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# The PPMP

The Pension Plan  
of Management Personnel

June 2011



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## THE PPMP

### What is the PPMP?

The acronym “PPMP” stands for Pension Plan of Management Personnel.

Since January 1, 1997, the PPMP applies to non-unionizable employees in non-unionizable employment for which they have the corresponding classification.

**Note:** Non-unionizable positions are listed on page 22 of this document.

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## QUALIFICATION FOR THE PPMP

### What are the conditions to become a member of the PPMP?

In order to become a member of the PPMP, you must meet **all** the following requirements:

- be appointed or hired to non-unionizable employment;
- be the incumbent of your non-unionizable employment. Please note that you cannot participate in the PPMP if you hold non-unionizable employment by interim or on a temporary or casual basis;
- have the classification corresponding to that non-unionizable employment;
- work in that non-unionizable employment for a number of hours equal to at least 20% of the number of hours of a full-time employee.

**Note:** These rules apply **only** to employees appointed or hired to non-unionizable employment since July 1, 2002.

### I heard about a qualification period in regard to the PPMP. What is that about?

In short, it is a period during which you acquire the right to enrol in the PPMP and at the end of which you can benefit from all the advantages provided under that plan.

During that qualification period, you contribute to the PPMP, but the provisions of RREGOP apply, except in case of terminal illness or death.

Your qualification period starts on your first day in employment covered by the PPMP, provided you meet all the requirements to participate in the plan.



**How long is that qualification period?**

The duration of the qualification period depends on the percentage of hours you work in that job:

- it lasts 24 consecutive months if you work in a non-unionizable job for at least 40% of the number of hours of a full-time employee; **or**
- it lasts 48 consecutive months if you work in a non-unionizable job for at least 20% (but less than 40%) of the number of hours of a full-time employee.

**I currently hold two non-unionizable jobs. Must I go through two qualification periods?**

No. For the employee who holds more than one non-unionizable job during the qualification period, the percentages of hours worked will be added.

**Example:**

On February 1, 2011, John began to work in two non-unionizable jobs, the first at 20% and the second at 30% of the time of a full-time employee. Since the total of these percentages exceeds 40%, his qualification period will last 24 months.

**What will happen if the percentage changes during my qualification period?**

If the percentage used to determine the duration of your qualification period changes, the duration will be reduced or extended, as follows:

- if the percentage increases to 40% or more, the time needed to complete your period will be reduced by half;
- if the percentage decreases to less than 40%, the time needed to complete your period will double.

**Example:**

On September 1, 2009, Claire began working in a non-unionizable job 30% of the time of a full-time employee. Since this was at least 20%, but less than 40%, the duration of her qualification period was set at 48 months.

On November 1, 2010, Claire began working in a second non-unionizable job 20% of the time of a full-time employee. Since the total percentage increased to more than 40%, the time needed to complete her qualification period has been reduced by half as follows:

<i>Duration of the qualification period determined on September 1, 2009 (date Claire's first non-unionizable job began)</i>		48 months
<i>Number of months between September 1, 2009 and November 1, 2010 (date Claire's second non-unionizable job began)</i>	-	14 months
<i>Number of months needed to complete the qualification period determined on September 1, 2009</i>	=	34 months
<i>Revision of the time needed to complete the qualification period (reduced by half)</i>	÷	2
<b><i>Number of months needed to complete the qualification period on November 1, 2010</i></b>	<b>=</b>	<b>17 months</b>

On November 1, 2010, the time Claire needed to complete her qualification period was reduced from 34 to 17 months. Consequently, her total qualification period for the PPMP will have lasted 31 months (14 + 17), instead of 48.

**One of my colleagues currently holds a non-unionizable job 40% of the time and a unionizable job 60% of the time. During his qualification period for the PPMP, does he have to contribute to the PPMP for his two jobs?**

No. During his qualification period, your colleague will contribute to the PPMP only for his non-unionizable job. He will contribute to RREGOP for his unionizable job.

**What will happen at the end of my qualification period?**

When your qualification period is over, CARRA will confirm your participation and date of enrolment to the PPMP in writing.

Once you have enrolled in the PPMP, you participate in that plan for all your unionizable or non-unionizable jobs.

**What will happen if my situation changes before the end of my qualification period and if I no longer meet the requirements for participation in the PPMP?**

In this case, you will stop being a member of the PPMP and you will participate in RREGOP.



## MEMBERSHIP IN THE PPMP

### Is membership in the PPMP mandatory?

Yes, membership in your pension plan is an integral part of your working conditions.

### Do I have to contribute to my pension plan during my whole career?

Yes. However, you will stop paying contributions to your pension plan when you have accumulated 36 years of service as at December 31, 2011, not taking into account the years that gave you a pension credit or a paid-up annuity.

If you continue to hold a job covered by the plan after December 31, 2011, you will cease to contribute to the plan when you have accumulated 37 years of service in 2012 or 38 in 2013.

Even if you have not accumulated 36 years of service, you cannot contribute to your pension plan after December 30 of the year of your 69th birthday.

### How can I know the status of my membership in my pension plan?

You can apply to CARRA for a statement of your contributions at any time with the "Application for statement of contributions" (008A) form. That form is available on CARRA's Web site.

### If I find an error on my statement of contributions, how can I have it corrected?

You must inform your employer of any error on your statement of contributions. He will contact CARRA to have it corrected.

### If I leave my current job once I am qualified for the PPMP and go to work for another employer of the public or the parapublic sector later, will I continue to participate in the PPMP?

If you start working for your new employer **within 180 days** after your resignation, you will continue to participate in the PPMP, whether your new job is unionizable or non-unionizable.

If this is not the case, you will not necessarily participate in the PPMP. If you hold a non-unionizable job, you will participate in the PPMP, but if you hold a unionizable job, you will participate in RREGOP.

## CONTRIBUTIONS TO THE PPMP

### What is the rate of contribution to the PPMP?

In 2011, the PPMP rate of contribution is 11.54%.

**Note:** In 2011, the same contribution rate applies to former Teachers Pension Plan (TPP) and Civil Service Superannuation Plan (CSSP) members who chose to become members of the PPMP in 2000.

Your contributions are calculated **only** on the portion of your pensionable salary that exceeds 35% of the maximum pensionable earnings (MPE) under the Québec Pension Plan (QPP). In 2011, the MPE is \$48 300 and your contributions are calculated **only** on the portion of your pensionable salary that exceeds \$16 905 ( $\$48\,300 \times 35\%$ ).

Your pensionable salary is the salary recognized for the purpose of the pension plan.

### Example:

*Ann works full time and her basic salary is \$75 715. In 2011, her contributions to the PPMP are determined as follows:*

<i>Pensionable salary</i>	<i>\$75 715</i>
<i>Exemption (35% of the MPE in 2010)</i>	<i>− \$16 905</i>
<i>Portion of the salary on which contributions to the PPMP are calculated</i>	<i>= \$58 810</i>
<i>Rate of contribution</i>	<i>× 11.54%</i>
<i>Contributions for 2011</i>	<i>= \$6 786.67</i>

*It is important to note that even if Ann pays contributions on \$58 810 only, her total basic salary will be taken into account for the calculation of her pension.*

### Are my contributions calculated in the same manner if I work part time?

Yes. In that case, however, your exemption is determined on the basis of the percentage of your work hours over the work hours of a full-time employee in an equivalent job.



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## EXEMPTION FROM CONTRIBUTIONS

### Do I have to contribute to the PPMP if I am eligible for salary insurance benefits?

No. While you are eligible for benefits under your disability insurance plan, you do not have to contribute to your pension plan. The contributions that you would normally have paid are credited to you just as if you had paid them. You do not lose any rights during that period.

The same exemption applies if you are eligible for benefits from, among others, the Société de l'assurance automobile du Québec (SAAQ) or the Commission de la santé et de la sécurité du travail (CSST).

