

FREQUENTLY ASKED QUESTIONS

Concordia comments on pension study

Concordia joins with six other universities to present brief on D'Amours Report

On August 21, Concordia joined with six other universities to present a brief in response to a Government of Quebec study, called the D'Amours Report, on ways to ensure adequate funding of what the study refers to as supplemental pension plans.

The seven Quebec universities account for nine defined benefit pension plans representing some 25,400 active participants, 11,565 beneficiaries and \$8.15 billion of assets under management.

“Concordia is working hard to ensure the sustainability of the university’s defined benefit pension plan so that we are able to continue to provide retirement income for our employees and retirees,” says Concordia Vice-President, Services, Roger Côté. “Our efforts will include engaging in dialogue with our internal and external stakeholders.”

What is the D'Amours Report?

- It is a report prepared by the *Expert Committee on the Future of the Québec Retirement System*, which was chaired by Alban D'Amours.
- The Government of Quebec mandated the committee to study supplemental pension plans, in particular defined benefit plans, which are part of the “third floor” of Quebec’s retirement system structure and fall under the supervision of the Régie des rentes du Québec.

Why did Concordia join the other universities in preparing this brief?

- The universities are committed to being part of the dialogue on pensions to ensure that all stakeholders are represented.

What are Concordia’s main concerns about the report and its recommendations?

- Our biggest concern is the recommendation regarding adoption of a financial valuation method for pension plans known as “enhanced funding”.
- We conclude that enhanced funding would lead to a substantial increase in our pension service costs and set university and municipal employees apart from Government of Quebec employees in terms of pension plan funding.

What are the next steps with respect to the D'Amours Report?

- The report was released on April 17, 2013, and public hearings by the Commission des finances publiques on its recommendations were scheduled for June 10 to August 23.
- The university group presented its brief to the commission on August 21.
- To date, the Government of Quebec has not indicated which recommendations, if any, from the D'Amours Report it may consider incorporating into pension legislation or regulations.

Does Concordia have a defined benefit pension plan?

- Yes, Concordia has one pension plan to which all employees may contribute.

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Why does Concordia have a defined benefit pension plan rather than a defined contribution pension plan?

- A defined benefit pension plan is an important part of the remuneration for university employees.

What is Concordia's goal on the pension issue?

- We want to ensure the sustainability of our defined benefit pension plan.

How will the D'Amours Report affect Concordia's current pension plan?

- The report is part of the Government of Quebec's consultative process on the sustainability of the province's supplemental pensions.
- To date, there is no indication which recommendations, if any, the government may consider incorporating into pension legislation or regulations.