

## Amendments in Bill 39, passed in December 2011

On 9 December 2011, the National Assembly passed the *Act to amend the Act respecting the Québec Pension Plan and other legislative provisions* (Bill 39). The amendments set out in the *Act* aim to

- encourage experienced workers age 60 and over **to stay in the labour force**; and
- **increase benefits** for orphans.

The changes to the Plan will be phased in during 2012, 2013 and 2014.

- **Changes for 2012**
  - Orphan's pension
  - Definition of "child of a contributor"
- **Changes for 2013**
  - Disability
  - Survivors' benefits
- **Changes for 2014**
  - Eligibility for a retirement pension at age 60
  - Retroactive retirement pension

### Pensions maintained for current beneficiaries

Pensions already being paid when the changes come into effect will not be affected: the amounts will stay the same and continue to be indexed every year. The orphan's pension, however, has now tripled since January 2012.

### Changes for 2012

#### Change to the orphan's pension

Since 1 January 2012, the orphan's pension has tripled for new and current beneficiaries. The new amount is 224,62 \$ a month in 2012.

#### Change to the definition of "child of a contributor"

Two child pensions can be paid under the Plan: the orphan's pension and the pension for a disabled person's child. However, before paying a pension, the Régie must define the relationship between the contributor and the child. Since 1 January 2012, the definition of "child of a contributor" has changed.

The Régie considers the "child of a contributor" to be

- the contributor's minor biological or adopted child
- the minor child who has lived or was living with the contributor for at least one year, if the contributor serves or was serving as mother or father to the child.

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The Régie considers the "child of a contributor" to be

- the contributor's minor biological or adopted child
- the minor child who has lived or was living with the contributor for at least one year, if the contributor serves or was serving as mother or father to the child.

The new definition is used to determine eligibility for the orphan's pension or the pension for a disabled person's child in the event of death or disability occurring since 1 January 2012.

## **Changes for 2013**

### **Changes concerning disability**

The changes concerning disability will apply only to individuals who are deemed to be disabled after 31 December 2012.

- **Additional amount for disability**

As of 1 January 2013, retirees under age 65 will be able to receive an additional amount for disability if they become disabled because they are unable to do all types of work. The amount will be paid to retirement pension beneficiaries who contributed to the Plan for four of the last six years of their contributory period and who can no longer cancel their application for a retirement pension in order to receive a disability pension.

- **Having recently worked**

As of 1 January 2013, for a contributor who is between the ages of 60 and 65 to be deemed to be disabled by the Régie because he or she is unable to do his or her regular work, the contributor will have to prove that he or she recently worked, that is, that he or she contributed to the Plan for at least four of the six last years in his or her contributory period.

### **Changes concerning survivors' benefits**

The changes concerning survivors' benefits will apply only to deaths occurring after 31 December 2012.

- **Change concerning the death benefit**

Currently, entitlement to a death benefit is determined according to the number of years the deceased person contributed to the Plan. As of 1 January 2013, the requirement will be relaxed, and the death benefit will be paid without considering the number of years of contribution. Deceased persons who did not accumulate enough years of contribution will give their loved ones entitlement to a death benefit if they made at least 500 \$ in contributions to the Plan and no retirement pension or disability pension was paid to them. However, the death benefit amount will be equivalent to the contributions paid (between 500 \$ and 2 500 \$).

- **Change concerning the surviving spouse's pension**

The surviving spouse's pension will not be affected by the amendments to the Act. However, as of 1 January 2013, the pension amount could increase if the deceased spouse was entitled to a retirement pension supplement. The supplement may be taken into account in calculating the surviving spouse's

pension. This change will recognize the deceased person's work after his or her retirement pension began so that his or her spouse can benefit from it.

- **Special changes to eligibility requirements for survivors' benefits**

**Consideration of contributions made after retirement**

Currently, eligibility for survivors' benefits is determined by taking into account only the contributions made by the deceased before he or she began receiving a retirement pension under the Plan. As of 1 January 2013, all contributions made by a worker will be taken into account to determine eligibility for survivors' benefits, regardless of whether the contributions were made before or after retirement. This change will ensure that work done after retirement is recognized.

**New criteria for contributors with a severe impairment**

As of 1 January 2013, the eligibility requirements for survivors' benefits will be relaxed for persons who were entitled to an Amount for a Severe and Prolonged Impairment in Mental or Physical Functions during their contributory period.

Specific eligibility requirements will apply to those contributors:

- They must have contributed to the plan for a quarter of their contributory period and for at least three years
- They must not have received a retirement pension or disability pension under the Plan.

## **Changes for 2014**

### **Change regarding eligibility for a retirement pension at age 60**

As of 1 January 2014, individuals age 60 and over who contributed to the Plan for at least one year will be able to apply for their retirement pension **even if they are still working**. Under the current requirements, a worker must have stopped working or have an agreement with his or her employer concerning the reduction of working hours in order to receive a retirement pension before age 65. This requirement will be abolished as of January 2014.

### **Change regarding the retroactive retirement pension**

Currently, a person age 65 and over who has not applied for his or her retirement pension can receive it retroactively. However, the starting date of the retirement pension cannot precede the month following the one in which the person stopped working or turned 65. In addition, in the case of a person age 70 and over, the retroactive period cannot exceed 60 months. For retirement pension applications received as of 1 January 2014, the maximum retroactive period will decrease from 60 months to 12 months (1 year), the same as for other pensions under the Plan.

However, persons entitled to a retroactive period greater than 12 months on or before 31 December 2013 may take advantage of this measure if they apply for their retirement pension in 2014.