



The Pension Plan
of Management Personnel

THE PPMP

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THE PPMP

What is the Pension Plan of Management Personnel (PPMP)?

Since January 1, 1997, the PPMP applies to non unionized employees who have the corresponding classification.

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-unionized employment;
- be the incumbent of your non-unionized employment. Please note that you cannot participate in the PPMP if you hold non-unionized employment by interim or on a temporary or casual basis;
- have the classification corresponding to that non unionized employment;
- work in that non-unionized 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-unionized 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.

During that qualification period, you contribute to the PPMP, but the provisions of the Government and Public Employees Retirement Plan (RREGOP) apply, except in case of terminal illness or death.

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

How long is that PPMP qualification period?

The duration of the qualification period depends on the percentage of hours you hold employment:

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

I currently hold two non-unionized jobs. Must I go through two PPMP qualification periods?

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

Example

On February 1, 2014, John began to work in two non-unionized 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 for the PPMP 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 qualification period will be reduced by half;
- If the percentage decreases to less than 40%, the time needed to complete your qualification period will double.

Example

On September 1, 2012, Claire began working in a non-unionized 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, 2013, Claire began working in a second non-unionized 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 was reduced by half as follows:

Duration of the qualification period determined on September 1, 2012 (the date Claire's first non-unionized job began)	48 months
- Number of months between September 1, 2012 and November 1, 2013 (the date Claire's second non-unionized job began)	14 months
= Number of months needed to complete the qualification period determined on September 1, 2012	34 months
÷ Revision of the time needed to complete the qualification period (reduced by half)	2
= Number of months needed to complete the qualification period on November 1, 2013	17 months

On November 1, 2013, 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-unionized job 40% of the time and a unionized 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-unionized job. He will contribute to the RREGOP for his unionized job.

What will happen at the end of my qualification period?

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

Once you have enrolled in the PPMP, you will participate in that plan for all your unionized or non-unionized 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 the RREGOP.

I heard that I must participate to the plan for an additional period of 5 years following my qualification period. Is that true?

Yes. If you began your qualification period for the PPMP after December 31, 2012, and you do not complete the additional period of membership of 5 years following your qualification period, distinct eligibility criteria to an immediate pension without reduction will apply and special rules will serve to establish your average pensionable salary used to calculate your pension.

If you were qualified on December 31, 2012 or in the process of being qualified at that date, you do not have to complete this additional participation period of 5 years.

MEMBERSHIP

Is membership in the PPMP mandatory?

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

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

Yes. You will stop paying contributions to your pension plan when you have accumulated a maximum of 38 years of credited service, not taking into account the years that gave you a pension credit or a paid-up annuity.

Note that even if you did not accumulated 38 years of credited service, you cannot contribute to the PPMP pension plan after December 30 of the year of your 71st birthday.

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

We send you a statement with your detailed contributions.

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

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

If I leave my current job once I am qualified for the PPMP and then go to work for another employer of the public or parapublic sector, 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 unionized or non-unionized.

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

CONTRIBUTIONS

What is the rate of contribution to the PPMP?

In 2016, the PPMP rate of contribution is 14.38%.

Note that, in 2016, the same contribution rate will apply to former Teachers Pension Plan (TPP) and Civil Service Superannuation Plan (CSSP) members who chose to become members of the PPMP in 2000.

How are my contributions calculated?

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) multiplied by your credited or harmonized service. In 2016, since the MPE is \$54 900, your contributions are calculated only on the portion of your pensionable salary that exceeds \$19 215 ($\$54\,900 \times 35\%$).

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 2016, her contributions to the PPMP are determined as follows:

Pensionable salary	\$75 715
- Exemption (35% of the MPE in 2016)	\$19 215
= Portion of the salary on which contributions to the PPMP are calculated	\$56 500
× Rate of contribution	14.38%
= Contributions for 2016	\$8 124.70

It is important to note that even if Ann pays contributions on \$56 500 only, her total pensionable 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.

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. Usually, you do not lose any rights during that period.

The same exemption applies if you receive benefits from, among others, the Société de l'assurance automobile du Québec, the Commission des normes, de l'équité, de la santé et de la sécurité du travail or Retraite Québec while being eligible, during that period, to salary insurance depending on your work conditions.

For how long can I benefit from that exemption?

The maximum exemption period is usually 3 years, even if your employer ends your employment relationship after a period of disability of 2 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 after the 3-year exemption period if your disability lasts longer than 3 years. To obtain more information on the matter, you must contact the insurance company that administers the plan.

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 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 Pension Eligibility Purposes means the years that will be used to determine whether or not you are eligible for a retirement 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 pension plan;
- the years of service 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.

A year of service is calculated on the basis of a calendar year, that is, from January 1st to December 31st and is usually made up of 260 workdays, that is, 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 have employment covered by the PPMP and 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 PPMP 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, to evaluate my eligibility to a pension and in calculating my pension, you 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 plan, we will add to those years the number of days corresponding to those absences without pay, for up to 90 days.

