It's never too early (or too late) to think about your retirement!

Régime de retraite du personnel des CPE et des garderies privées conventionnées du Québec

What type of plan is it?

The *Régime de retraite du personnel des CPE et des garderies privées conventionnées du Québec* (Plan) is a defined benefit plan. This means that, once you retire, you will receive a monthly pension calculated using a set formula that takes into account your earnings and years of credited service.

This type of plan has a number of advantages:

- You benefit from your employer's financial contribution.
- You will be entitled to a lifetime pension.
- Your pension is not affected by the economic situation or financial markets returns.

How do I participate?

If you are not yet participating in the Plan, you do not need to do anything at this time. TELUS Health will contact you when you become eligible.

Take a few minutes to find out how your Plan works

Visit the *My Retirement* self-service website

You will find everything you need to know about the Plan on the *My Retirement* website at https://rrcpegq.hroffice.com/

If you don't already have an account set up, register here:

This document presents a summary of the provisions of the *Régime de retraite du personnel des CPE et des garderies privées conventionnées du Québec.* In the event of any discrepancy in interpretation of the provisions, the official text takes precedence over this summary.

Two components

The Plan was established on April 1, 2003, following the adoption of the *Act to facilitate the establishment of a pension plan for employees working in childcare services*. Its financial year runs from January 1 to December 31 of each year. For funding purposes, the Plan is divided into two distinct components.

Past component

Years of credited service before January 1, 2019

Current component

Years of credited service as of January 1, 2019

Plan enrolment

When can I participate in the Plan?

You participate in the Plan if:

- you work for an employer that holds a childcare centre or day care centre permit issued under the *Act respecting childcare centres and childcare services* and who has entered into a grant agreement with the *Ministère de la Famille (Ministre),* or with a recognized association or alliance;
- you have accumulated 550 paid hours in a single calendar year; and
- you are under 71 years of age.

Make sure that your employer starts deducting your contributions as soon as you become eligible.

Eligibility criteria: 550 paid hours

You don't need to keep track of your working hours. TELUS Health will automatically calculate your cumulative hours in each pay period to establish your eligibility for the Plan. If you already are a Plan member, the 550-hour criteria does not apply to you.

If you work for another Plan employer as well, the hours with this employer will also be counted toward your eligibility.

Once you have reached 550 paid hours, you no longer have to qualify each year and you will become a Plan member as of the first day of the second month following the date the data is read, i.e., the date on which the system registers that you met the eligibility criteria.

TELUS Health will send you a letter notifying you of your eligibility date.

Plan funding



How much do the employer and I have to contribute?

Employer contributions	Your contributions
6.6% of your eligible earnings If the stabilization fund does not cover actuarial deficiency payments, your employer will contribute an additional amount.	6.6% of your eligible earnings

Your contributions and those from the employer include an amount paid into the stabilization fund, which is used to better manage risks and ensure the financial health of the Plan. Contributions are withheld from your pay and are tax deductible.

Eligible earnings

The eligible earnings represent the base salary paid by your employer for childcare-related services including, in some circumstances, overtime hours and compensation paid during certain periods of absence.

Do I contribute during an absence?

Your participation in the Plan may be maintained in the event of a temporary leave of absence. If it is paid leave, you will automatically continue to contribute to the Plan and accumulate credited service. In the event of an absence covered by a labour law, such as an illness or occupational injury, maternity or paternity leave, or an absence for family reasons, your participation will be optional, while in other situations, it will be suspended. In any case, your employer is responsible for informing you of your rights.

Pension Benefits

When can I retire?

Type of retirement	Age
Normal retirement	The normal retirement date is the first day of the month following or coinciding with your 65th birthday. If you continue working for your employer after reaching the age of 65, you will continue making employee contributions until you retire, at the latest at age 71.
Retirement with unreduced pension	If you retire after the age of 60, you are entitled to a pension calculated using the normal pension formula. This means that you will receive an unreduced pension.
Retirement with reduced pension	You can also retire from the age of 55. Your pension will be calculated using the normal pension formula. However, it will be permanently reduced to reflect the fact that it will be paid to you for a longer period.

How is my pension calculated?

Your normal pension (at age 65) is calculated as follows:

1.5% *multiplied by* your average eligible earnings *multiplied by* your credited service.

