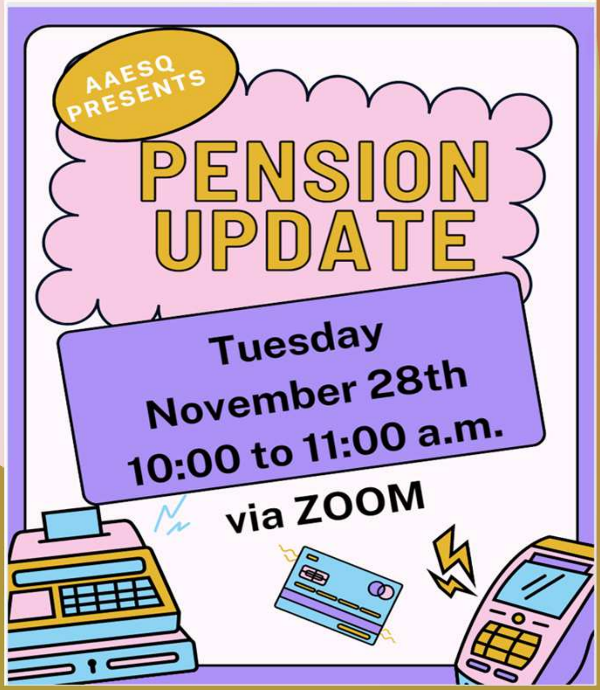


PENSION UPDATE

ME ANNE-MARIE CHIQUETTE

WHAT HAPPENED TO THE INCREASE OF MY PPMP PENSION?

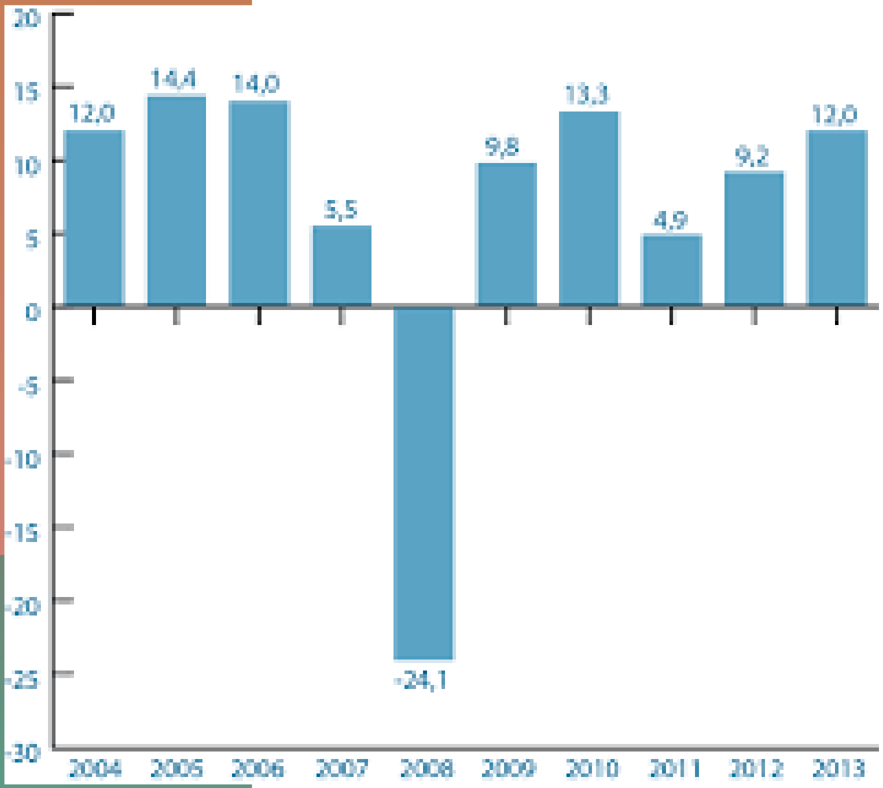
THE REASON WHY - HISTORY

- The PPMP was created in January 2001, before that date the retirement plan was named RREGOP-2.
- 95% of participants of the PPMP come from the RREGOP, and by law, should transfer with them the real value of the pension they will get from the PPMP…but they don't…why?
- The government has to negotiate and ask the unions to agree to transfer the real value when one of their members transfer to the "dark side"!
- In the end, since the real amount is not transferred and the disastrous results in 2008 (-24%), with time, the PPMP had a major deficit in 2016 : over 1 billion 800 millions!

