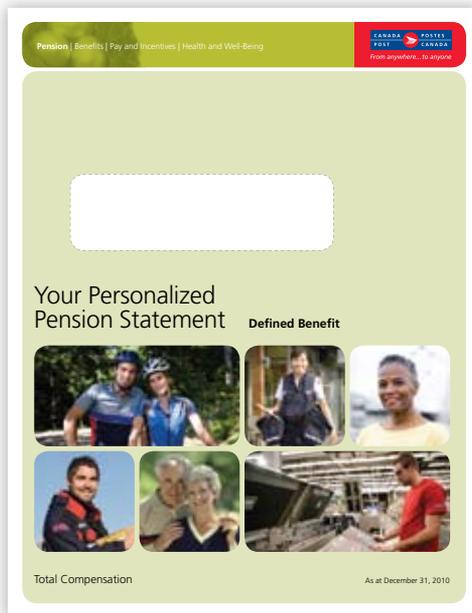


# Pension Plan News **Defined Benefit**



## Your Personalized Pension Statement

Your statement was mailed to you in April 2011. You should review it carefully as it includes valuable information about the Plan and the pension benefits you have accumulated as at December 31, 2010.

If you have not received your statement, or if you notice any incorrect or missing information, please contact the Pension Centre at 1-877-480-9220 (TTY 613-734-8265).

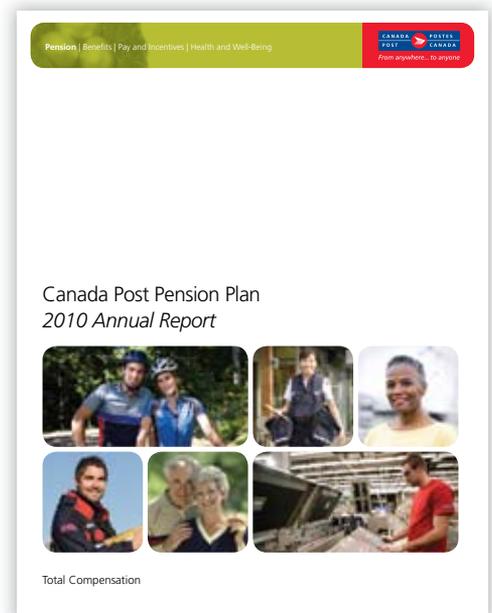
You can find additional information about Your Personalized Pension Statement by visiting [cpcpension.com](http://cpcpension.com) and selecting "Your Personalized Pension Statement" in the Quick Links box to access a guide and frequently asked questions (FAQ).

## Canada Post Pension Plan 2010 Annual Report

Check out the *Canada Post Pension Plan 2010 Annual Report* mailed to you in May and available on [cpcpension.com](http://cpcpension.com) under Forms and Publications.

The report includes important messages from the Chairman of the Board of Directors and the President and CEO of Canada Post. It provides key information on investment results and audited financial statements, as well as interesting statistics on Plan membership, including the following:

- The Plan ended 2010 with total net assets available for benefits of \$15.376 billion, an increase of \$1.8 billion from 2009.
- The Plan's rate of return was 10.4 per cent in 2010. Despite this strong return, the Plan, like many other pension plans, faces funding shortfalls caused by the 2008 global economic downturn and historically-low interest rates. The Plan has a solvency and going-concern deficit at the end of 2010. Canada Post, as the Plan sponsor, is responsible for funding these deficits and is fully committed to meeting its obligations to Plan members. *continued on next page*



### Disclaimer:

The Canada Post Corporation Registered Pension Plan is referred to as the Plan in the Pension Plan News section. The official Plan text governs your actual benefits from the Plan and is the final authority in any case of dispute. For more information on terms used in this section, please visit [cpcpension.com](http://cpcpension.com). More information can also be found in Your Personalized Pension Statement and Your Information Booklet.

## Canada Post Pension Plan 2010 Annual Report

continued from previous page

	Number of Members			
	2010	2009	Change	
Active Members	59,817	61,755	-1,938	-3.1%
Pensioners (retirees and survivors)	20,330	17,269	3,061	17.7%
Deferred Members and Beneficiaries	1,826	1,622	204	12.6%
<b>Total</b>	<b>81,973</b>	<b>80,646</b>	<b>1,327</b>	<b>1.6%</b>

For 2010: the average age of the active members is 48.3 (48.1 in 2009), and the average age of the retirees is 62.3 (62.0 in 2009).