The total of those days will be used for calculation of the pension. They will also be used for eligibility to benefits if they occurred before 1987, because days of absences which occurred since 1987 are already recognized for eligibility.

Those years of service can be incomplete, in particular because of a strike, a lock-out or an absence without pay that you did not buy-back.

Note that for the years performed since January 1, 2011, only the days of absences without pay related to parental leaves 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 the 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 part of a year;
- You are absent without pay during part of a year or for a 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 31st of the year in question or between January 1st 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 2015, 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.

PARTICIPATION IN A PENSION PLAN BEFORE THE RREGOP OR THE PPMP

I once was a member of a Supplemental Pension Plan (SPP). What was that exactly?

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

What happened to the contributions I paid to that supplemental pension plan?

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 us, you have what is called an SPP Pension Credit. Thanks to that pension credit, a certain amount will be added to your PPMP pension.

Will you take into account my years of membership in the supplemental pension plan?

Yes. However, those years will be used only to determine your eligibility for a pension and not to calculate the amount of that pension. They could also be revalued.

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 those people 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 the pension plan of my former employer, not covered by the public sector pension plans, transferred to my new pension plan. How will this transfer affect the pension I will receive?

It depends on the provisions in your former 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 plan and are taken into account to determine your eligibility for a pension and to calculate that pension.

In other cases, however, those years serve only to determine your eligibility for a pension and not to calculate that 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.

BUY-BACKS

Can I maximize the advantages provided under my pension plan?

Your retirement 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 it, you could buy back certain periods of service or absence without pay that were not recognized by your plan. This could increase the amount of your pension. It is important to know that only the buy back of certain periods of service or absence can allow you to retire earlier.

Note that if you are close to the maximum years of service for calculation purposes, which is 38 years of service, 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 that pension.

In other cases (for instance, the years of service prior to your membership in the RREGOP or the PPMP and 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 that pension.

However, they entitle you to a Buy-Back Pension Credit. Thanks to that pension credit, a certain amount will be added to your PPMP pension. Those years can also be revalued.

What are the most common types of buy-backs?

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

- service as casual employees on a recall list performed between July 1, 1973, and December 31, 1986, in the health and social services sector and between July 1, 1973, and December 31, 1987, for the other casual employees in the education sector, the health and social services sector and the public service sector;
- full-time or part-time absences without pay that began after you enrolled in the RREGOP or the PPMP and that have not been recognized by your plan (including strike, lock-out or suspension);
- periods of maternity leave which occurred before January 1, 1989, or that were in progress on that date. Conditions vary according to the 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.

Example

Jerry holds a part-time job: he works 3 days a week (Mondays, Tuesdays and Wednesdays). Since his relationship with his employer exists only for those 3 days, he cannot buy back the other 2 days (Thursdays and Fridays) 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 (Mondays, Tuesdays or Wednesdays), 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 we must receive your application for a buy-back while you are still a member of your pension 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. The person in charge will help you fill out the form Application for Buy-Back (727A).

Then you must ask every employer concerned by a period you wish to buy back to fill out the form Attestation of a Buy-Back Period (728A) to confirm the information you entered in your form Application for Buy-Back (727A). Those forms are available on our website.

Once those forms are completed and signed, you must send them to us. After having studied your file and if the period can indeed be purchased, we 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.

If your application is incomplete or not signed, if a supporting document is missing or if form 727A is missing, we will return the documents to you. You must then send us your application, complete and in compliance with the requirements, for processing. We will calculate the cost of your buy-back using the date on which it was received.

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

When we calculate the amount of your pension, we will automatically add to your years of service your number of days of absence without pay, up to a maximum of 90 days, if they occurred before January 1, 2011.

For periods of absence performed since January 1, 2011, only the absences related to parental leaves will be added automatically to your years of service, for up to 90 days. Those days will all be taken into account for calculation of the pension.

Therefore, there is no point in purchasing your first 90 days of absence since we will credit them to you at no cost and, upon request, will deduct them from the buy-back proposal you will receive.

The total days of absence automatically added cannot exceed 90 days, whether those absences occurred before or after January 1, 2011.

In addition, the absences without pay that you can buy back must have taken place while you were participating in the RREGOP or the PPMP.

How much does a buy-back cost?

The cost may vary according to

- the type of buy-back;
- the period to buy back;
- the member's salary on the date of the application;
- the age of the member on the date of the application.

However, by using the Buy-Back Cost Estimator available on our website, you can quickly obtain the approximate cost of a buy-back:

- of absences without pay;
- of parental leave;
- of service performed as a casual employee;

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

You will find more information regarding the buy-back of service in the document entitled Buy-Backs, available on our website.

