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

SUMMARY

THE CONSTRUCTION INDUSTRY

PENSION PLAN

BECAME PLAN MEMBER
AFTER 2004

AVANTAGES SOCIAUX
RÉGIME DE RETRAITE

CONTENTS

FOREWORD

The Quebec construction industry pension plan (Régime de retraite de l'industrie de la construction du Québec - the "pension plan" or the "plan") was introduced by unions and employers associations in 1963. The *Comité sur les avantages sociaux de l'industrie de la construction (CASIC)* defines the pension plan provisions 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*), which governs complementary employee benefit plans in the construction industry. The CASIC is made up of representatives from unions and employers associations and the Commission de la construction du Québec (CCQ). The pension plan is administered by the CCQ in accordance 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 plan:

- If you leave the construction industry before being eligible for a pension
- If spouses joined by marriage or civil union separate
- Upon death

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

OVERVIEW OF THE PLAN'S FINANCIAL POSITION

The CCQ's Investment Committee, formed of representatives from unions and employers 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 employer 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 the 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 analysis is used to decide whether the deficit funding plan should be amended.

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 accumulating pension benefits in this account in December 2004. Since you became a plan member after 2004, you are not entitled to pension benefits from the general account.

Complementary account

This account, which has been 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 credited, and your age at retirement. Since January 2005, all contributions that enable benefits to accumulate have been paid into the complementary account.

Pensioners' account

Upon retirement, the value of your complementary account is transferred to the pensioners' account, which is used to pay pensions to retirees or their spouses.

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?" on page 10.

GENERAL INFORMATION (CONTINUED)

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 accumulate pension benefits; employees no longer pay contributions into the general account.
- The amount of employee 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 of employee contributions made.

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. The allocation of employer contributions between the two accounts is reviewed every year and may vary based 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 contribution per hour worked varies depending on whether the employee is an apprentice, a journeyperson, or in an occupation. Employer contributions are sent to the CCQ every month.

Salary 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?

By reading the *Annual Pension Statement* that the CCQ sends you each year, you may find out about the state of your participation in the pension plan. The statement provides information on your pension record as of December 31 of the previous year, including hours worked, contributions paid, the value of the complementary account, and interest credited.

In addition, the *Vacation and Paid Statutory Holidays, Pension Plan and Union Dues Checkoff Statement* is sent 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.

If you move, it is important to inform the CCQ so that you will continue to receive your statements. Consult the section "Change of address" on page 23.

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

PENSION BENEFITS

WHEN CAN YOU RETIRE?

It depends on your age and, in some cases, the total number of hours worked.

At or after age 71

You must start drawing your pension no later than December 1 of the year you turn 71.

EXAMPLE:
John will turn 71 on March 19, 2024. He will have to start drawing his pension no later than December 1, 2024.

At or after age 65

You reach normal retirement age the first day of the month following your 65th birthday, no matter how many hours worked are credited to your pension record.

You do not have to retire; you may continue to work. However, the contributions paid into your retirement account do not increase the amount of the pension you will be entitled to. Contributions paid by you and your employer into the complementary account during a year are refunded to you, without interest, during the following year; the portion of the employer contribution used to pay the administration costs charged against the pension fund is not reimbursed to you. Contributions paid by your employer into the general account remain, however, in the pension fund to pay down the deficit and and build up a security reserve. See the “Payment methods” section on page 15.

At or after age 55

You may retire at or after age 55, and no other condition needs to be met. See the “How is your pension calculated?” section, on page 11, to find out how your age at retirement affects the amount of your pension.

At or after age 50

You may retire at or after age 50 if you meet the following condition:

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

The table below illustrates this condition:

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

EXAMPLE 1:
Luke is age 50 with 14,000 hours worked in his pension record. He is eligible for a pension because:

50 + (14,000 / 1,400) = 50 + 10 = 60

EXAMPLE 2:
Jack has 9,100 hours worked in his pension record. He becomes eligible for a pension at or after 53 years and 6 months of age because:

53.5 + (9,100 / 1,400) = 53.5 + 6.5 = 60

See the “How is your pension calculated?” section on page 11.

PENSION BENEFITS
(CONTINUED)

WHAT MUST YOU DO TO RECEIVE YOUR PENSION?

Your pension is not paid automatically. When you decide to retire, 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 various options available to you. You must indicate the option 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. After the deadline, it 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 benefit. However, your first payment may be made within three months after the CCQ receives your form.

EXAMPLE:

George requests his retirement form on January 15, 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).

During your retirement, 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.

HOW IS YOUR PENSION CALCULATED?

Your pension is calculated when you apply for retirement. It mainly depends on the value of your complementary account and your age when you apply.

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 employer as well as the interest credited to your account.

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

As well, depending on the returns obtained on the pension fund investments, interest is credited to your account every month. The higher the interest rate, the more the value of your account increases, and the higher the resulting pension. Positive interest increases the value of your account. Sometimes, however, the returns on investments are negative; the interest credited is thus also negative and the value of your account may drop.

