

# The RREGOP in a nutshell



## What is the RREGOP?

It is the acronym for the Régime de retraite des employés du gouvernement et des organismes publics (the Government and Public Employees retirement Plan). The Plan, which was established on July 1, 1973, covers regular and casual, full-time and part-time employees in the Québec public service, the education sector and the health and social services sector.

## How much does it cost?

Since January 1, 2017, the RREGOP contribution rate is 11.05%.

Due to harmonization with the Québec Pension Plan (QPP), you contribute only on the portion of your pensionable salary that exceeds the plan's exemption, which is \$13 825 in 2017. Your pensionable salary is the salary recognized for the purposes of a pension plan.

If you work full time, you save \$1527.66 in contributions ( $\$13\,825 \times 11.05\%$ ).

In 2017, the maximum pensionable salary is \$165 077.

## What if I take a sabbatical leave with deferred pay?

A sabbatical leave with deferred pay has no effect on your pension.

The RREGOP will credit the service and the salary that would have been credited had you not been on leave. However, your contributions are calculated on the salary you actually received.

## How will my pension be calculated?

Your basic pension will be calculated as follows:

	Annual pension accrual rate (2%)
✘	Service for basic pension calculation purposes ( <b>maximum 40 years</b> )
✘	Average pensionable salary of your 5 best-paid years

To your basic pension may be added a pension credit obtained through a buy-back, a transfer from a supplemental pension plan (SPP) or a transfer agreement, and the additional pensions linked to the pension credit service. However, the total amount you can receive is limited under tax rules.

## When will I be eligible for an immediate pension?

An immediate pension is a pension that is usually payable the day after your participation in the pension plan ends.

You are entitled to an immediate pension **without reduction if**

- you are 60 years old or over; or
- you have at least 35 years of service.

You are entitled to an immediate pension **with reduction if**

- you are 55 years old or over and have less than 35 years of service.

The reduction is 4% per year of anticipation and is permanent.

After June 30, 2019, when you stop participating in the plan, you are entitled to an immediate pension

**without reduction if**

- you are at least age 61;
- you have at least 35 years of service; or
- you are at least age 60 and have attained the 90 eligibility factor (age + service for eligibility purposes).

**with reduction if**

- you are at least age 55.

The reduction, which is permanent, is:

- 0.333% per month of anticipation (4% a year) if you stop participating in the plan before July 1, 2020; or
- 0.5% per month of anticipation (6% a year) if you stop participating in the plan after June 30, 2020.

## Can I minimize or cancel the reduction?

**Yes**, but within the limits set by tax rules. You can transfer to us funds from a registered retirement savings plan (RRSP), a registered pension plan (RPP) or the portion of a retirement allowance that may be transferred to an RRSP or RPP in accordance with the *Income Tax Act*.

## What if I leave my job before I am eligible for an immediate pension?

You can obtain a refund of your contributions with interest if you are under age 55 and have less than two years of service. You must wait at least 210 days after you stop working to apply.

If you are under age 55, and have at least two years of service but less than 35, you may choose between these two options:

- a deferred pension payable at age 65, which will have been indexed each year. You can also apply for your pension as of age 55, but it will be reduced by 4% for each year of anticipation.
- a transfer to a Locked-In Retirement Account (LIRA) or a Life Income Fund (LIF) of an amount equal to the higher of your total contributions with interest or the actuarial value of the indexed deferred pension you have gained. The application must be filed at least 210 days after you stop working, but before age 55.

## Will my pension be indexed?

It will be indexed on January 1st of each year based on the cost of living.

- The portion of your pension that corresponds to service performed before July 1, 1982 is indexed according to the Pension Index Adjustment Rate (PI) determined in accordance with the *Act respecting the Québec Pension Plan*.
- The portion that corresponds to service performed from July 1, 1982 through December 31, 1999 is indexed according to the PI minus 3%. If the PI is equal to or less than 3%, that portion of your pension is not indexed.
- The portion that corresponds to service performed since January 1, 2000 is indexed according to the most profitable of the following two formulas: 50% of the PI or the PI minus 3%.

Additional pensions are indexed according to the Pension Index Adjustment Rate minus 3%.

In 2017, the Pension Index Adjustment Rate is 1.4%.

## Why will my pension be reduced at age 65?

The RREGOP is harmonized with the Québec Pension Plan (QPP). This means that the RREGOP grants you a contribution holiday to take into account your participation in the QPP. It also means that when you turn 65, your pension under the RREGOP will be reduced to take into account the pension you could receive under the QPP.

The reduction is calculated as follows:

	QPP annual pension harmonization rate (0.7%)
✘	Service for calculation purposes since January 1, 1966 (35 year maximum)
✘	Average maximum pensionable earnings (MPE) for your last 5 years (or average pensionable salary for your last 5 years if lower than the average MPE)

Note that the MPE is calculated in accordance with the *Act respecting the Québec Pension Plan*.

## What are the advantages of a buy-back?

A buy-back of service can increase your retirement income. Please note that only the buy-back of certain periods of service or absence may allow you to retire earlier.

## What periods can be bought back?

Buy-backs can be made mainly with regard to:

- service accrued as a casual employee;
- maternity leave;
- absence without pay;
- compassionate care leave.

