

**Pension** | Benefits | Pay and Incentives | Health and Well-Being

# Your **Group Retirement Savings Plan** Booklet



## **Welcome to your Group Retirement Savings Plan (Group RSP)**

The Group RSP is an important element of your total compensation package and offers you the ability to save for retirement according to your own priorities. The Group RSP can play an important role, along with government programs, your personal savings, and other income sources in building a financially secure retirement.

As a member of the Canada Post Group RSP, Canada Post automatically contributes to your Group RSP account on your behalf and encourages you to make contributions. You make investment decisions about all contributions to the Plan and your account balance grows based on these decisions. It grows even faster if you decide to contribute, because Canada Post makes additional matching contributions.

As a Group RSP member you also have access to the Voluntary Savings Plan (VSP). The VSP is an RRSP administered on a group basis within the Canada Post Group RSP offering with Sun Life Financial. You can choose to compliment your Group RSP savings and contribute 1% to 6% of your earnings through payroll deductions in the VSP. Canada Post does not contribute to your VSP.

You may wish to discuss your retirement plans and retirement planning options with a personal financial advisor. You are responsible for any costs associated with seeking such advice.

This summary will help you understand the plan and how it works.

## Contacts

For questions on ...	Simply ...
<ul style="list-style-type: none"><li>• <b>Eligibility, contributions, etc.</b></li></ul>	Contact AccessHR at 1-877-807-9090; be sure to have your employee ID number available when you call.
<ul style="list-style-type: none"><li>• <b>Your personal investor profile</b></li><li>• <b>Investment options</b></li><li>• <b>Fund performance</b></li><li>• <b>Investment returns and risks</b></li><li>• <b>Retirement planning</b></li></ul>	Call the Sun Life Financial Customer Care Centre, toll-free, at 1-866-733-8612. Review your <b>my Investments</b> guide. Visit <b>mysunlife.ca</b>



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## An overview of the plan

### Type of plan

Group Retirement Savings Plan

Contributions are defined and the retirement income you get from the plan depends on the contribution level you choose and the performance of your investments related to those contributions.

### Eligibility

As of January 1, 2010, this program is no longer available to new employees.

Employees were eligible for the Group RSP if they were:

- hired in a Management/Exempt (MGT/XMT) position between November 1, 2006, and December 31, 2009, in a regular position, or a term position of greater than six months, with assigned hours of at least 12 hours per week, or
- moved to a MGT/XMT position from a bargaining group between November 1, 2006, and December 31, 2009.

Group RSP members **may choose** to join the Defined Contribution component of the Canada Post pension plan on January 1 of any year. For more information, see the Group RSP section at [cpcpension.com](http://cpcpension.com).

### Contributions

Canada Post makes a base contribution of 4% of your eligible earnings each year, even if you do not contribute.

You choose whether or not you wish to contribute.

- You may contribute 1%, 2%, 3%, or 4% of your eligible earnings, by payroll deduction. If you do, Canada Post will make additional matching contributions, based on the sum of your age and years of eligible service. For full details refer to the Contribution section on page 5.
- You can choose to complement your Group RSP savings and contribute 1% to 6% of your earnings through payroll deductions in the VSP or make lump sum contributions anytime in the VSP. Canada Post does not contribute to your VSP.

### Investments

The Group RSP offers investment options, covering a range of investment choices.

You can invest your contributions, as you wish, in one or more of the options provided.

For a list of funds and investment approaches, refer to your **my Investments** guide.

You can also learn about the funds offered by signing in to [mysunlife.ca](http://mysunlife.ca)

### Withdrawing funds

You can withdraw funds anytime, however:

- if you withdraw Canada Post's contributions or transfer them to another RRSP, Canada Post will stop making its additional matching contributions for six months (unless you are withdrawing the money under the federal government's Home Buyers' Plan or Lifelong Learning Plan).
- you will need to pay applicable income tax on your cash withdrawals.

