



Program Title:	Physical Wellness Subsidy – All Canadian and U.S Employees
Effective Date:	January 1, 2022

1.0 Purpose

Canadian Pacific recognizes the benefits of a healthy workforce and promotes an active lifestyle for its employees. In support of this, the Company provides a physical wellness subsidy to employees for wellness-related activities and programs that promote the development of cardiovascular endurance, muscular strength and flexibility, and/or promotes healthy lifestyle habits.

The Physical Wellness Subsidy Program encourages employees to engage in physical activities for the purpose of achieving overall health and wellness.

Program details will outline the criteria around Physical Wellness Subsidy eligible expenses, and submission of claims process.

2.0 Scope

2.1 Eligible Employees

This program applies to all actively employed Canadian and US employees. Employees temporarily on leave (aside from those leaves cited in the Exclusions section below) are still eligible; however, the subsidy should not be requested until the employee returns to work.

2.2 Exclusions:

Exclusions from this program application include pensioners, all fixed term employees, temporary employees, contractors, and employees who are on Long Term Disability (LTD) Leaves, personal leaves of absence, pre-retirement vacation, or vacation prior to a leave of absence.

3.0 Program Steps

3.1 Proof of Payment

Employees should collect receipts or proofs of payment of their eligible expenses until the employee is aware that no additional fitness related expenses will be incurred during a specific calendar year or the total of fitness related costs has reached \$600, whichever occurs earlier.

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3.2 Submission

Employee's should submit their expenses to Employee Services for their once-a-year reimbursement of up to \$300, based on 50% of what the employee has paid and submitted.

3.3 Subsidy Request Process

- Attach photocopies of all applicable receipts and brochures/pamphlets related to fitness facility/program
- Complete Application form (on last page of program).
- Submissions should be mailed to the appropriate HR Service Centre address as listed below.
- Once the application has been processed, the Company will not maintain receipts and supporting material.
- An application may only be submitted once per calendar year, and no later than March 31 of the following year for expenses incurred in the prior year.
- Please allow two pay periods (one calendar month) for processing.

For all employees in **Canada** and **all employees based in the U.S.**, please submit by fax or mail to:

Fax Number: (866) 995-6959
OCS Mail: Employee Services

Canadian Pacific

Building 7 - 478 McPhillips St.
Winnipeg MB
R2X 2G8

4.0 Program Details

4.1 Subsidy Amount and Process

The subsidy will apply to eligible expenses as described in the following section and will be provided as a one-time reimbursement of 50% of all applicable fitness-related expenses up to \$600 of expenses incurred within a calendar year.

Therefore, the maximum subsidy that an employee may receive for one calendar year of expenses is \$300 and there is no limit on the number of expense items submitted.

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4.2 Eligible Expenses:

The Company will subsidize wellness-related activities and programs that:

- Promote the development of cardiovascular endurance, muscular strength and flexibility, and/or promotes healthy lifestyle habits
- Are not covered by government health care plans or the Company's health care plan.

Examples of eligible expenses include:

- Dues and/or fees for memberships, activities, classes or courses offered by accredited fitness facilities, and/or for specific activities or classes (including but not limited to annual or monthly gym memberships, squash memberships, running track, fitness classes, yoga, martial arts, aqua size, and swimming).
- A physical wellness program that:
 - Has a specific wellness purpose such as weight control or reduction, or smoking cessation.
 - Provides individual guidance or instruction.
 - Is based on skill training and/or behavior modification.

4.3 Excluded Expenses:

Expenses that are not eligible for subsidy submission include any wellness expense that is covered by the employee's government provided health care or Company health care coverages.

