

intouch retiree pension bulletin

Disability after Retirement

Disability Benefits

If you opted for an early retirement or deferred pension and become disabled before age 60, you may be eligible for disability pension benefits. A disability under the Canada Post pension plan is defined as a physical or mental condition that prevents you from engaging in any employment for which you are suited by virtue of education, training, or experience and where such impairment can be expected to last for your entire lifetime. The determination of a disability is based on medical evidence provided in writing by a medical doctor licensed to practice in Canada.

What is a disability pension?

A disability pension is based on your pensionable service credit on the date you retired and your highest average earnings for your best five consecutive years. The (early retirement) reduction to your pension benefits is removed when your application for disability benefits is approved. However, if approved, your pension will be recalculated to take into account pension benefits already paid to you. The adjustment involves multiplying the number of full and partial years for which a pension was paid by the amount of your annual disability benefits, then multiplying by 5%. The following illustrates the difference between an early retirement pension and a disability pension after the adjustment is performed. The example considers four years and 95 days (or 4.3 years) of pension payments paid before the disability.

Early Retirement Pension at 52, and pensionable service credits of 24 years	Disability Pension at 56
\$17,856 (Lifetime pension: $24 \times 1.3\% \times \$37,200 = \$11,606$ Bridge benefit: $24 \times 7\% \times \$37,200 = \$6,250$)	\$17,856
Early Retirement Reduction: \$7,142 ($60 - 52 = 8$; $8 \times 5\% = 40\%$; $\$17,856 \times 40\% = \$7,142$)	Adjustment: ($\$17,856 \times 4.3 \times 5\% = \$3,839$)
Total annual (reduced) pension \$ 10,714	Total annual (adjusted) disability pension \$ 14,017
Difference: \$ 3,303	

How to apply for disability benefits

Call the Canada Post Pension Administration Centre (PAC) at 1-877-480-9220 to ask for a Disability Benefits application kit. You must undergo a medical examination and ask your doctor to complete the medical reports provided to you by the PAC. Your completed medical report must be sent to the nearest Health Canada office at the address provided in the kit.

Eligibility to Canada or Quebec Pension Plan (C/QPP) disability benefits

When approved for disability benefits under the C/QPP, you are no longer eligible for the Canada Post bridge benefit. To avoid being overpaid from the Canada Post pension plan, you must advise the Canada Post Pension Administration Centre in writing at: PO Box 2073, MISSISSAUGA ON L5B 3C6 of your approval under the C/QPP for disability benefits. Overpayments from the Canada Post pension will be recovered. Your bridge benefit is not affected by early retirement benefits payable under the C/QPP from age 60 to age 64.

Indexing Increase for 2003

We are pleased to announce that your pension benefits will increase by 1.58% beginning with your January 2003 monthly pension payment. If you retired in 2002, the percentage increase will be based on the number of full months you were retired. For example, if you retired at the end of September, your increase will be $1.58\% \times \frac{3}{12}$, or 0.39% percent.

United Way – Voluntary Pension Deduction

As mentioned in our April issue, a new United Way voluntary deduction is available for your convenience. Call RBC Global Services at 1-800-876-4498 if you would like to have this deduction started.

Pension Advisory Council

Message from Ron Goodwin - Elected Retiree Representative

I would like to thank all retired members for the privilege of allowing me to act as their representative on the Pension Advisory Council (PAC). I will do my best to represent your point of view during Council meetings. At a time when many groups and organizations lack volunteers, it was superb to see the high level of interest in this position. Your commitment towards the pension plan is impressive.

The PAC was established as part of the governance structure that was required when Canada Post implemented its own pension plan. The PAC reports to the Pension Committee, and the Pension Committee reports to the Canada Post Board of Directors. Our mandate is to:

- (i) recommend to the Pension Committee steps which can be taken to promote awareness and understanding of the Pension Plan and its operation among active members, retired members and others receiving benefits under the Pension Plan;
- (ii) review the pension plan at least once every year and provide advice to the Pension Committee on financial, actuarial and administrative aspects of the plan;
- (iii) perform those administrative functions which are prescribed by the Pension Benefits Standards Regulations, 1985; and
- (iv) perform such other functions as may be assigned from time to time by the Board of Directors.

Presently, the Council meets three times a year. Its responsibility is to review the annual pension report, training programs, and communication plans. The Council also reviews administrative details and surveys resulting from the interaction between the plan membership, the Pension Administration Centre and the Trustee.

As your representative, I would appreciate any comments, concerns, or suggestions relating to your pre- and post-retirement experience, which relate to the administration of your pension. You can write to me at:
goodwin@ca.inter.net.

Sincerely,

Ron Goodwin

Re-employment after retirement

You can return to work for additional income without affecting your pension benefits. Employment income has no impact on your Canada Post pension income. It is important, however, to be aware of the effects of re-employment with Canada Post, if you become eligible to contribute to the Canada Post pension plan. As an active member of the pension plan, your pension payments will stop and resume when you retire. At that time your pension will be adjusted, taking into account additional service and pension benefits already paid to you. Keep in mind that indexing increases you received before your pension was interrupted will be lost.

If you intend to return to work for Canada Post, be sure to talk to your divisional Human Resources representative to determine if your employment will affect your plan member status.

in touch

Do you have a topic in mind for our next "in touch" bulletin? Please submit any suggestions or comments in writing to: **Pension Services**
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Or send an e-mail directly to:
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