



# Canadian Union of Postal Workers

WINDSOR 630 & AMHERSTBURG 500

## PENSION WHIZ

- 1) WHO do you contact?
  - a) members should contact P.A.C. "PENSION ADMINISTRATION CENTRE"
    - i) website: [www.cpcpension.com](http://www.cpcpension.com) or;
    - ii) telephone: 1-877-480-9220 or;
    - iii) mail to: Canada Post Pension Administration Centre  
P.O. Box 2073, Mississauga, Ontario, L5B 3C6
  - b) you will need to keep in a secure place
    - i) Canada Post ID# 123 456 678 and;
    - ii) Personal Identification Number PIN# 9999
- 2) MYSITE.CANADAPOST.CA is another website tool by Canada Post which helps members view, update and control their personal information such as life insurance and benefits.
  - a) while on your computer, go to the web and type the following
    - i) [mysite.canadapost.ca](http://mysite.canadapost.ca)
    - ii) you must first call 1-877-411-8585 to activate your profile
    - iii) your username is first 5 characters of your last name and the first 2 letters of your first name. example Robert Johnson username is JOHNSRO

*note: you must call the help desk when your last name is less than 5 characters*

    - iv) the password word is strictly your personal information, only the member knows their own password, it is +AbYY SIN

*note: after logging into "mysite" you must change your password to 8 characters which must include letters, numbers and capitals for example **2bL84wrk***
- 3) WHEN can you retire? ANYTIME, there is no requirement to give notice, you can leave on the last day but to have continuity with your payments, you may want to give 2 - 3 months notice in advance **AND THERE IS NO SUCH THING AS THE 85 FACTOR!!**
  - a) to leave without a penalty (UNREDUCED) pension you **MUST HAVE**
    - i) 55 years MINIMUM of age AND 30 years MINIMUM of PENSIONABLE SERVICE at 2.0% of your pension contributions or;
    - ii) 60 years of age AND 2 years of PENSIONABLE SERVICE or;
    - iii) MEDICAL RETIREMENT

*note: ALL of the above is **NOT** a full pension, you MUST complete 35 years of pensionable service to get a full pension, **THIS MEANS NO PENALTY!!***
  - b) to leave with a penalty (REDUCED) pension
    - i) age 50 with 2 or more years of PENSIONABLE SERVICE or;
    - ii) age 45 with a least 30 years of PENSIONABLE SERVICE

c) to RESIGN with a transfer value (MARKET ACCRUED VALUE), YOU MUST RESIGN PRIOR TO YOUR 50<sup>th</sup>. BIRTHDAY

- i) any age with any PENSIONABLE SERVICE not mentioned above or;
- ii) member becomes deceased and family can request transfer value.

*Note: 40% of the total transfer value must be directed to a Locked-In Retirement Account (L.I.R.A.) and the balance, 60% will be paid and taxed at source.*

d) **The yearly Individual Pension booklet will indicate that you entry to the Plan was your last change in CLASSIFICATION DO NOT PANIC THIS IS FINE**

4) CALCULATING your penalty (REDUCED) pension in a percentage.

a) Follow these steps to calculate reduced pension percentage

- i) count the number of years short from 30 years pensionable service
- ii) count the number of years short from 55 years of age
- iii) multiply the great number of a) or b) by 5%
- iv) subtract this value from 100%
- v) take this percentage and multiply the years of pensionable service
- vi) then finally multiply this number by 2.0% for the reduced pension percentage

b) The following example will show how the above formula works

*example: Kim Doe has 28 pensionable years with C.P.C. and s/he is over 50 years old.  
formula: Therefore the calculation of the reduce pension percentage is as follows:*

- step i) 30 - 28 years of PENSIONABLE SERVICE = 2
- step ii) 55 - 50 years of AGE = 5
- step iii) the greater number of a) or b) is 5 x 5% = 25%
- step iv) 100% - 25% = 75% x 28 years PENSIONABLE SERVICE = 21.0%
- step v) 21.0% x 2.0% = 42.0% REDUCED PENSION percentage

5) The TERMINOLOGY often used in reference to pension terms.

a) H.A.E.: Highest Average Earnings (of best 6 consecutive years)  
TABLE A:

