

# Pension Plan News



Our menu has changed to make it easier to find information on:

Active Members – subheadings have drop down menus pertaining to active members

**Pensioners** – a drop down menu pertaining to pensioners

Deferred Members - a drop down menu pertaining to deferred members

Beneficiaries & Survivors – useful information if you are a beneficiary or a survivor

Forms & Publications – forms & publications right at your fingertips

**Investments & Governance** – investment information, such as investment results and rates of returns

> governance information such as the governance structure and governance documents

**Calculate my pension** – allows an active or deferred member to calculate a pension benefit estimate

**FAQ** – contact Information, how to obtain a PIN and easy access to printable forms can be found here

CANADA POSTES POST CANADA From anywhere to anyone	Your Pension Plan Helping you take care of your future Home   Enlarge Text			Text	Y		
Français				Help	Terms of Use		
Active Members	We	lcome to vo	ur Pension Pla	an			
Joining the Plan							
General Member Information		With over 77,000 members, the Canada Post Pension Plan is one of the largest single-employer sponsored defined benefit plans in Canada.					
Life Events - What i	This website is a	This website is an important resource for members of the Canada Post					
Planning for Retirement	you can almost	Pension Plan. If you have ever had a question about your pension benefit you can almost certainly find the answer here. This website encompasses detailed information regarding your pension benefit through your lifecycle. If you are having trouble finding your way around, take the <u>guided tour</u> to help you locate what you are searching for. This Web site is for general information only, and is not intended to provide specific individual financial, legal, investment, Plan or tax advice. Read the <u>Terms of Use</u> for important information about the site and your pension.					
Pensioners	If you are havin						
Deferred Members							
Beneficiaries and Survivors	This Web site						
Forms & Publications							
Investments & Governance							
Calculate my pension							
FAQ					October 2007     Designation of Basic Life Insurance Beneficary and Designation of Canada Post Paid Death Benefit forms now on the web     Archive		
	From anywhereto anyone Français Active Members Joining the Plan General Member Information Life Events - What i Planning for Retirement Pensioners Deferred Members Beneficiaries and Survivors Forms & Publications Investments & Governance Calculate my pension	Promanywheeto anyone     Helping you take can       Français     Definitions       Active Members     Joining the Plan       General Member     With over 77,00       Information     Uith over 77,00       Life Events - What If?     Planning for       Planning for     you can almost detailed information       Deferred Members     If you are havin to help you loca       Beneficiaries and     This Web site to provide spectorize for a dutice. Re about the site       Investments &     Governance	From anywhere. to anyone     Helping you take care of your future       François     Definitions     Site Map       Active Members     Joining the Plan     Welcome to you       General Member Information     With over 77,000 members, the Can largest single-employer sponsored de This website is an important resource Pension Plan. If you have ever had a que can almost certainly find the any detailed information regarding your presion Plan. If you are having trouble finding you to help you locate what you are sear       Person & Publications     Investments & Governance       Investments & Governance     This Web site is for general infor to provide specific individual find tax advice. Read the <u>Terms of U</u> about the site and your pension.	Yon anywheeto anyone       Helping you take care of your future       Home   Enlarge         Français       Definitions       Site Map       Contact Us         Active Members       Joining the Plan       Welcome to your Pension Pla       Site Map         Joining the Plan       Welcome to your Pension Plan       Site Map       Contact Us         General Member       With over 77,000 members, the Canada Post Pension Plan is largest single-employer sponsored defined benefit plans in Ca       This website is an important resource for members of the Car Pension Plan. If you have ever had a question about your per you can almost certainly find the answer here. This website e detailed information regarding your pension benefit through to the pour locate what you are searching for.         Pensioners       If you are having trouble finding your way around, take the got o help you locate what you are searching for.         Beneficiaries and Survivors       This Web site is for general information only, and is n to provide specific individual financial, legal, investment ax advice. Read the <u>Terms of Use</u> for important info about the site and your pension.         Investments & Governance       Calculate my pension	Itelping you take care of your future       Home I Enlarge Text         Français       Definitions       Site Map       Contact Us       Help         Active Members       Joining the Plan       Site Map       Contact Us       Help         General Member Information       Welcome to your Pension Plan       Weich Come to your Pension Plan         Life Events - What if?       Planning for Retirement       This website is an important resource for members of the Canada Post Pension Plan. If you have ever had a question about your pension benefit you analmost certainly find the answer here. This website encompasses detailed information regarding your pension benefit through your lifecycle.         Pensioners       If you are having trouble finding your way around, take the guided tour to help you locate what you are searching for.         Beneficiaries and Survivors       This Web site is for general information only, and is not intended to provide specific individual financial, legal, investment, Plan or tax advice. Read the Terms of Use for important information about the site and your pension.       Guestient         FAQ       Website       Ste for important information Governance       Ste Map		





