

# A GUIDE TO YOUR RETIREMENT



This guide is produced for the sole use of private institutions and CEGEP teachers  
whose union is affiliated with FNEEQ-CSN.

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## Introduction

This Guide has been prepared to help teaching staff who contribute to the RREGOP better understand their retirement scheme. Not only does it provide a summary of the information you require regarding the RREGOP, but it also gathers together in a single document a wealth of general information on the various sources of retirement income, with a view to simplifying the financial planning process.

Since January 1st, 2016, the *Régie des Rentes du Québec*, (Québec Pension Plan) and the *Commission administration des régimes de retraite et d'assurances* (CARRA) have been fused together to form *Retraite Québec*. To learn more about it, you can go to their website: [www.retraitequebec.gouv.qc.ca/fr/retraite-quebec/Pages/retraite-quebec.aspx](http://www.retraitequebec.gouv.qc.ca/fr/retraite-quebec/Pages/retraite-quebec.aspx)

### **The Guide comprises four sections:**

- Making Sense of your Retirement.
- Progressive Retirement and Gradual Retirement.
- The Evolution of your Retirement Pension.
- Insurance.

It also includes in an annex a variety of useful documents, such as a checklist of the procedures to be followed before retiring, hyperlinks that point to the various *Retraite Québec* forms pertaining to your retirement pension, and a series of form letters to assist you when applying.

Please note, finally, that this Guide deals with general cases. For any additional information you may require, do not hesitate to contact your local union representative.

This document is available on the FNEEQ's Internet site at [www.fneeq.qc.ca](http://www.fneeq.qc.ca).

## CHAPTER I - MAKING SENSE OF YOUR RETIREMENT

### 1. INTRODUCTION

#### a) What exactly is the RREGOP?

RREGOP stands for the *Régime de retraite des employés du gouvernement et des organismes publics* (Government and Public Employees Retirement Plan). Set up on July 1st, 1973, it covers regular and casual full- and part-time employees of the Québec Public Service and the province's education and health and social services networks. It will be noted that the RREGOP is not a public scheme like the *Régime de rentes du Québec* (Québec Pension Plan) but rather a private plan.

The RREGOP is administered by *Retraite Québec*. In 2019, RREGOP had 538,778 active members, 518,709 non-active participants, and 270,920 retirees.

In addition to its Board of Directors, *Retraite Québec* has set up a strategic structure which includes a RREGOP Retirement Committee to which members of those union organizations which contribute to the plan are delegated.

#### b) Union representation and the RREGOP

Union representation of FNEEQ-CSN staff is ensured via the *Comité fédéral sur les assurances et les régimes de retraite* (CFARR) [FNEEQ Insurance and Pension Committee] which, among other things, acts to support the Pension Plan Bargaining Committee when the collective agreement is being renewed. Furthermore, a FNEEQ-CSN union adviser is also assigned to handle retirement matters. They can provide guidance for union representatives on issues pertaining to implementation of the *Loi sur le RREGOP* [Act respecting the Government and Public Employees Retirement Plan]<sup>1</sup>.

The CSN also has two representatives sitting on the RREGOP Retirement Committee to whom CFARR can make representations, in addition to one representative each on the educational and health sector review committees<sup>2</sup>.

#### c) The role of your local union with respect to retirement

Your local union can supply you with important information regarding your retirement pension and assist you with certain procedures. The person in charge of retirement matters can, inter alia:

- go over your Statement of Contributions or your Annual Statement with you and point out any errors that may have crept in;

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<sup>1</sup> For the Act respecting the RREGOP, see <https://www.legisquebec.gouv.qc.ca/en/document/cs/R-10>

<sup>2</sup> The Review Committee has been established to review *Retraite Québec* decisions affecting members and recipients who request such a review. Its Terms of Reference consist of considering review applications on matters within its jurisdiction, confirming or annulling the *Retraite Québec* decision or, alternatively, rendering the decision that, in its opinion, should have been handed down. It is required to substantiate its ruling in writing and notify both *Retraite Québec* and the member or recipient, as the case may be.

- guide you through the procedures for possible buybacks and inform you of the cost of doing so;
- advise you on what recourse is available to you should you disagree with a *Retraite Québec* decision affecting you.

If, on the other hand, you are seeking advice on how to set retirement savings goals or would like an analysis of the income you can expect to receive upon retirement, we urge you to consult a certified financial planner to help you make the appropriate decisions.

## 2. THE VARIOUS SOURCES OF RETIREMENT INCOME

The general rule is that, in order to maintain one's standard of living on retirement, a person must take in 70% of their average gross annual income. This rule takes account of the fact that a retiree has fewer expenses, particularly family obligations and work-related outlays (e.g. commuting expenses, food, clothing, etc.). In addition, retirees no longer contribute to plans such as parental, employment or salary insurance, the QPP (Québec Pension Plan, or *Régime de Retraite du Québec* - RRQ) and the RREGOP, and they pay an inferior amount of tax, since their income is lower.

When you retire, you will derive income from several separate sources, some from public plans offering basic protection, and the rest from private sources.

### What are these sources of income?

If you retire at the age of 65:

- a portion will come from the QPP;
- another portion will come from the federal Old Age Security (OAS) program;
- the lion's share will come from your private retirement plan and personal savings.

**If you are a woman**, your retirement income could be less than that of a man given that you may have taken parental leave that impacts on your retirement income (both under the QPP and RREGOP). In addition, you may at some point have extended this leave by working part-time for a few additional years. Then again, because you have a longer statistical life expectancy than a man, you should have more savings than a man whose conditions of retirement are identical to yours.

### a) The RREGOP retirement pension

To be eligible for a RREGOP retirement pension WITHOUT ACTUARIAL REDUCTION, you must meet either of the following requirements, namely:

- **be 61 years of age or more;**
- **have at least 35 years of service to your credit;**
- **be 60 years of age and have the 90 factor (sum of your age and the years of service to your credit)**



If you do not meet any of the above criteria, but you are 55 or older, you can ask for an anticipated retirement from RREGOP; however, your pension will be reduced.

How much will the RREGOP pay me?

The RREGOP is a certified defined-benefit pension scheme. This means that the amount of the pension paid out to you on retirement is set in advance based on the number of recognized years of service and the average eligible RREGOP plan's salary over the best five years (SMF5). The main advantage of a defined-benefit scheme is that it guarantees that the member will receive a retirement pension which is not contingent upon the performance of the contributions paid in.

Thus, unlike RRSPs or defined-contribution retirement plans, the amount of pension paid upon retirement is not random. At the time you retire, you will know the exact amount of your pension. This amount will vary only as a function of the indexing of your recognized years of service, which varies depending upon the years of contributory service (see Page 28). The stability of your RREGOP retirement fund therefore allows you to better plan your various sources of retirement income.

The Statement of Contributions (provided on request) and the Annual Statement (accessible on ['My account'](#) on the *Retraite Québec*'s website) are sources of valuable information regarding when you will be eligible for a RREGOP pension and the percentage of income replacement you should receive.

## **b) The Québec Pension Plan (QPP) retirement pension (*Régie des rentes du Québec - RRQ*)**

The QPP pension is a monthly amount normally paid to you starting at age 65 which is calculated on the basis of your employment income between the age of 18 and retirement. This pension is not paid automatically: you must submit an application in writing to *Retraite Québec*. You have the option of claiming this pension at 60. If you retire before your 65th birthday, the amount of your pension will be reduced by 0.6% for each month by which retirement precedes your 65th birthday (i. e. a maximum of 7.2% per year or a total of 36%). This reduction will apply for as long as the pension is paid to you. If, on the other hand, you wait until you are over 65 to apply for your pension, the QPP will increase the amount paid by 0.7% for each month elapsed between your 65th birthday and the initial payment of pension (here too, up to a maximum of 8.4% per year, or a total of 42%).

The QPP pension is adjusted annually in accordance with the TAIR (*taux d'indexation de l'indice des rentes* [Rate of Increase of the Pension Index]), a figure which is calculated using the average increase in the Consumer Price Index (CPI) in one year.

### **WHEN SHOULD I APPLY FOR MY QPP PENSION?**

You may apply for your QPP pension as soon as you have reached the age of 60. With a few exceptions, it is to your advantage to apply for your pension as soon as you cease work. If you wait until you turn 65 in order to receive a full pension, it will take several years to recoup the sum you would have received from the pension before that age.

In this regard, please refer to Chapter 2, Progressive Retirement and Gradual Retirement.

### c) The Old Age Security (OAS) Pension Program

The OAS is a monthly benefit that you will automatically start receiving when you turn 65. It is impossible to receive it before 65; however, since July 2013, you can postpone the initial payment of your OAS until 60 months (5 years) after the date in which you become eligible, which allows you to receive a higher pension. If you choose this option, you will receive a amount increased by 0.6% for every month you postponed the payment of your OAS, up to a maximum of 36% at the age of 70. This pension is adjusted every three months to reflect cost-of-living increases as measured by the CPI (Consumer Price Index)<sup>3</sup>.

### d) The various options: should I retire at 55, 60, 61 or 65?

Depending upon when you retire, you will have access to various sources of income, subject to certain penalties, as the case may be, if you claim these pensions at an earlier date (in the case of the RREGOP and the QPP pension). Before making this critical decision, consider the possibility of applying for **progressive retirement**, as this might be an advantageous option for you. Calculate the income that will be available to you and compare it with the expenses you will have. Because you will also have to take into account more intangible factors such as your life expectancy and the long-run impact of the indexing of your RREGOP retirement pension, we suggest that you get in touch with a financial advisor beforehand to help you assess all of your options.

What happens if I want to retire before 55?

If you retire **before the age of 55**, you will not have access to your RREGOP pension unless you have accumulated **35 years of service**. If you leave your employment before you are eligible for a pension with an actuarial penalty, you will be entitled to a deferred pension (see *Difficult Choices* on Page 29).

What happens if I want to retire at 55?

**Before the age of 60**, you will not have access to any public retirement pension program (see the example on Page 12).

This means that you will have to rely solely on:

- your RREGOP retirement pension:
  - **with no actuarial reduction if you have 35 years of service with the RREGOP or;**
  - **with an actuarial reduction of 0.5% per month, or 6% for each year of advance retirement, if you are over 55. This reduction is permanent and applies for as long as you receive the pension;**
- your personal savings income (RRSP, various investments, etc.).

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<sup>3</sup> <https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security/eligibility.html>

What happens if I want to retire at 60?

If you retire at age 60, you will have access to:

- **your RREGOP retirement** pension with no actuarial reduction, if you have at least 30 years of service **(factor 90)**;
- your QPP retirement pension reduced by 36% (7.2% per year for the early claim with respect to the amount you would receive if you had waited until the age of 65 to claim it);
- your personal savings income (RRSP, various investments, etc.).

What happens if I want to retire at 61?

If you retire at age 61, you will have access to:

- your **RREGOP retirement** pension with no actuarial reduction;
- your QPP retirement pension reduced by 7.2% per year for the early claim with respect to the amount you would receive if you had waited until the age of 65 to claim it;
- your personal savings income (RRSP, various investments, etc.).

What happens if I want to retire at 65?

If you retire at age 65, you will have access to:

- your RREGOP retirement pension, integrated<sup>4</sup> with the Québec Pension Plan;
- your QPP retirement pension;
- your Old Age Security (OAS) Program pension from the federal government;
- You may also rely on your personal savings income (RRSP, various investments, etc.).

#### e) Summary of the sources of income available, by age

	Age 55	Age 60	Age 65	Age 70
RREGOP	Possible	Possible	Possible	Possible
QPP	-	Possible	Possible	Yes
OAS	-	-	Possible	Yes
Personal savings	Possible	Possible	Possible	Possible

## f) Income from public retirement plans

Below is a brief synopsis of what the Québec and federal government public retirement schemes offer, subject to certain conditions, in the way of basic retirement income in 2022. These amounts are taxable.

