

## 1. VERSION: BTPS Section A Manager

Dear XXXX

Over the past few months we've been reviewing our main pension schemes, to ensure we have fair, flexible and affordable benefits for all. We can now share our proposals for change with you.

These proposed changes would only apply to you if you decided to switch to Section B terms of the BT Pension Scheme (BTPS) in the future. Your benefit calculations won't change if you remain a member of Section A of the BTPS as you are currently.

With this in mind, you should read the enclosed consultation pack carefully.

### Our proposals

We're proposing to close Sections B and C of the BTPS for managers on 31 March 2018. Affected managers will then become members of the BT Retirement Saving Scheme (BTRSS). If you switch to Section B in the future, as a manager, any pensionable service from 1 April 2018 won't count towards your BTPS pension.

A switch to Section B would mean your pensionable service up until 31 March 2018 would change to Section B terms and we'd work out what contributions you would've paid as a Section B member until 31 March 2018. We would compare this with the contributions you actually paid as a Section A member until the date of the switch. Depending on the result of that calculation, we'll then either ask you to pay any additional contributions (with interest) or refund your contributions.

As well as reading the pack, you can:

- Visit our consultation site at <http://snip.bt.com/pensions>, which hosts all the information about the review including **videos, copies of the guides** and **answers to frequently asked questions**
- Arrange a time for the Helpdesk to call you if you have an unanswered question by visiting [www.bt-pensionconsultation.com](http://www.bt-pensionconsultation.com)
- Contact the Helpdesk on **0800 083 5056** or [BT.consultation@wealthatwork.co.uk](mailto:BT.consultation@wealthatwork.co.uk)

Your feedback will form part of our formal consultation which is due to end on 17 January 2018. We'll consider all viewpoints and let you know the final outcome in the new year.

We'll continue to keep you up to date throughout the consultation.

Yours sincerely,

**Alison Wilcox, Group HR director**

## 2. VERSION: BTPS Section A Team Member

Dear XXXX

Over the past few months we've been reviewing our main pension schemes to ensure we have fair, flexible and affordable benefits for all. We can now share our proposals for change with you.

Your benefits won't change if you remain a member of Section A of the BT Pension Scheme.

### Proposal 1:

The first proposal is to close Sections B and C of the BTPS on 31 March 2018. Affected members will then become members of the BT Retirement Saving Scheme (BTRSS). If you switch to Section B in the future, any pensionable service from 1 April 2018 won't count towards your BTPS pension.

A switch to Section B would mean your pensionable service up until 31 March 2018 would change to Section B terms and we'd work out what contributions you would've paid as a Section B member until 31 March 2018. We would compare this with the contributions you actually paid as a Section A member until the date of the switch. Depending on the result of that calculation, we'll then either ask you to pay any additional contributions (with interest) or refund your contributions.

### Proposal 2:

The second proposal is to continue the BTPS for team members only, on a reduced basis. You'd still be able to switch to Section B terms, but your benefit calculations will be based on what you would've received in Section B, taking into account the proposed changes. With this in mind, you should read the enclosed consultation pack carefully as it sets out how we propose to change the Section B terms.

As well as reading the pack, you can:

- Visit our consultation site at <http://snip.bt.com/pensions>, which hosts all the information about the review including **videos, copies of the guides and answers to frequently asked questions**
- Arrange a time for the Helpdesk to call you if you have an unanswered question by visiting [www.bt-pensionconsultation.com](http://www.bt-pensionconsultation.com)
- Contact the Helpdesk on **0800 083 5056** or [BT.consultation@wealthatwork.co.uk](mailto:BT.consultation@wealthatwork.co.uk)

Your feedback will form part of our formal consultation which is due to end on 17 January 2018. We'll consider all viewpoints and let you know the final outcome in the new year.

We'll continue to keep you up to date throughout the consultation.

Yours sincerely,

**Alison Wilcox, Group HR director**

## 3&5 : <<VERSION BTPS Manager SECTION B & C NON GAD>>

Dear [XXXX],

Over the past few months we've been reviewing our pension schemes, to ensure we have fair, flexible and affordable benefits for all.

I can confirm that we now have a set of proposed changes, which we have discussed in detail with Prospect. BT believes these represent the most appropriate retirement savings solutions for all our pension scheme members.

We're proposing a specific set of changes for managers in the BT Pension Scheme (BTPS). We now want your feedback on them as part of our consultation.

