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BILL 97

THE APPLICATION OF TRANSITORY MEASURES ARISING FROM RREGOP MODIFICATIONS

Last May 11, Bill 97, arising from the agreement in principle that was reached between the Common Front and the Treasury Board, was tabled in the National Assembly. Although the pension plan can be subject to negotiations between the Government and the trade unions, the latter is covered by the Act respecting the Government and Public Employees Retirement Plan (RREGOP). Any modifications to the plan must thus be put into effect by tabling a bill in the National Assembly – a standard procedure that is not subject to long parliamentary proceedings.

After making the appropriate verifications, we note that the bill is consistent with the agreement in principle that was reached last December. Let us recall the principal modifications that were made to the pension plan:

- For participants whose last day of work will be July 1, 2020 or thereafter, the applicable actuarial penalty should they take an early retirement will increase from 4% per year (0.33% per month) to 6% per year (0.5% per month);
- For those people whose last day of work will be July 1, 2019 or thereafter, the age at which they will be eligible to retire without undergoing any actuarial reductions will increase from 60 to 61 years old;
- However, for participants whose last day of work is July 1, 2019 or thereafter, a new pension eligibility criterion without any actuarial reductions will be introduced:

  The person's age and years of service add up to 90, if the participant is 60 years old or older.
- As of January 1, 2017, employees will be able to continue working, on a voluntary basis, up to 40 years of service and still contribute to their pension plan.

Important: transitory measures for progressive retirements

Bill 97 also stipulates certain transitory provisions with regard to progressive retirement agreements. Accordingly, the RREGOP modifications described above do not apply to people whose progressive retirement agreements began prior to the tabling of the bill, namely, on May 11, 2016.

Furthermore, as was agreed in the agreement in principle, the bill stipulates that these transitory provisions will also apply to anyone whose progressive retirement agreement begins within the 100-day period following the tabling of the bill. They will however apply to people who reach an agreement within this period, but whose agreement takes effect after the 100-day period.

For these transitory measures to apply, the work schedule may vary, but the reduction must not be less than 20% of the regular number of hours that are associated with a full-time job over one calendar year.

Terms and conditions to be clarified

When we negotiated this 100-day period, the Treasury Board representatives indicated to us that the bill would be tabled in June – the 100-day period would thus come to an end in September. However, the Government decided to table the bill in May, which means that the expiry of the 100-day period will be in August. After the bill was introduced, we promptly communicated to the Treasury Board representatives that this early tabling of the bill was not consistent, in our mind, with our discussions. We are therefore currently talking with them to try to prolong this period to 120 days. Of course, we will keep you informed about any developments in this regard as quickly as possible.

Transitory measures are stipulated with regard to employees who currently have a progressive retirement agreement such that the criteria regarding eligibility for retirement remain the same as what currently exists.