Type of benefit	Maximum monthly amount on 1 January 2022
Old Age Security (OAS) pension	642 \$
Québec Pension Plan (QPP) claimed at 60 years of age (64%)	802 \$
Québec Pension Plan (QPP) claimed at 65 years of age (100%)	1 254 \$
Québec Pension Plan (QPP) claimed at 70 years of age (142%)	1 780 \$

The public retirement plans also offer various benefits which may be in addition to the basic pension schemes, depending upon the contributor's income or the state of their health. For example, at the federal level, a retiree whose income is deemed to be clearly inadequate may be entitled to receive an additional allowance known as the **Guaranteed Income Supplement (GIS)**. Similarly, at the provincial level, it is possible to receive an additional allowance in the case of disability, or a surviving spouse's pension.

### 3. CORE PROVISIONS OF THE RREGOP

#### a) Membership and contributions

A person is a member of the RREGOP whenever he or she occupies a position covered by the plan (clerical staff; teacher; nurse, employee, etc.). Contribution to the RREGOP is **mandatory** for all teachers. One year of service is equal to 260 days of work for CEGEP faculty, 200 days of work for certain elementary and secondary school teaching staff in private institutions, and 525 teaching periods for CEGEP hourly-paid teachers.

Since January 1st, 2017, the maximum number of years of contribution is **40 years of service**. This measure is designed to increase the RREGOP retirement pension but does not change the **eligibility** for a retirement pension without actuarial reduction if you have 35 years of service to your credit.

#### b) Rate of contribution

Since, under the RREGOP, the amount of pension paid is set in advance (2% per recognized year of service), it is obviously the rate of contribution that fluctuates as a function of the plan's performance and costs.

The rate of salary contribution to the RREGOP is determined by means of a triennial actuarial evaluation. The results of the last valuation based on data ending on December 31, 2018 are known and the rate of RREGOP contribution was 10.33% on January 1st, 2021, and it is 10.4% on January 1st, 2022.

### c) Calculation of the retirement pension

The formula used to calculate your **RREGOP** retirement pension is quite simple, namely:

$$2\% \times \text{number of years of service credited (maximum of 40)} \\ \times \text{final average salary over the best five years (SMF5)}$$

#### Scenario 1

A teacher who contributes fully to the RREGOP for 40 years will receive a retirement pension of 80%, based on the final average salary over the best five years.

$$2\% \times 40 \text{ years of service credited} = 80\% \times \$85,000 \text{ (SMF5)} = \$68,000$$

#### Scenario 2

Let us now imagine the case of a teacher who worked half-time throughout their entire career because full-time work was not available. They will not receive a full pension as a result because their RREGOP contributions were based on a part-time workload (50% of a normal teaching load in this example). Therefore, after 35 years of service, they cannot claim a full retirement pension.

$$2\% \times 17,5 \text{ years of service credited} = 35\% \times \$85,000 \text{ (SMF5)} = \$29,750$$

In between these two situations, there is a whole range of other possibilities depending on:

- the age at which you apply for your RREGOP retirement pension;
- the number of years of service for which contributions were paid into the RREGOP (maximum of 40 years);
- your status throughout your teaching career (hourly-paid teacher; full- or part-time teacher);
- any absences or leaves taken which may or may not be recognized for pension plan purposes (maternity/paternity/unpaid leave; leave with advance/deferred pay; PVRTT (*Programme volontaire de réduction du temps de travail*) [Voluntary Working Time Reduction Program]; progressive retirement, etc.) or which you may or may not have bought back, (see Page 26);
- the choice of the type of **surviving spouse's** pension opted for when applying for your RREGOP retirement pension. At that time, you will have the option of choosing a pension which is 2% lower on a permanent basis in order to leave your spouse 60% (rather than 50%) of your pension upon your death. This choice is irrevocable.

## When should I apply for my RREGOP pension?

**You must apply for your RREGOP pension at least 90 days before the month in which you intend to retire<sup>4</sup>.** You also need to inform your employer of your departure in the form of a letter (a sample of which is provided at the end of this Guide). However, before submitting a retirement application to *Retraite Québec*, we strongly suggest that you submit an application for an estimate of your retirement pension by completing the application form available at the following address: [https://www.carra.gouv.qc.ca/ang/formulaire/pdf/RSP-009\\_en.pdf](https://www.carra.gouv.qc.ca/ang/formulaire/pdf/RSP-009_en.pdf).

This step must be carried out before any request for a correction to your **STATEMENT OF CONTRIBUTIONS** is made. Once you have applied for your retirement pension, you will no longer be able to modify the data concerning you. *Retraite Québec* supplies such a pension estimate only if you anticipate retiring within a period of 24 months.

After you have submitted your application for pension benefits to *Retraite Québec*, a reply sheet will be returned to you containing several options, namely:

- By default, your spouse will receive 50% of your pension at the time of your death. This annuity can be increased to 60% if you so request on the reply sheet. As a consequence of this choice on your part, your pension will be reduced by 2% for its entire duration. **This choice is irrevocable once payment of the retirement pension has begun.**
- You will also be asked to choose when you want payment of your pension to start (you do have the choice of deferring it). Your retirement pension will be paid on the 15th of each month for the rest of your life.
- You should indicate to *Retraite Québec* whether you would like your life and/or health insurance premium to be deducted directly from your pension.
- If you wish to join the Association of FNEEQ Retirees (AREF - *Association des retraitées et des retraités de l'enseignement de la FNEEQ*), your annual fees can also be deducted from your pension.

Once you start receiving your retirement pension, *Retraite Québec* will provide you with an annual statement specifying the **annual pension** payable to you, as well as the **indexing** of your RREGOP retirement pension, according to the formula which applies to your situation (see, in this regard, the section Indexing of your Retirement Pension on Page 25). You will also be informed of the benefits that will be paid to your spouse or to your heirs in the event of your death.

Example : Anticipated retirement date : June 16

1. Submission of application to *Retraite Québec* before March 1.
2. Reception of your preliminary calculation from *Retraite Québec*.
3. Submission of your options to *Retraite Québec* (survivorship option; direct deposit; insurance premiums, etc.).

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<sup>4</sup> The forms are available from your institution's Department of Human Resources.

4. Final calculation issued by *Retraite Québec*.
5. Payment of retirement pension: the first payment should be on July 15, i. e. the month following your actual retirement, assuming all time periods have been observed.

#### Should I retire on June 15 or August 15?

It is often to the clear advantage of teachers at CEGEPs who are entitled to a retirement pension without actuarial reduction to retire at the end of the school year. This is because, if you choose to opt for your retirement pension at the start of the holidays, i. e. around June 15, your retirement pension will admittedly be a bit lower but, during the two-month vacation period, you will collect both your holiday pay and your pension. Furthermore, if you are 60 years of age, you can claim your QPP retirement pension as early as June 15.

For example, a 60 year old teacher retiring on June 15, 2022 would accumulate a gross income close to \$14,000<sup>5</sup> more for that year than what he would have received had he retired on August 15. Also, before setting the precise date of your departure, it is in your interest to ask *Retraite Québec* to run a pension calculation which takes these possibilities into account.

#### d) Rate of replacement of gross income on retirement

The tables below illustrate the rate of replacement of gross income upon retirement assuming three scenarios: the first two reflect the situation of a teacher receiving a retirement pension without actuarial reduction and the third, a pension with such a reduction.

##### Scenario 1 (without actuarial reduction)

The following table gives you an idea of the amount a teacher would receive if they have **35 years of credited service**, a final average salary (SMF5) of **\$85,000** and they retire at **58**. In this example, the person meets the criteria of eligibility for a RREGOP pension without actuarial reduction since they have 35 years of service and applies for their QPP retirement pension at the age of 60. It will be obvious that the best rate of replacement of their income, i. e. 81%, occurs between the ages of 60 and 65.

	Age 58	Age 60	Age 65
RREGOP <sup>6</sup>	59 500 \$	59 500 \$	45 344 \$
QPP <sup>7</sup>		9 280 \$	9 280 \$
OAS			7 384 \$
<b>TOTAL</b>	<b>59 500 \$</b>	<b>68 780 \$</b>	<b>62 008 \$</b>
% of income replacement out of a total of \$85,000	70 %	81 %	73 %

<sup>5</sup> This calculation factors in both RREGOP and QPP benefits.

<sup>6</sup> The amounts indicated do not take indexing into account.

<sup>7</sup> This amount is provided for information purposes and constitutes the maximum anticipated of 5 years QPP pension.

### Scenario 2 (without actuarial reduction)

The following table shows what a teacher would receive if they have **35 years of credited service**, a final average salary (SMF5) of **\$85,000**, and they retire at **58** but defer payment of their QPP retirement pension to **65**.

	Age 58	Age 60	Age 65
RREGOP	59 500 \$	59 500 \$	45 344 \$
QPP			14 499 \$
OAS			7 384 \$
TOTAL	59 500 \$	59 500 \$	67 227 \$
% of income replacement out of a total of \$85,000	70 %	70 %	79 %

### Scenario 3 (with actuarial reduction)

Here is an indication of what a teacher would receive if they have **30 years of credited service**, a final average salary of **\$85,000** (SMF5) and they retire at the age of **58**. In this example, the individual meets neither the age criteria (61 years) nor the minimum number of years of service (35 years). The teacher therefore retires with an **actuarial reduction of 12%**, which will apply permanently to their pension.

	Age 58	Age 60	Age 65
RREGOP	51 000 \$	51 000 \$	38 866 \$
12% actuarial reduction	- 6 120 \$	- 6 120 \$	- 6 120 \$
QPP		9 280 \$	9 280 \$
OAS			7 384 \$
TOTAL	44 880 \$	54 160 \$	49 410 \$
% of income replacement out of a total of \$85,000	53 %	64 %	58 %

### **e) Offsetting the actuarial reduction**

If you are entitled to a pension with actuarial reduction, you can cancel out or diminish the reduction applicable to your pension by paying an amount to *Retraite Québec*, pursuant to tax legislation. The sum required can come from an RRSP.

The amount of offset is determined as of the date of your actual retirement. For an estimate of the cost of this offset, you can submit a request to *Retraite Québec* on the form "Application for a Pension Estimate", which



automatically generates an estimate of the cost of the offset. The latter will be calculated based on the actuarial assumptions made by the RREGOP and the interest rates published by the Bank of Canada.

**Note.**

The amount necessary to offset the actuarial reduction is always quite high, about 20 to 30 times the amount of the reduction. What is more, because the interest rates published by the Bank of Canada fluctuate up and down each month depending on economic conditions, there could be a significant difference between the estimate of the actuarial reduction offset calculated and the actual cost to you when the time comes.

**f) Integration of the RREGOP with the Québec Pension Plan**

Integration of the RREGOP with the Québec Pension Plan means that the two schemes are complementary. This is because, when the RREGOP was originally set up, account was taken of the fact that the employees contributing to it were also paying into the *Régime de rentes du Québec* (Québec Pension plan - QPP) and they would therefore be receiving a QPP pension at the time of their retirement. The effect of this integration is to reduce the cost of the plan. RREGOP members therefore **pay less than they should have to reflect their contributions to the QPP.**

QPP contributions are set as a percentage of the salary earned (6.15% in 2022), although there is a cap at a certain income level (\$64,900 in 2022). This maximum contribution threshold is referred to as the **MPE** (Maximum Pensionable Earnings). In order to take account of this integration with the Québec Pension Plan, the parties originally agreed to have RREGOP members contribute only based on that portion of their pensionable salary which exceeds the plan's exemption, i. e. the amount over and above 25% of the **MPE**.

To calculate this exemption, one need only to apply the following formula to the MPE, which is revised annually by *Retraite Québec*.

**25% of the MPE in 2022 (\$64,900) = \$16 225**

Example

When a teacher works full-time and earns \$92,027 per year, their contributory salary for the purposes of the RREGOP is therefore:

92 027 \$ - 16 225 \$ (25 % of the MPE) = 78 802 \$

It is therefore only to this portion of their salary that the rate of contribution in effect for the RREGOP (10.04% in 2022) will be applied.