THERE IS NO MAGIC WHERE DOES THE MONEY COME FROM?

- Most of the money in the PPMP portfolio (95%) comes from administrators of the 4 public sectors: education, health and social services, ministries and colleges.
- The CDPQ manages the PPMP portfolio and to break even we need an annual net benefit of 6%. So, to make more money, we need for the CDPQ to have a better result than 6%.
- The government has put some money in the PPMP portfolio over the years to help break even (+/- 5%). The QC government pays his part when the administrator takes his/her retirement.
- TEACHERS in Ontario, both the government and the administrators (teachers) put the money in the portfolio at every pay.

THE RESULTS OF THE CDPQ



THE RESULTS OF THE CDPQ

- **2014: 11.8%**
- **2015: 9.9%**
- **2016: 7.1%**
- **2017: 8.5%**
- **2018: 4.3%**

2019: 10.6%

2020: 8.4%

2021: 12.9%

2022: -7.8%

THERE IS NO MAGIC WHERE DOES THE MONEY COMES FROM?

- **POURCENTAGE OF PREMIUM TO BE PAID TO THE PPMP PER YEAR BY ACTIVE ADMINISTRATORS SINCE 1997.**
- (Réf. : RLRQ, chapitre R-12.1, r. 1, art. 11, annexe I.2)

	Taux de cotisation du régime		
Année	Cadre	Cadre provenant du RRE	Cadre provenant du RRF
2023	12,67 %	12,67 %	12,67 %
2022	12,29 %	12,29 %	12,29 %
2021	12,29 %	12,29 %	12,29 %
2020	12,29 %	12,29 %	12,29 %
2019	12,82 %	12,82 %	12,82 %
2018	12,82 %	12,82 %	12,82 %
2017	15,03 %	15,03 %	15,03 %
2016	14,38 %	14,38 %	14,38 %
2015	14,38 %	14,38 %	14,38 %
2014	14,38 %	14,38 %	14,38 %
2013	12,30 %	12,30 %	12,30 %
2012	12,30 %	12,30 %	12,30 %
2011	11,54 %	11,54 %	11,54 %
2010	10,54 %	10,54 %	10,54 %
2009	10,54 %	10,54 %	10,54 %
2008	10,54 %	10,54 %	10,54 %
2007	7,78 %	8,08 %	7,78 %
2006	7,78 %	8,08 %	7,78 %
2005	7,78 %	8,08 %	7,78 %
2004	4,50 %	8,08 %	7,25 %
2003	4,50 %	8,08 %	7,25 %
2002	4,50 %	8,08 %	7,25 %
2001	1,00 %	5,00 %	5,00 %
2000	1,00 %	5,00 %	5,00 %
1999	6,35 %		
1998	6,35 %		
1997	6,35 %		

2016
DESASTROUS ACTUARIAL EVALUATION

NEGOTIATIONS WITH THE GOUVERNMENT NOVEMBER 2016

- THE NEGOTIATIONS WITH THE GOVERNEMENT STARTED IN NOVEMBER 2016
- THE GOVERNEMENT WAS REPRESENTED BY THE TREASURY BOARD SECRETARY (TBS)
- THE ACTIVE ADMINISTRATORS WERE REPRESENTED BY 17 DIFFERENT ASSOCIATIONS
- AAESQ WAS PRESENT
- THE RETIRED ADMINISTRATORS WERE REPRESENTED BY MOST ASSOCIATIONS OF ACTIVE ADMINISTRATORS AND AREQ, ARREP, AQPR, AQPRDE, ACREQ, ADERM AND AQDER

