



January 2025

Changes to the RREGOP Pension Plan

The negotiations for the 2023-2028 collective agreement produced two changes regarding the RREGOP which are fully in effect as of January 1, 2025. This summary document is designed to clarify those changes and to whom they apply.

1) Increase in the maximum age of contributions from 69 to 71

Up to December 31, 2024, individuals stopped making contributions to the RREGOP on December 31 of the calendar year during which they turned 69. Let's take the example of Marie, a teacher who turned 69 in March of 2023. They would have continued to contribute to the plan up to December 31, 2023, and then would have stopped making contributions as of January 1, 2024. They did not accumulate any pension service in 2024.

As of January 1, 2025, individuals can continue to make contributions to December 31 of the year in which they turn 71. For example, Jeff, who turns 71 in January of 2026, will continue to make contributions to RREGOP up to December 31, 2026. As of January 1, 2027, they would no longer be making contributions or accumulating pension service.

This change is positive because it allows individuals who choose to work longer to contribute longer and improve their pension. It also aligns the RREGOP with other pension plans and with Canada Revenue Agency regulations for registered pension plans.

There is no retroactive effect to this measure; individuals who turned 69 in recent years and who have continued to teach will not be able to contribute for any missing periods between the end of their age 69 year and January 1, 2025. If they were not yet 71 prior to January 1, 2025, though, the contributions should have restarted on that date.

If we go back to the example of Marie above, they stopped making contributions on January 1, 2024, and then turned 70 in March of 2024. As of January 1, 2025, Marie started making contributions again and will continue making them until December 31, 2025, since they turn 71 in March 2025. Marie cannot, however, do anything to recover the "missing" year of 2024.

Regardless of age, it is not possible to accumulate more than 40 years of contributory service.

2) Extension of Progressive Retirement Agreements from Five (5) to Seven (7) Years

A progressive retirement agreement is one where teachers who are nearing retirement can take a reduction in their workload, along with a reduction in salary, but fully contribute to the pension plan as if they were working full time. This allows a teacher to ease their way into retirement while still being credited for full years of contributions. It also protects their best five years average salary.

Up to 2024, teachers could ask for up to five years of progressive retirement, after which they would retire and collect their pension. As of 2025, there is full implementation of a new measure that allows an extension (or series of extensions) of a progressive retirement agreement to a maximum of seven years.

It is not possible to ask for six or seven years in an initial progressive retirement agreement; the initial request is for between one and five years. Individuals can request extensions after the initial agreement has been in effect for some time. Extensions can be between one and five years in length, bearing in mind that the total time frame cannot exceed seven years.

Individuals who want to request extensions must do so at least six months prior to the end of the agreement. For example, a teacher who has a progressive retirement agreement that ends June 30, 2026, must make their request to extend it by December 2025 at the latest.

It is important to note the following regarding progressive retirement agreements:

- The teacher must be eligible for a pension, whether reduced or unreduced, by the end of the initial agreement, which must be confirmed by *Retraite Québec*
- There is a minimum 40% workload for each year of the agreement, though the percentage workload can be different from year to year
- Initial requests must be made within the timeframe set out in the board's staffing timeline
- It is possible that a board may not grant an initial request or extension

Given that this is a new option, it is not known to what extent individuals will request extensions and to what extent boards will grant them. It is probably prudent, at this time, for individuals to consider the fact that their initial request may be the only one that is granted and to be prepared to retire at the end of that period. In other words, individuals should not take for granted that they will be able to extend their agreement. Teachers should consider an initial request that is as long as possible (i.e. five years) to have less reliance on extensions.

It is possible to retire before the end of a progressive retirement agreement, so long as one is eligible for a pension at that time. If at least one year of the agreement has been completed, pension benefits will be determined as if the person had worked full-time up to the time of retirement.