**When does integration kick in?**

Integration of the RREGOP with the Québec Pension Plan does not kick in until the **age of 65**, even if you have been retired for several years. It is important to note, however, that the amount that will be deducted will be higher than the pension you receive from the QPP if you claimed your QPP retirement pension **before the age of 65**. This amount will be confirmed to you in the form of a letter which *Retraite Québec* sends upon confirmation of your retirement. Generally, this amount will be more or less equal to the maximum QPP pension you would have received at 65.

### The reduction applicable to your RREGOP pension will be calculated as follows:

The number of years of service used in the calculation of your basic pension (maximum of 35 years)

X the annual rate of QPP pension integration (0.7%)

X the average Maximum Pensionable Earnings (MPE) for your last five years of service (as ascertained by *Retraite Québec*).

The following example is taken from a document available on the *Retraite Québec* website and describes the effects of pension plan integration:

<https://www.retraitequebec.gouv.qc.ca/SiteCollectionDocuments/RetraiteQuebec/en/publications/rrsp/participants/4040a-coordination-rente.pdf>.

#### Scenario 4 (with reduction)

Here is an indication of what a teacher would receive if they have **30 years of credited service** and a final average salary of **\$85,000** (SMF5), and if they retire at the age of **58 but wait until the age of 65 before starting to receive their QPP pension benefits**. In this example, the teacher does not satisfy the age criteria (61 years) nor the minimum number of years of service (35 years). The teacher therefore retires with an **actuarial reduction of 12%**, which will be applied permanently to their pension.

	Age 58	Age 60	Age 65
RREGOP	51 000 \$	51 000 \$	38 866 \$
12 % Reduction	- 6 120 \$	- 6 120 \$	- 6 120 \$
QPP			14 499 \$
PSV			7 384 \$
TOTAL	44 880 \$	44 880 \$	54 629 \$
% of income replacement out of a total of \$85,000	53 %	53 %	64 %

#### **g) Waiver of contributions**

There exist certain situations in which you are not required to contribute to your retirement plan yet the amount of the contributions which would normally be due is credited to your account the same as if you had done so. This is what is known as **waiver of contributions**.

For RREGOP purposes, you are exonerated from contributing during maternity leave or when you are eligible for salary insurance benefits or for benefits from the *Société de l'assurance automobile du Québec* (SAAQ) [Québec Motor Vehicle Bureau] or the *Commission des normes, de l'équité, de la santé et de la sécurité du travail* (CNESST).

The maximum period of such waiver of contributions is 130 days in the case of maternity leave and three years in the case of salary insurance (i. e. two years of short-term salary insurance and a third year of long-term

salary insurance). No application needs to be filled for this waiver to be recognized, because the RREGOP is notified via the employer's Annual Report.

#### **h) Return to work of a retiree**

The new provisions of the RREGOP are such that the return to work of a retiree has no impact on their retirement pension. If you are in this situation, you will therefore receive both your full pension and your salary. If you return to work in the public sector, you will not contribute to any retirement plan, except for the Québec Pension Plan.

Moreover, since you will be contributing again to the Quebec Pension Plan, you will get additional pension benefits from QPP, whether or not you already receive the maximum pension from QPP. You will receive these additional benefits starting on the following calendar year. The amount is calculated using the following formula:  $(\text{Salary} - \text{exemption}) \times 0.5\%$ , where the salary cannot exceed the MPE. For example, an annual salary of \$50,000 would lead to an annual benefit of  $(50,000 - 3,500) \times 0.5\% = \$232.50$ , that is \$19.38 per month.

## CHAPTER II - PROGRESSIVE RETIREMENT AND GRADUAL RETIREMENT

Before retirement, it is possible to reduce the amount of time worked via a **progressive** retirement, i. e. a phased departure. At the present time, there is no "real" progressive retirement program for teachers which would make it possible to work less time while still collecting part of their RREGOP retirement pensions to compensate for the loss in salary. While this type of retirement is not yet available, the Progressive Retirement Program provided for by the CEGEP teachers' collective agreement could be of interest. Some private colleges also offer similar voluntary workload reduction programs: refer to your collective agreement or your Union Executive. Moreover, if you are between 65 and 69 years old, **gradual** retirement could be another available option. We present here some relevant information concerning these two programs.

### 1. PROGRESSIVE RETIREMENT

#### a) Terms and conditions of the Progressive Retirement Program provided for by the CEGEP teachers' collective agreement (Annex V-1.01)

The Progressive Retirement Program is part of your collective agreement and subject to an agreement of one to five years' duration with your CEGEP.

You must work 40% to 80% of the availability of a full-time teacher.

You may avail yourself of this Program only once.

Progressive retirement is granted subject to prior agreement with your CEGEP. If you wish to participate in the program, you must apply in writing at least 60 days before the start of the progressive retirement, which must coincide with the beginning of a session. **In private institutions, the deadline could be different depending on your Collective Agreement.** Note, however, that the [Request for a confirmation of progressive retirement eligibility](#) (only available in French) cannot be submitted to *Retraite Québec* more than five months prior to the beginning of the agreement.

You must start your retirement at the end of the agreement.

During the program, you will be remunerated in proportion to the percentage of time worked.

#### b) Entitlements and advantages of the Progressive Retirement Program

You continue to accumulate seniority and experience as if you were not in the Program.

You continue to participate in the various insurance plans applicable to you and assume the costs thereof.

You contribute to your retirement plan based on the salary you would have received if you had not entered the program (if you work 50% of a full-time load, you still pay 100% of your contributions to the RREGOP).

During any period of disability, you will receive a salary insurance benefit based on the salary you are drawing during your participation in the program, without exceeding the date of actual retirement as provided for in the agreement with your CEGEP.

### c) Application to enroll in a Progressive Retirement Program

You may apply to enroll in a Progressive Retirement Program by completing the application form available on the *Retraite Québec* website. It includes a section which must be filled in by the employer.

#### What is the difference between a Progressive Retirement Program and a PVRTT?

As things currently stand, it may not be to your advantage to participate in a Progressive Retirement Program rather than the *Programme volontaire de Réduction du temps de travail* (PVRTT) [Voluntary Working Time Reduction Program] provided for in Clause 5-14.00. This is mainly due to the fact that your participation in a PVRTT can be reviewed each year, whereas a commitment to a Progressive Retirement Program has a fixed duration (one to five years). However, as the number of PVRTTs granted may be limited by department, the Progressive Retirement Program could be another solution. Some private colleges also offer similar voluntary workload reduction programs. Refer to your collective agreement or your Union Executive for more details.

If, however, you reduce the amount of time worked annually to the point that your earnings fall below the MPE (QPP annual Maximum Pensionable Earnings), it is more advantageous to be part of a Progressive Retirement Program than a PVRTT **if your employer accepts to sign an agreement allowing you to contribute the maximum amount to QPP.**

### d) Impact of a reduction in working time on your QPP benefits

If you reduce your working time another way than by joining a Progressive Retirement Program (by joining a Voluntary Working Time Reduction Program (PVRTT) for example), this could have an impact on your contributions to the Québec Pension Plan. Unlike the RREGOP in which your contributions are based on your full salary even if you work part-time, QPP contributions are based on the salary earned.

Take the case of a teacher who participates in a PVRTT with a 50% reduction in workload and whose annual salary is \$85,000. Their RREGOP contributions are based on a full salary, which means that their retirement pension is not affected. However, their contributions to the QPP are based on the salary actually earned, namely \$42,500, which is below the MPE threshold (\$64,900 in 2022). This decision will therefore have a negative impact on their retirement income, since they will not have fully contributed to the QPP that year.

You should know, however, that it is **possible to maintain one's full salary contribution to the QPP** based on a progressive retirement **agreement entered into with the employer**, as soon as you reach 55 years of age. *Retraite Québec* offers an on-demand service which simulates the effect of a Progressive Retirement Program to those employees who request such a simulation: <https://www.retraitequebec.gouv.qc.ca/en/nous-joindre/Pages/nous-joindre.aspx>.

### e) The PVRTT and the RREGOP: some limits

The PVRTT, part of the CEGEP teachers' collective agreement since 1997, is one of the most popular leaves in the network. Generally, it is considered 'safe' for the purpose of retirement since teachers participating in the program accumulate years of service as if they were working full-time. Indeed, a teacher who reduces their workload to 70%, for example, contributes to RREGOP on the salary they would have received, had they worked full-time. Similarly, the College contributes in the same way for the employer's portion.

However, it is important to note that these advantages are 'subject to current tax legislation' (collective agreement, clause 5-14.13). These 'tax restrictions' are applicable not only to the PVRTT, but also to any other

leave for which contributions to RREGOP are made for years, or portions of years, during which the teacher did not work (see your union representative for the complete list of these leaves).

Fiscal laws specify a maximum number of years of service that can be credited to a contributor for years (or portions of years) during which they were on leave. This maximum is 5 years.

Note that these 5 years do not correspond to the number of years that a teacher was part of the PVRTT, but to the sum of the reductions of their workload. For example, a teacher who has been part of a PVRTT since 1998, and who has asked for a 25% reduction per year, would reach the maximum of 5 years after 20 years (20 years x 0.25). If you are in that situation, or if you expect to be, we invite you to contact your local union for more information.

These fiscal laws also allow for the limit to be extended to 8 years in cases of specific leaves, such as the parental leaves, under certain conditions. Again, your local union could provide help.

#### f) **How can I make up this shortfall in income?**

If you are at least 50 years old, you could be allowed to redeem shares you own in labour-sponsored funds, such as [Fondaction](#) or [Fonds de solidarité FTQ](#), under certain conditions.

If you are at least 60, you may apply for an early QPP retirement pension in order to make up the anticipated shortfall in income. In addition, the salary you get will serve to increase the retirement pension you receive from QPP. The *Régie des rentes du Québec* will automatically readjust your pension benefits based on the updated information supplied by *Revenu Québec*.

If you are under 60 years old, you are not entitled to claim your QPP retirement pension early and will therefore have to draw upon your personal savings in order to "top up" the anticipated loss of income. In RREGOP, teachers have no benefit that would allow them to make up the gap in income between the anticipated time of their retirement and when benefits from public plans begin, a benefit commonly referred to as the "bridging supplement".

For more information, please check out the *Retraite Québec* website at: <https://www.retraitequebec.gouv.qc.ca/en/Pages/accueil.aspx>.

## **2. GRADUAL RETIREMENT AT 65**

If you are between 65 and 69, you could benefit from the gradual retirement program which allows you, under certain conditions, to receive both your salary and your RREGOP pension benefits.

As a general rule, during your participation in the gradual retirement program, your salary and your RREGOP pension benefits cannot add up to more than the salary you would have received if you had not participated in the program and would have been working full-time. You only work a partial load, the salary for which compensates for the difference between your full-time salary and your RREGOP pension benefits.

It is important to note that when you enter the gradual retirement program, you are considered as retiring and you stop contributing to RREGOP. As a consequence, while you are participating in the gradual retirement program, you do not accumulate additional years of service. Your pension benefits are thus calculated at the time you enter the program and they do not grow even though you continue to work part-time.

Moreover, since you are considered retired as soon as you enter the program, you are no longer eligible for the active teachers group insurance plan. If you are interested, you can opt into the group insurance plan for retirees (see Chapter IV).

Note that the gradual retirement program ends at the latest on December 30th of the year in which you turn 69.

It is up to your employer whether to allow you to enter a gradual retirement program, and to determine the terms of the agreement. Once the terms have been settled between your employer and yourself, you have to fill out the form [Application for Gradual Retirement](#) with the help of the person in charge of RREGOP at your College. You may also have to sign a local agreement with your employer.

