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THE PPMNA

The Pension Plan of the Members
of the National Assembly

November 2008



The Commission administrative des régimes de retraite et d'assurances (CARRA)¹ is the administrator of the Pension Plan of the Members of the National Assembly (PPMNA). The plan became effective on January 1, 1992 and replaced the pension plan that was applicable to Members of the National Assembly before that date.

CARRA currently administers over 20 public and parapublic sector pension plans, with a total of 525 000 active members, 235 000 beneficiaries and 410 000 non-active members.

This document discusses the main provisions of the PPMNA. The plan is made of a basic plan and an excess benefit plan in order to meet the rules set under the tax legislation. To make the information concerning your plan easier to understand, we have consolidated the provisions of the basic plan and those of the excess plan.

We invite you to keep this reference document and we hope that the information it contains will help you plan your retirement.

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1. A list of the acronyms used in this publication is provided on page 6.



MEMBERSHIP IN THE PLAN

Who is covered by the PPMNA?

The PPMNA applies to the Members of the National Assembly and to the persons who are entitled to or currently receive a pension under the retirement plan that applied to MNAs before January 1, 1992.

Is membership in the PPMNA mandatory?

If you were an MNA on December 31, 1991 or if you became an MNA after that date, you can choose not to participate in the plan at any time by simply notifying CARRA of your decision in writing. Your membership will cease on the date CARRA receives the notice.

You can change your decision at any time by simply informing CARRA in writing. Your membership will resume on the date CARRA receives your notice.

What is the rate of contribution to the PPMNA?

The contribution rate is 9% of your member's indemnity (annual indemnity + additional indemnity).

The pensionable amount of your member's indemnity is limited to comply with the tax rules. If you participate in the PPMNA for only part of a year, the pensionable amount will be adjusted accordingly.

Please note that you will cease to participate in the plan after a period equivalent to 25 years computed as of January 1, 1983 or, at the latest, on December 31 of the year of your 69th birthday.

Once a year, no later than March 31, CARRA will send you a statement showing your participation in details and the estimate of the benefits to which you are entitled.

How is the plan funded?

The benefits paid by the plan come from the consolidated revenue fund since the PPMNA has no separate pension fund. Each year, the government reports the expense related to the PPMNA in its financial statements.

REDEMPTION OF YEARS OF SERVICE (BUY-BACKS)

You can buy back certain years of service while you are a member of the plan.

What years can be bought back?

You can buy back years of contribution as a member of the House of Commons or as a member of the National Assembly for which you obtained the refund of your contributions. In such a case, for each year you wish to buy back, you must pay an amount equal to the contribution (9%) applicable to your member's indemnity on the date you apply for the buy-back.

You can also buy back years during which you did not contribute to the PPMNA because you chose not to. In this case, you must pay an amount equal to the contributions you would have paid if you had participated in the plan, with the interest computed from the middle of the year in which the contributions would have been paid until the date you apply.

In addition, while you are still an MNA, you could buy back any of the following periods and receive a pension from your former plan upon retirement:

- a period of absence without pay when you held employment covered by RREGOP, the PPMP, the TPP, the CSSP, the PPCT, the RPSO or the PPPOCS. However, you must not have been an MNA during the period you wish to buy back;
- a period before 1988 during which you worked as a casual employee;
- a period of service during which you did not contribute to RREGOP, the PPMP or the RPSO and chose to receive the allowance for compensation instead.



ELIGIBILITY FOR RETIREMENT

When will I be eligible for a pension?

If you are at least 60 years of age when you cease to be an MNA, your retirement pension will be payable with no reduction as of that date.

If you are under age 60, your pension will be reduced and will be payable as of the date of receipt of your application by CARRA or any other later date of your choice, but not exceeding your 60th birthday.

Your pension is payable no later than December 31 of the year of your 69th birthday, even if you still are an MNA.

How will my pension be calculated?

The amount of your pension is equal to the sum of the pension credits granted to you each year.

A pension credit represents 4% of the member's indemnity you receive each year. Each pension credit is indexed annually by the rate of increase of the Pension Index determined by the Régie des rentes du Québec, from January 1 following the year it was granted until the date your pension becomes payable.

Example:

You are elected for the first time on April 14, 2003 at age 57 and you hold office as an MNA until May 30, 2007.

Your indemnities are \$64 000 in 2003, \$94 300 in 2004 and in 2005, \$97 750 in 2006 and \$39 860 in 2007.

