



May 30, 2016

Dear colleagues,

After reading the memo titled “Canada Post Pension Plan 2015 Year-end Results,” the UPCE Executive must once again share its concern with some of the Canada Post messaging.

For example, Canada Post states:

*“The pension fund continues to benefit from prudent investments and responsible administration, but we must continue to work with all the stakeholders toward resolving its long-term challenges and achieving a sustainable Plan.”*

In the same memo as above, Canada Post states that “without any deficit funding relief, Canada Post would have had to contribute an additional \$1.4 billion.”

In the last year, the UPCE Executive has asked on several occasions what is the amount of money Canada Post has been earmarking to pay what they seem to state is the amount they will owe once the deficit funding relief expires. Canada Post has been unable or unwilling to answer this question. One could reasonably argue, that a responsible Administrator would ensure that it has the funds required in order to meet its funding obligations. The money should be budgeted year-over-year to meet the funding obligations, as opposed to crying poor when (if) the solvency fund relief expires. Furthermore, we believe that Canada Post should be making solvency payments (even if it is less than the total amount owing).

Based on the assumption that the Plan will continue into the future (going-concern), the Plan has a surplus of 1.2 billion. The Union (s) have written to the Government of Canada regarding our concerns with the solvency calculation and with the labour relations strategies used to implement the defined contribution component of the pension plan (letter attached).

It is of further concern that the Senior Executives seem focused on shrinking the business, at the same time when several other groups are calling for innovation and expansion.

For example, the Canadian Union of Postal Workers (CUPW), and the Canadian Postmasters and Assistants Association (CPAA), have released a significant amount of information on postal banking. Canada Post already has most of the infrastructure



required and postal banking would create great value for all Canadians, especially in rural Canada.

More information on postal banking can be found here:  
<http://www.cupw.ca/en/campaigns-and-issues/postal-banking>

As announced publicly, the Government of Canada is conducting an independent review of Canada Post. The government has confirmed that Canadians from coast to coast to coast will have a say in the services they value and want. We invite our UPCE-PSAC members to share their views and/or concerns regarding the future of Canada Post by submission, social media, and/or answering the question of the week. The information can be found here: <http://www.tpsgc-pwgsc.gc.ca/examendepostescanada-canadapostreview/index-eng.html>.

In summary, The UPCE continues to work with Canada Post and the Government of Canada. But we remain concerned with Canada Post's consultation process (or the lack thereof) regarding changes to either public services and/or pension and the direction in which Canada Post is heading. We strongly believe, that Canada Post is a great Canadian institution, that belongs to the people of this country, and which forms part of our rich Canadian history. All Canadians, including those who work for the organization, should have an opportunity to have their voices heard.

Always in solidarity,

UPCE National Executive

