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URBAN UNIT • RURAL AND SUBURBAN UNIT • PRIVATE SECTOR UNITS

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PENSION PLAN DISCUSSIONS WITH CANADA POST

In recent months, there have been a lot of media reports and discussions about the future of Canada Post. The debates started again last April, with the publication of a Conference Board of Canada report on the future of Canada Post. The Corporation took advantage of the situation by launching an on-line public consultative process and having "private" talks with various stakeholders. Several right-wing groups, such as the Fraser Institute and the C.D. Howe Institute, made sure to comment, each time attacking the public postal service and the rights of postal workers. And each and every time, we responded with our own solution, i.e. the expansion of services, including financial and banking services.

However, you have probably noticed that in each of its interactions with the media, Canada Post never fails to point out that it will be in a difficult financial situation by mid-2014. It argues that this is mainly due to the pension plan and the special pension fund payments Canada Post will have to make once its $2.5 billion line of credit, which is tied to the pension fund, is maxed out.

A Long-Standing and Worrisome Situation

The debate on defined benefit pension plans, such as ours, has been going on for many months. Issues like the more than $5.9 billion solvency deficit, or the steadily weak interest rates, should be a concern to all of us. We all want a pension plan that protects us in the long term and that is not singled out every time Canada Post announces a deficit. We need to find a permanent solution.

That is why the leadership of the CUPW, including the CUPW representatives on the CPC Pension Advisory Council, has met with our actuaries and pension experts to discuss the situation. We have discussed the matter on the National Executive Board and have decided to begin talks with Canada Post.

Initial Meeting Held

In early September, we met with Canada Post and proposed to put in place a Working Committee to address the realities of the pension plan. We are waiting for their answer. Rest assured that regardless of their answer, we will continue to fight for a long-term solution that will protect our pension plan. These discussions are important to each and every one of us. Stay informed. Additional information will be provided to you through bulletins and the CUPW website (www.cupw.ca) as it becomes available.

In Solidarity,

Denis Lemelin
National President

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