### For how long can I benefit from that exemption?

The maximum exemption period is **usually three years**, even if your work conditions provide for the end of the employment relationship after the period of disability has lasted two years.

It must be pointed out that if you are a member of the basic long-term disability insurance under the mandatory plan for management personnel of the public and parapublic sectors, that plan will pay your contributions to the PPMP for you after the three-year exemption period if your disability lasts longer than three years. To obtain more information on the matter, you must contact the insurance company that administers the plan.

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## YEARS OF SERVICE

### What is the difference between “service credited for pension calculation purposes” and “service credited for eligibility purposes?”

The expression “years of service credited for pension calculation purposes” means the years that will be used to calculate the amount of the annual basic pension to which you will be entitled when you retire. Those are the years of participation in your pension plan.

The expression “years of service credited for eligibility purposes” means the years that will be used to determine whether you are eligible for a pension, with or without reduction. Those years correspond to **the total** of the following years:

- the years of service credited for the calculation of your pension, that is, your years of participation in your plan;
- the years that are credited under your pension plan, but that are not taken into account in the calculation of your pension. For instance, they can be years during which you were a member of a supplemental pension plan (SPP).

A year of service is calculated on the basis of a calendar year, that is, from January 1 to December 31 and is usually made up of 260 workdays: 5 days a week over 52 weeks.

### How can I accumulate a year of service credited for calculation purposes?

In order to accumulate a full year of service **for calculation purposes**, you must work full time for the whole year.

Also, you must not have periods of absence without pay that have not been recognized by your pension plan.

### If I work part time, how will the PPMP credit my years of service for calculation purposes?

At the end of each year, the plan will credit you, **for calculation purposes**, a part of a year that is proportional to your hours of work over the hours worked by a full-time employee in an equivalent job, regardless of overtime.

That part of a year will be used to calculate the amount of your pension when you retire.

### I heard that, in calculating my pension, CARRA would add a certain number of days to my years of service. Is that true?

If some of your years of service are incomplete **following periods of absence without pay** that have not been recognized by your pension plan, in calculating your pension, CARRA will add to your service the number of days corresponding to those absences, **up to 90 days**.

Note that for absences without pay since January 1, 2011, only those that are related to parental leaves (maternity, paternity or adoption) can be offset by the 90-day bank.



### **Is it true that an incomplete year of service for calculation purposes can be credited as a full year of service for eligibility purposes?**

This is a provision that concerns only those who were members of RREGOP or the PPMP as at January 1, 2000 or who became members after that date.

Under that provision, within certain limits set under the *Income Tax Act*, your pension plan will credit you a complete year of service **for eligibility purposes** if, during a given year, your situation is one of the following:

- you work part time;
- you work only a part of the year;
- you are absent without pay during part of the year or for the whole year.

It must also be pointed out that, for the first and last year of membership in the pension plan, service credited for eligibility purposes cannot exceed the number of days included between the date membership began and December 31 of the year in question or between January 1 of the year in question and the date participation ended, as the case may be.

That provision applies to the years of service performed **since January 1, 1987**.

#### **Example:**

*Louis has a part-time job. In 2011, he works 17½ hours a week, which is 50% of the hours worked in an equivalent full-time job of 35 hours a week.*

*At the end of the year, the PPMP credits Louis with half a year of service for calculation purposes and a full year for eligibility purposes.*

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## **PARTICIPATION IN A PENSION PLAN BEFORE RREGOP OR THE PPMP**

### **I once was a member of an SPP. What was that exactly?**

In the health and social services and the education sector certain employees were members of various pension plans before RREGOP became applicable to their employer. Those plans, called “supplemental pension plans” (SPP), were administered by insurance companies, for instance, and not by CARRA.

### **What happened to the contributions I paid to that SPP?**

If your SPP contract provided that the money could not be transferred, the insurance company that administered the plan still holds your contributions and your employer’s contributions to your SPP. The company will pay you pension benefits in accordance with the clauses of your contract, probably when you turn 65, but you must apply for them. This is what we call a “paid-up annuity.”

However, if the money was transferred to CARRA, you have what is called an “SPP pension credit.” This means that a certain amount will be added to your PPMP pension.

### **Will CARRA take into account my years of membership in the SPP?**

Yes. However, they will be used only to determine your eligibility for a pension and not to calculate the amount of the pension you will receive under the PPMP. They could also be revalued. See section entitled “Revaluation of certain years of service credited prior to enrolment in RREGOP or the PPMP” on page 9.

### **Some of my colleagues were members of the Teachers Pension Plan (TPP) or the Civil Service Superannuation Plan (CSSP) and they had their years of membership in those plans transferred to the PPMP. How will their pension be affected by that transfer?**

Their pension will be calculated as if they had been members of the PPMP during all those years.

However, as long as they are not eligible for a retirement pension under the PPMP, they keep their rights to a retirement pension, a disability pension, a surviving spouse’s pension or an orphan’s pension under the TPP or the CSSP with respect to the years during which they made contributions to those plans.

### **When I began working in the public sector, I had the funds accumulated in my former employer’s pension plan transferred to my new pension plan. How will this transfer affect the pension CARRA will pay me?**

It depends on the provisions of your former employer’s pension plan and the transfer agreement under which the funds were paid into your plan.

In most cases, the credited years are considered years of membership in your pension plan and are taken into account to determine your eligibility for a pension and to calculate your pension.



In other cases, however, those years serve only to determine your eligibility for a pension and are not used to calculate your PPMP pension. They entitle you to what is called a “transfer agreement pension credit.” This means that a certain amount will be added to your PPMP pension. Those years can also be revalued. See section entitled “Revaluation of certain years of service credited prior to enrolment in RREGOP or the PPMP” on page 9.

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## BUY-BACKS

### Can I maximize the advantages provided under my pension plan?

Your pension is calculated, among other things, on the basis of the number of years credited to your account at the time of your retirement. Therefore, if you are entitled to buy back certain periods of service or absence without pay that were not recognized by your plan, you could have them credited. Purchasing service could increase the amount of your pension and, in some cases, allow you to retire earlier.

Note that if you have accumulated almost 36 years of service (as at December 31, 2011), it may not be worthwhile to buy back service. For further information in this regard, contact the pension plan administrator at your present place of work.

### Are bought-back years of service considered years of membership in the PPMP?

It depends on the type of buy-back. In some cases (for absences without pay and casual service, for instance), the purchased years are considered years of membership in the PPMP and are used both to determine your eligibility for a pension and to calculate the amount of your pension.

In other cases (for instance, the years of service prior to your membership in RREGOP or the PPMP during which you did not contribute to a pension plan), the purchased years are used only to determine your eligibility for a pension and not to calculate your pension under the PPMP.

However, they entitle you to a “buy-back pension credit.” This means that a certain amount will be added to your PPMP pension. Those years can also be revalued. See section entitled “Revaluation of certain years of service credited prior to enrolment in RREGOP or the PPMP” on page 9.

### What are the most common types of buy-backs?

The most common types of buy-backs concern the following periods:

- service by casual employees on a recall list between June 30, 1973 and January 1, 1987 in the health and social services sector and between June 30, 1973 and January 1, 1988 by the other casual employees in the education sector, the health and social services sector and the public service;
- full-time or part-time absences without pay that began after you enrolled in RREGOP or the PPMP and that have not been recognized by your pension plan (including strike, lock-out or suspension);
- service prior to your membership in RREGOP during which no contributions were made to a pension plan and that was accumulated with an employer covered by RREGOP or that would have been had he not ceased to exist<sup>1</sup>;
- years of membership in the Teachers Pension Plan (TPP), the Civil Service Superannuation Plan (CSSP) or a supplemental pension plan (SPP) that were refunded under one of those plans. Please note that you cannot buy back years of TPP, CSSP or SSP membership that were refunded under RREGOP or the PPMP;
- periods of maternity leave before January 1, 1989 or that were in progress at that date. Conditions vary according to periods.

