



# Pension Plan News

## Wait... Retirement isn't as far away as you think

Your car payments might not be paid off, the cost of your mortgage is probably looming in the back of your mind, and on top of it all you want to invest in your children's education. Retirement is too far away to think about, however, early preparation for your retirement is a vital step to ensure future financial security after your working career ends. Canada Post has a number of the tools you can use in order to begin your retirement planning.

- Your **Personalized Pension Statement** is a useful publication, which outlines an estimate of your projected retirement income as of the earliest date you may retire with an unreduced pension. It also provides a summary of the pension benefits that you accumulate under the Canada Post pension plan as at December 31, 2005.

- Consult the Canada Post pension website at [www.cpcpension.com](http://www.cpcpension.com) for detailed information about planning your retirement.
- An Interactive e-Learning course, called **Planning Your Retirement**, is available for Canada Post employees to use. This course is designed so you may learn about the Canada Post pension plan and complete a comprehensive retirement planning program from your work or home computer. The program consists of five courses detailing information, including an overview of the Canada Post pension plan, and specific topics such as what happens when you die and service that you are eligible to buy back.

### HOW TO ACCESS THIS E-LEARNING COURSE

From home	From work
Type <a href="https://mysite.canadapost.ca">https://mysite.canadapost.ca</a> in the Internet bar	Click on <b>MySAP</b> from the Intr@Post home page

Enter your **User ID** and **password** and click on Logon. Please note that your work password cannot be used if you access from home when using the "mysite.canadapost.ca" Internet address. If you don't remember your home password, call the Computer Helpdesk at 1-877-411-8585.



*continued on page 3*

## Table of Contents

Retirement Planning...	1
Performance Results July 1 to September 30, 2005	2
Test Your Knowledge Quiz	3
Personalized Pension Statement	4
Changing Your Designated Beneficiary...	4

**Performance  
Results  
for July 1 to  
September 30, 2005**

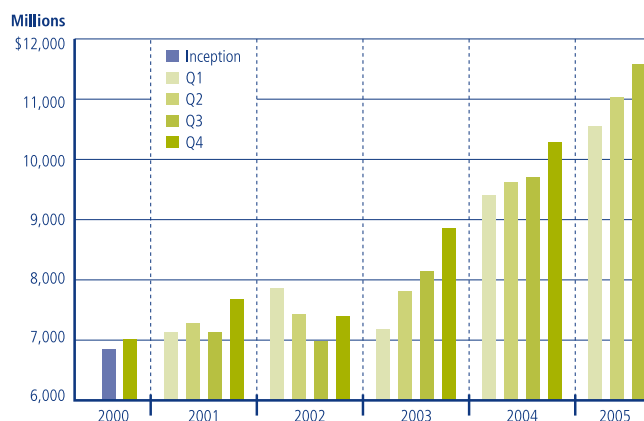
# Market Conditions

The benchmark Canadian S&P/TSX Composite Index rose 11.6% during the quarter as oil traded through \$70 US a barrel. In the US, the S&P 500 was off almost 2% in Canadian dollar terms as our dollar gained more than 5% against the US dollar, while International markets rose 4.6% on the quarter. Bond markets performed solidly in the third quarter even as the Bank of Canada made its first 1/4 per cent rate increase since October 2004. The following table depicts the Plan's performance since inception.

ASSET CLASS	MARKET VALUE (IN MILLIONS)	2005 JUL-SEP	2005 YTD	2004 ANNUAL	2003 ANNUAL	2002 ANNUAL	2001 ANNUAL
<b>Fixed Income</b>							
Cash & Short Term	\$ 464.2	0.7%	1.9%	2.4%	2.9%	2.4%	4.3%
Canadian Bonds	3,428.8	1.4%	6.9%	9.6%	8.4%	10.2%	7.3%
<b>Equities</b>							
Canadian Equities	4,215.6	11.6%	22.1%	15.6%	25.5%	-11.6%	-7.7%
US Equities	2,082.6	-0.5%	1.4%	4.9%	7.5%	-20.9%	—
International Equities	1,507.8	6.0%	7.5%	13.3%	7.3%	-21.6%	—
<b>Total Registered Pension Plan</b>	<b>\$ 11,699.0</b>	<b>5.08%</b>	<b>11.00%</b>	<b>11.13%</b>	<b>13.87%</b>	<b>- 6.99%</b>	<b>5.10%</b>

