

Basic Life Insurance Plan

and Canada Post Paid Death Benefit



Urban Postal Operations

This benefit booklet

This booklet is one of six booklets about benefits. In each one, we have summarized what's covered under a particular plan and explained how to use the benefit.

Here is a list of the booklets, along with who is eligible for the different plans.

- Extended Health Care Plan (Urban Postal Operations)
- Vision and Hearing Plan (Urban Postal Operations, and Rural and Suburban Mail Carriers)
- Dental Care Plan (Urban Postal Operations)
- CPC Basic Life Insurance Plan and Paid Death Benefit (Urban Postal Operations)
- Disability Insurance Plan (Urban Postal Operations)
- CUPW Life Insurance Plan (all members in good standing of CUPW)

For more information, talk to your steward or a local officer. Or contact Human Performance Management (HPM), formerly called Pay and Benefits.

This booklet is not a legal document

This booklet summarizes the group benefits to which you are entitled. Its purpose is to provide information about your plan. It is not a legal document. In the event of a question or dispute, the terms and entitlements of plan documents numbers 152392 (Basic Life Insurance) and 152393 (Canada Post Paid Death Benefit) will prevail.

Do you have suggestions?

Please let us know if you found these booklets useful. More important, be sure to let us know how you think they could be improved. Is there additional information that you think should be included, or a question you think a particular booklet should answer?

If you have any questions or suggestions on how to improve these publications, please send them to:

Benefits Booklets
Canadian Union of Postal Workers
377 Bank Street
Ottawa ON
K2P 1Y3

Or, send an e-mail to: feedback@cupw-sttp.org. Please include the word "benefits" in the subject line.

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CUPE-SCFP

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About these plans



What are these plans?

These plans are two life insurance plans offered by Canada Post, both of which pay money to your beneficiary(ies) in the event of your death. The two plans are:

- 1 **The Basic Life Insurance Plan**
- 2 **Canada Post Paid Death Benefit, which covers people 65 years and older**



Who is eligible for coverage?

Basic Life Insurance	
✓ Eligible	✗ NOT eligible
<ul style="list-style-type: none"> ■ Regular employees are eligible from the date they were hired as regular employees, or become regular employees. A regular employee is a permanent employee, full-time or part-time. ■ Temporary employees working in Group 3 (maintenance) positions are eligible. ■ Retirees are eligible. 	<ul style="list-style-type: none"> ■ Temporary employees, except for those working in Group 3 (maintenance) positions, are not eligible. When temporary employees become regular (permanent) employees, they become eligible for the plan. ■ Rural and Suburban Mail Carriers (RSMCs) are not eligible for this plan.
Canada Post Paid Death Benefit	
✓ Eligible	✗ NOT eligible
<ul style="list-style-type: none"> ■ Employees covered by the Basic Life Insurance Plan become eligible when they turn 65. ■ The eligibility rules for Basic Life Insurance are listed in the chart above this one. 	<ul style="list-style-type: none"> ■ Same as for Basic Life Insurance Plan, above, plus employees (or retirees) must be 65 years of age or older.



If I am covered by this plan, who else is covered?

These insurance plans cover you, nobody else. If you die, the person (or people) you chose as beneficiary gets some money.



Note: You have another life insurance plan, a CUPW-sponsored plan that is administered by Coughlin & Associates. The CUPW plan covers all union members in good standing, and their families. See the CUPW Life Insurance Plan booklet for details.



Enrolment



Is this plan mandatory? Do you need to enrol (sign up)?

This plan is mandatory for eligible employees. If you are eligible for the Basic Life Insurance Plan you will be automatically enrolled in the plan, but you need to fill out a **Basic Life Insurance Plan Form** to designate the beneficiary(ies) of your insurance money in the event of your death.

The **Canada Post Paid Death Benefit — Age 65 and up Form** is separate from the Basic Life Insurance Form. The form includes a section where you designate the beneficiaries of the money from this plan (\$10,000). You should fill out this form before you turn 65.

Both these forms should be signed, dated and witnessed by someone who is not a beneficiary. See *Beneficiaries – beware!*, below.



