

## Changes to terms of the Plan

Canada Post is required to notify members of all applicable changes to the Plan within 60 days of their approval.

The Canada Post Pension Committee approved the following amendments to the Plan at its last meeting, August 23, 2017:

1. Due to a change in guidance from the federal pension regulator, the Office of the Superintendent of Financial Institutions (OSFI), benefits for members of the DC component (or their survivors or beneficiaries) who remain in the Plan after the prescribed election period following the member's termination of employment or death could be settled through the purchase by Canada Post of a deferred life annuity.
2. In the rare event that your total employee contributions with interest are greater than 50% of the lump sum value of your pension benefit at retirement,



your monthly pension benefit will be increased to reflect the excess contributions you made.

3. Employees actively participating in the Canada Post Group RSP will join the DC component of the Plan on March 1, 2018.

DC members

## The VSP can save you more money

The Canada Post Voluntary Savings Plan (VSP) makes it easy for you to save for retirement and increase your savings faster.

### **Convenient payroll deductions.**

Contribute up to 6% of your earnings to your VSP by convenient payroll deductions in addition to your optional contributions in the defined contribution (DC) component of the Canada Post Pension Plan.

### **Immediate tax savings.**

Contributions are tax-deductible, up to your RRSP limit. And when you contribute by payroll deductions, your contributions are deducted before your income tax is calculated, so you benefit from the tax savings on your pay right away.

**Lower fees.** Take advantage of lower investment management fees than those offered to individuals by financial institutions – to help your money grow faster.

The VSP works with your DC account to help you reach your retirement savings goal.

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**Note:** In this publication, "Plan" refers to the Canada Post Corporation Registered Pension Plan, "DB" refers to the defined benefit component and "DC" to the defined contribution 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).

DB members

# 2017 contribution rate

As communicated in June, the employee DB contribution rate increased by 0.5% starting with your first pay of July 2017. As you are aware, contributions are to be divided equally, with employees and the Corporation contributing 50% each.

When the Plan's going-concern valuation is performed each year, actuaries determine if there are enough assets in the Plan for the pension benefits to be paid in the future for accumulated service to date. They also assess the required contributions to be made by Plan members and the Plan sponsor to cover the current service cost.

The going-concern valuation result of the Plan in 2016 estimated that Canada Post's contributions (not including special payments) would have been equivalent to 55% of the 2017 current service cost. Adjusting the contribution rate is one step toward making the Plan more sustainable and affordable. July's contribution rate increase is the first one since 2014. After this change in July, it was estimated that the Corporation's share would be approximately 52% of the current service cost for the balance of the year.

DB members

## 2017 tax receipt: Cheque deadline is December 15

If you wish to make a payment toward your leave without pay or elective service balance to appear on your 2017 tax receipt, please send your cheque by December 15. If your cheque isn't recorded by the Pension Centre by that date, a tax receipt for that payment will not be issued for 2017. It will be included with your 2018 tax receipt.

## Not getting your PPN at home?

You may need to update your address. Log into Intrapost, under SAP click on Employee Self Services (ESS) and then on Personal Information.

You don't remember your password for Intrapost or don't have one? At Intrapost, click on Forgot Your Password to reset your **SAP password** or contact the Canada Post Help Desk at 1-877-411-8585. You can also reach AccessHR at 1-877-807-9090 to have your address updated.

While in ESS, why not make sure your beneficiary information is up to date? From the ESS overview page, click on Benefits overview, then Print Benefits Statement to see your current beneficiaries on file. To update this information, click on Beneficiaries on the left menu.

Every year, we send several publications to your home address, like *Your Personalized Pension Statement* (PPS), which provides valuable information such as an estimate of your projected pension benefits at the earliest date you may retire with an unreduced pension. If you're a

**defined benefit** member and didn't receive your PPS, contact the Pension Centre at 1-877-480-9220. If you're a **defined contribution** member and didn't receive your PPS, call Sun Life Financial Customer Care Centre at 1-866-733-8612. Representatives can also answer questions about your investment options, account balances and fund performance.



# You asked

## How do I confirm my designated beneficiaries?

### For DB members:

Find this information page 1 of *Your Personalized Pension Statement* mailed to you in April and May. It is listed under "Your personal information."

If your beneficiaries are incorrect or not up to date, or you have not yet made a designation, complete the *Designation of beneficiaries* form and send it to the Canada Post Pension Centre. You can download the form at [cpcpension.com](http://cpcpension.com) in the forms section.

### For DC members:

Find this information page 2 of your Sun Life Financial statement under "My Defined Contribution Pension Plan" profile or log onto [mysunlife.ca](http://mysunlife.ca).

If your beneficiaries are incorrect or not up to date, or you have not yet made a designation, complete the form at [mysunlife.ca](http://mysunlife.ca) or contact the Sun Life Financial Customer Care Centre at 1-866-733-8612.