PENSION CREDITS

PENSION CREDITS RESULTING FROM A BUY-BACK

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

If you purchased periods of service earned prior to your membership in the RREGOP or the PPMP, you have what is called a Buy-Back Pension Credit.

This means that we 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.

Can payment of my Buy-Back 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% per month of anticipation (6% a year) as opposed to waiting for your 65th birthday. It is important to point out that even if the amount of the pension credit is lower, receiving it sooner can be to your advantage.

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

Will my Buy-Back Pension Credit be indexed?

Buy-Back Pension Credits are not indexed. However, they could be increased every 3 years depending on 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 that gave me a \$450 annual pension credit when I transferred my years of service to the PPMP. What is that exactly?

If you were a member of an SPP and your SPP membership years as well as your contributions for those years were transferred to us, you have what is called an SPP Pension Credit.

Since you have an SPP Pension Credit, we 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 retirement pension.

Can payment of my SPP Pension Credit begin as soon as I retire?

Yes. However, the amount of your pension credit will be reduced permanently if payment begins before certain requirements are met.

Situation 1

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

- 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 unionized 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% per month of anticipation (6% a year) as opposed to waiting for your 65th birthday. It is important to point out that even if the amount of the pension credit is lower, receiving it sooner can be to your advantage.

Situation 2

Before enrolling in the RREGOP or the PPMP, you were a member of a supplemental pension plan other than the five mentioned above (Situation 1).

If you were a member working in the public or parapublic sector on December 31, 1999, the amount of your pension credit will not be reduced if payment begins when you meet one of the two following requirements. (If not, the conditions of situation 1 will apply):

- age 60 or over (regardless of your 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 of anticipation (4% a year) as opposed to the date you would have met one of those 2 requirements. It is important to point out that even if the amount of the pension credit is lower, receiving it sooner can be to your advantage.

If you were a member not working in the public or parapublic sector on December 31, 1999, you must be at least 65 years old to receive your pension credit without reduction. If you wish to obtain your pension credit earlier, it will be reduced by 6% per year of anticipation as opposed to waiting for your 65th birthday.

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

Yes. When you apply for your retirement pension you may request that we begin payment of your pension credit on a date other than your retirement date. To this effect, you have to specify it on the Reply-Form you will have received with the document Your Options, following your pension application. If the date on which you start receiving your pension credit is closer to the date on which it would be payable without reduction, the reduction applicable to your pension credit will be less.

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 pension credit will be indexed on January 1st of each year¹.

Will my SPP Pension Credit be increased otherwise?

It can be adjusted upwards every 3 years on the basis of actuarial valuations.

PENSION CREDITS RESULTING FROM A TRANSFER UNDER AN AGREEMENT WITH ANOTHER ORGANIZATION

After I enrolled in the plan, I had my years of service for an employer not covered by a public sector pension plan transferred and I got a 9.48% pension credit. What is that exactly?

If you were a member of a pension plan that was not administered by our organization and had your years of service as well as your contributions for those years transferred to us, you have what is called a Transfer Agreement Pension Credit.

1. For the person not working in the public or parapublic sector, who has a non-deficit SPP Pension Credit, the pension credit is indexed from January 1st following the date the pension comes into effect.

We 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 you were working in the public or parapublic sector on December 31, 1999, the amount of your pension credit will be without reduction if you start receiving it when you meet one of these two requirements:

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

If you were a member not working in the public or parapublic sector on December 31, 1999, you must be at least 65 years old to get your pension credit without reduction.

Can payment of my Transfer Agreement 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 of anticipation (4% a year, 6% for the member not working in the public or parapublic sector on December 31, 1999) as opposed to 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, receiving it sooner can be to your advantage.

Will my Transfer Agreement Pension Credit be indexed?

Once payment has begun, your Transfer Agreement Pension Credit will be indexed on January 1st of each year.

Will my Transfer Agreement Pension Credit be increased otherwise?

It can be adjusted upwards every 3 years on the basis of actuarial valuations.

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

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

Revaluation concerns the RREGOP and the PPMP members who have ceased to participate on December 31, 1999, or after 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 of years of service, a transfer from an SPP or a transfer carried out before 1985 under an agreement with another organization. When they retire, those members benefit from a revaluation of the years that entitle them to that paid-up annuity or pension credit.

What form will that revaluation take?

The revaluation takes the form of two additional pensions:

- life annuity for pension credit service which, as a rule, corresponds to $1.1\% \times$ the average pensionable salary for your 3 best-paid years of service (5 years for the member who did not complete his or her additional participation period of 5 years) $\times$ the number of years or parts of a year of service that entitled 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 first) which, as a rule, corresponds to the result of $\$230 \times$ the number of years or parts of a year of service that entitled you to a paid-up annuity or a pension credit.

However, the total of those additional pensions and the paid-up annuity or pension credit must not exceed the amount to which those years would entitle you if they had been credited for calculation purposes. Therefore, the amounts of the 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 pension credit.