Your pension will be calculated as follows:

for 2003, \$64 000 x 4% indexed for 4 years =	\$2 806
for 2004, \$94 300 x 4% indexed for 3 years =	\$4 007
for 2005, \$94 300 x 4% indexed for 2 years =	\$3 940
for 2006, 97 750 x 4% indexed for 1 year =	\$3 910
for 2007, \$39 860 x 4% =	\$1 594
Your annual pension will be	\$16 257

If you participated before January 1, 1983 to the pension plan that applied to MNAs, your pension for those years is equal to 75% of the total contributions paid before that date, indexed annually by the rate of increase of the Pension Index determined by the Régie des rentes du Québec.

Will my pension be reduced if I retire early?

If you retire before age 60, your pension will be reduced as follows:

- 1/12 of 1% for each month included between age 55 and age 60;
- 1/6 of 1% for each month included between age 50 and age 55;
- 1/4 of 1% for each month before age 50.

Example:

Your political career ends at age 47 and a half. You have accumulated an annual pension of \$30 000 before reduction. If you apply immediately for your pension, the reduction will be calculated as follows:

for the 60 months between age 55 and age 60 = (60 months x 1/12 of 1%)	5%
for the 60 months between age 50 and age 55 = (60 months x 1/6 of 1%)	10%
for the 30 months between age 47 1/2 and age 50 = (30 months x 1/4 de 1%)	7.5%
Total	22.5%

The reduction amounts to \$6 750 (\$30 000 x 22.5%).

To minimize the reduction, you can choose to receive your pension at a later date. The reduction will be calculated on the basis of your age when your pension becomes payable.

Is there a limit to the amount I can receive?

Regardless of the length of your political career, your pension cannot exceed the highest indemnity you received during your terms.

In addition, you cannot accumulate pension credits for more than 25 years of service after December 31, 1982.



Will my participation in another public or parapublic sector pension plan affect my pension?

If you participated in RREGOP, the PPMP, the TPP, the CSSP, the RPSO or the PPPOCS and were elected for the first time before January 1, 1992, you could receive a pension from your former plan on the date on which you will cease to be an MNA at the latest. However, if you participate again in your former plan, you can receive your pension only when you cease again to hold office.

If, however, you were elected after 1991, you can receive a pension from your former plan only if you are eligible for a pension under that plan.

In addition, and subject to certain conditions, even if you obtained the refund of your contributions under one of those plans, you could remit the refund, without accrued interest, and obtain a pension under the provisions of your former plan.

Will my pension be indexed?

Your pension will be indexed on January 1 of each year as follows:

- the portion of your pension that corresponds to service performed after December 31, 1982 but before January 1, 2000 will be indexed by the rate of increase of the Pension Index, minus 3%;
- the portion of your pension that corresponds to service performed after December 31, 1999 will be indexed according to the more profitable of the following formulas:
 - 50% of the rate of increase of the Pension Index; or
 - rate of increase of the Pension Index – 3%.

Example:

You retire after 10 years of service. From those 10 years, 6 are after December 31, 1999. The rate of increase of the Pension Index is 2%.

The portion of your pension that corresponds to the years before January 1, 2000, i.e. \$12 800, will not be indexed (2% - 3%). That portion will remain at \$12 800.

The portion of your pension that corresponds to the years after December 31, 1999, i.e. \$27 000, will be indexed by 1% (50% x 2%). That portion will increase to \$27 270.

If you participated before January 1, 1983 to the pension plan that applied to MNAs, your pension for those years will be indexed annually by the rate of increase of the Pension Index.

How will my pension be paid?

Your pension will be paid on the 15 of each month. It can be deposited directly in your bank account.

TRANSFER TO A LIRA

Is there another option than a reduced pension before age 60?

Instead of receiving a reduced pension, if you are under age 60 at the end of your term, you could obtain the transfer of the value of your basic pension to a LIRA. That value cannot be lower than the total of your contributions, with interest.

At any time during your term, you can ask for the transfer to a LIRA if you are under age 60 and decide not to participate any more to the plan.

However, the portion of your retirement pension accumulated under the excess benefit plan cannot be transferred and its payment remains subject to the provisions of the PPMNA.

Finally, as long as you are an MNA, you can remit the value of transferred pension credits, with the interest accrued since the transfer, provided you participate again in the PPMNA. The years of service concerned will be credited to you as if there had been no transfer.

DISABILITY

What does my plan provide in case of disability?

