

Disability and Life Insurance Adjustments and Retroactivity and Pension Adjustments For Retirees

On June 11, 2020, Arbitrator MacPherson imposed wage increases for the four (4) years of both urban and RSMC collective agreements of 2%, 2%, 2.5% and 2.9%.

Retirees who worked at CPC after February 1st, 2018 for Urban and after January 1st, 2018 for RSMCs are also entitled to retroactivity on all the time paid after these dates as the case may be.

When and How Will it be Paid?

Canada Post informed the Union that retirees will receive their retroactivity at the same time as active employees. These dates are described in bulletin #158.

Payment depends on the information in the Canada Post system. If you have not changed your bank account that used to be the one where your pay was deposited, the retroactivity payments will be deposited in that bank account.

If you changed your bank account, CPC will issue a cheque and send it to the address in their system.

If you have moved and changed your bank account, you should, without delay, inform CPC of your updated information.

Pension Adjustments

If you are entitled to retroactivity, you are then also entitled to a pension adjustment. With the wage increases, the annual pensionable earnings used in the best 5 years at CPC will be higher hence increasing the pension. This will create a retroactive adjustment of your pension. You will therefore have a raise on future monthly pension deposits and retroactivity from your first pension cheque or deposit.

CPC told the Union that they do not foresee this adjustment to be made before December 2020. CPC also informed us that the retroactive pension premiums will be deducted from each year's retro payment (i.e. when the 2020 retro payment is made in August, you will be deducted pension premiums owing for 2020). This includes active employees and any retiree that is entitled to retroactive pay.

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Disability Insurance Adjustments

Again, with the new wage increases, the disability payments **may** be adjusted. Long Term Disability (LTD) payments are based on your salary at the time you go off on disability. So, if your LTD absence started before January 1st, 2018, for RSMCs or February 1st 2018 for Urban, you are not entitled to any retroactivity. LTD payments are indexed as per the Consumer Price Index. If your absence started after these dates, you are entitled to the retroactivity, for the period you were working or were off on STDP. Your LTD payments will also be adjusted to reflect the increase in income due to the retroactivity. CPC informed us that any retroactive disability insurance premiums will also be deducted from the retro payments.

Life Insurance Adjustments

Members are entitled to CPC life insurance. The amount of life insurance will be increased to reflect the wage increases. CPC informed us that any retroactive life insurance premiums will also be deducted from the retro payments.

The amount of life insurance varies depending on your age and as a retiree on the coverage that you selected. As an example, if a member passed away in 2020 after the wage increases took effect, the difference is more than 6.5%, a considerable amount for the member's estate. This applies to all active members up to age 74 and retirees who chose to purchase the additional coverage.

Canada Post gave the Union the firm assurance that the estate will receive the difference between what they received and what they are entitled to based on the wage increases. No date has been provided for this adjustment.

The Union Will Follow-up on These Issues

The Union is regularly consulting with CPC in order to be able to provide information on any changes to the dates for the above adjustments. We will keep you informed as the information becomes available.

Do You Know Any Retirees?

If you know any retirees, please provide them with this information as an action may be required from them if their personal information has changed. This will help them obtain what they are entitled to.

In Solidarity,



Carl Girouard
National Grievance Officer

2019/2023 Bulletin # 176

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