If I am eligible for an immediate pension with reduction, will my additional pensions also be reduced?

Yes. Just as the retirement pension, the life annuity and the temporary annuity linked to pension credit service are also reduced by 0.33% for each month of anticipation (4% a year). 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 (PI) determined in accordance with the Act respecting the Québec Pension Plan, minus 3%. When the rate 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 38 years of service credited for eligibility purposes, the total number of years that can be revalued cannot be higher than the difference between 38 and the number of years of service used to calculate your basic pension.

Example

In January 2016, Marcelle had 38 years of service credited for eligibility purposes. Of that number, 23 years 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 15 (38 - 23 = 15).

When I die, will my additional pensions linked to pension credit service be paid to my spouse?

When you die, only your life annuity linked to pension credit service (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.

TIME MANAGEMENT AND WORK REDUCTION

If I enrol in a time management and work 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 the time management and work reduction program could be known under different names depending if you work in the public service sector, the health and social services sector or the education sector.

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, your contributions to the PPMP are calculated only on your actual salary.

Once your leave is over, you must return to work again on employment covered by the plan 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, which could affect your pension plan.

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. However, for the duration of the agreement, your new work schedule must not be less than 40% of the full-time schedule for 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 form Application for Confirmation of Eligibility for Phased Departure (267A) so that we can confirm that you will in fact be eligible for a retirement pension at the end of the agreement. The form is available on our website.

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 with the same service and the same salary as if you had not reduced your work schedule.

END OF EMPLOYMENT PRIOR TO ELIGIBILITY FOR AN IMMEDIATE 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 interests only if you meet these two conditions:

- You are under 55 years old;
- You have less than 2 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 part of a year).

You must have stopped working for at least 210 days before sending us the form Application for Reimbursement (080A). That form is available on our website.

If at the same time you are a member of the PPMP, the RREGOP or the PPPOCS for more than one job, you must have left all of those jobs for 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 advantages of the PPMP?

If you are under age 55 and have 2 years of service credited for eligibility purposes, or more, when you leave your job, you can choose between the two following options:

OPTION 1

A deferred pension with or without reduction

This pension will have been fully indexed on January 1st following the end of your participation to the plan and January 1st of the year during which payment of your pension starts.

If you choose this option, you can:

- **receive your deferred pension at age 65.**

Coordination 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 interests, the amount of your pension will be increased until the pension's actuarial value is equal to your contributions, plus interests.

OR

- **receive your deferred pension in advance at age 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 for a longer period than if you had waited until age 65 to apply for it, a reduction of 0.33% for each month of anticipation (4% a year) included between the effective date of your pension and your 65th birthday will apply permanently to your deferred pension.

In addition, since you apply for an advance payment of the deferred pension that would normally be payable at age 65 and since coordination with the QPP would apply at that time, coordination with the QPP will apply to your pension as soon as payment begins. However, the amount of the reduction due to the QPP coordination 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 interests, the amount of your pension will be increased until its actuarial value is equal to your contributions, plus interests.

OPTION 2

You can ask us to transfer 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 2 following amounts:

- the total of your contributions to your pension plan, with accrued interests;
- the actuarial value of your indexed and coordinated deferred pension.

You can ask for a transfer if you have left your job for at least 210 days and apply for a retirement pension. You will then have to indicate your choice of a transfer on the Reply-Form from the document Your Options you will have received following your application for a retirement pension. It must be sent to us before your 55th birthday, or within the 12 months following the date of the end of employment if you left between your 54th and 55th birthday. The form Application for a Retirement Pension (079A) is available on our website.

Is it more profitable to wait for a deferred pension or ask you 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 each of those 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 us the amount that was transferred from the PPMP to your LIRA or your LIF, with the interests 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 regards to the number of years of service and accrued benefits.

Note that in order to do so, you must have held your new job for at least 3 months.

If I leave my job to work for an employer whose pension plan is not administered by you, 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 our organization. We have such agreements with certain organizations to allow those who change jobs to transfer the value of their accrued benefits under the PPMP to their new plan.

Those organizations 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 without reduction under your retirement or beginning plan when you file your application for transfer with us.

CALCULATION OF YOUR PENSION

How will you calculate the amount of my retirement pension?

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

$$\begin{aligned}
 & \text{years of service credited for calculation purposes} \\
 & \text{(maximum 38)} \\
 & \times \text{accrual rate of the pension (2\%)} \\
 & \times \text{average pensionable salary for your 3 best-paid} \\
 & \text{years of service (5 if you did not complete} \\
 & \text{the additional period of participation in the plan)} \\
 & \hline
 & = \text{basic pension}
 \end{aligned}$$

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

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

Will the retroactive amount I received be used in the calculation of my retirement pension?