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.

PENSION BENEFITS
(CONTINUED)

WHAT ARE YOUR OPTIONS UPON RETIREMENT?

When you retire, you may choose from several options so that you receive pension payments that suit 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)

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

Pension with or without survivor benefit

You must choose one of the two following options:

- A pension with a 60% survivor benefit, which means that, upon your death, your spouse will receive 60% of the pension that would have 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.

NOTE:

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

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 during 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 amount equal to the value of the balance of 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 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, your guaranteed period is not over, 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.

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

NOTE:

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

See pages 20 and 21 for examples of the pension payable following the death of a retiree depending on the choices that he or she had made.

PENSION BENEFITS
(CONTINUED)

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 meets 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 qualify for this option, it is presented in your Option Form.

The small pension rule

When your pension value calculated at the time of your application is below the level set under the Supplemental Pension Plans Act (Quebec), it is refunded to you in a lump-sum amount and you do not receive monthly pension payments.

IS YOUR PENSION TAXABLE?

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

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, you will have to fill out the TD1 (federal) and TP-1017 (provincial) government forms. 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 RETIRING?

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 course of the following year; the portion of the employer contribution used to pay the administration costs charged against the pension fund is not reimbursed to you. Contributions paid by your employer into the general account remain in the pension fund to pay down the deficit and build up a security reserve.

Payment methods

- You may request that your contribution refund be directly transferred to a retirement savings instrument (for example, an RRSP). To do so, you must fill out a Form T2151 from your financial institution and send it to the CCQ before March 31 of each year. In such case, no taxes are deducted from the transferred amount.
- If you do not send a Form T2151, the CCQ will automatically send you the reimbursement by 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, two options are available.

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.

OR

Option 2

You may choose to receive a plan membership termination benefit. You will receive a single payment corresponding to the total value of your complementary account.

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.

However, if the value of your complementary account is below the level set under the Québec *Supplemental Pension Plans Act*, you may:

- Receive a cheque made payable to you, less taxes

OR

- Transfer your plan membership termination benefit to a registered retirement savings plan (RRSP), without taxes being withheld

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 :
Monthly interest is credited to your complementary account 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 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 ACCUMULATED IN THE PENSION PLAN AND THE AMOUNTS PAID OUT OF IT BE SEIZED?

General rule

- Benefits accumulated in the pension plan and all amounts paid out of it (monthly pension, lump-sum benefit or refund) are unseizable.

Certain exceptions

- Half of the benefits accumulated in the pension plan or of the amounts paid out of the plan may be seized for execution of the partition of a family patrimony or payment of a compensatory allowance or a debt for support (for example, support payments in arrears).
- 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 then sends the intervener the documents and information required to make the declaration.

WHAT IS THE BENEFIT PAYABLE IF YOU DIE BEFORE RETIREMENT?

A single amount corresponding to the value of your complementary account 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 amount is payable to your designated beneficiary(ies) or to your estate in the absence of a beneficiary designation.

The lump-sum death benefit is taxable. However, your spouse may transfer the amount paid to him or her to a retirement savings vehicle, such as an RRSP, without taxes being deducted.

* 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.

DEATH (CONTINUED)

WHAT BENEFIT IS PAYABLE IF YOU DIE DURING RETIREMENT?

If you chose the pension with a survivor benefit option upon retirement

If you have a spouse at the time of your death, he or she is entitled to a pension.

- If you die before the end of the guaranteed period, your spouse receives 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.
- After the guaranteed period, your spouse receives 60% of the pension that would have been payable to you.

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

The pension payable to your spouse is taxable.

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

EXAMPLE OF PENSION PAYABLE TO A SPOUSE AFTER THE DEATH OF A RETIREE WHO CHOSE A PENSION WITH SURVIVOR BENEFIT:

Peter had been retired for 24 months when he died at age 62. He had chosen an increased monthly pension of $2,000 reduced to $1,300 at age 65, with a 10-year guarantee (120 payments) and a 60% survivor benefit.

*Peter received **24 monthly payments of $2,000**. His spouse will receive:*

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

*Once the number of guaranteed payments is reached (24 + 36 + 60 = 120), she will receive **$780 per month until her death** (60% of the reduced pension of $1,300).*

If you do not have a spouse at the time of death, 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 chose the pension without a survivor benefit option upon retirement

(the retirement date must be on or after December 1, 2013)

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.

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

EXAMPLE OF BENEFIT PAYABLE AFTER THE DEATH OF A RETIREE WHO CHOSE A PENSION WITHOUT A SURVIVOR BENEFIT:

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

*Paul received **24 monthly payments of $2,000**. The guarantee includes:*

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

*Paul's designated beneficiaries, Mary and Michael, will equally share **an amount corresponding to the value of these 96 payments**.*

The lump-sum death benefit is taxable, and taxes will be deducted when it is paid out.

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.

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