If you cease to be an MNA because of a physical or a mental disability, you will receive benefits under a disability insurance plan determined by the Office of the national Assembly. You will be deemed to have contributed to the PPMNA and will continue to accumulate pension credits as if you still were an MNA until the earlier of the following dates:

- the date on which you stop receiving disability insurance benefits;
- the date of your 60th birthday.



IN THE EVENT OF DEATH

Who does the PPMNA recognize as my spouse?

The spouse is the person who is married or civilly united to a member or a beneficiary of the plan.

If the member or beneficiary is not married nor civilly united, the spouse is the person of the opposite sex or the same sex represented as such and who, at the time of the member's or beneficiary's death, had been living in a conjugal relationship with him for at least three years. If a child is born or to be born from their union, if they jointly adopted a child, or if one of the spouses adopted the child of the other, the period of marital life is reduced to one year. However, that person must not be married nor civilly united to someone else at the time of the death.

What is the definition of child under the plan?

Child means the child who is under age 18, or under age 21 if he attends full time a recognized educational institution.

What does the PPMNA provide in case of my death?

If you still are an MNA at your death, your spouse will receive 60% of the pension that would have been paid to you. If you are retired, your spouse will receive 60% of the pension that was paid to you. The percentage could be 50% or 100% if you made that choice before January 1, 1992.

In addition, each of your children will receive a pension equal to 10% of the pension that would have been or was paid to you. The percentage will be 20% if you do not have a spouse.

The pension payable to your spouse and your children cannot exceed the amount of the pension that was paid or would have been paid to you. The maximum amount payable to the children who are entitled to a pension will be divided between them.

If you have no spouse and no children, your heirs will receive an amount equal to twice your contributions, with accrued interest.

Finally, once the payment of his pension to the last person who was entitled to benefits ceases, if the total of the benefits paid is less than twice the contributions paid by you to the plan, plus the interests accrued until the date on which the pension became payable, the difference will be paid to the heirs.

RETURN TO POLITICS

What will happen if I return to politics after I have retired?

If you are re-elected while you receive your pension under the PPMNA, your pension will be suspended until the end of your term, but no later than your 69th birthday.

You will contribute to the plan again and you will accumulate new pension credits, until the first of these occurrences:

- you have 25 years of service since January 1983;
- December 30 of the year of your 69th birthday.

When you cease to be an MNA, the pension to which you will be entitled will be equal to the total of your suspended pension, indexed by the rate of increase of the Pension Index, and the pension you will have accumulated since.

IN THE EVENT OF MARRIAGE OR CIVIL UNION BREAK-UP

What will happen to my pension plan in case of divorce or civil union break-up?

Since July 1, 1989, the benefits accrued in a retirement plan during a marriage or a civil union are part of the family patrimony. Consequently, the value of these benefits may be partitioned as a result of divorce, legal separation, payment of a compensatory allowance, annulment of marriage and dissolution or annulment of civil union.

CARRA will establish that value upon request, after proceedings are instituted (or before, if family mediation is confirmed by a certified mediator). If the court decides that partition of the value of the benefits must be carried out, CARRA will transfer, upon request, the amount attributed to your spouse to a locked-in retirement account (LIRA), a life income fund (LIF) or an annuity contract in his name, with the financial institution of his choice.

When you retire, your pension will be reduced to take into account the amount transferred to your spouse.



RECOURSE

What can I do if I am not satisfied with a decision rendered by CARRA?

If you disagree with a decision rendered by CARRA, you may at any time have it re-examined by the Office of the National Assembly, who will make the appropriate recommendations.

LIST OF ACRONYMS

CARRA	Commission administrative des régimes de retraite et d'assurances
CSSP	Civil Service Superannuation Plan
LIF	Life income fund
LIRA	Locked-in retirement account
MNA	Member of the National Assembly
PPCT	Pension Plan of Certain Teachers
PPMNA	Pension Plan of the Members of the National Assembly
PPPOCS	Pension Plan of Peace Officers in Correctional Services
QPP	Québec Pension Plan
RPSO	Retirement Plan for Senior Officials
RREGOP	Government and Public Employees Retirement Plan
TPP	Teachers' Pension Plan

For more information about your pension plan, you may contact us by phone at 418 643-4881 or at 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
Direction des opérations
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 in your plan.

This document was published by the Service des communications.

The information it contains does not supersede the legislation governing your pension plan and its regulations.

The masculine form is used to designate either sex.

Site Internet : www.carra.gouv.qc.ca

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