*Impact on your retirement pension at age 65.*

# The **Integration** of your **Retirement Plan** with the Québec Pension Plan

Québec

*This publication is intended for members and pensioners of most of the pension plans administered by CARRA, in particular the Government and Public Employees Retirement Plan (RREGOP) and the Pension Plan of Management Personnel (PPMP), who want to know the impact of integration on their retirement pension.*

## What is integration?

When you hear that your retirement plan is “integrated” with the Québec Pension Plan (QPP), this means that the two plans complement each other. The pension you receive from CARRA at 65 years of age takes into account the fact that you also receive a pension from the Régie des rentes du Québec. The same principle applies to the contributions you have to pay into your plan during your career. They’re adjusted to take into account your participation in the QPP. Most pension plans work that way.

## Can integration be avoided?

Integration with the QPP is provided under the act that governs your retirement plan and is compulsory.

## How does integration affect my contributions to my pension plan?

During your career, your contributions to your retirement plan are reduced because of integration. You’re exempted from paying contributions on a portion of your salary because you have to contribute also to the QPP, the mandatory pension plan in Québec. This means that you save hundreds of dollars a year.

## What is the impact of integration on my pension?

Integration implies that the benefits you'll receive from your retirement plan will be reduced to take into account the benefits you'll receive from the QPP. When you retire, CARRA will confirm the amount of your pension and inform you in advance of the amount that will be subtracted from your pension generally at age 65.

If your pension plan is subject to a partition of the family patrimony, integration doesn't take into account the reduction following partition. It applies on the full amount of your pension rather than on your pension reduced following partition.

## When is the reduction effective?

If you're retired and under age 65, your pension has not been integrated yet. The reduction is effective as of the month following[1] your 65th birthday.

If you retired after age 65, reduction is effective as of the month following the effective date of your pension.

## Could the amount of the reduction be higher than my QPP pension?

Yes, it could. For instance, this could be the case if you apply for your QPP pension before age 65. Usually, the reduction equals the pension payable by the Régie des rentes du Québec at age 65.

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1. In the case of pensioners of the Superannuation Plan for the Members of the Sûreté du Québec, the reduction is effective **as of the 65th birthday**.

**Example:**

*James retires at age 58 with a monthly pension of $2 000 from his retirement plan. The QPP pension to which he will be entitled at age 65 is $800 a month. He could apply for it at age 60, but it would then be reduced to $560 a month. That reduction will apply during all his retirement. However, regardless of his age when he applies for his QPP pension ($560 at age 60 or $800 at age 65), his pension from his retirement plan will be reduced by around $800 a month when he turns 65.*

**Case 1: James applies for his QPP pension at age 60**

| | Age 58 | Age 60 | Age 65 |
|---|---|---|---|
| Monthly pension from **CARRA** | $2 000 | $2 000 | $1 200<br>($2 000 – $800) |
| **QPP** monthly pension | $0 | $560 | $560 |
| **Monthly income** | **$2 000** | **$2 560** | **$1 760** |

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**Case 2: James applies for his QPP pension at age 65**

| | Age 58 | Age 60 | Age 65 |
|---|---|---|---|
| Monthly pension from **CARRA** | $2 000 | $2 000 | $1 200<br>($2 000 – $800) |
| **QPP** monthly pension | $0 | $0 | $800 |
| **Monthly income** | **$2 000** | **$2 000** | **$2 000** |

**Note:** Those amounts are approximations and do not take into account the annual indexation of pensions.

## How can I maintain my standard of living at age 65?

Income from other sources can offset the reduction of your retirement pension. For instance, payment of the Old-Age Security Pension starts at 65 years of age. Also, personal savings may be another way to increase your retirement income.

## 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" and at the following address: www.carra.gouv.qc.ca/liste.

# To contact us:


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Within the framework of the government measures aimed at improving the relationship between the Administration and the population, CARRA has prepared a service statement. You can access it in our Web site.



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