### If I work part time, can I buy back the days during which I do not work?

In order to buy back a period of service or a period of absence without pay, you must have had an employment relationship with your employer during the period you wish to purchase.

When you work part time, your employment relationship exists only for the days included in your work schedule. Therefore, since there is no relationship with your employer during the days not included in your work schedule, you cannot buy back the days during which you do not work.

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1. This type of buy-back is possible until June 30, 2011.



**Example:**

*Jerry holds a part-time job: he works three days a week (Monday, Tuesday and Wednesday). Since his relationship with his employer exists only for those three days, he cannot buy back the other two days (Thursday and Friday) because they are not included in his work schedule.*

*Note that if Jerry were absent without pay during the days included in his work schedule (Monday, Tuesday or Wednesday), he would have the right to buy back those days of absence without pay.*

**What do I have to do to buy back years of service?**

First, it is important to know that your application for a buy-back must be received by CARRA while you are still a member of your plan. As a rule, you cannot buy back periods of service or absence after you have left your job, even if you left it to retire.

To purchase periods of service or absence without pay, you must first meet with the person responsible for pension benefits at your present place of work, generally in the human resources department. The person in charge will help you fill out the "Application for buy-back" (727A) form.

Then you must ask every employer concerned by a period you wish to buy back to fill out the "Attestation of a buy-back period" (728A) form to confirm the information you entered in your "Application for buy-back" (727A) form. Those forms are available on CARRA's Web site.

Once those forms are completed and signed, you must send them to CARRA. After studying your file and if the period is purchasable, CARRA will send you a proposal that you can either accept or turn down. The proposal will indicate the cost and the payment terms of the buy-back and will be valid for 60 days.

**Do I need to buy back all my absences without pay?**

When CARRA calculates the amount of your pension, it will automatically add to your years of service the number of days of your absences without pay, **up to a maximum of 90**, if they occurred before January 1, 2011.

For periods of absence since January 1, 2011, only those related to parental leaves (maternity, paternity or adoption) will be added automatically to your years of service, up to 90 days<sup>2</sup>. Those days will be

recognized for eligibility purposes as well as calculation purposes.

Therefore, there is no point in purchasing your first 90 days of absence since CARRA will credit them to you at no cost.

**Note:** You do not have to buy back absences without pay that have already been recognized by your pension plan.

**How much does a buy-back cost?**

It is impossible to answer this question on a general basis. The cost may vary according to the type of buy-back, the period to be purchased and the employee's age and salary.

However, by using the "Buy-back Cost Estimator" available on the home page of CARRA's Web site, you can quickly obtain the approximate cost of the buy-back you are planning concerning:

- absences without pay;
- service as a casual employee since July 1, 1973;
- service prior to membership in RREGOP or the PPMP.

Please note that periods of maternity leave are credited at no cost.

You will find more information in the document entitled *Buy-backs*. That document is available in the "Documentation > For members" section of CARRA's Web site.

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## PENSION CREDITS

### *PENSION CREDITS RESULTING FROM A BUY-BACK*

**I bought back years of service performed before I enrolled in RREGOP or the PPMP that gave me a \$950 annual pension credit. What is this exactly?**

If you purchased periods of service earned prior to your membership in RREGOP or the PPMP, you have what is called a "buy-back pension credit."

This means that CARRA will add an amount to your PPMP pension. In your case, the amount will be \$950 if payment of your pension credit begins at age 65.

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2. The total days of absence automatically added cannot exceed 90 days, regardless of the fact that those absences were before or after January 1, 2011.



### **Can payment of my pension credit begin earlier if I retire before I reach 65?**

Yes. You can request that payment of your buy-back pension credit begin on the same date as your retirement pension or on any other date included between the date of your retirement and your 65th birthday.

The amount of your pension credit will then be reduced permanently by 0.5% for each month (6% for each year) between the date you start receiving it and your 65th birthday. It is important to point out that even if the amount of the pension credit is lower, the fact that you begin to receive it sooner can be in your best interest.

If you retire after age 65, payment of your pension credit will begin on the date of your retirement. The amount will be increased by 0.75% per month (9% a year) included between your 65th birthday and the date of your retirement.

### **Will my buy-back pension credit be indexed?**

No. Buy-back pension credits are not indexed. However, they could be increased every three years on the basis of the results of actuarial valuations.

### *PENSION CREDITS RESULTING FROM A TRANSFER FROM A SUPPLEMENTAL PENSION PLAN (SPP)*

#### **Before enrolling in the pension plan, I participated in a supplemental pension plan (SPP) that gave me a \$450 annual pension credit when I transferred my years of service. What is this exactly?**

If you were a member of a supplemental pension plan (SPP) and that your SPP membership years as well as your contributions for those years were transferred to CARRA, you have what is called an "SPP pension credit."

Since you have a pension credit, CARRA will add an amount to your PPMP pension.

In some cases, the value of the pension credit is a percentage of the average pensionable salary that will be used to calculate your pension.

#### **Can payment of my pension credit begin as soon as I retire?**

Yes. However, depending on the SPP of which you were a member, the amount of your pension credit may be reduced permanently if payment begins before certain requirements are met.

#### **Situation 1**

Before enrolling in RREGOP or the PPMP, you were a member of one of the following SPPs:

- the Régime de rentes de la Société d'adoption et de protection de l'enfance (Centre de services sociaux du Montréal métropolitain - CSSMM);
- the Supplemental pension plan for the management personnel and the unionizable but non-unionized employees of the hospital sector;
- the Régime de retraite pour certains employés de la Commission scolaire de la Capitale (CSC);
- the Régime de retraite pour certains employés du Centre hospitalier de l'Université Laval (CHUL);
- the Régime de rente pour le personnel non enseignant de la Commission scolaire de Montréal (CSM).

In that case, the amount of your pension credit will not be reduced if payment begins at age 65.

If payment begins earlier, the amount of your pension credit will be reduced permanently by 0.5% for each month (6% for each year) between the date you start receiving it and your 65th birthday. It is important to point out that even if the amount of the pension credit is lower, the fact that you begin to receive it sooner can be in your best interest.

#### **Situation 2**

Before enrolling in RREGOP or the PPMP, you were a member of an SPP other than those mentioned above in "Situation 1."

If you are an active member entitled to an immediate pension, the amount of your pension credit will not be reduced if payment begins when you meet **one** of the following two requirements. (If not, the conditions of situation 1 will apply.)

- age 60 or over (regardless of the number of years of service);
- at least 35 years of service credited for eligibility purposes (regardless of age).

If payment of your pension credit begins earlier, the amount will then be reduced permanently by 0.33% for each month (4% for each year) between the date you start receiving it and the date on which you would have met one of those requirements. It is important to point out that even if the amount of the pension credit is lower, the fact that you begin to receive it sooner can be in your best interest.



### **Can I minimize or cancel the reduction applicable to my pension credit?**

Yes. When you apply for your pension, you may request that payment of your pension credit begin at another date than your retirement date. The closer to the date your pension credit would be payable with no reduction, the smaller the reduction will be.

However, before making a decision, it is important to analyze the consequences. In order to receive a higher amount later, you could deprive yourself during several months of money from which you could benefit as soon as you retire.

### **Will my SPP pension credit be indexed?**

Yes. Once payment has begun, your SPP pension credit will be indexed on January 1 of each year.

### **Will my SPP pension credit be increased otherwise?**

It can be adjusted upwards every three years on the basis of actuarial valuations.

## *PENSION CREDITS RESULTING FROM A TRANSFER UNDER AN AGREEMENT WITH ANOTHER BODY*

### **After I enrolled in the plan, I had my years of service in the private sector transferred and I got a 9,48% pension credit. What is this exactly?**

If you were a member of a pension plan that was not administered by CARRA and had your years of service as well as your contributions for those years transferred to CARRA, you have a "transfer agreement pension credit."

