SUMMARY

For more Information

Contact the CCQ's Customer Service by calling **1 888 842-8282**

or

Visit the website **ccq.org**.

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COMMISSION
DE LA CONSTRUCTION
DU QUÉBEC

THE CONSTRUCTION INDUSTRY
PENSION PLAN

BECAME PLAN MEMBER **BEFORE 2005**

AVANTAGES SOCIAUX
RÉGIME DE RETRAITE

CONTENTS

FOREWORD

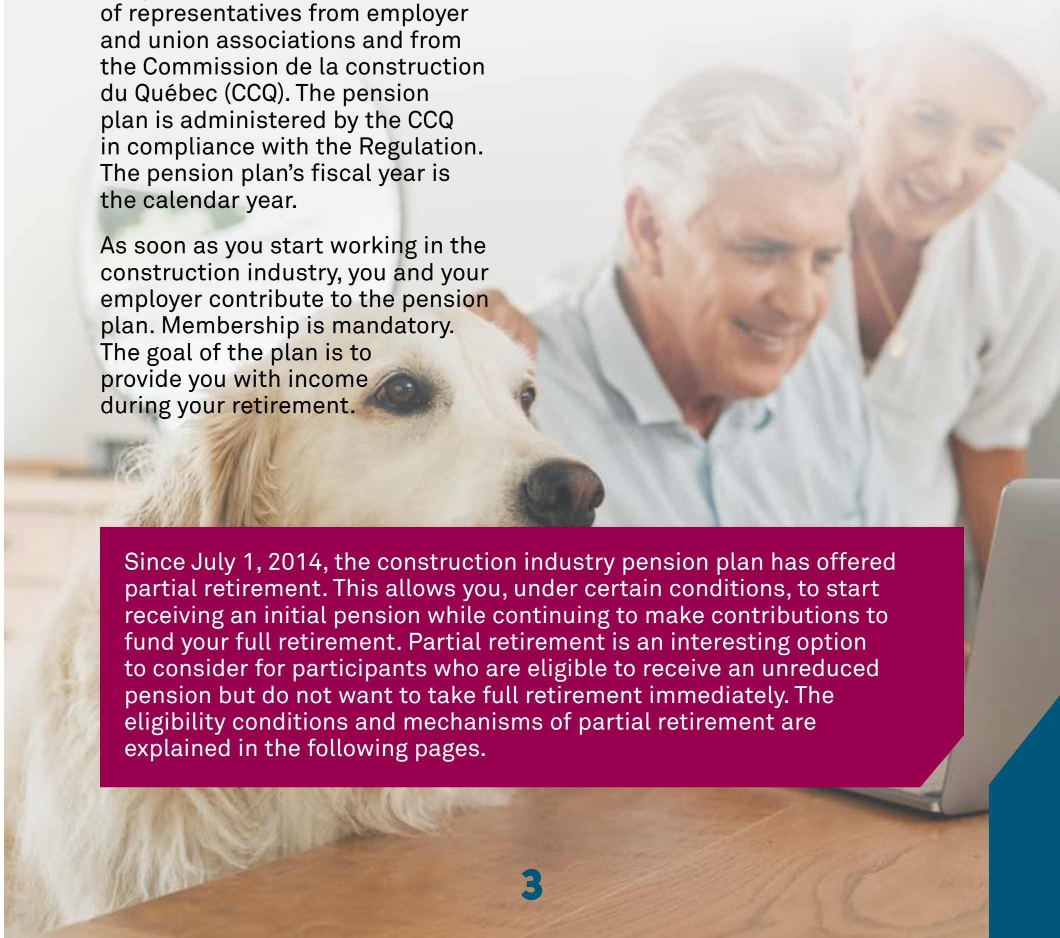
The Québec construction industry pension plan (Régime de retraite de l'industrie de la construction du Québec) was introduced by union and employer associations in 1963. The *Comité sur les avantages sociaux de l'industrie de la construction (CASIC)* decides on the provisions of the pension plan in accordance with provincial and federal legislation. These provisions are set out in the *Règlement sur les régimes complémentaires d'avantages sociaux dans l'industrie de la construction* (regulation respecting complementary social benefit plans in the construction industry) (the "*Regulation*"). The CASIC is made up of representatives from employer and union associations and from the Commission de la construction du Québec (CCQ). The pension plan is administered by the CCQ in compliance with the Regulation. The pension plan's fiscal year is the calendar year.

As soon as you start working in the construction industry, you and your employer contribute to the pension plan. Membership is mandatory. The goal of the plan is to provide you with income during your retirement.

The *Regulation* also sets out what happens to your pension if:

- You leave the construction industry before becoming eligible for a pension
- Your marriage or civil union breaks down
- You die

The following is a summary of the pension plan for members who began contributing before 2005. If you began contributing to the pension plan in 2005 or later, refer to the brochure titled Summary of the *Construction Industry Pension Plan – Became Plan Member After 2004*.



Since July 1, 2014, the construction industry pension plan has offered partial retirement. This allows you, under certain conditions, to start receiving an initial pension while continuing to make contributions to fund your full retirement. Partial retirement is an interesting option to consider for participants who are eligible to receive an unreduced pension but do not want to take full retirement immediately. The eligibility conditions and mechanisms of partial retirement are explained in the following pages.