YEARS	HOURLY	Rest Period
2013*	\$25.44	\$1,088.00
2014*	\$25.95	\$1,109.00
2015*	\$25.95	\$1,109.00
2016*	\$26.21	\$1,120.00
2017*	\$26.60	\$1,135.00

*formula: to calculate the H.A.E. = (add hourly salary for 5 consecutive years); then divide by the number 5; which results in an average hourly rate and multiply by 2087.04 factor. (See Appendix "A" article 2.)*

- example: line I) H.A.E. = (26.60+26.21+25.95+25.95+25.44) divide by 5 x 2087.04  
line ii) H.A.E. = (\$130.15) divide by 5 years  
line iii) H.A.E. = \$26.03 / hour x 2087.04 hours/year  
line iv) **H.A.E. = \$54,325.65 for 2017**

*\*note: for Letter Carriers & M.S.C.'s calculations, you must add the rest period allowance for a higher H.A.E. value = \$54,325.65 for 2017*

- b) PENSIONABLE SERVICE is service you accumulate on a calendar day basis to a maximum of 35 years and for which contributions are compulsory.
- i) The SUPERANNUATION BRANCH of CANADA held in trust the Canada Post Pension Plan was guaranteed. Once this money was transferred to Canada Post Corporation/Royal Trust, the plan became dependant on the contributions of Canada Post Corporation and it's employee's along with the sensitivity of the Financial Markets.
  - ii) When in 2000 the Canada Post Pension Administration became into law. Part time employees where able to purchase pensionable service far back to and including 1981. **PRIOR TO 1981 PART TIME EMPLOYEE CANNOT PURCHASE ELECTIVE SERVICE.**
  - iii) When the R.S.M.C.'s were given a Collective Agreement in 2004. **PENSIONABLE SERVICE COMMENCE R.S.M.C.'s CANNOT PURCHASE PENSIONABLE SERVICE PRIOR TO 2004**
  - iv) When temporary Employees are working on a know assignment for six (6) months or more, then they can contribute to the Canada Post Pension. **CURRENTLY TEMPS HAVE GRIEVED THE EMPLOYER FOR FAILURE TO COMPLY. AWAITING FOR ARBITRATOR RULING**
- c) Y.M.P.E.: Yearly Maximum Pensionable Earnings  
(according to Canada Pension Plan) Year 2017 = Y.M.P.E. = \$51,800.00
- d) A.M.P.E.: Average Maximum Pensionable Earnings  
(Average of Y.M.P.E. for year of retirement and previous 5 years)

TABLE B:

YEARS	Y.M.P.E.
2013	\$47,600.00
2014	\$49,000.00
2015	\$50,100.00
2016	\$51,400.00
2017	\$51,800.00
A.M.P.E.	\$49,980.00

*note: You will need to keep this chart up to date for future calculations of member's estimated pension amount*

- 6) WHAT contributions come off a pay cheque?
- a) members will pay 8.5% in 2017 of the hourly salary (pensionable earnings) up to Y.M.P.E. (\$51,800 in 2017) plus (+)
  - b) members pay additional 13.45% in 2017 of total salary which exceeds Y.M.P.E.
  - c) after 35 year maximum has been reached only 1.0% is collected for C.O.L.A.
  - c) this deduction is reported on the T4-slip box 20, **NOT BOX 52 THE PENSION ADJUSTMENT** This is a number mathematically calculated to reduce your RRSP CONTRIBUTIONS.

TABLE C: WHY has my pension deductions gone up almost double?

YEAR	Percentage Front (%)	Exceeds/Over (%)	Member's Salary	Y.M.P.E. Front	Y.M.P.E. Over	Payroll Contribution
2013	\$ 6.75	\$ 10.75	\$ 53,094.30	\$ 3,381.75	\$ 182.14	\$ 3,563.89
2014	\$ 7.60	\$ 11.10	\$ 54,158.69	\$ 3,906.40	\$ 261.81	\$ 4,168.21
2015	\$ 8.20	\$ 11.70	\$ 54,158.69	\$ 4,247.60	\$ 275.97	\$ 4,523.57
2016	\$ 8.37	\$ 12.82	\$ 54,701.32	\$ 4,302.18	\$ 371.95	\$ 4,674.13
2017	\$ 8.50	\$ 13.45	\$ 55,515.26	\$ 4,403.00	\$ 499.70	\$ 4,902.70