CARRA will therefore add an amount to your PPMP pension. In your case, the amount will be equal to 9.48% of the average pensionable salary that will be used to calculate your pension if payment of your pension credit begins when you meet **one** of these two requirements:

- age **60 or over** (regardless of the number of years of service);
- at least **35 years of service** credited for eligibility purposes (regardless of age).

### **Can payment of my pension credit begin earlier if I retire before I meet any of those two requirements?**

Yes. You may ask for payment of your pension credit to begin on the same date as your retirement pension or on any other date between your retirement and the date on which you would have met one of those two requirements.

The amount of your pension credit will then be reduced permanently by 0.33% for each month (4% for each year, 6% for the non-active member) between the date you start receiving it and the date on which you would have met one of the two requirements mentioned above. It is important to point out that even if the amount of the pension credit is lower, the fact that you begin to receive it sooner can be in your best interest.

### **Will my transfer agreement pension credit be indexed?**

Yes. Once payment has begun, your transfer agreement pension credit will be indexed on January 1 of each year.

### **Will my transfer agreement pension credit be increased otherwise?**

It can be adjusted upwards every three years on the basis of actuarial valuations.

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## **REVALUATION OF CERTAIN YEARS OF SERVICE CREDITED PRIOR TO ENROLMENT IN RREGOP OR THE PPMP**

### **I heard about the revaluation of certain years of service. What is it exactly?**

Revaluation concerns RREGOP and PPMP members who have ceased to participate since December 31, 1999 and who have acquired a **paid-up annuity** as a result of their membership in a supplemental pension plan (SPP) or a **pension credit** following a buy-back, a transfer from an SPP or a transfer carried out before 1985 under an agreement with another body. When they retire, those members benefit from a revaluation of the years that entitle them to that paid-up annuity or that pension credit.



### What form will that revaluation take?

The revaluation will take the form of **two additional pensions**:

- an additional life annuity for pension credit service which, as a rule, corresponds to  $1.1\% \times$  the average pensionable salary for your three best-paid years of service  $\times$  the number of years or parts of a year of service that entitle you to a paid-up annuity or a pension credit; and
- a temporary annuity for pension credit service payable until age 65 (or until death, if this occurs before you reach the age of 65) which, as a rule, corresponds to  $\$230 \times$  the number of years or parts of a year of service that entitle you to a paid-up annuity or a pension credit.

However, the total of the two additional pensions and the paid-up annuity or pension credit **must not exceed** the amount to which the corresponding years of service would entitle you if they had been credited for calculation purposes. Therefore, the amounts of the additional life annuity for pension credit service and the temporary annuity for pension credit service could be limited.

### Do the additional pensions replace the pension credit?

No. Those two pensions are paid **in addition to** the retirement pension and the pension credit.

### If I am eligible for a retirement pension with reduction when I retire, will my additional pensions also be reduced?

Yes. Just as the retirement pension, the additional life annuity and the temporary annuity are also reduced by 0.25% for each month (3% for each year) between your retirement and the date on which you would have been eligible for an immediate pension with no reduction. Since they are related to the basic pension, they cannot be paid on a later date.

### Are the additional pensions indexed?

They are indexed each year according to the rate of increase of the Pension Index determined by the Régie des rentes du Québec, minus 3%. When the rate of increase of the Pension Index is equal to or lower than 3%, they are not indexed.

### Is there a limit to the number of years that can be revalued?

Yes. If you have more than 35 years of service credited for eligibility purposes, the total number of years that can be revalued cannot be higher than the difference between 35 and the number of years of service used to calculate your basic pension.

#### **Example:**

*Marcelle has 37 years of service credited for eligibility purposes. Of that number, 22 are used to calculate her pension and 15 entitle her to a pension credit. In this case, the number of years that can be revalued is limited to 13 ( $35 - 22 = 13$ ).*

### When I die, will my additional pensions be paid to my spouse?

When you die, **only** your additional life annuity (1.1% of your average pensionable salary) will be taken into account in calculating your spouse's pension, in accordance with the rules that apply to the basic pension.

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## WORK TIME MANAGEMENT AND REDUCTION

### If I enrol in a work time management or reduction program, will my pension be affected when I retire?

No, because you will be credited the same service and the same salary as if you had not participated in the program, even if your work schedule and your salary are reduced.

Note that work time management and reduction programs could be known under different names in the public service, the health and social services sector and the education sector.

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## SABBATICAL LEAVE WITH DEFERRED PAY

### If I sign an agreement with my employer to take a sabbatical leave with deferred pay, will it affect my pension?

No, because you will be credited the same service and the same salary as if you had not signed an agreement.



Note that for the duration of the agreement, you will pay contributions only on your actual salary.

Once your leave is over, you must return to your usual work for a period equivalent to at least the duration of the leave. If you do not abide by the conditions of the agreement, your employer could cancel it and consider it never existed, which could affect your pension plan.

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## PHASED DEPARTURE

### **Can I reduce my work schedule before I retire?**

Yes. Subject to your conditions of employment, you can sign a “phased departure agreement” with your employer.

The agreement allows you to reduce your work schedule for a period of at least 12 months and at the most, 60, at the end of which you must retire. For the duration of the agreement, your new work schedule must not be less than 40% of the full-time schedule of an equivalent job.

To be eligible for phased departure, you must hold a full-time or part-time regular job.

Before entering into a phased departure agreement, you must complete the “Application for confirmation of eligibility for phased departure (progressive retirement)” (267A) form so that CARRA can confirm that you are really eligible for a retirement pension at the expiry of the agreement. That form is available on CARRA’s Web site.

### **Will a phased departure agreement affect my pension when I retire?**

No. The agreement will not affect your pension, because your contributions to the PPMP for the duration of the agreement are calculated on the salary you would have received had you not signed the agreement.

You will be credited the same service and the same salary as if you had not reduced your work schedule.

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## END OF EMPLOYMENT PRIOR TO ELIGIBILITY FOR A PENSION

### **Can I obtain a refund of my contributions if I leave my job before I am eligible for a pension?**

Yes. You can ask for a refund of your contributions with interest **only** if you meet these two conditions:

- you are under 55 years of age; and
- you have less than two years of service credited for eligibility purposes (regardless, however, of the periods credited to make up for incomplete years of service due to part-time work or work during only a part of a year).

You must have stopped working for at least 210 days before sending the “Application for reimbursement” (080A) form to CARRA. That form is available on CARRA’s Web site.

If at the same time you are a member of the PPMP, RREGOP or the PPPOCS for more than one job, you must have left all of those jobs since at least 210 days before filing your application for reimbursement.

### **If I am not eligible for a refund of my contributions and I leave my job before I am eligible for an immediate pension, when will I benefit from the PPMP?**

If you are under 55 **and** have two years of service or more when you leave your job, you can choose between the following **two options**:



### Option 1:

#### A deferred pension with or without reduction

This pension will have been fully indexed between the date on which your employment ceased and the date on which payment of your pension starts.

If you choose this option, you can:

- Receive your deferred pension at age 65.

Integration with the Québec Pension Plan (QPP) will apply to your pension as of the month following your 65th birthday.

If the actuarial value of the deferred pension is lower than the total of your contributions with interest, the amount of your pension will be increased until its actuarial value is equal to that total.

#### OR

- Receive your deferred pension in advance at 55 or at any other time between your 55th and your 65th birthday.

This is called a “deferred pension with reduction.” Since you will receive your deferred pension longer than if you had waited until age 65 to apply for it, a reduction of 0.25% for each month (3% for each year) included between the effective date of your pension and your 65th birthday will apply **permanently** to your deferred pension.

In addition, since you receive sooner a pension that would normally be payable at 65 and since integration with the QPP would apply at that time, integration with the QPP applies to your pension as soon as payment begins. The amount of the reduction due to the QPP integration will be reduced by the same percentage as your pension.