If you retire after the age of 65, your pension will correspond to the higher of the following two amounts:

1. the pension amount to the date your active membership ceases, calculated using the Plan's usual formula (1.5% *multiplied by* your average eligible earnings *multiplied by* your years of credited service)

   or

2. the sum of the following two components:
   a. Your accrued pension at age 65, adjusted by actuarial equivalence as at the end of your active membership; and
   b. Your pension amount funded by employee contributions made after age 65 and accrued interest.

Average eligible earnings

Your average eligible earnings is calculated using the five years in which your salary was highest.

Credited service

One year of credited service corresponds to 1,664 hours worked between January 1 and December 31 during which you made employee contributions to the Plan.

How will my pension be paid?

Your pension will be paid to you for the rest of your life by direct deposit into your bank account on the first day of each month. The amount determined when your pension payment begins will never change because your pension will not be indexed.

In the event of termination of employment



12-month waiting period

In the event of termination of employment, your active membership in the Plan is maintained for a period of up to 12 months. At the end of these 12 months, if you have not worked for an employer who participates in the Plan during this period, your active membership will effectively end.

What happens if I leave my job before I turn 55?

If you are under age 55 at the end of the waiting period, two options are available to you:

Deferred pension

You can choose to receive your pension accumulated in the Plan:

- at age 60 (unreduced pension); or
- at age 55 (reduced pension).

The value of your pension must be more than 5% of the year's maximum pensionable earnings (YMPE) for you to receive a deferred pension.

The deferred pension calculated for service accumulated:

- Between April 1, 2003, and December 31, 2018, is indexed at 50% of the increase in Canada's Consumer Price Index (CPI), from the termination date of your active membership until age 55. This annual indexation cannot be less than 0% or more than 2%.
- Since January 1, 2019, the pension is not indexed.

If the value of your pension is less than or equal to 5% of the YMPE for the year in which you cease to be an active Plan member, it will be fully:

- paid to you as a lump sum; or
- transferable to an RRSP, a VRSP or another registered pension plan, to the extent permitted by tax laws.

Transfer

If you are under age 55 at the time of your termination of active membership, you may choose to transfer the value of your pension to one of the following retirement vehicles:

- a locked-in retirement account (LIRA);
- a life income fund (LIF);
- a life annuity contract;
- a locked-in account of a voluntary retirement savings plan (VRSP); or
- your new employer's pension plan, if permissible under that plan.

If you choose to transfer the value of your vested benefits outside the Plan, the amount of the value will be payable in proportion to the solvency ratio of the Plan at the time of transfer.

Low value

If the value of your vested benefits is less than 20% of the maximum pensionable earnings for the year in which you cease to be an active member, you may request to receive this value in cash.

You may also choose to transfer the value to one of the following retirement vehicles:

- a registered retirement savings plan (RRSP);
- a non locked-in account of a voluntary retirement savings plan (VRSP);
- a registered retirement income fund (RRIF); or
- your new employer's pension plan, if that plan allows it.

If you choose to transfer the value of your vested benefits outside the Plan, the amount of the value will be payable in proportion to the solvency ratio of the Plan at the time of transfer.

In the event of death

What happens in the event of death?

Death benefits from the Plan will be payable either to your spouse, to your designated beneficiary or to your estate. In addition, these benefits will differ depending on when your death occurs.

If your death occurs...	
Before your retirement	**During your retirement**
The value of your pension accumulated in the Plan is paid to your eligible spouse, if applicable.	When you retire, you must choose the type of benefit payable in the event of your death.
Your eligible spouse for the purpose of the death benefit is the person who meets the definition of spouse on the day preceding your death.	By default, the Plan provides for a pension that is guaranteed for 10 years. If you pass away before the end of the guarantee period, the remaining guaranteed payments will be paid to your spouse or your beneficiary.
If you do not have an eligible spouse (or if your eligible spouse waived their entitlement to the death benefit), your designated beneficiary or, in the absence of a beneficiary, your estate will receive the death benefit.	Other options are also available. These vary as to the length of the guarantee period and the percentage of the pension paid to your spouse in the event of your death. The pension amount you receive at retirement may be higher or lower depending on the option you choose.

Spouse

For Plan purposes, the spouse is the person who:

- is married to you or has entered into a civil union with you,
- has been living in a conjugal relationship with you while you are neither married nor in a civil union, for a period of not less than three years, whether this person is of the opposite or the same sex, or for a period of not less than one year if:
  - at least one child has been born or is to be born of your union,
  - you have jointly adopted at least one child while living together in a conjugal relationship or before,
  - one of you has adopted at least one child who is the child of the other during such period.

