

# UNITE. ORGANIZE. WIN.

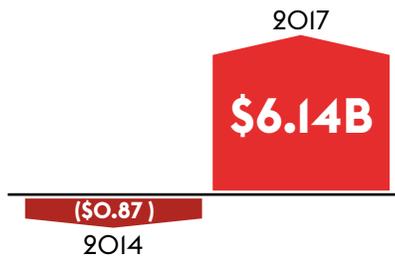


INFO-RREGOP - DECEMBER 2019

## PENSION PLAN IN EXCELLENT FINANCIAL HEALTH

Pursuant to the Act respecting the government and public employees retirement plan, Retraite Québec carries out an actuarial valuation of the RREGOP members' fund every three years. In December 2019, the results of the most recent valuation for the fiscal year ended December 31, 2017, were published, and we can say without hesitation that the news is good: the plan is in excellent financial health.

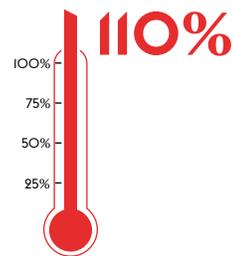
### DEFICIT AND SURPLUS



The plan has gone from having a deficit of about \$870 million in 2014 to having a surplus of \$6.14 billion in 2017.

*The surplus/deficit is calculated by subtracting liabilities (the amount the fund needs to meet its commitments) from the actuarial value of the members' fund (the amount that participants have collectively set aside).*

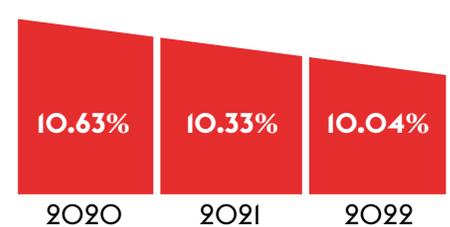
### FUNDING PERCENTAGE



The latest available figures show that the plan is 110.2% funded, meaning that it can fully meet its commitments.

*This funding percentage is calculated by dividing the actuarial value of the members' fund by the liabilities.*

### RATE OF CONTRIBUTION



Currently at 10.88%, the rate of contribution has fluctuated in recent years, and forecasts predict a decrease for the 2020–2022 period.

*The rate of contribution is the percentage applied to the portion of salary that exceeds 25% of the maximum pensionable earnings (MPE) amount.*

The excellent financial health of the RREGOP is no coincidence. The good returns for the fund between 2015 and 2018 and optimistic long-term return forecasts are the main contributing factors. However, through their vigilance and responsible behaviour in regard to their pension plan, public sector workers were also heavily involved in restoring the financial health of the RREGOP during previous rounds of bargaining.

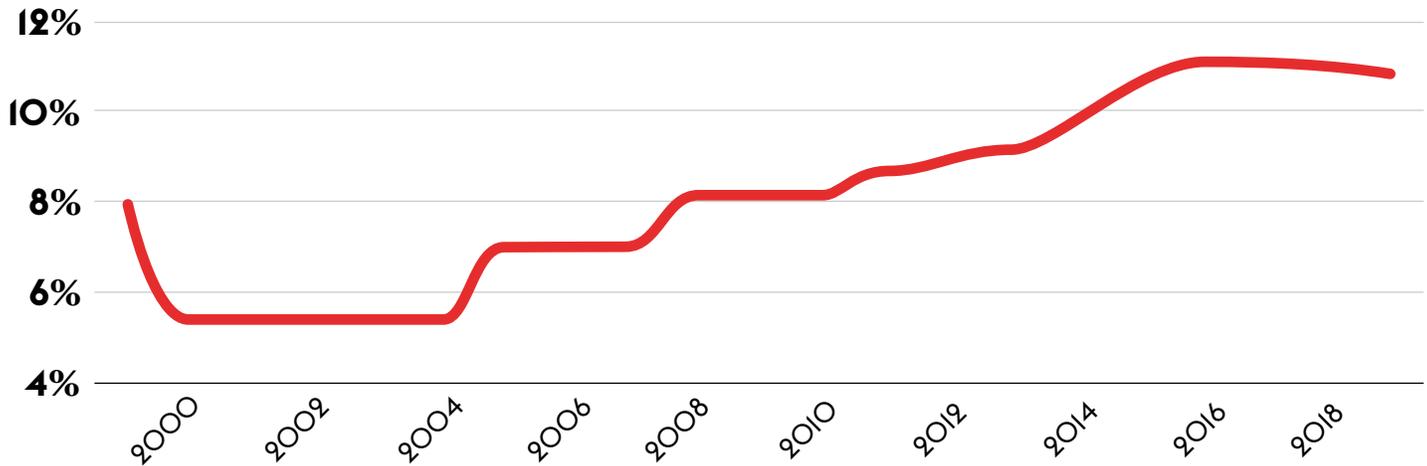
Since the plan is doing well, we believe that it is the right time to discuss certain improvements to retirement conditions with the Conseil du trésor, while remaining cognizant of issues related to the fact that the plan is nearing maturity and to the increase in the average age of members.

# OUR DEMANDS

## STABILIZATION OF THE CONTRIBUTION RATE, WHILE MAINTAINING RETIREMENT QUALITY

Over the past 20 years, our RREGOP contribution rate has increased significantly. In the context of the plan nearing maturity, we would like to continue the work begun by the RREGOP working committee to agree on measures aimed at stabilizing the member contribution rate.

EMPLOYEE CONTRIBUTION RATE TO THE RREGOP FOR EACH YEAR



Source : Retraite Québec

## IMPROVEMENT OF CERTAIN RETIREMENT CONDITIONS

To address labour shortages, an increase in the demanding nature of the work, and the fact that employees are entering the networks later in life, we are making a series of demands that would improve retirement conditions without increasing the financial burden for members. We are proposing that

- **the maximum length of progressive retirement be extended**, which would allow for phased departure over seven years instead of the five years currently provided;
- **the maximum age for participating in the RREGOP be increased to 71 years**, which would allow employees who wish to work longer to continue to contribute for an extended period and to have a better retirement; and
- **a mechanism to adjust pensions for retirement after age 65 be established**, which would allow workers who decide to continue to work for the same employer after age 65 to delay their pension benefits so that the amount increases.

## FOSSIL FUEL DIVESTMENT AND DEMAND FOR A RESPONSIBLE INVESTMENT POLICY

We are demanding that the Caisse de dépôt et placement du Québec (CDPQ) quickly proceed with a gradual, organized, consistent fossil fuel divestment from the RREGOP by 2023.

## IMPROVEMENT OF THE CDPQ POLICY OF RESPONSIBLE INVESTMENT

We are demanding that the CDPQ focus more on Quebec investments and increase consideration for environmental and social aspects in the financial management of depositors' amounts on deposit.

FOR MORE INFORMATION ABOUT THE 2020 ROUND OF PUBLIC SECTOR BARGAINING,  
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