



Pension Plan News

What's New allows users to access information on "new" pension developments more easily. Announcements regarding new web additions, topical items of interest, and links to new information and pension-related materials will all be available in "What's New".

Recently, "What's New" announced the launch of an Investment Glossary, and provided links to Canada Revenue Agency for both information on pension income-splitting, and the move to age 71 as the mandatory pensionable age.

Currently, we are showcasing a brand new web section containing valuable information for Survivors.



We have a brand new section on Survivor Information, which includes an easy to follow Guide. Check it out!!

Our Archive section holds previous "What's New" articles and links.

Table of Contents

Your Pension website **1**

Performance Results
April 1 to June 30, 2007 **2**

Myths & Facts About Your Pension Plan
Pension Advisory Council Updates
2007 Tax Receipts
Did you Know? **3**

Maximum Pensionable Earnings for CPP
Employee Contribution Rate for 2008
The Pension Centre
You Asked? **4**

HOLIDAY WISHES
All of us at Pension Services wish you and your families a happy and healthy holiday season.

**Performance
Results for
April 1 to
June 30, 2007**

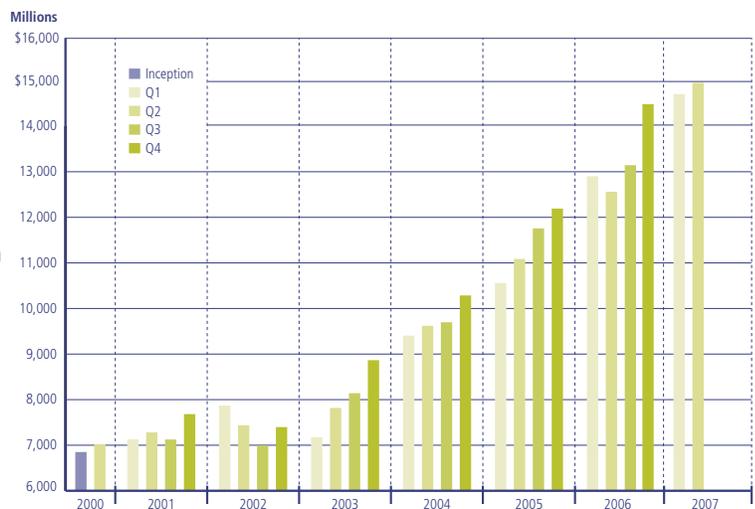
Market Conditions

Equity markets were mixed in the second quarter with the Canadian S&P/TSX Composite Index up 6.3%, while in Canadian dollar terms the US S&P 500 fell 2.0%, and the international EAFE index was off 1.9%. Bond markets were also lower with the SCM Universe off 1.7% as the Bank of Canada held rates steady at 4.25%. The following table depicts the Plan's performance since inception.

ASSET CLASS	MARKET VALUE (IN MILLIONS)	2007 Apr-Jun	2007 YTD	2006 ANNUAL	2005 ANNUAL	2004 ANNUAL	2003 ANNUAL	2002 ANNUAL
Fixed Income								
Cash & Short Term	\$ 625.7	1.1%	2.2%	4.1%	2.7%	2.4%	2.9%	2.4%
Canadian Bonds	4,162.6	-1.8%	-0.7%	2.4%	8.6%	9.6%	8.4%	10.2%
Equities								
Canadian Equities	4,434.4	6.2%	9.4%	18.9%	25.2%	15.6%	25.5%	-11.6%
U.S. Equities	2,815.8	-0.9%	-0.5%	16.9%	3.4%	4.9%	7.5%	-20.9%
International Equities	2,649.0	0.9%	4.4%	28.4%	13.2%	13.3%	7.3%	-21.6%
Real Estate	267.8	5.4%	9.0%	24.8%	17.2%	—	—	—
Total Registered Pension Plan	\$ 14,955.3	1.82%	3.86%	14.25%	13.73%	11.13%	13.87%	-6.99%

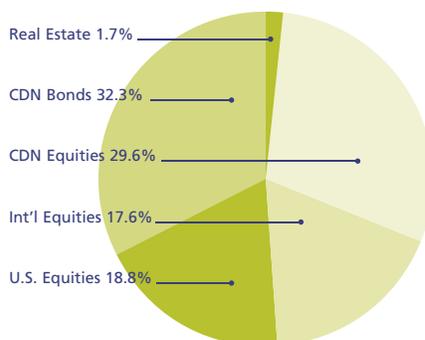
Investment Highlights

- The fund's second quarter return was 1.82% versus our benchmark of 0.25%.
- As at June 30, 2007, the fund held assets of \$14,955.3 million.
- The fund received net contributions of \$30.0 million in the second quarter. We reduced the Canadian equity allocation by \$210.0 million and international equities by \$30.0 million. Allocations were increased to real return bonds by \$60 million, nominal bonds by \$125 million and real estate by \$90.7 million



Asset Mix Highlights

ASSET MIX



- As at June 30, 2007, 67.7% of assets were invested in equities and real estate, above the asset mix target of 62.5%. Of the total, Canadian equities represented 29.6%, U.S. equities 18.8%, international equities 17.6% and real estate 1.7%.
- 32.3% of assets were invested in bonds and short-term investments, compared to an asset mix target of 37.5%. This included 6.4% in real return bonds, 21.8% in Canadian bonds and 4.1% in cash and short-term investments

Myths & Facts About Your Pension Plan

The following information will guide you through some widely held myths about the Canada Post Pension Plan and shine a light on the facts.

