

# PENSION PLAN

# NEWS

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## What is a “bridge” pension?

**W**ith the Canada Post Corporation Pension Plan (CPCPP) now open for business, you may start hearing some standard pension industry terminology you may not have heard before. One of these new terms is a “BRIDGE” pension benefit which is a temporary payment that you will receive from the CPCPP from your date of retirement until your 65th birthday.

### How does this affect you?

The Canada Post Corporation Pension Plan is made up of two parts.

The first one is called the LIFETIME pension. This means what it implies, a pension payable for your lifetime. The other is called a BRIDGE pension, which is the portion of your pension benefit payable from the date you start

receiving a pension benefit from the CPCPP until your 65th birthday. The LIFETIME + BRIDGE = your annual pension benefit. After age 65, your “Bridge” pension STOPS and is replaced by the Canada/Quebec Pension Plan (CPP/QPP) pension benefit that you have earned.

An illustration is provided below to demonstrate the impact of the “BRIDGE” benefit. You will notice that the pension benefit provided under the Canada Post Corporation Pension Plan is exactly the same as the one provided under the former Public Service Superannuation Account (PSSA).

Date of Birth: <b>December 30, 1940</b>	<b>CPCPP:</b>	<b>Age 60 to 64</b>	<b>Age 65</b>	<b>After age 65</b>
Retirement/ Termination Date: <b>December 31, 2000</b>	CPC Lifetime pension	\$19,028.10	\$19,028.10	\$19,028.10
Age on Retirement/ Termination: <b>60 years old</b>	CPC Bridge	\$ 8,971.90	\$ 8,971.90	N/A
Average Salary: <b>\$40,000</b>	CPCPP Total	\$28,000.00	\$28,000.00	\$19,028.10
Pensionable Years of Service: <b>35</b>	Canada/Quebec Pension Plan (CPP/QPP)	N/A	N/A	\$ 8,971.90
Average Maximum Pensionable Earnings (AMPE): <b>\$36,620</b>	<b>PSSA:</b>			
	PSSA Lifetime pension	\$19,028.10	\$19,028.10	\$19,028.10
	PSSA/CPP reduction	\$ 8,971.90	\$ 8,971.90	N/A
	PSSA Total	\$28,000.00	\$28,000.00	\$19,028.10
	Canada/Quebec Pension Plan (CPP/QPP)	N/A	N/A	\$ 8,971.90

**Notes:** Lifetime pension calculations above have not been updated to reflect indexation after retirement and do not incorporate any impact due to a disability retirement.

Also, you may choose to collect your CPP/QPP benefit as early as age 60. While there would be no impact on the BRIDGE benefit, which will continue to be paid until age 65, your CPP/QPP benefit would be adjusted to account for the fact that you began receiving benefits before age 65.

In the event of marriage breakdown, the calculation of reduction for CPP/QPP will have to be adjusted if the contributors' pension benefits are or have been divided pursuant to the Pension Benefits Division Act.