

**TO ALL CWU MEMBERS
IN BT AND BT FLEET**

BT PENSION REVIEW - REJECT ALL THE PROPOSALS

Pensions are your deferred pay and vital no matter what age you are; especially as the State pension age is increasing to 67 or 68.

We have not been able to reach agreement with BT on this most important issue, though talks are continuing.

BT has decided to press ahead with a formal pension consultation and you should have received a document from the Company, which you should read carefully. The formal consultation is required if BT is to make changes in April next year.

As part of the consultation, BT has made proposals for both the BT Pension Scheme and the BT Retirement Saving Scheme.

None of the proposals are acceptable to your union.

BT talks about fairness, but some senior management get a company contribution to their pension of up to 30% of salary - far in excess of any CWU member.

BT refers to affordability but made over £7,500 million profit last year and paid more than £1,000 million out to shareholders. You cannot afford to live without a proper company pension when you retire.

BT should not make changes in April 2018 without a negotiated agreement with the CWU.

**You deserve better. BT can afford more.
Join the campaign to secure your future.**



Andy Kerr
Deputy General Secretary (T&FS)

**Reject all BT's proposals
for both pensions**

#TellBTNo

BT Pension Scheme - closed to new members 1st April 2001

We are prepared to reach an agreement with BT to keep the BTPS open. That requires BT to fairly share the burden of the increased costs for future service with members, something they have so far declined to do.

The CWU understands that with the rising cost for the provision of defined benefit pensions and the size of the BTPS deficit, costs for future service are likely to rise and accepts that some change is necessary.

However, for future service, BT is currently paying significantly less than the UK average for defined benefit pensions. **BT can afford more.** The issue could be resolved using around 1% of BT's 2016/17 profits.

BT is suggesting two potential changes to the BTPS. Neither is acceptable. Both should be rejected.

Proposal 1 - Closure from 1st April 2018

BT has not ruled out closure of the BT Pension Scheme for future service for Team members. BT is already proposing closure for all managerial grades.

We are completely opposed to closure for CWU grades.

We have made it clear that if BT goes ahead with closure there will be an industrial dispute.

Proposal 2 - Amendment for future service from 1st April 2018

In response to our opposition to closure, BT has proposed the option of amending the BTPS and keeping it open for Team members only.

BT is hoping that faced with the option of closure members will accept this proposal; but it is just not good enough.

The changes proposed by BT would make the BTPS almost unrecognisable. They are designed to make the BTPS look comparable to the BTRSS, but fail to take into account your pension expectations.

BT can afford more.

The proposals would have a dramatic impact on pensions from next April, and would be particularly detrimental to those under the age of 50.

Reductions in Future Benefits

The benefits built up every year from April 2018 would be 12.5% less than under current arrangements.

Benefits would build up at only 120th of your pensionable salary each year – this is merely the legal minimum.

Lump Sum Removed

The specific additional cash lump sum for service after April 2018 would be removed.

BTPS PROPOSAL 2 - Is BT Being Fair?

Member contributions Increase

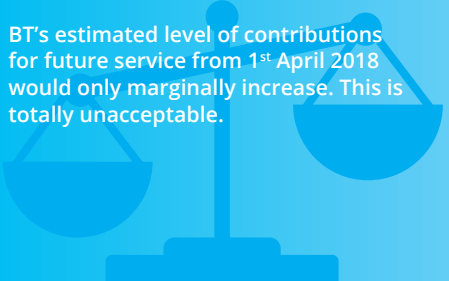
Contributions would increase by up to 3%. In addition, the National Insurance rebate of about 1% you currently receive would be removed.

Currently basic rate tax payers contribute 7% in Section B and 6% in Section C.

Under the proposals, the pension cost for some members will be an additional 4% a year - to get a lot less.

BT Contributions for Future Service

BT's estimated level of contributions for future service from 1st April 2018 would only marginally increase. This is totally unacceptable.



Pensionable Pay Cap Introduced

Pension benefits depend on the level of your pensionable pay. BT wants to introduce a cap on the amount that pay can increase for pension purposes. BT wants to cap this at a maximum of CPI inflation each year.

So if your pay increase in a year were greater than CPI some of your salary would not count towards your pension.

In the last ten years CWU negotiated pay rises in BT have consistently been higher than CPI.

Assuming average pay rises of 1% above CPI means that in the next decade around 10% of your salary would not count towards your pension.

Pensions in Payment Capped at 2.5%

BT wants to introduce a cap on the level of increases in your pension once it starts to be paid.

The proposal is that for pensions built up after April 2018 increases will be at the legal minimum. This is currently CPI inflation up to a maximum 2.5%.

When inflation is above 2.5% the real value of your pension would fall. CPI inflation is currently at 3.0% - this is above BT's proposed cap.

Currently Section A/B increases are driven by CPI inflation uncapped, while Section C is linked to RPI inflation capped at 5%.

For pension built up before April 2018 current arrangement for pension increases should continue to apply. However, BT is separately going to Court to see if it can change the way pension increases operate for all Section C members. If BT wins the case, it intends to move the indexation from RPI inflation to CPI inflation for all Section C members including retired members.

**Reject both
the BTPS
Proposals**
#TellBTNo

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 can afford more.**

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 14% of pay will go into most pensions each year. See table overleaf.

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

Allowances

Even with the proposal to make London Weighting count towards the pension, shift pay, and unsocial hours payments and other allowances still do not count towards your pension. This is just not fair.

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.

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

Reject the BTRSS Proposal

Secure Your Future

This is a crucial time for your pension and your retirement plans.

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.

Tell BT No

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.

The bigger the number of responses, the more BT is likely to listen.

Send your response to BT at the following email address bt.consultation@wealthatwork.co.uk and copy in the CWU at 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 all
BT's Proposals**
#TellBTNo

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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.

Shortly we will also be asking you to respond to a national CWU survey. Please also reply to the survey.

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

Please read BT's documents carefully.

BT is running BTPS pension seminars in various locations, ask your manager for permission to attend.

Join in and keep in touch.

Contact

More information is available from your local CWU Branch and on www.cwu.org/campaign/bt-pensions

You can also find us on Facebook and Twitter or email us on bt-pensions@cwu.org

Please note that the CWU cannot offer financial advice.


The communications union