

Canada Post Summary of Post-Retirement Benefits - Life Insurance Coverage



For Members of the Canada Post Registered Pension Plan – Defined Benefit Component

This summary describes Basic Life Insurance and Canada Post Paid Death benefits for eligible retired employees of Canada Post who retired on or after October 1, 2000 and who are in receipt a monthly pension from the Canada Post Registered Pension Plan – Defined Benefit component.

RSMC Note: Starting January 1, 2019, the Basic Life Insurance and Canada Post Paid Death Benefit plans became available upon retirement and were provided to retired eligible RSMC route holders and Permanent Relief Employees (PREs) who received an immediate pension on or after January 1, 2016 (but not before). The Insurance Plans are optional and separate.

Legal Notes: Canada Post has reserved the right, in its sole discretion, to cancel or modify the benefits. It has the right to terminate or amend any or all benefits provided to you, which can include the reduction of any or all of these Basic Life Insurance and Paid Death benefits. You will be informed in writing of any proposed change(s). This is not a legal document and represents a summary of Canada Post's Basic Life Insurance Policy 177070 and the Canada Post Paid Death Benefit Policy 177094 which is administered by Canada Life. If there are any discrepancies between this document and Canada Post's Plan Documents for Canada Life policy documents (177070, 177094), the wording in the Plan Documents shall prevail at all times.

Resources available to you

Your Basic Life Insurance Policy Number:	177070
Your Canada Post Paid Death (age 65+) Policy Number:	177094
Your Life Insurance Administrator: <ul style="list-style-type: none">• Basic Life premiums• Beneficiaries and forms	Pension Centre – Defined Benefit Component 1-877-480-9220
Canada Post Pension website:	www.cpcpension.com
Life Claim Settlements	Canada Life Life Claims: 1-866-716-1313

Basic Life Insurance Plan

When you retire from Canada Post and elect to receive your pension immediately, your basic life insurance coverage options are:

- coverage which is equal to twice your salary at retirement, plus applicable allowances, rounded to the next \$1,000 (Full Amount), or
- coverage in the amount of \$10,000 (Flat), or
- to decline all life insurance coverage

RSMC Note: For life insurance coverage, the work week shall not exceed 40 RMS hours.

If you are in receipt of an immediate pension upon your retirement, you will automatically be enrolled at the “full amount” unless you elect another coverage option. If you reduce your benefit to \$10,000 or terminate your

coverage, you may not increase your coverage later. It is not possible to *increase* your coverage after retirement.

Upon termination of employment, if you elect a deferred pension or a commuted value, you are not eligible to continue the Basic Life Insurance Plan or the Canada Post Paid Death Benefit. If you do not continue your coverage you would be eligible to convert your insurance to an individual policy without having to submit evidence of good health (subject to certain restrictions). This insurance policy will be priced based on current market rates and you must apply within 31 days of the termination of your policy.

Canada Post Paid Death Benefit

If you are eligible for and choose to continue to participate in the Basic Life Insurance Plan, you will also be eligible for the Canada Post Paid Death Benefit when you reach 65.

At age **65**, \$10,000 of your Basic Life Insurance coverage converts to a benefit under the Canada Post Paid Death Benefit plan, fully paid by Canada Post. This means that your contributions towards Basic Life Insurance will be reduced to account for Canada Post paying for the \$10,000 coverage.

Basic Life Insurance Premiums

Premiums will be deducted from your monthly pension payment. The way the plan works is that you pay one third of the total premium, Canada Post the balance, or two thirds. The portion paid by Canada Post is a taxable benefit and must be considered when reporting income for tax purposes.

The cost for the retiree is **\$0.18 per \$1,000 of coverage** (rate as of July 1st 2022). Rates are subject to change and applicable taxes are not included.

Basic Life Insurance Reduction Schedule

At age 66, your total coverage is reduced by 10% of the original coverage for each year. If you are a retiree who has chosen to maintain coverage at two times your salary at retirement, your total coverage (Basic Life Insurance and Canada Post Paid Death Benefit combined) will eventually reduce to \$10,000:

Coverage Reduction Example at age 65 (Salary of \$49,800 = benefit of \$100,000)	Basic Life Insurance	CPC Paid Death Benefit	Total Coverage
At age 64, coverage of 2 x your salary	\$ 100,000	\$0	\$100,000
At age 65, coverage of 2 x your salary	\$ 90,000	\$10,000	\$100,000
At age 66, 10% reduction	\$ 80,000	\$10,000	\$ 90,000
At age 67, 10% reduction	\$ 70,000	\$10,000	\$ 80,000
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At age 73, 10% reduction	\$10,000	\$10,000	\$20,000
At age 74 and onward	\$0	\$10,000	\$10,000

Beneficiary Designation

Should you elect to participate in the Basic Life Insurance Plan, you must designate a beneficiary for both your retiree Basic Life Insurance and for the Canada Post Paid Death Benefit.

It is important to note that a new *Basic Life Insurance Plan – Beneficiary Designation/Change of Beneficiary* form should be completed and returned to the Canada Post Pension Centre upon retirement to confirm coverage option selected and confirm your beneficiary/beneficiaries.

The Canada Post Paid Death Benefit will become effective on your 65th birthday and the beneficiary form can be sent in advance to the Pension Centre. If no designation is on file, you estate will be deemed to be the beneficiary of the Canada Post Paid Death Benefit.

We strongly encourage you to review your life insurance beneficiaries when changes occur in your life that might affect your choice of beneficiaries. Please make sure that all information is up to date and accurate.

Designation forms are available on the Canada Post Pension website at www.cpcpension.com or by calling the Canada Post Pension Centre at 1-877-480-9220.

Please return original completed forms to:

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