Beneficiaries — beware!

You can leave your insurance money to family members, friends, charity, a combination of these things — or simply to your estate. Leaving it to your estate may seem like the easiest thing to do, but be aware that this option will create some extra hassles and expenses for whoever handles your affairs after your death: it's best to choose a beneficiary (or beneficiaries).

If you leave money to a child or children, you may wish to appoint a trustee to look after it until they turn 18 (see Part D of the form). If you are unsure about any of this, you should consider getting legal advice.



About these plans

Important information on revocable and irrevocable beneficiaries (especially important if you live in Quebec)

If you are going to name (or change) your beneficiary, be sure to read the advice below.

There are two types of beneficiaries — “revocable” and “irrevocable”.

On Part C of the Basic Life Insurance Plan Form, you may name one or more beneficiaries as “revocable” or “irrevocable”. (Part C of the Canada Post Paid Death Benefit — Aged 65 and Up Form gives you the same choices regarding beneficiaries.)

A revocable beneficiary can be changed at any time, by you. All you have to do is fill out a new Basic Life Insurance Plan Form.

Outside of Quebec, an irrevocable beneficiary can be changed by the written consent of the beneficiary.

Under Quebec law, like everywhere else, you can designate beneficiaries as a revocable or irrevocable. However, under Quebec law, your spouse is automatically designated as an irrevocable beneficiary **unless you say otherwise in writing**. You can make your spousal designation revocable by checking the appropriate box on the form.



The forms, where to get them, and what to do with them

Basic Life Insurance

You will normally be given a **Basic Life Insurance Plan Form** when you are hired in an eligible position, or become eligible.

Canada Post Paid Death Benefit

If you retire from Canada Post before you turn 65, Human Performance Management (HPM)* will give you the **Canada Post Paid Death Benefit — Age 65 and up Form** as part of your retirement kit. If you are still working at CPC when you turn 65, HPM* will give you the Canada Post Paid Death Benefit – Age 65 and up Form a few months before you turn 65.

*Human Performance Management (HPM) is the new name for Pay and Benefits.



About these plans

To change a revocable beneficiary

To change a revocable beneficiary, you need to fill out another Basic Life Insurance Plan Form. (If you have the CPC Death Benefit, you will also need to fill out a Canada Post Paid Death Benefit — Age 65 and up Form.)

To change an irrevocable beneficiary

To change an irrevocable beneficiary, you need a Consent to Change of an Irrevocable Beneficiary Form (that your beneficiary must sign).



Note: If you live in Quebec and you designated your spouse as an irrevocable beneficiary, you cannot change this designation as long as you remain married. You can, however, change an irrevocable beneficiary in Quebec if your spouse dies, and in some cases of divorce.

Claim Kit(s)

In the event of your death, whomever is handling your estate should ask Human Performance Management (HPM)* to send a Claim Kit for the Basic Life Insurance (and a Claim Kit for the Canada Post paid Death Benefit, if you were covered by that plan as well). See *How can the life insurance money be claimed?*, page 9.

Where to get forms

At work	→ If you need forms for CUPW-CPC benefits, ask your supervisor, Local Area Manager, steward or HPM*. Forms are available in most Canada Post workplaces — you just have to find out where they are kept.
On-line	→ You can download forms from the CUPW website, or from the Canada Post ESS (SAP) website. You cannot download Claim Kits.
By phone	→ If you are not at work, you can get forms mailed to you by calling Human Performance Management (HPM)*. Be sure to have your Canada Post employee number (HRID number) on hand when you call.



For more information: See the *Contact information* section at the end of this booklet for telephone numbers, street addresses and Internet addresses.

*Human Performance Management (HPM) is the new name for Pay and Benefits.



About these plans

What to do with the Basic Life Insurance Plan Form

You give the original copy of the form to your supervisor or Local Area Manager, who will pass it on to the Human Performance Management (HPM)* office. Be sure to keep a copy of the form in a safe place. It's a good idea to hand in the form promptly. The HPM office needs to have the original copy of this form on file to authorize payments of death claims to beneficiaries.

