

Pricing



Incentive Lettermail™

IMPORTANT UPDATES

DESCRIPTION OF CHANGE		LOCATION
Amendment v1.0	Posted on November 18, 2016	Effective on January 16, 2017
Removed Lettermail Presort category.		Section 1 "Prices"

Changes and enhancements introduced in 2016:

DESCRIPTION OF CHANGE		LOCATION
Revision v1.3	Posted on May 30, 2016	Effective on May 30, 2016
Updated the "5¢ non-compliance surcharge per item" table to remove "customer number in the postal indicia does not match the Order".		Section 4.1 "Surcharges Structure/Descriptions"
Revision v1.2	Posted on April 1, 2016	Effective on April 1, 2016
Removed the approval process when using the Customized Postal Indicia.		Postal Indicia
Revision v1.1	Posted on December 18, 2015	Effective on January 11, 2016
Updated to reflect revised 2016 prices.		Section 1 "Prices"

Please note that when there is an amendment or a revision to the document, the version number will be modified as follows:

- an amendment increases the first digit in the version (e.g., version, 3.0)
- a revision increases the second digit in the version (e.g., version 1.1, 1.2)
- the version number restarts at 1.0 every January of a given year.

TABLE OF CONTENTS

Pricing	1
1 Prices	1
1.1 Minimum volume and phantom pricing	1
1.2 Progressive pricing	2
Postal Indicia	2
Address Accuracy Program	2
Adjustments and Surcharges	3
2 Overview	3
3 Adjustments	3
3.1 Address Accuracy Requirements	4
4 Item Level Surcharges	4
4.1 Surcharges Structure/Descriptions	4
5 Order (Statement of Mailing) Level Surcharges	5

PRICING

The “Pricing” module provides detailed information on pricing for service options such as standard and oversize. This module also includes pricing information related to address accuracy, phantom pricing, item and order level surcharges and adjustments.

1 PRICES

In order to take advantage of Incentive Lettermail prices, the customer must meet all applicable requirements, including specifications, and mail preparation requirements for Incentive Lettermail, as outlined in this Agreement.

Lettermail

	Price per Item						
	Standard		Other (Non-standard and Oversize)				
	Up to 30 g	Over 30 g up to 50 g	Up to 100 g	Over 100 g up to 200 g	Over 200 g up to 300 g	Over 300 g up to 400 g	Over 400 g up to 500 g
Single Stamp(s)	\$1.00	\$1.20	\$1.80	\$2.95	\$4.10	\$4.70	\$5.05
Stamps in booklets/coils/panes ¹	\$0.85	\$1.20	\$1.80	n/a	n/a	n/a	n/a
Meter or Postal Indicia ²	\$0.82	\$1.19	\$1.76	\$2.85	\$4.00	\$4.54	\$4.87

Incentive Lettermail^{2,3}

	Price per Item			
	Standard		Oversize	
	Up to 30 g	Over 30 g up to 50 g	Up to 100 g	Over 100 g up to 500 g
Machineable	\$0.76	\$1.00	\$1.61	\$1.61 + \$0.0067 per g over 100 g
Options				
Do Not Forward	\$0.01 per item ⁴			
Registered Mail	\$9.00 plus applicable Lettermail postage			
Signature Hard Copy	After mailing: \$7.25			
Additional Liability Coverage ⁵	\$2.25 per \$100 (up to a maximum of \$5,000)			

Prepaid Registered Mail

	Standard	Other Letter
	Up to 50 g	Up to 200 g
Prepaid Registered Mail / Government Secure Registered Mail	\$10.20	\$11.95

¹ With the exception of the Single Stamp(s), all stamps for items up to 30 g are issued as Permanent™ (some exceptions may apply).

² Available to customers with an Agreement.

³ Use of the Electronic Shipping Tools (EST) to prepare, transmit and submit an *Order (Statement of Mailing)* is mandatory to access Incentive Lettermail prices. Incentive Lettermail items accompanied by a manually prepared *Order* will be priced at the applicable Lettermail Meter or Postal Indicia prices.

