

## Total Compensation

**Pension** | Pay and Incentives | Benefits | Health and Well-Being

Your information booklet

# Defined Benefit (DB)

# Welcome to the Canada Post pension plan

## Defined Benefit component

Canada Post is pleased to offer you a defined benefit pension as part of your total compensation package. Retirement may be the last thing on your mind as you start your career with Canada Post, but your pension benefit is a valuable asset.

The Defined Benefit component of the Canada Post Corporation Registered Pension Plan (the Plan) offers a monthly pension benefit when you qualify to retire. The pension benefit is based on a pre-determined formula that considers your *pensionable earnings* and years of *pensionable service*.

Your pension benefit is funded by contributions to the Plan made by you and by Canada Post, as well as the investment income generated by the Plan's assets. It does not depend on how much you contribute to the Plan or on how well pension fund investments perform. Canada Post, as Plan sponsor, is responsible to fund any deficit.

### This booklet

This booklet will help you better understand your Canada Post pension plan and how it works. Use it as a guide when making decisions about your pension and planning your retirement.

Terms that appear in *italics*, except for the names of acts, are defined in the glossary at the end of this booklet.

This booklet is available at [cpcpension.com](http://cpcpension.com).

For questions on...	contact...
Canada Post pension plan	the Pension Centre at 1-877-480-9220 (TTY: 1-866-370-2725) (outside North America 613-683-5908); be sure to have your employee ID number <b>cpcpension.com</b>
Basic life insurance	AccessHR at 1-877-807-9090
Health and dental benefit claims	Canada Life at 1-866-716-1313 (TTY: 1-800-855-0511) <b>mycanadalifeatwork.com</b>
Canada Pension Plan (CPP)	the Government of Canada at 1-800-277-9914 (TTY: 1-800-255-4786) <b>servicecanada.gc.ca</b> or <b>seniors.gc.ca</b>
Quebec Pension Plan (QPP)	the Government of Quebec at 1-800-463-5185 (TTY: 1-800-603-3540) <b>rrq.gouv.qc.ca</b>

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**Disclaimer:** The official text of the Canada Post Corporation Registered Pension Plan governs the actual benefits from the Plan and is the final authority in any case of dispute. Members, former members, *spouses* and *common-law partners* may, once a year, either personally or by an agent or mandatary authorized in writing for such purposes, examine certain documents relating to the Plan. Most of these documents and other useful information can be found on [cpcpension.com](http://cpcpension.com).

Canada Post reserves the right to unilaterally change or terminate the Plan at any time. Any such action would be taken according to all applicable legislation, including the *Pension Benefits Standards Act, 1985*, and the *Income Tax Act*. Members will be informed in writing of any changes to the Plan's terms.

**Keep your personal information up to date**

**Designate your beneficiaries for pension benefits and keep the information up to date**

**Stay in touch and informed**

## Quick tips

Always update your personal information:

- your name,
- your mailing address and phone number,
- the name and date of birth of your *spouse* or *common-law partner*,
- your spousal or common-law relationship.

Your *spouse* or *common-law partner* automatically receives a survivor benefit. However, you should designate others as your beneficiaries, including your children, other individuals, or legally constituted organizations, in case you do not have a *spouse* or *common-law partner* at the time of your retirement or death. If you do not designate a beneficiary, your pension benefits will be paid to your estate.

### Did you know?

Pension benefits may be available for your beneficiaries after your death.

You can designate or change your beneficiaries by completing the Designation of Beneficiary(ies) form found on **cpcpension.com** or you may request one by contacting the Pension Centre. See the Work/life events section of this booklet for more information on benefits payable in case of death.

From time to time, you will receive publications from Canada Post Pension Services about the Plan's financial status, your pension benefits or other important matters. We encourage you to take the time to read these messages and stay informed about your pension.

You may also visit **cpcpension.com** for copies of our publications and to use the secure pension calculator to estimate your future pension benefits.

The Pension Advisory Council (PAC) reviews administrative aspects of the Plan on behalf of all Plan members. Some of the members are elected, and you will be invited to participate in the elections. More information on the PAC can be found in the Plan governance section of this booklet.

### Notice to employees who have past service with Canada Post

You may be eligible to purchase past service that will allow you to retire with a larger pension benefit or at an earlier date than without the purchase. You will find more information in the Elective service section of this booklet.

### Special message for former employees of the Government of Canada

You may be eligible to transfer your government service to Canada Post under the provisions of the Pension Transfer Agreement with the Government of Canada. If you transfer your service, you may be able to retire with a larger pension benefit or at an earlier date than without the transfer. The transfer must be made within one year of becoming a member of the Canada Post pension plan.

Contact the Pension Centre for more information on the Pension Transfer Agreement with the Government of Canada.

## Membership

Your membership begins when you start making contributions to the Plan. Membership is mandatory, but there are some exceptions. The tables below explain when you are eligible.

If you are...	then your membership begins...
in an indeterminate position or in a position of more than six months and a <ul style="list-style-type: none"> <li>• <i>full-time employee</i>, or</li> <li>• <i>part-time employee</i> hired on or after July 4, 1994, with <i>assigned hours</i> of at least 12 hours per week,</li> </ul>	on your first day of work.
in a position of six months or less and a <ul style="list-style-type: none"> <li>• <i>full-time employee</i>, or</li> <li>• <i>part-time employee</i> hired on or after July 4, 1994, with <i>assigned hours</i> of at least 12 hours per week,</li> </ul>	on the day following six months of continuous employment.
a postmaster in a corporate-owned or leased group office,	once your <i>survey hours</i> are at least 12 hours per week.
a postmaster in a privately owned or leased group office,	once your <i>survey hours</i> are at least 12 hours per week.
a temporary employee represented by the Canadian Union of Postal Workers – Urban Postal Operations,	on the day you start a <i>long-term replacement assignment</i> .
a term* employee represented by the Canadian Postmasters and Assistants Association (CPAA), *CPAA term employees are considered <i>temporary employees</i> as defined in the Plan.	on the day you start a <i>long-term replacement assignment</i> .

