

POST-RETIREMENT BENEFITS

Now that Arbitrator MacPherson has come down with her decision on the Urban and RSMC contracts, many members are thinking of retiring. We want to explain what members are entitled to when it comes to benefits when they retire and what their obligations are when they want to retire*. Coverage for post-retirement benefits are for eligible retirees, their eligible dependents or surviving dependents. Life Insurance coverage only applies to eligible retirees and not their dependents.

How to Qualify for Post-Retirement Health Care Benefits

To qualify, you must have 15 years or more of continuous service. For Urban members, continuous service is defined in clause 11.01. For RSMCs, continuous service/employment is defined in clause 8.01.

If you defer your pension when you retire, in order to qualify for Post-Retirement Health Care benefits, you must receive your pension within 5 years of retiring.

You can qualify for Post-Retirement Health Care benefits if you have less than 15 years of continuous service if you retire due to being *"totally disabled"*.

Application

In order to receive Post-Retirement Health Care benefits you must apply for coverage within sixty days of retirement or the date on which you start to receive your deferred pension.

This is a one-time election. If you decline to apply or if you cancel your coverage, you will not be eligible to rejoin the plan.

Premiums

In order to be covered by the Post-Retirement Health Care benefit, you must pay premiums. Premiums are 35% of the total cost of the plan or \$35.37 per month for single coverage or \$69.84 for family coverage. Premiums will be automatically deducted from your bank account.

If you miss two consecutive premium payments, your benefits will be cut off and you will not be allowed to rejoin the plan.

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**This bulletin applies to those who retire on or after June 11, 2020.*

Coverage

Those members who retire on or after June 11, will be covered for the same benefits in the Extended Health Care Plan, as an active employee.

Hearing and Vision Plan

Once a member retires, they will not be covered by the Hearing and Vision Plan. A retiree will be covered for vision and hearing under the Extended Health Care plan. As an active member, we have two plans that cover hearing and vision. We do not necessarily notice that we have two plans because coordination is seamless.

Retiree Dental Plan

A retiree who has 15 years of continuous service is entitled to enroll in the retiree dental plan. *[correction]*

Premiums and Deductibles

The retiree dental plan, like the plan for active members, has a calendar-year deductible. The deductibles are \$50 for single coverage and \$80 for family coverage.

Premiums are different depending on when you were hired by Canada Post. If you were hired before November 1, 2009, you pay 35% of the total cost of the plan. If you were hired on or after November 1, 2009, you will pay 100% of the total cost of the plan. At 35% premiums your monthly premiums will be \$14.62 for single coverage and \$28.20 for family. At 100% monthly premiums for single coverage is \$36.55 and for family coverage is \$70.55. The Union challenged the 100% premium, but lost it in arbitration. Premiums will be automatically deducted from your bank account.

If you miss two consecutive premium payments, your benefits will be cut off and you will not be allowed to rejoin the plan.

Dental Plan Coverage

Coverage is not the same compared to active employees. Retirees are covered for Basic service at 80% up to a maximum of \$1,000. For Major service, retirees are covered at 70% up to a maximum of \$1,500. Orthodontics, retirees dependents who qualify, are covered at 50% up to a maximum of \$2,000. There is a 2-year lag in the dental fee guide.

Life Insurance

If you retire and decide to receive your pension immediately, members have a choice to make regarding Life Insurance. A member's choices are:

- Basic Life Insurance coverage which is equal to twice your annual salary at retirement, plus applicable allowances. (For RSMC, not to exceed 40 RMS hours)

- \$10,000 flat amount
- Decline coverage.

The monthly premiums for life insurance are 18 cents per \$1,000 of coverage. If you defer your pension you cannot continue your coverage.

At the Age of 65

At age of 65, your basic life insurance coverage converts to a benefit under the Canada Post Paid Death Benefit plan. This benefit is \$10,000 and is fully paid by Canada Post. Also at 65, your basic life insurance is reduced by 10% per year. As your coverage decreases, your premiums will decrease.

It is recommended that whichever type of insurance you opt for, that you have a designated beneficiary or beneficiaries.

Decisions

Whenever you decide to retire, you will have a lot of decisions to make. We recommend that you provide at least 3 months written notice, prior to your retirement date, to insure no interruption of your income. We hope this bulletin will help with some of those decisions.

Happy Retirement!

In Solidarity,



Carl Girouard
National Grievance Officer

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