If the actuarial value of the deferred pension is lower than the total of your contributions with interest, the amount of your pension will be increased until its actuarial value is equal to that total.

### Option 2:

#### Transfer of the value of the benefits accrued in your pension plan to a locked-in retirement account (LIRA) or a life income fund (LIF).

The amount that could be transferred to a LIRA or a LIF corresponds to the **higher** of the following two amounts:

- the total of your contributions to your pension plan, with accrued interest;
- the value of your accrued indexed deferred and integrated retirement pension.

You are entitled to the transfer if you have left your job for at least 210 days. Your application for transfer must be filed with the “Application for a retirement pension” (O79A) form **before your 55th birthday**, or within the 12 months following the date of the end of employment if you left between your 54th and your 55th birthday. That form is available on CARRA’s Web site.

#### Is it more profitable to wait for a deferred pension or ask CARRA to transfer the value of the benefits accrued in my pension plan to a LIRA or a LIF?

In order to compare the advantages of those two options, you must consider your age, the amount of your deferred pension, the indexation rate that could apply and, **mainly, the interest rate** you could obtain on the amount you would transfer to a LIRA or a LIF.

#### What will happen if I return to work in the public or parapublic sector after I had the value of the benefits accrued in my pension plan transferred to a LIRA or a LIF?

You can have your pension plan recognize the periods of service that were credited to you before the value of your benefits in the PPMP was transferred to a LIRA or a LIF.

You will have to repay CARRA the amount that was transferred from the PPMP to your LIRA or your LIF, with the interest accrued at the PPMP rate of return. Thus, you will re-establish the rights you had under your pension plan at the time of the transfer in regard to service and accrued benefits.

Note that in order to do so, you must have held your new job for at least three months.



**If I leave my job to work for an employer whose pension plan is not administered by CARRA, can I have my years of participation in the PPMP recognized under my new employer's plan?**

Yes, provided your new employer has entered into a transfer agreement with CARRA. CARRA has such agreements with **certain bodies** to allow those who change jobs to transfer the value of their accrued benefits under the PPMP to their new plan.

Those bodies include, among others, the federal government and certain provincial governments, municipalities and universities as well as certain public and private organizations.

To avail yourself of a transfer agreement, you must not be eligible for an immediate pension **with no** reduction when you file your application for transfer with CARRA.

## CALCULATION OF YOUR PENSION

**How will CARRA calculate the amount of my retirement pension?**

To determine the amount of your **basic pension**, CARRA will use the following formula:

	Years of service credited for calculation purposes (maximum 36 as at December 31, 2011)
×	Accrual rate (2%)
×	Average pensionable salary for your three best-paid years of service
=	Basic pension

**Will the same formula be used if I work part time?**

Yes. In that case, however, CARRA will consider the pensionable salary you would have received if you had worked full time.

**Will the retroactive pay adjustment I received be used in the calculation of my retirement pension?**

When you retire, CARRA will use that amount, or only part of it, to calculate your pension provided **both** these conditions are met:

- the retroactive pay adjustment was related to your pensionable salary (the basic salary provided for in your work contract);

- the retroactive pay adjustment concerned one or several of the three years of service used for the calculation of your average pensionable salary.

**Note:** If you have received a retroactive pay adjustment after 2006, it will be spread over the years concerned if your participation has ceased after December 31, 2009.

**When will I be entitled to my basic pension?**

You will be entitled to your annual basic pension when you cease to be a member of the plan, **provided your qualification period for the PPMP is over** and you meet **one** of the following three eligibility requirements:

- age 60 or over (regardless of the number of years of service);
- at least 35 years of service credited for eligibility purposes (regardless of your age);
- age 55 or over **and** to have reached the "88 factor" (age + years of service credited for eligibility purposes).

As a rule, and subject to the tax rules, you will then be eligible for an "immediate pension **with no** reduction."

**Example:**

*Jean retires at 60 years of age, once her qualification period for the PPMP is over. She has 25 years of service credited for both eligibility and calculation purposes. The average pensionable salary for her three best-paid years is \$70 000.*

*Since she meets the eligibility requirement "age 60 or over," she is eligible for an "immediate pension **with no** reduction," determined as follows:*

Years of service credited for calculation purposes		25
Accrual rate	×	2%
Average pensionable salary of Jean's three best-paid years of service	×	\$70 000
Basic pension	=	\$35 000

*Jean will receive an annual pension of \$35 000, which represents \$2 917 a month (\$35 000 ÷ 12).*

**How can I know if I have reached the "88 factor?"**

To determine if you have reached the "88 factor," you must first add your age and the number of years of service currently credited to you. Then, you subtract the result from 88, and divide the result



by 2. Then add this number to your age and your years of service.

**Example:**

*Peter is 51 years old and has 27 years of service credited for eligibility purposes. His qualification period for the PPMP is over.*

*In order to determine when he will reach the "88 factor," we must first add his age and the number of his years of credited service (51 + 27), which totals 78. Now we subtract that number from 88 (88 - 78), which gives 10. Then we divide the result by 2 (10 ÷ 2), which gives 5. Finally, we add this number (5) to his age and to his years of service:*

Age	+	Years of service	=	"Factor"
51	+	27	=	78
5	+	5	=	10
56	+	32	=	88

*Peter will reach the "88 factor" 5 years from now, when he turns 56 and has 32 years of service.*

*When he reaches the "88 factor," Peter will be eligible for an immediate pension **with no** reduction because he will meet the requirement "age 55 or over" **and** to have reached the "88 factor."*

Note that if a member is under 55 years of age when he reaches the "88 factor," he is not eligible for an immediate pension and must wait until he turns 55 to retire, except if he has 35 years of service credited for eligibility purposes.

**Can I retire even if I do not meet any of those three eligibility requirements?**

Yes, you can, provided you are **at least** 55, even if you have not reached the "88 factor" (age + years of service credited for eligibility purposes).

In this case, however, you are eligible for an "immediate pension **with** reduction." This means that your basic pension must be reduced **permanently** by 0.25% for each month (3% for each year) your retirement precedes the date on which you would have become eligible for an immediate pension with no reduction.

Your pension is reduced because you will be receiving it for a longer period than if you retire only after you meet one of the eligibility requirements for an immediate pension **with no** reduction.

**How can I calculate the amount of my immediate pension with reduction?**

First, you must determine the percentage of reduction applicable to your basic pension. This percentage is obtained by multiplying by 0.25% the number of months between the date of your retirement and the date on which you would have met **one** of the following three eligibility requirements:

- age 60 or over (regardless of the number of years of service);
- at least 35 years of service credited for eligibility purposes (regardless of your age);
- age 55 or over **and** to have reached the "88 factor" (age + years of service credited for eligibility purposes).

You then multiply the amount of your annual basic pension by the percentage of reduction in order to determine the applicable reduction.

Finally, you subtract the result from your annual basic pension. This is how you can determine the amount of the immediate pension **with** reduction to which you are entitled.

**Example:**

*John retires on his 58th birthday, once his qualification period for the PPMP is over. He has 25 years of service credited for both eligibility and calculation purposes. The average salary for his three best-paid years is \$60 000.*

*First, we must determine the number of months between his retirement and the first date on which he would have been eligible for an immediate pension **with no** reduction. Of the three eligibility requirements for a pension **with no** reduction, the first he would have met is "age 60 or over," and that would have been 24 months later had he kept on working. Therefore, we must consider **24 months** between his retirement and his earliest eligibility date for a pension with no reduction.*

*We can determine the percentage of reduction applicable to his basic pension as follows:*

Months between retirement and earliest eligibility date for a pension with no reduction		24
Monthly rate of reduction of the pension	×	0.25%
Percentage of reduction applicable to the basic pension	=	6%



Now, we will determine the amount of his basic pension:

Years of service credited for calculation purposes		25
Accrual rate	×	2%
Average pensionable salary of John's three best-paid years of service	×	\$60 000
<b>Basic pension</b>	<b>=</b>	<b>\$30 000</b>

Then we must calculate the amount of the reduction to apply to his annual basic pension:

Basic pension		\$30 000
Percentage of reduction	×	6%
<b>Reduction applicable to the basic pension</b>	<b>=</b>	<b>\$1 800</b>

To determine the amount of the immediate pension **with** reduction to which John is entitled, we simply make the following calculation:

Basic pension		\$30 000
Reduction applicable to the basic pension	-	\$1 800
<b>Immediate pension with reduction</b>	<b>=</b>	<b>\$28 200</b>

John's annual pension will be \$28 200, which represents \$2 350 a month ( $\$28\,200 \div 12$ ).