Our main proposed changes are:

1. To close Sections B and C of the BTPS to managers for the future build-up of benefits from 1 April 2018.
2. We'll then make you a member of the BT Retirement Saving Scheme (BTRSS) from 1 April 2018 – a scheme we're proposing to improve for all its members. You'll continue to save for your retirement in this scheme.
3. The new benefits you'll then receive as a BTRSS member would be in addition to those you've already accrued in the BTPS – so you'll have a deferred pension (in the BTPS) and a new plan in the BTRSS.
4. We're going to make additional payments into your new plan in the BTRSS as part of your transition into that scheme. See the enclosed consultation pack for more details.
5. We have additional proposals for change that we've outlined in the enclosed pack.

We know these proposals mean big changes to something that matters a lot to you. That's why we want to make sure you fully understand what we're planning to do and why, and also give you the chance to give feedback.

There's more information about the proposed changes and why we're making them in the enclosed consultation pack. It's important you read this in order to understand how they might affect you. As well as reading the pack, you can:

- Visit our consultation site at <http://snip.bt.com/pensions>, which hosts all the information about the review including **videos, copies of the guides and answers to frequently asked questions**
- Look out for personal information we'll be sending you in the post in the next few weeks. You can then use that alongside a modeller we'll be launching soon.
- Arrange a time for the Helpdesk to call you if you have an unanswered question by visiting [www.bt-pensionconsultation.com](http://www.bt-pensionconsultation.com)
- Contact the Helpdesk on **0800 083 5056** or [BT.consultation@wealthatwork.co.uk](mailto:BT.consultation@wealthatwork.co.uk)
- Book your place on a webinar or seminar at <http://snip.bt.com/pensions>

If you're a Section C member, your consultation pack also includes an insert about increases to pensions that are being paid. The insert provides details about the Court hearing concerning possible

changes to how pension increases are calculated, which could affect benefits you have already built up in the BTPS.

Your feedback will form part of our formal consultation which is due to end on 17 January 2018. We'll consider all viewpoints and let you know the final outcome in the new year.

Finally, I know your pension is a key part of your financial future, so please do read the enclosed guide and we'll keep you up to date throughout the consultation.

Yours sincerely,

**Alison Wilcox, Group HR director**

## 4&6: <<VERSION BTPS Team member SECTION B & C NON GAD>>>

Dear [XXXX],

Over the past few months we've been reviewing our main pension schemes to ensure we have fair, flexible and affordable benefits for all.

Although we haven't reached agreement with the Communications Workers Union (CWU) at this time, we wish to put forward two alternative sets of proposals for change to your benefits in the BT Pension Scheme (BTPS). These are shown below.

We believe either proposal represents an appropriate retirement savings solution. However, as you are a team member in the BT Pension Scheme (BTPS), we want your feedback on the two sets of proposals as part of a consultation starting on 15 November 2017, due to end on 17 January 2018.

### <<Subtitle>> **Proposal 1: Close the BTPS to further benefits and join improved BTRSS**

Under Proposal 1, we would close Sections B and C of the BTPS to all members for the future build-up of benefits from 1 April 2018. You'd then be treated as a deferred member of the BTPS. From 1 April 2018, you'd join the BT Retirement Saving Scheme (BTRSS) on enhanced terms and continue saving for your retirement in that scheme.

#### <<subtitle> *Your BTPS benefits*

The new benefits you'd receive as a BTRSS member would be in addition to those you've already built up in the BTPS – so you'd have a deferred pension (in the BTPS) and a new plan in the BTRSS. The BTPS benefits you've earned up to 31 March 2018 would remain in that scheme.

#### <<Subtitle>> *Your new BTRSS benefits*

From 1 April 2018, we're also proposing the following enhancements to the BTRSS:

1. Increasing BT's standard contribution rates to the BTRSS up to 10% of BTRSS Pensionable Salary, which would apply for all current active BTRSS members as well.
2. Introducing a temporary higher BT contribution rate where BT's contribution is 11% if you contribute 8% of your BTRSS Pensionable Salary. This temporary rate will be available for three years from 1 April 2018 until 31 March 2021 (at which point the BT contribution will go back to 10%).
3. Transition payments of 2% of BTRSS Pensionable Salary per year into your plan, for a period of up to ten years. The period will depend on your age on 1 April 2018.

### <<Subtitle>> **Proposal 2: (For team members only) Keep the BTPS open for future service, but on a different basis**

Under Proposal 2, you would continue building up benefits in the BTPS after 31 March 2018, but on a different basis. In particular, these benefits would build up more slowly in the future and your contributions would increase.

