

February 5, 2015

The Honorable Yves Bolduc
Minister of Higher Education, Research and Science
1035, rue De La Chevrotière, 16^e étage
Québec (Québec) G1R 5A5

Subject: Draft Regulation to amend the Regulation respecting financial assistance for education expenses

Mr. Minister:

Within the framework of its mandate, the Québec Ombudsman reviews all bills and draft regulations introduced in the National Assembly or published in the *Gazette officielle*. When it deems necessary, it intervenes under section 27.3 of its constituting act, which empowers it to call the attention of the government or a chief executive officer of a public body to legislative, regulatory or administrative reforms it deems to be in the public interest. I therefore analyzed the draft *Regulation to amend the Regulation respecting financial assistance for education expenses*, published on December 30, 2014.

My comments will be limited to the provisions aimed at clarifying the nature of the income used to compute the contribution of the parents, sponsor or spouse, since these provisions are in response to a recommendation by the Québec Ombudsman.

Clarification of the nature of the income used to compute the contribution of the parents, sponsor or spouse

Within the framework of an investigation concerning Aide financière aux études of the Ministère de l'Enseignement supérieur, de la Recherche et de la Science (Department), I noted that some students could be wrongly deemed ineligible for the Department's financial assistance program.

For example, we handled the file of a student whose parent had benefited from a locked-in retirement account (LIRA)—a retirement savings instrument used to provide income by means of a life income fund (LIF). When amounts from a LIRA are transferred to a LIF, the total amount withdrawn must be entered at line 199 (total income) of the parent's tax return. Since it is then placed in the LIF, a deduction is made in the tax return to take this accounting transaction into consideration.

However, in this case, the result is that the amount entered at line 199 is much higher than the parent's real income.

Pursuant to section 15 of the current *Regulation respecting financial assistance for education expenses* (the Regulation), the Department must only consider the amount entered at line 199 in order to determine the contribution of the parents, which, in this case, could be detrimental to students whose parents availed themselves of a LIRA.

Sections 2 and 20 of the draft regulation are aimed at clarifying the nature of the income used to compute the contribution of the parents, sponsor or spouse by adding to sections 15 and 83 of the Regulation the words "and by the amounts transferred from a locked-in retirement account and for which a deduction has been made."

I am satisfied to see that the Department was quick to take into consideration the recommendation made by the Québec Ombudsman last autumn by amending the Regulation to clarify the nature of the income used to compute the contribution of the parents, notably by making allowance for locked-in retirement accounts. I believe that this amendment to the Regulation solves the problem raised further to the investigation we conducted.

I therefore subscribe to the amendment proposed by the draft regulation, which will make it possible to prevent situations in which other students are wrongly deemed ineligible for the Department's financial assistance program.

Yours respectfully,

The Ombudsperson,

Original signed

Raymonde Saint-Germain

c.c.: Ms. Lise Verreault, Deputy Minister of Higher Education, Research and Science
Ms. Catherine Grétas, Secretary, Committee on Culture and Education
Ms. Anik Laplante, Secretary, Committee on Institutions