- 7) HOW much will I get at retirement?
- i) Always remember that your pension is 2% x your PENSIONABLE SERVICE years. BUT this 2% is broken down into two different pieces:  
A LIFETIME Pension (1.3%) plus BRIDGE benefit (0.7%) = 2.0%.
  - ii) LIFETIME Pension (Payable for your entire life) and the calculation is as follows:  
1.3% x PENSIONABLE SERVICE x (H.A.E. up to A.M.P.E.) plus (+)  
2.0% x PENSIONABLE SERVICE x (H.A.E. in excess of A.M.P.E.)
  - iii) BRIDGE Benefit (Payable to age 65 and then STOPS)  
0.7% x PENSIONABLE SERVICE x (H.A.E. up to

TABLE D:

Pension Service	Lifetime Front 1.3%	Lifetime Over 2.0%	Bridge Benefit 0.7%	H.A.E.	A.M.P.E.	Pension up to 65	Pension after 65
30	\$19,492.20	\$2,607.39	\$10,495.80	\$54,326	\$49,980	\$32,595.39	\$22,099.59
31	\$20,141.94	\$2,694.30	\$10,845.66	\$54,326	\$49,980	\$33,681.90	\$22,836.24
32	\$20,791.68	\$2,781.22	\$11,195.52	\$54,326	\$49,980	\$34,768.42	\$23,572.90
33	\$21,441.42	\$2,868.13	\$11,545.38	\$54,326	\$49,980	\$35,854.93	\$24,309.55
34	\$22,091.16	\$2,955.04	\$11,895.24	\$54,326	\$49,980	\$36,941.44	\$25,046.20
35 MAX.	\$22,740.90	\$3,041.96	\$12,245.10	\$54,326	\$49,980	\$38,027.96	\$25,782.86

8) All financial analysis seem to agree taking C.P.P. at Age 60 versus Age 65. The rational is as follows:

a)	Age 65.....	\$1,114.00
b)	36% (5 years x 7.2%) reduction taking it at age 60 ....	\$_,401.04
		-----
c)	Payable at age 60 (subtract this reduction).....	\$-,712.96
d)	From age 60 to 65 = (12 months x 5 years).....	\$42,777.60
e)	Divided by the difference age 60 vs 65 .....	\$42,777.60/401.04
		-----
f)	the number of months to recuperate this loss is.....	106.7 Months or; 9 yrs and 11 months

g) Therefore you will be 69 years and 11 months when you break even and then you will start to loose \$401.04 per month but think of the interest that you gained getting this money earlier and hopefully you have lived a healthy life to enjoy it as per having this money in your later years at a risk of poorer health.

h) You may also choose to defer you Government Pension Plan (C.P.P.) to be paid to from 1 to 6 years at a later date, at a higher amount. This may be an option if you plan to live longer, but legislation makes it mandatory to start in the year of your 71<sup>st</sup>. birthday.

9) WHEN is the best time to retire?

- a) The sooner the better WITHOUT taking a penalty (UNREDUCED). The idea is the earlier you apply for your pension the more you will enjoy it in the long run. Many members have waited for age 60 or 65 only to become extremely ill or pass away.
- b) The BEST TIME is as soon as you complete 55 years of age AND 30 years of PENSIONABLE SERVICE or when you reach 60 years of age. This will mean no penalty (UNREDUCED) pension. WARNING! make sure you have your strike time counted or it could result in a penalty.
- c) The BEST TIME is one day before the last working day of the month. This will add another 1/12 (One-Twelfth) percent to your indexation. WARNING! Retiring on the last day WORKING day of the month will result in a lower indexation.
- d) If you are planning to leave earlier in the month then make sure to leave after having 10 paid days in the month. This will ensure you have earned your fractional rates of Annual Leave credits and Personal days.
- e) The BEST TIME is either your anniversary with Canada Post or Birthday which ever comes first to complete your "55 and 30" or "60 and 2" years.
- f) Any pre-retirement leave not taken will be lost. When scheduling your pre-retirement leave, ensure it is after your birthday or anniversary, whichever comes later and you can take two (2) weeks in the last year.