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Canada Post Corporation Registered Pension Plan Performance Results for Oct. 1 to

#### Dec. 31, 2007

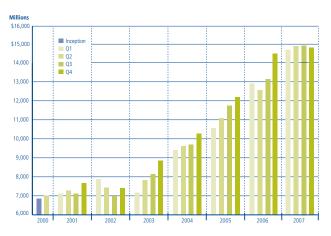
### **Market Conditions**

Equity markets were lower in the fourth quarter with the Canadian S&P/TSX Composite Index down 1.3%, while in Canadian dollar terms the US S&P 500 fell 4.0%, and the international EAFE index was off 2.4% as markets remained nervous. The DEX Bond Universe was up 2.7% with the Bank of Canada lowering rates 25 basis points to 4.25% in December in response to credit concerns. The following table depicts the Plan's performance since inception.

ASSET CLASS	MARKET VALUE (IN MILLIONS)	2007 Oct–Dec	2007 ANNUAL	2006 ANNUAL	2005 ANNUAL	2004 ANNUAL	2003 ANNUAL	2002 ANNUAL
Fixed Income								
Cash & Short Term	\$ 557.4	-0.1%	3.2%	4.1%	2.7%	2.4%	2.9%	2.4%
Canadian Bonds	4,452.7	2.6%	3.5%	2.4%	8.6%	9.6%	8.4%	10.2%
Equities								
Canadian Equities	4,282.8	-1.8%	9.0%	18.9%	25.2%	15.6%	25.5%	-11.6%
U.S. Equities	2,522.9	-4.5%	-10.7%	16.9%	3.4%	4.9%	7.5%	-20.9%
International Equities	2,408.5	-4.6%	-5.1%	28.4%	13.2%	13.3%	7.3%	-21.6%
Real Estate	387.0	3.6%	16.8%	24.8%	17.2%	_	—	_
Total Registered Pension Plan	\$ 14,611.3	-1.25%	2.09%	14.25%	13.73%	11.13%	13.87%	-6.99%

#### **Investment Highlights**

- The fund's fourth quarter return was -1.25% versus our benchmark of -0.36%. For the year the fund earned 2.09% against a benchmark return of 0.91%.
- As at December 31, 2007, the fund held assets of \$14,611.3 million.
- The fund had net outflows of \$32.2 million in the fourth quarter. We reduced the Canadian equity allocation by \$85.5 million. This amount plus \$46.2 million in currency hedge gains were allocated as follows: \$36.5 million to real estate; \$10 million to nominal bonds; \$18 million to cash and short-term investments; \$25 million to U.S. equities and \$10 million to international equities.



#### New Service

The Pension Centre is pleased to announce that they have acquired a Telecommunication Device for the Deaf (TTY). Now our hearing impaired members can contact the Pension Centre directly by calling 613-734-8265.

# **Asset Mix Highlights**



- As at December 31, 2007, 65.6% was invested in equities and real estate, above the asset mix target of 62.5%. Of the total, Canadian equities represented 29.3%, U.S. equities 17.2%, international equities 16.5% and real estate 2.6%.
- 34.4% was invested in bonds and short-term investments, compared to an asset mix target of 37.5%. This included 6.9% in real return bonds, 23.7% in Canadian bonds and 3.8% in cash and short-term investments.

# **Myths & Facts About Your Pension Plan**

The following information will guide you through some widely held myths about the Canada Post pension plan and shine a light on the facts.