NEGOTIATION'S PRINCIPLE OF THE GOVERNMENT

ELIMINATE THE ACTUARIAL DEFICIT OF THE PPMP BY HAVING THE THREE PARTIES INVOLVED ASSUME EACH IT'S PART, THE FOLLOWING WAY:

- ACTIVE ADMINISTRATORS: A THIRD
- RETIRED ADMINISTRATORS: A THIRD
- GOVERNMENT: A THIRD

AGREEMENT SIGNED JANUARY 2017 – PPMP LAW MODIFIED BY LAW 126

- In the agreement signed by the active administrators' associations, the suspension of the indexation was to be for nine (9) years, initialy, because the negotiations with the retired administrators' associations were not finished.
- **Law 126 that was adopted on May 11, 2017**, and provided the following for retired administrators:
  - Indexation of additional pensions will be suspended for a six-year period, beginning in either 2018 or 2021, as applicable
    - The suspension applies for 2018 through 2023 if you are entitled to an immediate pension and ceased all employment under the plan before January 1, 2017;
    - The suspension applies for 2021 through 2026 if you are entitled to an immediate pension and ceased all employment under the plan after December 31, 2016 but before July 1, 2019.

AGREEMENT SIGNED JANUARY 2017 – PPMP LAW MODIFIED BY LAW 126

Law 126 provided, also, the modification of the different indexations of the pension applied to different years of service (work).

What are we talking about?

Date d'indexation	TAIR	TAIR - 3 %	Le plus élevé de TAIR - 3 % ou 50 % du TAIR	TAIR - 1 %
1er janvier 2000	1,60 %	0,00 %		
1er janvier 1999	0,90 %	0,00 %		
1er janvier 1998	1,90 %	0,00 %		
1er janvier 1997	1,50 %	0,00 %		
1er janvier 1996	2,30 % (1)	0,00 %		
1er janvier 1995	0,00 % (2)	0,00 %		
1er janvier 1994	1,90 %	0,00 %		
1er janvier 1993	1,80 %	0,00 %		
1er janvier 1992	5,80 %	2,80 %		
1er janvier 1991	4,80 %	1,80 %		
1er janvier 1990	4,80 %	1,80 %		
1er janvier 1989	4,10 %	1,10 %		
1er janvier 1988	4,40 %	1,40 %		
1er janvier 1987	4,10 %	1,10 %		
1er janvier 1986	4,00 %	1,00 %		
1er janvier 1985	4,40 %	1,40 %		
1er janvier 1984	6,70 %	3,70 %		
1er janvier 1983	11,20 %	8,20 %		
1er janvier 1982	12,30 %			
1er janvier 1981	9,90 %			
1er janvier 1980	9,00 %			
1er janvier 1979	9,00 %			
1er janvier 1978	7,50 %			
1er janvier 1977	8,20 %			
1er janvier 1976	11,20 %			
1er janvier 1975	10,40 %			
1er janvier 1974	8,20 %			