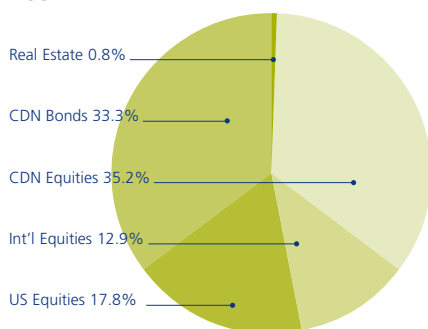
## Investment Highlights

- As at September 30, 2005, the fund held assets of \$11,699.0 million.
- The fund's third quarter return was 5.08% versus our benchmark of 3.65%. Year to date the return was 11.00% versus our benchmark of 8.83%.
- The fund received net contributions of \$118.2 million in the second quarter, including \$67.3 million in special solvency payments. We reduced the Canadian equity allocation by \$150.0 million and allocated \$125.0 million to US equities and \$140.0 million to International equity. \$30.9 million was added to Real Estate and cash & short-term investments were reduced by \$28.2 million.



## Asset Mix Highlights

### ASSET MIX



- As at September 30, 2005, 66.7% of assets were invested in equities and real estate, above the asset mix target of 62.5%. Of the total, Canadian equities represented 35.2%, US equities 17.8%, International equities 12.9%, and real estate 0.8%.
- 33.3% of assets were invested in bonds and short-term investments, compared to an asset mix target of 37.5%. This included 7.2% in real return bonds, 22.1% in Canadian bonds and 4.0% in cash and short-term investments.

continued from page 1

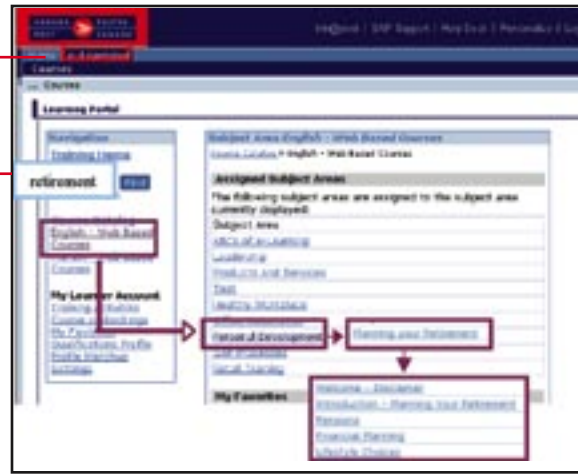
Click on the **e-Learning** tab.

Follow one of these two options:

1. Type "**retirement**" in the search field and click on Find.  
The course name will be displayed. Click on it and follow instructions.

OR

1. Click on course **language**.
2. Select **Personal Development** folder.
3. Click on **Planning Your Retirement** course.
4. Click on first module and follow instructions.



Need more information on how to navigate in a course? Click on the Home tab and click on the e-Learning website link located in the Common Links section.

Planning your retirement today may seem like an overwhelming task, however, knowing how Canada Post can help you ensure a financially stable retirement can be made simple and reward you with peace of mind. ❖

## Test Your Knowledge Quiz

1

**An unreduced pension is:**

- a) A full pension, which represents 70% of the income you earned while you were working.
- b) A pension without a penalty.
- c) A pension that is not protected from inflation.
- d) Both a) and c).

2

**You are able to buy back service by:**

- a) Paying by lump sum (including personal RRSP transfer).
- b) A transfer of funds from the Government of Ontario.
- c) Monthly deductions from your pay.
- d) Both a) and c).
- e) Both b) and c).

3

**Your Canada Post pension is protected from inflation.**

True or False?

4

**How often do Canada Post pensions increase with inflation?**

- a) Annually.
- b) Twice a Year.
- c) During every business quarter.
- d) Every fourth year.

5

**If you do not have a spouse or any eligible dependent children at the time of your death, your survivor benefit:**

- a) Is payable to your estate if you have not designated a beneficiary under the Canada Post pension plan.
- b) Is payable to your Designated Beneficiary if you have identified one under the Canada Post pension plan.
- c) Cannot be paid to anyone without a spouse and children.
- d) Both a) and b).

6

**What service counts as pensionable service?**

- a) Service I am buying back.
- b) Service while I am contributing to the Plan.
- c) Periods of leave that I choose to pay for and are approved.
- d) All of the above.

