

A few clarifications on enrolment rules for the Régime de retraite des groupes communautaires et de femmes (version 2020)

The *Supplemental Pension Plans Act* recognizes the right of workers who meet certain criteria to participate in a pension plan that includes other individuals working for the same employer. The Act also enables Retraite Québec to order a worker to be enrolled in a pension plan if he or she meets the requirements of the Act. Our Pension Plan regulations were drafted to take these legal requirements into account.

The Pension Plan distinguishes between a **permanent** employee and a **non-permanent** employee. Every employer must therefore define what constitutes a “permanent” and “non-permanent” employee. Although the application of these definitions may create different practices in participating groups, the important thing is that every employer applies these definitions in a consistent, equitable and non-discriminatory fashion within the group. If necessary, the Pension Committee has the power to determine whether or not an employee should be considered a permanent employee *for the sole purpose of the Pension Plan*. This being said, here are the enrolment rules for this Pension Plan.

Permanent employee

A **permanent employee** is an employee who holds a position defined as permanent within that participating group, regardless of the number of hours worked in any given period.

RULE #1	<p><u>3 months after hiring</u> Enrolment is compulsory for all permanent employees.</p> <p>The employer MAY ask for an earlier enrolment date for all permanent employees. This criterion will apply as soon as it has been approved by the Pension Committee and integrated into Appendix 4 of the Pension Plan. Otherwise, the 3-month rule applies.</p>
RULE #2	An employee who is already a plan member MUST enrol on the first day of his or her hiring.

Non-permanent employee

A **non-permanent employee** is an employee who holds a position defined within the participating group as exceptional, occasional, temporary, contract, on-call, or replacement.

RULE #1	<p><u>700 hours</u> When an employee, in a given calendar year, completes at least 700 hours of service with one or several employers participating in the Pension Plan, he or she MAY join the Pension Plan on January 1st of the following year. In this case, the employer MUST register this employee in the Plan. If the employee has not completed 700 hours, the counter is reset at 0 for the following year.</p> <p>OR</p> <p><u>35 % YMPE*</u> When an employee receives more than 35% of the Yearly Maximum Pensionable Earnings (\$20,545 \$ in 2020) from one or several employers participating in the Plan in a calendar year (January to December), he or she MAY join the Pension Plan on January 1st of the following year. If his or her earnings are below 35% of the YMPE, the counter is reset at 0 for the following year.</p>
RULE #2	<p><u>5 years of continuous service</u> An employee MUST enrol after 5 years of continuous service for an employer participating in the Plan.</p> <p>EXAMPLE: how to calculate 5 years of continuous service</p> <p>Initial hiring date May 1, 2008 to May 31, 2010/24 months</p> <p>_____</p> <p>Interruption of work (18 months)</p> <p>_____</p> <p>2nd period of work: from November 1, 2011 to August 31, 2012/(10 months)</p> <p>_____</p> <p>Interruption of work (8 months)</p> <p>_____</p> <p>3rd period of work as of May 1, 2013: The employee has reached 5 years of continuous service.</p> <p>An employee working before February 28, 2011 for an employer participating in the Pension Plan on that date MAY enrol after 2 years of continuous service for that employer.</p>
RULE #3	An employee who is already a plan member <u>MUST</u> enrol on the first day of his or her hiring
RULE #4	The employer MAY ask for an earlier enrolment date than 5 years of continuous service for all non-permanent employees. This criterion will apply as soon as it has been approved by the Pension Committee and integrated into Appendix 4 of the pension plan. Otherwise, the 5 year rule applies.

*The Yearly Maximum Pensionable Earning (YMPE) is the maximum annual wage on which a member contributes to QPP/CPP. This maximum amount is set annually (\$58,700 in 2020).