Date d'indexation	TAIR	TAIR - 3 %	Le plus élevé de TAIR - 3 % ou 50 % du TAIR	TAIR - 1 %
1er janvier 2023	6,5 %	3,5 %	3,5 %	5,5 %
1er janvier 2022	2,7 %	0,00 %	1,35 %	1,7 %
1er janvier 2021	1,0 %	0,00 %	0,50 %	0,00 %
1er janvier 2020	1,9 %	0,00 %	0,95 %	0,9 %
1er janvier 2019	2,30 %	0,00 %	1,15 %	1,30 %
1er janvier 2018	1,50 %	0,00 %	0,75 %	0,50 %
1er janvier 2017	1,40 %	0,00 %	0,70 %	0,40 %
1er janvier 2016	1,20 %	0,00 %	0,60 %	0,20 %
1er janvier 2015	1,80 %	0,00 %	0,90 %	0,80 %
1er janvier 2014	0,90 %	0,00 %	0,45 %	0,00 %
1er janvier 2013	1,80 %	0,00 %	0,90 %	0,80 %
1er janvier 2012	2,80 %	0,00 %	1,40 %	1,80 %
1er janvier 2011	1,70 %	0,00 %	0,85 %	0,70 %
1er janvier 2010	0,40 %	0,00 %	0,20 %	0,00 %
1er janvier 2009	2,50 %	0,00 %	1,25 %	1,50 %
1er janvier 2008	2,00 %	0,00 %	1,00 %	1,00 %
1er janvier 2007	2,10 %	0,00 %	1,05 %	1,10 %
1er janvier 2006	2,30 %	0,00 %	1,15 %	1,30 %
1er janvier 2005	1,70 %	0,00 %	0,85 %	0,70 %
1er janvier 2004	3,20 %	0,20 %	1,60 %	2,20 %
1er janvier 2003	1,60 %	0,00 %	0,80 %	0,60 %
1er janvier 2002	3,00 %	0,00 %	1,50 %	2,00 %
1er janvier 2001	2,50 %	0,00 %	1,25 %	1,50 %

AGREEMENT SIGNED JANUARY 2017 – PPMP LAW MODIFIED BY LAW 126

- Law 126 provides that for all retirement pensions subject to the 6-year suspension, indexation for each period of service (work) **resumes after the suspension** as follows:

Period of service	Indexation rate
Years of service before July 1st, 1982	50% of the TAIR (PI)
Years of service between July 1st, 1982 and December 31st, 1999	TAIR (PI) minus 3%
Years of service since January 1st, 2000	TAIR (PI) minus 3% or 50% of the TAIR (PI) whichever is the highest.

Indexation is not suspended, and the indexation rates do not change if you are entitled to a pension after June 30th, 2019.

RETIRED ADMINISTRATORS ARE ROYALLY UPSET

RETIRED ADMINISTRATORS ARE UPSET

- *"In 2017, our pension plan was unilaterally modified downwards by the liberal government of Philippe Couillard through the adoption of Bill 126. We lost all indexation of our benefits for the 6 years following the change. The effort required of retirees to promote the financial health and sustainability of the pension plan is considered illegitimate. This is a breach of contract by the government with regard to its 28,000 retirees and their surviving spouses whose average age is 75 years old."*

RETIRED ADMINISTRATORS DECIDE TO TAKE ACTION

RETIRED ADMINISTRATORS TAKE ACTION

- Different associations of retired administrators have submitted a request to the Quebec Superior court for permission to pursue a class action against the government.
- In 2021, the Quebec Superior court rejected the motion for class action for all retired administrators suffering the suspension of the indexation of their pension, against the government.
- The associations of retired administrators submitted their file to the Court of appeal and said court authorised the motion for a class action against the government, in May 2022.
- Only the authorization was granted to the associations, arguments on the merits of the case must be heard by the Superior Court. The associations' lawyers are in discussions with the Attorney General of Quebec to determine and establish the next steps in the procedure before being heard by a judge.