7

**A defined benefit pension plan is based on:**

- a) A pre-defined benefit formula (defined in advance and not based on your contributions or market fluctuations).
- b) Personal investments.
- c) Both of the above.
- d) None of the above.

8

**The Canada Post pension plan is governed by:**

- a) Management standards and values.
- b) The *Pension Benefits Standards Act* (PBSA), 1985 and the *Income Tax Act*.
- c) *Sarbanes-Oxley Act*.
- d) All of the above.

Answers  
1) b 2) d 3) True 4) a 5) d 6) d 7) a 8) b

# Your 2005 Personalized Pension Statement

Your *Personalized Pension Statement* includes an overall forecast of your Canada Post pension, outlining an estimate of your projected retirement income as of the earliest date you may retire with an unreduced pension.

Your *Personalized Pension Statement* also provides a synopsis of the benefits you are entitled to receive under the Canada Post pension plan as at December 31, 2005, and a summary of key Plan benefits, together with a statement on the overall financial status of the Plan.

For similar personalized pension information, please visit the pension administration web page, which can be accessed via the "Calculate my pension" menu item located at [www.cpcpension.com](http://www.cpcpension.com). You will need to have your PIN number on hand. ❖



## You Asked?

This space is reserved for Q&As. We will answer one or two questions we hope will interest the majority. Please send your questions to [pension.services@canadapost.ca](mailto:pension.services@canadapost.ca)

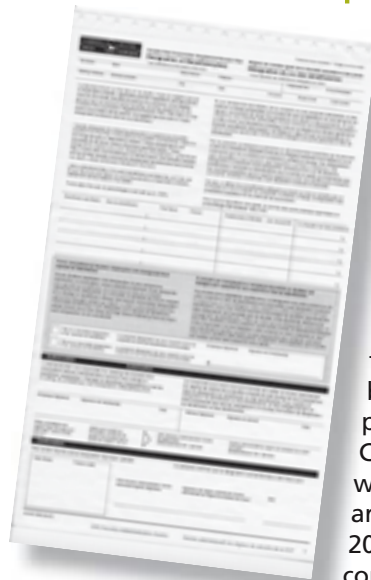
**Where do I find e-mail addresses for other government agencies?**

## Changing Your Beneficiary under the Canada Post pension plan

As a member of Canada Post's pension plan, your eligible spouse is entitled to receive certain survivor benefits upon your death. If you do not have a spouse and would like information on beneficiary designations under the Canada Post pension plan, or, if you are in the process of a marriage breakdown and would like to change your designated beneficiary, visit the Canada Post pension plan website at [www.cpcpension.com](http://www.cpcpension.com) and review the following sections:

- get retiree information on – survivor benefits
- know what happens if – my spousal relationship changes for detailed information regarding survivor benefits.

You can print a form directly from the Canada Post pension plan website. It can be found under the section:



- Print a Form – Designation of Beneficiary. You may also contact the Pension Centre by phone at 1-877-480-9220 and request a Designation of Beneficiary Form.

If you would like to change your current beneficiary but have indicated that the status of your present beneficiary is irrevocable, please contact the Pension Centre. Also, beneficiaries that were declared under the PSSA are invalid as of October 1, 2000. If you have any questions concerning the status of your current beneficiary, please

contact the Pension Centre.

Once you have completed the Designation of Beneficiary Form, you must send it back to the Canada Post Pension Centre at the address specified on the document. ❖

## Did you Know?

That when you do a pension estimate on the web you do not add any additional service buy-back if:

- Your buyback has been finalized, and
- The Past Service Pension Adjustment (PSPA) has been approved (for post-

1989 service). You will receive written notification when the PSPA has been approved.

A quick review of your eligibility service should tell you if the buyback is already included in the service total.

Visit our Canada Post pension website at [www.cpcpension.com](http://www.cpcpension.com). Click on **Visit other sites of interest**. Here you will find government websites as well as retirement planning and personal finance pages. There are also sites on services for seniors and provincial health. Try the Canadian Retirement Income Calculator. Is there a site you think would interest others? Please e-mail us at [pension.services@canadapost.ca](mailto:pension.services@canadapost.ca)

**We appreciate your feedback. If you have a comment or a suggested topic, please contact:**

PENSION SERVICES  
2701 RIVERSIDE DR SUITE B320E  
OTTAWA ON K1A 0B1

E-mail: [pension.services@canadapost.ca](mailto:pension.services@canadapost.ca)