Proposed changes to future BTPS benefits for Section B and Section C members from 1 April 2018 are to:

- reduce the build-up or 'accrual' rate of pension.

- remove the build-up of 3/80<sup>th</sup> lump sum, though you will still have the option to exchange some of your pension for additional tax-free cash when you draw your BTPS benefits.
- once the pension is being paid - change the maximum pension increases applied to the part of your pension relating to Pensionable Service from 1 April 2018 to 2.5% a year.

We also propose to:

- Limit the amount of any increase in your BTPS Pensionable Salary to CPI each year. Your BTPS Pensionable Salary is used to help calculate your pension.
- Increase members' contributions to the BTPS so that they are based on grade, and remove the additional National Insurance allowance you currently receive, which relates to the changes made in 2009.

### <<Subtitle>> Feeding back on the proposed changes

We know we're proposing big changes to something that matters a lot to you. That's why we want to make sure you fully understand what we're planning to do and why. We also want to give you the chance to feed back on the proposed changes and to let us know which proposal you prefer. We will also continue to discuss these proposals with the CWU.

There's more information about why we're proposing changes in the enclosed consultation pack. It's important you read this in order to understand how they might affect you. As well as reading the pack, you can:

- Visit our consultation site at <http://snip.bt.com/pensions>, which hosts all the information about the review including **videos, copies of the guides** and **answers to frequently asked questions**
- Look out for personal information we'll be sending you in the post in the next few weeks. You can then use that alongside a modeller we'll be launching soon, allowing you to understand how the changes could affect you if you have standard BTPS benefits
- Arrange a time for the Helpdesk to call you if you have an unanswered question by visiting [www.bt-pensionconsultation.com](http://www.bt-pensionconsultation.com)
- Contact the Helpdesk on **0800 083 5056** or [BT.consultation@wealthatwork.co.uk](mailto:BT.consultation@wealthatwork.co.uk)
- Book your place on a webinar or seminar at <http://snip.bt.com/pensions>

If you're a Section C member, your consultation pack includes an insert about increases to pensions in payment. This insert provides details about the Court hearing concerning possible changes to how pension increases are calculated, which could affect benefits you have already built up in the BTPS.

Your feedback will form part of our formal consultation which is due to end on 17 January 2018. We'll consider all viewpoints and let you know the final outcome in the new year.

Finally, I know your pension is a key part of your financial future, so please do take the time read the enclosed guide and we'll keep you up to date throughout the consultation.

Yours sincerely,

**Alison Wilcox, Group HR director**

## 7. SECTION C GAD VERSION

Dear XXXX

Over the past few months we've been reviewing our main pension schemes, working closely with the unions to ensure we have fair, flexible and affordable benefits for all. We can now share our proposals for change with you.

Because of a special arrangement with your previous employer, most of the changes we're making to the BT Pension Scheme (BTPS) won't apply to you. However, as a Section C member, your benefits could be impacted by the Court hearing concerning increases to pensions that are currently being paid – please see the attached information sheet for further details.

If you would like to know more about the review, you can:

- Visit our consultation site at <http://snip.bt.com/pensions>, which hosts all the information about the review including **videos, copies of the guides and answers to frequently asked questions**
- Arrange a time for the Helpdesk to call you if you have an unanswered question by visiting [www.bt-pensionconsultation.com](http://www.bt-pensionconsultation.com)
- Contact the Helpdesk on **0800 083 5056** or [BT.consultation@wealthatwork.co.uk](mailto:BT.consultation@wealthatwork.co.uk)
- Book your place on a webinar or seminar at <http://snip.bt.com/pensions>

Your feedback will form part of our formal consultation which is due to end on 17 January 2018. We'll consider all viewpoints and let you know the final outcome in the new year.

Finally, I know your pension is a key part of your financial future, and we'll keep you up to date throughout the consultation.

Yours sincerely,

**Alison Wilcox, Group HR director**

## 8. <<VERSION BTRSS all members (inc grandfathered and SLFPP, excluding the non-standard)>>

Dear [XXXX],

Over the past few months we've been reviewing our pension schemes to ensure we have fair, flexible and affordable benefits for all.

I'm pleased to let you know that we now have a set of proposed enhancements that we want to make to your scheme, the BT Retirement Saving Scheme (BTRSS).

