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Minister André Fortin has submitted to the Premier of Québec the report of the Groupe de travail sur la question des clauses de disparité de traitement dans les régimes de retraite

Québec City, November 23, 2017 – MNA for Pontiac and Minister of Transport, Sustainable Mobility and Transport Electrification André Fortin has submitted to Québec Premier Philippe Couillard the report of the Groupe de travail sur la question des clauses de disparité de traitement dans les régimes de retraite.

Since the early 2000s, the financial situation of certain retirement plans has deteriorated, in particular because of the drop in interest rates, growing life expectancy, and financial crises. Such deterioration has led to higher costs in certain retirement plans, which has engendered reflection on their future. In response to the problem, certain retirement plans and certain collective agreements have introduced disparity in treatment clauses based solely on hiring date (orphan clauses), which, most of the time, has made the plans less generous for new employees.

In this context, Mr. Fortin, then the Parliamentary Assistant to the Minister of Finance, was asked on December 9, 2016 to chair a task force comprising representatives of the Ministère des Finances, the Ministère du Travail, de l'Emploi et de la Solidarité sociale and Retraite Québec to examine the question.

The task force had a mandate to analyze the scope of disparity in treatment clauses based solely on hiring date in retirement plans, analyze possible solutions and make recommendations to the government in a spirit of respect for intergenerational equity while enabling employers to maintain some degree of flexibility in the establishment of their retirement plans. The task force saw fit to broaden its analysis to the question of orphan clauses in group insurance.

In the wake of its analysis, it concluded that, if Québec wishes to prohibit disparity in treatment clauses based solely on hiring date, it could not act alone without harming the competitiveness of Québec businesses. In this respect, the adoption of similar legislation in all of the Canadian provinces would limit the impact on the competitiveness and capacity to invest of Québec firms. It would also offer the same protection to Quebecers working in businesses in other provinces.

Quotations :

“To ensure intergenerational equity, the Québec government must continue to be a leader in Canada in the realm of labour standards. At the same time, the government must ensure that Québec companies and firms operating in Québec find a favourable business environment there. A healthy economic environment benefits all Quebecers. Québec can do even more but it cannot act alone. To this end, it must send a clear signal that intergenerational equity is a question that it will promote beyond its borders.”

André Fortin, MNA for Pontiac and Minister of Transport, Sustainable Mobility and Transport Electrification

“We openly welcome this report and I would like to thank the members of the task force, who are proposing several worthwhile avenues. The question is complex and we will take the time to properly analyze the proposals to find the best solution. From the standpoint of working conditions and retirement plans, we have a duty to treat fairly young people and future generations.”

Carlos J. Leitão, Minister of Finance of Québec

Highlights:

- The chair of the task force recommends, in particular, to act promptly, by introducing a provision in the *Act respecting labour standards*, to prohibit new disparities in treatment in retirement plans, group insurance plans and other fringe benefits.
- It is also recommended that, at the same time, an interprovincial working committee be established to jointly examine the possibility of legislating to prohibit disparities in treatment in retirement plans, group insurance plans and other fringe benefits.

Related link :

Report of the Groupe de travail sur la question des clauses de disparité de traitement dans les régimes de retraite :

http://www.finances.gouv.qc.ca/documents/Autres/en/AUTEN_GRdispariteRegimesRetraite.pdf

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