Note: As a part-time employee, at a minimum, your membership begins on the day that you complete two years of uninterrupted service with Canada Post and have earned 35% of the *year's maximum pensionable earnings (YMPE)* in each of the two preceding calendar years.

If you are a <i>part-time employee</i> hired before July 4, 1994, who...	then you...
<ul style="list-style-type: none"> <li>• had <i>assigned hours</i> of at least 12 hours per week, and</li> <li>• opted not to join the Plan,</li> </ul>	<p>may choose to join the Plan at anytime, as long as you are in an eligible position. Your membership will begin the first day of the pay period after your enrolment form is received by the Pension Centre. You must contact the Pension Centre to request the necessary form.</p>
<ul style="list-style-type: none"> <li>• had <i>assigned hours</i> of at least 12 hours per week,</li> <li>• opted not to join the Plan, and</li> <li>• is appointed as a <i>full-time employee</i>,</li> </ul>	<p>automatically join the Plan on the date of your appointment.</p>
<ul style="list-style-type: none"> <li>• had <i>assigned hours</i> of at least 12 hours per week,</li> <li>• opted not to join the Plan, and</li> <li>• accepts an assignment as a <i>full-time employee</i>,</li> </ul>	<p>automatically join the Plan</p> <ul style="list-style-type: none"> <li>• on the day of your assignment if the assignment is for more than three months, or</li> <li>• on the day after completing three consecutive months if the assignments are less than three months.</li> </ul>

Once you are a member of the Plan, you will keep contributing as long as you have an assigned work week. You cannot choose to stop contributing if your *assigned hours* are less than 12 hours per week.

### Exceptions

You are not eligible for membership

- after the end of the year in which you reach age 71, as stated in the Income Tax Rules;
- if you are receiving a pension benefit from Canada Post or a *related employer*; you may have an option to suspend receiving your pension benefit while re-employed and begin contributing again.

## Contributions

### How much do I contribute?

You contribute a percentage of your *pensionable earnings* to the Plan. The percentage is approved by the Canada Post Board of Directors and is subject to Plan provisions. Once you have attained 35 years of *eligibility service*, your contributions reduce to 1% of your *pensionable earnings*.

Go to [cpcpension.com](http://cpcpension.com) for the latest employee contribution rates.

On January 1, 2021, the rates were

- 9.9% of *pensionable earnings* up to the *year's maximum pensionable earnings (YMPE)*
- 13.4% of *pensionable earnings* above the *YMPE*.

### How much does Canada Post contribute?

Canada Post is responsible to fund the difference between your contributions and the amount required for pension benefits accruing during the year, plus additional special payments to cover deficits that may arise from time to time, based on the latest *actuarial valuation* report.

### What rate of interest do my contributions earn?

The rate of interest earned by your contributions is equal to the rate earned by the pension fund's investments, minus its investment-related expenses. However, your pension benefit does not depend on this rate. Your benefit is calculated using the predetermined formula set out in the Plan.

### How do I contribute?

Your contributions are automatically deducted from your pay, before income tax.

### Where are my contributions and those of Canada Post held?

Your contributions, Canada Post's contributions and the investment income earned are held in trust by a professional trust management company. The funds are kept separate from Canada Post's day-to-day operating funds.

### Can I use my contributions in the Plan as collateral for a loan?

No. You cannot use your contributions in this way. They cannot be assigned to anyone else to pay a debt or secure a loan, whether as a voluntary act or by law.

## Pension benefit

### How is my pension benefit calculated?

Your pension benefit is calculated using a formula that is based on your *pensionable service* up to a maximum of 35 years, your **highest average earnings (HAE)**, and your **average maximum pensionable earnings (AMPE)**.

Your pension benefit is made up of your lifetime pension, payable until your death, and may include a bridge benefit if you begin receiving your pension before age 65. The bridge benefit is payable until you (1) reach age 65, (2) die or (3) begin receiving CPP/QPP disability benefits, whichever occurs first. It is meant to supplement your lifetime pension prior to age 65, which is the age at which you would normally begin receiving CPP/QPP benefits.

Note: Your bridge benefit will be paid even if you've decided to start receiving your CPP/QPP benefits (except for CPP/QPP disability benefits) before age 65.

### When can I retire with an unreduced pension?

You can retire with an unreduced pension when you reach pensionable age.

### What is pensionable age?

Your pensionable age is the earliest age at which you can receive an unreduced pension.

If you are a member represented by the **Canadian Union of Postal Workers (CUPW) Urban Postal Operations (UPO)** or **Rural and Suburban Mail Carriers (RSMC)** who became eligible to join the Plan **on or after December 21, 2012**, you reach pensionable age when

- a) you are age 60 and have at least 30 years of *eligibility service*; or
- b) the later of
  - age 65; or
  - the age at which you have completed two years of *eligibility service*; or
  - the age at which you would have completed two years of Plan membership, assuming that your Plan membership continues.

**For all other members**, you reach pensionable age when

- a) you are age 55 and have at least 30 years of *eligibility service*; or
- b) the later of
  - age 60; or
  - the age at which you have completed two years of *eligibility service*; or
  - the age at which you would have completed two years of Plan membership, assuming that your Plan membership continues.

### What does unreduced pension mean?

An unreduced pension means that no reductions are applied and your pension benefit will be the full amount calculated using the pension benefit formula on page 7.