### Is it possible to minimize or totally avoid the reduction?

Yes. This is what we call the "compensation" of the reduction applicable to a pension. It consists in transferring to the PPMP the amount necessary for the annual payment of an amount equal to the reduction you wish to cancel or reduce.

The funds must be transferred from your registered retirement savings plan (RRSP) or from a registered pension plan (RPP) within 60 days following the end of your participation. Your employer may also cancel or minimize the reduction of your pension before you cease to be covered by the plan.

### Will I be entitled to a pension if I resign before the end of my qualification period for the PPMP?

If you resign before your qualification period for the PPMP is over, you will not be entitled to a pension under the PPMP. However, if you meet one of the eligibility requirements provided under RREGOP, you will be entitled to a pension under RREGOP.

## INTEGRATION OF THE PPMP AND THE QUÉBEC PENSION PLAN (QPP)

### Is it true that my PPMP pension will be reduced when I turn 65?

Yes, this is true. When you turn 65, your pension plan will take into account the fact that you also receive a pension under the Québec Pension Plan (QPP), which will cause a reduction of your PPMP pension. This is what is called "integration."

The reduction will be applied to your pension as of the month following your 65th birthday.

Integration does not apply to the portion of the pension that corresponds to the years of service in excess of 35.

### If I apply for my QPP pension at 60, will my PPMP pension be reduced at the same age?

No. Your PPMP pension will be reduced **only as of the month following your 65th birthday**, even if you began receiving your QPP pension before 65.

### How will CARRA calculate the reduction that will be applied to my PPMP pension?

The applicable reduction will be calculated as follows: the number of years of service used to calculate your basic pension that were earned since January 1, 1965 × the annual integration rate with the QPP (0.7%) × the average maximum pensionable earnings (MPE) for your last five years of service. Note that the MPE is set by the Régie des rentes du Québec.

#### Example:

Lynn retired at 60 years of age with 25 years of service for calculation purposes. All those years of service were earned since January 1, 1965. The average MPE for her last five years of service was \$37 000 and her average pensionable salary for those years was \$55 000.

The reduction that will apply to Lynn's pension is calculated as follows:

Years of service credited for calculation purposes		25
Annual integration rate with the QPP	×	0.7%
Average MPE	×	\$37 000
<b>Applicable reduction</b>	<b>=</b>	<b>\$6 475</b>



As of the month following her 65th birthday, Lynn's annual pension under the PPMP will be permanently reduced by \$6 475, which represents \$540 a month ( $\$6\,475 \div 12$ ).

### Is the exemption in the calculation of my contributions to the PPMP related to the integration of the PPMP with the QPP?

Yes, the contributions you pay to the PPMP during your career are lower because your PPMP pension will be integrated with your QPP pension when you turn 65.

In the example on page 3, if the PPMP was not integrated with the QPP, Ann's contributions to the PPMP would be calculated on her **total** salary. Consequently, in 2011, her contributions to the PPMP would amount to \$8 737.51 instead of \$6 786.67, that is, \$1 950.84 more.

On January 1, 2012, Roger's pension will be indexed as follows, **assuming that** the rate of increase of the Pension Index set by the Régie des rentes du Québec is 4%.

Roger's annual pension (\$36 000) will first be divided in three parts, according to the periods his years of service were performed:

Number of years of service...	Accrual rate	Average salary	Part of the pension
<b>Before July 1, 1982:</b>	1.5 × 2% ×	\$60 000 =	<b>\$1 800</b>
<b>From July 1, 1982 to December 31, 1999:</b>	17.5 × 2% ×	\$60 000 =	<b>\$21 000</b>
<b>Since January 1, 2000:</b>	11.0 × 2% ×	\$60 000 =	<b>\$13 200</b>
<b>Total</b>	<b>30.0 × 2% ×</b>	<b>\$60 000 =</b>	<b>\$36 000</b>

Each of those three parts will then be indexed as follows:

	Indexation
<i>First part of the pension</i>	
<b>\$1 800</b> × 4%, or the rate of increase of the Pension Index <b>assumed</b> for January 1, 2012	<b>\$72</b>
<i>Second part of the pension</i>	
<b>\$21 000</b> × 1%, or the rate of increase of the Pension Index <b>assumed</b> for January 1, 2012 minus 3% (4% - 3%)	<b>\$210</b>
<i>Third part of the pension</i>	
<b>\$13 200</b> × 2%, or <b>50%</b> of the rate of increase of the Pension Index <b>assumed</b> for January 1, 2012 (4%)	<b>\$264</b>
<b>Total indexation as at January 1, 2012</b>	<b>\$546</b>

As of January 1, 2012, Roger's annual pension will be increased to \$36 546 (\$36 000 + \$546), which represents \$3 045.50 a month ( $\$36\,546 \div 12$ ).

### If I retire on a date other than January 1, will my pension be indexed in the same fashion?

Yes. However, the first time your pension will be indexed, that is, on January 1 following the date of your retirement, the index adjustment will be calculated on the basis of the number of days for which your pension was payable during the first year of your retirement, over 365 (or over 366, if it is a leap year).

## INDEXATION OF YOUR PENSION

### When I am retired, will my PPMP pension be indexed?

Yes. Once you begin receiving your PPMP pension, it will be indexed on January 1 of each year as follows:

- the part of your pension that corresponds to service performed **prior to July 1, 1982** will be fully indexed to the rate of increase of the Pension Index set by the Régie des rentes du Québec;
- the part of your pension that corresponds to service performed from July 1, 1982 to December 31, 1999 will be indexed to the rate of increase of the Pension Index, minus 3%;
- the part of your pension that corresponds to service performed since January 1, 2000 will be indexed according to the more profitable of the following formulas:
  - 50% of the rate of increase of the Pension Index;
  - the rate of increase of the Pension Index, minus 3%.

#### Example:

Roger intends to retire on January 1, 2011, on his 60th birthday. He will have 30 years of service credited for both eligibility and calculation purposes. His average pensionable salary for his three best-paid years will be \$60 000. In 2011, his annual pension will be \$36 000 (\$3 000 a month).



Subsequently, your pension will be indexed on January 1 of each year.

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## TERMINAL ILLNESS

### If I had a terminal illness, could I receive a special benefit under the PPMP?

Yes. If you have a terminal illness, that is, an illness which, in the opinion of your physician, is such that your life expectancy is less than two years, you can receive the **higher** of the following two amounts:

- your total contributions to your pension plan, with accrued interest;
- the actuarial value of your vested retirement pension.

To that amount, you must add the sum paid or transferred to obtain a pension credit, with interest.

You have this option only if, at the time of your application, you are not eligible for an immediate pension **with no** reduction.

**Note:** You are eligible for that benefit under the PPMP even if your qualification period for the PPMP is not over when you file your application.

### Can I continue working after I receive that benefit?

Yes. However, you cease to be a member of the plan.

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## IN THE EVENT OF MARRIAGE OR CIVIL UNION BREAK-UP

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

Since July 1, 1989, benefits accrued in a pension plan during marriage or civil union are part of the family patrimony. The value of those benefits can therefore be partitioned in the event of legal separation, divorce, annulment of marriage, payment of a compensatory allowance, dissolution or annulment of 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 your benefits.

