Canada Post Corporation Registered Pension Plan
Indexing of Canada Post pension benefits

This illustration describes the terms of the Canada Post Corporation Registered Pension Plan (the Plan) relating to indexing and provides a detailed sample calculation of an indexed pension. You can use this example to confirm your indexed amount by substituting your lifetime pension amount, bridge benefit amount (if applicable) and retirement date.

The method to calculate the first year's partial indexing of the pension is not as simple as prorating the "annual indexing rate" by the number of months you have been retired in that year. The actual indexing rate for each member is calculated using a pension index, a benefit index and the member's initial benefit index.

Pension index

The pension index for any year is equal to the 12-month average of the monthly Canadian Consumer Price Index (CPI) ending on September 30th of the previous year.

Year*	2020	2021	2022	2023	2024	2025
Pension index	161.08	162.76	166.68	177.23	185.61	190.62

* The base year used by Statistics Canada to calculate the CPI changed in 2008. To accommodate this change, the pension index from 2008 onward is increased by the percentage increase in the average CPI, for the two previous years ending September 30th.

The ratios of the pension indexes for the five most recent years are as follows:

2025/2024 = 190.62/185.61 = 1.02699208

2024/2023 = 185.61/177.23 = 1.04728319

2023/2022 = 177.23/166.68 = 1.06329494

2022/2021 = 166.68/162.76 = 1.02408454

2021/2020 = 162.76/161.08 = 1.01042960

These figures do not necessarily represent the "indexing rate" but are used to calculate the benefit indexes.

Benefit index

The first year members began retiring under the Plan was 2000. The benefit index for that year is equal to 1.00. The benefit index for every year after that is equal to the previous year's benefit index multiplied by the ratio of the pension index for the year to the pension index for the previous year.

For example:

Benefit index for 2025   = benefit index for 2024 × (pension index for 2025/pension index for 2024)
    = 1.68924 × (190.62/185.61)
    = 1.68924 × 1.02699208 (ratio found on page 1)
    = 1.73484

Here are the calculations of benefit indexes for 2021 to 2025:

Benefit index for 2021 is: ……………………   = 1.46598 × 1.01042960 = 1.48127
Benefit index for 2022 is: ……………………   = 1.48127 × 1.02408454 = 1.51695
Benefit index for 2023 is: ……………………   = 1.51695 × 1.06329494 = 1.61297
Benefit index for 2024 is: ……………………   = 1.61297 × 1.04728319 = 1.68924
Benefit index for 2025 is: ……………………   = 1.68924 × 1.02699208 = 1.73484

Year	2021	2022	2023	2024	2025
Benefit index	1.48127	1.51695	1.61297	1.68924	1.73484

Initial benefit index

The initial benefit index for a member is based on their actual retirement month and year. A member's initial benefit index is a weighted average of the benefit indexes for the member's year of retirement and the following year, where the weighting is based on the number of months after the retirement month, in the first year.

For example, the initial benefit index for a member who retired in April of 2021 will be 8/12 of the 2021 benefit index plus 4/12 of the 2022 benefit index.

To calculate this number, you need to know the benefit index for the year of retirement and for the year after retirement, as well as the number of months in the retirement year, after the member's retirement month.

Example:
Month of retirement: April 2021
Benefit index for 2021:   1.48127
Benefit index for 2022:   1.51695
Months in 2021 after retirement month: 8
Initial benefit index: 8/12 of 1.48127 plus 4/12 of 1.51695
                                         = 1.49316

Pension payable – sample calculation

To determine the indexing for a given year, multiply the initial pension amount by the ratio of the benefit index for the year to the initial benefit index. *Note that the ratio of the benefit indexes is rounded to 4 decimals.*

Example *(continued from the previous example)*:

Initial lifetime pension: = $955.55
Initial bridge benefit: = $ 0.00*

Ratio of benefit index for 2022 to initial benefit index: ...= 1.51695 ÷ 1.49316 = 1.0159
Lifetime pension payable in 2022: ....= $955.55 × 1.0159 = $970.74

Ratio of benefit index for 2023 to initial benefit index: ...= 1.61297 ÷ 1.49316 = 1.0802
Lifetime pension payable in 2023: ....= $955.55 × 1.0802 = $1,032.19

Ratio of benefit index for 2024 to initial benefit index: ...= 1.68924 ÷ 1.49316 = 1.1313
Lifetime pension payable in 2024: ....= $955.55 × 1.1313 = $1,081.01

Ratio of benefit index for 2025 to initial benefit index: ...= 1.73484 ÷ 1.49316 = 1.1619
Lifetime pension payable in 2025: ....= $955.55 × 1.1619 = $1,110.25

* If there is a bridge benefit, the same formula applies. Multiply the initial bridge benefit by the ratio of the benefit index for the year to the initial benefit index.

Note: *The real increase in pension benefit payments is always calculated as described above. Due to the complexity of these calculations, each year we provide information that enables you to use a simpler method to approximate the result. Keep in mind that the result of this approximation may be different from your actual pension benefit amount.*

The official Plan text governs the actual benefits from the Plan and is the final authority in any case of dispute.