## Pension benefit formula

### Here is how the formula works.

If your *HAE* is less than the *AMPE*:

	Lifetime pension		Bridge benefit
<b>Before age 65</b>	1.3% x <i>HAE</i> x pensionable service	+	0.7% x <i>HAE</i> x pensionable service
<b>After age 65</b>	1.3% x <i>HAE</i> x pensionable service		No longer paid

If your *HAE* is greater than the *AMPE*:

	Lifetime pension		Bridge benefit
<b>Before age 65</b>	1.3% x <i>AMPE</i> x pensionable service + 2.0% x ( <i>HAE</i> - <i>AMPE</i> ) x pensionable service	+	0.7% x <i>AMPE</i> x pensionable service
<b>After age 65</b>	1.3% x <i>AMPE</i> x pensionable service + 2.0% x ( <i>HAE</i> - <i>AMPE</i> ) x pensionable service		No longer paid

### Example of how the formula works

Sam is a *full-time employee* who retires at age 61 with 33 years of *pensionable service*. Her *HAE* is \$60,000, and the *AMPE* is \$57,780.

#### Sam's lifetime pension calculation

	[1.3% x \$57,780 ( <i>AMPE</i> ) = <b>\$751.14]</b>	
<b>+</b>	[2% x \$2,220 ( <i>HAE</i> - <i>AMPE</i> ) = <b>\$44.40]</b>	
	<b>\$795.54</b>	
(pensionable service)	<b>X</b>	33
		<b>\$26,252.82</b>

#### Sam's bridge benefit calculation

	[0.7% x \$57,780 ( <i>AMPE</i> ) = <b>\$404.46]</b>	
(pensionable service)	<b>X</b>	33
		<b>\$13,347.18</b>

Until Sam turns 65, she will receive **+** = **\$39,600** per year

After age 65, Sam will no longer be entitled to a bridge benefit, so she will receive **\$26,252.82** per year until her death.

**How is my pension benefit  
calculated if  
I work part time?**

Your pension benefit is calculated using the same formula whether you have part-time or full-time service. However, for *part-time employees*, *pensionable earnings* are annualized, which means that they are reported as the pay you would have received if you had worked full time for the entire year. *Pensionable service* is calculated by multiplying *eligibility service* by a ratio of your hours to the normal hours of a *full-time employee* in the same occupational group.

For example, if a *part-time employee's* hours are 20 hours and the normal hours of a *full-time employee* are 40 hours, then the ratio is  $20/40 = 0.50$ .

In this example, if the *part-time employee* has 15 years of *eligibility service*, that employee has *pensionable service* equal to  $15 \times 0.50 = 7.5$  years.

## Can I retire early?

The Plan allows you to retire up to 10 years before your pensionable age with an immediate reduced pension. Your pension is reduced because you will be receiving it over a longer period of time. The charts below show how the early retirement reduction is applied.

For *eligibility service* accumulated by a Plan member while represented by **CUPW-UPO** or **CUPW-RSMC** and whose Plan membership began **on or after December 21, 2012**:

If your age is...	and your years of <i>eligibility service</i> are...	then the reduction formula is...
50 to 59	30 or more	5% x (60 minus age)
55 to 64	less than 25	5% x (65 minus age)
55 to 59	at least 25 but less than 30	the greater of <ul style="list-style-type: none"> <li>• 5% x (60 minus age) and</li> <li>• 5% x (30 minus <i>eligibility service</i>)</li> </ul>
60 to 64	at least 25 but less than 30	the lesser of <ul style="list-style-type: none"> <li>• 5% x (65 minus age) and</li> <li>• 5% x (30 minus <i>eligibility service</i>)</li> </ul>
65 or above	less than 2	5% x (2 minus <i>eligibility service</i> )

For all other *eligibility service*:

If your age is...	and your years of <i>eligibility service</i> are...	then the reduction formula is...
45 to 54	30 or more	5% x (55 minus age)
50 to 59	less than 25	5% x (60 minus age)
50 to 54	at least 25 but less than 30	the greater of <ul style="list-style-type: none"> <li>• 5% x (55 minus age) and</li> <li>• 5% x (30 minus <i>eligibility service</i>)</li> </ul>
55 to 59	at least 25 but less than 30	the lesser of <ul style="list-style-type: none"> <li>• 5% x (60 minus age) and</li> <li>• 5% x (30 minus <i>eligibility service</i>)</li> </ul>
60 or above	less than 2	5% x (2 minus <i>eligibility service</i> )

You can estimate your reduced pension benefit using the tables on page 20.

Note: If you accumulated *eligibility service* under both categories of pensionable age as described on page 6, the calculation of your reduced pension will take into account your periods of service under each category.

**Example of how the formula works if you retire early**

The age at which Sam can retire with an unreduced pension is age 60, but she decides to retire at age 54. On page 7, we calculated Sam's pension if she retired at age 61 with 33 years of service. In this example, since she retires seven years earlier, she will have 26 years of *pensionable service*. Her pension must be adjusted due to early retirement. When Sam retires, she will be entitled to an immediate reduced pension calculated as follows:

**Sam's lifetime pension calculation**

	[1.3% x \$57,780 (AMPE) = \$751.14]	
<b>+</b>	[2% x \$2,220 (HAE - AMPE) = \$44.40]	
		<b>\$795.54</b>
	(pensionable service) <b>X</b>	26
		<b>\$20,684.04</b>

**Sam's bridge benefit calculation**

	[0.7% X \$57,780 (AMPE) = \$404.46]	
	(pensionable service) <b>X</b>	26
		<b>\$10,515.96</b>

If Sam receives her pension immediately at age 54, her pension benefit will be reduced by the greater of:

- 5% x [55 – 54 (age)] = 5% or
- **5% x [30 – 26 (service)] = 20%**

Sam's reduced pension benefit, payable immediately at age 54, will be  
**+ = \$27,063.19** per year

**Sam's reduced immediate lifetime pension**

	(lifetime pension)	<b>\$20,684.04</b>
<b>-</b>	[20% x (\$20,684.04 + 10,515.96)] = \$4,136.81	
		<b>\$16,547.23</b>

 After age 65, Sam will receive a lifetime pension of **\$16,547.23** per year.