⁴ Applicable to each item in the mailing bearing the Do Not Forward endorsement regardless of the items being returned.

⁵ Some conditions and exceptions apply.

All prices are subject to applicable rebates, discounts, fees, surcharges, adjustments and taxes.

NOTE: Registered Lettermail is not available for Incentive Lettermail.

For information on Incentive Lettermail, visit canadapost.ca/ilmguides.

1.1 Minimum volume and phantom pricing

The minimum volume requirement for Machineable Incentive Lettermail is 1,000 items per deposit.

Customers may deposit less than the minimum volume requirement provided that the difference between the actual volume and the minimum volume is entered and paid for at the phantom price.

NOTE: The phantom price is only available for single deposits (not available on partial mailings).

1.2 Progressive pricing

This rating process means that the price will be calculated according to the exact weight of the item instead of by weight level. It applies to Incentive Lettermail Oversize Machineable over 100 g up to 500 g.

POSTAL INDICIA

A Postal Indicia is a marking that identifies the service name and the customer number. It must be printed or applied to each mail item. The indicia must be created by using Canada Post-supplied artwork.

Detailed postal indicia requirements, specifications and artwork can be downloaded from canadapost.ca/indicia.

CUSTOMIZED POSTAL INDICIA

Customized Postal Indicia gives commercial customers the opportunity to leverage the upper-right corner of an item for marketing purposes. Canada Post reserves the right to refuse any Customized Postal Indicia design that it, at its sole discretion, deems non-mailable (see [Non-mailable Matter](#) in the *Canada Postal Guide*).

NOTE: All Postal Indicia items must be accompanied by an *Order (Statement of Mailing)* and must be deposited at a Canada Post facility and not in a street letterbox.

ADDRESS ACCURACY PROGRAM

Address Accuracy is a program designed to improve delivery by encouraging customers to accurately address mail. Every item must be addressed to a specific individual or a company. Each item must have a complete mailing address, including any required suite or unit information as well as the valid Postal Code^{OM} for that address. If the mailing address is not complete, the mail may be delayed or returned. Consistent and accurate addressing eliminates the need for extra handling and/or redelivery. For customers, this translates into a more efficient service and lower costs. Accurate addressing helps ensure the mail is delivered on time, every time.

Participation in the *Address Accuracy Program* is mandatory for all mailings greater than 5,000 items.

The standard for Address Accuracy is 95%. This means that 95% of the addresses on the customer’s database are determined to be valid when compared to the Canada Post database. This is done by using [Canada Post-recognized software](#) that performs address validation and/or address validation and correction or by using a mail service provider who offers this service. If the percentage on the *Statement of Accuracy (SOA)* produced by the software is less than 95%, an adjustment will be applied to the mailing.

ADJUSTMENTS ARE CALCULATED (FOR ILLUSTRATION PURPOSES ONLY) AS FOLLOWS:	
Volume of Mail x (95% minus customer’s Actual Address Accuracy %) x 0.05 = Total Adjustment	
For example, on a mailing of 12,000 items with an Address Accuracy rate of 91%, the adjustment would be: 12,000 x (95%-91%) x \$0.05 = \$24.00 adjustment added to the cost of the mailing	

Canada Post encourages customers to use the Data Management Services to clean and standardize their address lists while removing addresses that are undeliverable, duplicated, incorrect, or have requested to not be contacted. For more information visit canadapost.ca/datamanagementservices.

A *Statement of Accuracy (SOA)* is used to report the percentage of accurate addresses on a mailing list. The SOA must be generated a minimum of once a year but is encouraged more frequently to help reduce the number of undeliverable mail items. A *Statement of Accuracy (SOA)* includes the following information:

STATEMENT OF ACCURACY (SOA)	
1. Customer Name and Address	<ul style="list-style-type: none"> The customer’s company name and mailing address.
2. Canada Post Customer Number	<ul style="list-style-type: none"> The customer’s seven-digit number found on their Canada Post contract.
3. Total Number of Records Processed	<ul style="list-style-type: none"> The total number of records (or addresses) included in the evaluation, which must be equal to or greater than the number of items being deposited.
4. Address Accuracy Level	<ul style="list-style-type: none"> The Address Accuracy level indicates the percentage of accurate urban and rural addresses. This percentage is always calculated to one decimal place.
4.1 Questionable Apartment Addresses	<ul style="list-style-type: none"> If a mailing address does not have a unit number and there are no unit numbers available in the Canada Post database, the address is recognized as Valid but reported as Questionable.