When you retire, we will use the whole 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 amount was related to one or more of the 3 years of service used for the calculation of your average pensionable salary. That period is of 5 years if the average pensionable salary was established based on the 5 best-paid years.

Note: If you received a retroactive amount after 2006, it will be spread over the years concerned.

When will I be entitled to my basic pension?

You will be entitled to your basic pension when you cease to be a member of your plan, provided your qualification period and your additional participation period, if applicable, for the PPMP are over and you meet one of the following two eligibility requirements:

- age 60 or over (regardless of your number of years of service);
- age 55 or over and having reached the 90 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 without reduction.

However, if you did not complete the additional participation period to the plan, if applicable, you will be entitled to an immediate pension without reduction if you meet one of the two following eligibility requirements:

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

Example

Jean retires at age 60, once her qualification period and her additional participation period for the PPMP are over. She has 25 years of service credited for both eligibility and calculation purposes. The average pensionable salary for her 3 best-paid years is \$70 000.

Since she meets the eligibility requirement of being 60 years old or over, she is eligible for an immediate pension without reduction, determined as follows:

	years of service credited for calculation purposes	25
×	accrual rate of the pension	2%
	average pensionable salary	
×	of Jean's 3 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 90 factor?

To determine if you have reached the 90 factor, you must first add your age and the number of years of service currently credited to you. Then, you subtract the result from 90, and divide that 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 and additional participation period for the PPMP are over.

In order to determine when he will reach the 90 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 90 (90 - 78), which gives 12. Then we divide the result by 2 (12 ÷ 2), which gives 6. Finally, we add this number (6) to both his age and his years of service:

Age	+	Years of service	=	Factor
51	+	27	=	78
6	+	6	=	12
57	+	33	=	90

Peter will reach the 90 factor 6 years from now, when he turns 57 and has 33 years of service.

When he reaches the 90 factor, Peter will be eligible for an immediate pension without reduction because he will meet the requirement of being 55 years old or over and having reached the 90 factor.

Note that if a person is under 55 years old when he reaches the 90 factor, he is not eligible for a pension and must wait until he turns 55 to retire.

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

Yes, you can retire provided you are at least 55 years old, even if you have not reached the 90 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 0.33% for each month of anticipation (4% a year).

Your pension is reduced because you will be receiving it for a longer period than if you had retired only after becoming eligible for an immediate pension without 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 0.33% (4% a year) the number of months between the date of your retirement and the date on which you would have met one of the two following eligibility requirements:

- age 60 or over (regardless of your number of years of service);
- age 55 or over and having reached the 90 factor (age + years of service credited for eligibility purposes).

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

Finally, you subtract the result from your 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 and his additional participation period for the PPMP are over. He has 25 years of service credited for both eligibility and calculation purposes. The average salary for his 3 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 without reduction. Of the two eligibility requirements for a pension without reduction, the first he would have met is being 60 years old, and that would have been 24 months later had he kept on working. Therefore, we must consider 24 months of anticipation.

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

months of anticipation	24
× monthly rate of reduction of the pension	0.33%
= percentage of reduction due to the anticipation of the basic pension	8%

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

years of service credited for calculation purposes	25
× accrual rate of the pension	2%
× average pensionable salary of John's 3 best-paid years of service (5 years if he had not completed the additional participation period)	\$60 000
= basic pension	\$30 000

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

basic pension	\$30 000
× percentage of reduction	8%
= reduction due to the anticipation of the basic pension	\$2 400

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 due to the anticipation of the basic pension	\$2 400
= immediate pension with reduction	\$27 600

John's annual pension will be \$27 600, which represents \$2 300 a month (\$27 600 ÷ 12).

Is it possible to minimize or totally avoid the reduction?

Yes. This is what we call the compensation of the reduction applicable to anticipation of a pension. It consists in transferring to the PPMP the amount necessary for your plan to pay you each year 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), in accordance with the tax rules, within 60 days following the end of your participation. Your employer may also pay the amount necessary to cancel or minimize the reduction of your pension, but no later than the date on which you cease employment 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 the RREGOP, you will be entitled to a pension under the RREGOP.

Will I be entitled to a pension if I resign before the end of my qualification period but before having completed my additional participation period?

Yes. You will be entitled to a PPMP pension according to distinct eligibility requirements and your average pensionable salary used to calculate your pension will be established according to your 5 best-paid years.

COORDINATION OF THE PPMP WITH THE QUÉBEC PENSION PLAN (QPP)

What is the effect of coordination with the QPP on the PPMP retirement pension?

When you turn 65, your pension plan will take into account the fact that you will receive a pension from the QPP, which will cause a reduction of your PPMP pension. This is what is called Coordination with the QPP.

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

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

Coordination with the QPP has no effect on the amount of the QPP retirement pension. However, a reduction not linked to coordination can apply at 65 years old on the disability pension or surviving spouse pension payable under the QPP.