## CHAPTER III - THE EVOLUTION OF YOUR RETIREMENT PENSION

### 1. THE ANNUAL STATEMENT

*Retraite Québec* now supplies members each year with a document outlining in detail the particulars of their contributions to the RREGOP. This document is of crucial importance to you inasmuch as it sets out in an extremely precise manner your estimated pension scheme entitlements.

The Annual Statement:

- indicates your base salary for the corresponding year;
- indicates the percentage figure of time worked;
- indicates the total amount of employee contributions paid in;
- indicates total credited service for the purposes of eligibility and calculation;
- provides a projection of the specific dates on which you may claim your RREGOP retirement pension taking account of the **90-day bank**;
- indicates the percentage figure and amount of the estimated annual pension at the time you become eligible to claim it (with or without actuarial reduction);
- informs you of the QPP pension integration at the age of 65.

#### a) Data contained in the Annual Statement

The Annual Statement is divided into several sections.

- After a summary of your **personal information** (ID number; date of birth; date of initial contribution), the document presents estimates of your pension benefits for different scenarios: at the earliest possible date, at the earliest date without actuarial reduction, and at 65.
- The second page may include different charts: the contribution information provided by your employer for the statement year (pensionable salary, employee contributions and percentage of time worked), a summary of your years of service and contributions, and information about absences that can be bought back.

These projections are obtained on the assumption that you will be working on a **full-time basis** up until the anticipated date and take into account RREGOP and QPP integration beginning at age 65.

### 2. THE STATEMENT OF CONTRIBUTIONS

The Statement of Contributions details your contributions to the RREGOP plan as of the statement date, year by year, based on the information supplied by the employer.

This statement:

- indicates total service credited for eligibility and calculation purposes;



- describes the service credited to your account since you entered the plan, on a year by year basis: pensionable salary, waivers, buybacks, transfers, etc.;
- indicates total contributions paid in, with interest.

The Statement of Contributions makes it possible to identify potential buybacks by checking for periods for which no credited service has been recognized.

### Statement of Contributions data

- **The particulars of your contribution history are the most important element of your statement,** and you should check the information contained therein, especially if you work part-time or if you took a leave in a given year. This is because the data supplied by your employer could contain errors that can be corrected, as required. However, once your pension application has been completed, it will no longer be possible for you to request a change in the information affecting you. The pensionable salary is equal to the pensionable salary paid to you during the calendar year, not the academic year.
- **Service is expressed in years or fractions of years.** A full year is equivalent to 260 working days for teachers in the CEGEP system, 200 working days for certain teachers in elementary and secondary private institutions, and 525 teaching periods for CEGEP hourly-paid teachers.
- If the total for a given year does not add up to 1,000 this means that you experienced a period of unpaid leave, you worked part-time or you went on strike (prior to 2002, contributions did not have to be paid during such periods).

*For example, a full-time teacher who went on strike for one day in 1996 will be credited with 0.996 years of service (259 + 260).*

*Similarly, a teacher who took 40 days of parental leave (without pay, according to the collective agreement) and who did not buy back this period will be credited with only 0.846 years of service (220 + 260).*

- Service for calculation purposes is that fraction on the basis of which your pension will be calculated, **since you will receive 2% multiplied by the number of years of recognized service** (up to a maximum of 40) for the purposes of calculation.
- **Service for eligibility purposes serves solely to determine the time when you will have accumulated 35 years of service, thereby rendering you eligible for a pension with no actuarial reduction.** Service for eligibility includes primarily those periods during which you contributed, those you bought back or transferred from another system and those during which you were eligible for mandatory salary insurance plan benefits, as well as service added to complete a year.

If you notice any errors in your Statement of Contributions, consult your union local representative, or get in touch with your employer who, via the form "Demande de correction d'une participation à un régime de retraite" [available in French only], will inform *Retraite Québec* of the necessary corrections.

You may request a copy of your Statement of Contributions at any time at the following address:

[www.carra.gouv.qc.ca/ang/formulaire/pdf/OO8ai.pdf](http://www.carra.gouv.qc.ca/ang/formulaire/pdf/OO8ai.pdf).

### 3. THE INDEXING OF YOUR retirement pension

Your RREGOP retirement pension will be indexed on January 1<sup>st</sup> of each year based on the pension index defined by the *Régie des rentes du Québec* (the TAIR, or *taux d'augmentation de l'indice des rentes*<sup>8</sup> [Rate of Increase of the Pension Index]. The TAIR is derived from the increase in the average consumer price index in Québec and therefore varies from year to year. However, it is important to note that the years of service you have accumulated will not all be indexed in the same way.

- That portion of your pension which corresponds to years of service provided prior to July 1st, 1982 is indexed according to the TAIR.
- That portion of your pension which corresponds to years of service provided after June 30, 1982 but before January 1, 2000 is indexed according to the TAIR, minus 3%.
- That portion of your pension which corresponds to years of service provided since January 1st, 2000 is indexed according to either of the following two formulas, depending on which is the most advantageous: 50% of the TAIR, or the TAIR minus 3%.

As an example, teachers who worked between 1982 and 1999 are **heavily penalized** by the current indexing formula since, to all intents and purposes, half of their pensions will never be indexed. It is a fact that the TAIR has rarely exceeded more than 3% in recent years and, because 3% must be subtracted from the current TAIR, the result is zero indexing for these 17 years of contribution to the RREGOP. In the long run, RREGOP retirees will therefore experience a shrinkage in their purchasing power.

No government has agreed to take a fresh look at this indexing formula, claiming that to do so would create a liability which current RREGOP contributors would be unable to bear. However, since January 2011, union organizations have successfully negotiated a potential indexing parameter by modifying the method of RREGOP funding. Should an actuarial valuation reveal a surplus exceeding by more than 20% the actuarial benefits liability borne by members, indexing for these years could then be enhanced on an *ad hoc* basis.

#### Example

Take the case of a teacher who retired in 2003 at the age of 60. In 2003, this teacher received an initial pension of \$40,000. In order to determine the indexing of her retirement pension, the years of service credited must first be distributed based on the indexing calculation recognized by the RREGOP.

The teacher's 30 years of service are distributed as follows:

- the 9 years of service credited before 1982 are fully indexed (which accounts for 30% of the total amount of the pension);
- the 17.5 years of service credited between 1982 and 1999 are indexed according to the formula TAIR - 3% (which accounts for 58 1/3% of the total amount of the pension); and
- the 3.5 years of service credited beginning in 2000 are indexed in accordance with the formula TAIR - 3%, minimum of 50% (which accounts for 11 2/3% of the total amount of the pension).

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<sup>8</sup> In 2022, the TAIR was 2.7%.

### Scenario 1

Let us imagine that the TAIR on January 1 is 2.5%. We therefore obtain the following indexing of the person's \$40,000 retirement pension:

- Before 1982:  $30\% \times \$40,000 = \$12,000$ .  
- The indexing for these years is calculated as follows:  $\$12,000 \times 2,5\% = \$300$
- Between 1982 and 1999:  $58 \frac{1}{3}\% \times \$40,000 = \$23,333$ .  
- The indexing for these years is calculated as follows:  $\$23,333 \times 0 (2,5\% - 3\%) = \$0$
- After 2000:  $11 \frac{2}{3}\% \times \$40,000 = \$4,666$ .  
- The indexing for these years is calculated as follows:  $\$4,666 \times 1,25\% (\text{minimum } 50\%) = \$58$

The total annual indexing of this teacher's \$40,000 pension will therefore be **\$358**. If the unindexed years are taken into account, this total amount represent a combined indexing of 0.895%, which is far below the increase in the cost of living for that year, namely 2.5%.

### Scenario 2

If, on the other hand, the TAIR on January 1 is 7%, instead, the following indexing results:

- Before 1982:  $30\% \times \$40,000 = \$12,000$ .  
- The indexing for these years is calculated as follows:  $\$12,000 \times 7\% = \$840$
- Between 1982 and 1999 :  $58 \frac{1}{3}\% \times \$40,000 = \$23,333$ .  
- The indexing for these years is calculated as follows :  $\$23,333 \times 4\% (7\% - 3\%) = \$933$
- After 2000:  $11 \frac{2}{3}\% \times \$40,000 = \$4,666$ .  
- The indexing for these years is calculated as follows:  $\$4,666 \times 4\% (7\% - 3\%) = \$187$

For that year, the total annual indexing of this teacher's \$40,000 pension will be \$1,960. This amount represents a combined indexing of **4.9%**.

This second scenario is unlikely because, in recent years, the TAIR has been hovering between 1.5% and 2% annually. In short, this means that all the years of contribution between 1982 and 1999 are never indexed. Retirees therefore experience a gradual diminishing of their purchasing power.

## **4. BUYBACK**

There are two advantages to a service purchase: first, you may be able to retire earlier if you buy back periods for which you were eligible. Secondly, you may also be able to increase your retirement income. The buyback can be carried out by transferring a sum of money from an RRSP or via payments spread over several months (without exceeding the date of your retirement). **In such a case, we invite you to consult a financial advisor in order for you to make the best decisions for your personal situation.**

### **a) Advantages of a buyback**

There are two advantages to a service purchase: first, you may be able to retire earlier if you buy back periods for which you were eligible. Secondly, you may also be able to increase your retirement income. The buyback

can be carried out by transferring a sum of money from an RRSP or via payments spread over several months (without exceeding the date of your retirement). **In such a case, we invite you to consult a financial advisor in order for you to make the best decisions for your personal situation.**

### **Is it to my advantage to buy back service?**

Before making a final decision as to whether you should buy back a period of service in the RREGOP for which you could have contributed but didn't, you would do well to consult a financial planner, who will help you determine the cost of a buyback vs. the ensuing benefits reaped.

### **What periods can be bought back?**

- Periods of unpaid leave subsequent to joining the RREGOP, in whole or in part.
- Service as a casual employee (hourly-paid instructor) between June 30, 1973 and January 1st, 1988.

### **What periods cannot be bought back?**

- Years of service that were refunded by the RREGOP cannot be bought back.
- Any period not worked. For example, an untenured teacher cannot buy back missing periods of work in order to "top up" a year of service if there was no work available for him or her.

## **b) The cost of a buyback**

The cost of a buyback varies according to four criteria:

- a) The type of the buyback;**
- b) the period of service to be bought back;**
- c) your pensionable salary on the date of receipt of the application;**
- d) your age on the date of receipt of the application.**

If the application is filed within six months after the end of your leave, the cost of the buyback is generally equal to double the contributions<sup>9</sup> you would have made during that leave, inasmuch as no interest is due on the cost of the buyback. If your application has to do with a leave taken more than six months prior, interest must be paid on the buyback<sup>10</sup>.

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<sup>9</sup> During leave without pay, you are normally required to buy back both your own and the employer's share, i.e. you must pay double the contributions normally made. In the case of parental and certain family-related leave provided for in the collective agreement, however, you pay only your share.

<sup>10</sup> The buyback rate schedules have been updated regularly since January 2011.

Retraite Québec offers several tools related to buybacks:

- a guide : <https://www.retraitequebec.gouv.qc.ca/SiteCollectionDocuments/RetraiteQuebec/fr/publications/rrsp/participants/4050f-Rachats-service.pdf>
- a buy-back cost estimator: [https://estimationrachat.retraitequebec.gouv.qc.ca/?\\_gl=1\\*2gl3r3\\*\\_ga\\*MTYzNzc5NTcxMy4xNjQxNDMzODMO\\*\\_ga\\_BNXKLQEQ99\\*MTYONjI1MzAyNi4xMC4xLjE2NDYyNTMwOTguNjA.&\\_ga=2.239761988.653586689.1646242729-1637795713.1641433834](https://estimationrachat.retraitequebec.gouv.qc.ca/?_gl=1*2gl3r3*_ga*MTYzNzc5NTcxMy4xNjQxNDMzODMO*_ga_BNXKLQEQ99*MTYONjI1MzAyNi4xMC4xLjE2NDYyNTMwOTguNjA.&_ga=2.239761988.653586689.1646242729-1637795713.1641433834)
- General buy-back information page : <https://www.carra.gouv.qc.ca/ang/e-vie/evenement/6/retraite/623.htm>

### c) Application of the 90-day bank

When calculating your retirement pension, *Retraite Québec* will automatically add to your years of service the number of days equal to your periods of unpaid leave, up to a maximum of 90 days. This is referred to as the "90-day bank". These days will be recognized both for pension eligibility and pension calculation purposes.