## Need to change your address?

Changing your address will ensure that you receive important messages sent out by Pension Services, including Your Personalized Pension Statement.

You can change your address through Employee Self Service (ESS), or through your team leader/supervisor if you do not have ESS access. Any questions? Please visit the AccessHR website under 'You at Canada Post' on Intrapost or call 1-877-807-9090.

## Myths and Facts

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

### MYTH

I can retire with an unreduced pension when I reach 85 "points" (i.e. Age + Service = 85).

### FACT

Under the Plan, you can retire with an unreduced pension when you are:

- age 60, if you have two or more years of eligibility service or Plan membership,

or

- at least age 55, if you have 30 or more years of eligibility service.

### MYTH

If I take a leave of absence without pay (LWOP) from Canada Post to work for the federal government, I can contribute towards my LWOP and contribute to the federal government's pension plan for the same period of time.

### FACT

The *Income Tax Act* prohibits an individual from contributing towards a LWOP under Canada Post and contributing to a related employer's pension plan for the same period of time. Related employers include the federal government, Department of National Defence, Royal Canadian Mounted Police and Crown corporations.

If you become a contributor under a related employer, contact the Pension Centre at 1-877-480-9220 and request an "Election not to Count Leave without Pay" form (Form 6030). Completing this form will ensure that you do not contribute towards your LWOP and do not receive a pension adjustment that you would be required to report on your income tax return.

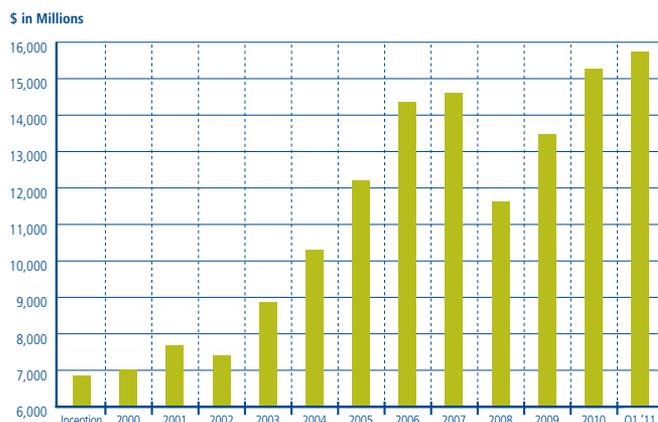
## Market Conditions

Equity markets were higher in the first quarter of 2011 as the economic recovery continued. The Canadian S&P/TSX Composite index was up 5.6 per cent, while in Canadian dollar terms the U.S. S&P 500 index was up 3.7 per cent, and the international EAFE index was up 1.2 per cent. The DEX Bond Universe was down 0.3 per cent on the quarter. The Bank of Canada held interest rates steady at 1.0 per cent. The following table depicts the fund's performance (per cent return).

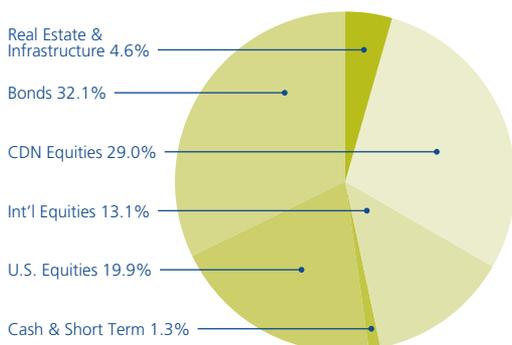
ASSET CLASS	MARKET VALUE (\$ IN MILLIONS)	2011 JAN-MAR (%)	2010 ANNUAL (%)	2009 ANNUAL (%)	2008 ANNUAL (%)	2007 ANNUAL (%)	2006 ANNUAL (%)	2005 ANNUAL (%)
<b>Fixed Income</b>								
Cash & Short Term	206.8	0.3	1.0	1.7	3.0	3.2	4.1	2.7
Bonds	5,048.6	0.1	7.7	8.7	3.7	3.5	2.4	8.6
<b>Equities</b>								
Canadian Equities	4,573.0	4.6	15.2	33.0	-32.0	9.0	18.9	25.2
U.S. Equities	3,144.0	4.4	9.5	9.9	-21.6	-10.7	16.9	3.4
International Equities	2,058.9	1.2	4.0	16.3	-37.4	-5.1	28.4	13.2
Real Estate & Infrastructure	711.0	1.8	15.1	-9.1	-1.5	16.8	24.8	17.2
<b>Total Registered Pension Plan</b>	<b>15,742.3</b>	<b>2.55</b>	<b>10.38</b>	<b>16.19</b>	<b>-19.27</b>	<b>2.09</b>	<b>14.25</b>	<b>13.73</b>
<b>Benchmark</b>		<b>2.34</b>	<b>9.85</b>	<b>15.79</b>	<b>-17.58</b>	<b>0.91</b>	<b>12.98</b>	<b>11.17</b>

