

Draft Regulation

Supplemental Pension Plans Act
(chapter R-15.1)

Exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act

— Provisions related to the merger of certain multi-jurisdictional pension plans in the press sector with a jointly pension plan
— Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation to amend the Regulation respecting the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to allow for the merger, as of 1 July 2019, of the defined benefit pension plans of Canadian Press Enterprises Inc. and Postmedia Network Inc. with the jointly pension plan of the Colleges of Applied Arts and Technology regarding the benefits of Québec members and beneficiaries governed by the Supplemental Pension Plans Act (chapter R-15.1). Since those plans are all registered with the Financial Services Regulatory Authority of Ontario, the draft Regulation provides for measures to reconcile the requirements of the Supplemental Pension Plans Act with those of the Ontario Pension Benefits Act.

The draft Regulation provides that the rules referred to in the first, second and third paragraphs of section 196 of the Supplemental Pension Plans Act do not apply for the purposes of the merger of the pension plans of Canadian Press Enterprises Inc. and Postmedia Network Inc., if all the members and beneficiaries of each plan concerned were informed by means of a notice and that more than two-thirds of the active members agreed to it and that less than one-third of the non-active members and beneficiaries as a group were opposed to it.

Exemptions are also provided for in respect of the jointly pension plan of the Colleges of Applied Arts and Technology in which the assets and liabilities of Québec members and beneficiaries are transferred. The plan is exempted from the obligation to pay the benefits of members in proportion to the degree of solvency provided for in the last paragraph of section 143 of the Supplemental Pension Plans Act, provided that the benefits of Québec members and beneficiaries are paid at 100% during the plan's existence. The plan is also exempted from the provisions of Chapter XIII of the Act related to the withdrawal

of an employer from a multi-employer pension plan. The benefits of members whose pension is not in payment will be paid at 100%. The pensions in payment will continue to be paid by the pension plan. In addition, upon termination of the plan, the employer is exempted from having to pay the debt provided for in the first paragraph of section 228 of the Act, except as regards the benefits that were transferred on 1 July 2019 to the jointly pension plan. Lastly, surplus assets upon plan termination must be allocated to Québec members and beneficiaries in proportion to their benefits.

The draft Regulation provides that it will take effect on the date of the merger of the plans concerned on 1 July 2019.

The proposed measures do not have additional costs for the enterprises concerned. They make it possible to reduce and stabilize the costs related to the funding of pension plans and sustain defined benefit plans for Québec members.

Further information on the draft Regulation may be obtained by contacting Michel Drolet, Retraite Québec, Place de la Cité, 2600, boulevard Laurier, 5^e étage, Québec (Québec) G1V 4T3; telephone: 418 657-8714, extension 3392; fax: 418 643-7421; email: michel.drolet@retraitequebec.gouv.qc.ca.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to Michel Després, President and Chief Executive Officer, Retraite Québec, Place de la Cité, 2600, boulevard Laurier, 5^e étage, Québec (Québec) G1V 4T3. Those comments will be forwarded by Retraite Québec to the Minister of Finance, responsible for the administration of the Supplemental Pension Plans Act.

ERIC GIRARD,
Minister of Finance

Regulation to amend the Regulation respecting the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act

Supplemental Pension Plans Act
(chapter R-15.1, s. 2, 2nd and 3rd pars.)

1. The Regulation respecting the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act (chapter R-15.1, r. 8) is amended by inserting the following after section 14.29:

“DIVISION III.5**PROVISIONS CONCERNING THE MERGER OF CERTAIN MULTI-JURISDICTIONAL PENSION PLANS IN THE PRESS SECTOR WITH A JOINTLY PENSION PLAN**

14.30. This Division applies in respect of the merger, on 1 July 2019, of the following pension plans:

(1) the Pension Plan of Canadian Press Enterprises Inc., registered under number 0237537 with the Financial Services Regulatory Authority of Ontario;

(2) the Canadian Press Enterprises Inc. Pension Plan for Employees Represented by the Canadian Media Guild, registered under number 1031848 with the Financial Services Regulatory Authority of Ontario;

(3) the Postmedia Network Inc. Retirement Plan, registered under number 1077049 with the Financial Services Regulatory Authority of Ontario;

(4) the Colleges of Applied Arts and Technology Pension Plan, registered under number 0589895 with the Financial Services Regulatory Authority of Ontario.

14.31. A pension plan referred to in paragraphs 1 to 3 of section 14.30, is exempted from the first, second and third paragraphs of section 196 of the Act, if all the members and beneficiaries who are covered by the merger are informed by means of a written notice and at least two-thirds of the active members agreed to it and not more than one-third of the non-active members and beneficiaries as a group were opposed to it. A union can consent in the name of the members it represents.

14.32. The pension plan referred to in paragraph 4 of section 14.30 is exempted from the following provisions of the Act on the conditions indicated below:

(1) in the last paragraph of section 143 and in sections 145 to 146, if the value of the benefits of a member or a beneficiary is paid in full, up to 100%. The balance of the value of the benefits which, according to the transfer ratio applicable to a jointly pension plan cannot be paid, must be paid within 5 years after the date of the initial payment;

(2) in the provisions of Chapter XIII of the Act that apply to the withdrawal of an employer from a multi-employer pension plan;

(3) in the first paragraph of section 228 regarding the benefits accrued as of 1 July 2019 and the amendments made as of that date to enhance the benefits of members or beneficiaries under the plans referred to in paragraphs 1 to 3 of section 14.30 for which the transfer of assets and liabilities takes effect on 1 July 2019.

(4) in the provisions of section 230.2, provided that the surplus assets upon plan termination are allocated to members and beneficiaries and distributed between them in proportion to the value of their benefits.

14.33. For the purpose of paying the debt of the employer pursuant to subdivision 4 of Division II of Chapter XIII of the Act, the assets upon termination must be distributed, according to sections 220 to 227 of the Act that apply with the necessary modifications, between the value of the benefits referred to in paragraph 3 of section 14.32 and the value of the benefits that come from the pension plans referred to in paragraphs 1 to 3 of section 14.30.□.

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*. Despite the foregoing, it has effect from 1 July 2019.

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