

# Intouch

## Retiree pension bulletin

### Defined benefit

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

## Changes to your marital status after retirement

If you enter into a spousal or common-law relationship after retirement, your new spouse or common-law partner will not automatically be eligible for survivor benefits from the Plan.

You can reduce your pension to provide survivor benefits to your spouse or common-law partner acquired after retirement. You have one year to do so from the later of

- the day on which the other person becomes your spouse or common-law partner,
- the day on which your pension benefit becomes payable.

If your spousal or common-law relationship ends, you may have to share some or all of the pension you have accrued during your spousal relationship, subject to applicable provincial property law. The pension benefit can be split according to a court order, a separation agreement or a written agreement between the spouses.

**Important documents.** In the event of separation, annulment or divorce (past or present) you should

inform the Pension Centre and send the following:

- A written request to divide the pension, submitted by you, your current/former spouse or common-law partner, or lawyer.
- Certified copies of any legal documents. We require the full court order or written agreement requiring division of pension at source. Most commonly a separation agreement, or any written agreement between you and your spouse or common-law partner assigning a share of the pension.
- If there are no legal documents that deal with the division of family property, we will accept a sworn affidavit, witnessed by a notary, confirming that there is no requirement to divide your pension at source due to the end of your spousal or common-law relationship and there is no change to your full entitlement to your pension benefit.

Please include your employee number on all documents.

### Your Pension Advisory Council

The Pension Advisory Council or PAC is an advisory council that was established in 2001, following the inception of the Canada Post Corporation Registered Pension Plan in 2000. It is where elected and appointed representatives of Canada Post, unions and associations, retirees and all Plan members come together to make recommendations on ways to promote awareness and understanding of the Pension Plan. The PAC is part of the governance structure of the Plan and reports to the Pension Committee of the Board of Directors of Canada Post. Its role also includes the review of financial, actuarial and administrative aspects of the Plan.

Your current PAC representatives are Karen Kennedy, Bill Price and Peter Whitaker. You can contact them at [pension.services@canadapost.ca](mailto:pension.services@canadapost.ca).

Visit [cpcpension.com](http://cpcpension.com) > Governance to learn more.

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**Note:** In this publication, "Plan" refers to the Canada Post Corporation Registered Pension Plan and "DB" refers to the defined benefit component.  
**Disclaimer:** The official Plan text governs your actual benefits from the Plan and is the final authority in any case of dispute. For more information, visit [cpcpension.com](http://cpcpension.com).

# Corporate performance results

## Canada Post segment reports \$242-million loss before tax in Q2-2018

The Canada Post segment is reporting a \$242-million loss before tax in the second quarter, which ended June 30, 2018. This is mainly in recognition of estimated costs associated with adjusting how rural and suburban mail carriers (RSMC) are paid.

Discussions are under way with the Canadian Union of Postal Workers to reach an agreement on pay equity for RSMC. As we continue to work toward a meaningful resolution, we have an obligation to reflect the estimated financial impact in the corporate financial results.

The business continues to see strong growth in e-commerce. In the second quarter, we remained the country's leading parcel delivery company. We have grown Parcels revenue year over year in 24 of the last 25 quarters – dating back to 2012.

## Key results for the Canada Post segment in Q2-2018 compared to Q2-2017

### Parcels

- Revenue grew by \$106 million or 19.6 per cent.
- Volumes increased by 13 million pieces or 24.1 per cent.
- Domestic Parcels continued to grow strongly, as revenue increased by \$81 million or 20.5 per cent and volumes grew by six million pieces or 14.5 per cent.

### Transaction Mail

- Revenue decreased by \$33 million or 6 per cent.
- Volumes decreased by 34 million pieces or 5.9 per cent.
- The ongoing decline in mail volumes remains a significant challenge for the Corporation.