DC members

## DC webinars

Canada Post, with Sun Life Financial, offers webinars on topics throughout the year to help DC members achieve a successful retirement. These 60 minute webinars, hosted live by financial education consultants, are designed to assist you with retirement savings and financial planning throughout your career at Canada Post. Whether just starting your career or planning to retire within the next few years, you'll find a webinar to help.

Registration is fast and easy. Go to [sunlife.ca/mymoney](http://sunlife.ca/mymoney) and take control of your retirement.

## PAC news: 2018 elections



Two separate elections will take place in 2018:

- representative of management and exempt members of the Plan (winter and spring),
- representative of all active members of the Plan (summer and fall).

Both positions represent Plan members of the DB and DC components. Eligible members will

receive nomination kits and voting kits by mail. Visit [cpcpension.com](http://cpcpension.com) > DB > Governance > Pension Advisory Council, for more information on these upcoming elections. You can contact your representative at [pension.services@canadapost.ca](mailto:pension.services@canadapost.ca).

## Send us your feedback

If you have comments or want to suggest a topic for next issues of *Pension Plan News*, **submit your ideas in writing to**

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

or

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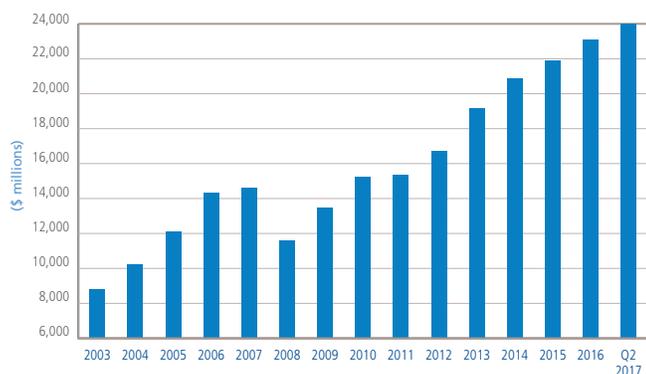
## Investment performance results from April 1 to June 30, 2017

### Market conditions

The international equity market was the best performer in the second quarter of 2017, up 3.34% in Canadian dollar terms. The FTSE TMX Bond Universe was up 1.11%. The S&P 500 Index was up 0.39% in CAD terms. The Canadian S&P/TSX Composite Index was down 1.64% during the quarter. The Bank of Canada maintained interest rates at 0.50% during the quarter. The following table depicts the performance of the Plan's fund (percentage return).

Asset class	Market value (\$ millions)	2017 Apr-Jun (%)	2017 YTD (%)	2016 Annual (%)	2015 Annual (%)	2014 Annual (%)	2013 Annual (%)	2012 Annual (%)
<b>Fixed income</b>								
Cash and short-term	15.1	0.1	0.1	0.4	0.8	1.1	1.0	1.0
Bonds	8,714.1	1.7	1.8	7.2	3.1	8.3	-2.0	4.6
<b>Equities</b>								
Canadian equities	3,921.1	-1.1	6.0	14.3	-4.0	11.6	20.3	7.3
U.S. equities	3,915.2	0.5	6.5	-0.7	21.8	22.3	44.2	14.7
International equities	3,229.2	5.6	9.0	3.6	16.3	3.9	24.0	17.8
Real estate, private equity and infrastructure	3,706.5	3.0	2.5	4.8	16.6	8.3	11.3	15.2
<b>Currency overlay</b>	45.9							
<b>Total Registered Pension Plan*</b>	<b>24,006.9</b>	<b>1.7</b>	<b>5.0</b>	<b>7.93</b>	<b>7.27</b>	<b>10.86</b>	<b>16.88</b>	<b>10.13</b>
<b>Benchmark</b>		<b>1.3</b>	<b>4.2</b>	<b>6.72</b>	<b>5.12</b>	<b>10.99</b>	<b>14.00</b>	<b>8.51</b>

### Investment highlights



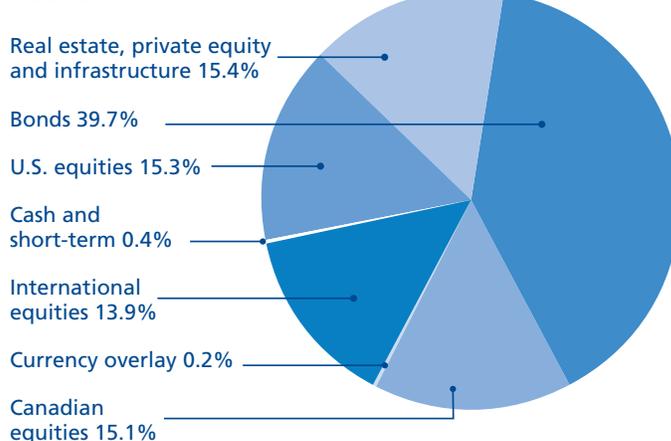
- The fund's second quarter return was 1.70% compared to our benchmark of 1.31%.
- As at June 30, 2017, the fund held assets of \$24.0 billion.
- The fund had net cash outflow of \$152.7 million in the second quarter.
- We reduced Canadian and U.S. equities by \$375 million each, and international equities by \$100 million.
- We added \$700 million to the long duration bonds and allocated \$200 million from universe to real return bonds.
- In the alternative assets, we added \$87.9 million to real estate, \$56.7 million to infrastructure and \$25.6 million to private equity during the quarter.

