

## Merger helps national employer cost-effectively secure and simplify pensions

### The situation

Postmedia Network's workforce was covered by a mix of defined benefit (DB), defined contribution (DC) and Group RRSP programs, and the organization was searching for ways to cost-effectively secure past DB benefits, create efficiencies and have all employees participate in a common and valuable pension program, while reducing risks and managing costs.

### Key factors

- Employees across Canada, with a mix of non-bargaining and bargaining staff represented by three unions - Unifor (Local 87-M), Communications Workers of America (CWA), and Teamsters
- Approximately 3,800 DB, DC, and Group RRSP members, including deferred and retired members
- Six defined benefit pension plans, with assets of over \$500 million
- Publicly traded company in the competitive and evolving media industry

### Who is Postmedia?

In its own words, Postmedia Network Canada Corp. (TSX:PNC.A, PNC.B) is the holding company that owns Postmedia Network Inc., a Canadian news media company representing more than 140 brands across multiple print, online, and mobile platforms.

### How CAAT meets Postmedia's and its employees' needs



CAAT is a jointly sponsored pension plan that is lower risk and more cost efficient than running numerous single employer pension plans.



CAAT provides a timely and cost-effective solution to enable Postmedia to transfer past-pension liabilities off its balance sheet – on a fixed-price basis, set well in advance.



CAAT offers – through its DBplus plan design – secure, predictable lifetime pension income with early retirement features, which is highly desirable to Postmedia's employees.



Eliminates the cost and supervision of a third-party pension administrator.



Postmedia is able to exit the pension risk management business and focus more of its resources on its core business.

## DBplus – simple and sustainable. The right choice.



Eliminates balance sheet risk as contributions can be accounted for on the same basis as a DC plan while still providing highly valuable DB benefits at a fixed and affordable cost.



Allows employees who are members of Postmedia's DC and Group RRSP plans to 'trade-up' to a secure DB plan.



Members of Postmedia's DC plan move into DBplus with phased-in contribution rates to ease the transition phase, ultimately matching the contribution rates of current DB members.



Low overhead means most of contributions go to benefits, in comparison to single employer pension plans.

## The outcome

Postmedia DB pension plan members voted 99% in favour of a merger with the CAAT Plan.

All Postmedia employees are now under DBplus, bringing equity amongst various employee groups.

Under the terms of the merger, active and retired members will receive replicated pensions based on their service accrued before the effective date of the merger, and pension based on DBplus provisions on contributions made after that date.

"We are pleased with the strong support from the Postmedia Plan members. Joining the CAAT Plan will provide Postmedia employees with sustainable defined benefit pensions while enabling the company to manage costs through fixed and predictable pension funding."

- **Brian Bidulka**, Executive Vice President and Chief Financial Officer  
(Postmedia news release, July 2019)

**To discover how DBplus can meet the needs of your organization, get in touch with us. Visit our website at [DBplus.ca](http://DBplus.ca) or contact us at [info@dbplus.ca](mailto:info@dbplus.ca).**



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