### Direct Marketing

- Revenue fell by \$1 million or 2 per cent.
- Volumes grew by 13 million pieces but fell by 0.6 per cent when adjusted for trading days.
- Revenue for Canada Post Neighbourhood Mail™ increased by \$4 million or 1.3 per cent, while volumes increased by 27 million pieces or 1.3 per cent.

(All revenue amounts for 2017 were restated as a result of new accounting standards.)

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## Send us your feedback

If you have comments or want to suggest a topic for our next Intouch bulletin, please **submit your ideas in writing to**

[pension.services@canadapost.ca](mailto:pension.services@canadapost.ca)

or

CANADA POST PENSION SERVICES  
2701 RIVERSIDE DRIVE  
SUITE N0660  
OTTAWA ON K1A 0B1



## Switch to direct deposit payments

### Pension payments deposited directly to your bank account

You know that the Corporation continues to provide important services to Canadians, including the timely delivery of your pension cheque every month. However, there are circumstances beyond our control that can cause delays. So why not arrange to receive your cheque by direct deposit – it's free and easy to do. Contact the Pension Centre at 1-877-480-9220 to make the switch.



## The improved GroupNet™ for eligible participants is here!

You must register as a new user if you would like to submit drug and benefit claims online.

You can

- receive payment of health claims in as little as one day,
- apply for direct deposit to receive payments directly into your bank account,
- view your plan coverage details and claims history online anytime.



**New to GroupNet?** Go to [greatwestlife.com/register](http://greatwestlife.com/register) and follow the instructions.

**Previously registered?** For access to the new GroupNet, you must re-register by signing in with your email address and creating a new password. Don't worry – it'll only take a few minutes. Go to [greatwestlife.com](http://greatwestlife.com), sign in to GroupNet and select Register now.

Great-West Life and the key design and GroupNet are trademarks of the Great-West Life Assurance Company.



### Do we have your current address?

When you change your address, it's important to inform us:

Pension Centre  
1-877-480-9220  
1-866-370-2725 (TTY)  
613-683-5908 (outside North America)

**For your post-retirement health and dental benefit plans, contact Great-West Life at 1-866-249-5723.**

## Communications and Consultation Group elections

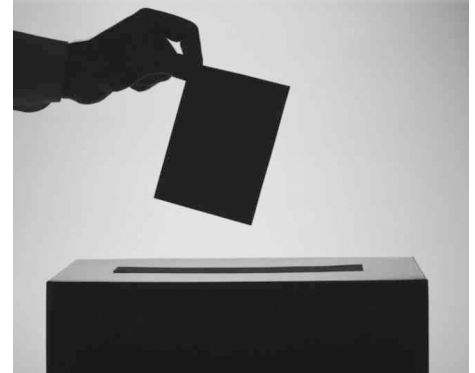
Two separate elections will take place in 2019 for the following positions:

- one representative for active defined benefit (DB) members of the Plan not represented by a bargaining agent,
- four representatives for all retirees, survivors and deferred DB members.

The Communications and Consultation Group (CCG) is made up of 12 persons, five elected and seven appointed, who represent their stakeholder groups. Their role is to facilitate the exchange of information between the Corporation and Plan members they represent.

It's important to note that your CCG representative does not replace your representative on the Pension Advisory Council (PAC).

To learn more about the CCG and to view representatives' bios, go to [cpcpension.com](http://cpcpension.com) > C&C Group. You can reach your CCG representative at [groupeccg@canadapost.ca](mailto:groupeccg@canadapost.ca).