What to do with the Canada Post Death Benefit — Age 65 and up Form

Same as in *What to do with the Basic Life Insurance Plan Form*, above.



Note: If you are not at work, you can mail the form(s) to Human Performance Management (HPM)*. Call the HPM office nearest to you for more information. HPM office telephone numbers are listed at the end of this booklet.



Other coverage issues

	Basic Life Insurance Plan	Canada Post Death Benefit — Age 65 and up
When does coverage start?	Coverage begins on your first day of work in an eligible position. You are in an eligible position if you are a regular employee or a temporary employee in Group 3.	Death Benefit coverage begins when you turn 65 — but you must be covered by the Basic Insurance to qualify.
When does coverage end?	Coverage ends on the earliest of the following dates: <ul style="list-style-type: none"> • the date you cease to be an insurable (eligible) employee • the date you stop working for Canada Post without an immediate pension (but you can opt to continue your coverage at market rates — see below) 	Coverage ends on the date you stop working for Canada Post without an immediate pension (but you can opt to continue your coverage at market rates — see below).
If you quit, or retire with a deferred pension, you can convert your coverage...	If you quit, or retire with a deferred pension, you can convert up to the amount of your Basic Insurance (and Death Benefit, if you have this coverage) into an individual policy. Your premiums will be at higher “market rates”. You must take this option within 31 days of ending your employment.	(Same as left)

continued →

*Human Performance Management (HPM) is the new name for Pay and Benefits.



Other coverage issues (continued)

	Basic Life Insurance Plan	Canada Post Death Benefit — Age 65 and up
If you retire with an immediate pension...	<p>If you retire with an immediate pension, you can choose to:</p> <ul style="list-style-type: none"> • continue coverage of two times salary life insurance coverage, or • continue coverage with just \$10,000 life insurance, or • discontinue all coverage <p> Note: You can decrease or cancel your coverage at any time, but you cannot increase coverage after you've made your initial selection.</p>	(Same as left)

An important tip about the Paid Death Benefit

When considering your options, keep in mind that if you continue your Basic Life Insurance Plan coverage until you turn 65 — either the two times salary coverage option, or the \$10,000 coverage option — you will be entitled to the CPC Paid Death Benefit at age 65. The death benefit is worth \$10,000 and costs you no extra premiums. If you retire before you turn 65, you must continue your Basic Life Insurance coverage in order to be eligible for the \$10,000 death benefit.

The amount of your Basic Life Insurance begins to decrease when you turn 66.



Does my coverage continue when I am off work (on leave)? What about the premiums?

Sick Leave (paid or unpaid) and Disability Insurance	→ Coverage continues. You pay your share of the premiums when you return to work.
Maternity, Parental and Adoption Leave	→ Coverage continues. You pay your share of the premiums when you return to work.
Other leaves of absence without pay (Care and Nurturing Leave, Education Leave, Personal Leave, Relocation Leave, Sabbatical Leave, or leave for other reasons)	→ Coverage continues. You must pay BOTH shares of the premium (yours and the employer's) when you return to work.

*Human Performance Management (HPM) is the new name for Pay and Benefits.



About these plans



Important: Before going on any type of leave, you should check with your steward to confirm your entitlements, and ensure that the employer and the Human Performance Management (HPM)* office are informed.



3 When I return from leave, when will premium arrears (money I owe to CPC) be recovered?

When you return to work, Canada Post will deduct the money owing from your pay, for a period twice as long as the period of your leave.



Example: Here is an example of how it works. You return from five months of leave and owe a total of \$350 in premiums for the time you were on leave (five months x \$70). Canada Post will deduct the \$350 over a period that's twice as long as your five-month leave (ten months). You'll pay back the premiums at the rate of \$35 a month.



What are the costs?

Employees and retirees pay \$0.15 per \$1,000 of coverage, per month. The premiums are based on income; higher-paid workers pay higher premiums. In 2005, a postal worker earning a salary of \$44,500 a year will pay premiums of \$13.35 a month.

In some provinces you must pay sales tax on your premiums.



