the tax limits. • We multiply it by a factor that varies according to your age on the date CARRA receives your application. Factors according to ages: <ul style="list-style-type: none"> ➢ 39 or under: 4.75 ➢ 40 to 49: 7.25 ➢ 50 to 59: 9.75 ➢ 60 and over: 10.00
<p>What do I have to do to buy back service?</p>	<ul style="list-style-type: none"> • Complete the "Application for service purchase – Pension Plan of Elected Municipal Officers" (089A) form available on our Web site (www.carra.gouv.qc.ca) and send it to CARRA. • Send a copy of your application to your municipality or northern village. • Pay the cost of the buy-back according to the terms of payment offered in the service purchase proposal issued by CARRA. <p>You can apply for a buy-back as long as you are a member of the council of a municipality and contribute to the PPEMO.</p> <p>If you cease to be a member of a municipal council or to hold office as warden of a regional county municipality (RCM), chairman or vice-chairman of the Kativik Regional Government (resignation or end of term), you have 90 days to file your application for buy-back.</p> <p>If you continue to participate in the PPEMO after age 69, your application must be received by CARRA before December 31 of the year of your 69th birthday.</p>

This document summarizes the main provisions of your pension plan. The information it contains is of a general nature and does not supersede the act or its attendant regulations.

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