

Pension Plan News



Total Compensation

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



Myth of the best retirement date

This article is intended for members of the defined benefit component of the Plan.

Employees often ask about the best time to retire and believe there's an optimal date. Truth be told, it's a myth.

The retirement date you choose is entirely up to you and depends on your personal situation. Here are some facts about your pension benefits to consider when making this important decision.

Immediate unreduced pension. You are entitled to an immediate unreduced pension from the Plan when you reach pensionable age. For employees represented by the Canadian Union of Postal Workers – Urban Postal Operations (CUPW-UPO) and Rural and Suburban Mail Carriers (CUPW-RSMC) whose membership in the Plan began on or after December 21, 2012, pensionable age occurs when you are 65 years of age or older with at least two years of eligibility service, or 60 years of age

or older with at least 30 years of eligibility service. For all other members of the Plan, pensionable age occurs when you are 60 years of age or older with at least two years of eligibility service, or 55 of age or older with at least 30 years of eligibility service. If you have not reached pensionable age upon your termination of employment, you may be eligible to choose one of the following pension benefits: a reduced pension, deferred pension or the commuted value of your pension.

Service. Your eligibility service helps determine when you can retire, and your pensionable service, the amount you receive at retirement. Before completing the maximum 35 years of eligibility service, every day you continue to work increases your eligibility service and pensionable service.

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SEND US YOUR FEEDBACK

Do you have a topic in mind for our next *Pension Plan News* bulletin? Submit your comments in writing to pension.services@canadapost.ca or CANADA POST PENSION SERVICES, 2701 RIVERSIDE DRIVE, OTTAWA ON K1A 0B1

Note: In this publication, "Plan" refers to the Canada Post Corporation Registered Pension Plan, "DB" refers to the defined benefit component and "DC" to the defined contribution component. **Disclaimer:** The official Plan text governs your actual benefits from the Plan and is the final authority in any case of dispute. For more information, visit cpcpension.com.

Regardless of the date when you choose to retire, your pension will be calculated accordingly. You will receive a prorated pension amount for that month for the days you were retired.

For example, as Julie decides to retire on November 15, her first pension payment would be prorated to 16 days, to only include November 15 to November 30.

Vacation and personal days. These are prorated depending on how many months in the year you were entitled to receive pay for at least 10 days. If you have used more leave than you were entitled to, the value of the excess leave will be recovered. The adjustments, if any, will be made on your last pay.

Indexation. Your pension is indexed every year in January by a percentage that reflects the average increase in the consumer price index (CPI), calculated from October 1 to September 30 of the previous year. Your first indexing increase after retirement will be prorated based on the number of complete months following the month in which you retire. Using Julie's example, her first indexation would only consider the month of December since she would retire in November. Afterward, indexation is applied to the full year.

New provider for the DC component

On September 1, 2021, Canada Life became the new provider for the defined contribution (DC) component of the Pension Plan, including the Voluntary Savings Plan (VSP).

As an employer of choice, we're always looking for ways to improve our total compensation package. Given that the DC component of the Pension Plan has grown substantially since it began in 2010, we wanted to offer a more attractive package to our DC members.

This change in service provider means lower investment management fees for you so your retirement savings can grow faster. As Canada Life is also our health benefit provider, you also have access to a one-stop service for your pension and health benefit programs through the integrated web portal, My Canada Life at Work, and the toll-free phone number, 1-866-716-1313.

In October, you received a closing balance statement from Sun Life

and an opening balance statement from Canada Life to reflect your account transfer.

If you haven't already done so, register online at mycanadalifeatwork.ca to take full advantage of the new tools and features from your new service provider.

Visit cpcpension.com for more information.



DB members

2021 tax receipt: Cheque deadline is December 15

If you wish to make a payment toward your leave without pay or elective service balance to appear on your 2021 tax receipt, please send your cheque by December 15. If your cheque isn't recorded by the Pension Centre by that date, a tax receipt for that payment will not be issued for 2021. It will be included with your 2022 tax receipt.

2021 Pension Advisory Council (PAC) elections results

- Congratulations to **Jaye Poirier**, elected representative for management and exempt members of the Plan.
- Congratulations to **Raymond Tsang**, elected representative for all active members of the Plan.

2021 Communications and Consultation (C&C) Group elections results

- Congratulations to **Sarah Lyall**, elected representative for all defined benefit management and exempt members of the Plan.