If the Court then decides that the value of the benefits must be partitioned, CARRA will transfer, on application, the sum allocated to your spouse to a locked-in retirement account (LIRA), a life income

fund (LIF) or an annuity contract in his name at the financial institution of his choice.

**Note:** If your qualification period for the PPMP is not over at the time of partition, the provisions of RREGOP will apply.

### Will the transfer affect the amount of the benefits accrued in my pension plan?

Yes. In order to take into account the sum that was transferred to your spouse, CARRA will determine what is called a "reduction due to partition." When you retire, or if you have already retired, your benefits will be reduced accordingly.

### Will a separation from my de facto spouse affect the amount of the benefits accrued in my pension plan?

No. Only married or civilly united spouses are subject to the rules of the partition of family patrimony.

You will find more information in the document entitled *Partition of family patrimony*. That document is available in the "Documentation > For members" section of CARRA's Web site.

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## IN THE EVENT OF DEATH

### What benefits are provided under the PPMP at death?

Benefits depend on whether you are eligible or not for a retirement pension or are already retired at the time of your death.

### What will happen if I am not eligible for a retirement pension?

If **you have less than two years of service** credited for eligibility purposes at the time of your death, your spouse will receive the total of your contributions to your pension plan, with accrued interest. If you do not have a spouse, the amount will be paid to your heirs.

However, if **you have at least two years of service** credited for eligibility purposes at the time of your death, your spouse will receive **the higher** of the following two amounts:

- the total of your contributions to your pension plan, with accrued interest;
- the value of your vested deferred pension.



If you do not have a spouse, the higher of those amounts will be paid to your heirs.

Your spouse or, if you do not have a spouse, your heirs will also receive the refund of any amount you paid to obtain your pension credits, with accrued interest.

**Note:** If your qualification period for the PPMP is not over at the time of your death, it will be deemed to have ended the day of your death. Therefore, the amount paid to your spouse or your heirs will be determined as shown above according to the provisions of the PPMP as described above.

### What if I am eligible for a retirement pension?

Your spouse will receive, until death, a surviving spouse's pension corresponding to 50% of the pension that would have been payable to you at the time of your death (including 50% of your SPP and transfer agreement pension credits and the life annuity for pension credit service, but excluding your buy-back pension credits you might have purchased and temporary annuity for pension credit service, if applicable). Integration with the Québec Pension Plan will apply to that pension as of the month following your death. In addition, if the actuarial value of your spouse's pension is lower than the total of your contributions with interest, the amount of your spouse's pension will be increased until its actuarial value reaches that total.

If you do not have a spouse, your heirs will receive the total of your contributions to your pension plan, with accrued interest.

Your spouse or, if you do not have a spouse, your heirs will also receive the refund of any amount you paid to obtain your buy-back pension credits, with accrued interest.

### And if I already receive my retirement pension?

If you already receive a retirement pension at the time of your death and **if you have a spouse**, your spouse will receive, until death, a surviving spouse's pension corresponding to 50% or 60% of your pension (including 50% of your SPP and transfer agreement pension credits and the life annuity for pension credit service, but excluding your buy-back pension credits you might have purchased and temporary annuity for pension credit service, if applicable), in accordance with the option chosen on the "Reply-form" you received following your application for a retirement pension. You can choose to reduce your pension by 2% so that your spouse will receive 60% of your reduced pension.

If integration with the Québec Pension Plan has not yet been applied to your pension, it will apply to your spouse's pension as of the month following your death.

Your spouse's pension will not include the buy-back pension credits that you might have purchased or the temporary annuity for pension credit service. However, if applicable, your spouse will also receive an amount calculated as follows:

- the total amount you paid to obtain your buy-back pension credits, with interest accrued up to the date of your retirement, **minus**
- the amount you received as buy-back pension credits.

If you **do not have a spouse** at the time of your death, your heirs will receive an amount calculated as follows:

- the total of your contributions to your pension plan, with interest accrued up to the date of your retirement, minus the amount you received as pension benefits, **plus**
- the total amount you paid to obtain your pension credits (of any type), with the interest accrued up to the date of your retirement, minus the amount you received as pension credits.

### Upon my death, will my pension plan recognize my de facto spouse?

**If you are not married or civilly united<sup>3</sup>**, your pension plan will recognize for your spouse the person of the opposite sex or the same sex that you presented as your spouse and who, at the time of your death, **was not married or civilly united to another person** and had been living maritally with you since at least three years. That period can be only one year instead of three if:

- a child is born or to be born of your union; **or**
- a child was jointly adopted by you and your spouse during your union; **or**
- your spouse or you have adopted the child of the other during your union.

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3. A legally separated spouse is still deemed to be the spouse, unless payment of the benefits was carried out following partition of the family patrimony.



### **Can I bequeath my pension plan to the person of my choice?**

No. The act governing the PPMP contains provisions regarding the beneficiary of your pension plan, depending on whether or not you have a spouse at the time of your death:

- **You have a spouse**

Regardless of your will, the law provides that the beneficiary of your pension plan is your spouse. The same applies if you did not make a will.

- **You do not have a spouse at the time of your death**

Your pension plan will become part of your estate. Therefore, the heirs you designated will benefit under your will. If you did not make a will, your estate, including your pension plan, will be transferred to your heirs in accordance with the provisions of the Civil Code of Québec.

### **Can my spouse renounce his rights?**

Yes. Your spouse may waive his spousal rights in favour of your heirs and he also may revoke such waiver by written notice to CARRA. That notice must be received by CARRA no later than the day before your death.

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## **DECIDING TO RETIRE**

### **What elements do I have to take into account before deciding to retire?**

First, it is essential that you be ready to enter this new stage of your life.

Then, of course, it is important to evaluate your total income, depending on your age upon retirement, for instance: your PPMP pension, your pension under the Québec Pension Plan, your Old Age Security Pension (payable at 65) and any income from your registered retirement savings plan (RRSP) or from any other source, and to compare it with your expenses.

### **How can I obtain an estimate of my PPMP pension?**

If you wish to do some long term planning of your retirement, you can use the "Pension Estimator," available on the home page of CARRA's Web site. The estimator will quickly and easily provide you with an estimate of the amount of the pension you could be entitled to on the date you plan to quit your job.

However, if you intend to retire between 4 to 14 months from now, we advise you to apply to CARRA for a pension estimate with the "Application for pension estimate" (009A) form. That form is available on CARRA's Web site.

### **Once my decision is made, what do I have to do?**

In order to receive your retirement pension under the PPMP, you must fill out the "Application for a retirement pension" (079A) form, with your employer's assistance. That form is available on CARRA's Web site.

We suggest that you send it to CARRA about three months before the date on which you plan to retire.

After studying your application, CARRA will send you a document entitled "Your options" which includes a "Reply form." That document describes the choices of benefits you have. You must complete and return the "Reply form" within 30 days of its receipt to inform us of your decision. If you do not meet the deadline, the default option indicated in the document will be chosen to determine your pension.

### **If I am eligible for a pension with reduction, can I resign and wait until I am eligible for a pension with no reduction before I apply for my retirement pension?**

Yes. Before making that decision, however, you must analyze the consequences. In order to receive at a later date a slightly higher pension, you risk depriving yourself for several months of money that you could use from the beginning of your retirement.

### **If I resign while I am eligible for a pension with reduction and I do not apply for it immediately, can I apply later, even if, at that time, I am still not eligible for a pension with no reduction?**

Yes. However, if you send your application to CARRA more than 60 days after your resignation but are still not eligible for a pension with no reduction, CARRA will not pay your pension from the date of your resignation, but **from the date it received your application** or from any other later date specified on your application. CARRA will use that date to calculate the reduction applicable to your pension.



**Example:**

Martha resigns in June 2011 at the age of 58, once her qualification period for the PPMP is over. She has 22 years of service credited for eligibility purposes. She is eligible for an immediate pension **with** reduction. Since she would be eligible for a pension **with no** reduction in two years because she would meet the requirement “age 60 or over,” she decides to wait before applying to CARRA for her pension.