OVERVIEW OF THE PLAN'S FINANCIAL POSITION

The CCQ's Investment Committee, formed of representatives from union and employer associations, establishes an investment policy that states how the funds are allocated among the various investment vehicles (bonds, shares, real estate, etc.) offered by the Caisse de dépôt et placement du Québec. The investment policy is approved by the CCQ's board of directors.

At the end of 2002, the construction industry pension plan, like many other plans, faced a significant deficit as a result of falling stock markets.

In 2004, several measures were adopted to ensure that the plan would be better equipped to weather any future adverse conditions.

The plan's structure was changed:

- **Before 2005**, members accumulated pension benefits in two separate accounts: the general account and the complementary account (see page 5).
- **Since 2005**, benefits have accumulated only in the complementary account.

Since 2005, a portion of the employer's contributions has been used, if necessary, to pay down the deficit and build up a security reserve, with the balance being used to accumulate benefits for members.

In addition, the investment policy was amended in 2005 and 2006. The portion of the pension fund invested in lower-risk securities (for example, bonds) was increased, while the portion allocated to higher-risk securities (for example, Canadian or U.S. equities) was reduced, which lowered investment risk.

At the end of each year, the pension plan's financial position is updated and analyzed by the CASIC. This annual review plays a role in determining whether the deficit funding plan should be modified.

GENERAL INFORMATION

ACCOUNTS

The plan has three separate accounts:

General account

This account, created in 1963, is a defined benefit account, which means that the pension amount is predetermined using a formula set out in the *Regulation*. The pension is therefore based on the number of hours worked and an annual pension rate per 1,000 hours worked. All members stopped accruing pension benefits in this account in December 2004. Members retain their vested pension benefits, but these no longer increase.

Complementary account

This account, which was phased in for the various industry trades and occupations starting in 1980, is a defined contribution account, which means that the contribution amount is predetermined. The pension amount is not known until retirement and depends mainly on accumulated contributions, including interest, and age at retirement. Since January 2005, all contributions to fund future benefits have been paid into the complementary account.

Pensioners' account

When you apply for your pension, the value of your benefits in the general account and/or the value of your complementary account, as applicable, are transferred to the pensioners' account, which is used to pay pension to retirees or their spouses.

THE PENSIONS

To streamline the text of this brochure:

- **The pension from the general account** means the vested pension for your membership in the general account.
- **The pension from the complementary account** means the vested pension for your membership in the complementary account.

RETIREMENT

To streamline the text of this brochure, we consider that:

- You are **fully retired** when you are receiving all the pensions to which you are entitled:
  - If you contributed to both the general account and the complementary account, you are fully retired when you are receiving your two pensions
  - If you did not contribute to the complementary account, you are fully retired when you are receiving your pension from the general account
- You are **partially retired** when you are receiving your pension from the general account but are not yet receiving your pension from the complementary account (and you contributed to the complementary account).
- You are a **retiree** when you are receiving a pension (from the general account and/or the complementary account).
- You are a **member** when you are not receiving any pension.

RETIREMENT DATE

Your retirement date is the first day of the month following the date when you contact the CCQ to apply for your pension benefits. See “What must you do to receive your pension?” (see page 13).

CONTRIBUTIONS

The pension plan is funded by contributions from you and your employer. Since 2005, contributions have been split as follows:

Employee contributions

- All employee contributions are paid into the complementary account to fund pension benefits; employees no longer contribute to the general account.
- The amount of the employee’s contribution per hour worked differs for different employees; it depends on the trade or occupation, status as apprentice or journeyperson, and the sector. The employer deducts the contributions from the employee’s pay based on the number of hours worked, and sends them to the CCQ every month. These employee contributions are deductible from the employee’s income and reduce taxable income. Employers must send each employee who works for them over the course of a year, before the end of February of the following year, T4 and Relevé 1 tax slips indicating the amount that each employee contributed.

Employer contributions

- A portion of employer contributions is paid into the general account, if necessary, to pay down the deficit and build up a security reserve so that the plan is better protected against challenging financial conditions; the remainder is paid into each employee’s complementary account to fund pension benefits. The allocation of employer contributions between the two accounts is reviewed every year and may be changed depending on the plan’s financial position. The portion of the employer contribution paid into the complementary account is reduced by the administration costs charged against the pension plan.
- The employer’s contribution per hour worked varies depending on whether the employee is an apprentice or journeyperson. Employer contributions are sent to the CCQ every month.

Employer and employee contribution rates are available on the CCQ’s website (ccq.org), under “Wages & Rates.”

HOW CAN YOU FIND OUT THE STATUS OF YOUR PARTICIPATION IN THE PENSION PLAN?

You can find out the status of your participation in the pension plan by reading the *Annual Pension Statement* that the CCQ sends you in August or September of each year. The statement provides information on your pension record as at December 31 of the previous year, including hours worked, contributions paid, the value of your complementary account, interest credited, etc. Your retirement eligibility dates are also given on the statement, and it is important to take note of them. However, your real retirement eligibility dates may change depending on the number of hours worked added to your record after the date of the annual statement. **For this reason, make sure to keep track of changes to your eligibility dates so that you can retire at the time that is best for you.**

In addition, the *Relevé des congés et jours fériés payés, du régime de retraite et des cotisations syndicales* is sent to you in June and November of each year. It shows the number of hours reported and the pension contributions received by the CCQ for your account.