## Retirement or termination of employment

- You are entitled to your account balance, including Canada Post's contributions with related investment earnings.
- Your retirement income from your Group RSP depends on the balance in your account.
- You can use your account balances (Group RSP and VSP if applicable) in one of the following ways:
  - move your account balance to the registered RSP offered by Sun Life Financial (Group Choices Plan) or transfer it to your personal RRSP (up to the maximum age specified in the *Income Tax Act*),
  - convert it to retirement income by, for example:
    - ▶ transferring it to a Registered Retirement Income Fund (RRIF),
    - ▶ buying an annuity,
  - withdraw it in cash, minus applicable income tax.
- If you buy an annuity, the amount of the monthly payment you can buy is determined by the amount in your Registered Account, annuity prices at that date, and the type of annuity you choose. You can choose to buy annuity features such as:
  - cost-of-living increases,
  - bridge pension until age 65, or
  - benefits for your survivors.

These features will increase the cost of your annuity
- If you start receiving your retirement income early, it will be lower than if you started receiving it later, since:
  - your account balance will have had fewer years to grow, and
  - your lifetime retirement income may be payable over a longer period.
- If you do not make a choice within 90 days of the date you leave Canada Post, your account balance will automatically be moved to Sun Life Financial's RRSP (Group Choices Plan).

## Survivor benefits

### Death before retirement

Your beneficiary, or estate if you have not named a beneficiary, will receive your account balances (Group RSP and VSP if applicable) in cash, minus applicable income tax.

If you have named your spouse as beneficiary, instead of receiving the balance in cash, your spouse may transfer the money on a tax-sheltered basis to a Registered Retirement Income Fund (RRIF) or another prescribed retirement savings vehicle.

### Death after retirement

Once you retire, the benefits paid to your survivors in the event of your death will be made in accordance with the retirement arrangement you chose when you retired. For example, if at retirement or termination of employment, you use your account balance to purchase an annuity, benefits paid at your death will depend on the type of annuity you purchased (for example, you can choose an annuity that will pay survivor benefits to your spouse or common-law partner).

**Are employee contributions optional?**

**How much does Canada Post contribute?**

## Contributions

Yes. Your employee contributions are optional. Canada Post makes a base contribution of 4% of your pensionable earnings on your behalf, whether or not you contribute.

Canada Post contributes 4% of your eligible earnings in your name whether or not you choose to contribute.

If you do contribute, Canada Post provides additional matching contributions as a percentage of your contributions, based on your age and years of eligible service, at the time the contribution is made.

<b>If the sum of your age and years of eligible service combined equals...</b>	<b>Canada Post will match</b>
Less than 35	75% of your contributions, to a maximum employer contribution of 7% of eligible earnings (4% base contribution plus 3% match)
Between 35 and less than 45	100% of your contributions, to a maximum employer contribution of 8% of eligible earnings (4% base contribution plus 4% match)
45 or more	125% of your contributions, to a maximum employer contribution of 9% of eligible earnings (4% base contribution plus 5% match)

Here's an example of contributions to a Group RSP account. In this case, Suzanne earns \$50,000, and chooses to contribute 4% of her eligible earnings to her Group RSP. She is age 35 when she is hired by Canada Post to a MGT/XMT position, so is eligible for a 100% match of her contributions.

Canada Post's base contribution	4% x \$50,000 = \$2,000
Suzanne's optional contribution	4% x \$50,000 = \$2,000
Canada Post's additional 100% match of Suzanne's contribution	\$2,000
<b>Total annual contribution</b>	<b>\$6,000</b>

**How much can I contribute?**

**Are there any tax limits for contributions and the ones from Canada Post?**

If you wish, you can contribute 1%, 2%, 3%, or 4% of your eligible earnings by payroll deduction. If you do, Canada Post will make additional matching contributions.

You can also choose to contribute to the VSP from 1% to 6% of your eligible earnings easily and conveniently through payroll deductions or as lump-sum transfers.

The *Income Tax Act* limits the amount Canadians can save for retirement on a tax-sheltered basis. In any given calendar year, you can save up to 18% of your previous year's earned income for retirement subject to a maximum dollar amount (earned income includes such things as salary, rental income, any taxable alimony you received, and a Canada/Québec Pension Plan disability pension, but is reduced by any taxable alimony you paid). The maximum includes all contributions to personal or spousal RRSPs and group RSPs (your contributions and those made by anyone else on your behalf to any tax-sheltered plan).

Your RRSP deduction limit for the year is indicated on your notice of assessment (the document you receive from the Canada Revenue Agency each year after your income tax form is reviewed). If you have not made your total allowable RRSP contributions in previous years, any leftover contribution room will also be indicated.