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

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 age 65.

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

The reduction applicable to your PPMP pension will be calculated as follows: the number of years of service performed since January 1, 1966, that was used to calculate your basic pension (maximum 35 years) × the annual coordination rate with the QPP (0.7%) × the smaller amount between the average pensionable salary of your last 5 years of service and the average Maximum Pensionable Earnings (MPE) for your last 5 years of service. Note that the MPE is calculated in accordance with the Act respecting the Québec Pension Plan.

Example

Lynn retired at 60 years old with 25 years of service for calculation purposes. All those years of service were earned since January 1, 1966. The average MPE for her last 5 years of service was \$37 000 and her average pensionable salary for those years was \$55 000.

Since her average pensionable salary was higher than the average MPE of her 5 last years of service, it is the average of the MPE (not the average pensionable salary) that will be used to calculate the reduction that will be applied to her pension starting the month following her 65th birthday.

The reduction is calculated as follows:

<i>years of service credited for calculation purposes</i>	<i>25</i>
× <i>annual coordination rate with the QPP pension</i>	<i>0.7%</i>
× <i>average MPE</i>	<i>\$37 000</i>
= <i>reduction applicable to the pension</i>	<i>\$6 475</i>

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 ÷ 12).

Is the exemption in the calculation of my contributions to the PPMP related to the coordination 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 coordinated with your QPP pension when you turn 65.

In the example on page 4, if the PPMP was not coordinated with the QPP, Ann's contributions to the PPMP would be calculated on her total salary. Consequently, in 2016, her contributions to the PPMP would amount to \$10 887.82 instead of \$8 124.70, that is, \$2 763.12 more.

INDEXATION OF YOUR PENSION

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

Once you begin receiving your PPMP pension, it will be indexed on January 1st 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 (PI) determined in accordance with the Act respecting the Québec Pension Plan and applied to take into account the cost of living increase;
- The part of your pension that corresponds to service performed from July 1, 1982, to December 31, 1999, inclusively, 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 two following formulas:
 - 50% of the PI;
 - the PI, minus 3%.

Example

Roger retired on January 1, 2016, on his 60th birthday. He had 34 years of service credited for both eligibility and calculation purposes. His average pensionable salary for his 3 best-paid years is \$60 000. In 2016, his annual pension is \$40 800 (\$3 400 a month).

On January 1, 2017, Roger's pension will be indexed as follows, assuming that the rate of increase of the Pension Index determined in accordance with the Act respecting the Québec Pension Plan is 4%².

Roger's annual pension (\$40 800) will first be divided in 3 parts, according to the periods when his years of service were performed:

Number of years of service		×	Accrual rate of the pension	×	Average pensionable salary	=	Part of the pension
Before July 1, 1982	0.5	×	2%	×	\$60 000	=	\$600
From July 1, 1982, to December 31, 1999	17.5	×	2%	×	\$60 000	=	\$21 000
Since January 1, 2000	16.0	×	2%	×	\$60 000	=	\$19 200
Total	34.0	×	2%	×	\$60 000	=	\$40 800

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

First part of the pension

$\$600 \times 4\%$, or the PI assumed for 2017 = \$24

Second part of the pension

$\$21\,000 \times 1\%$, or the PI assumed for 2017 minus 3% (4% - 3%) = \$210

Third part of the pension

$\$16\,800 \times 2\%$, or 50% of the PI assumed for 2017 (4%) = \$384

Total indexation as of January 1, 2017 = \$618

As of January 1, 2017, Roger's annual pension will be increased to \$41 418 (\$40 800 + \$618), which represents \$3 451.50 a month (\$41 418 ÷ 12).

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

Yes. However, the first time your pension will be indexed, that is, on January 1st following the date of your retirement, the indexation 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).

Based on the same example, Roger retired on May 5, 2016. Each of the 3 parts will thus be indexed on January 1, 2017 as follows:

Before July 1982	$\$600 \times 4\% \times 240/366$	=	\$15.74
From July 1982 to December 1999	$\$21\,000 \times 1\% \times 240/366$	=	\$137.70
Since January 2000	$\$19\,200 \times 2\% \times 240/366$	=	\$251.80
		=	\$405.24

On January 1, 2017, Roger's annual pension will be \$41 205.24.

2. That rate is used to facilitate the presentation of the various indexation formulas. It can differ from the rates that will apply to your retirement pension. For your information, the PI applicable on January 1, 2016 is 1.20%.

TERMINAL ILLNESS

If I had a terminal illness, could I receive special benefits 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 of 2 years or less, you can receive the higher of the two following amounts:

- your total contributions to your pension plan, with accrued interests;
- 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 interests.

However, you do not have this option if, at the time of your application, you are eligible for an immediate pension without reduction.

Note: You are eligible for those benefits under the PPMP even if your qualification period or additional participation period for the PPMP is not over when you file your application.