> The more hours and contributions you accumulate in your pension plan, the higher your pension will be. It is therefore important to ensure that all your hours worked are recorded with the CCQ. If you discover that hours are missing, you must inform the CCQ’s Customer Service as soon as possible.

PENSION BENEFITS

WHEN CAN YOU RETIRE?

Eligibility for retirement depends on your age and the total number of hours worked. Depending on your situation, you may be eligible for an unreduced or reduced pension from the general account. Your complementary account pension, however, is always determined by your age and the value of your account at the time you apply for your pension (see page 16).

Effective July 1, 2014, you may, under certain conditions, take partial retirement – that is, you may start receiving an initial pension from the general account. After that, at a time you decide, you can take full retirement; you will then start receiving your second pension, which comes from the complementary account, and is in addition to your first pension.

To be eligible for partial retirement, you must:

- Have at least 21,000 hours worked in the pension plan (excluding any hours used to calculate a benefit from the general account which has already been paid to you)
- Be eligible to receive a pension from the general account (see the eligibility conditions on pages 9 to 11)
- Have a pension of at least $150/month in the general account, before the addition of the 12.5% supplement (see “How is your pension calculated?” on page 14)
- Have a complementary account with a value that is higher than $0 on the date of your partial retirement

If you are eligible for partial retirement, it is an interesting option to consider if you wish to continue working when you reach your date of eligibility for an unreduced pension, as you will receive a pension from the general account while continuing to accumulate benefits in the complementary account.

UNREDUCED PENSION

At or after age 65

Your normal retirement date is the first day of the month following your 65th birthday. On that date, you are eligible for an unreduced pension.

EXAMPLE:

John will turn 65 on March 19, 2024. He will be able to apply for his pension at any time during the month of March 2024 so that his pension will come into effect on April 1, 2024 (first day of the month following his 65th birthday). Therefore, he will be eligible for an unreduced pension.

- If you apply for your pension after your normal retirement date:

  Your pension will be increased to take into account the period between your normal retirement date and the first day of the month following the date of your pension application. This is called a postponed pension. You must, however, apply for your pension no later than November in the year in which you turn 71.

- If you choose not to retire and continue to work after your normal retirement date:

  The contributions paid into your retirement account do not increase the amount of your pension. Contributions made by your employer and you to the complementary account during a given year are refunded to you, without interest, during the following year. Contributions that your employer makes to the general account, however, remain in the pension fund to pay down the deficit. See the “payment methods” section on page 21.

At or after age 60

You are eligible for an unreduced pension at age 60 if:

- Your age + (your hours worked divided by 1,400) = 70 or more

The table below illustrates this situation:

AGE	MINIMUM HOURS
60	14,000
61	12,600
62	11,200
63	9,800
64	8,400

EXAMPLE:

Larry is 62. He will have the right to a monthly pension of $1,000 from the general account when he turns 65 (normal retirement date).

However, because he has accumulated 11,200 hours worked in his pension record, he is eligible right now to receive this $1,000 monthly pension because:

62 + (11,200 / 1,400) = 62 + 8 = 70

If you do not satisfy this condition, you may be eligible for a reduced pension (see page 11).

PENSION BENEFITS
(CONTINUED)

At or after age 55

You are eligible for an unreduced pension at age 55 if:

- Your age + (your hours worked divided by 1,400) = 80 or more

  AND
- Your age + your years of membership in the plan = 80 or more

The table below illustrates these conditions:

AGE	MINIMUM HOURS	MINIMUM YEARS OF MEMBERSHIP
55	35,000	25
56	33,600	24
57	32,200	23
58	30,800	22
59	29,400	21

EXAMPLE:

Paul is 57. He will have the right to a monthly pension of $1,500 from the general account starting on his normal retirement date (1st day of the month following his 65th birthday).

However, because he has been a plan member for 23 years and has 32,200 hours worked in his pension record, he is already eligible for the monthly pension of $1,500, because:

57 + (32,200 / 1,400) = 57 + 23 = 80

AND

57 + 23 years = 80

If you do not satisfy these two conditions, you may be eligible for a reduced pension (see next page).

REDUCED PENSION

If you do not satisfy the conditions for receiving an unreduced pension, you may be eligible for a reduced pension if you are in one of the following situations:

SITUATION 1

- *You are between the ages of 55 and 65 but do not have enough hours worked or years of membership to be eligible for an unreduced pension*

OR

SITUATION 2

- *You are at least 50*

AND

- *Your age + (your hours worked divided by 1,400) = 60 or more*

The table below illustrates these conditions:

AGE	MINIMUM HOURS
50	14,000
51	12,600
52	11,200
53	9,800
54	8,400

The reduction applies to your general account pension and supplement. It is calculated using an actuarial factor that takes into account the period between your retirement date and the date you are eligible for an unreduced pension. The longer the period, the larger the reduction (approximately 7% per year).

If you are 55 or older and comply with the rule of 80 for hours worked but not for years of membership (see the table on page 10), the reduction is 3% per year of early retirement and affects only part of your pension.