These are to:

- increase the standard contributions paid by BT into your BTRSS plan
- include the London Weighting allowance in calculating BTRSS Pensionable Salary
- change the benefits relating to death in service, giving you more flexibility in the type of benefits that your beneficiaries would receive.
- clarify the medical retirement benefits for BTRSS members.

We've included all the detail in the enclosed consultation pack.

These proposed changes only apply to employees on standard BTRSS terms. Employees on non-standard terms will receive a separate letter explaining how the changes might affect them.

As well as reading the pack, you can:

1. Visit our consultation site at <http://snip.bt.com/pensions>, which hosts all the information about the review including **videos, copies of the guides** and **answers to frequently asked questions**
2. Arrange a time for the Helpdesk to call you if you have an unanswered question by visiting [www.bt-pensionconsultation.com](http://www.bt-pensionconsultation.com)
3. Contact the Helpdesk on **0800 083 5056** or [BT.consultation@wealthatwork.co.uk](mailto:BT.consultation@wealthatwork.co.uk)
4. Book your place on a webinar at <http://snip.bt.com/pensions>

Your feedback will form part of our formal consultation which is due to end on 17 January 2018. We'll consider all viewpoints and let you know the final outcome in the new year.

We'll continue to keep you up to date throughout the consultation.

Yours sincerely,

**Alison Wilcox, Group HR director**

Dear [XXXX],

Over the past few months we've been reviewing our pension schemes to ensure we have fair, flexible and affordable benefits for all.

I'm pleased to let you know that we now have a set of proposed enhancements that we want to make to your scheme, the BT Retirement Saving Scheme.

We propose to offer BTRSS members more flexible death benefits.

We've included all the detail in the enclosed consultation pack.

We're also proposing increases to the level of contributions BT makes under the standard terms for BTRSS members. However, because you have special BT contribution rates, this change won't apply to you unless you move to the standard contribution structure. The sections in the booklet relating to the proposed changes to contributions won't apply to you unless you change to this structure.

As well as reading the pack, you can:

1. Visit our consultation site at <http://snip.bt.com/pensions>, which hosts all the information about the review including **videos, copies of the guides** and **answers to frequently asked questions**
2. Arrange a time for the Helpdesk to call you if you have an unanswered question by visiting [www.bt-pensionconsultation.com](http://www.bt-pensionconsultation.com)
3. Contact the Helpdesk on **0800 083 5056** or [BT.consultation@wealthatwork.co.uk](mailto:BT.consultation@wealthatwork.co.uk)
4. Book your place on a webinar at <http://snip.bt.com/pensions>

Your feedback will form part of our formal consultation which is due to end on 17 January 2018. We'll consider all viewpoints and let you know the final outcome in the new year.

We'll continue to keep you up to date throughout the consultation.

Yours sincerely,

**Alison Wilcox, Group HR director**

**12. <<VERSION FOR BTRSS STD CONTRIBUTION RATES BTRSS/non Std Life Cover>>**

Dear [XXXX],

Over the past few months we've been reviewing our pension schemes, working closely with the unions to ensure we have fair, flexible and affordable benefits for all.

I'm pleased to let you know that we now have a set of proposed enhancements that we want to make to your scheme, the BT Retirement Saving Scheme.

We propose to increase the standard contributions paid by BT into your BTRSS plan.

For most members we also propose to offer more flexible death benefits. However, because you have special BT death benefits, this change won't apply to you unless you move to the standard death benefits structure.

We're now running a consultation across our two main pension schemes that starts on 15 November 2017, due to end on 17 January 2018.

We've included all the detail in the enclosed consultation pack.

As well as reading the pack, you can:

1. Visit our consultation site at <http://snip.bt.com/pensions>, which hosts all the information about the review including **videos, copies of the guides and answers to frequently asked questions**
2. Arrange a time for the Helpdesk to call you if you have an unanswered question by visiting [www.bt-pensionconsultation.com](http://www.bt-pensionconsultation.com)
3. Contact the Helpdesk on **0800 083 5056** or [BT.consultation@wealthatwork.co.uk](mailto:BT.consultation@wealthatwork.co.uk)
4. Book your place on a webinar at <http://snip.bt.com/pensions>

Your feedback will form part of our formal consultation which is due to end on 17 January 2018. We'll consider all viewpoints and let you know the final outcome in the new year.

We'll continue to keep you up to date throughout the consultation.

Yours sincerely,

**Alison Wilcox, Group HR director**

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