## Termination of employment

**What pension options am I entitled to if my employment terminates?**

<b>If your employment terminates...</b>	<b>then you are entitled to receive...</b>
with less than two years of <i>eligibility service</i> and Plan membership, but not entitled to an immediate reduced or unreduced pension,	a deferred pension;* OR the <i>commuted value</i> of your pension benefit: <ul style="list-style-type: none"> <li>• as a transfer to a non locked-in registered retirement savings plan (RRSP); or</li> <li>• as a lump-sum payment (less applicable income taxes).</li> </ul>
with two or more years of <i>eligibility service</i> or Plan membership, but not entitled to an immediate reduced or unreduced pension,	a deferred pension;* OR the <i>commuted value</i> of your pension benefit transferred to <ul style="list-style-type: none"> <li>• a <i>locked-in retirement savings vehicle</i>;</li> <li>• your new employer's registered pension plan, if permitted; or</li> <li>• an insurance company to purchase a life annuity.</li> </ul>
with an entitlement to an immediate reduced or unreduced pension,	a reduced or unreduced pension, depending on your age; OR a deferred pension.*

\* A deferred pension is not available if the commuted value of your pension benefit is less than 20% of the *year's maximum pensionable earnings* (YMPE) in the year you terminate.

When you leave Canada Post, you will receive a kit outlining all your pension options.

**What does deferred pension mean?**

A deferred pension is a pension benefit you choose to receive at a later date. A deferred pension is based on your *pensionable service* and *highest average earnings (HAE)* when you terminated your employment and will be indexed (see page 12).

If you defer receiving your pension until you are pensionable age, you will receive an unreduced pension. You may also choose to receive a reduced pension up to ten years before your pensionable age. The reduction applicable is calculated as described on page 9.

## Other important information

### Is my pension benefit indexed?

#### About your pension benefit

Your pension benefit is indexed from the month following the date of retirement or the month following the date of termination in the case of a deferred pension. Your pension benefit is indexed in January based on increases in the Consumer Price Index (CPI). Indexing also applies to survivor benefits paid monthly.

### Is my monthly pension benefit taxable?

Income tax will be deducted from your monthly pension benefit payments.

### How do I find more information about my pension options?

Each year you will be mailed a personalized pension statement that outlines your pension benefit. For a pension estimate, you can use the pension calculator at [cpcpension.com](http://cpcpension.com) or contact the Pension Centre.

#### About the Plan's financial status

An assessment of the financial position of the Plan, called an *actuarial valuation*, must be performed each year by an independent actuary to determine the financial position of the Plan and the amount Canada Post needs to contribute to ensure that future financial obligations of the Plan are met. The rules of the Plan allow Canada Post to pay reasonable expenses required to administer and manage the Plan from the pension fund. All transactions in and out of the fund are recorded and financial statements are produced each year.

#### About the Canada Post Corporation Supplementary Retirement Arrangement

The Supplementary Retirement Arrangement (SRA) is a non-registered arrangement established by Canada Post to provide benefits in excess of the maximum amounts payable from the Plan under the *Income Tax Act* (ITA). Member contributions that are in excess of the ITA limit in a given year are directed to the SRA. Your pension benefit will be paid from Plan funds and the SRA funds, as appropriate.

## Work/life events

### If I become sick or disabled

If you become sick or disabled and are away from work under the Short-Term Disability Program (STDP) or the Disability Insurance Plan, you continue participating in the Plan, as long as you remain an employee of Canada Post.

If you become *disabled*, you may be entitled to a *disability* pension based on your *pensionable service* and *highest average earnings (HAE)*, with no early retirement reduction applied. Your *disability* pension includes a bridge benefit that is payable until you begin receiving a CPP/QPP disability pension, you reach age 65 or you die, whichever occurs first. To apply for a *disability* pension, contact the Pension Centre.

You may be eligible for a *disability* pension,

if you become <i>disabled</i> ...	and...	and...
while employed	have completed at least two years of <i>eligibility service</i> or Plan membership	are not currently entitled to an unreduced pension (have not reached pensionable age).
after you stopped working for Canada Post	have deferred your pension	are not currently entitled to an unreduced pension (have not reached pensionable age).
while retired	are receiving a reduced pension	have not reached pensionable age.

### If I take a leave of absence (other than annual leave)

You may be entitled to accumulate *eligibility service* during a leave of absence. A leave of absence can be with or without pay.

A leave without pay (LWOP) counts as *eligibility service* if it is authorized and contributions are fully paid for that period. You may elect to pay only for the first three months of your LWOP. If you have an outstanding balance at termination or retirement and your leave began after January 1, 2008, the balance is payable in full within 30 days.

#### Leaves of absence – Authorized

Leave with pay (including STDP)	Your contributions are deducted from your regular pay.
Leave without pay	When you return to work, you may choose to pay by <ul style="list-style-type: none"> <li>• payroll deductions over a period equal to twice the period of absence (maximum 10 years),</li> <li>• lump-sum payment within 30 days, or</li> <li>• a combination of a lump-sum payment and payroll deductions.</li> </ul>
Leave without pay to serve as a full-time paid official of a bargaining unit	Contributions must be paid in advance, either annually or quarterly.

The amount of contributions required for leave without pay is based on the *pensionable earnings* you would have received had you not been absent. You will pay the single or double rate depending on the reason and the duration of your LWOP.

