

**DESJARDINS GROUP PENSION PLAN (DGPP)****GRADUAL RETIREMENT**

Gradual retirement enables employees aged 55 or over, pursuant to an agreement with their employer, to reduce their working hours (Reference: DGPP Regulation, Section 8-13). DGPP members in Quebec can offset the loss of income by requesting an annual lump sum advance from their DGPP pension. Advance payments must not exceed the limits established by law. This amount must be taken into consideration at the actual time of retirement. The lump sum payment is applicable only to Quebec.

During the gradual retirement period, the employee's DGPP contributions are calculated based on the new work schedule. If the employee's work schedule occasionally varies, these contributions will be based on real hours worked, under the same terms and conditions as part-time employees.

Under the Group Insurance Plan, for life insurance coverage, the salary used to calculate the insurance amount and premiums are calculated based on the salary that the employee would have received if their work hours had not been reduced. Disability coverage and premiums are based on the salary earned for the reduced work schedule.

To be eligible the employee must:

- Be at least 55 and under 71
- Sign a gradual retirement agreement with the employer
- Reduce the number of working hours
- Have a planned date of retirement

Lump sum advances are only issued upon request and are limited to one per year.

This document also includes:

- Gradual retirement agreement
- Application for pension advance (optional)

## GRADUAL RETIREMENT AGREEMENT

**BETWEEN:** \_\_\_\_\_

NAME OF EMPLOYER

\_\_\_\_\_

\_\_\_\_\_

EMPLOYER ADDRESS

HEREINAFTER: **"THE EMPLOYER"**

**AND:**

\_\_\_\_\_

NAME OF EMPLOYEE

\_\_\_\_\_

IDENTIFICATION NUMBER

\_\_\_\_\_

\_\_\_\_\_

EMPLOYEE ADDRESS

HEREINAFTER: **"THE EMPLOYEE"**

**WHEREAS** the Employee is 55 or over.

**WHEREAS** the Employee's work schedule is currently \_\_\_\_ hours per 2-week cycle.

**WHEREAS** the parties want to modify their obligations relative to the Employee's work schedule and establish an agreement setting the terms for a gradual retirement period.

### **IT IS AGREED AS FOLLOWS:**

#### **1. DURATION OF THE AGREEMENT**

The Employee and the Employer enter into a gradual retirement agreement for the period from \_\_\_\_\_ to \_\_\_\_\_.  
Start date (Monday)                      End date (Friday)

The Employee's employment ends when this agreement expires.

## **2. REDUCED WORK SCHEDULE**

The Employee's work schedule will be reduced by \_\_\_\_ hours per 2-week cycle for the period specified in point 1. The new work schedule will be \_\_\_\_ hours per 2-week cycle.

## **3. REMUNERATION**

The Employee's annual salary will be adjusted to reflect the Employee's reduced work schedule. The Employer may modify this salary in the future based on applicable working conditions.

## **4. GROUP INSURANCE PLAN**

Life insurance coverage and premiums will be calculated based on the salary that the Employee would earn for a full-time work schedule.

Disability insurance coverage and premiums will be calculated based on the salary earned for the reduced work schedule.

Group insurance premiums will be shared between the Employee and the Employer, under the usual terms and conditions.

For the duration of the agreement, the Employee and the Employer will be subject to any changes made to the Group Insurance Plan, including changes to rates, coverage and the sharing of group insurance premiums.

## **5. DESJARDINS GROUP PENSION PLAN**

DGPP contributions are calculated based on the salary paid to the Employee for their actual hours worked. For the purpose of the DGPP, the Employee is considered a part-time employee. Contributions will be shared between the Employee and the Employer based on the share percentages in effect.

For the duration of the agreement, the Employee and the Employer will be subject to any changes made to the DGPP, including the contribution rate and changes to the DGPP Regulation.