Date	Name	Social insurance no.	Tax year	Tax centre
Apr 24, 2006			2005	Shawinigan QC G9N 7S6
<b>2006 RRSP Deduction Limit Statement</b>				
<small>The back of this notice contains important information. Amounts marked with an asterisk(*) cannot be less than zero.</small>				
RRSP deduction limit for 2005 . . . . .				
Minus: Allowable RRSP contributions deducted in 2005 . . . . .				
Unused RRSP deduction limit at the end of 2005 . . . . .				
Plus: 18% of 2005 earned income of . . . . . = (max. \$18,000).				
Minus: 2005 pension adjustment . . . . .				
Minus: 2006 net past service pension adjustment . . . . .				
Plus: 2006 pension adjustment reversal . . . . .				
Your RRSP deduction limit for 2006 . . . . . <b>*(A)</b>				
You have . . . . . (B) of unused RRSP contributions available for 2006. If this amount is more than amount (A) above, you may have to pay a tax on the excess contributions.				



You are ultimately responsible for monitoring the contributions you and Canada Post make to the Group RSP and the VSP, to ensure that you do not exceed the limit. Remember that any contribution you make during the year to personal or spousal RRSPs counts toward this maximum as do contributions made by anyone else on your behalf. A personal financial advisor could assist you in determining when this limit will be reached.

**How do I make my contributions?**

As long as you do not exceed your RRSP deduction limit, you can contribute regularly by payroll deduction.

You can contribute 1%, 2%, 3% or 4% of your eligible earnings by payroll deduction. Making regular contributions lets you take advantage of the power of compounding interest.

You may also make additional contributions to the VSP, from 1% to 6% of your earnings through regular payroll deductions or by lump sum payment. Canada Post does not contribute to your VSP. To contribute to the VSP by payroll deduction, contact AccesHR at 1-877-807-9090. To contribute a lump-sum, contact the Sun Life Financial Customer Care Centre at 1 866-733-8612, between 8 a.m. and 8 p.m. ET.



**Can I transfer money from another RRSP or pension plan to the Group RSP?**

No, money from another RRSP or pension plan cannot be transferred into the Group RSP. However, you may transfer the funds into the VSP. If your funds are in a locked-in RRSP, they must be transferred as locked-in funds. If they are in a non-locked-in RRSP they may be transferred as not locked-in.

Call the Sun Life Financial Customer Care Centre at 1-866-733-8612, between 8 a.m. and 8 p.m. ET, to find out more.

**Can I change my contribution if I want to?**

Yes, you can increase or decrease your contribution once every six months, by completing the Group RSP Payroll Deduction Authorization form located on the Intrapost Forms page or in the Group RSP section of **cpcpension.com** under Forms. The change will take effect on the pay following the date the change is processed.

If you are contributing to the VSP, the same applies. You can complete the Voluntary Savings Plan Payroll Deduction Authorization form located on the Intrapost Forms page or in the VSP section of **cpcpension.com**.

**Can I stop contributing by payroll deduction if I want to?**

Yes. You can stop contributing anytime. If you do, Canada Post's additional matching contributions also stop. You will be eligible to begin contributing again six months later. The change will take effect on the pay following the date the change is processed. Canada Post will continue making its base contribution on your behalf even if you are not contributing.

If you are contributing to the VSP through payroll deduction, you may stop your contributions to the VSP. You will be eligible to begin contributing again six months later.

**Can I withdraw my contributions?**

Yes. You can withdraw funds anytime from your Group RSP account or from your VSP account by contacting Sun Life Financial. If you withdraw Canada Post's contributions from either accounts or transfer them to another RRSP, Canada Post will stop making its additional matching contributions for six months (unless you are withdrawing the money to use it under the federal government's Home Buyers' Plan or Lifelong Learning Plan).

If you withdraw funds you will need to pay applicable income tax on your cash withdrawals.

**Are my contributions tax-deductible? What about Canada Post's contributions?**

As long as you do not exceed your RRSP deduction limit, your contributions to your Group RSP or VSP are tax-deductible. Contributions are deducted from your pay before income tax is calculated. You are responsible for monitoring your RRSP deduction limit to ensure that you do not exceed it.