The quality of spouse is determined on the date your pension payment begins or, in the case of a death benefit before retirement, on the day preceding your death.

A person who is legally separated from you cannot be considered a spouse, regardless of the date of the decree of separation from bed and board.

Beneficiary designation

Even though the law states that the death benefit will be paid to your spouse, it is in your interest to designate your beneficiaries as soon as possible.

To do so, you must fill out the form available in the secure Personal Zone of the *My Retirement* website.



Excess contributions

In the event of termination of employment, retirement, death before retirement or breakdown of the relationship with your spouse, your employee contributions cannot be used to fund a larger portion of the value of the pension than that provided by the *Supplemental Pension Plans Act*. Any excess will be used to increase the pension or benefit payable, as the case may be.

Administrative information

Who sits on the Pension Committee?

The Plan is administered by a Pension Committee that acts as a trustee and in the best interests of Plan members. It is composed of 14 voting members. The term of office of a member is three years. At the end of their mandate, the members of the Committee remain in office until they are replaced or reappointed.

The 14 voting members are appointed as follows:

- four (4) members are appointed by the Ministre;
- three (3) members are appointed by the Ministre following consultation with the representative national associations of all employers;
- two (2) members are appointed by the *Fédération de la santé et des services sociaux* (FSSS-CSN);
- one (1) member is appointed by the *Centrale des syndicats du Québec* (CSQ);
- one (1) member is appointed by the *Association des cadres des centres de la petite enfance*;
- one (1) member may be appointed at the annual meeting by the group made up of active Plan members;
- one (1) member may be appointed at the annual meeting by the group made up of non-active Plan members and beneficiaries; and
- one (1) member who is neither a party to the Plan nor a third party who is prohibited by the Supplemental Pension Plans Act from receiving a loan is appointed by the other Pension Committee members.

In addition to these 14 members, two (2) other non-voting members may be appointed as follows:

- one (1) member appointed at the annual meeting by the group made up of active Plan members; and
- one (1) member appointed at the annual meeting by the group made up of non-active Plan members and beneficiaries.

In total, the Pension Committee can therefore be composed of 14 to 16 members.

How would a surplus of assets be allocated?

During the life of the Plan

If there is a surplus of assets with regards to the Past component, it will be used in the following order:

1. Reducing the Employer account of the Past component until it is equal to the Members account, to the extent that the value of this Employer account is higher than that of the Members account.
2. Reducing by the same amount each of the accounts when the Employer account for the Past component is equal to the Members account.

If there is a surplus of assets with regards to the Current component, it will be used in the following order:

1. Granting a current service contribution holiday to employers up to the balance of the Employer account of the Current component.
2. Creating an additional reserve of up to 25% of the Plan liabilities of the Current component.
3. Once the use provided for in subsections 1 and 2 has been completed, the remaining surplus shall be shared equally between members and employers.

It is also expected that both parties may agree on alternate uses to the ones described in subsections 2 and 3.

In the event of termination of the Plan

If there is a surplus with regards to the Past component at the Plan's termination date or if any surplus develops thereafter, it will be used for, in the following order:

1. Distributing surplus assets in the Employer account among participating employers in proportion to the value of the entitlements of active members relating to it and the entitlements of inactive members whose active membership ended while under their service.
2. Distributing surplus assets in the Members account between participating members and beneficiaries, in proportion to the value of their entitlements in the Plan.

If there is a surplus with regards to the Current component at the Plan's termination date or if any surplus develops thereafter, it will be used for, in the following order:

1. Reimbursing employers for the balance of the Employer account, if applicable.
2. Distributing the remaining surplus equally between Plan members and employers. The parties may agree on an alternate use of this surplus to the one described in this subsection. In all cases, the use of this surplus will be subject to applicable laws and tax limits.

Who can amend the Plan?

The persons appointed by the following organizations or groups must agree to any amendments to the Plan:

- the Ministre, after consulting with the *Association québécoise des centres de la petite enfance* and the *Association des garderies privées du Québec*
- the *Fédération de la santé et des services sociaux* (FSSS-CSN), as well as the *Centrale des syndicats du Québec* (CSQ)

The changes made cannot result in the reduction or cancellation of your accrued benefits, unless required by tax regulations. You will be informed of any proposed changes before they are submitted for registration with Retraite Québec.

Note that these same entities can terminate the Plan.