Other exclusions to this program include but are not limited to:

- The purchase of specific items such as those related to or prescribed by a wellness, fitness, nutrition, or smoking cessation program (i.e. food, audio/visual materials, books, apparel, equipment or machinery, spa-type treatments).
- The purchase of a wellness, fitness, nutrition, or smoking cessation program that lacks individual guidance or instruction.
- Arts & cultural programs.
- Fees for activities/memberships related to weaponry or marksmanship (i.e. gun or archer clubs).
- Fees/dues/purchases for any other person aside from the employee
- Cost associated to recreational activities such as team sports, golfing or skiing.
- Wearable fitness tracking devices

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5.0 Responsibilities

5.1 Employees are responsible for:

- Submitting requests for a subsidy and proof of payment of eligible expenses to Employee Services once a year for that year's expenses.
- Ensuring that the expenses submitted correspond to the "Eligible Expenses" section of this program.
- Arranging payment of dues and fees related to expenses prior to submission for the subsidy.
- Advising Employee Services of any partial or full refund due to cancellation of a membership or other expense already reimbursed.

5.2 Employee Services is responsible for:

Approving and processing subsidies and monitoring the process ensuring that subsidy claims meet the criteria outlined in this program.

6.0 Compliance

6.1 Required Receipts and Documentation

No subsidy will be processed without appropriate receipts and documentation accompanying the request to Employee Services.

An acceptable receipt must provide the following details of the incurred expense:

- Date of expense
- Amount
- Description of the activity/course/membership/program in relation to the expense.
- Name, description and contact information of the fitness facility or service provider (for verification if applicable).

If the receipt alone does not contain these details, the employee must provide additional documentation from the fitness facility or service provider that provides the required information.

6.2 Documentation for Fitness Facilities

If an employee submits a Family membership at a fitness facility for reimbursement, the employee must also provide documentation indicating the cost of a single membership and Employee Services will process the subsidy based on the cost of the single membership.

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6.3 CP Family Members

If the employee and his/her spouse are both CP employees and purchase a family membership, each is eligible to claim the single membership amount. This reimbursement cannot exceed the total family membership amount paid.

6.4 Annual Submission Deadline

An employee may submit their one annual request for the subsidy anytime during the year but the application for the subsidy together with relevant receipts must be received by Employee Services no later than March 31 of the following year.

The only exception to this deadline of March 31 of the following year are those employees on layoff or maternity/parental leave as they may only submit a request for a subsidy upon their return to active duty. Therefore, these employees may submit a request within 3 months of returning to work for expenses that were incurred during the 12 months prior to the return to work.

Other than mentioned above, no subsidies will be provided for expenses incurred prior to the current year.

6.5 Tax Implications

Physical Wellness Subsidies are a taxable benefits and the amount reimbursed to the employee will be shown on the employee's pay statement as part of taxable income.

7.0 Additional Information

For additional information please contact Employee Services at (866) 319-3900 or email employee_services@cpr.ca

8.0 Related Policy & Procedures

Related Policy	Electronic Devices	#4320
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Application Form

Employee Name:				Employee #:	
Date sent :				Applicable Calendar Year:	
Date received by Employee Services:					
	Fitness Facility/ Program	Period	Total/Monthly/ Single amount paid in applicable calendar year (\$)	Formula	Amount applicable for the calendar year (\$)
Multi-Year Membership (Paid in Full)		From: To:		Amount paid Divided By # of years of coverage =	
Multi-Year Membership (Paid Monthly)		From: To:		Monthly amount Multiplied By # of mos of coverage in applicable calendar year =	
Annual Membership (Paid in Full)		From: To:			
Annual Membership (Paid Monthly)		From: To:		Monthly amount Multiplied By # of mos of coverage in applicable calendar year =	
Shorter Period (Month/ Week/Days)		From: To:			
Shorter Period (Drop-in)		# of Drop-ins =		Single drop-in amount Multiplied By # of Drop-Ins in applicable calendar year =	
Additional Items (If more space is required, attach a separate sheet)					
Total Expenses					
TOTAL REIMBURSEMENT (50% of Total Expenses, up to a maximum of \$300)					

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