However, on January 1st, 2011, the rules changed regarding use of this bank. For leave periods taken before that date, *Retraite Québec* will continue to recognize these periods of absence<sup>11</sup> without pay by RREGOP members at no cost (strike days; unpaid leave; leave extending maternity or paternity leave, etc.), up to a maximum of 90 days. This bank can no longer be used, however, to make up for unpaid leaves taken after January 1st, 2011, except for leaves pertaining to parental leave, which may continue to be made good by the bank.

Starting January 1st, 2002, if you are absent **less than 30 consecutive calendar days** or if your workload is reduced by 20% or less, you must maintain your contribution to the RREGOP15. If you are absent more than 30 consecutive calendar days or if you reduce your workload by more than 20% of that of a full-time employee, you may buy back the non-contributory period via a service purchase in accordance with the rules in effect.

### d) Tax rules

When a proposed buyback has been accepted and received by *Retraite Québec*, the latter must calculate a Past Service Pension Adjustment (PSPA) pursuant to the tax legislation in force. This will change the Pension Adjustment (PA) which the employer had calculated for the year affected by the buyback. Because the buyback may have an impact on your previous income tax returns, it is important for you to inform Revenue Canada of this impact. Among other things, Revenue Canada will check whether you are within the RRSP deduction limit necessary for the buyback. This information appears in the Notice of Assessment issued by the federal government confirming that your taxes for a given year have been paid. If your deduction limit is inadequate to allow a PSPA certificate to be issued, Revenue Canada will inform you of the procedures to be followed should you wish to proceed with the buyback anyway.

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<sup>11</sup> This measure includes strike days.

In addition, in accordance with tax legislation requirements, the total duration of periods of leave subsequent to 1991 which may be credited to an employee is limited to **five years**. To these periods may be added leave for family obligations or parental leave not exceeding 12 months each, up to a maximum of 36 months. The periods credited after 1991 may thus not total more than **eight years**.

## e) Transfer agreements

Transfer agreements exist between *Retraite Québec* and certain bodies whose employees have a pension plan, in order to allow an employee who changes jobs to transfer their years of accumulated service to their new retirement plan.

Thanks to these agreements, you have the option of crediting to your RREGOP's account recognized years of service in another retirement scheme. The effect of this is to increase your pension and perhaps render you eligible for a retirement pension at an earlier date.

You will find the list of employers with whom the RREGOP has transfer agreements on the *Retraite Québec* website, at the following address: [https://www.carra.gouv.qc.ca/ang/e-vie/evenement\\_1/entente\\_de\\_transfert\\_liste\\_des\\_organismes.htm](https://www.carra.gouv.qc.ca/ang/e-vie/evenement_1/entente_de_transfert_liste_des_organismes.htm)

## 5. DIFFICULT CHOICES

### a) What happens if I quit my job?

- **If you are under 55 years of age and have less than two years of service to your credit**, you may apply for a refund of your contributions with interest. However, you may also transfer your contributions to your new employer if he is on the list of those employers with whom the RREGOP has a transfer agreement. This list is available on the *Retraite Québec* website at the following address: [https://www.carra.gouv.qc.ca/ang/e-vie/evenement\\_1/entente\\_de\\_transfert\\_liste\\_des\\_organismes.htm](https://www.carra.gouv.qc.ca/ang/e-vie/evenement_1/entente_de_transfert_liste_des_organismes.htm)

Finally, you can transfer them to a LIRA (locked-in retirement account). Obviously, it is always better to transfer your contributions rather than to cash them in. Otherwise, you must pay tax on this income.

- **If you are under 55 years of age and have two years or more of service to your credit**, you may receive a deferred pension payable at 65 or payable at 55 subject to an actuarial reduction of ten years for early redemption. The retirement pension is indexed annually throughout the entire prepayment period.

### b) What happens if I am suffering from a terminal illness?

If you are suffering from a terminal illness, that is, an illness which, in your doctor's opinion, allows you a life expectancy of less than two years, you may obtain a terminal illness benefit equivalent to the contributions paid into your retirement plan, plus accrued interest or the value of the retirement pension accumulated.

### **c) What happens in case of death?**

At the time of your death, the amount of the benefits that will be paid to your heirs will depend on whether you were eligible for a retirement pension or whether you were already retired at the time of your death.

**If you have no spouse**, your heirs will be entitled to a lump-sum death benefit equal to the contributions with interest, or the actuarial value of your pension.

**If you have a spouse and you were not eligible** for an immediate retirement pension, your spouse will be entitled to a lump-sum death benefit equal to the contributions with interest, or the actuarial value of your pension.

**If you have a spouse and you are already retired or are over 55 years of age**, the 50% or 60% life annuity paid to the surviving spouse will be calculated based on the election made by you at the time of your retirement (see the options described in the section When should I apply for my RREGOP pension on Page 14).

In the event of death, you may not name the person of your choice as your heir: irrespective of the provisions of your will, the law stipulates that your retirement pension will be paid:

- a) to the person to whom you are married or are in a civil union;**
- b) to your spouse (see definition below), if you are not married;**
- c) to your children or the heirs designated by you in your will in the absence of a spouse.**

The RREGOP recognizes as your spouse the person who has been living with you in a conjugal relationship for at least three years, or for one year if you have a child with that person. Please note that de facto spouses of the same sex enjoy the same rights.

If you are living with a spouse who is not the other parent of your children, you may perhaps prefer to designate your children as your heirs in the case of death. If such is the case, your spouse must fill in a form renouncing their rights. In the absence of such a signed document, your spouse will inherit a surviving spouse's pension, i. e. a life annuity equal to 50% of the pension that was payable to you at the time of your death. You need to know, however, that your spouse may reconsider their decision up until the day before your death.

The Notice of Waiver or Revocation form may be procured at the following address:

<http://www.carra.gouv.qc.ca/ang/formulaire/pdf/161ai.pdf>.

## CHAPTER IV - INSURANCE

### 1. LEGAL FRAMEWORK

FNEEQ retired teaching staff are not subject to the same obligations, depending upon their age.

Before the age of 65, the RAMQ Act respecting Prescription Drug Insurance stipulates that if your spouse is still working and is covered by a group insurance plan, you are obliged to join their plan. Otherwise, FNEEQ retirees must register with the public drug insurance plan.

After the age of 65, all Québec citizens are automatically registered with the public drug insurance plan regardless of their employment status.

### 2. GROUP INSURANCE FOR RETIREES

When retired, if your spouse is not obliged to cover you, you have the option of:

- joining only the RAMQ public plan;
- joining the RAMQ public scheme while benefiting from the additional coverage provided by Policy 1011 (hospitalization; extended health care; travel insurance; chiropractors, physiotherapists, osteopaths, acupuncturists, etc.); however, you must become a member of the AREF (*Association des retraitées et des retraités de l'enseignement de la FNEEQ*) to have access to this option.

Note that teachers from private colleges which do not adhere to the FNEEQ group insurance plan, as well as hourly-paid teachers from universities, can also choose to join the AREF and its group insurance plan.

Teachers who want to join the Policy 1011 offered by the AREF must apply within 30 days of their retirement or, if you were covered by your spouse while retired, within 30 days after that coverage ended.

Policy 1011 also allows you, if you had these coverages before retiring:

- to maintain your life insurance policy;
- to maintain your dependents life insurance;
- to maintain your additional life insurance.

If you were covered under the health insurance policy for active employees immediately before your retirement, you will be eligible for health insurance coverage with effect from the date of your actual retirement. Application forms to secure the coverage described above are available from the Human Resources Department of your institution, on the AREF website and Beneva website at:

<https://www.beneva.ca/sites/beneva/files/2022-01/C1011-EN-Application-Modification-group-insurance-Dynamique.pdf>.

Please note that, when joining the retirees' insurance plan, you will be authorizing the insurer to deduct your premiums directly from your RREGOP pension.



If you would like more information on what Policy 1011 covers, please check out the explanatory pamphlet available on the Beneva website: [https://www.beneva.ca/sites/beneva/files/2022-01/P1045E\\_Dep\\_SommaireAREF\\_2021\\_11-WEB\\_0.pdf](https://www.beneva.ca/sites/beneva/files/2022-01/P1045E_Dep_SommaireAREF_2021_11-WEB_0.pdf).

If you would like more information on what the RAMQ public plan has to offer at the age of 65, check out the following link <http://www.ramq.gouv.qc.ca/en/Pages/home.aspx>.

### **3. RENUNCIATION OF LONG-TERM SALARY INSURANCE**

In order not to unnecessarily pay for long-term salary insurance, you may terminate this coverage at any time during the two years preceding your eligibility for retirement without an actuarial reduction (i. e. once you have accumulated 35 years of service or attained the age of 61, or be 60 years of age and have at least 30 years of service to your credit). This is, of course, an eminently personal decision and it should be made considering your health and other factors. First, you need to know that if you become disabled, you will receive salary insurance benefits paid by your CEGEP for a period of two years, i. e. 85% of your salary the first year, and 66 2/3% the second. Teachers from private colleges instead receive short-term disability benefits from the insurer during this period. If you are still disabled two years later and you enjoy long-term salary insurance coverage, you could receive disability benefits from the insurer amounting to 80% of your salary, up to the age of 65.

However, your disability benefits may be reduced by the total amount of the disability pension paid to you by the QPP if the latter recognizes your disability and by 50% of the gross amount of your RREGOP retirement pension once you become eligible for it.

If you are **between 55 and 58 years of age or have not accumulated many years of service for the purposes of the RREGOP**, it is no doubt in your best interest to maintain your salary insurance coverage until such time as you retire, inasmuch as long-term disability insurance coverage could provide you with an additional source of income up to the age of 65 if you were to become disabled and remain so. In any event, it is abundantly clear that, if you are still teaching and are 63 years of age, you should immediately cancel your long-term salary insurance coverage.

## ANNEX I : Quick reference reminder

Event	Time period
Application for Statement of RREGOP Contributions	45 days
Application for Statement of QPP Contributions	Available online, in My Account on <i>Retraite Québec</i> website
Application for Buyback	Financially better if done upon six months of one's return from leave
Application for a Funds Transfer from an RRSP to a LIRA	More than five months before the date of coming into force of the agreement
Application For Progressive Retirement	At least 60 days before the start date of the agreement. The deadline might be different in private colleges depending on their collective agreement.  Maximum five months before the start date of the agreement.
Application for a Pension Estimate	60 days, but between 4 and 24 months before the anticipated date of your retirement.
Application for a Retirement Pension	More than three months before the anticipated date of your retirement
Application for Direct Deposit	Four to six weeks before the first deposit

This information is available on the *Retraite Québec* website at:

<https://www.retraitequebec.gouv.qc.ca/en/Pages/accueil.aspx>.

## ANNEX II

### a) Model Letter 1 (for CEGEP faculty)

An application to take part in a Progressive Retirement Program is filed by completing the appropriate form, which is available on the *Retraite Québec* website, and includes a section to be filled in by the employer:

[https://www.carra.gouv.qc.ca/ang/formulaire/formulaires\\_retraite\\_prog.htm#](https://www.carra.gouv.qc.ca/ang/formulaire/formulaires_retraite_prog.htm#)

Place and date \_\_\_\_\_

Department of Human Resources

Address of CEGEP

Your/Réf.: EMPLOYEE NO. OR SIN \_\_\_\_\_

Subject: Application to take part in a Progressive Retirement Program

Dear Sir/Madam,

Pursuant to Annex V-1 of the teachers' collective agreement, I would like to take part in the Progressive Retirement Program from \_\_\_\_\_ (specify date program starts) to \_\_\_\_\_ (specify date program ends: minimum of 12 months, maximum of 60 months).