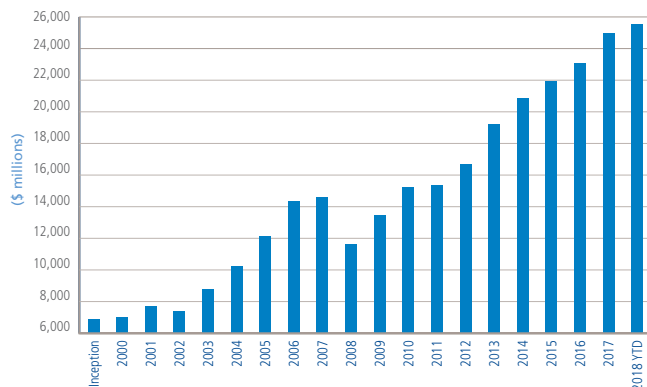
## Investment performance results from July 1 to September 30, 2018

### Market conditions

U.S. equities were the best performers in the third quarter of 2018, with the S&P 500 Index up by 5.84% in CAD terms. The FTSE Canada Universe Bond Index was down 0.96%. The Canadian S&P/TSX Composite Index was down 0.57% and the MSCI EAFE Index was down 0.41% during the quarter. The Bank of Canada raised its policy interest rate by 0.25% to 1.50% on July 11, 2018. Within the plan, U.S. equities and infrastructure performed the best. The following table depicts the performance of the Plan's fund (per cent return).

Asset class	Market value (\$ millions)	2018 Apr-Jun (%)	2018 YTD (%)	2017 Annual (%)	2016 Annual (%)	2015 Annual (%)	2014 Annual (%)	2013 Annual (%)
<b>Fixed income</b>								
Cash and short-term	209.1	0.4	0.9	0.7	0.7	0.8	1.1	1.0
Bonds	9,988.4	-1.5	0.0	3.4	3.2	3.1	8.3	-2.0
<b>Equities</b>								
Canadian equities	3,695.9	0.8	1.8	9.3	21.5	-4.0	11.6	20.3
U.S. equities	3,927.1	5.3	16.2	14.1	6.3	21.8	22.3	44.2
International equities	3,192.7	-2.1	-0.2	25.4	3.7	16.3	3.9	24.0
Real estate, private equity and infrastructure	4,481.4	2.4	9.6	13.1	10.0	16.6	8.3	11.3
<b>Currency overlay</b>	10.6							
<b>Total Registered Pension Plan<sup>1</sup></b>	<b>25,505.1</b>	<b>0.55</b>	<b>3.94</b>	<b>10.42</b>	<b>7.93</b>	<b>7.27</b>	<b>10.86</b>	<b>16.88</b>
<b>Benchmark</b>		<b>0.02</b>	<b>2.43</b>	<b>8.59</b>	<b>6.72</b>	<b>5.12</b>	<b>10.99</b>	<b>14.00</b>

### Investment highlights



- The fund's third quarter return was 0.55% compared to our benchmark of 0.02%.
- As at September 30, 2018, the fund held assets of \$25.5 billion.
- The fund had net cash outflows of \$45.5 million in the third quarter.
- We reduced Canadian equities by \$26.0 million, U.S. equities by \$48.5 million and international equities by \$25.0 million.
- We added \$920.9 million, \$90.0 million and \$12.2 million to long bonds, real return bonds and private debt, respectively. We withdrew \$751.9 million from universe bonds. In total, \$150.6 million was added to fixed income.
- In alternative assets, we had net distributions of \$39.9 million from real estate, \$7.3 million from infrastructure and \$49.4 million from private equity during the quarter.

1. Numbers may not add up due to rounding.

### Asset mix highlights

- As at September 30, 2018, 60% of assets were invested in equities and alternative investments compared to the asset mix target of 56%. These investments were within the allowable range and were made up of 14.5% in Canadian equities, 15.4% in U.S. equities, 12.5% in international equities, 10.3% in real estate, 3.5% in infrastructure and 3.8% in private equity.
- 40% of assets were invested in bonds and short-term investments, compared to an asset mix target of 44%. This included 10.3% in real return bonds, 28.9% in nominal bonds and private debt and 0.9% in cash and short-term investments and currency overlay.

#### Asset mix

Real estate, private equity and infrastructure 17.6%

Bonds 39.2%

U.S. equities 15.4%

Cash and short-term 0.8%

International equities 12.5%

Currency overlay 0.1%

Canadian equities 14.5%

