Hello,

Here is some useful COVID-19 related information.

1- **Retraite Québec - some essential services maintained**

Retraite Québec has identified the essential services which will be maintained during the confinement period. They include:

- Payment of pension benefits;
- The customer relations centre (priority is given to pension payment related questions);
- New retirement pension applications with cash advance (see Section 2);
- Surviving spouse's pensions.

Though operations are running smoothly, the fact that the vast majority of Retraite Québec employees are working from home does involve further challenges and productivity has been somewhat affected.

Retraite Québec would like to remind you that forms and documents can be sent online at any time. Learn how here:


2- **Cash advance for the newly retired - period potentially extended**

Since last October, Retraite Québec has been using a new pension confirmation process for newly retired employees. Among other things, this new process entails that:

- Employees send the RREGOP (Government and Public Employees Retirement Plan) pension application form they filled out themselves (having given prior notice to their employer as to the employment end date). They will receive an acknowledgement of receipt. To access this form, simply click on this link: [https://www.carra.gouv.qc.ca/ang/formulaire/pdf/RSP-079_en.pdf](https://www.carra.gouv.qc.ca/ang/formulaire/pdf/RSP-079_en.pdf)
• Usually, the retirement pension is underestimated (cash advance) for up to 90 days from the retirement date. The pension is then revised. A retroactive payment of the amount owed is made, based on the revised pension versus the amount underestimated since the retirement date.

Given the difficulty of confirming any missing final information with some employers during the confinement period, it is possible that new retirees may receive cash advance payments for longer than anticipated (over 90 days).

Naturally, the retroactive payment will remedy the situation, covering the difference between the revised and underestimated amounts as of the retirement date.

Cash advances often represent an underestimated pension for the following reasons:

• Missing financial information for a given period prior to the date of retirement:
  o For instance, in the case of a retirement beginning on June 30, 2020, the preliminary pension might be based on the service, for pension and salary calculation purposes, as of December 31, 2018. Financial information for the 2019 calendar year is forwarded to Retraite Québec and processed in early 2020.

• Retraite Québec will further underestimate the pension in certain circumstances, such as:
  o Pending issues with the employer or related to a challenging case.
  o Retirement application done in too short a time frame (Retraite Québec suggests that applications be sent 90 days before the date of retirement).

**Examples**

To illustrate the underestimation of the preliminary pension, here are two examples.
Retirement at age 60 and over 30 years of eligibility (without actuarial penalty):

1- Annual salary of $45,000 prior to retirement

<table>
<thead>
<tr>
<th>Information as of</th>
<th>Preliminary calculation</th>
<th>Revised calculation</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2018</td>
<td>June 30, 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service for calculation purposes</td>
<td>29.000 years</td>
<td>30.496 years</td>
<td>1.496 year</td>
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<tr>
<td>Service for eligibility purposes</td>
<td>30.496</td>
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<tr>
<td>Average salary 5 years</td>
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<tr>
<td>RREGOP pension^2</td>
<td>$24,122</td>
<td>$25,132</td>
<td>$2,010</td>
</tr>
</tbody>
</table>

1. It should be noted that service for eligibility purposes (to identify the date of retirement without actuarial penalty criterion) continues to accrue up to the date of retirement, and the same applies for the preliminary pension calculation. As such, the penalty percentage applied, when appropriate, will be the same for both the preliminary and the revised pensions.

2. Annual pension before age 65.

2- Annual salary of $80,000 prior to retirement

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<tr>
<td>Average salary 5 years</td>
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<td>RREGOP pension^2</td>
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</table>

1. It should be noted that service for eligibility purposes (to identify the date of retirement without actuarial penalty criterion) continues to accrue up to the date of retirement, and the same applies for the preliminary pension calculation. As such, the penalty percentage applied, when appropriate, will be the same for both the preliminary and the revised pensions.

2. Annual pension before age 65.

3- Delivery of annual statement possibly delayed

Given the current crisis, Retraite Québec has postponed—from May 31 to June 30, 2020—the due date for employers to finalize their annual report for the 2019
calendar year. Consequently, 2019 RREGOP annual statements may be delayed.

4- Relief measures: buy-back forms during the confinement period

Normally, a buy-back application is considered admissible by Retraite Québec when Forms 727A and 728 are sent to Retraite Québec. Form 727A must be filled out by the employee and their employer, while Form 728 (available in French only) must be filled out by the employer only.

Who does this apply to?

To individuals unable to contact their employer given the government-mandated confinement.

What does this measure entail?

Thanks to this exceptional measure, these individuals will need to submit only Form 727A, completed to the best of their ability (Parts A to G). The date of receipt of this form will be the date taken into account to assess the admissibility and the cost of the buy-back. This form can be submitted electronically:


This exceptional measure, authorized for the government-mandated confinement period only, will be announced to RREGOP and PPMP (Pension Plan of Management Personnel) participants through the Retraite Québec website, their employers as well as the customer relations centre.

After the confinement period, Retraite Québec will collect any missing information needed to process the application.

Furthermore, given that this service was not identified by Retraite Québec as essential, the processing of buy-back proposals might be delayed (usually done within 180 days, or within 90 days when a person retires). This will not result in any additional cost, as the latter is determined by the buy-back application’s receipt date and payment will only be required once Retraite Québec sends the buy-back proposal.

Anyone planning to retire in the near future should keep in mind that Retraite Québec needs to receive the buy-back application before the retirement application (or, at the latest, at the same time as the retirement application). If the buy-back proposal is accepted prior to the retirement date, the pension will be adjusted upwards, retroactive to the retirement date.
5- Other easing measures

- Retraite Québec will extend deadlines regarding the acceptance of buy-back proposals by as many days as the confinement’s total duration.
  - It is important to note that in normal circumstances, an answer is received within 60 days of the buy-back proposal.

- Interrupted parental leaves will be processed as only one leave, to allow participants to maintain their privilege should they send their application within six months of returning to work a second time.

We hope this information will be useful.

Sébastien Lavergne
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Service de la Sécurité sociale