- **What is a class action?**

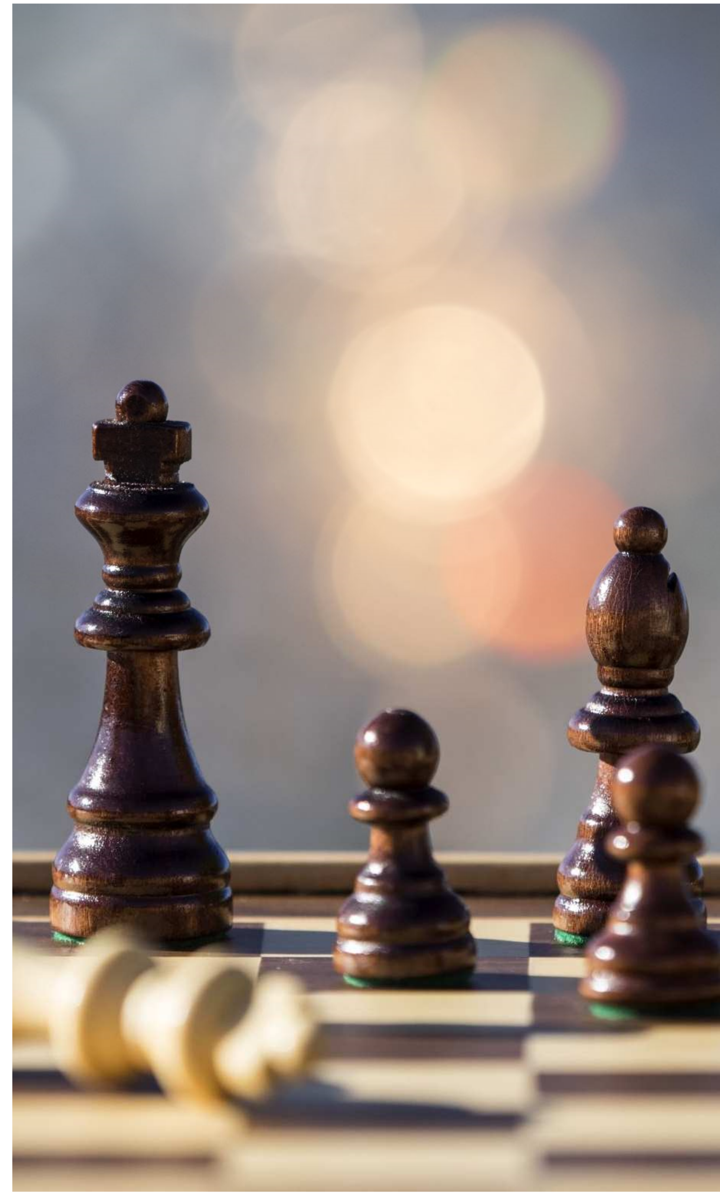
The Éducaloi website defines collective action as a legal procedure which allows a person to initiate a lawsuit on behalf of all those who find themselves in a situation similar to their own. A single person can thus obtain justice for tens, hundreds or even thousands of individuals at the same time. All these people are called "members" of the collective action. If the action is won, members can receive money or other compensation without having to go to court individually.

- **What is the class action request against Law 126 aimed at?**

The current collective action aims to have the Governement ordered to reimburse members (i.e., any person concerned) the amount of which it was deprived due to the suspension of the indexation of pensions.

- **Who will receive these compensation amounts?**

All retired executives from the Quebec public service who are entitled to a pension under the Act respecting the Pension Plan for Management Personnel (RRPE). These people must have retired before July 1, 2019. If you retired after this date, you are not affected by this recourse since law 126 does not apply.