## Investment Highlights

- The fund's first quarter return was 2.55 per cent versus our benchmark of 2.34 per cent. Year to date the fund's return is 2.55 per cent against our benchmark return of 2.34 per cent.
- As at March 31, 2011, the fund held assets of \$15,742.3 million.
- The fund had net inflows of \$84.4 million in the first quarter including special solvency payments of \$106.1 million. We reduced Canadian equities by \$25.0 million, our currency overlay account by \$38.3 million and cash and short-term investments by \$14.8 million. During the quarter we allocated \$50.0 million to U.S. equities, \$25.0 million to international equities, \$35.6 million to real estate, \$41.3 million to infrastructure and \$8.3 million to private equity.



### ASSET MIX



## Asset-mix Highlights

- As at March 31, 2011, 66.6 per cent of assets were invested in equities and real estate and infrastructure, above the asset-mix target of 62.5 per cent consisting of 29.0 per cent Canadian equities, 19.9 per cent U.S. equities, 13.1 per cent international equities and 4.6 per cent real estate and infrastructure.
- 33.4 per cent of assets were invested in bonds and short-term investments, compared to an asset-mix target of 37.5 per cent. This included 7.0 per cent in real return bonds, 25.1 per cent in bonds and 1.3 per cent in cash and short-term investments.

# You Asked?

## Q. HOW DO I GET A PERSONAL IDENTIFICATION NUMBER (PIN) TO ACCESS THE PENSION CALCULATOR ON CPCPENSION.COM?

### A. YOU HAVE TWO OPTIONS:

#### 1. Go to **cpcpension.com**

- In the Quick Links box, select 'Calculate my pension'.
- On the Welcome to the Canada Post Pension Plan Calculator website page, select 'Have you forgotten your PIN?' below the Submit button.



- Enter your employee number (no leading zeroes), the two words for the challenge response test (called a Captcha) displayed on your screen, and select 'Continue'.



- You will be asked a 'Forgotten PIN Help' question that you would have set up the first time you accessed the calculator. If you cannot remember your answer, please go to option 2.
- You will be provided with a temporary PIN (case sensitive) and instructions on how to change your temporary PIN prior to continuing onto the calculator.

#### 2. By phone

Please call the Pension Centre at 1-877-480-9220 (TTY 613-734-8265). Your new PIN will be mailed to you.

# Important Changes to the Plan

The Plan is governed by the *Pension Benefits Standards Act, 1985* and related *Pension Benefits Standards Regulations, 1985*.

In October 2009, the Government of Canada announced its intention to reform the federal pension legislation. The outcome of this reform requires that some provisions of our Plan be amended.

Effective July 1, 2011, the major impacts on our Plan relate to:

- immediate vesting of pension benefits, and
- survivor benefits for pre-retirement deaths.

Details of these changes will be communicated in the next issue of *Pension Plan News* and **cpcpension.com** will be updated.

# Increase in PAC members

The number of members of the Pension Advisory Council (PAC) will increase. A second elected position representing the retired members of the Plan was approved to ensure proper representation of the rapidly growing population of retirees.

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

PENSION SERVICES  
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OTTAWA ON K1A 0B1  
Email: [pension.services@canadapost.ca](mailto:pension.services@canadapost.ca)