Because the average teaching load of my department is \_\_\_\_\_ (specify the average departmental load, in hours/CI [Individual Teaching Load] units), I would like you to grant me a reduction in my teaching load of \_\_\_\_\_ (between 40% and 80%, hours/CI units).

While in the program, I will enjoy the rights and privileges provided for in Article V-1.06 of the collective agreement.

Trusting that you will see fit to respond favourably to my request I remain,

Yours truly,

Name and address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

c. c. Departmental coordination  
Teachers' Union

**b) Model Letter 1 (for faculty in private institutions)**

An application to take part in a Progressive Retirement Program is filed by completing the appropriate form, which is available on the *Retraite Québec* website, and includes a section to be filled in by the employer: [https://www.carra.gouv.qc.ca/ang/formulaire/formulaires\\_retraite\\_prog.htm#](https://www.carra.gouv.qc.ca/ang/formulaire/formulaires_retraite_prog.htm#)

Place and date \_\_\_\_\_

Department of Human Resources

Address of the teaching institution

Your/Réf.: EMPLOYEE NO. OR SIN \_\_\_\_\_

Subject: Application to take part in a Progressive Retirement Program

Dear Sir/Madam:

Pursuant to Article/Annex of the collective agreement, I would like to take part in the Progressive Retirement Program from \_\_\_\_\_ (specify date program starts) to \_\_\_\_\_ (specify date program ends: minimum of 12 months, maximum of 60 months).

Because my teaching load is \_\_\_\_\_ (specify the load, expressed as the number of periods),

I would like you to grant me a reduction in my teaching load of \_\_\_\_\_ (may not be less than 40% of the time of an equivalent full-time post).

While in the program, I will enjoy the rights and privileges provided for in Articles/

Annex \_\_\_\_\_ (specify) of the collective agreement.

Trusting that you will see fit to respond favourably to my request I remain,

Yours truly,

Name and  
address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. c. Teachers' Union

**c) Model Letter 2 (for CEGEP faculty)**

APPLICATION FOR RETIREMENT

Recommended deadline: At least 90 days before the anticipated month of your retirement

Place and date\_

Department of Human Resources

Address of CEGEP

Your/Ref.: EMPLOYEE NO. \_\_\_\_\_

Subject: Application for retirement

Dear Sir/Madam,

Pursuant to Article 5-1.06 of the teachers' collective agreement, this is to inform you that I will be retiring at the end of the \_\_\_\_\_ session (specify fall or winter).

Yours truly,

Name and address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. c. Departmental coordination  
Teachers' Union

**d) Model Letter 2 (for faculty in private institutions)**

APPLICATION FOR RETIREMENT

Deadline: At least 90 days before the expected month of your retirement

Place and date\_

Department of Human Resources

Address of teaching institution

Your/Ref.: SIN.\_

Subject: Application for retirement

Dear Sir/Madam,

Pursuant to Article \_\_\_\_\_of the collective agreement, this is to inform you that I will be retiring \_\_\_\_\_(specify when, in accordance with the provisions of the collective agreement).

Yours truly,

Name and address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. c. Teachers' Union

## ANNEX III

### GLOSSARY AND ACRONYMS

#### a) GLOSSARY OF COMMON TERMS

**Actuarial reduction:** Penalty applied on a permanent basis to the amount of the retirement pension paid to a member.

**Actuarial value:** Value calculated by applying the commitments and calculation assumptions of the plan.

**Annual statement:** Document providing yearly details of your contributions to the RREGOP plan as well as a precise estimate of your pension plan entitlements.

**Deferred pension:** Pension payable at a later date to a person who does not fulfill the conditions of eligibility for an immediate retirement pension at the time of their departure.

**Exempted salary:** Salary to which an employee would have been entitled had he/she not been in a period of mandatory salary insurance or maternity leave.

**Immediate pension:** Pension payable to a person entitled thereto by reason of their age and years of service.

**Maximum Pensionable Earnings (MPE):** Income ceiling above which no contribution to the Québec Pension Plan is due.

**90-day bank:** Automatic addition of days of credited service depending upon your periods of unpaid leave, up to a maximum of 90 days.

**Pensionable salary:** Basic salary paid during a calendar year which includes the exempted salary, as the case may be.

**Progressive retirement:** Program which allows a person who is a member of the RREGOP to reduce their working time without being penalized for the purposes of the pension plan.

**Service for eligibility purposes:** Years of service used solely to determine eligibility for a retirement pension.

**Statement of contributions:** Describes the total service credited to your account since entering the plan, on a year-by-year basis.

**Surviving spouse:** Person who was married or in a civil union with the member or retiree at the time of their death.

**Waiver of contributions:** Contributions credit added by *Retraite Québec* to the Statement of Contributions of a RREGOP contributor during certain types of leave provided for in the collective agreement [maternity/paternity leave; certain types of disability leave, etc.).

**Working days:** Number of days of work provided for in the collective agreement, i.e. 200 or 260, depending upon the basis of remuneration.

**Year of service:** Year of participation, year bought back or year transferred from another retirement scheme.

## b) COMMON ACRONYMS

**CARRA:** *Commission administrative des régimes de retraite et d'assurances*

**CFARR:** *Comité fédéral sur les assurances et les régimes de retraite* [FNEEQ Insurance and Pension Committee]

**LIRA** Locked-in retirement account

**MPE:** Maximum Pensionable Earnings under the Québec Pension Plan

**OAS:** Old-Age Security pension

**PA:** Pension Adjustment

**PSPA:** Past Service Pension Adjustment

**PVRTT:** *Programme volontaire de réduction du temps de travail* [Voluntary Working Time Reduction Program]

**RRQ:** *Régie des Rentes du Québec* (QPP: Québec Pension Plan)

**RRGOP:** *Régime de retraite des employés du gouvernement et des organismes publics* [Government and Public Employees Retirement Plan]

**RRSP:** Registered Retirement Savings Plan

**SMF5:** *Salaire moyen final des cinq meilleures années* [Final average salary over the best five years]

**SPP:** Supplemental Pension Plan

**TAIR:** *Taux d'augmentation d'indice des rentes* [Rate of Increase of the Pension Index]



## ANNEX IV

### Administration Guide - Retirement of Employee

#### a) Annex 7.2A - Conversion of days of service (regular year, 260-day base)

	1	2	3	4	5	6	7	8	9	10	11	12
Day	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1	0,004	0,088	0,165	0,250	0,331	0,415	0,500	0,585	0,669	0,750	0,835	0,919
2	0,004	0,092	0,165	0,254	0,335	0,419	0,500	0,585	0,673	0,754	0,838	0,919
3	0,008	0,092	0,169	0,254	0,338	0,423	0,504	0,588	0,673	0,758	0,842	0,923
4	0,012	0,096	0,173	0,258	0,338	0,423	0,508	0,592	0,677	0,758	0,842	0,927
5	0,015	0,100	0,177	0,262	0,342	0,427	0,508	0,596	0,681	0,762	0,846	0,927
6	0,015	0,100	0,177	0,262	0,346	0,431	0,512	0,596	0,681	0,765	0,850	0,931
7	0,019	0,104	0,181	0,265	0,346	0,435	0,515	0,600	0,685	0,765	0,854	0,935
8	0,023	0,108	0,185	0,269	0,350	0,435	0,519	0,604	0,688	0,769	0,854	0,938
9	0,023	0,108	0,185	0,273	0,354	0,438	0,519	0,604	0,688	0,773	0,858	0,938
10	0,027	0,112	0,188	0,273	0,358	0,442	0,523	0,608	0,692	0,777	0,862	0,942
11	0,031	0,115	0,192	0,277	0,358	0,442	0,527	0,612	0,696	0,777	0,862	0,946
12	0,035	0,119	0,196	0,281	0,362	0,446	0,527	0,615	0,700	0,781	0,865	0,946
13	0,035	0,119	0,196	0,281	0,365	0,450	0,531	0,615	0,700	0,785	0,869	0,950
14	0,038	0,123	0,200	0,285	0,365	0,454	0,535	0,619	0,704	0,785	0,873	0,954
15	0,042	0,127	0,204	0,288	0,369	0,454	0,538	0,623	0,708	0,788	0,873	0,958
16	0,042	0,127	0,204	0,292	0,373	0,458	0,538	0,623	0,708	0,792	0,877	0,958
17	0,046	0,131	0,208	0,292	0,377	0,462	0,542	0,627	0,712	0,796	0,881	0,962
18	0,050	0,135	0,212	0,296	0,377	0,462	0,546	0,631	0,715	0,796	0,881	0,965
19	0,054	0,138	0,215	0,300	0,381	0,465	0,546	0,635	0,719	0,800	0,885	0,965
20	0,054	0,138	0,215	0,300	0,385	0,469	0,550	0,635	0,719	0,804	0,888	0,969
21	0,058	0,142	0,219	0,304	0,385	0,473	0,554	0,638	0,723	0,804	0,888	0,973
22	0,062	0,146	0,223	0,308	0,388	0,473	0,558	0,642	0,727	0,808	0,892	0,977
23	0,062	0,146	0,223	0,308	0,392	0,477	0,558	0,642	0,727	0,812	0,896	0,977
24	0,065	0,150	0,227	0,312	0,396	0,481	0,562	0,646	0,731	0,815	0,900	0,981
25	0,069	0,154	0,231	0,315	0,396	0,481	0,565	0,650	0,735	0,815	0,900	0,985
26	0,073	0,158	0,235	0,319	0,400	0,485	0,565	0,654	0,738	0,819	0,904	0,985
27	0,073	0,158	0,235	0,319	0,404	0,488	0,569	0,654	0,738	0,823	0,908	0,988
28	0,077	0,162	0,238	0,323	0,404	0,492	0,573	0,658	0,742	0,823	0,908	0,992
29	0,081		0,242	0,327	0,408	0,492	0,577	0,662	0,746	0,827	0,912	0,996
30	0,081		0,242	0,327	0,412	0,496	0,577	0,662	0,746	0,831	0,915	0,996
31	0,085		0,246		0,415		0,581	0,665		0,835		1000

**b) Annex 7.2B - Conversion of days of service (regular year, 200-day base)**

	1	2	3	4	5	6	7	8	9	10	11	12
Day	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1	0,000	0,105	0,195	0,295	0,395	0,495			0,595	0,695	0,800	0,900
2	0,005	0,110	0,200	0,300	0,400	0,500			0,595	0,700	0,800	0,905
3	0,010	0,110	0,200	0,305	0,400	0,500			0,600	0,700	0,805	0,905
4	0,015	0,115	0,205	0,305	0,405	0,505			0,605	0,705	0,810	0,910
5	0,015	0,115	0,210	0,310	0,410	0,510			0,605	0,710	0,810	0,915
6	0,020	0,120	0,210	0,315	0,410	0,510			0,610	0,710	0,815	0,915
7	0,025	0,125	0,215	0,315	0,415	0,515			0,615	0,715	0,820	0,920
8	0,025	0,125	0,220	0,320	0,415	0,520			0,615	0,720	0,820	0,925
9	0,030	0,130	0,220	0,325	0,420	0,520			0,620	0,720	0,825	0,925
10	0,035	0,135	0,225	0,325	0,425	0,525			0,625	0,725	0,830	0,930
11	0,035	0,135	0,230	0,330	0,425	0,530			0,625	0,730	0,830	0,935
12	0,040	0,140	0,230	0,335	0,430	0,530			0,630	0,730	0,835	0,935
13	0,040	0,145	0,235	0,335	0,435	0,535			0,635	0,735	0,840	0,940
14	0,045	0,145	0,240	0,340	0,435	0,540			0,635	0,740	0,840	0,945
15	0,050	0,150	0,240	0,340	0,440	0,540			0,640	0,740	0,845	0,945
16	0,050	0,155	0,245	0,345	0,445	0,545			0,645	0,745	0,850	0,950
17	0,055	0,155	0,250	0,350	0,445	0,550			0,645	0,750	0,850	0,955
18	0,060	0,160	0,250	0,350	0,450	0,550			0,650	0,750	0,855	0,955
19	0,060	0,165	0,255	0,355	0,455	0,555			0,655	0,755	0,860	0,960
20	0,065	0,165	0,260	0,360	0,455	0,555			0,655	0,760	0,860	0,965
21	0,070	0,170	0,260	0,360	0,460	0,560			0,660	0,760	0,865	0,965
22	0,070	0,175	0,265	0,365	0,465	0,565			0,665	0,765	0,870	0,970
23	0,075	0,175	0,265	0,370	0,465	0,565			0,665	0,770	0,875	0,975
24	0,080	0,180	0,270	0,370	0,470	0,570			0,670	0,770	0,875	0,975
25	0,080	0,185	0,275	0,375	0,475	0,575			0,675	0,775	0,880	0,980
26	0,085	0,185	0,275	0,380	0,475	0,575			0,675	0,780	0,885	0,985
27	0,090	0,190	0,280	0,380	0,480	0,580			0,680	0,780	0,885	0,985
28	0,090	0,190	0,285	0,385	0,480	0,585			0,685	0,785	0,890	0,990
29	0,095		0,285	0,390	0,485	0,585			0,690	0,790	0,895	0,995
30	0,100		0,290	0,390	0,490	0,590			0,690	0,790	0,895	0,995
31	0,100		0,295		0,490					0,795		1000

