

Canada Post and the CCAA Pay Equity Resolution – Frequently asked questions

Payment process

What is the payment process?

Employees will receive a letter detailing information that will need to be provided in order to receive payment.

If applicants are still employed with Canada Post, they will need to submit the following:

- completed settlement acknowledgement;
- [optional] tax waiver form (T1213); instructions on how to complete this request with Canada Revenue Agency (CRA)/Revenu Québec will be provided.

If applicants are no longer employed with Canada Post they will need to submit the following:

- completed settlement acknowledgement;
- tax paperwork (TD1 and provincial tax form);
- [optional] tax waiver form (T1213); instructions on how to complete this request with CRA/Revenu Québec will be provided.

Applications submitted on behalf of employees will also need to provide proof that they are the party authorized to receive payment:

- completed settlement acknowledgement;
- tax paperwork (TD1 and provincial tax form);
- power of attorney;
- [optional] tax waiver form (T1213); instructions on how to complete this request with CRA/Revenu Québec will be provided.

Applications submitted from the estate of deceased employees will need to provide proper documentation to confirm they are authorized to receive payment:

- completed settlement acknowledgement;
- tax paperwork (TD1 and provincial tax form);
- will/probate documentation;
- death certificate;
- [optional] tax waiver form (T1213); instructions on how to complete this request with CRA/Revenu Québec will be provided.

All required documents must be completed and returned before payment can be issued. A pay statement will be issued once payment has been made.

When will I receive my payment?

Employees will begin to receive payments once their information is confirmed and files are processed. If all information is received by the due date identified in the letter “CPAA pay equity approval & request for payment information.” You will receive a follow-up letter confirming the date.

Taxation

Will Canada Post provide an RRSP tax deferral form?

Canada Post has obtained approval from the Canada Revenue Agency (CRA) to offer an RRSP tax deferral form for an amount up to \$15,000. You will be provided with the form to complete and return to the Pay Equity team before you receive your payment if you wish to participate in this option.

For employees paying into Quebec provincial taxes you will need to request your own deferral from the provincial government by completing the TP-1016 form. Details on how to complete the application are included in the documents sent to eligible employees or those representing them and their estate. This form should be completed and returned to the Pay Equity team before your payment is issued if you wish to participate in this option.

How will my payment be taxed?

Your pay equity payment is taxed as earnings for the year in which you received the payment.

Income tax will not be deducted from the interest portion of your pay equity payment because CRA rules prohibit Canada Post from doing this. **However, it is important to remember that the interest portion of your payment must be reported as income when you file your next income tax return. In most cases, the interest will be taxed when you file your return.**

What do I need to know about the RRSP tax deferral form?

When processed, the RRSP tax deferral form will exclude at source the amount approved by CRA/Revenu Québec of your principal payment from tax calculations.

Signing and returning the form obliges you to deposit the full amount identified in the tax waiver into your personal RRSP by the end of February in accordance with CRA regulations and deadlines. It is your responsibility to ensure you do not exceed your annual RRSP contribution limit.

Remember that income tax is not deducted from the interest portion of your pay equity payment. The interest must, however, be reported as income when you file your tax return. You will also receive a T5 and/or RL-3 that reflects the interest amount. You may have to pay additional tax when you file your return.

I'm a current employee and missed the deadline for the RRSP tax deferral form. Can I submit it late?

No, the tax deferral form can be processed only when your payment is processed in the pay system. You can still deposit the net value of your payment, if you have room in your RRSP, and receive the tax refund from CRA when you file your taxes at year end.

I'm a former employee but I didn't return the RRSP tax deferral form with my other documents. Can I send it separately?

Your tax deferral form can be processed only when your payment is made in the pay system. If your form is received late it will not be processed. You will be advised by the Pay Equity team if your tax deferral form is received late and not processed.

Without my RRSP details, how can Canada Post deposit to my RRSP?

You are responsible for depositing the money into your personal RRSP in accordance with the CRA deadline.

Will Canada Post provide the necessary tax-related statements?

Canada Post will issue a T5 and/or RL-3 statement, as well as a T1198 statement in the February following the date of payment. The appropriate statements will be issued for Quebec residents and non-residents.

I have questions about how the pay equity payment will affect my tax situation. Who should I talk to?

You should contact the Canada Revenue Agency at 1-800-959-8281 or speak to a financial advisor.

Will tax and other deductions be taken from my payment?

Yes, Canada Post will deduct all applicable income taxes, employment insurance premiums, Quebec Parental Insurance Plan premiums, Canada Pension Plan premiums, Quebec Pension Plan premiums and territorial payroll taxes.

How will payments to deceased recipients be handled?

Where an eligible individual is deceased, the pay equity payment will be issued to his or her estate.

Payment statement

Will recipients receive a payment statement? What will be included?

Recipients will receive a detailed statement that indicates the periods of eligible service, classification level, and payment amounts for the period. Additionally, the statement will show the interest amount and any applicable deductions.

How will my pay equity payment appear on my pay statement?

Your pay statement will include the following payment reasons and identification:

1P27	CPAA Pay Equity - Short-term lump sum
1P28	CPAA Pay Equity - Interest
1P29	CPAA Pay Equity - Interest - Non-residents
2P35	CPAA Pay Equity - Tax on interest for non-residents
1P30	CPAA PE - Tax waiver <15,000
1P31	CPAA PE - Tax waiver >15,000

I am in an arrears or overpayment situation with Canada Post. Will my pay equity payment be reduced?

Yes, where an overpayment or arrears situation exists, the overpayment will be recovered at the current rate of recovery established for your overpayment. If you want to increase the recovery amount for the period in which you are receiving your settlement please contact AccessHR by calling 1-877-807-9090

Will the wage gap adjustment affect my pension benefit?

No. The lump sum payments are non-pensionable and will have no impact on your pension calculations

How can I get help to understand my pay equity pay statement?

You can contact the Pay Equity team for assistance at CPAAequity.equiteACMPA@canadapost.ca.

What do I do if I still have questions?

Please visit the following websites:

www.canadapost.ca/cpaaequity OR the CPAA Pay Equity website: <http://cpaa-acmpa.ca>

You may also send your questions to the Pay Equity team by e-mail or regular mail:

CPAAequity.equiteACMPA@canadapost.postescanada.ca.

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