

Total Compensation

Pension | Benefits | Pay and Incentives | Health and Well-Being

Voluntary Savings Plan

Increase your savings in more ways than one. Choose the **VSP advantage!**



The Voluntary Savings Plan helps you save more money!

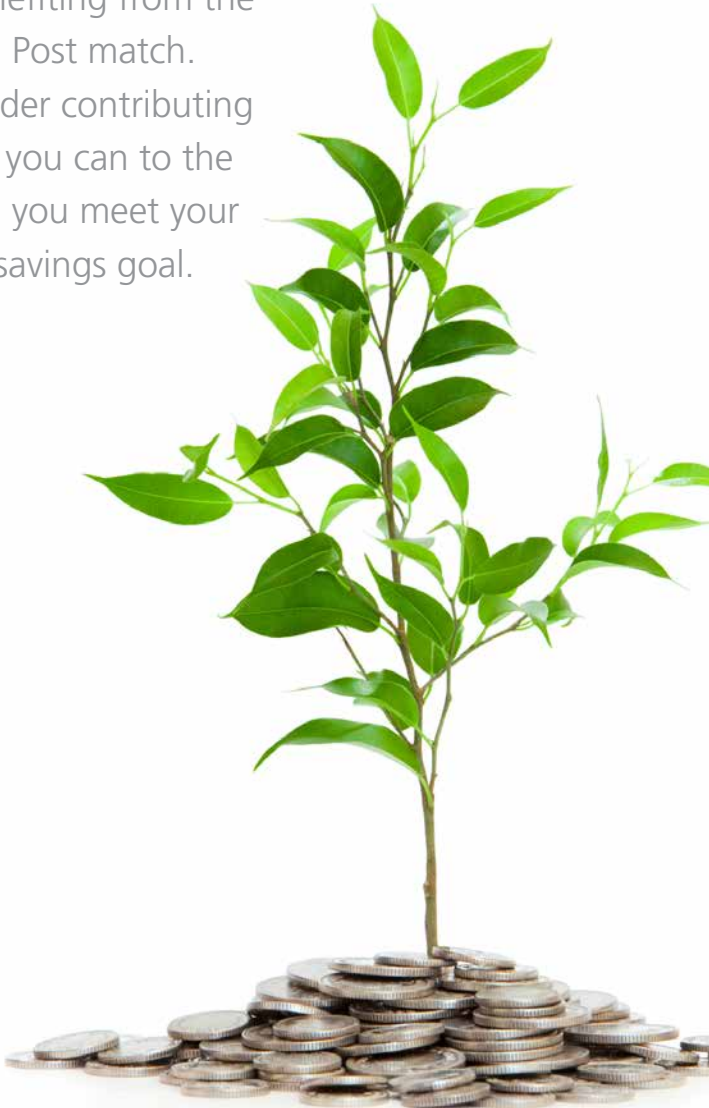
The Canada Post Voluntary Savings Plan (VSP) makes it easy for you to save for retirement and grow your retirement savings faster.

- **Convenient payroll deductions.** Contribute up to 6 per cent of your earnings to your VSP by convenient payroll deductions in addition to your optional contributions to the Defined Contribution component of the Canada Post Pension Plan (DC Pension).
- **Immediate tax savings.** Contributions are tax-deductible, up to your RRSP limit. 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.
- **Low fees.** Take advantage of lower investment management fees than those offered to individuals by financial institutions; this helps your money grow faster.

The VSP works alongside your DC Pension to help you reach your retirement savings goal.

Your DC Pension		Your VSP
<ul style="list-style-type: none">• Canada Post makes a base contribution, even if you don't contribute• You make optional contributions of 1 to 4 per cent of your earnings• Canada Post matches your optional contributions at a certain percentage based on your age and years of continuous service• You invest the total contributions and choose from a variety of investment options	PLUS	<ul style="list-style-type: none">• You make voluntary contributions of 1 to 6 per cent of your earnings• You have the same investment options for your voluntary contributions as under your DC Pension• The VSP is a Registered Retirement Savings Plan (RRSP), similar to an individual RRSP, but administered on a group basis so you benefit from the advantages of a group plan

Make sure you are maximizing your optional contributions to the DC Pension to ensure you are benefiting from the full Canada Post match. Then, consider contributing as much as you can to the VSP to help you meet your retirement savings goal.



Save more money

We all have many priorities competing for our money: mortgage, car payments, children's education and other things that make it hard to put extra money aside for retirement. But choosing to save even a small amount today means a more financially secure retirement down the road.

With convenient payroll deductions, it's easy to start making voluntary contributions to the VSP. You'll be setting money aside that you might otherwise be tempted to spend. Plus, you can increase or decrease your contribution level as your financial needs change (but not more than once every six months).

Here is an example of how your contributions to the VSP can add up:

Sandy is 40 years old and has annual earnings of \$60,000. She is contributing the maximum under her DC Pension and is considering making voluntary contributions to the VSP.

Let's look at the difference contributing an additional **4 per cent** of earnings – or **\$92 per pay** – to the VSP can make for Sandy if she retires at age 55, age 60 or age 65 (after 15, 20 and 25 years of contributing).