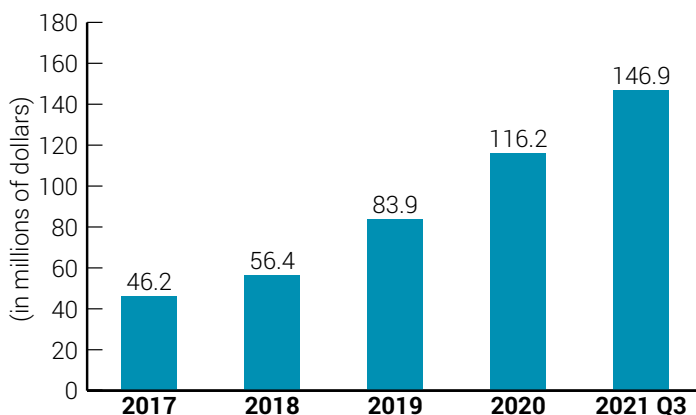
Investment results as at September 30, 2021

Market conditions

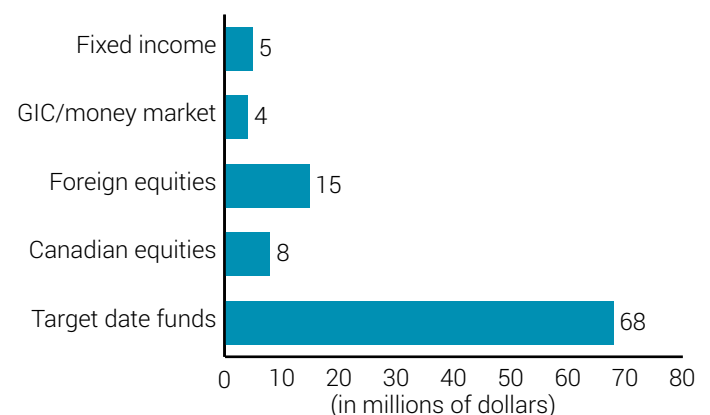
Within the plan, private equity was the best performer in the third quarter, returning 16.72%. Marketwise, S&P/TSX Composite Index was up 0.17%. S&P 500 index was up 2.90%. MSCI EAFE Index was up 1.85%. FTSE Canada Universe Bond Index was down 0.51%. The following table depicts the performance of the Plan's fund (return percentage).

Asset class	Market value (\$ millions)	2021 Q3 (%)	2021 Year to date (%)	2020 Annual (%)	2019 Annual (%)	2018 Annual (%)	2017 Annual (%)
Fixed income							
TDAM Canadian Bond Index	7,815	-0.5	-4.1	-3.6	7.3	0.6	-0.1
GIC/money market							
Mackenzie Money Market	3,414	0.1	0.2	0.2	0.7	1.1	1.1
SLA 5YR Guaranteed Fund	1,891	n/a	n/a	n/a	n/a	n/a	n/a
Equities							
BlackRock U.S. Equity Index	10,597	2.9	15.2	23.3	9.7	15.8	17.8
CC&L Group Canadian Equity	4,908	0.9	18.6	31.1	2.0	12.8	9.7
MFS Global Equity	7,284	1.8	10.8	18.5	12.1	7.6	21.8
MFS International Equity	4,283	2.1	7.8	17.6	7.8	9.6	23.9
TDAM Canadian Equity Index	6,857	0.2	17.5	28.0	3.9	10.4	11.0
Target date funds							
BlackRock LifePath® Index 2020	1,194	0.2	2.5	6.5	5.5	6.8	5.9
BlackRock LifePath® Index 2025	9,885	0.3	4.1	9.1	5.6	7.7	7.3
BlackRock LifePath® Index 2030	12,501	0.5	5.9	12.1	5.5	8.5	8.5
BlackRock LifePath® Index 2035	16,165	0.6	7.8	15.1	5.6	9.2	9.8
BlackRock LifePath® Index 2040	17,672	0.8	9.6	18.0	5.5	10.0	11.0
BlackRock LifePath® Index 2045	17,266	0.9	11.1	20.4	5.6	10.6	12.0
BlackRock LifePath® Index 2050	14,990	0.9	12.0	21.9	5.6	11.0	12.4
BlackRock LifePath® Index 2055	6,678	0.9	12.1	22.1	5.5	11.0	12.5
BlackRock LifePath® Index 2060	1,033	0.9	12.1	22.0	n/a	n/a	n/a
BlackRock LifePath® Index Retirement	2,489	0.2	2.5	6.5	5.5	6.1	4.4
Total market value¹	146,922						

Investment assets



Asset mix



1. Numbers may not add up due to rounding.

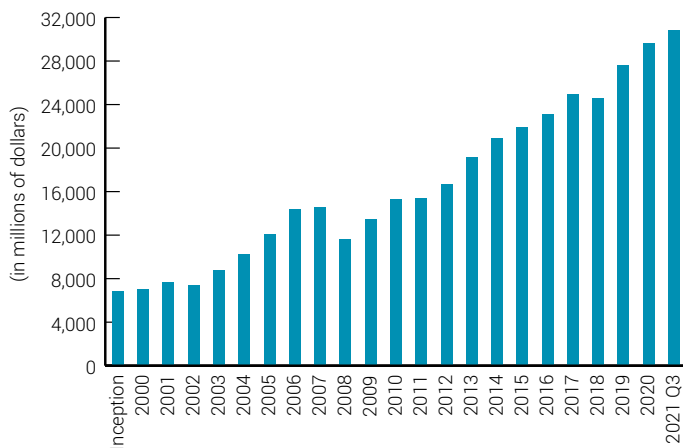
Investment results from July 1 to September 30, 2021

Market conditions

Within the plan, private equity was the best performer in the third quarter, returning 16.72%. Marketwise, S&P/TSX Composite Index was up 0.17%. S&P 500 index was up 2.90%. MSCI EAFE Index was up 1.85%. FTSE Canada Universe Bond Index was down 0.51%. The following table depicts the performance of the Plan's fund (return percentage).