When a reduction is applied to your pension from the general account, the amount of the reduction is shown on the *Option Form*. Please note that this reduction is permanent (lifetime).

PENSION BENEFITS
(CONTINUED)

DISABILITY PENSION

You are eligible for an unreduced disability pension as of the 53rd week* following the start of your disability if:

- You are 50 or older

AND

- You have at least 21,000 hours worked in your pension record

AND

- You are recognized as having a total disability as defined in the Regulation

***NOTE:**
If your disability reduces your life expectancy to less than two years, you may apply for your pension before the 53rd week. You may also apply to receive the value of your pension in a single payment (instead of receiving monthly pension payments).

The percentage by which your general account pension and supplement are reduced (see page 15) depends on the period between your age at the time you apply and the earliest age at which you are eligible for an unreduced pension. A disability pension is reduced by 3% per year of early retirement.

EXAMPLE:

Robert has been a plan member for 22 years and has 30,800 hours worked in his pension record. He is 56 at the time of his pension application and has been recognized as having a disability for over a year. His earliest age of eligibility for an unreduced pension is 58 (see table on page 10). His retirement is therefore 24 months early. The reduction will be 6% (2 years × 3%) and will be permanently (lifetime) applied to the general account pension and to the supplement.

WHAT MUST YOU DO TO RECEIVE YOUR PENSION?

Your pension is not paid automatically. When you want to receive your pension, you must contact the CCQ's Customer Service to apply for pension benefits and receive your *Option Form* and the accompanying documents.

This form presents the options available to you. You must indicate the option that you choose on the form and return the duly completed form to the CCQ with the required documents before the deadline. The form is valid for 60 days from the date of your application (90 days when the partial retirement option is offered). After the deadline, the form becomes void and you must reapply. The pension amounts are then recalculated and may be higher or lower than those appearing on your initial form.

WHEN IS THE PENSION PAYABLE?

Your pension is payable starting the first day of the month following the month in which you contact the CCQ to apply for your pension benefits. However, your first payment may be made within three months after the CCQ receives your form and the required documents.

You receive a lifetime pension, which means that your pension is paid throughout your life. Your pension is usually paid on the first day of the month. If that day falls on a statutory holiday or a weekend, the payment is made the previous working day, except for the January 1 payment, which is never made in advance.

EXAMPLE:

George applies for pension benefits on January 16, 2024; his pension is therefore payable starting on February 1, 2024, his retirement date.

If he returns his form to the CCQ on February 20, his first pension payment will be made no later than May 1, and will cover four months: February, March, April, and May 2024.

PENSION BENEFITS
(CONTINUED)

HOW IS YOUR PENSION CALCULATED?

Your pension is calculated as follows:

For hours worked before 2005:

- A pension provided by the general account
- A 12.5% supplement added to your general account pension
- A pension based on your contributions to the complementary account, if any

For hours worked starting January 2005:

- A pension provided by the complementary account

General account pension

Your pension benefits accumulated in the general account before 2005 depend on the adjusted number of hours worked credited to your pension record and the annual pension rate, which could vary depending on the specific years you worked. For example, the annual pension rate per 1,000 adjusted hours is $385 for 1999; for the year 2000 the rate is $454.

Your hours worked help to determine the age at which you may apply for your reduced or unreduced pension, and your adjusted hours are used to calculate the amount of your general account pension.

Since 2005, your hours worked have continued to accrue in your pension record for the purpose of determining the age at which you are entitled to a reduced or unreduced pension; however, no new adjusted hours are being added, since no new pension amounts are being credited to the general account. This means that the difference between your hours worked and your adjusted hours will continue to grow.

If you received a partial refund under the former provisions of the *Regulation*, the adjusted hours paid will appear in your pension record. This will reduce the amount of your general account pension in proportion to the refund you obtained.

General account pension supplement

A supplement equal to 12.5% of your general account pension is added at the time you retire and forms an integral part of your pension.

EXAMPLE:

Your accumulated general account pension:	*$ 10,000*
Supplement (12.5%):	*$ 1,250*
Total:	*$ 11,250*

Reduction calculation

Keep in mind that a permanent (lifetime) reduction may apply to your general account pension and supplement if you do not satisfy the conditions for receiving an unreduced pension.

EXAMPLE:

Richard was 53 when he applied for retirement. Based on the hours in his pension record, he would be eligible for an unreduced pension of $20,000 per year from the general account, including the supplement, at age 55.

His reduced pension payable at age 53 would be calculated as follows:

Pension payable at age 55	*$ 20,000*
*14% reduction (2 years × 7%)**	*- $ 2,800*
Annual lifetime pension payable	*$ 17,200*

** Calculation is approximate. The exact percentage of the reduction is given in the Benefit Statement that accompanies the Option Form.*

PENSION BENEFITS
(CONTINUED)

Complementary account pension

Your pension is calculated when you apply to receive it. It mainly depends on the value of your complementary account and your age at your retirement date.

A higher value for your complementary account means a higher pension

The value of your complementary account is based on the total contributions paid by you and your employers as well as the interest credited to your account. The interest credited corresponds to the return obtained on the investments in the pension fund.

On the one hand, the higher the number of hours you have worked, the higher the accumulated contributions and the higher your retirement capital.