Any years of service refunded under the RREGOP cannot be bought back.

### Service accrued as a casual employee

You may buy back service accrued as a casual employee during the following periods with an employer covered by the plan:

- between July 1, 1973 and December 31, 1986 for casual employees on a recall list in the health and social services sector;
- between July 1, 1973 and December 31, 1987 for all other casual employees in the health and social services sector, the education sector and the public service sector.

The cost of the buy-back will vary according to the period to be bought back, your pensionable salary and your age on the date on which your application is received.

### Maternity leave

Since January 1, 1989, maternity leaves are automatically recognized by the plan. Consequently, you have nothing to pay.

For a maternity leave that occurred before that date, you must send us an application for a buy-back. The service will be credited under certain conditions, usually at no cost.

### Absence without pay

Any absence without pay that started after you became a member of the RREGOP or the PPMP may be bought back in whole or in part. Since January 1, 2002, to be purchasable, a full-time absence must last more than 30 consecutive calendar days or, in the case of a part-time absence, more than 20% of the regular work schedule of a full-time employee. Shorter periods of absence are subject to regular contributions. The cost of a buy-back varies according to the period to be bought back, your pensionable salary and your age on the date your application is received.

If we receive your application within 6 months following the end of an absence, the cost of the buy-back is generally equal to twice the contributions you would have paid if you had not been absent without pay, or to the contributions you would have paid in the case of an absence without pay that was part of a parental leave.

Any absence without pay that occurred before January 1, 2011 may be offset at no cost up to a maximum of 90 days.

As of that date, only absences without pay related to a parental leave can be offset by the 90-day bank.

### Compassionate care leave

If you do not continue to pay your contributions to your employer while on compassionate care leave on January 1, 2012 or later, you can buy back the service related to that absence.

If we receive your application for a buy-back within 6 months following the end of the absence, the cost of the buy back will equal 100% of the contributions you would have paid if you had not been absent without pay. If we receive your application for a buy-back more than 6 months following the end of the absence, the cost of the buy-back will vary according to the period to be bought back, your pensionable salary and your age on the date on which we receive the application.

### How do I apply for a buy-back?

You must complete the Application for Buy-Back (727A) form, and the employer concerned by the periods to be bought back must complete the Attestation of a Buy-Back Period (728A) form. Both forms are available on our website.

### What is phased departure?

At the end of your career, you may wish to reduce your work hours before retiring.

You and your employer must come to an agreement concerning phased departure. The agreement must be for at least one year, but not more than five.

Your new work schedule must not be less than 40% of a full-time schedule, and you must retire at the end of the agreement.

The RREGOP will credit the service and the salary that would have been credited to you if you had not reduced your work schedule. Your contributions will be calculated on that salary.

Seasonal and casual employees are not eligible for phased departure.

### Can I go back to work after I have retired?

**Yes.** If you go back to work in the public or parapublic sector, you will no longer participate in the pension plan, and you will continue to receive your pension.

## What benefits are payable in case of death?

Persons not eligible for an immediate pension	Persons eligible for an immediate pension	Pension beneficiary
<ul style="list-style-type: none"> <li>• <b>with less than two years of service</b></li> </ul> Refund, to spouse (or if no spouse, to the heirs), of contributions with interest.	<ul style="list-style-type: none"> <li>• <b>with spouse</b></li> </ul> 50% <sup>1</sup> of the pension harmonized with the QPP pension and life annuity for pension credit service. At spouse's death, guaranteed minimum <sup>2</sup> applies.	<ul style="list-style-type: none"> <li>• <b>with spouse</b></li> </ul> 50% <sup>1</sup> or 60% <sup>3</sup> of the pension harmonized with the QPP pension and life annuity for pension credit service. At the spouse's death, guaranteed minimum <sup>2</sup> applies.
<ul style="list-style-type: none"> <li>• <b>with two or more years of service</b></li> </ul> Refund, to the spouse (or if no spouse, to the heirs), of the greater of contributions with interest or the actuarial value of the indexed deferred pension.	<ul style="list-style-type: none"> <li>• <b>without spouse</b></li> </ul> Refund of contributions with interest to the heirs.	<ul style="list-style-type: none"> <li>• <b>without spouse</b></li> </ul> Guaranteed minimum <sup>2</sup> .

1. If you obtained a pension credit further to a transfer from a supplemental pension plan (SPP) or a transfer agreement, your spouse is generally entitled to 50% of the pension credit. However, if you have a pension credit resulting from a buy-back, we will refund, with interest, the amount paid for the pension credit, minus any benefits already paid to you.
2. Refund of the difference between your contributions with interest and any benefits already paid to the heirs.
3. In order for your spouse to receive 60% of your pension, you must so choose on the Your Options reply form that you receive following your application for a pension. Your pension will be permanently reduced by 2%. The choice becomes irrevocable once payment of the pension begins.

## Can my spouse waive his or her rights?

Your spouse can waive his or her rights as a surviving spouse in favour of your heirs. He or she could later revoke the waiver, but we must receive the notice of waiver or revocation before your death. If, at the time of your death, the guaranteed minimum is zero, the waiver will automatically be cancelled and your spouse will still be able to receive a surviving spouse's pension.

## To contact us

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