The money that Canada Post contributes on your behalf – both base and matching contributions – is included in your taxable income indicated on your T4 tax slip. However, it is also deductible from your income as an RRSP contribution.

You can make contributions, deductible from the current year's taxes, at any time during the year and within the first 60 days following the end of the year. At income tax time, you will receive a tax receipt from Sun Life Financial for the amount of your contributions and those of Canada Post in the current calendar year and another for the contributions made in the first 60 days following the end of the year.

**What happens if I contribute more than the maximum allowed under the *Income Tax Act* in any one year?**

The amount you contribute above your deduction limit is not tax-deductible. A penalty tax of 1% per month may apply to over-contributions. You are ultimately responsible for making sure that you don't over-contribute to all your retirement savings plans combined.

**I have my own personal RRSP. Why would I want to make contributions to the Canada Post Group RSP and VSP?**

One reason to choose to make contributions to the Group RSP instead of, or in addition to, those to your own RRSP is that, when you contribute, Canada Post makes additional matching contributions at a rate based on the sum of your age and years of eligible service combined.

Another reason is that the funds available through the Group RSP and VSP are managed by professional fund managers with a diversified portfolio of holdings.

Contributing to the Group RSP and the VSP may be more economical. The Group RSP and VSP offer institutional investment funds that generally have lower fees than retail funds available in the marketplace for individuals. A difference of even one percentage point can have a significant impact on the amount you accumulate over the long term. It could also be advantageous to transfer your balance from a personal RRSP into the VSP to consolidate your savings. You can transfer personal RRSP funds to the VSP anytime.

Before deciding to transfer funds, check with your financial institution as to whether there is a penalty for early withdrawal/ transfer, and to verify that none of the investments are inaccessible, for example, guaranteed investment certificates that are locked-in for a fixed term.

You may also wish to consult a personal financial advisor – at your own expense – to help you with your decision.

**How do contributions grow?**

You choose how your contributions and those made by Canada Post on your behalf are invested. To know more, refer to your **my Investments** guide.

The **mysunlife.ca** website has detailed information on the investment funds offered, including fund historical performance.

**How long can I contribute to the Group RSP?**

You can contribute to the Group RSP from the date you join until:

- your employment with Canada Post terminates,
  - you move into a unionized position eligible to join the Canada Post Pension Plan,
  - the maximum age specified in the *Income Tax Act*, or
  - your death,
- whichever happens first.

You can also choose to stop contributing at any time. Canada Post will continue to make its base contribution of 4% of your eligible earnings on your behalf even if you do not contribute.

**What are the tax implications of withdrawing money?**

If you withdraw money from the Group RSP or the VSP, Sun Life Financial will deduct income tax at source unless you are using the money under the federal government's Home Buyers' Plan or Lifelong Learning Plan. The tax that will be deducted depends on where you live and how much you withdraw.

The tax withheld may not be enough to cover the tax you owe (which depends on your total income, not just how much you withdraw from your RRSP). You may have to pay more tax on the withdrawal when you file your tax return for that year. Also, if you withdraw the funds from the Group RSP or the VSP, you will not be re-credited with the corresponding amount of RRSP contribution room.

## Investments

### What funds can I invest my money in?

The Group RSP offers competitive investment options, covering a range of investment choices. You can invest your contributions as you wish, in one or more of the options provided.

For a list of funds and investment approaches, refer to your **my Investments** guide. You can also learn about the funds offered by signing in to **mysunlife.ca**

### How do I know which fund to invest in?

Different funds and investment approaches may be appropriate for different points in your career, since the options range from low risk/return to higher risk/return. As a member of the Group RSP, you have access to Sun Life Financial's website, **mysunlife.ca**, which gives you access to tools and information to help you determine your investor profile and investment strategy, and to assist you in reviewing it as life goes on.

For instance, the funds in which you might choose to invest when you are in your twenties would not necessarily be those you would choose to invest in when you are in your fifties. The website will also give you all the information you need about the investment funds offered and historical fund returns. Sun Life Financial is responsible for providing all the information you need to take advantage of the Plan. It is your responsibility to use this information to make informed choices.

### Who are the fund managers within the Group RSP?

Refer to your **my Investments** guide or go to **mysunlife.ca**>Accounts>Investment performance.

### When are contributions invested?

Contributions are invested on the business day they are received from Canada Post, if they are received before 2 p.m.; otherwise, they are invested on the next business day.