On the other hand, the interest is credited to your account every month. The higher the interest, the more the value of your account increases and the higher the resulting pension. A positive return increases the value of your account. The return on investments may at times be negative, and in such cases, the value of your account and the attendant pension may decrease.

The importance of age at the time you apply for retirement

One of the factors taken into account when calculating your monthly pension is your age at your retirement date.

The younger you are, the greater the number of payments you will likely receive during your lifetime and the lower the pension amount. Conversely, if you wait until you are older to apply, the number of payments will likely be lower, so the monthly pension amount will be larger.

Therefore, if you are 55 when you start to receive your pension, you should receive more payments than if you start to receive it at 60. Assuming the value of the account is the same, the pension amount payable would be lower at 55 than at 60.

WHAT ARE YOUR OPTIONS UPON RETIREMENT?

When you apply for your pension, you have several options to choose from to ensure that your pension payments are tailored to your situation.

Level or increased-reduced pension

If you are under age 65, you may choose to receive:

- The same pension amount each month throughout your lifetime (level pension)

OR

- A higher monthly pension until you reach age 65, and a lower monthly pension afterwards (increased-reduced pension). The decrease in pension may be offset by income from government plans (Québec Pension Plan, Old Age Security pension). To be eligible for the increased-reduced pension you must satisfy certain conditions

If you are age 65 or older, only the level pension is available.

Pension with or without a survivor benefit

You must decide whether your spouse will receive a monthly pension upon your death. Two options are available to you:

- A pension with a 60% survivor benefit, which means that, upon your death, your spouse, if you have one, will receive 60% of the pension that would hav e been payable to you

OR

- A pension without a survivor benefit, which means that, upon your death, no pension will be paid to your spouse. Any remaining amount payable by the pension plan will be paid to your designated beneficiary(ies) or to your estate in the absence of a beneficiary designation

If you choose a pension without survivor benefits and you have a spouse when you apply for retirement, your spouse must sign the Spousal Waiver of Survivor Benefit form accompanying the *Option Form*. If you do not have a spouse, you must sign the *Declaration of Marital Status* form.

A pension with a survivor benefit may be changed to a pension without a survivor benefit if a marriage or civil union breaks down (see page 23).

NOTE:

Before December 1, 2013, the pension options offered were different. You could choose a pension with a 50% survivor benefit or a 60% survivor benefit; the option without a survivor benefit was not offered.

If you take partial retirement, you may choose a pension with or without a survivor benefit from the general account. However, the option you choose will be automatically applied to your pension from the complementary account when you apply to receive that pension.

Guaranteed period

Your pension payments are guaranteed if you die before receiving a minimum number of payments. Two options are offered:

- A 10-year guaranteed period (120 payments)

OR

- A 15-year guaranteed period (180 payments)

If you die before the end of the guaranteed period, two situations may occur.

If you chose a pension with a survivor benefit

Your spouse will receive 100% of the pension that would have been payable to you for the remainder of the 120 or 180 guaranteed payments, depending on the option you chose. For instance, if you die after the 34th pension payment and had chosen a 10-year guaranteed period, your spouse will receive 100% of the pension that would have been payable to you for 86 months (120 – 34 = 86). If your spouse dies before the end of the guaranteed period, his or her estate will receive a lump sum equal to the value of the remaining guaranteed payments.

After the guaranteed period, your spouse will receive 60% of the pension that would have been payable to you (see the previous section on a pension with survivor benefit).

If you do not have a spouse at the time of your death, the value of the balance of guaranteed payments will be paid to your designated beneficiary(ies) or to your estate in the absence of a beneficiary designation.

If you chose a pension without a survivor benefit

If, at the time of your death, the guaranteed period is not over, the value of the remaining guaranteed payments will be paid to your designated beneficiary(ies) or to your estate in the absence of a beneficiary designation.

Your spouse, if you have one, will not receive any pension.

NOTE:

Before December 1, 2013, the guaranteed options offered to you were different. You could choose either a 5-year (60 payments) or 10-year (120 payments) guaranteed period.

If you take partial retirement, you may choose a 10- or 15-year guaranteed period for your pension from the general account. The guaranteed period starts on your retirement date. The same guarantee will be applied to the pension from your complementary account when you apply to receive it. For example, Daniel takes partial retirement on February 1, 2024 with a 10-year guarantee for his pension from the general account; the guaranteed period will thus run from February 1, 2024 to January 1, 2034. When Daniel applies to receive his pension from the complementary account effective March 1, 2029, this pension will also be guaranteed for 10 years, from March 1, 2029 to February 1, 2039.

See pages 26 to 29 for examples of the pension payable to a spouse following the death of a retiree who chose the pension with or without the survivor benefit option.

The pension options presented in the *Option Form* are combinations of the level or increased-decreased pension, the pension with or without a survivor benefit and the guaranteed period options. The pension amount that you may receive is different for each option. For instance, the pension amount paid during your lifetime will be lower if you choose the 15-year guaranteed period instead of the 10-year period. This is also the case if you choose a pension with a 60% survivor benefit instead of a pension without a survivor benefit. Nevertheless, all of these options have the same value.