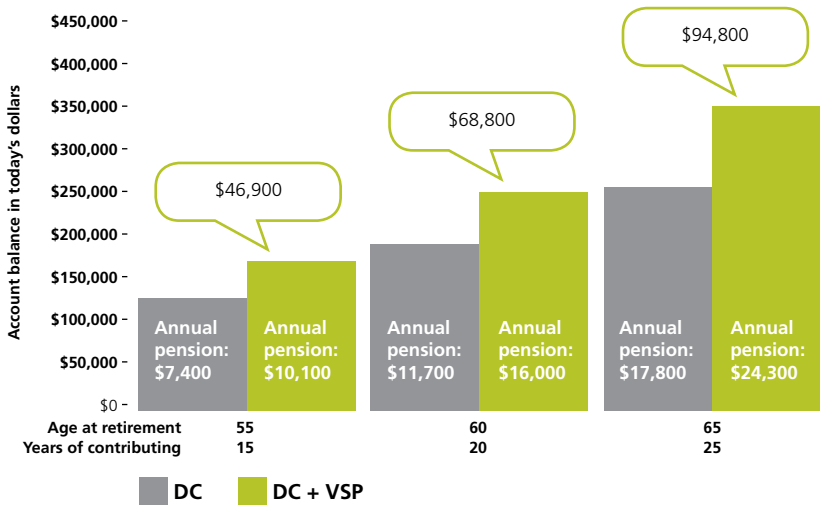


The chart below shows:

- how much savings Sandy could accumulate; and
- the estimated annual pension that could be provided by that amount.

Save more money when you contribute to the VSP

By contributing only 4 per cent of her earnings to the VSP (\$92 per pay), Sandy has accumulated an additional:



The projections shown are for illustration purposes only, using a net rate of return (that is, after all investment fees) of 5.5 per cent, assuming a total contribution level (employee + employer) of 11 per cent to the DC Pension plus 4 per cent to the VSP throughout Sandy's career. The projections do not represent any form of guarantee, including rates of return. Actual accumulated savings at the time of retirement will vary based on contribution levels, actual future salaries, investment choices and actual rates of return. Account balances and estimated annual pension are in today's dollars. Account balances are converted into lifetime retirement income (non indexed) using a conversion interest rate of 4 per cent per year to illustrate the estimated annual pension.

Tax-effective savings with the VSP

Sandy benefits from the tax savings right away when she chooses to contribute by payroll deductions. Sandy contributes \$2,400 per year (or \$92 per pay) to her VSP, but the impact on her net pay is only \$1,560 per year (\$60 per pay) after the tax break.

Did you know?

Under the VSP, you benefit from group investment fees that are lower than the fees offered to individuals by financial institutions, which average between 2.0 and 2.5 per cent per year. Fees for the funds within the VSP are about 1.5 per cent lower. This difference in fees compounds over the life of your investments and can make a big difference down the road when you are ready to retire. Over a 25-year period, these lower fees could provide as much as 20 per cent more in retirement savings. Log in to mysunlife.ca to learn more about the fees for the funds within the VSP.



The VSP advantage

Choosing to save through the Canada Post VSP provides all the advantages of a group plan:

Flexible payroll deductions	You can change your level of payroll deductions when you want (but not more than once every six months).
Low fees and tailored investments	You have access to the same low management fees and investment options available under the DC Pension. The investment options, managed by professional fund managers, are regularly monitored and provide a variety of choices to meet individual needs.
A global view of your retirement savings	You monitor your VSP and DC Pension savings and access a variety of Sun Life Financial tools and resources from one website, mysunlife.ca . You use your DC Pension access ID and password to access your VSP account with Sun Life Financial.
Easy consolidation of your savings	You may transfer amounts from your personal RRSPs or locked-in RRSPs (from previous employer pension plans) to the VSP. Locked-in funds will be administered as required by pension legislation.
Different ways to save	<ul style="list-style-type: none">• You may also make lump-sum payments to your VSP account. Contact Sun Life Financial directly or use mysunlife.ca to make a lump-sum payment.• If you have a higher income than your spouse or expect to have a higher retirement income, you may wish to consider making contributions on behalf of your spouse to the VSP. To do this, complete the spousal contribution portion of the VSP enrolment form according to the instructions provided on the form.
Flexible access to your savings	<ul style="list-style-type: none">• You may withdraw the contributions and investment earnings accumulated in your VSP in cash (other than locked-in funds), less income tax or transfer your savings from the VSP to another RRSP at any time. An administration fee may apply to each transaction.• You can also use your VSP funds toward the federal government's Home Buyers' Plan or Lifelong Learning Plan.

Important note

You are responsible for ensuring that you do not exceed your overall RRSP limit, including contributions to your DC Pension and VSP. Contributing to the VSP may not be right for you if you reach the maximum limit on contributions to an RRSP as set by the Canada Revenue Agency and you do not have unused contribution room from previous years.

Start saving more today!

Now that you have read about the VSP and its benefits, act now and **start saving!**

Enrol	To start payroll deductions, select your investments and designate a beneficiary, complete the application form enclosed with this package. Send the completed form to the address indicated at the top of the form.
Monitor	To monitor your savings or change your investment options, log in to mysunlife.ca account using your DC Pension username and password.
Change	To change your contribution percentages, download the payroll deduction authorization form found on intrapost > Resources > Forms > Financial or visit cpcpension.com in the Defined Contribution (DC) section under Forms and send the completed form to the address indicated.
Learn	For more information about the VSP, contact the Sun Life Financial Customer Care Centre at 1-866-733-8612 .