<b>Single rate</b> You are required to pay only your share of contributions.	<b>Double rate</b> You are required to pay twice your share of contributions.
This applies to <ul style="list-style-type: none"> <li>• the first three consecutive months of any type of authorized LWOP (mandatory)</li> <li>• illness or injury</li> <li>• compassionate care leave</li> <li>• parental leave (maternity, paternity, adoption) that falls within the 78-week period following the birth, or the date of adoption of a child</li> <li>• service with an organization or government, including a government other than the Government of Canada, whose service is beneficial to Canada Post or at the request of the Government of Canada</li> <li>• service with the Canadian Armed Forces</li> <li>• leave for training or instruction certified by the employee's supervisor as being advantageous to Canada Post.</li> </ul>	This applies to the period of LWOP extending beyond the first three consecutive months for <ul style="list-style-type: none"> <li>• personal reasons</li> <li>• personal needs</li> <li>• on-loan to the union – to serve as a full-time paid official of a union</li> <li>• service with any organization whose service has not been certified to be to the advantage of Canada Post</li> <li>• self-funded leave</li> <li>• relocation of <i>spouse or common-law partner</i></li> <li>• education leave</li> <li>• care and nurturing of preschool children</li> <li>• care and nurturing – eldercare</li> </ul> Exception: For consecutive leaves, only the first three consecutive months of the first type of authorized LWOP is at the single rate if there is no return to work between the first leave and the second leave. However, when a period of LWOP at the double rate is followed by a different type of LWOP that requires the single rate of contributions, the latter is at the single rate (for example, personal needs leave followed by illness leave).

You cannot accumulate *eligibility service* for a leave of absence that is not authorized.

### Leaves of absence – Unauthorized

Strike, lockout, suspension and other unauthorized absences.

**Important:** The *Income Tax Act* sets maximum limits for pensionable leave (excluding illness, disability and union business leave). They are

- five years of cumulative leave without pay,
- up to an additional three years for periods of parenting (limit of one year per child).



**If my marriage or common-law relationship ends**

If your marriage or common-law relationship ends, provincial legislation may require that some or all of your pension benefit payments be shared with your former *spouse* or *common-law partner*. The actual split of the pension benefit payments will be mandated by a court order or written domestic agreement. If this situation arises, your legal counsel can advise you of the steps to follow. You can contact the Pension Centre to request a marriage breakdown kit.

**If I die before I retire**

Survivor benefits are payable upon your death to your *spouse* or *common-law partner*. If you have *dependent children*, they will receive a survivor allowance. If you have no *spouse* or *common-law partner*, your designated beneficiaries or estate will receive a benefit.

**With less than two years of eligibility service and Plan membership:** Your *survivor pre-retirement* will receive the *commuted value* of your *accrued pension* benefit. If you do not have a *survivor pre-retirement*, it will be paid to your beneficiaries or estate.

**With two or more years of eligibility service or Plan membership:**

If you have...	then...
<i>a survivor pre-retirement, but no dependent children,</i>	<ul style="list-style-type: none"> <li>• your <i>survivor pre-retirement</i> will receive a monthly pension equal to at least 50% of your unreduced pension or the <i>commuted value</i> of your <i>accrued pension</i>.</li> </ul>
<i>a survivor pre-retirement and dependent children,</i>	<ul style="list-style-type: none"> <li>• your <i>survivor pre-retirement</i> will receive a monthly pension equal to at least 50% of your unreduced pension or a <i>commuted value</i>, and</li> <li>• each <i>dependent child</i> will receive a monthly pension equal to 10% of your unreduced pension, to a maximum of 40% shared equally among all <i>dependent children</i>.</li> </ul>
<i>dependent children but no survivor pre-retirement,</i>	<ul style="list-style-type: none"> <li>• each <i>dependent child</i> will receive a monthly pension equal to 20% of your unreduced pension, to a maximum of 80% shared equally among all <i>dependent children</i>, and</li> <li>• your beneficiaries or estate will receive the <i>commuted value</i> of your <i>accrued pension</i>.</li> </ul>
<i>no survivor pre-retirement and there are no dependent children,</i>	<ul style="list-style-type: none"> <li>• your beneficiaries or estate will receive the <i>commuted value</i> of your <i>accrued pension</i>.</li> </ul>

**If I die after I retire**

Survivor benefits are payable upon your death to your *spouse* or *common-law partner*. If you have *dependent children*, they will receive a survivor allowance. If you have no *spouse* or *common-law partner*, your designated beneficiaries or estate may receive a benefit.

If you have...	then...
a <i>survivor post-retirement</i> , but no <i>dependent children</i> ,	<ul style="list-style-type: none"> <li>your <i>survivor post-retirement</i> will receive a monthly pension equal to at least 50% of your unreduced pension.</li> </ul>
a <i>survivor post-retirement</i> and <i>dependent children</i> ,	<ul style="list-style-type: none"> <li>your <i>survivor post-retirement</i> will receive a monthly pension equal to at least 50% of your unreduced pension, and</li> <li>each <i>dependent child</i> will receive a monthly pension equal to 10% of your unreduced pension, to a maximum of 40% shared equally among all <i>dependent children</i>.</li> </ul>
<i>dependent children</i> but no <i>survivor post-retirement</i> ,	<ul style="list-style-type: none"> <li>each <i>dependent child</i> will receive a monthly pension equal to 20% of your unreduced pension, to a maximum of 80% shared equally among all <i>dependent children</i>.</li> </ul>
no <i>survivor post-retirement</i> and there are no <i>dependent children</i> ,	<ul style="list-style-type: none"> <li>your beneficiaries or estate will receive the greater of                             <ul style="list-style-type: none"> <li>– your Plan contributions with interest to your pension commencement date, and</li> <li>– five times your unreduced annual <i>accrued pension</i> at the date of your death, minus any benefits paid.</li> </ul> </li> </ul>

**Important:** If you would like to make sure that your children receive the maximum allowable survivor benefits under the Plan you should designate them as beneficiaries, whether they are *dependent children* or not.