Locked-in transfer

If the value of your pension satisfies certain criteria set out in the *Regulation*, you may choose to receive a lump-sum amount instead of monthly pension payments. You must transfer this amount to a locked-in retirement savings vehicle that will provide you with retirement income, such as a locked-in retirement account (LIRA), a life income fund (LIF) or a registered pension plan (RPP). If you are eligible for this option, it will appear on your *Option Form*.

The Small Pension Rule

When your pension value calculated at your retirement date is below the level set under the *Supplemental Pensions Plans Act* (Québec), it is refunded to you in a single payment (less taxes withheld) and you do not receive monthly pension payments. If you wish, you may transfer this value (without any income taxes being deducted) to an unlocked retirement savings vehicle (such as an RRSP).

PENSION BENEFITS
(CONTINUED)

IS YOUR PENSION TAXABLE?

Your pension is taxable. Taxes are deducted at source from your monthly pension payment unless the pension amount is lower than the minimum set under tax legislation, in which case no taxes are deducted. However, you may have to pay taxes when you file your tax return, for example, if you have other taxable income added to your pension.

You may ask the CCQ in writing to deduct amounts or to increase the amounts already deducted from your pension for federal and provincial income tax purposes. To do this, fill out government forms for this purpose: TD-1 for federal tax and TP-1017 for provincial tax.

These forms are available from the CCQ's Customer Service or on the federal or provincial government websites.

IS YOUR PENSION INDEXED TO THE COST OF LIVING?

Pensions paid to construction industry retirees are not indexed to the cost of living. However, the *Regulation* provides for an indexing mechanism that applies when the financial position of the plan permits. If there is indexing, you will be informed in advance by mail. Indexing usually occurs at the beginning of the year.

DOES YOUR PENSION DECREASE WHEN YOU RECEIVE A PENSION FROM GOVERNMENT PLANS?

No. Pensions from other plans (for example, Québec Pension Plan and Old Age Security pension) have no impact on the amount of your pension under the construction industry pension plan.

WHAT HAPPENS IF YOU GO BACK TO WORK IN THE CONSTRUCTION INDUSTRY AFTER YOU RETIRE?

- **If you are partially retired**

  You will continue to receive your pension from the general account. Your employer and you will continue to contribute to the pension plan. See the "Contributions" section (see page 6) for details on how contributions are allocated.

- **If you are fully retired**

  You continue to receive your pension, but your pension amount will not increase. Contributions paid by you and your employer into the complementary account over the course of a given year are refunded to you, without interest, during the following year. Contributions paid by your employer into the general account remain in the pension fund to pay down the deficit and/or form a security reserve. When contributions can be refunded to you, you will receive a letter that tells you the refund amount and outlines the payment methods.

Payment methods

- You may request that your refund be directly transferred to an unlocked retirement savings vehicle (such as an RRSP). To do so, you must fill out a Form T2151 from your financial institution and send it to the CCQ before the deadline indicated in the letter informing you of the refund amount. In such a case, no taxes are deducted from the transferred amount.
- If you do not send a Form T2151, you will automatically receive a cheque made payable to you for the refund amount less appropriate taxes.

These payment methods also apply to contribution refunds for hours worked by a non-retired member after age 65.

PLAN MEMBERSHIP TERMINATION BENEFIT

WHAT ARE YOUR OPTIONS IF YOU LEAVE THE CONSTRUCTION INDUSTRY BEFORE BECOMING ELIGIBLE FOR A PENSION?

If you leave the construction industry before becoming eligible for a pension and no hours worked have been credited to your pension record in the 24 months immediately preceding your application, you have two options.

Option 1

You may keep your benefits in the pension plan and wait until you reach the age at which you become eligible for a pension. A 12.5% supplement will be added to the portion of your pension that comes from the general account.

OR

Option 2

You may choose to receive a plan membership termination benefit. You will then receive, in a single payment:

- The value of your accrued benefits in the general account, paid out according to the plan's degree of solvency,[1] without exceeding 100%,
- 100% of the value of your accrued benefits in the complementary account, if applicable

EXAMPLE:

	General account	Complementary account	Total
Money accumulated	$100,000	$100,000	$200,000
Degree of solvency applied	84.13%*	Not applicable	
Amount reimbursed	$84,130	$100,000	$184,130

*Degree of solvency as of December 31, 2020. Is recalculated on December 31 of each year.

Depending on the amount, this benefit may have to be transferred to a locked-in retirement savings vehicle that will provide you with retirement income for life, such as a locked-in retirement account (LIRA), a life income fund (LIF), an annuity contract or another pension plan. No taxes would be deducted on the transferred amount.

[1] The degree of solvency is a measure of the financial capacity of the plan to honour its commitments to participants if the plan were to end on the date of valuation. This percentage reflects the health of a pension plan at a specific moment. Depending on investment returns and the interest rates in effect, this percentage fluctuates from year to year. The degree of solvency used for transfer or payment purposes may not exceed 100%

However, if the total value of your accrued benefits, without taking into account the plan's degree of solvency, is below the level set under the *Supplemental Pension Plans Act* (Québec), you may:

- Receive a cheque made payable to you, less taxes

OR

- Transfer your plan membership termination benefit to an RRSP, without taxes being deducted

The CCQ does not send an *Option Form* when you become eligible for a plan membership termination benefit. To obtain this form, you must contact the CCQ's Customer Service.