Can I continue working after I receive those benefits?

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

IN THE EVENT OF MARRIAGE OR CIVIL UNION BREAK-UP

Will a separation or a divorce affect my pension plan?

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, marriage annulment, payment of a compensatory allowance, dissolution or annulment of a civil union.

Upon request and after such proceedings are instituted, that is, the date on which a legal claim was made in court and was stamped by that court, or before, if an accredited mediator confirms family mediation, we will establish the value of your benefits.

If the Court then decides that the value of the benefits must be partitioned, we will transfer, upon request, the sum allocated to your spouse to a financial vehicle under their name at the financial institution of their choice.

Note: If your qualification period for the PPMP is not over at the time of partition, the provisions of the RREGOP, not those of the PPMP, 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 transferred, we 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.

To find out more information about partition of family patrimony, you can consult the document entitled Partition of Family Patrimony, available on our website.

IN THE EVENT OF DEATH

What benefits are provided under the PPMP in case of 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?

Upon your death, if you have less than 2 years of service credited for eligibility purposes (not taking into account the added service), your spouse will receive the total of your contributions to your pension plan, with accrued interests. If you do not have a spouse, the amount will be paid to your heirs.

However, if you have at least 2 years of service credited for eligibility purposes at the time of your death, your spouse will receive the highest between:

- the total of your contributions to your pension plan, with accrued interests;
- the actuarial 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 interests.

Note: If your qualification period or your additional participation period for the PPMP is not over, 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 according to the provisions of the PPMP, as described above.

What if I am eligible for an immediate 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 Pension Credit, Transfer Agreement Pension Credits and the Life Annuity for Pension Credit Service, but excluding the Buy Back Pension Credits you might have purchased and the Temporary Annuity for Pension Credit Service, if applicable). Coordination 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 interests, the amount of your spouse's pension will be increased until its actuarial value is equal to the contributions paid, plus interests.

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

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 interests.

And if I already receive my retirement pension?

At the time of your death and if you have a spouse, he or she will receive, until death, a surviving spouse's pension corresponding to 50% or 60% of your pension (including 50% or 60% of your SPP Pension Credit, Transfer Agreement Pension Credits and the Life Annuity for Pension Credit Service), in accordance with your chosen option. Indeed, you can choose to reduce your pension by 2% so that your spouse will receive 60% of your reduced pension.

If coordination 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 interests 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 interests accrued up to the date of your retirement, minus the amount you received as retirement pension, plus, if applicable
- the total amount you paid to obtain your pension credits (of any type), with the interests accrued up to the date of your retirement, minus the amount you received as pension credit.

Upon my death, who will my pension plan recognize as my spouse?

The PPMP will recognize as your spouse the person who is married or civilly united to you or, a 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 for at least 3 years. That period is only one year if a child is born or to be born of your union; or if 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.

To be recognized as such, the spouses must not be married or civilly united³ to another person.

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 rule applies if you did not make a will.

YOU DO NOT HAVE A SPOUSE

Your pension plan will become part of your estate. Therefore, the heirs you designated in your will will be the beneficiaries. 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 or her rights?

Yes. Your spouse may waive his or her spousal rights in favour of your heirs and he or she also may revoke such waiver later by written notice to us. We must receive that waiver or revocation notice before your death.

3. Note that legally separated spouses are still considered as spouses, unless a final amount was paid as part of the partition of the family patrimony.

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 the total income you will have, depending on your age upon retirement, for example, your PPMP pension, your pension under the Québec Pension Plan, your Old Age Security Pension (payable at age 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 our website. The tool 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 leave your job.

However, if you intend to retire between 4 to 14 months from now, we advise you to apply to us for a pension estimate with the form Application for Pension Estimate (009A). That form is available on our website.

Once I decide to retire, what do I have to do?

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

We recommend that you send us your form at least 90 days before the month of your retirement. That period includes a 30-day period to inform us of your choice of personalized benefits in the Reply-Form from the document Your Options you will have received.

If you do not meet the deadline, the default option indicated in the document Your Options will be used to determine your pension.

If I am eligible for an immediate pension with reduction, can I wait until I am eligible for an immediate pension without 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 do not apply for it immediately, can I apply later, even if, at that time, I am still not eligible for a pension without reduction?

Yes. However, if you send your retirement pension application to us more than 60 days after your resignation but are still not eligible for a pension without reduction, we will not pay your pension retroactively from the date of your resignation, but retroactively from the date we received your application or from any other later date specified on your Reply-Form. We will use that date to calculate the reduction applicable to the anticipation of your pension.

Example

Martha resigns in June 2016 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 thus eligible for an immediate pension with reduction. Since she would be eligible for a pension without reduction in 2 years because she would meet the requirement of being 60 years old or over, she decides to wait before applying to CARRA for her pension.

