

RREGOP in a nutshell



The Government and Public Employees Retirement Plan

<p>What is RREGOP?</p>	<ul style="list-style-type: none"> RREGOP is the acronym for Régime de retraite des employés du gouvernement et des organismes publics, which translates as the Government and Public Employees Retirement Plan. In force since July 1, 1973, RREGOP covers regular and casual employees who work full time or part time in the Québec civil service and the education and the health and social services sectors.
<p>How will my pension be calculated?</p>	<ul style="list-style-type: none"> 2% × number of years of service for calculation (maximum 35) × average salary of your 5 best-paid years To that amount you can add any pension credit resulting from redemption of service or transfer from a supplemental pension plan (SPP) and any related additional benefits (1.1% and \$230). The calculation must take into account the maximum benefit rule.
<p>Will my pension be indexed?</p>	<ul style="list-style-type: none"> It will be indexed on January 1 of each year on the basis of the cost of living. <ul style="list-style-type: none"> ➤ The portion of your pension that corresponds to service earned before July 1, 1982 will be indexed to the rate of increase of the Pension Index. ➤ The portion that corresponds to service earned after June 30, 1982 but before January 1, 2000 will be indexed to the rate of increase of the Pension Index, minus 3%. ➤ The portion that corresponds to service earned since January 1, 2000 will be indexed according to the most profitable of the following formulas: 50% of the rate of increase of the Pension Index or the rate of increase of the Pension Index minus 3%. Additional benefits are indexed to the rate of increase of the Pension Index minus 3%.
<p>Why will my pension be reduced at 65?</p>	<ul style="list-style-type: none"> RREGOP is integrated with the Québec Pension Plan (QPP). You benefit from an exemption on your contributions to RREGOP because you also contribute to the QPP. The integration is the reason why your pension will be reduced at age 65. The reduction is calculated as follows: average of maximum pensionable earnings (MPE) under the QPP for your last 5 years of service (or average salary of your last 5 years if it is lower than the average MPE) × number of years of service for calculation since January 1, 1966 × 0.7%.
<p>How much does my pension plan cost me?</p>	<ul style="list-style-type: none"> Since January 1, 2005, the contribution rate to RREGOP is 7.06%. Your contributions are calculated on the portion of your basic salary that exceeds the exemption granted to take into account your contributions to the QPP. In 2007, the exemption is \$15 295 (proportionally to credited service). If you work full time, you pay \$1 080 less contributions to RREGOP ($\\$15\,295 \times 7.06\%$).



<p>When will I be eligible for an immediate pension?</p>	<ul style="list-style-type: none"> • When you retire, you will be entitled either to a pension with no reduction or a pension with reduction, depending on your situation at that time: <ul style="list-style-type: none"> ➤ Pension with no reduction: if you are 60 or over or have at least 35 years of service. ➤ Pension with reduction: if you are 55 or over and have less than 35 years of service for eligibility purposes. The reduction corresponds to 0.333% per month (4% a year) included between the date of your retirement and the date when a pension with no reduction would normally be payable. <p>Important: The reduction is <u>permanent</u>.</p> <p>Note: Any pension credit resulting from an SPP transfer will be reduced by the same percentage as your basic pension.</p>
<p>Can I minimize or cancel the reduction?</p>	<ul style="list-style-type: none"> • Yes, but within the limits set by the <i>Income Tax Act</i>. You can transfer the required amount to CARRA. The funds must come from a registered retirement savings plan (RRSP), a registered pension plan (RPP) or the portion of a retirement allowance that may be transferred to an RRSP or an RPP, in accordance with the <i>Income tax Act</i>.
<p>What is phased departure? (progressive retirement)</p>	<ul style="list-style-type: none"> • Near the end of your career, you may reduce your work hours before retiring for good. • This phased departure must have been agreed upon with your employer and the term of the agreement must be at least one year but not more than five. • Your new work schedule must not be less than 40% of a full-time schedule and you must retire at the expiry of the agreement. • Benefit: RREGOP will recognize the service and the salary that would have been credited to you if you had not reduced your work schedule. Your contributions will be calculated on the salary you would have received if you had not participated in the program. • Seasonal and casual employees are not eligible for phased departure.
<p>What will happen if I leave my job before I am eligible for an immediate pension?</p>	<ul style="list-style-type: none"> • You can obtain a refund for your contributions, with interest, only if you are under age 55 and have less than two years of service. You must wait 210 days after you have left your job before applying for the refund. • If you are under age 55 and have more than two years of credited service, but less than 35, you may choose between these two options: <ul style="list-style-type: none"> ➤ A deferred pension payable at age 65, which will have been indexed each year to the cost of living. You can also apply for your pension at age 55, but it will be reduced by 0.333% per month (4% a year) included between the date of your retirement and your 65th birthday. ➤ The transfer to a locked-in retirement account (LIRA) or a life income fund (LIF), at least 210 days after the end of employment but before age 55, of an amount equal to the higher of the following: your total contributions, with interest, or the value of your indexed deferred pension.
<p>Can I go back to work after I have retired?</p>	<ul style="list-style-type: none"> • Yes, but if you go back to work in the public or the parapublic sectors, your pension could be reduced or suspended. Before making your decision, be sure to contact CARRA to be informed of the impact on your retirement pension.