NOTE:
Interest is credited to your benefit between the date of your application for termination of plan membership and the date when your benefit is paid. If the interest is positive, the amount paid will be higher than the amount indicated on the form. Conversely, if the interest is negative, the amount paid may be lower.

FAMILY PATRIMONY

WHAT HAPPENS IN THE EVENT OF DIVORCE, SEPARATION OR ANNULMENT OF A MARRIAGE OR CIVIL UNION?

Québec law provides for the partition (division) of family patrimony, which includes your pension plan.

If a request is made to the CCQ, the partition of your pension plan is executed in accordance with the provisions of the *Regulation*, the *Civil Code of Québec*, the court judgment, or the notarial acts in your file, as applicable.

For more information on partition or how to obtain a statement of the value of your pension plan, request the *Partition of pension plan benefits in the event of marital breakdown* brochure from the CCQ's Customer Service. You can also find this brochure under the tab "Breakdown of Marriage or Civil Union" on our website, ccq.org.

SEIZURE

CAN THE BENEFITS IN THE PENSION PLAN AND THE AMOUNTS PAID OUT OF IT BE SEIZED?

General rule

- Benefits in the pension plan and all amounts paid out of it (monthly pension, lump-sum benefit, or refund) cannot be seized.

Certain exceptions

- Half of the benefits in the pension plan or of the amounts paid out of the plan may be seized for payment of a compensatory allowance or a debt for support (for example, unpaid support payments).
- The Canada Revenue Agency may seize monthly pensions or lump-sum benefits paid out of the pension plan for payment of a tax debt.

DEATH

WHAT MUST BE DONE UPON YOUR DEATH

The CCQ's Customer Service must be advised of your death as quickly as possible. The CCQ will then send the intervener the documents and information required to make the declaration

WHAT BENEFIT IS PAYABLE IF YOU DIE BEFORE YOU START RECEIVING A PENSION?

A lump-sum amount equal to the value of your benefits in the pension plan is payable to your spouse.* If you do not have a spouse at the time of death or if your spouse waived the death benefit, the benefit is payable to your designated beneficiary(ies) or to your estate in the absence of designated beneficiary.

NOTE:
If you die after the age of 65, special conditions apply.

* Spouse: a person who is married to or in a civil union with a plan member; a common-law spouse may be recognized under certain conditions.

WHAT BENEFIT IS PAYABLE IF YOU DIE WHILE RECEIVING A PENSION?

The benefit payable differs depending on whether you are partially or fully retired (see "Retirement" on page 6).

Situation 1 – You are partially retired

When you are partially retired, you are receiving a pension from the general account, but not yet from the complementary account.

If you have a spouse and chose a survivor option for your pension from the general account

- If you die before the end of the guaranteed period, your spouse will receive 100% of the pension that you would have received from the general account for the remainder of the 120 or 180 guaranteed payments, in accordance with the option you chose.

DEATH (CONTINUED)

After the guaranteed period, your spouse will receive 60% of the pension you would have received from the general account for the rest of his or her life.

If the value of the pension payable is below the level set under the *Supplemental Pension Plans Act* (Québec), your spouse will receive a lump-sum payment instead of monthly pension payments.

- In addition, your spouse will receive a lump-sum benefit equal to the value of your complementary account.

EXAMPLE:

Peter had been retired for 24 months when he died at age 62. He had chosen an increased pension that paid him $1,000 a month to age 65 then decreased to $300 a month, with a 10-year guarantee (120 mayments) and a 60% survivor benefit.

*Peter had received **24 payments of $1,000 a month** from his general account pension before his death. His spouse will receive:*

- ***36 payments of $1,000 a month** (that is, 100% of the increased pension that Peter would have received between the ages of 62 and 65)*
- ***60 payments of $300 a month** t(that is, 100% of the reduced pension Peter would have received after age 65 for the remainder of the 120 guaranteed payments)*
- ***Payments of $180 per month for the rest of her life** (that is, 60% of the reduced pension of $300) because all the guaranteed payments had been paid (24+36+60=120)*
- ***A lump-sum benefit** equal to the value of Peter's complementary account*

If you have a spouse and if no survivor option is in effect for the pension from the general account

- If there is an amount payable on your pension from the general account, a lump-sum benefit will be paid to your designated beneficiary(ies) or to your estate in the absence of a beneficiary designation.
- Your spouse will receive a lump-sum benefit equal to the value of your complementary account.

If you do not have a spouse

- If there is still an amount payable on your pension from the general account, a lump-sum benefit will be paid to your designated beneficiary(ies) or to your estate in the absence of a beneficiary designation.
- In addition, a lump-sum benefit equal to the value of the complementary account will be paid to your designated beneficiary(ies) or to your estate in the absence of a beneficiary designation.

Situation 2 – You are fully retired

As someone who is fully retired, you are receiving all the pensions to which you are entitled (see "Retirement" on page 6).

If you have a spouse and the survivor option is in effect

Your spouse is entitled to a pension.

- If you die before the end of the guaranteed period, your spouse will receive 100% of the pension that you would have received for the remainder of the 120 or 180 guaranteed payments, in accordance with the option you chose.
- After the guaranteed period, your spouse will receive 60% of the pension you would have received for the rest of his or her life.