**If my spousal or common-law relationship changes after I begin receiving my pension**

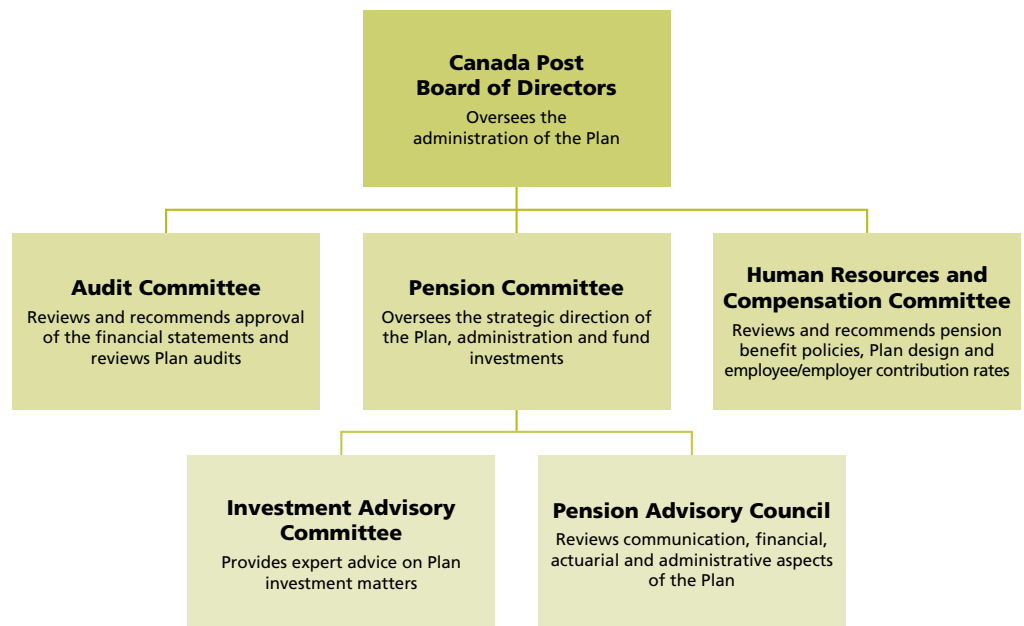
If you enter into a new spousal or common-law relationship, your new *spouse* or *common-law partner* will not automatically be eligible for a survivor benefit from the Plan. To provide them with a survivor benefit, you can opt to reduce your pension benefit. To do so, you have one year from the later of

- the day on which the other person becomes your *spouse* or *common-law partner*, or
- the day on which you begin receiving your pension benefit.

## Plan governance

The Canada Post pension plan is one of the largest single-employer pension plans in Canada. The Plan is registered with the Canada Revenue Agency (Registration No. 1063874) and the Office of the Superintendent of Financial Institutions Canada (OSFI) (Registration No. 57136) under the name Canada Post Corporation Registered Pension Plan.

The Canada Post Board of Directors has a fiduciary duty to ensure that the Plan is administered responsibly, in the best interest of all Plan members. The table below shows the Plan's governance structure and the roles of the Board and committees. For more information on the governance structure and fiduciary responsibilities, visit [cpcpension.com](http://cpcpension.com).



Management's responsibility of providing pension administration services to Plan members is delegated to Pension Services, while the daily operations of Plan investments are performed by the Pension Investment Division.

The membership of the Pension Advisory Council (PAC) is made up of elected and appointed representatives. The PAC is responsible for making recommendations to the Pension Committee on ways to promote awareness and understanding of the Plan and its operations among all members. Four of the 18 members are elected to three-year terms, one representing management and exempt employees who are members of the Plan, two representing retirees and one representing all active Plan members. As a Plan member, you are eligible to vote during PAC elections and to run for a seat. You will find more information about the PAC at [cpcpension.com](http://cpcpension.com).

### Pension Advisory Council

## Elective service

You may be eligible to purchase a period of past service with Canada Post or time when you were away on an authorized leave for which you did not pay contributions.

### Why purchase elective service?

When you purchase prior periods of service:

- you will increase your *eligibility service*;
- you may be eligible for an unreduced pension at an earlier age;
- there may be a tax advantage;
- if you have not finished paying for it at the time of your death, future monthly payments will be considered paid in full.

If you choose to purchase service more than one year after your Plan enrolment date and pay by monthly deductions, you will have to undergo a medical examination at your own expense before your purchase can be approved. If you fail or do not undergo the medical examination, you can still buy the service if full payment is received within 30 days.

Note: There is an exception for service where a *commuted value* was paid out under the Canada Post pension plan or the *Public Service Superannuation Act (PSSA)*. You have one year from your Plan enrolment date to elect and pay for this service.

### Are there types of service that are not eligible for purchase?

Types of service that are not eligible for purchase include the following:

- service that has not previously been recognized under the PSSA, Canada Post or the Post Office Department;
- service prior to January 1, 1981, if you worked part time;
- service after December 31, 1980, where you worked part time and were assigned to work less than 12 hours a week;
- service as a *temporary employee*, other than the qualifying assignment period of a CPAA term employee on a *long-term replacement assignment*;
- a strike, lockout, unauthorized leave or suspension;
- a leave of absence before you started contributing to the Plan (with some exceptions);
- if you were contributing 1% under the PSSA before October 1, 2000, because you already had combined service of 35 years under the PSSA and the Canadian Armed Forces or Royal Canadian Mounted Police pension plans;
- if you were under age 18 and the service occurred between January 1, 1966, and September 8, 1993.