What expenses/services does this plan cover?

Basic Life Insurance

The Basic Life Insurance amount is two times your annual salary, rounded to the next \$1,000.

CPC Paid Death Benefit

When you turn 65, you are eligible for the CPC Paid Death Benefit coverage. This plan is mandatory if you are at work. The amount of the benefit (\$10,000) is deducted from the amount of your two times salary life insurance coverage (see chart on next page).



About these plans

When you turn 66, your overall coverage will be reduced 10% of the two times salary life insurance amount.

Reduction of benefits after age 65 (example of a member with a salary of \$45,000)

Member's age	Amount that member's beneficiary gets from the Basic Life Insurance Plan		Amount that member's beneficiary gets from the Paid Death Benefit		Total amount member's beneficiary gets
64	2 x salary (2 x \$45,000) —————> \$90,000	+	\$0	=	\$90,000
65	2 x salary, minus the amount of the death benefit (\$10,000) —————> \$80,000	+	\$10,000	=	\$90,000
66	minus 10% of 2 x salary (\$9,000) —————> \$71,000	+	\$10,000	=	\$81,000
67	minus 10% of 2 x salary (\$9,000) —————> \$62,000	+	\$10,000	=	\$72,000
68	minus 10% of 2 x salary (\$9,000) —————> \$53,000	+	\$10,000	=	\$63,000
69	minus 10% of 2 x salary (\$9,000) —————> \$44,000	+	\$10,000	=	\$54,000
70	minus 10% of 2 x salary (\$9,000) —————> \$35,000	+	\$10,000	=	\$45,000
71	minus 10% of 2 x salary (\$9,000) —————> \$26,000	+	\$10,000	=	\$36,000
72	minus 10% of 2 x salary (\$9,000) —————> \$17,000	+	\$10,000	=	\$27,000
73	minus 10% of 2 x salary (\$9,000) —————> \$8,000	+	\$10,000	=	\$18,000
74	—	+	\$10,000	=	\$10,000

To be covered by the insurance benefits as shown in the chart above, you must:

- continue to work as a Canada Post employee in an eligible position, or
- retire with an immediate pension and continue your Basic Insurance coverage

Every year after you turn 66, the Basic Life Insurance amount drops by 10% until it reduces to \$10,000 (or one third of your salary rounded to the next \$1,000, whichever is higher). Eventually, only the \$10,000 death benefit will remain.

If you die before you turn 65

If you die before you turn 65, your beneficiary will receive a cheque in the amount of two times your annual salary, rounded to the next highest \$1,000 (Basic Life Insurance Plan). This money will be paid if you were an employee, or if you were a retiree who had signed up to continue life insurance coverage.

If you die after you turn 65

If you die after you turn 65, your beneficiary receives: the amount of two times your annual salary, rounded to the next highest \$1,000, which reduces by 10% every year, starting at age 66.



Frequently asked questions



When does the 10% reduction of Basic Insurance happen each year?

The 10% yearly reduction takes effect on the pay period following your 65th and subsequent birthdays.



How do I change my beneficiary?

The form you use to change a revocable beneficiary is different from the one you use to change an irrevocable beneficiary.

If your beneficiary is **revocable** you need to fill out a new Basic Life Insurance Form; you need to fill out a CPC Paid Death Benefit Form if you also have death benefit coverage.

If you live outside Quebec and made your beneficiary **irrevocable**, you need a Consent to Change of an Irrevocable Beneficiary Form (that your beneficiary must sign).

If you live in Quebec and you designated your spouse as an irrevocable beneficiary, you **cannot** change this designation as long as you remain married. You can, however, change an irrevocable beneficiary in Quebec if your spouse dies, and in some cases of divorce.



How can the life insurance money be claimed?

In the event of your death, whomever is handling your estate should ask Human Performance Management (HPM)* to send a Claim Kit for the Basic Life Insurance (and a Claim Kit for the Canada Post Death Benefit, if you were covered by that plan as well).