Myth	Fact
I am 53 years old with 8 years at Canada Post and I am terminating employment. One of my options is to take a commuted value <sup>1</sup>	<ul> <li>Commuted Value<sup>1</sup> is an option when you terminate employment and</li> <li>have at least two (2) years of eligibility service or plan membership and less than thirty (30) of eligibility service, and</li> <li>be less than 50 years of age</li> </ul>
If you are dismissed from Canada Post you forfeit your pension.	After two years of eligibility service or plan membership, participants are considered vested. The term "vested" means that members are entitled to a pension benefit that has accrued regardless of how employment might be terminated.
Canada Post does not offer pre-retirement education seminars.	Canada Post offers pre-retirement education seminars to Members who are within two years of becoming eligible for an unreduced pension. If you cannot attend the seminars or you are not within two years of eligibility, there is an e-learning program available on Intr@post called "Planning your Retirement". If you prefer, a CD version of this program can be obtained by emailing Pension Services at pension.services@canadapost.ca.

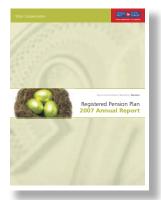
<sup>1</sup> Commuted Value is the present value of your accumulated pension benefit expressed as a lump sum dollar amount. It is calculated by the Plan Administrator using assumptions that are set out in the laws governing the pension plan.

## **Pension Advisory Council Updates**

We are pleased to announce that Mr. Daniel Maheux was appointed to the Pension Advisory Council as the representative for CPAA (Canadian Postmasters and Assistants Association). Daniel replaces Shirley Dressler. Stuart Learmont has replaced Robin Ghosh as the representative for active members of the pension plan not represented by a bargaining unit.

There is currently an election underway for the position representing all retired members of the pension plan.





#### The Registered Pension Plan 2007 Annual Report

The Registered Pension Plan 2007 Annual Report will be distributed in May 2008. This report contains important messages from the Chairman of the Board and the President and CEO of Canada Post. It also highlights member statistics, and provides financial and investment summaries for the pension plan.

## **Plan Amendments for 2007**

Amendments to the Canada Post Corporation Registered Pension Plan and the Supplementary Retirement Arrangement were approved by the Pension Committee in December 2007. The amendments were made to:

- Allow new employees, who transfer-in service under the Pension Transfer Agreement (PTA), to recognize different levels of service between the Registered Pension Plan and Supplementary Retirement Arrangement when there is a shortfall in funding;
- Change the mandatory age limit from age 69 to 71 by which a Plan Member must cease contributing or earning benefit accruals and begin receiving benefits under the Income Tax Rules;
- Require Members to pay outstanding elective service contributions owing when they defer commencement of their pension after termination of employment;
- Clarify that the normal termination options should be provided to any Member who terminates employment.

#### Who do I contact?

For information on the Canada Post Pension Plan, including:

- Change of pension plan beneficiary,
- Marriage breakdown
- Death
- Elective service
- Disability Pension Benefit

- Retirement pension benefits
- Indexing
- Survivor Benefits
- PIN's for calculating your pension

Please visit www.cpcpension.com or contact: CANADA POST PENSION CENTRE Tel: 1 877 480-9220 - TTY 613-734-8265



website: www.cpcpension.com.

#### Your Personalized Pension Statement

Your Personalized Pension Statement was mailed out in April. If you have not received your statement, please contact the Pension Centre at 1-877-480-9220 – TTY 613-734-8265.

Your statement includes a summary of the Canada Post pension plan. It provides information on the pension benefits you accrued from the Canada Post pension plan as at December 31, 2007. It also outlines an estimate of your projected retirement income at the

earliest date you may retire with an unreduced pension. For more information please visit the "Calculate my pension" menu item on our You Asked?

I am attending a pre-retirement seminar and I need a pension estimate. What do I do? You can get one online at www.cpcpension.com. Simply click on "Calculate my pension" – or contact the Pension Centre at 1-877-480-9220 - TTY 613-734-8265. If you are calling the Pension Centre, please make sure you that do this well in advance.

#### What if I lose my PIN or have never received one?

If you lose or forget your PIN, go to our pension website www.cpcpension.com and click on "Calculate my pension". You can obtain a temporary PIN by clicking on the link under the Submit button and click "Have you forgotten your PIN?" With this temporary PIN you will be able to choose a new PIN.

If you have never received a PIN, call the Pension Centre. They will generate one for you and mail it to your home address. To protect your privacy PINs will not be given over the phone or by email

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

PENSION SERVICES 2701 RIVERSIDE DR SUITE B320 OTTAWA ON K1A 0B1

Email: pension.services@canadapost.ca

#### Did you know?

The Pension Centre handled 37,776 telephone enquires and processed approximately 2,300 retirements in 2007. This compares to 36,975 calls, and 2,270 retirements in 2006.