

## Tell BT No

The CWU has made our objections to the BT proposals clear. It is vital that you get involved and that BT hears your views on this key issue.

Make sure you respond to the BT consultation directly saying that you reject all the BT proposals for your pension and that you want BT to reach a negotiated agreement with the CWU. You can add your own comments if you wish.

Send your response to BT at the following email address [bt.consultation@wealthatwork.co.uk](mailto:bt.consultation@wealthatwork.co.uk) and copy in the CWU at [bt pensions@cwu.org](mailto:bt pensions@cwu.org).

**The closing date for responses is 17th January 2018.**

Once you have responded, please ask your work colleagues if they have also told BT no.

**Reject the  
BTRSS  
Proposal**  
**#TellBTNo**

### Get Involved

Your local CWU Branch will have contacted you asking for details of which pension you are in. We need this information to help us represent you in the coming months. Please make sure you reply.

A national CWU survey was launched at the beginning of December and we urge all members to respond. [www.cwu.org/btpensions](http://www.cwu.org/btpensions)

We will also be holding members' meetings around the UK in the coming weeks. Please contact your CWU Branch for details.

### Contact

More information is available from your local CWU Branch and on [www.cwu.org/campaign/bt-pensions](http://www.cwu.org/campaign/bt-pensions)

You can also find us on Facebook – The Communications Union and Twitter using the hashtag **#TellBTNo @CWUnews** or email us on [bt pensions@cwu.org](mailto:bt pensions@cwu.org)

BULLETIN #2  
DECEMBER 2017

**TO ALL CWU MEMBERS  
IN THE BTRSS PENSION**

**CWU**  
The communications union

IMPORTANT INFORMATION ABOUT THE BTRSS MONEY PURCHASE PENSION

**REJECT THE 1%  
BTRSS PROPOSAL  
– YOU DESERVE BETTER**

**This briefing is for CWU members in the BT Retirement Saving Scheme – the money purchase pension – and explains why the CWU is recommending that you should reject the BT proposals. Typically those who joined BT after March 2001 are in this Scheme.**

In the BTRSS the value of your pension can rise and fall depending on investment returns, but the amount of money paid into your pension pot by you and BT are crucial in determining how good your pension will be at retirement.

As part of the Pension Review BT has offered a minimal 1% improvement in the company contributions to the BTRSS. **We do not believe this is enough to secure your future.**

We have rejected BT's first pension proposal – just like in a pay negotiation when the offer is not high enough.

**BT need to hear from you directly. You need to tell BT that you reject their proposals and expect them to make you a better offer. Tell BT No by 17th January.**

BT talks about fairness and affordability. But the company pays up to 30% of salary into pensions for top management, which is 3 times as much as the maximum paid into Team Member Pensions. BT makes over £7.5 billion in profit and pays out about £1.5 billion in dividends.

**That is why we say we feel that you deserve better and BT can afford more.**

*Andy Kerr*

Andy Kerr  
Deputy General Secretary (T&FS)

**BTRSS: You deserve better  
BT can afford More**

**BT CAN AFFORD MORE**

**#TellBTNo**

**CWU.ORG**

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The communications union

## How do you build up pension benefits in the BTRSS?

- The BTRSS is a defined contribution pension – sometimes called a money purchase pension.
- In this type of pension the benefits available to you in retirement depend crucially on the amount of money that is paid into your pension and the investment returns. **So in general the more that is paid in the better your pension should be.** That is why the amount of money BT pays in is so important.
- Both you and BT pay contributions into your BTRSS plan. The more you pay in the more BT pays in (currently capped at 9%)
- Pension contributions are paid free of income tax (up to certain limits).
- When you decide to retire, your plan provides your benefits. The size of your benefits will depend on the amount of contributions paid, investment returns and any charges.
- Investment returns can increase or decrease over time.
- When you decide to retire you can draw your pension in a variety of ways – including an annuity which provides a regular monthly payment, tax free cash - up to certain limits or via “income draw down” from your pension account. You will have the choice to decide how your income is provided, whether your pension increases and if there will be any provision for your dependents.
- There is lots more information about the BTRSS at [www.btretirementsavingscheme.com](http://www.btretirementsavingscheme.com)

## How much do pensions cost?

Saving for a pension is vital as the state pension is now not paid until 67 or 68 for many. The earlier you start the better. You are never too young to start thinking about your pension.

When it comes to your retirement you will need to ensure that you have an income for the rest of your life.

You might also want your pension to increase every year and to make provision for your partner and dependants.

The table below shows some current examples of pension costs which emphasises why we need an improved BT offer.

Pension Pot	Indicative monthly income	Indicative annual income	Tax Free Cash (25%)
£50,000	£91	£1,093	£12,500
£100,000	£179	£2,154	£25,000
£200,000	£354	£4,254	£50,000
£300,000	£526	£6,318	£75,000
£400,000	£694	£8,329	£100,000
£500,000	£861	£10,340	£125,000

**Note:** These figures are only an illustrative example as at December 2017 based on purchasing an annuity - which provides regular income. Members can opt to take “income draw down” as an alternative to an annuity and do not need to opt for pension increases or a dependents pension. *Independent professional advice should be sought before making any decision about taking a retirement income.*

Everyone’s circumstances are different. Health, age, address etc can all make a difference and, outcomes will vary widely. Annuity rates vary daily and can rise and fall over time.

Figures are based on a healthy person living in an area with average life expectancy, retiring at age 65, with a pension that provides dependents a pension of 50% of normal pension, and the annuity increases with inflation.

Figures as at 6th December 2017 from Money Advice Service web site.

## BT Retirement Saving Scheme - for those joining BT from 1st April 2001

The CWU has always believed that BT should make higher contributions to the BTRSS. We have been pressing for change since 2011.

BT has only now proposed to make improvements to the BTRSS because the CWU insisted that this issue be addressed as part of this review

**The proposal is not good enough and should be rejected.**

Now is our best chance to get improvements to the BTRSS

**You deserve better.**

### BT Contributions

Our claim is for BT to contribute twice as much as members. So for example, if you pay 5% of salary BT would pay 10%. This improvement would cost about 0.2% of BT’s 2016/17 profits.

BT has only proposed a 1% increase in contributions at the different levels.

**BT can afford more.**

For those recently joining BT the 1% proposed increase in BT’s default contributions is only worth about £4.00 a week.

Most CWU members pay the default rate of 5%. With BT’s proposed new contribution of 9% this means that only 14% of pay will go into most pensions each year.

That is not enough to generate a reasonable income in retirement at 60 or even 65.

### BTRSS Contributions

Member Contributions	BT Current Contribution	BT Proposed Contributions	CWU Proposal
5% (default)	8%	9%	10%
6%	8.5%	9.5%	12%
7% or more	9%	10%	14%

Percentages shown are percent of pensionable pay

### Allowances

We are also seeking an improvement to the treatment of allowances which up to now have not counted towards pensions in the BTRSS. We are seeking parity with allowances in the BTPS which are pensionable

### BT Minimum Payment

The minimum BT contribution to the BTRSS of £1,500 (pro rata for part time staff) for those contributing 5% was introduced to protect the interests of the lowest paid members including apprentices because of a CWU claim.

The minimum payment has not increased since 2010. It is time for an increase.

**Reject the BTRSS Proposal**  
#TellBTNo