Myth	Fact
I am 69 years old so I must start receiving my Canada Post pension by December 31.	Effective January 2007 you may postpone receipt of your pension until December 31st of the year in which you turn 71. For additional information please contact the Canada Revenue Agency (CRA) at 1-800-959-8281.
When I complete 35 years of pensionable service I will no longer get credit for my salary increases.	When you continue to contribute to the pension plan beyond 35 years your salary increases are included in the calculation of your Highest Average Earnings.
If I go on an approved leave of absence I do not accrue pension benefits	As long as you make the required employee contributions for the leave period you will accrue pension benefits.

Pension Advisory Council Updates

We are pleased to announce that Mr. Terry Cotton was appointed to the Pension Advisory Council as the Representative for APOC (Association of Postal Officials of Canada). Terry replaces John Barrowclough who has retired.



Did you know?

Each year Benefits Canada publishes an Annual Survey of the top 100 pension funds, based on total pension assets. In the May 2007 issue our Plan was ranked the 12th largest. Last year we were ranked at number 13.

Tax Receipts for 2007 Pension Contributions

Under the Income Tax Regulations, tax receipts can only be issued for contributions received and deposited to the pension fund within the taxation year. Any payments received after the end of a taxation year will be reported on a receipt for the following taxation year. The plan administrator does not have any discretion to make exceptions to this rule, as it is a legislated requirement.



Maximum Pensionable Earnings for CPP/QPP

The CRA (Canada Revenue Agency) has announced that the maximum pensionable earnings under the Canada Pension Plan/Quebec Pension Plan (CPP/QPP) for 2008 will be \$44,900. This is up from \$43,700 in 2007.

If you earn more than \$44,900 in 2008, you are not required, or permitted, to make additional contributions to the Canada Pension Plan/Quebec Pension Plan. The employee and employer contribution rates for 2008 will both remain unchanged at 4.95%.

Employee Contribution Rate for 2008

The Board Resolution of December 12, 2002 mandated an increase in employee contributions of 0.4% annually until such time as employee contributions covered 40% of the current service cost.

Based on the latest actuarial funding valuation for the Registered Pension Plan (December 31, 2006), the employee contribution percentage will achieve the 40% cost-sharing requirement through an increase of 0.17% effective January 1, 2008.

For 2008, employees will contribute 5.77% of their pensionable earnings up to \$44,900 and 9.27% for earnings over \$44,900.

The Pension Centre

If you have a specific question about your pension benefit, contact a Pension Centre Representative. The representative has access to your personal pension information, and will be pleased to answer your questions.

By phone:	1 877 480-9220
In writing:	P.O. Box 2073 MISSISSAUGA ON L5B 3C6

Hours of Service: Monday to Friday 8:00 a.m. to 6:00 p.m. Eastern Standard time. Access to voicemail is available 24 hours a day.

Here are the number of calls the Pension Centre handled in a 6 month period starting January 1, 2007.

January	February	March	April	May	June
3981	3466	3714	3874	3482	2777

You Asked?

Will the pre-retirement seminars be re-instated?

Yes. Canada Post has been carefully reviewing the options that are available with regard to targeted pre-retirement seminars. Arrangements are currently being finalized, and you can expect seminars to be available again beginning in January 2008.

Is Canada Post looking at implementing a Phased Retirement program?

Canada Post has always offered Phased Retirement under the Work Options Program. Phased Retirement Leave is offered to eligible employees who wish to reduce their work week within two years of retirement. Although the employee's pay is reduced to reflect a shorter work week, pension contributions continue to be based on the employee's full-time salary. Therefore, the employee's pension benefits will not be reduced as a result of this leave.

In the 2007 Federal Budget, the government unveiled changes to the Income Tax Act that are also referred to as "Phased Retirement", although there is actually no "retirement" involved.

Under the government program, employees can continue to work full-time, but are allowed to collect a portion of their pension in addition to their pay-check.

The Pension Benefits Standard Act is being reviewed to determine how best to modify the pension regulations. We expect this process to be completed by mid-2008.

We will provide additional information as it becomes available.

We appreciate your feedback. If you have a comment or a suggested topic, please contact:

PENSION SERVICES
2701 RIVERSIDE DR SUITE B320
OTTAWA ON K1A 0B1

Email: pension.services@canadapost.ca

Pension Centre
PO BOX 2073
MISSISSAUGA ON L5B 3C6

Tel: 1 877 480-9220
Fax: 905 272-6300

Centre du régime de retraite
CP 2073
MISSISSAUGA ON L5B 3C6

Tél : 1 877 480-9220
Télec. : 905 272-6300

November 16, 2007

Dear Plan Member,

We are writing to you today to clarify the employee contribution options that are available in relation to periods of leave without pay (LWOP) that commence on, or after, January 1, 2008.

Members who return from a period of LWOP that begins on, or after, January 1, 2008 will be asked to remit their LWOP contributions in accordance with the provisions of the Plan Text. The Plan Text is a legal document that outlines the provisions of the Pension Plan.

Please note that there are no changes to the payment options that will be made available to you on your return to work. However, if you terminate employment for any reason, including retirement, prior to completing your payment schedule, you will receive a notice requesting payment in full of any employee contributions that are outstanding in relation to your period(s) of leave.

- If you wish to count the period(s) of leave as Eligibility Service, all outstanding contributions must be remitted to the Plan within 30 days of the time that you are notified. Your remittance should be sent to:

Canada Post Pension Centre
PO Box 2073
Mississauga ON L5B 3C6

- If you do not make the required payment within the specified timeframe, your service will be adjusted to reflect only the amount of service that you have contributed for. *Please note that this may result in a lower monthly pension amount or a lower benefit settlement since your final benefit calculation will be based only on service for which employee contributions have been received.*

Should you have any questions concerning your Canada Post pension plan benefits, please contact the Pension Centre at 1 877 480-9220, or visit our website at www.cpcpension.com.

Canada Post Pension Centre