STATEMENT OF ACCURACY (SOA)	
4.2 Questionable Rural Addresses	<ul style="list-style-type: none"> If the mailing address is recognized as Valid based solely on the Postal Code, the address is reported as Questionable. In order to be complete, rural addresses must include delivery mode (e.g. RR), civic/street range or PO Box.
5. Address Accuracy Expiry Date: yyyy/mm/dd	<ul style="list-style-type: none"> The expiry date of the Address Accuracy percentage is always one year from the date the SOA was produced.
6. Software Company Name and Software Version	<ul style="list-style-type: none"> The name of the software company used to evaluate the database, and the software version, are required. Only current versions produced by recognized software vendors are accepted.
7. Canada Post Address Data Used: yyyy/mm/dd	<ul style="list-style-type: none"> The effective date of the Address Data used (current version required).

Customers must record their Address Accuracy percentage and expiry date obtained from their *Statement of Accuracy* (SOA) on their *Order (Statement of Mailing)*. Failure to record the Address Accuracy percentage and expiry date on the *Order (Statement of Mailing)* will result in the application of an adjustment to the cost of the mailing using 56% as the customer's Address Accuracy percentage.

Customers are requested to keep a valid copy of the *Statement of Accuracy* (SOA) on file in the event that Canada Post requests a copy.

More information on the *Address Accuracy Program* can be found at canadapost.ca/am or from a Canada Post Representative.

ADJUSTMENTS AND SURCHARGES

2 OVERVIEW

As per the *Terms and Conditions - Section 5 Criteria for Qualification* items presented for mailing to Canada Post may be verified to determine compliance with applicable terms and conditions. Items determined to have anomalies that may result in additional handling or expense to Canada Post or that may affect our quality of service may, at the discretion of Canada Post, be:

- returned at the customer's expense, to be reworked by the customer, where possible
- processed and charged at the next or most appropriate Product or Service category, where available
- subjected to a surcharge; or
- refused for mailing.

The following sections provide detailed information on the adjustments and surcharges that may apply to your mailings if they do not meet the service requirements stipulated in this guide and your Agreement. This list is not meant to be exhaustive.

3 ADJUSTMENTS

Adjustments will continue to apply in situations where inaccuracies are noted on an *Order (Statement of Mailing)* or during processing such as:

- errors in volume, weight, or service type selected
- failure to use the Electronic Shipping Tools (EST) software when mandatory for the declared service, or
- Address Accuracy requirements are not met.

3.1 Address Accuracy Requirements

If the percentage on the Statement of Accuracy (SOA) produced by Canada Post-recognized software is less than 95%, an adjustment will be applied to the mailing at the time the *Order (Statement of Mailing)* is transmitted electronically using EST or at the time the *Order* is deposited at Canada Post.

ADJUSTMENTS ARE CALCULATED AS FOLLOWS:
Total Volume x (95% - customer's Actual Address Accuracy %) x 5¢ = Total Adjustment

NOTE: Failure to record the Address Accuracy percentage and Expiry Date on the *Order (Statement of Mailing)* will result in the application of an adjustment to the cost of the mailing using the National Average Address Accuracy percentage of 56%.

4 ITEM LEVEL SURCHARGES

If mailings presented to Canada Post are found to be non-compliant and are subject to a surcharge, either a 5¢ or 10¢ surcharge will be applied to all items in a given mailing. In the case of multiple mailing anomalies, only one surcharge (the higher) will be applied.

