

# Pension Plan News

## Fast facts about **your pension**



Canada Post distributed numerous Pension Plan News bulletins since it took over the administration of the pension plan on October 1, 2000. We are proud to present to you our latest Pension Plan News bulletin which highlights some of the most common features of our pension plan.

### Your contributions

Under the Canada Post Pension Plan, you currently contribute:

- 4% of your pensionable earnings, up to the Canada/Quebec Pension Plan (C/QPP) Yearly Maximum Pensionable Earnings (YMPE), and
- 7.5% of your pensionable earnings exceeding the C/QPP YMPE.

- Canada Post contributes \$2.64 for every \$1.00 you contribute during the year 2002.

Under the C/QPP, your contributions for the year 2002 are:

- 4.7% on employment earnings between \$3,500 and \$39,100 (YMPE), up to a maximum contribution of \$1,673.20.
- Canada Post matches your contribution to the C/QPP.

### Contributions under special circumstances

#### Elective service contributions

Your buy-back of prior service is insured. If you die before all monthly installments are made, any future installments are considered fully paid. Your estate is

responsible to pay any past installments that may be due. Your eligible survivors will receive a pension benefit based on your full elective service.

Contributions for your buy-back of prior service may be tax deductible.

#### Leave without pay

You must pay pension contributions for the first three consecutive months of any authorized leave without pay (LWOP). Beyond the first three months, payments are optional, but you must make a formal option not to count that period as eligibility/pensionable service.

### The age you can retire

You are entitled to an unreduced pension when you reach pensionable age. This occurs when you are:

- 60 or older with at least two years of eligibility service, or
- 55 or older with at least 30 years of eligibility service.

If you have not reached pensionable age upon termination of employment, you may be eligible to choose one of the following benefit:

- reduced pension

- deferred pension
- commuted value of your pension.

### Calculating your Canada Post pension benefit

The maximum number of years of full-time and/or part-time eligibility service that you can accumulate under the Canada Post Pension Plan is 35.

#### The calculation of your pension is based on:

- your total pensionable service (if you have part-time service, your eligibility service is adjusted), and
- the average of your five highest-paid consecutive years of pensionable earnings (HAE). Any part-time earnings during those years are converted to full-time equivalent pensionable earnings.

### After you retire

#### Cost of living increases

Your pension is indexed to keep pace with cost of living increases. The first indexing increase, payable in January following your retirement, is based on the number of complete months since you retired. After that, the annual increase is based on the full percentage rate



of indexation authorized by the Canada Post Pension Plan.

### Extended health care and dental plans

If you start receiving pension benefits immediately upon retirement or within five years from your termination date (if you have deferred your pension), and you meet all other eligibility criteria, you may participate in the Retiree Extended Health Care (EHCP) and/or Dental Care Plan.

- To apply, return a Retiree Health and Dental Care application form within 60 days of receipt of your first pension benefit.
- Monthly premiums are automatically withdrawn from your bank account.
- For further information concerning Group Insurance Benefit Plans for Retirees, contact your local Canada Post benefits administration office.

### Dealing with adversity

#### Marriage breakdown

If your pension benefit is divided because of a marital breakdown (including common-law), your pensionable service and pension benefit are reduced at retirement. Your eligibility service, which determines the type of pension benefit and reduction that may apply, is unaffected.

In the event of a marital breakdown, you may want to contact the Pension Administration Centre to obtain appropriate forms and instructions before you consult a lawyer or actuary.

#### Disability pension

If you suffer an illness or injury that is defined as a disability under the Canada Post Pension Plan, you may apply for a disability pension benefit. This allows you to retire without a reduction even if you do not meet the pensionable age. If, on termination, you defer your pension or opt for an early retirement (reduced pension), and you subsequently become disabled before reaching age 60, you may be eligible to apply for a disability pension benefit.

#### Minimum Survivor Benefit

The minimum survivor

benefit is payable to your beneficiary or estate if, upon your death, you do not have a spouse or children eligible to receive a pension benefit.

The minimum survivor benefit will be paid to the beneficiary you have named under the Canada Post Pension Plan. If you wish to name a beneficiary, contact the Pension Administration Centre to obtain a "Designation of Beneficiary(ies)" form. The minimum survivor benefit is a lump sum payment equal to the **greater** of:

- a) a return of your pension contributions with interest, and
- b) five times the amount of the unreduced annual pension benefits you would have received at pensionable age,

**minus** the sum of pension benefits already paid out from the pension plan, if any.

#### FOR MORE INFORMATION ON:

##### CANADA POST PENSION PLAN

- Elective Service
- Leave without pay (LWOP)
- Disability Pension Benefit
- Retirement Pension Benefits
- Indexing
- Survivor Benefits

#### CONTACT:

CANADA POST PENSION ADMINISTRATION CENTRE  
PO BOX 2073  
MISSISSAUGA ON L5B 3C6  
Tel: 1 877 480-9220  
Fax: (905) 272-6300

#### FOR MORE INFORMATION ON:

##### QUEBEC PENSION PLAN (QPP)

- Disability Benefits
- Retirement Benefits
- Survivor Benefits
- Death Benefit

#### CONTACT:

RÉGIE DES RENTES DU QUÉBEC  
CP 5200  
QUÉBEC QC G1K 7S9  
Toll free: 1 800 463-5185  
Quebec: (418) 643-5185  
Montreal: (514) 873-2433  
Web site: [www.rrq.gouv.qc.ca](http://www.rrq.gouv.qc.ca)  
Hearing impaired (TDD/TTY):  
1 800 603-3540

##### CANADA PENSION (CPP) and OLD AGE SECURITY (OAS)

- Disability Benefits
- Retirement Benefits
- Survivor Benefits
- Death Benefit

HUMAN RESOURCES DEVELOPMENT CANADA  
By Mail: write to the office nearest you  
Toll free: 1 800 277-9914  
CPP and OAS Web site:  
[www.hrdc-drhc.gc.ca](http://www.hrdc-drhc.gc.ca)  
Hearing impaired (TDD/TTY):  
1 800 255-4786

##### CANADA CUSTOMS AND REVENUE AGENCY (CCRA)

- Tax treatment on elective service
- Free copy of *RRSPs and Other Registered Plans for Retirement* [T4040(E)]

By mail: write to the office nearest you

Toll free: 1 800 267-3100  
**Guides, Forms and Publications**  
Toll free: 1 800 959-2221  
Web site:  
[www.cra-adrc.gc.ca/tax/registered](http://www.cra-adrc.gc.ca/tax/registered)

View previous copies of Pension Plan News through [Intr@post](mailto:Intr@post). Click on "You @ CPC", then "HR Info" and then "Pension". Or visit the pension plan Web site at [www.cpcpension.com](http://www.cpcpension.com).

Have your PIN and Employee Identification Number on hand when communicating with the Pension Administration Centre or when visiting the pension Web site.

The official plan text governs your actual benefits from the pension plan and is the final authority in any case of dispute.