

## Human Resources Legislative Update

# Quebec Passes Legislation to Mirror CPP Enhancements and Makes Changes to its Pension Legislation

**Date:** March 23, 2018

On February 21, 2018, Bill 149, *An Act to enhance the Québec Pension Plan and to amend various retirement-related legislative provisions*, was passed by the Quebec legislature.

### QPP Enhancements

[As outlined in our previous update](#), Bill 149 enhances the Quebec Pension Plan (QPP), in a manner similar to the [forthcoming enhancements to the Canada Pension Plan \(CPP\)](#).

Employers and employees working in Quebec will both contribute more to fund the higher benefit formula and higher earnings limit.

[Amendments to the \*Income Tax Act\* recently proposed in the federal budget](#) would provide for the tax deductibility of employee contributions to the enhanced portion of the QPP, to ensure consistency between the tax treatment of contributions to the enhanced portions of both the CPP and the QPP.

These changes will be of particular interest to employers with employees in Quebec, especially those who provide multi-jurisdictional pension plans, in which contributions and/or the benefit formula is integrated with the employee's maximum pensionable earnings under the CPP and QPP.

### SPPA Amendments

Bill 149 also amends the *Supplemental Pension Plans Act* (SPPA) to permit pension plans to allocate priorities for the usage of surplus assets that are different from those under the SPPA, and in relation to certain pension plan administration matters.