

# Pension Plan News



André Ouellet, President and Chief Executive Officer of Canada Post is pleased to announce that the Corporation has concluded a *Pension Transfer Agreement (PTA)* with the Treasury Board Secretariat, the administrator of the Public Service Superannuation Act on January 7, 2002. This is the first Pension Transfer Agreement to be negotiated by the Corporation since the inception of the Canada Post Corporation Registered Pension Plan on October 1, 2000. It is anticipated that other agreements will follow.

## Pension Transfer Agreement



## What is a PTA?

A PTA is an agreement between two pension plan administrators that allows the transfer of pension funds from one pension plan to another when you terminate your employment and join another employer. The agreement identifies the conditions of a pension credits transfer, such as: who's eligible, the criteria and timeframe to apply, and the actuarial assumptions that will be used to calculate the pension credits that you accumulated.

## How does it work? Who does it apply to?

- It applies to eligible employees who terminate employment with Canada Post and want to transfer their pension credits to the new employer's pension plan if the new employer has an existing Pension Transfer Agreement with Canada Post.
- It applies to eligible employees at Canada Post who want to transfer pension credits from their previous employer to Canada Post, if the previous employer has an existing Pension Transfer Agreement with Canada Post

## What are the criteria to apply for a PTA?

- You must have ceased employment with the former employer.
- You must be an eligible member of the new employer's pension plan before the transfer can be approved.
- You must not have received or will not receive a return of contributions or other pension benefit from the former pension plan.
- Both pension plans have to be registered under the Canadian Income Tax Act.
- You must apply for the pension credits transfer within one year of the date the agreement was signed, or one year from the date you are notified of becoming a member under the new plan, whichever is the later date.

## How will a PTA affect me?

Your eligibility service and pensionable service with your former employer will be recognized in proportion with the pension funds transferred. Consequently:

- Your additional pensionable service credit may allow you to retire at an earlier date;

and

- Your additional pensionable service credit may increase the pension benefit you receive at retirement.

It is important that you see a professional financial advisor before making your decision to transfer your pension credits, examine tax questions and consider the effects to your pension when you retire.

If you have additional questions or require more information on this Pension Transfer Arrangement, please call the Pension Administration Centre at **1 877 480-9220**. Please have your personal identification number (PIN) and employee identification number available.