### How do I get information on the balance in my account, changing my investment choices, transferring among funds, and monitoring my investments?

As a member of the Group RSP, you have access to Sun Life Financial's website, at **mysunlife.ca**, for a description of investment options, fund rates of return, and details on your Group RSP and VSP accounts (changing your investment options, transferring between funds, etc.).

You also have access to the Sun Life Financial Customer Care Centre. You can call the Sun Life Financial Customer Care Centre at 1-866-733-8612, and speak with a customer service representative between 8 a.m. and 8 p.m. ET. Alternatively, you can use the automated system to access certain types of information. The system is available at any time.

Sun Life Financial also sends you an individual account statement twice a year as of June and December. If you prefer manual transactions, you can print the forms and call the Sun Life Financial Customer Care Centre to obtain the current mailing address.

### Are my investments safe?

If you invest in money market, fixed income or equity funds, you reap the rewards when investment returns are high and bear the risk if investment returns are low. Segregated funds, in which your contributions are invested, are held separately from the assets of Sun Life Financial and, while fund values fluctuate, the money is always used for the members' benefit.

Certain funds offered under the Group RSP entail more risk than others. You need to ask yourself if you are comfortable with the level of risk that comes with your asset allocation. The online tools on **mysunlife.ca** will help you with your decisions.

**What fees are charged to my account?**

For as long as you are a Group RSP member, you pay investment management fees and Canada Post pays fees related to the administration of the Group RSP.

You can check current fees at any time on **mysunlife.ca**. You benefit from:

- no administration fees (for as long as you are a Group RSP member);
- no transfer fees; and
- no acquisition fees (loads).

**Who makes sure that the fund managers are doing a good job?**

Every quarter, Canada Post will review the performance of the funds in the Group RSP and propose changes to existing fund selections or add new funds, if required.

## Work/life events

### What happens...

#### If I retire or terminate my employment?

See page 4.

#### If I become disabled?

While you are on short-term disability, you continue participating in the Group RSP as though you were at work.

If you are approved for Long-Term Disability or Disability Insurance benefits, you can choose to continue contributing through pre-authorized bank withdrawal directly to Sun Life Financial. As long as you continue contributing at the same percentage throughout your leave, Canada Post will continue to match your contributions based on your age and years of eligible service.

Canada Post will continue to make its base contribution of 4% of your eligible earnings for as long as you are eligible for long-term disability or disability insurance benefits.

Contributions will be calculated based on your eligible earnings on the date you became disabled.

If you are making contributions to the VSP by payroll deduction, those contributions will stop for the period while you are on disability. If you want to continue contributing to your VSP while on leave, either through lump-sum transfers or pre-authorized payments from your personal bank account, contact the Sun Life Financial Customer Care Centre at 1-866-733-8612, between 8 a.m. and 8 p.m. ET.

#### If I go on leave of absence?

While you are on a legislated leave of absence, you can choose to continue contributing through pre-authorized bank withdrawal directly to Sun Life Financial. As long as you continue contributing at the same percentage throughout the leave, Canada Post will make its base contribution and additional matching contributions.

For a non-legislated leave of absence, you can choose to continue contributing through pre-authorized bank withdrawal directly to Sun Life Financial.

As long as you continue contributing at the same percentage throughout the leave, Canada Post will make its base contribution and additional matching contributions for the first three months of your absence, after which all contributions will cease until you are back at work.

Contributions will be calculated based on your eligible earnings on the date you start your leave.

If you are making contributions to the VSP by payroll deduction, those contributions will stop for the period while you are on leave without pay. If you want to continue contributing to your VSP while on leave, either through lump-sum transfers or pre-authorized payments from your personal bank account, contact the Sun Life Financial Customer Care Centre at 1-866-733-8612, between 8 a.m. and 8 p.m. ET.

#### In the event of my death?

#### Death before retirement / Death after retirement

See page 4.

#### Disclaimer

This booklet provides an overview of some of the provisions of the Canada Post Group RSP. Every effort has been made to ensure that the information contained in this document is accurate. In the event of discrepancy or misunderstanding, however, applicable laws and the terms of the Group RSP contract will prevail. Canada Post reserves the right to unilaterally change or terminate this plan at any time. Any such actions would be taken according to applicable legislation.