

APPENDIX

CN PENSION INCREASES

On account of continued increase of cost of living it has been decided to escalate CN pensions effective January 1, 1975 on the following basis:

Retirement in	Pensioners monthly flat rate increase	Widows monthly flat rate increase
1967 or prior	\$12.00	\$6.00
1968	\$11.00	\$5.50
1969	\$10.00	\$5.00
1970	\$ 9.00	\$4.50
1971	\$ 8.00	\$4.00
1972	\$ 7.00	\$3.50

This approach gives pensioners and widows who retired before the benefits became payable under the Canada/Quebec Pension Plan, the largest increase (6%) tapering each

year as benefits under these plans increased. No increase is being granted to pensioners who retired in 1973 and 1974, since they have benefited substantially from the improvements in the CN pension plan effective January 1, 1973.

The cost of escalating on this basis has been estimated by our actuaries at \$2,230,400.00 per annum over an amortization of 17 years, 9 months in accordance with the pension benefits standards act.

Advice of the new increases will be sent to recipient with their June pension cheques and the increase including arrears to January 1, 1975 will be reflected in their pension cheques as soon as possible thereafter.

At the end of 1973 we had increased contributory pension on account of the cost of living by 2% for all years back to 1935. The latest increase applicable to all pensioners in payment on December 31, 1973 was 4% effective January 1, 1974.