## **6. LUMP SUM PAYMENT**

A Quebec Members may request an annual lump sum advance from the DGPP. The amount requested may not exceed the lowest of the following:

- 70% of the decrease in salary caused by the reduction in working hours during the withdrawal year
- 40% of the maximum pensionable earnings for the withdrawal year, adjusted in proportion to the number of months covered under the agreement
- Value of the pension accrued in the DGPP

This agreement only allows for one advance per calendar year. The Employee must apply for each advance. Advances are optional.

## **7. TERMINATION OF AGREEMENT**

The agreement will end at the first pay cycle following the pay cycle during which one of the following events occurs:

- The number of hours specified in point 2 is modified
- The employee becomes disabled
- The employee ceases to reside in Quebec under the terms of the *Taxation Act*
- The employee's employment is terminated

## **8. INFORMATION**

The Employee declares that they have had the time to read this document and obtain all necessary information.

The Employee further declares that they freely and voluntarily consent to this agreement.

## **9. TRANSACTION**

The parties agree that this agreement constitutes a transaction under the *Civil Code* that is made without any admission of liability by the parties and that cannot under any circumstances be used as a precedent.

## **10. CONFIDENTIALITY**

The Employee agrees not to use or disclose, directly or indirectly, any confidential information entrusted or revealed to them by the Employer insofar as the use or disclosure of such information could be prejudicial to the Employer or to any other organization it is affiliated with. The Employee further agrees to return to the Employer any documents or materials that belong to the Employer or that might contain confidential information concerning the Employer.

**The undersigned agree to the conditions herein.**

\_\_\_\_\_  
Employee signature  
(Handwritten signature only)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employer representative's signature  
(Handwritten signature only)

\_\_\_\_\_  
Date

**A PDF copy of this agreement must be sent to EACH  
of the following entities:**

**DGPP Member Services**

**Via secure messaging through the**  
[Contact us](#) section of the DGPP website at  
[rcd-dgp.com](http://rcd-dgp.com)

**AND**

**Desjardins Group Support Centre**

Add file to Workday: Personal information/Worker  
documents/Add

**ADDITIONAL INFORMATION**

**DGPP Member Services**

Monday to Friday, from 8 a.m. to 5 p.m.

**By phone**

Call us at 1-866-434-3166 or 514-285-3166

**By secure messaging**

Write to us via the secure [Contact us](#) section of the DGPP  
website at [rcd-dgp.com](http://rcd-dgp.com)

**APPLICATION FOR PENSION ADVANCE**  
(Applicable only to Quebec Members)

As stipulated in the gradual retirement agreement signed with my Employer, I hereby request the following lump sum advance, which may not exceed the lowest of the following:

- 70% of the decrease in salary caused by the reduction in working hours during the withdrawal year
- 40% of the maximum pensionable earnings for the withdrawal year, adjusted in proportion to the number of months covered under the agreement
- Value of the pension accrued in the DGPP

**FISCAL YEAR FOR LUMP SUM ADVANCE**

\_\_\_\_\_

**PAYMENT AMOUNT**

- Maximum amount allowed
- Specific amount: \$ \_\_\_\_\_

**PAYMENT METHOD**

- Cheque with tax deductions
- RRSP transfer (non-taxable)  
Enclose form T2151 or equivalent transfer form  
Name of financial institution: \_\_\_\_\_

I understand that I must submit a new application every year that I want to receive a lump sum advance, for as long as the agreement is in effect.

I also understand that any advance payments that I receive from my pension plan will consequently reduce my pension when I fully retire.

\_\_\_\_\_  
Date (yyyy/mm/dd)

\_\_\_\_\_  
Plan member signature (handwritten signature only)

Plan member name: \_\_\_\_\_

\_\_\_\_\_  
Please print

Identification number: \_\_\_\_\_

Plan member address: \_\_\_\_\_  
\_\_\_\_\_

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**HOW TO SEND YOUR DOCUMENTS**

**Via secure messaging through the [Contact us](#) section** of the DGPP website at [rcd-dgp.com](http://rcd-dgp.com)

**By mail or internal mail to**

Desjardins Insurance  
LEV 200 - 4 - B  
200 rue des Commandeurs  
Lévis QC G6V 6R2