\*Numbers may not add up due to rounding.

### Asset mix highlights

- As at June 30, 2017, 59.8% of assets were invested in equities and alternative investments compared to the asset mix target of 58%. This was made up of 15.1% in Canadian equities, 15.3% in U.S. equities, 13.9% in international equities, 9.7% in real estate, 3.0% in private equity and 2.8% in infrastructure.
- 40.2% of assets were invested in bonds and short-term investments, compared to an asset mix target of 42%. This included 9.6% in real return bonds, 30.0% in nominal bonds and private debt, 0.4% in cash and short-term investments, and 0.2% in currency overlay.

#### Asset mix



# Survivor benefits



Survivor benefits are an important element of the DB component of the Plan, which is a financial partnership that can ensure your family's long-term financial security.

## Who is entitled to survivor benefits?

As a Canada Post Plan member, your survivor and your eligible children may be entitled to survivor benefits under the Plan. A benefit payment varies depending on whether you die while employed (pre-retirement) or after your pension starts (post-retirement).

Your survivor post-retirement (your spouse or common-law partner at the time you start receiving a pension benefit) will receive a monthly pension from the Plan after your death. Depending on your years of eligible service and Plan membership, a pre-retirement survivor

(spouse or common-law partner when still employed) receives either a monthly pension or a single lump-sum payment of the employee's pension entitlements.

Dependent children may also be eligible to receive benefits. Your dependent children are your children, stepchildren and children adopted either legally, or in fact, who, at the time of your death, are dependent on you for support and are either less than age 18, or age 18 or more but less than age 25 and in full-time attendance at a school or university substantially without interruption since age 18 or your death,

whichever occurred later. In the event of death after termination of employment, only children, stepchildren and adopted children at the time of termination are eligible to receive benefits.

If you die with less than two years of eligible service and Plan membership, your pre-retirement survivor receives the commuted value of your accrued pension. If you do not have a pre-retirement survivor, the commuted value is paid to your beneficiary or estate.

## Why designate a beneficiary?

Designating one beneficiary or more is extremely important to ensure your pension benefits go to the right people when you die and avoids any conflict among survivors.

You must not name your spouse or common-law partner as your beneficiary, since this person is automatically your survivor at the time of your retirement. If you do not have eligible survivors or a designated beneficiary and your children are no longer eligible as dependents at the time of death, your estate automatically receives your survivor benefits. For your children to receive the maximum allowable survivor benefits under the Plan, you should designate them as beneficiaries, whether they are dependent children or not. In the event that you and your spouse or common-law partner die at the same time, or that you are not survived by your spouse or common-law partner, having designated beneficiaries will accelerate the pension benefit settlement. Eligible benefits are paid directly to your designated beneficiaries, avoiding potential delays or fees associated with the processing of an estate. These benefits are subject to provincial and federal tax laws.

## Quebec residents

If you designate as beneficiary a person who became your spouse (whether through marriage or civil union) after you started receiving pension payments, the designation of your spouse may be irrevocable, preventing future requests to change beneficiaries, unless your spouse provides written consent.

By completing sections 2 and 3 of the *Designation of beneficiaries* form, you can confirm your civil status and specify whether or not you want the designation of your spouse as beneficiary to be revocable or irrevocable.

## Who can witness your *Designation of beneficiaries* form?

Other than your spouse or common-law partner and listed beneficiary, anyone can witness your signature on the *Designation of beneficiaries* form. Please ensure that your witness is present at the time you sign your form.

## How to change your designated beneficiaries

Complete the *Designation of beneficiaries* form and mail it to the Pension Centre. You can download the form at [cpcpension.com](http://cpcpension.com) in the forms section.

## Who should your family contact in the event of your death?

They must contact the Pension Centre and be ready to provide the following information:

- your employee identification number,
- an **original** death certificate,
- a copy of the will,
- any documents appointing an executor.

Putting your papers in order and setting a plan for your beneficiaries in case you die are steps you can take today. The Pension Centre can provide you with data about your pension. For estate planning, contact an estate lawyer (or notary in Quebec). Your Employee Assistance Program is also here to help you at 1-866-565-4903.