## **ANNEX V USEFUL ADDRESSES**

### **Retraite Québec**

Case postale 5200

Québec (Québec) G1K 7S9

Montréal City region: 514 873-2433

Quebec City region: 418 643-5185

Toll-free: 1 800 463-5185

<https://www.retraitequebec.gouv.qc.ca/fr/Pages/accueil.aspx>

### **Retraite Québec: Complaints Office**

Quebec City region: 418 644-3092

Toll-free: 1 855 642-3092

By email: <https://www.retraitequebec.gouv.qc.ca/fr/nous-joindre/Pages/les-plaintes.aspx>

### **FNEEQ**

Fédération nationale des enseignants et enseignantes du Québec

[www.fneeq.qc.ca](http://www.fneeq.qc.ca)

Montreal: 514 598-2241

Toll-free: 1 877 312-2241

Email: [fneeq.reception@csn.qc.ca](mailto:fneeq.reception@csn.qc.ca)

### **Old Age Security (OAS) Pension Program**

Service Canada

Toll-free number in French: 1 800 277-9915

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### **ÉducÉpargne**

A neutral and independent body established in 2003 by the *Régie des rentes du Québec* to educate

Quebecers on the importance of saving early for retirement. In French only <https://www.educepargne.ca/>

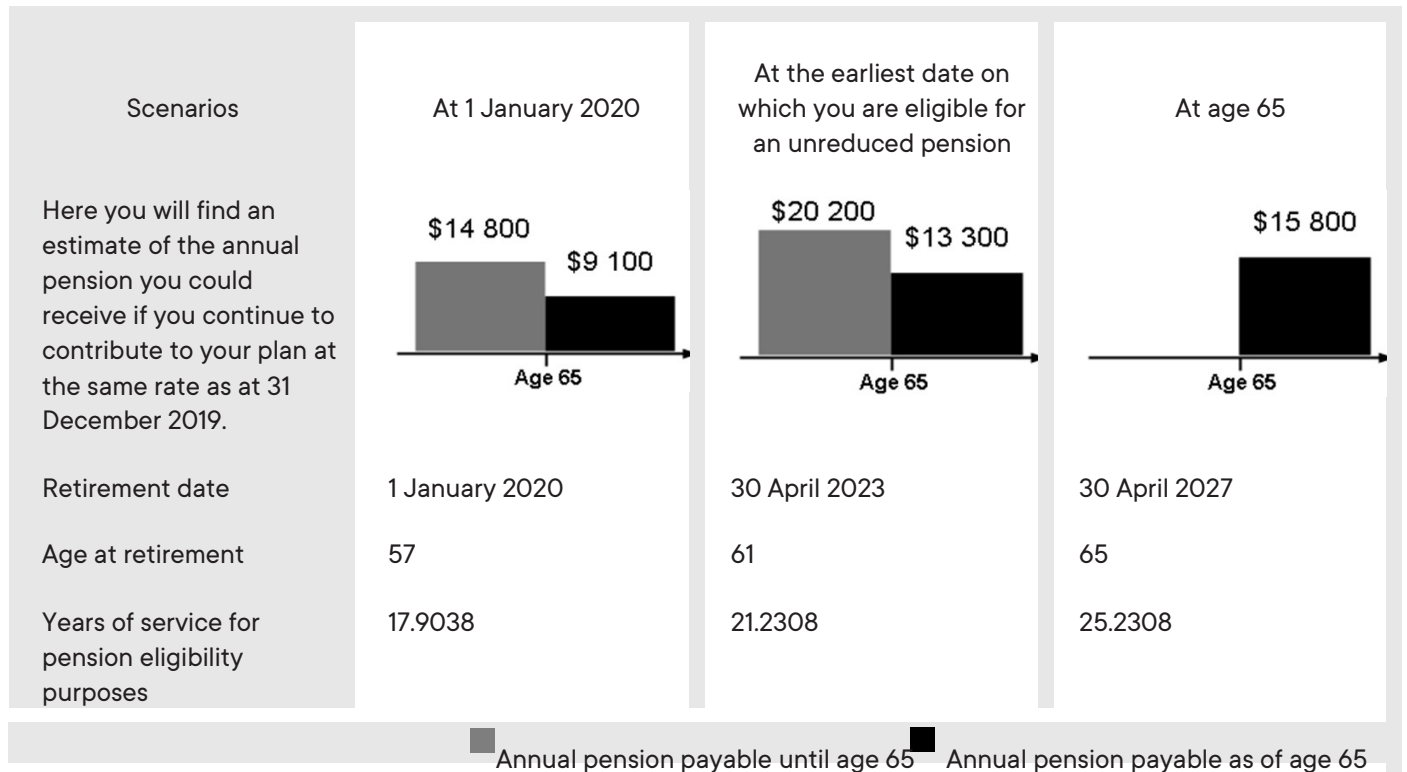
## ANNEX VI Statement of participation to RREGGOP

Government and Public Employees Retirement Plan (**RREGOP**)  
Statement of Participation as at 31 December 2019

Your statement provides a summary of your participation data under the Government and Public Employees Retirement Plan (RREGOP) as at 31 December 2019 as well as the pension benefits payable when you retire.

### Estimated amount of your retirement pension

Your age at the time you retire and the number of years of service you have accrued will have an effect on the amount of your retirement pension.



Your pension plan provides that the amount of your pension will be reduced as of age 65. The reduction could be offset, in part or in full, by other income: a pension under the Québec Pension Plan (QPP) or the federal Old Age Security (OAS) program, or personal savings.

If you would like other retirement scenarios, use the Pension Estimator tool at [www.retraitequebec.gouv.qc.ca/tools/en](http://www.retraitequebec.gouv.qc.ca/tools/en).

### Indexation of your pension

Once you begin receiving your pension, it will be indexed on 1 January each year according to your plan's rules, the periods of service you have accrued and the applicable indexation rate.

## Your rights

In the event of your death, your spouse will receive 50% of the pension you have accrued on the date of your death, adjusted to take into account the reduction at age 65. If you do not have a spouse, your heirs will be entitled to the contributions you have accrued with interest.

## Employment in 2019

The information below was established using data provided by your employer. If you note that the data do not match your personal situation, please contact your employer.

Employer	Eligible salary	Years of service for pension calculation purposes	Contributions
SOCIÉTÉ DE L'ASSURANCE AUTOMOBILE DU QUÉBEC	\$38 293.16	0.7692	\$2 835.34
<b>Total</b>	<b>\$38 293.16</b>	<b>0.7692</b>	<b>\$2 835.34</b>

## Years of service and contributions

The following table shows amounts accrued as at 31 December 2019.

	Years of service for pension eligibility purposes	Years of service for pension calculation purposes	Contributions with interest
Cumulative amount at 31 December 2018	16.9038	16.8820	\$60 571.90
Employment in 2019	1.0000	0.7692	\$2 835.34
Interest accrued in 2019	-	-	\$4 579.98
<b>Cumulative amount at 31 December 2019</b>	<b>17.9038</b>	<b>17.6512</b>	<b>\$67 987.22</b>

## Absences that can be bought back

According to the data provided by your employers, as at 31 December 2019, you had 60 days that could be bought back.

Employer	Absences in each period		Total
	2004		
SOCIÉTÉ DE L'ASSURANCE AUTOMOBILE DU QUÉBEC	60		60
<b>Total</b>	<b>60</b>		<b>60</b>

Before you apply for a buy-back, we suggest you use the Buy-Back Cost Estimator at [www.retraitequebec.gouv.qc.ca/tools/en](http://www.retraitequebec.gouv.qc.ca/tools/en). For further information, refer to the publication entitled Buy-Backs, which is available on our website.

### **Other retirement income**

Depending on your situation, you might receive retirement income from:

- the federal Old Age Security program;
- the Québec Pension Plan;
- private pension plans and personal savings.

Go to [www.retraitequebec.gouv.qc.ca/tools/en](http://www.retraitequebec.gouv.qc.ca/tools/en) to estimate your income from those sources.

You can also consult your financial planner.

### **Acts and regulations governing your plan**

This document provides information only and does not replace the provisions of the official versions of the acts and regulations governing your public-sector pension plan.

## Your Information Sheet

This document provides explanations concerning certain sections of your Statement of Participation.

### Estimated amount of your retirement pension

The examples given are for information purposes only. They were generated according to the dates determined in the eligibility criteria set out under your pension plan.

The pension estimates were made on the assumption that you will not have any further absences without pay before you retire.

### At January 1, 2020

You are eligible for a pension under the RREGOP. To receive your pension, you must file an application, and have ceased under the plan. Note that your pension will be permanently reduced by 0.33% for each month you take your pension early i.e., 4% a year. Therefore, if you retire on 1 January 2020, the reduction due to early retirement corresponds to a yearly amount estimated at \$2 200. The reduction is calculated according to the number of months between the date on which you retire and the earliest date you are eligible for an unreduced pension. This corresponds to the date on which you would have met one of the eligibility requirements for an unreduced pension outlined below, in the section entitled “At the earliest date on which you are eligible for an unreduced pension”.

### Effects of legislative amendments on your pension

On 1 July 2020, the legislative amendments came into force. The annual reduction due to early payment of a pension increased from 4% to 6% a year (0.33% to 0.5% a month).

### At the earliest date on which you are eligible for an unreduced pension

- You will be eligible for an unreduced pension when you meet one of the following requirements:
- You are at least age 61; or
- You have at least 35 years of service for eligibility purposes; or
- When you meet the 90 factor, that is, the date on which your age, added to your years of service for eligibility purposes, is equal to or greater than 90 (age + years of service) and you are at least age 60.

Your pension increases provided you contribute to the RREGOP, even if you meet one of the eligibility requirements for an unreduced pension. You can continue making contributions until 30 December of the year in which you turn 69 and until you have accrued 40 years of service for pension calculation purposes.

### Indexation of your pension

The **rate of increase of the Pension Index (PI)** is used to establish the indexation rate that will apply once you begin receiving your pension. Indexation may vary according to your plan's rules.

On 1 January 2019, the PI was 2.3%. The PI varies from one year to the next.

The following table shows how your pension is indexed according to the periods of service you have accrued. The last column shows, as an example, the rate at which your pension would be indexed on 1 January 2019 if it had been in payment.