An invoice will be sent to customers regarding any applicable adjustments and surcharges along with a description of the non-compliance issue. If other areas of non-compliance were identified, up to four additional non-compliance matters will be indicated on the invoice to enable the customer to take corrective actions and reduce the risk of future surcharges. The customer will continue to be contacted when mailing anomalies greater than \$100.00 are identified.

Surcharges are applied to each non-compliant service category based on the "actual" versus "declared" volumes indicated on the *Order (Statement of Mailing)* and are billed to the "paid by" account as per the original *Order (Statement of Mailing)*.

Refer to the applicable "Preparing" module at canadapost.ca/postalservices for complete details.

4.1 Surcharges Structure/Descriptions

Due to the limited space on the invoice, surcharge details are abbreviated. The following tables identify:

- the amount of the surcharge
- the abbreviated description of the anomaly (as it will appear on the invoice) and
- quick reference description details.

5¢ NON-COMPLIANCE SURCHARGE PER ITEM	
INVOICE DESCRIPTION (ALPHABETICAL ORDER)	DESCRIPTION DETAILS
Address elements/format issues	Address elements or address format had elements that did not meet the addressing requirements
Cdn. Return Address issues	Canadian Return Address is not correct, missing or misplaced
Container fill not met	Container(s) not filled as per the specifications
Container issues	Appropriate container was not used secured or wrapped and/or lid was not secured to the container
Container labels missing	Container labels are missing on one or more container
Enclosure non-compliance	Enclosures or inserts do not meet the specifications
Graphics/printing issue	Placement of unacceptable markings and/or graphics on a mail piece
Indicia placement issues	Requirement for Postal Indicia placement was not met
Label spec. not met	Label size and paper stock requirement not met
Mail items improperly faced	All mail within a container is not faced in the same direction
Mono/Pallet missing label	Monotainers/pallets labels are missing on one or more shipping unit
Plastic wrapper issues	Wrapper exceeds contents by more than allowable as per specifications

NOTE: The classification and amount of surcharges can be subject to change at any time immediately upon notice to the customer. This list is not meant to be exhaustive.

10¢ NON-COMPLIANCE SURCHARGE PER ITEM	
INVOICE DESCRIPTION (ALPHABETICAL ORDER)	DESCRIPTION DETAILS
Address labels not secured	Labels used for address are not secured to the mail piece

10¢ Non-compliance Surcharge per Item	
INVOICE DESCRIPTION (ALPHABETICAL ORDER)	DESCRIPTION DETAILS
Address slips from window	Content has slipped within the window of the envelope making the address not possible to read
Address template issues	Address is not in the address zone as per the product's addressing template requirement
Brick-piling issues	Brick-piling specifications have not been met
Container labels incorrect	Container labels used do not match the content of the container
Envelope window issues	Window of the envelope does not meet specification
Flexibility issues	Mail does not meet flexibility specifications
Items improperly sealed	Mail items not properly or fully sealed or unwrapped items are not properly sealed to support processing
Items sticking together	Mail items sticking together
Minimum item size not met	Mail piece minimum size requirement not met
Minimum item weight not met	Mail piece minimum weight requirement not met
Mono/Pallet labels incorrect	Mono/pallet labels used do not match the content of the container or missing or incorrect information
Pallet size/wrap issues	Issues with the pallet size or pallet wrapping
Product shape non-compliance	Shape of the mail piece does not meet specification
Quiet zone around add block	Quiet zone around the address block has been compromised

NOTE: The classification and amount of surcharges can be subject to change at any time immediately upon notice to the customer. This list is not meant to be exhaustive.

5 ORDER (STATEMENT OF MAILING) LEVEL SURCHARGES

\$45.00 Non-transmitted Order	
INVOICE DESCRIPTION	DESCRIPTION DETAILS
Non-transmitted <i>Order</i> surcharge	<i>Order (Statement Of Mailing)</i> not transmitted prior to deposit of mailing

NOTE: The classification and amount of surcharges can be subject to change at any time immediately upon notice to the customer. This list is not meant to be exhaustive.