In June 2017, at age 59, even if she is not yet eligible for a pension without reduction, Martha files her application for a retirement pension with us.

We will pay her pension retroactively from the date on which we received her application (June 2017) and will use that date to calculate the reduction to apply to her pension.

If I resign when I am eligible for an immediate pension with reduction but do not apply for it, and still forget to apply when I become eligible for an immediate pension without reduction, what will happen when I apply for my pension a few months later?

If you send your application for a retirement pension to us once you are eligible for an immediate pension without reduction, we will pay your pension retroactively from the date on which you became eligible for that pension without reduction and not retroactively from the date on which we received your application.

Example

Paul resigns in June 2016, at age 59, once his qualification period for the PPMP is over. He has 25 years of service credited for eligibility purposes. He is thus eligible for an immediate pension with reduction. Since he would be eligible for a pension without reduction in 1 year because he would meet the requirement of being 60 years old or over, he decides to wait before applying for his pension.

In June 2017, on his 60th birthday, Paul becomes eligible for a pension without reduction. However, he forgets to apply to us for his pension.

In October 2017, Paul files an application for his retirement pension. We will pay his pension retroactively from the date on which he became eligible for a pension without reduction (June 2017).

If I resign when I am eligible for a pension under the PPMP to go work 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?

It depends on the number of days between the date of your resignation from your employment covered by the PPMP, and the date on which you go back to work in a sector covered under that plan.

If there are not more than 180 days between these two dates, you will again become a member of the PPMP, whether your new job is unionized or non unionized. 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 those two dates, you will not necessarily be a member of the PPMP. Depending whether your new job is unionized or non-unionized, you will be in one of the following situations:

- If you hold a unionized job, you will no longer participate in the PPMP and you must become a member of the RREGOP. Therefore, you will no longer be entitled to a pension under the PPMP. You will be entitled to a pension under the RREGOP, but only when you meet one of the eligibility requirements of that plan;
- If you hold a non-unionized job, you will again become 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.

PAYMENT OF YOUR PENSION

How often will my pension be paid?

If you chose direct deposit, your pension will be paid on the 15 of each month for life or, if the 15 is not a work day, the preceding work day. If you receive a cheque for the payment of your pension, it will be issued no later than 48 hours before that date.

Will income tax be deducted from my pension?

As a rule, yes. We will deduct federal income tax and Québec income tax assuming that your pension is your sole income. If the amounts of those deductions are not high enough or too high, you can ask to have them increased or reduced.

RETURN TO WORK OF A PENSIONER

Once I am retired, will my pension be affected if I go back to work?

Going back to work in the Québec public service sector, the education or the health and social services sectors or for any employer covered by the 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 our organization provides you with all the information you need on the possible consequences of your going back to work, before reaching a decision.

Note that if you go back to work for an employer not covered by a pension plan administered by our organization, it will have no effect on the pension you will receive from us.

RECOURSES

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

If you have questions or comments, we invite you to contact the customer service (see the contact information in the section To Contact Us).

If you wish to submit a complaint regarding the quality of the services you received, please contact the Commissaire aux plaintes et à l'amélioration des services by the means that is the most convenient for you:

By mail

Commissaire aux plaintes
et à l'amélioration des services
Retraite Québec
475, rue Saint-Amable
Québec (Québec) G1R 5X3

By phone

418 644-3092 (Québec region)
1 855 642-3092 (toll-free)

By fax

418 644-5050

By secure email

Use the secure form available on our website.

If I disagree with a decision rendered by your organization, should I also contact the Commissaire aux plaintes et à l'amélioration des services?

No. The Commissaire aux plaintes et à l'amélioration des services deals only with complaints related to the quality of our services.

If you wish to contest a decision rendered by our organization regarding, for example, your contributions, your eligibility to retirement or the amount of your pension, you must 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.

APPENDIX: NON-UNIONIZED EMPLOYMENT

In the public service sector, the education sector and the health and social services sector as well as in the organizations 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 sector:
 - 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 was a member of the RREGOP or the CSSP and 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 chief of staff where their conditions of employment provide that they shall benefit from the conditions of employment of senior managers in the public service sector.

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.

You can ask your employer to get more information about your pension plan.

Subscribe to our electronic mailing list

By subscribing to our electronic mailing list, you can keep up with the latest information on the various public sector pension plans. The registration form is available on our website.

TO CONTACT US**On the Internet**

www.retraitequebec.gouv.qc.ca

By phone

418 643-4881 (Québec region)

1 800 463-5533 (toll-free)

People with a hearing impairment

418 644-8947 (Québec region)

1 855 317-4076 (toll-free)

By fax

418 644-8659

By mail**Retraite Québec**

475, rue Saint-Amable

Québec (Québec) G1R 5X3

This document is an abstract of your pension plan. The information it contains does not replace the related acts and regulations and applies only to the more general cases.

