

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



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

This summary describes **Basic Life Insurance and Canada Post Paid Death benefits for eligible retired employees of Canada Post who participated in the defined contribution component of the Canada Post Pension Plan.**

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

Basic Life Insurance Policy Number:	177070
Canada Post Paid Death (age 65+) Policy Number:	177094
Canada Post Pension website	www.cpcpension.com
Life Insurance Administrator:	Canada Life Inquiries and Life Claims: 1-866-716-1313

Basic Life Insurance

When you retire from Canada Post, if you have participated in the defined contribution component of the Canada Post Registered Pension Plan for two years or more and are within 10 years of the date on which unreduced benefits are payable under the Canada/Quebec Pension Plan (CPP/QPP), you are eligible to continue the Basic Life Insurance. You may choose:

- Basic Life Insurance full amount 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 (Basic Life Insurance and Canada Post Paid Death Benefit)

To enroll in the Basic Life Insurance Plan, please return the application (Personal Pre-Authorized Debit Agreement and beneficiary form) to Canada Life **within 31 days of your retirement date**. Provided your application is received within 31 days, you will be enrolled as of your retirement date. **If Canada Life does not receive your application within 31 days of your retirement date, you will no longer be eligible for the Basic Life Insurance Plan.**

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 bank account via automatic withdrawal. 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 **\$0.20 per \$1,000 of coverage** (rate as of July 1st 2023). Rates are subject to change and applicable taxes are not included.

Please note missing two consecutive monthly premium payments due to non-sufficient funds will result in life insurance coverage being terminated retroactively to the date premiums lapsed. Once terminated, your coverage cannot be reinstated. Please ensure you tell Canada Life immediately about any changes to your banking information.

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 Life to both 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 Canada Life. If no designation is on file, your 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 Canada Life at 1-866-713-1313.

Please return original completed forms to:

**The Canada Life Assurance Company
Benefits Administration Solutions – D227
PO Box 6000
Winnipeg, MB R3C 3A5**

**Or email forms to:
BAS@canadalife.com**