

intouch retiree pension bulletin

Your Benefits

Survivor Benefit

The Canada Post Pension Plan provides a survivor benefit to your *spouse* and *children* upon your death. The type of benefit available to your spouse depends on whether or not you are receiving a pension at the time of your death.

Pre-Retirement Death

If you have terminated your employment at Canada Post and have chosen to defer your pension:

If you were <i>not</i> receiving a pension at the time of your death:	
your spouse(1) could opt for...	<ul style="list-style-type: none"> a survivor allowance (also referred to as a basic allowance), or a lump sum payment equal to the commuted value of your accrued pension at death (must be transferred to a locked-in RRSP)
your children(1) would receive...	<ul style="list-style-type: none"> a survivor allowance

Post-Retirement Death

If you are retired and receiving a pension:

If you were receiving a pension at the time of your death:	
your spouse(1) and children(1) would receive ...	<ul style="list-style-type: none"> a survivor allowance

Spouse's Survivor Allowance (Basic Allowance)

Your *spouse's* basic allowance is a lifetime monthly pension based on your pensionable service credit and highest average earnings (HAE) accrued to the date of termination or retirement, multiplied by 1%.

The example that follows assumes the retired member has accumulated 30 years of pensionable service and highest average earnings (HAE) of \$40,000, resulting in an annual pension of \$24,000.

<p>Example: formula for the spouse's survivor allowance (basic allowance) pensionable service X HAE X 1% 30 X \$ 40,000 X 1% = \$12,000 per year Lifetime pension = \$1,000 per month</p>
--

(1) Refer to the pension plan's Your Information Booklet for a definition of an eligible spouse or children. This booklet is available from the Canada Post Pension Plan website at www.cpcpension.com. A Survivor Benefit Information Sheet providing detailed information about this provision of the pension plan is also available from the website.

Children's Survivor Allowance:

A survivor allowance paid to your *children* is a monthly benefit based on the basic allowance. Each child will receive 20% of the basic allowance. If you have no *spouse*, each *child* will receive 40%. If you have more than four *children*, the maximum payable (80% if you have a *spouse* or 160% if you do not have a *spouse*), will be divided equally among all *children*.

Minimum Survivor Benefit

If you do not have an eligible *spouse* or *children*, a lump sum amount equal to five times your annual pension accrued to the date of your death -- minus the total of any pension benefits already paid -- will be paid to your beneficiary. Naming a beneficiary ensures that a person you choose receives this payment. If you do not name a beneficiary, the lump sum payment will go to your estate. This minimum lump sum benefit, or any remaining portion, is not paid until all children cease to be eligible to a survivor allowance.

Using the same personal data as in the previous example of the basic allowance formula, the following example assumes the retired member received three years of monthly pension payments before his death. The member does not have a *spouse*, but still has a 24-year old daughter in university. After her father's death, the daughter becomes entitled to an annual survivor allowance of \$4,800 (40 % X \$12,000) up to her 25th birthday (12 months).

Example of the minimum lump sum paid at death during retirement, with no spouse:

Annual pension of retiree: \$24,000 per year

Minimum lump sum benefit: \$120,000 (5 X \$24,000)

Minus: total lifetime pension + bridge benefit paid to retiree, to the date of death: \$72,000 (3 years)

Minus: total survivor allowance paid to an eligible *child*: \$4,800 (1 year)

Lump sum benefit payable to the beneficiary (or estate): \$43,200

Indexing Increases:

The survivor allowances payable to your eligible spouse and children are fully indexed each year beginning with the month of January following your death.

Post-Retirement Benefits: Extended Health Care Plan

Out of Province Travel Coverage

Pension plan members covered under the Extended Health Care Plan (EHCP) are reminded about the Travel Coverage component of the plan. Travel Coverage is designed to provide financial assistance in case of a medical emergency while travelling out of province. Each eligible member of your family is covered up to \$100,000 (CDN) for medical expenses incurred. Travel coverage starts on the day you leave your home province and ends after 40 consecutive days.

Supplementary travel insurance, over and above what EHCP provides, is recommended to ensure you are fully covered for any type of medical emergency.

Make sure you carry your benefit card while travelling as it shows a 24-hour emergency toll free number in case of a medical emergency. Keep copies of all medical receipts needed to submit a claim for reimbursement.

The *Group Benefit Plans for Retirees* document provided to you on retirement explains this coverage in more detail, and provides a list of all eligible medical expenses.

Communicate with your former Canada Post Benefits Administration office if you would like another copy of this document. Communicate with Great West Life Assurance at 1 800 957-9777 if you have questions regarding plan provisions and outstanding claims, or 1 800 665-1972 if you have questions about your eligibility for coverage or premium payments, or write to:

**GREAT WEST LIFE
ASSURANCE CO
GROUP AUTOMATED
PREMIUM
PO BOX 6000 STN MAIN
WINNIPEG MB R3C 3A5**

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**
2701 RIVERSIDE DRIVE
SUITE B320
OTTAWA ON K1A0B1 OR send an e-mail directly to:
pension.division@canadapost.ca