In June 2012, at age 59, even if she is not yet eligible for a pension **with no** reduction, Martha files her application for her retirement pension to CARRA.

CARRA will pay her pension from the date on which it received her application (June 2012) and will use that date to calculate the reduction to apply to her pension.

**If I resign when I am eligible for a pension with reduction but do not apply for it, and still forget to apply when I become eligible for a pension with no reduction, what will happen when I apply with CARRA a few months later?**

If you send your application for a retirement pension to CARRA once you are eligible for a pension **with no** reduction, CARRA will pay your pension **from the date on which you became eligible for that pension with no reduction** and not from the date on which it received your application.

**Example:**

Paul resigns in June 2011, at age 59, once his qualification period for the PPMP is over. He has 25 years of service credited for eligibility purposes. He is eligible for an immediate pension **with** reduction. Since he would be eligible for a pension **with no** reduction in one year because he would meet the requirement “age 60 or over,” he decides to wait before applying to CARRA for his pension.

In June 2012, Paul becomes eligible for a pension **with no** reduction under that requirement. However, he forgets to apply to CARRA for his pension.

In October 2012, Paul files his application for his retirement pension. CARRA will pay his pension from the date on which he became eligible for a pension **with no** reduction (June 2012).

**If I resign when I am eligible for a pension under the PPMP to go working for a private organization, but prefer not to apply for my pension immediately because I wish to come back to the public or the parapublic sector at the end of that job. Will that affect my PPMP pension when I retire?**

It depends on the number of days between the date of your resignation in the public or the parapublic sector and the date on which you come back to work in that sector.

If there are **not more than 180 days** between these two dates, you will again be a member of the PPMP, whether your new job is unionizable or non-unionizable. When you retire, the calculation of your PPMP pension will take into account the total of your periods of membership.

However, if there are **more than 180 days** between these two dates, you will not necessarily be a member of the PPMP. Depending on the fact that your new job is unionizable or non-unionizable, you will be in one of the following situations:

- if you hold a unionizable job, you can no longer participate in the PPMP and you must become a member of RREGOP. Therefore, you are no longer entitled to a pension under the PPMP. You will be entitled to a pension under RREGOP, but only when you meet one of the eligibility requirements of that plan;
- if you hold a non-unionizable job, you will again be a member of the PPMP. When you retire, the calculation of your PPMP pension will take into account the total of your periods of participation.

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## PAYMENT OF YOUR PENSION

**How often will my pension be paid?**

Your pension will be paid on the 15 of each month, for that month, or if the 15 is not a work day, on the preceding work day. It can be paid by cheque or deposited directly into your bank account.

**Will income tax be deducted from my pension?**

As a rule, yes. CARRA will deduct federal income tax and Québec income tax as if your pension was your sole income. If the amounts of those deductions are not high enough, you can ask to have them increased.



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## GOING BACK TO WORK

### Once I have retired, can I go back to work?

Going back to work in the Québec public service, the education or the health and social services sectors or for any employer covered by RREGOP, the PPMP or the PPPOCS on a full-time or part-time basis or as a casual employee, could cause the suspension or the reduction of your retirement pension.

Therefore, **we strongly suggest** that you make sure the employer about to hire you or CARRA provides you with all the information you need on the **possible consequences** of your going back to work, **before** reaching a decision.

However, going back to work in the private sector will not affect your pension.

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## RECOURSE

### If I have a complaint regarding the quality of CARRA's services, whom must I contact?

If you wish to submit a complaint regarding the quality of the services you received from CARRA, please contact the Complaints Officer by the means that is the most convenient for you:

- **By mail:**  
Bureau des plaintes  
Commission administrative des régimes  
de retraite et d'assurances  
475, rue Saint-Amable  
Québec (Québec) G1R 5X3
- **By telephone:**  
418 644-3092  
1 866 239-2985 (toll free)  
1 855 642-3092 (toll free)
- **By fax:**  
418 644-5050
- **By e-mail:**  
[bplainte@carra.gouv.qc.ca](mailto:bplainte@carra.gouv.qc.ca)  
or  
[www.carra.gouv.qc.ca](http://www.carra.gouv.qc.ca)  
("CARRA > Complaints")

### If I disagree with a decision rendered by CARRA, should I also contact the Complaints Officer?

No. The Complaints Officer deals **only** with complaints related to the quality of CARRA's services.

If you wish to contest a decision rendered by CARRA in your regard, you may apply for a reexamination to the reexamination office within the prescribed time limit. Following reexamination, if you feel that your rights have not been recognized, you may appeal the decision by applying to the office of the arbitration tribunals within the prescribed time limit.



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## APPENDIX

### NON-UNIONIZABLE EMPLOYMENT

**In the public service, the education sector and the health and social services sector as well as in the bodies whose employees are appointed and remunerated in accordance with the *Public Service Act*:**

- management positions or senior executive positions determined according to the classification plans for managers established by the authorities designated for the public and parapublic sectors;
- the following positions in the public service:
  - human resources management consultant;
  - criminal and penal prosecuting attorney;
  - mediator and conciliator;
  - presiding justice of the peace since June 30, 2004;
  - administrative justice of the peace appointed before June 30, 2004 who chose, before January 1, 2005, to contribute to the PPMP.

**In public corporations and government agencies in which the conditions of employment and remuneration standards and scales of the staff are determined by the Government or approved by the Conseil du trésor:**

- the positions identified in the classification plans for managers approved by the Conseil du trésor and subject to the conditions of employment of managers, where applicable;
- mediators of the Conseil des services essentiels;
- human resources management consultants who are subject to the conditions of employment of the managers.

**In a minister's office, the office of a member of the National Assembly and the office of the Lieutenant Governor:**

- the position of chief of staff and the positions of deputy chiefs of staff where their conditions of employment provide that they shall benefit from the conditions of employment of senior managers in the public service.

**In private educational institutions and for all other employers covered by the PPMP:**

- positions comparable to management positions in the public and parapublic sectors determined in relation to the classification plans for managers established by the authority designated in the sector in question.



**TO LEARN MORE, GO TO CARRA'S WEB SITE  
([www.carra.gouv.qc.ca](http://www.carra.gouv.qc.ca))**

In addition to the publications and forms referred to in this document, here is a brief summary of what you will find on CARRA's Web site:

**The "Life events" section:  
For answers to your questions**

In this section, you will find all the information you need to make an informed decision when certain events in your life may affect your retirement plan.

The subjects addressed are "Starting to work," "Absences," "Disability," "Breaking up," "Leaving your job," "Retirement," "Going back to work" and "Death."

**The Pension Estimator:  
For the planning of your retirement**

The Pension Estimator will quickly and easily provide you with an estimate of the amount of the pension you could be entitled to on the date you plan to quit your job.

**The Buy-back Cost Estimator:  
For an idea of a buy-back cost**

The Buy-back Cost Estimator will quickly and easily provide you with the approximate cost of the service purchase you are planning.

**To keep informed, register to our electronic mailing list**

Registering on CARRA's electronic mailing list will allow you to obtain information about changes affecting the various pension plans it administers. By tabling on sustainable development, CARRA wishes to favour that means of communications over the use of paper documentation. The mailing list is available on our Web site under "Mailing list."

If you wish to obtain more information on your pension plan, please contact the human resources department at your place of work or CARRA.

**By mail:**

**Direction des contacts clients  
Commission administrative des régimes  
de retraite et d'assurances  
475, rue Saint-Amable  
Québec (Québec) G1R 5X3**

**By telephone:**

**418 643-4881 (Québec region)  
1 800 463-5533 (toll free)**

**CARRA's Web site:**

**[www.carra.gouv.qc.ca](http://www.carra.gouv.qc.ca)**

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The masculine form is used to designate either sex.

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