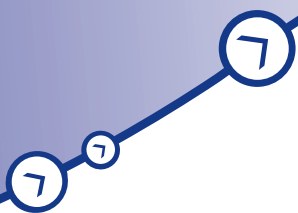


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THE PPJCQM

The Pension Plan of the Judges of the Court of Québec and of Certain Municipal Courts
(Part V.1 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 sector 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 the Judges of the Court of Québec and of Certain Municipal Courts (PPJCQM) contained in Part V.1 of the *Courts of Justice Act* (R.S.Q., c. T-16), to which the amendments adopted in May 2009 have been integrated.

This plan applies to judges appointed after December 31, 1999 and to judges appointed before January 1, 2000, who opted for this plan rather than continuing to participate in the Pension Plan of Certain Judges Appointed before 1 January 2001 (PPCJAJ) whose provisions are contained in Part VI of the *Courts of Justice Act*. It is composed of a pension plan registered for income tax purposes and an excess benefit plan adopted by regulation (Order in Council 695-2001). The provisions of your registered pension plan and those of your excess benefits 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 PPJCQM apply?

This pension plan applies to:

- ◆ the judges of the Court of Québec and of the municipal courts of Laval and of Québec appointed after December 31, 1999;
- ◆ the judges of the Court of Québec and of the municipal courts of Laval and of Québec appointed in 2000 who are deemed to have opted for this plan;
- ◆ the judges of any other municipal court under the authority of a presiding judge whose participation in this plan is provided by an order in council.

What is the contribution rate?

Your annual contribution is equal to 7% of your pensionable salary. It decreases to 1% when you have 21.7 years of service.

Who pays for the balance of the cost of 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. In the latter case, however, you contribute only on the portion of your salary that you actually receive.

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 **if the judge held office for at least seven years, but is not pensionable.**

Any salary adjustment for a period prior to July 1, 2001 is 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, the period 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 bought them back.

A year in which you are entitled to disability benefits under your social benefits plan counts as a year of service. A year of leave without pay or leave with deferred pay also counts provided the required contributions were paid.

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

The service credited to you for the year of your retirement cannot exceed the service that corresponds to the period from January 1 to the date of your retirement.

Service cannot be accumulated or rights for supplementary pension acquired 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 PPJCQM?

Yes. CARRA and Ville de Montréal plan to sign a transfer agreement allowing the transfer of all the years of service **as judge only** and not those accumulated in other functions.



Can my years of service under another pension plan recognized under the PPJQCM?

You may 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 must apply within 180 days after your appointment as judge. You will then be entitled to a pension credit payable at age 65 that will be added to the benefits acquired under the PPJQCM.

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 I buy back years of service?

After you resigned as judge, if you received a refund of the contributions you paid or from which you were exempt **and you are reappointed to an office covered** by the PPJQCM, you may have those years credited for pension calculation purposes.

To buy back those years of service, you must send CARRA a written notice to that effect within 12 months following the date on which you once again held office. You must also repay the amounts that were refunded to you, with interest calculated from the date of the refund. CARRA will first send you a proposal to inform you of the costs and the terms and conditions of payment of the buy-back.

If a judge dies before his buy-back is entirely paid, his spouse must pay the balance due within 90 days following CARRA's notice. Otherwise, that service will not be taken into account for the calculation of the surviving spouse's pension.

Years that are not bought back are counted for pension eligibility purposes only.

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 life annuity**, which offsets the gap caused by the limit set under the tax legislation rules for your basic pension.

The total annual amount of your pension is determined as follows:

Annual pension accrual rate (3%) x number of years of service x average pensionable salary for your three best-paid years.

However, your annual retirement pension may not exceed 65% of your average pensionable salary.

How will my basic pension be calculated?

Your basic pension will be calculated as follows:

Annual pension accrual rate (1.5%) x number of years of service x average pensionable salary. However, this amount may not exceed the ceiling set under tax legislation rules.

To what does the supplementary life annuity correspond?

Your supplementary life annuity is equal to the total annual amount of your pension minus the amount of your basic pension.



ELIGIBILITY FOR A RETIREMENT PENSION

When will I be eligible for a pension?

Pension with no reduction

A pension with no reduction is payable when you cease to hold office, provided:

- ◆ you have reached the mandatory age for retirement, i.e. 70 years of age. (The government may, where it is deemed in the interest of justice, authorize a judge over age 70 to continue to hold office. The judge is eligible for a pension when he ceases to hold office but no later than December 31 of the year of his 71st birthday); **or**
- ◆ you have reached age 65; **or**
- ◆ you have at least 21.7 years of credited service; **or**
- ◆ your age and years of service total 80 or more.

Pension with reduction

A pension with reduction is payable 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 8 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 before age 65, that is, 30% (60 months x 0.5%);*
- ◆ *Your annual pension before reduction is \$45 840.*

The reduction applied to your pension corresponds to $\$45\,840 \times 30\% = \$13\,752$. Your annual pension will therefore be: $\$45\,840 - \$13\,752 = \$32\,088$.

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.

If your pension becomes payable when your age and years of service total 80 or more, it may not be less than 55% of your average pensionable salary.

Will my retirement pension be indexed when I am retired?

Yes, 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. The first indexation will be proportional to the number of days for which your pension was paid during the first year.

Example

- ◆ *Your annual pension is \$124 476.*
- ◆ *The Pension Index adjustment rate is set at 2%.*
- ◆ *Your pension has been paid since July 1.*
- ◆ *Your first indexation is $2.5\% \times 184/365$.*

Your pension is therefore increased to **\$126 045** on January 1.

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. However, you are exempted from contributing to the plan.

Furthermore, you will be eligible for a retirement pension from the day on which you would become eligible for a pension with no reduction 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 your 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 a 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?

Provided you meet certain conditions, you may be entitled to a deferred pension or the refund of your contributions.

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 your pension was paid or would have been paid during the year of your 65th birthday.

Refund of contributions

If you cease to hold office while you have less than two years of service, you are entitled to a refund of the contributions you paid, with interest.

IN THE EVENT OF DEATH

Who does the PPJCOM 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 nor 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 payable 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 surviving spouse or your heirs if you do not have a spouse.

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 20 years of service; your average salary for the three best paid years is \$220 000. Your pension will be determined in the following manner:

$3\% \times 20 \text{ years} \times \$220\,000$	=	\$132000
minus		
<i>Permanent 5.7% reduction</i>		<u>\$7 524</u>
 <i>Annual amount of your pension</i>	=	 \$124 476

Therefore, if you die, your spouse will be entitled to an annual pension of \$82 984, 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

If you die before you are eligible for a pension and have no spouse or dependent children at the time of your death, your heirs will receive a refund of your accumulated contributions, with interest.

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 a refund of your accumulated contributions, with interest.

In addition, if the total of the amounts paid as pension to you, your spouse or your children is less than your accumulated contributions, with interest, the difference is refunded to your heirs.

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 by that amount.

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: www.carra.gouv.qc.ca.



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 telephone:

418 644-3092 (Québec region)
1 800 239-2985 (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 filed with 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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