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CPCPENSION.CA

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September 2020

## Re: OSFI announces the lifting of the temporary freeze on portability transfers

Dear Defined Benefit Plan Member,

I'm pleased to inform you that Canada Post has been advised by the Office of the Superintendent of Financial Institutions (OSFI) that it is lifting the temporary freeze on portability transfers for federally registered pension plans. This decision allows the payment of commuted values from the Canada Post Pension Plan (the Plan) to resume.

The restriction imposed by OSFI prevented Canada Post from transferring lump sum amounts out of the Plan during the period from March 27 to August 30, 2020. I had notified Plan members of this restriction in my letter dated May 2020.

The Canada Post Pension Centre has begun contacting all Plan members who may have been affected during this period. It will call approximately 100 members who have left the Corporation in recent months and who were eligible for a commuted value.

### What do I need to do?

If you are a **Plan member whose commuted value was delayed by the OSFI restriction**, you don't have to take any action at this time. The Canada Post Pension Centre may already have contacted you. If not, you will receive a call in the coming days. If you are one of these members and you have not been reached within one week of this letter, please contact the Pension Centre.

### Why is OSFI granting consent to transfers now?

The portability freeze was introduced as a temporary measure in response to the adverse impact that the worsening COVID-19 situation was having on pension plan solvency – mainly as a result of increased market volatility.

OSFI has been closely monitoring market conditions and the estimated solvency ratio of federally registered pension plans. OSFI observed that while market volatility remains elevated, the market has had a generally well-sustained recovery from its lows in mid-March and solvency ratios have improved since then.

As a result, the Superintendent is no longer of the opinion that all portability transfers or annuity purchases will impair the solvency of the pension fund and has determined that it is prudent to lift the portability freeze, subject to certain conditions.

### What if I have more questions?

This issue is complex and sometimes, despite best efforts to ensure you have timely and accurate information, questions do arise. For additional information about the Plan and your pension benefits, you can visit [cpcpension.com](https://cpcpension.com) or call the Pension Centre at 1-877-480-9220 (TTY 1-866-370-2725).

Sincerely,

A handwritten signature in black ink that reads "Julie Philippe".

Julie Philippe  
General Manager, Total Compensation