### How can I obtain an estimate of the cost to purchase elective service?

You can obtain an estimate of the cost to purchase elective service by contacting the Pension Centre. You will have to provide the exact dates (start and finish) for each period of past service you want to purchase. You can also use the pension calculator at **[cpcpension.com](http://cpcpension.com)** to get an estimate.

### Tax implications

Purchasing elective service can affect your tax situation. The Canada Revenue Agency (CRA) sets limits on how much Canadians can save for retirement on a tax-deductible basis. The CRA rules are different for service before 1990 and service after 1989. Once you have received your estimate, you may want to discuss the tax implications with a professional financial advisor.

**What factors contribute to the cost of purchasing elective service?**

Your purchase cost is based on a number of factors:

- how much service you are eligible for and want to purchase;
- your basic rate of pay when you last joined the Plan, if you choose to purchase the service within one year;
- your basic rate of pay when you purchase the service, if you do so more than one year after you last joined the Plan;
- the pension contribution rates that applied when the service took place;
- the interest calculated on the years between the elective service you're acquiring and the time you choose to purchase it.

**How do I pay for my elective service?**

You may choose to pay for your elective service by

- lump sum, either in cash or by transfer of funds from an RRSP for which you are the annuitant;
- monthly deductions from your pay;
- a combination of the two.

If you choose monthly deductions, interest charges and a life insurance premium will apply. If you die before all payments are made, future payments will be deemed as paid in full. However, any payments in default must be paid by your survivors, beneficiaries or estate.

The maximum payment periods:

<b>If your age at date of purchase is...</b>	<b>then the maximum payment period is...</b>
45 or older,	20 years.
less than 45,	to age 65.

**At retirement, can I still purchase elective service?**

If you plan to retire and want to purchase service, contact the Pension Centre a few months before your retirement date. This will allow enough time to validate that your service is eligible for purchase and provide you with a cost estimate. The signed election form must be received by the Pension Centre before your retirement date. You cannot purchase elective service after your retirement date.

## Appendix – Reduced pension estimation tables

To estimate your reduced pension, multiply your unreduced pension amount (lifetime plus bridge benefit, if applicable) by the percentage found in the following table.

If you are a member represented by the **Canadian Union of Postal Workers (CUPW) Urban Postal Operations (UPO)** or **Rural and Suburban Mail Carriers (RSMC)** who became eligible to join the Plan **on or after December 21, 2012**, use the following table:

Years of eligibility service									
Age	1	2 - 24	25	26	27	28	29	30 +	
50	Not eligible for early retirement								50%
51									55%
52									60%
53									65%
54									70%
55	50%	50%	75%	75%	75%	75%	75%	75%	
56	55%	55%	75%	80%	80%	80%	80%	80%	
57	60%	60%	75%	80%	85%	85%	85%	85%	
58	65%	65%	75%	80%	85%	90%	90%	90%	
59	70%	70%	75%	80%	85%	90%	95%	95%	
60	75%	75%	75%	80%	85%	90%	95%	100%	
61	80%	80%	80%	80%	85%	90%	95%	100%	
62	85%	85%	85%	85%	85%	90%	95%	100%	
63	90%	90%	90%	90%	90%	90%	95%	100%	
64	95%	95%	95%	95%	95%	95%	95%	100%	
65 +	95%	100%	100%	100%	100%	100%	100%	100%	

All other members must use the table below:

Years of eligibility service									
Age	1	2 - 24	25	26	27	28	29	30 +	
45	Not eligible for early retirement								50%
46									55%
47									60%
48									65%
49									70%
50	50%	50%	75%	75%	75%	75%	75%	75%	
51	55%	55%	75%	80%	80%	80%	80%	80%	
52	60%	60%	75%	80%	85%	85%	85%	85%	
53	65%	65%	75%	80%	85%	90%	90%	90%	
54	70%	70%	75%	80%	85%	90%	95%	95%	
55	75%	75%	75%	80%	85%	90%	95%	100%	
56	80%	80%	80%	80%	85%	90%	95%	100%	
57	85%	85%	85%	85%	85%	90%	95%	100%	
58	90%	90%	90%	90%	90%	90%	95%	100%	
59	95%	95%	95%	95%	95%	95%	95%	100%	
60 +	95%	100%	100%	100%	100%	100%	100%	100%	

## Glossary

### Accrued pension

The pension benefit you have earned under the Plan as of a particular date.

### Actuarial valuation

Pension legislation requires that actuarial valuations be performed on defined benefit plans each year. The valuation establishes the total expected cost of the pension benefits payable to members, and is meant to ensure that the plan is adequately funded. A valuation monitors the progress of the plan's assets and liabilities. It shows whether there is a surplus or a deficit of funds to cover the value of accumulated pension benefits. Actuarial valuations are based on plan member data and plan provisions and assumptions, such as members' life expectancy, interest rates, salary increases and inflation. Actuarial valuation reports are filed with the Office of the Superintendent of Financial Institutions Canada (OSFI) and the Canada Revenue Agency (CRA).

### Assigned hours

The regular guaranteed weekly hours of work associated with a position.

### Available hours

For CPAA employees in Revenue Group Offices, the difference between *survey hours* and the hours per week that the employee is required by Canada Post to be available to provide postal service.

### Average maximum pensionable earnings (AMPE)

A five-year average of the *year's maximum pensionable earnings (YMPE)* in the year you terminate, retire or reach age 65, whichever occurs first, and the *YMPE* for the four previous years.

### Common-law partner

A person who is cohabiting with you in a conjugal relationship, having so cohabited for a period of at least one year.

### Commuted value

The estimated value of your future pension benefit expressed in today's dollars. It is a calculation based on actuarial assumptions and market interest rates, which may fluctuate over time.

