

2024 Québec budget highlights

March 13, 2024

Summary

The 2024 Québec budget proposes the implementation of several measures that may be of interest to employers and benefit plan sponsors, particularly the elimination of the pension reduction for disabled seniors who reach the age of 65.

Introduction

On March 12, 2024, the Québec Minister of Finance Éric Girard tabled the [Budget 2024-2025 – Priorities: Health and Education](#). This Advisory discusses some measures that concern employers and benefit plan sponsors.

Retirement pension for seniors with disabilities

Effective January 1, 2024, people who are eligible for a disability pension who reach the age of 60 can apply for their variable pension, which replaces the variable disability pension that applied before age 60. However, those receiving the variable pension will see a lifelong reduction in their retirement pension at age 65 for each month in which the variable disability pension was received between the ages of 60 and 65.

People aged 65 and older

The tax measures announced by the government include the elimination, effective January 1, 2025, of the retirement pension reduction that currently applies for disabled seniors aged 65 and older. These seniors will thus receive a full retirement pension, which represents an annual increase of up to \$5,895.

People aged 60 to 64

The government also announced that the recipients of a disability and retirement pension from ages 60 to 64 will have their benefits protected to ensure that the benefits are at least as high as what they were prior to the payment of the retirement pension.

The new disability and retirement pensions are set according to wage growth, whereas pensions already being paid are indexed to price trends, so, without this change, some of those receiving a disability pension would see a slight reduction, when it is converted to a retirement pension. This is because, exceptionally, prices have risen faster than wages in recent years.

The change will apply retroactively to January 1, 2024.

Legislative amendments will be required, so there will be a certain delay before the announced measures are implemented.

Canadian Dental Care Plan and possible Canadian drug plan

The Government of Québec will also request the unconditional right to opt out with full financial compensation from the Canadian Dental Care Plan and any future Canadian drug benefit plan.

Comment

Employers will want to review the potential impact of the announced measures on their plans, although no changes are applicable at this time. We will continue to monitor the implementation of these changes.

For more information

This Advisory is not intended to constitute or serve as a substitute for legal, accounting, actuarial or other professional advice. For information on how this issue may affect your organization, please contact your WTW consultant, or:

Carole Goyette, +1-514-360-4800

Carole.Goyette@wtwco.com

Anne-Marie Nawar, +1-514-360-4803

AnneMarie.Nawar@wtwco.com

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