What if I take sabbatical leave with deferred pay?	<ul style="list-style-type: none"> Sabbatical leave with deferred pay has no consequence on your pension. <ul style="list-style-type: none"> ➤ RREGOP will recognize the service and the salary that would have been recognized if you had not been on leave. ➤ However, your contributions will be calculated on the salary you actually received. 		
What benefits are payable at death?	Member who is not eligible for a pension	Member who is eligible for a pension	Pensioner
	<p>Less than 2 years of service</p> <ul style="list-style-type: none"> ➤ refund of contributions, with interest, to spouse or, if no spouse, to heirs <p>2 or more years of service</p> <ul style="list-style-type: none"> ➤ refund to spouse or, if no spouse, to heirs, of the higher of contributions with interest or the value of the deferred indexed pension 	<p>Spouse</p> <ul style="list-style-type: none"> ➤ 50% of the pension, integrated with the QPP, and of any additional life annuity (except pension credits¹)* <p>No spouse</p> <ul style="list-style-type: none"> ➤ refund to heirs of contributions with interest 	<p>Spouse</p> <ul style="list-style-type: none"> ➤ 50% or 60%² of the integrated pension (except pension credits¹)* <p>No spouse</p> <ul style="list-style-type: none"> ➤ guaranteed minimum to heirs*
	<p>*Guaranteed minimum: The pension plan provides the refund to the heirs of the difference between the contributions, with interest, minus any benefits already paid to the member or his spouse.</p>		

- When a member or a pensioner who has acquired a pension credit by the redemption of service dies, CARRA reimburses the amount, with interest, which was invested to acquire the pension credit, minus any pension credit already paid. If you acquired a pension credit as the result of the transfer from an SPP, your spouse will receive 50% of that pension credit.
- In order for your spouse to receive 60% of your reduced pension, you must choose this option when you apply for your retirement pension. If you choose this option, your pension will be permanently reduced by 2%. This choice is irrevocable.

REDEMPTION OF SERVICE

What are the advantages of redemption of service?	<ul style="list-style-type: none"> Redemption of service may allow you to retire earlier and increase your retirement income. Please note that under RREGOP, the years of service that were reimbursed under that plan cannot be redeemed.
What are the main types of redemption?	<ul style="list-style-type: none"> <u>Service earned as a casual employee</u> You may redeem all the casual service you earned during the following periods with an employer after he became covered by RREGOP: <ul style="list-style-type: none"> ➤ between June 30, 1973 and January 1, 1987 in the health and social services sector; ➤ between June 30, 1973 and January 1, 1988 in the education sector and in the civil service. <p>The cost will be calculated on the basis of your annual salary on the date of your application, to which will be added a percentage that varies according to your age and the period to be redeemed.</p>



<p>(cont.) What are the main types of redemption?</p>	<ul style="list-style-type: none"> • <u>Maternity leave</u> Since January 1, 1989, periods of maternity leave are automatically recognized, at no cost for the employee. For a period of maternity leave in progress on July 1, 1983, or that began after that date but before January 1, 1989, you must apply to CARRA to have service recognized. If you were on maternity leave before July 1, 1983, you must meet certain requirements for the service to be recognized. • <u>Absence without pay</u> Any absence without pay may be redeemed. The cost is determined on the basis of your pensionable salary on the date of receipt of your application. The rate applied on the salary varies according to your age on the date of your application, the type of absence and the period to be redeemed. However, if the application for redemption is filed within 6 months following your return to work, the cost is equal to twice the contributions you would have paid during the absence. Please note that your pension plan provides that any absence without pay will be cancelled at no cost for you up to a maximum of 90 days. • <u>Service prior to enrolment in RREGOP</u> As a rule, you can redeem periods of service earned prior to your enrolment in RREGOP that were accumulated with an employer covered by RREGOP or who would have been had he not ceased to exist. The maximum number is 15 years, minus certain years that may have been transferred to RREGOP. The cost of redemption is based on the amount of the pension credit, your age at the time of the redemption and a premium rate. <p><i>Pension credit</i></p> <p>This type of redemption entitles you to a pension credit determined on the basis of your salary upon enrolment in RREGOP that will be added to your pension. The redeemed years will be taken into account to determine your eligibility but not to calculate your basic pension. The pension credit is payable with no reduction as of age 65. If you want it to be paid before age 65, your pension credit will be reduced permanently by 0.5% per month included between the date payments begin and your 65th birthday.</p> <p><i>Additional benefits</i></p> <p>The redeemed or transferred years of service that entitle you to a pension credit or a paid-up annuity are revalued with an additional life annuity: <i>1.1% per year of service redeemed or transferred × the average salary of your 5 best-paid years</i>. A temporary annuity payable until age 65 (or until death if it occurs before) will be added to this additional life annuity. This temporary annuity corresponds to \$230 per year of service redeemed or transferred. The years that can be revalued are limited to 35, minus the number of years of service for calculation purposes.</p> <p>The total of the additional life annuity, the temporary annuity and the pension credit or the paid-up annuity cannot exceed the amount to which these years of service would entitle you if these benefits had been acquired through regular service.</p>
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This document is a short summary of your pension plan. The information it contains does not replace the related acts and regulations and applies only to the more general cases.

Client services

475, rue Saint-Amable
Québec (Québec) G1R 5X3

418 643-4881 (Québec City area)
1 800 463-5533 (elsewhere in Québec)

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Web site

www.carra.gouv.qc.ca

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