Your pension for the period of service accrued	Calculation of indexation that applies to your pension	Indexation rate of a pension in payment as of January 1, 2019
Since February 6, 2022	The higher of PI - 3% or 50% of the PI	1.15%

## Employment in 2019

The **pensionable salary** is comprised of the basic salary you were paid in 2019 and the salary you would have received if you had not been on maternity leave, on sabbatical leave with deferred pay, taking phased departure, or receiving disability benefits.

The **years of service** for pension calculation purposes are determined on the basis of the periods worked and the percentage of time worked during those periods.

## Years of service and contributions

The **years of service for pension calculation purposes** are used when calculating the amount of your retirement pension, whereas the **years of service for pension eligibility purposes** are for determining your eligibility for retirement. If you note a difference between those two values, this can be explained by the fact that you have not always worked full time or that you have days of absence without pay that have not been bought back, in your file.

The plan interest rates applied to your contributions are 8.35% from January to May 2019 and 6.72% from June to December 2019.

## Absences that can be bought back

You are entitled to buy-backs of service. Buying back absences increases the amount of your pension.

For more information on how to buy back days of absence as well as other types of periods of absence indicated on your statement, refer to the brochure entitled Buy-Backs available on our website.

## Additional information

To help you when financially planning for retirement, you can consult the publications regarding your pension plan on our website and use the retirement simulator tools available at [www.retraitequebec.gouv.qc.ca/tools/en](http://www.retraitequebec.gouv.qc.ca/tools/en).

### Simulation and planning tools

- SimulR
- SimulRetraite
- Pension Estimator
- Buy-Back Cost Estimator tool

### Publications

- Destination Retirement
- The RREGOP
- Statement of Participation to a Public-Sector Pension Plan
- Buy-backs



## ANNEX VII Statement of participation to QPP



Québec Pension Plan

# Statement of Participation

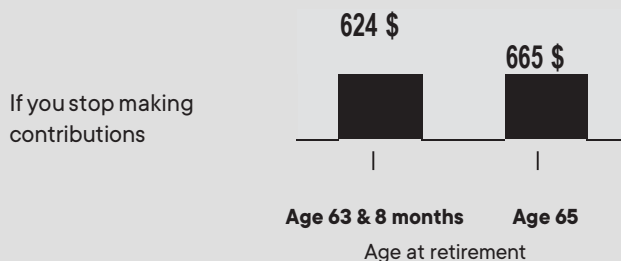
Date of issue: 13 April  
20XX Client number: CLO  
0000 0000 Date of birth: 8  
August 19XX

The Québec Pension Plan is a compulsory public insurance plan. It provides basic financial protection in the event of retirement, disability or death. This statement provides an estimate of the benefits that you and your family could receive.

### When you retire

You can start receiving your retirement pension as of age 60. However, the **age at which you begin receiving your pension** will have an effect on the amount you receive for **as long as the pension is paid**. If the pension begins before age 65, it will be lower; at age 65, you will be entitled to the full amount; between ages 65 and 70, your pension will be increased.

### Estimate of the amount of your retirement pension (monthly)



This is an estimate of the amount of the pension you could receive at the age indicated if you do not make any more contributions to the Plan. This could be **because you stop working or because your employment earnings no longer exceed 3 500 \$** a year until you retire.

If you begin making contributions again, we will give a new estimate of your pension that assumes you will continue making contributions until you retire.

## Your benefits are calculated using the pensionable earnings recorded in your file.

The information concerning your employment earnings is provided by Revenu Québec.

Your pensionable earnings are shown in the table at right. For each year, they correspond, in general, to one of the following:

- **Your actual employment earnings**, if they were between the minimum required in order to contribute to the Québec Pension Plan (3 500 \$ in 2021) or the maximum on which contributions could be made (61 600 \$ in 2021);
- **Earnings that are less than your actual employment earnings**, if you make more than the maximum on which contributions could be made. For example, if you earn more than 61 600 \$ in 2021, pensionable employment earnings of 61 600 \$ will be entered in your file.

Double-check the earnings - and your date of birth on the first page - in order to receive the amounts to which you are entitled. To notify us of an error, call the telephone number in the "How to reach us" section.

If you separate, you can request a simulation of the effects of partition on your pensionable earnings. Contact us for more information.

### Note

- A Revenu Québec will send us the information concerning any earnings for this year at a later date. Therefore, you do not have to provide us with that information.
- B The amount shown is the maximum pensionable earnings for the year because the actual employment earnings exceeded that amount.
- C No employment earnings are shown because the employment earnings for this year are less than the minimum required in order to contribute to the Plan.

Year	Pensionable employment earnings	Note
2020	-	A
2019	-	A
2018	-	A
2017	0	
2016	0	
2015	0	
2014	0	
2013	0	
2012	0	
2011	0	
2010	47 200 \$	B
2009	46 300 \$	B
2008	44 900 \$	B
2007	43 700 \$	B
2006	42 100 \$	B
2005	41 100 \$	B
2004	20 281 \$	
2003	22 191 \$	
2002	22 191 \$	
2001	23 075 \$	
2000	23 075 \$	
1999	21 726 \$	
1998	20 400 \$	
1997	20 565 \$	
1996	21 656 \$	
1995	12 600 \$	
1994	13 832 \$	
1993	13 248 \$	
1992	14 400 \$	
1991	15 333 \$	
1990	12 999 \$	
1989	9 999 \$	
1988	10 000 \$	
1987	9 999 \$	
1986	9 999 \$	
1985	11 488 \$	
1984	20 800 \$	B
1983	18 500 \$	B
1982	16 500 \$	B
1981	14 249 \$	
1980	5 375 \$	
1979	0 \$	C
1978	7 665 \$	
1977	3 381 \$	
1976	4 327 \$	
1975*	2 467 \$	B

\* The years recorded begin at age 18.

## In the event of disability

### Estimate of the amount of your disability benefits (monthly)\*

If we were to deem you to be disabled as of today, you could receive the following:

Disability pension

**1 024 \$**

This amount would be recalculated based on the employment earnings in your file when the

Pension for a disabled person's child

**81 \$**

Until age 18

## In the event of death

### Estimate of survivors' benefits (monthly)\*

In the event of your death, here are the benefits that **your family could receive**.

Surviving spouse's pension

**387 \$**  
**to**  
**767 \$**

The amount **your spouse could receive** varies according to:

- your spouse's age;
- whether your spouse has dependent children;
- whether your spouse is disabled.

At the time the application is filed, the amount would be re-calculated based on the employment earnings recorded in your file.

The amount could be reduced if your spouse is receiving a retirement or disability pension.

Orphan's pension

**257 \$**

Until age 18

Death benefit

**2 500 \$**

A single lump-sum payment

\* At the time the application is made, the amount of the disability or survivors' benefits would be re-calculated based on the employment earnings recorded in your file

## Retirement is approaching...

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You probably know that in retirement, you could receive income from:

- the federal Old Age Security program;
- the Québec Pension Plan;
- your private pension plan and personal savings.

To help estimate that income, use the following tools that are available at any time via our My Account online service at [www.retraitequebec.gouv.qc.ca](http://www.retraitequebec.gouv.qc.ca):

- **CompuPension**, which lets you simulate your retirement income based on your personal information;
- your **Statement of Participation** in the Québec Pension Plan (continually updated).

## Important!

Since January 2014, you could receive a retirement pension under the Québec Pension Plan as of age 60, regardless of your earnings. If you continue to work while receiving your pension, the amount you receive could increase.

## To receive your retirement pension

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When you are ready to apply:

- File your application using the My Account online service at [www.retraitequebec.gouv.qc.ca](http://www.retraitequebec.gouv.qc.ca). You also will be able to track your application.
- Use the form that is available:
  - on our Web site;
  - by telephone;
  - from Services Québec.

Payment of the retirement pension can begin in the month following your 60th birthday or the date on which we receive your application.

## Plan funding

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The Québec Pension Plan is funded by contributions made by workers and employers. In 2021, the contribution rate is 11,80%. If you are an employee, you pay half this rate and your employer pays the other half.

## Indexation

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Monthly benefits under the Plan are indexed each year to reflect the rise in the cost of living

## ANNEX VIII Your Pension - Example of a Statement of Benefits

To make it easier to understand, an example of the **Statement of Benefits** is provided below. Expressions underlined by a dotted line are clickable to obtain more information.



### Your 2022 Pension

Government and Public Employees Retirement Plan (RREGOP)

Name of beneficiary

Address

Identification number: 9999999999

The document Your 2022 Pension provides information about the indexation on the amounts of your pension for 2022 as well as the evolution of that pension. You are invited to read it carefully.

**If you signed up for direct deposit, you will receive in the following days, if not already, a document called [Statement of Deposits](#), which shows the payments and deductions for the year 2021 and January 2022.**

### Indexation of your pension

Your pension is indexed on January 1 of each year according to the formula corresponding to your situation and the period during which your years of service were performed.

To assess the amount of your pension payable in 2022, we used the rate of increase of the Pension Index (PI). It is determined in accordance with the Act respecting the Québec Pension Plan based on last year's consumer price index. **The PI rate for 2021 will be 2.70%.**

	Indexation					
	Annual pension 2021		Rate applied		Indexation	Annual pension 2020
Portion of your pension indexed to the PI (For years of service performed before July 1, 1982)	\$10 000,00	×	2,70 %	=	\$270,00	→ \$10 270,00
Portion of your pension indexed according to the PI, minus 3% (For years of service performed from July 1, 1982, to December 31, 1999)	\$10 000,00	×	0,00 %	=	\$0,00	→ \$10 000,00

<b>Indexation</b>					
	Annual pension 2021		Rate applied	Indexation	Annual pension 2020
Portion of your pension indexed according to the most profitable rate between 50% of the PI and the PI minus 3%  (For years of service performed since January 1, 2000)	\$10 000,00	×	1,35 %	= \$135,00	→ \$10 135,00
<b>Annual pension payable on January 1, 2022</b>	<b>\$30 000,00</b>		<b>+</b>	<b>\$405,00</b>	<b>= \$30 405,00</b>

### Evolution of your pension

Starting on the first day of the month following your 65th birthday, the pension you receive from a public sector pension plan will be reduced to take into account the amount paid by the Québec Pension Plan (QPP), regardless of the time you start receiving your pension paid by the latter. This coordination between the two plans is due to the fact that, during your career, you did not pay contributions on part of your salary because, at the same time, you were contributing to the QPP and to your public sector pension plan.

Annual payable pension

Starting on January 1, 2022 until May 31, 2023	\$30 405,00
Starting on June 1, 2023*	\$26 390,00

\*Amount payable from the month following your 65th birthday.



Please note that the pension amount(s) displayed do not take into account the indexation to be applied in the future. It will be calculated each year according to the provisions from your pension plan in effect at that time.

To get all the details regarding coordination with the QPP, you can consult the leaflet [Integration of Your Public Sector Pension Plan With the Québec Pension Plan \(QPP\)](#), available on our website.

### Taxes

You will receive your income tax slips for 2021 before March 1, 2022.

We are required to deduct income taxes on the payment of your pension based on your country and province of residence. If you live in the province of Québec and wish to increase your tax deductions, or modify the personal income tax credits used to determine the amount of your source deductions, you must use the following forms:

- for Canada's federal taxes, the [Personal Tax Credits Return \(TD1\) form](#) ;
- for Québec income taxes, the [Source Deductions Return \(TP-1015.3-V\) form](#) .

Both forms are available on our website.

If you wish to obtain more information regarding Québec income taxes, please contact Revenu Québec.

If you do not live in the province of Québec and wish to obtain information regarding another province's income taxes, the Canada federal taxes or another country's taxes, please contact the Canada Revenue Agency.

To contact us

You can use your identification number (999999999) as a reference number in order to facilitate any communications with us.

Via our website

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

By phone

418 643-4881 (Québec region)

1 800 463-5533 (toll free)

By Fax

418 644-8659

In person or by mail

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Régimes de retraite du  
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Québec (Québec) G1K 0G9

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