Asset class	Market value (\$ millions)	2021 Q3 (%)	2021 Year to date (%)	2020 Annual (%)	2019 Annual (%)	2018 Annual (%)	2017 Annual (%)	2016 Annual (%)
Fixed income								
Cash and short-term	158.4	0.0	-0.2	0.4	1.6	1.3	0.7	0.7
Bonds	13,168.9	-0.7	-5.2	11.3	10.3	0.5	3.4	3.2
Equities								
Canadian equities	3,794.4	1.0	19.7	1.6	20.4	-8.3	9.3	21.5
U.S. equities	3,232.9	2.7	15.5	15.4	23.9	3.0	14.1	6.3
International equities	3,920.7	-1.0	4.9	10.8	17.1	-8.1	25.4	3.7
Real estate, private equity and infrastructure	6,576.4	8.1	16.4	7.4	11.8	17.4	13.1	10.0
Currency overlay	-6.3							
Total Registered Pension Plan¹	30,845.5	1.48	5.74	9.43	14.69	0.89	10.42	7.93
Benchmark		0.20	3.24	10.25	15.79	-1.94	8.59	6.72

Investment highlights



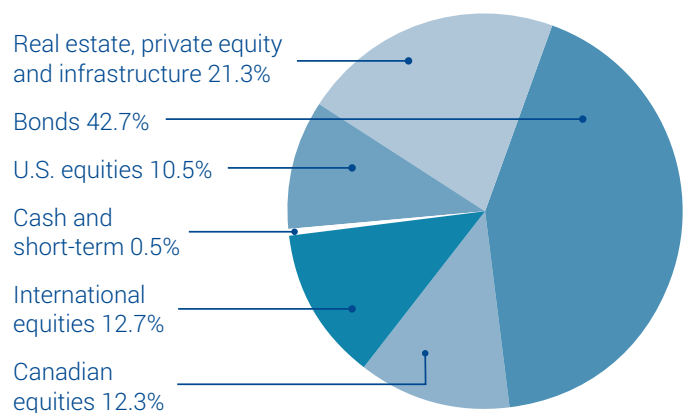
- The fund's third quarter return was 1.48%.
- As of September 30, 2021, the fund held assets of \$30.8 billion.
- The fund had net cash outflows of \$190.7 million in the third quarter.
- We added \$2.5 million to private debt, \$300 million to international equities and \$56.6 million to currency overlay.
- We withdrew \$250 million from Canadian equities, \$150 million from U.S. equities, \$102.1 million from real estate, \$43.5 million from private equity and \$4.2 million from infrastructure.

1. Numbers may not add up due to rounding.

Asset mix highlights

- As at September 30, 2021, 56.8% of assets were invested in equities and alternative investments compared to the asset mix target of 54.9%. These investments were within the allowable range and were made up of 12.3% Canadian equities, 10.5% U.S. equities, 12.7% international equities, 10.9% real estate, 5.7% private equity and 4.6% infrastructure.
- 43.2% of assets were invested in bonds and short-term investments, compared to an asset mix target of 45.1%. This included 10.7% real return bonds, 32.0% nominal bonds and private debt and 0.5% in cash, short-term investments and currency overlay.

Asset mix¹



Investment assets – data

Date	Value (in millions of dollars)
2017	46.2
2018	56.4
2019	83.9
2020	116.2
2021 Q3	146.9

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Asset mix – data

Asset	Value (in millions of dollars)
Fixed income	5
GIC/money market	4
Foreign equities	15
Canadian equities	8
Target date funds	68

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Investment highlights – data

Date	Value (in millions of dollars)
Inception	6,850
2000	7,024
2001	7,683
2002	7,398
2003	8,797
2004	10,214
2005	12,131
2006	14,349
2007	14,612
2008	11,618
2009	13,466
2010	15,257
2011	15,357
2012	16,712
2013	19,191
2014	20,868
2015	21,919
2016	23,091
2017	24,980
2018	24,610
2019	27,635
2020	29,597
2021 Q3	30,846

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Asset mix highlights – data

Asset	Value (in millions of dollars)
Real estate, private equity and infrastructure	21.3%
Bonds	42.7%
U.S. equities	10.5%
Cash and short-term	0.5%
International equities	12.7%
Canadian equities	12.3%

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