### Dependent children

Your children, stepchildren and children adopted either legally, or in fact, who, at the time of your death, are dependent on you for support and are either less than age 18 or age 18 or more but less than age 25 and in full-time attendance at a school or university substantially without interruption since age 18 or your death, whichever occurred later. When death occurs after termination of employment, only children, stepchildren and adopted children at the time of termination are considered when applying the above criteria.

### Disabled/disability

A condition of physical or mental impairment that prevents you from engaging in any employment for which you are suited by virtue of your education, training or experience, and where such an impairment can reasonably be expected to last for the remainder of your lifetime. This condition is determined from evidence provided in writing by a medical doctor who is licensed to practice in Canada.

### Eligibility service

Service while you are a member and contributing to the Plan, including service that you purchased and service transferred from another employer under a pension transfer agreement, to a maximum of 35 years. *Eligibility service* is measured the same for full-time and part-time service.

### Full-time employee

A person employed by Canada Post and

- assigned weekly hours of work of 30 hours or more; or
- in more than one part-time position, where the combined *assigned hours* for both positions is 30 hours per week or more.

### Highest average earnings (HAE)

The average of your annual *pensionable earnings* during your five consecutive highest-paid years of service during which you contribute to the Plan. If you have less than five years of service during which you have contributed to the Plan, the average of your actual *pensionable earnings* is used.

Pensionable earnings are annualized for part-time positions, which means that they are expressed as the pay you would have received if you had worked full time for the entire year.

### Locked-in retirement savings vehicle

A federally regulated retirement savings vehicle from which funds may not ordinarily be withdrawn. The funds must be used to generate retirement income. The following have been approved for this purpose:

- locked-in retirement savings plans,
- life income funds.

### Long-term replacement assignment

Long-term replacement assignment means any of:

- a single predetermined work assignment that commences on or after January 1, 2004 under the collective agreement with CUPW pertaining to Urban Postal Operations, has a duration of more than six months, and schedules or assigns hours of work of at least twelve hours a week;
- a single predetermined work assignment that commences on or after January 1, 2016 under the collective agreement with CPAA, has a duration of more than six months, and has *assigned hours* of work of at least twelve hours a week; and any subsequent assignments thereto of the same employee of more than twenty consecutive shifts in a single position where the *assigned hours* are at least twelve hours per week; or
- an assignment for a period of more than twenty consecutive shifts that commences on or after January 1, 2016 under the collective agreement with CPAA, has *assigned hours* of at least twelve hours per week for the duration of the assignment, and which, through one or more consecutive extensions of the assignment each of more than twenty consecutive shifts, is lengthened to be greater than six months in duration of uninterrupted employment in a single position; and any subsequent assignments thereto of the same employee of more than twenty consecutive shifts in a single position where the *assigned hours* are at least twelve hours per week. For greater clarity, the long-term replacement assignment in this situation shall begin on the day following the accumulation of six months of uninterrupted employment in the extended assignment. This six month period is referred to as the “qualifying assignment period”.

### Part-time employee

A person employed by Canada Post to work on a less-than-full-time basis, who is engaged to work for a total of at least 12 *assigned hours* per week, but is not a temporary employee.



**Pensionable earnings**

Your basic pay and other allowances paid for the performance of your regular duties, including corporate team incentive payments/corporate achievement payments, CPAA administration allowance, CPAA field support allowance, bilingual bonus, compression allowance, rest period allowance, lead hand differential, market premium, RSMC personal contact item allowance and RSMC lock-change allowance. Excluded are special remuneration, individual incentive compensation, overtime, gratuities, pay for regular hours worked exceeding your *assigned hours* (except members of CUPW-UPO, PSAC and CPAA), and other compensation or allowances not specifically identified.

For postmasters in a privately owned or leased group office, the *pensionable earnings* calculation is based on regular pay for *survey hours* and one third of *available hours*; for postmasters in a corporate-owned or leased group office (level 2-6), based on regular pay for *survey hours*.

**Pensionable service**

It is the same as your *eligibility service*, except if you occupy or have occupied a part-time position. If your *eligibility service* includes periods of part-time service, the part-time *eligibility service* period is multiplied by the ratio of your *assigned hours* (part-time *pensionable service* since January 1, 2004, for CUPW-UPO members, since April 6, 2005, for PSAC members, and since July 1, 2006, for CPAA members is calculated using your actual hours paid, excluding any overtime, or *assigned hours*, whichever are greater) to the normal hours of a *full-time employee* in the same occupational group. Your *pensionable service* is a factor used in the pension formula to calculate your pension benefit.

**Related employer**

An employer who, under the *Income Tax Act*, does not deal at arm's length with Canada Post, including an employer for whom pension benefits are paid from the Consolidated Revenue Fund of the Government of Canada or by an agent of Her Majesty the Queen in Right of Canada.

**Spouse**

Your spouse is the person who is married to you or is party to a void or null marriage with you. If, at the time when a determination is necessary, a member has a spouse from whom they are separated and a *common-law partner* with whom they are cohabiting, a reference to "spouse or *common-law partner*" means the *common-law partner*.

**Survey hours**

The weekly hours of work determined by Canada Post's work content measurement system to be the hours required in a Revenue Group Office to perform the duties of the position.

**Survivor post-retirement**

In relation to a retired member, the *spouse* or *common-law partner* at the time the member starts receiving a pension benefit.

**Survivor pre-retirement**

In relation to an active, inactive or deferred member, the *spouse* or *common-law partner* at the time of the member's death.

**Temporary employee**

A person employed on a temporary and/or call-in basis, and who has no *assigned hours*.

**Year's maximum pensionable earnings (YMPE)**

The annual maximum pensionable earnings for the Canada Pension Plan/Quebec Pension Plan (CPP/QPP) on which CPP/QPP benefits are earned.

You can find more definitions of terms at [cpcpension.com](http://cpcpension.com).



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