The administrator of your estate fills out the forms in the kit and returns them to the HPM* office, along with a copy of the death certificate. The HPM staff completes their portion of the form and sends it to the insurance company, Great-West Life, which mails out cheques to your beneficiaries, trustee or estate.



Note: Canada Post administers life insurance benefits for employees and it is CPC staff in the workplace or at HPM that you contact, not Great-West Life.

*Human Performance Management (HPM) is the new name for Pay and Benefits.



Dictionary

beneficiary

The person you designate (in a will or an insurance policy, for example) to receive money or things after you die

CPC

Canada Post Corporation

CUPW

Canadian Union of Postal Workers

Employee Self Service (ESS)

Employee Self Service (ESS) is the Canada Post “SAP” website. You use a password and user number to access the electronic file containing your personal information. You can also obtain information about CPC benefits and download enrolment and claim forms at home or at work. Internet addresses and further information are at the end of this booklet.

irrevocable

Cannot be cancelled or withdrawn. When you chose a beneficiary (the person who will get your life insurance money when you die), you have the option of making your choice irrevocable OR revocable. If you make your choice irrevocable it will be difficult or impossible to change it, especially if you live in Quebec. If you make your choice revocable, you can change it. See the life insurance plan booklets for details.

revocable

Can be cancelled or withdrawn. (See *irrevocable*).

regular employee

A permanent employee, full-time or part-time. (urban operations unit)



Rural and Suburban Mail Carriers (RSMCs)

CUPW has two collective agreements with Canada Post. One contract covers one group of workers, the 6,000 Rural and Suburban Mail Carriers (RSMCs). The other contract, for urban postal operations, covers the 48,000 people who work as letter carriers, postal clerks, despatchers, mail service couriers, mail handlers, technicians and mechanics.

SAP

SAP stands for “Systems, Applications and Products in Data Processing” (translation from German). SAP is the software system used by Canada Post’s Employee Self-Serve (ESS) Intranet/Internet site.

urban postal operations (UPO)

CUPW has two collective agreements with Canada Post. The contract for urban postal operations covers the 48,000 people who work as letter carriers, postal clerks, despatchers, mail service couriers, mail handlers, technicians and mechanics. The union’s other contract with CPC covers one group of workers, the 6,000 Rural and Suburban Mail Carriers (RSMCs).



Contact information

Canadian Union of Postal Workers (CUPW) — your union

Your steward and others in your local or region can help you with your benefit questions or problems.

My union contacts

Internet address

www.cupw-sttp.org

On this site, you can:

- download the latest version of this booklet, and other benefits booklets. (Check to be sure you have the latest version; the date is at the bottom of each page.)
- download forms for these Canada Post benefits: Dental, Vision/Hearing, Basic Life Insurance, and Extended Health Care Plans



Canada Post Corporation (CPC)

Human Performance Management (HPM) Offices (formerly called Pay and Benefits Offices)

Canada Post operates HPM offices where you can get forms and information about your pay and benefits coverage. They are staffed by members of the Union of Postal Communications Employees (UPCE), a sister union in the post office. Some larger workplaces have HPM offices on-site. This is where to call to order a Claim Kit in the event someone covered by a Canada Post insurance plan dies.

Atlantic	(902) 494-4051
Quebec	(514) 345-7538
Rideau	(613) 734-1585
Head Office	(613) 734-8169
Toronto	(905) 214-9503
Huron	(519) 457-5318
Winnipeg	(204) 987-5536; (204) 987-5476
Calgary	(403) 974-2197; (403) 974-2034
Edmonton	(780) 944-3429; (780) 944-3219
Pacific	(604) 662-1542

Always have your Canada Post employee number (HRID number) at hand when you call.

Canada Post employee ESS (SAP) site

<http://mysite.canadapost.ca>

Use the above address to reach this site from home. At work, the site is accessible on the Intranet. On this site, you can:

- download forms and CPC's benefits information
- check your personal information to see if it's accurate

Notes:

- You need a user name and password to use the site. If you never got a password or it doesn't work, call (877) 411-8585.
- The CPC employee site won't work if you have a Macintosh computer.



Canadian Union of Postal Workers

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