- g) Any annual leave/personal days carried from prior leave years can be used or paid out and annual leave in the current leave year would be pro-rated. So if you have taken your entitlement for the year, then you will owe this money back to the Corporation.
- h) Always request for a print out (hardcopy) of you leave entitlements/credits and out Comp time, lieu days or Tn days could either be booked or paid out.

10) OTHER PENSION INCOME

- a) O.A.S. = Old Age Security is (approx \$578.53) payable at 65 years of age when it kicks in and your Bridge Benefit will STOP. Note: **Trudeau's Government has reversed the age delay for receiving benefits** where Canadian born Mar 1958 and prior = collect at 65 yrs, born April 1958 and March 1962 = 66 yrs and April 1962 onward = 67 yrs. **IS NO LONGER IN EFFECT**
- b) C.P.P. = Canada Pension Plan is (maximum, \$1,114.17.00) payable at 65 years of age BUT you can apply for it as early as 60 years of age. There is a 7.2% penalty (REDUCED) or 0.6% per month before 65 years of age. To know more about your benefits you can go online and register [www.servicecanada.gc.ca/](http://www.servicecanada.gc.ca/) You can then view your C.P.P. Statement of Contributions.

11) BENEFITS:

- a) Dental Plan #51057 with Great West Life compensate 80% minor up to \$1,000 per calendar year and 70% major up to \$1,500 per calendar year.
- b) E.H.C.P. (Extended Health Care Plan #51391) with Great West Life compensates 80% similar to your current plan.
- c) Vision and Hearing Plan #51392 with Great West Life compensates 20% up to a maximum 100%. **THIS PLAN IS NO LONGER AVAILABLE AT RETIREMENT.** ***Please note: that Retiree's Health Plan compensates 80% up to \$400 claimed everyone 4 calendar years.***
- d) The GREAT WEST LIFE ASSURANCE 1-800-957-9777 General Line and **1-877-716-1313 Canada Post employee's direct line.**
- e) HOMEWOOD Health. sponsored by Canada Post Corporation and supported by the Employee's Assistance Program (E.A.P.) contact 1-866-565-4903.
- f) C.U.P.W. Urban Collective Agreement who have completed 10 years of service on or before January 1<sup>st</sup>. 2008, will be eligible for post-retirement benefits even if they retire before having completed 15 years of continues service.
- g) C.U.P.W. Life Insurance with Coughlin and Associates 1-888-613-1234, there is \$1,000 up to age limit 70. After that you can convert to a personal plan and the cost could be 3 times the amount. Also the beneficiary can be a charity of your choice.

- h) Canada Post Pension Plan Survivor Benefits are based on years of contribution for two MAIN parts:
  - i) Employee (Pre-Retirement): if LESS than two (2) years - then Estate/Spouse receives a lump sum payment or if MORE than two (2) years - then Estate/Spouse and qualified dependant children receives a monthly allowance or commuted values, and;
  - ii) Retiree (Post-Retirement): the spouse survival benefits is 50% of your unreduced monthly pension until s/he is deceased. Any qualifying dependant children 18 or under, or under 25 and attending full time college/university will also receive a survivor benefits of 10% with spouse or 20% without spouse [MAXIMUM OF 4], and;
  - iii) If NO SURVIVING SPOUSE OR CHILDREN - then the beneficiary of the estate will receive a return of contributions with employer share and interest to pension commencement date or an amount equal to 5 years your annual accrued pension at the date of your death minus benefits paid.
  
- i) There are two (2) Life Insurance Plans:
  - i) The Basic Life Insurance where you can opt in at a premium of .18cents per \$1,000 coverage of 2 times your annual salary. Then from age 65 it begins to reduce by 10% until 74 years of age when the amount is ZERO Life Insurance. The premiums also reduce by 10% until 74 years of age when the premiums are also ZERO, and;
  - ii) PAID Death Benefit is a flat \$10,000 amount commencing from 65 years of age until death with NO PREMIUMS. Contact AccessHR at 1-877-807-9090.