NOTE:
For retirement dates prior to December 1, 2013, the pension options were different. You could choose a pension with a 50% or 60% survivor benefit and the guaranteed period was 5 years (60 payments) or 10 years (120 payments).

If the value of the pension payable to your spouse is below the level set under the *Supplemental Pension Plans Act* (Québec), your spouse will receive a lump-sum payment equal to that value instead of monthly pension payments.

EXAMPLE 1:

Pension payable to a spouse following the death of a retiree who chose a survivor option

Paul had been retired for 24 months when he died at age 62. He had chosen an increased pension that paid him $2,000 a month to age 65 then decreased to $1,300 a month, with a 10-year guarantee (120 payments) and a 60% survivor benefit..

*Paul had received **24 payments of $2,000 a month** before his death.*

His spouse will receive:

- ***36 payments of $2,000 a month** (that is, 100% of the increased pension Paul would have received from age 62 to)*
- ***60 payments of $1,300 a month** (that is, 100% of the pension Paul would have received after age 65 for the remainder of the 120 guaranteed payments)*
- ***Payments of $780 a month for the rest of her life** (that is, 60% of the reduced pension of $1,300) because all the guaranteed payments had been paid (24+36+60=120)*

DEATH (CONTINUED)

EXAMPLE 2:

Pension payable to the spouse after the death of a retiree who chose a survivor option and who took partial retirement but was fully retired when death occurred

Phillip took partial retirement on January 1, 2020; his pension from the general account is a level pension of $1,000 a month, with a 10-year guaranteed (120 payments) and a 60% survivor benefit.

Phillip will take full retirement on February 1, 2025; his pension from the complementary account will be level pension of $1,800 a month; it is required that this pension be guaranteed for 10 years (120 payments) and have a 60% survivor benefit.

If Phillip were to die on December 15, 2027, he will have received

- ***61 payments,** from January 1, 2020 to January 1, 2025, for his pension from the general account of **$1,000 a month***
- ***35 payments**, from February 2025 to December 1, 2027, of $2,800 a month (that is, $1,000 for his pension from the general account plus $1,800 for his pension from the complementary account)*

After Phillip's death, his spouse will receive:

- ***24 payments**, from January 1, 2028 to December 1, 2029, of **$2,800 a month** (100% of the $1,000 pension from the general account plus 100% of the $1,800 pension from the complementary account that Phillip would have received)*

  This will complete the guaranteed payments from the general account (61 + 35 + 24 = 120)
- ***61 payments**, from January 1, 2030 to January 1, 2035, of **$2,400 a month** ((that is, 60% of the $1,000 pension from the general account ($600) plus 100% of the $1,800 pension from the complementary account that Phillip would have received)*

  This will complete the guaranteed payments from the complementary account (35 + 24 + 61 = 120);
- *From February 1, 2035 for the rest of her life, payments of **$1,680 a month** (that is, 60% of the $1,000 pension from the general account and the $1,800 pension from the complementary account)*

If you have a spouse and no survivor benefit option is in effect

If the pension plan still owes you an amount, it will be paid to your designated beneficiary(ies) or to your estate in the absence of a beneficiary designation.

Your spouse will not receive a pension.

EXAMPLE:

Benefit payable following the death of a retiree who chose a no-survivor pension

Michael had been retired for 24 months when he died at 62. He had chosen an increased pension that paid him $2,000 to age 65 then decreased to $1,300, with a 10-year guarantee (120 payments) and no survivor benefit. Michael designated his two children, Martine and Mark, as the beneficiaries of the death benefit.

*Michael received **24 payments of $2,000 a month** before his death. This means that the guarantee covers:*

- ***36 payments of $2,000** (that is, 100% of the increased pension that Michael would have received from the age of 62 to 65)*
- ***60 payments of $1,300** (that is, 100% of the pension that Michael would have received after 65 for the remainder of the 120 guaranteed payments)*

*Martine and Mark, Michael's designated beneficiaries, will receive, in equal shares, **an amount equal to the value of these 96 payments**.*

If you do not have a spouse

If the pension plan still owes you an amount, it will be paid to your designated beneficiary(ies) or to your estate in the absence of a beneficiary designation.

ARE THE DEATH BENEFITS TAXABLE?

The pension paid to your spouse is taxable.

The lump-sum death benefit is taxable. It is paid by cheque and the applicable taxes are deducted. However, your spouse may transfer the lump-sum benefit amount to an unlocked retirement savings vehicle (such as an RRSP) without income taxes being deducted.

IMPORTANT NOTICE

This document has been produced for information purposes. It does not cover every aspect of the Plan. Only the *Règlement sur les régimes complémentaires d'avantages sociaux dans l'industrie de la construction*, which governs complementary social benefit plans in the construction industry, has legal value.

This *Regulation* is regularly amended. The provisions that apply are those that are in force at the time each event occurs.

CHANGE OF ADDRESS

It is important to notify the CCQ each time your address changes. You may change your address by using the online services at **sel.ccq.org**. You may also contact the CCQ's Customer Service at the phone number on the back of this brochure. This will ensure that you receive information on the status of your participation in the pension plan and the statements describing the benefits to which you are entitled.

Updated: February 2023