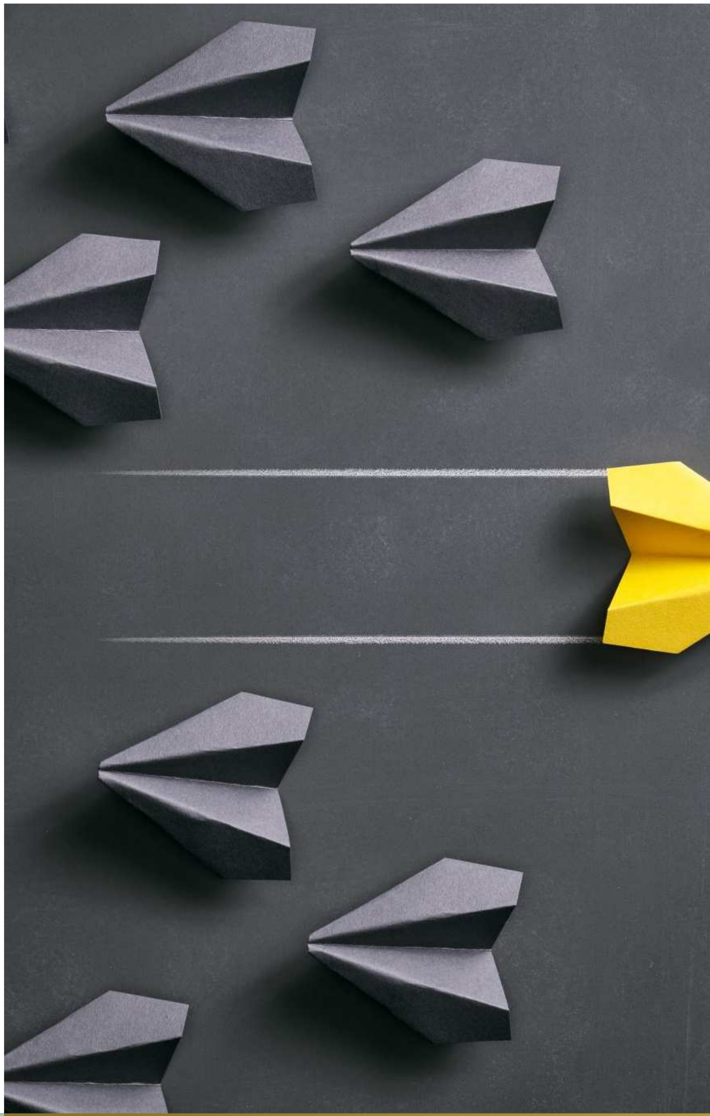
RETIRED ADMINISTRATORS TAKE ACTION

- **Who is the representative of the collective action?**

The representative of the collective action is Mr. René Allard, who is himself a retired administrator from the Quebec public service. Once the class action lawsuit is authorized, the representative is the only member who actively participates in the legal debate.

We invite you to consult the appeal file: https://www.canlii.org/fr/qc/qcca/doc/2022/2022qcca686/2022qcca686.html#document

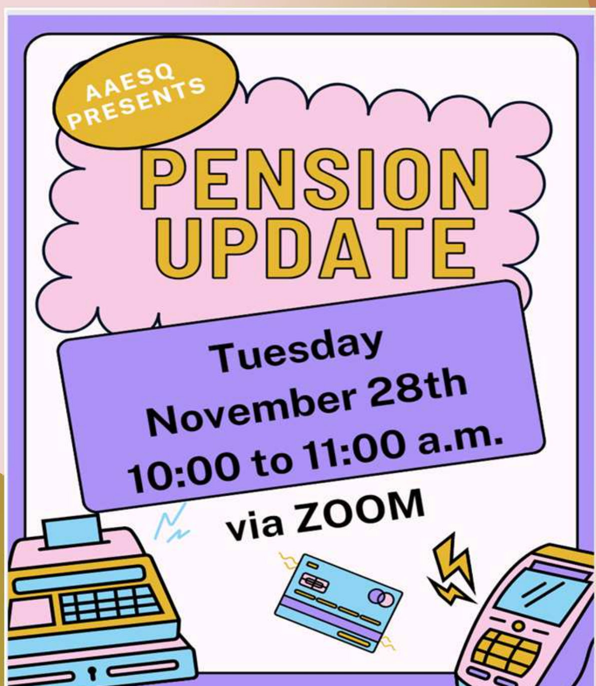
We invite you to consult the complete collective action procedure: https://www.registredesactionscollectives.quebec/fr/Fichier/Document?NomFichier=10958.pdf&fbclid=IwAR01ibonOut6xHJB9p6fh_bGzyWMq9YQBj2WOFGhkDfBCQIcA7107ojkcSo



HOW TO FOLLOW?

- https://retraitesdurrpe.com
- On Facebook: https://www.facebook.com/people/Les-retraités-du-RRPE/100063463001238/?paipv=0&eav=AfYxqrNW6xD4fuNpCH1XtBj960OTGEd-q8BPh_nCz_O9ocIBJredPAkJhFxiTlCrFas&_rdr
- Your retired administrators' association (AAESQ) will also keep you posted.

THANK YOU!!


AAESQ PRESENTS
PENSION UPDATE
Tuesday
November 28th
10:00 to 11:00 a.m.
via ZOOM