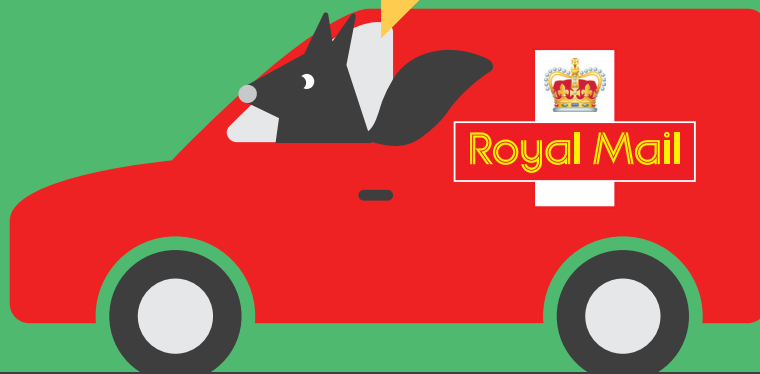


Your News, in a nutshell



Coronavirus update

Member research

A new administrator for
the Royal Mail Statutory
Pension Scheme

Annual Benefit Illustrations

Member-Nominated
Trustee Election

Funding update

Cash Balance Increase
Announced

Annual Fund Value
Statements for AVCs

Equitable Life

Be scam smart

Coronavirus update

At the time of writing, the Government has put in place strict measures requiring people to stay at home, except for very limited purposes, and other measures to limit social interaction. We understand that all this will be concerning for members, for different reasons. We want to let you know what we are doing to ensure the continued running of the RMPP during this time and to reassure you about the security of your pension.

The day-to-day administration of the RMPP is carried out by the Pensions Service Centre in Sheffield. In recent weeks they have put in place measures to ensure that this can continue; these include allowing members of the team to work from home using company laptops and phones and limiting the number of staff entering the office at any one time. Crucially, the regular monthly pension payroll can be run 'remotely' and so there will be no disruption to pension payments if you are already getting your pension.

The team are prioritising work to ensure, for example, that those members approaching retirement get their pensions and lump sum payments on time. Some activity that is not time-critical may take a little longer but the team are working hard to limit the disruption caused.

The Pensions Helpline will be operating with a slightly reduced service for the time being and will be able to take phone calls between 10am and 4pm Monday to Friday. If possible, please email rather than phone if your query is not urgent. A recorded message will provide the latest information and any changes to the service. You can also find helpful information at royalmailpensionplan.co.uk

Thank you for your understanding during this time

Member Research

Over the last few months we've been thinking about how we can improve the way we communicate with you – our members. Whether it's through the website, your annual benefit statement or when we write out with options for taking your benefits at retirement, we wanted to find out what you know or don't know and how you'd like to engage with us.

We visited a few delivery and mail centres around the country to speak directly to members about their pension. We also spoke to the people working on the Pension Helpline about the type of calls they get from members – what they don't understand and why they are calling.

What you said

- You're confused about your pension ... and the changes that have been made over the years makes understanding it even harder.
- Most of you said you started to think about your pension much more between 55 and 60 as you start thinking about your choices.

- You want to be able to speak to someone to help you make the right choices – face-to-face if possible.
- You are happy to do some things online so long as there is always an option for post.
- Some of the letters we use are confusing or contain too much 'jargon', they seem too formal or impersonal.

How can we improve?

We're going to look at the 'journey' to retirement/taking your pension benefits to try and make sure you are prepared for the choices we'll ask you to make.

We'll explore how we can best get guidance and support to you, recognising that employees working across the whole of the UK presents challenges for reaching everyone.

We'll develop better online tools, such as videos or animations, to support choices and explain important elements of your pension and ensure they complement information we send by post.

We're going to re-write our letters, starting with key ones such as those we send to you when it's time to take your pension benefits. We'll make them clearer, putting the important information up front and written in an informal but informative style.

Next steps

We'd like to thank everyone who took part; the feedback given will help us improve our communications and benefit your colleagues and indeed all members of the RMPP. We'll be working with our communications adviser and the Pensions Service Centre to get cracking with updating our letters and developing new content for the website in the coming months.



A new administrator for the Royal Mail Statutory Pension Scheme

If you were an employee member of the RMPP on 1 April 2012, when the Government set up the Royal Mail Statutory Pension Scheme, then the benefits you built up in the RMPP before that date will be in that Scheme whereas the benefits you earned since then remain in the RMPP.

Since 11 November 2019, following a decision by Government, Capita have been responsible for the administration of all the benefits held by the Statutory Scheme while the Pensions Service Centre remains responsible for the RMPP. This means that from time to time – such as when it is time to pay you your pension benefits – you will receive two letters. Capita will write to you about your Statutory Scheme benefits and PSC will write to you about your RMPP benefits.

Annual Benefit Illustrations

Because of the changes described on page 3, the way your Benefit Illustration is sent and how it is presented will be different from this year.

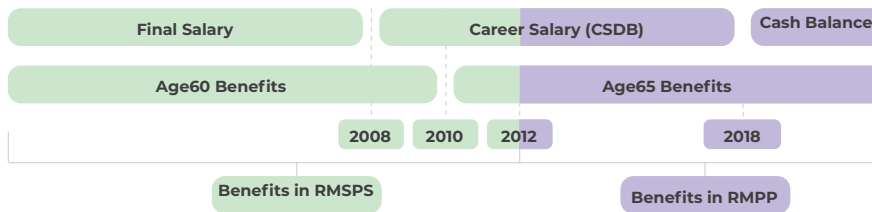
When the Government took on the responsibility for your benefits built up to 31 March 2012, they were transferred to the Royal Mail Statutory Pension Scheme (RMSPS) and you continued building up benefits in the RMPP after that date. The Pensions Service Centre (PSC) was appointed by the Government to administer the RMSPS as well as the RMPP. This meant we could send your Benefit Illustration each year showing the combined total of all your benefits across both schemes (as if the transfer hadn't happened).

Since then, the Government has awarded the contract to administer the RMSPS to Capita. Because of this, the information

which covers the RMSPS part of your benefits has been transferred from the PSC to Capita which means they will write to you about that part of your pension benefits. The PSC continues to administer the RMPP, under contract with the Trustee.

The diagram below explains who is responsible for the different parts of your benefits, how they built up and the age at which they are payable. The Benefit Illustration you will receive later this year from us will only show the benefits in the purple section. Capita will send you a statement showing the benefits in the green section.

We are working with the Government and Capita to try and arrange for the despatch of the two statements to be aligned so they reach you as close together as possible.



Member-Nominated Trustee Election

An election was held earlier this year for one member-nominated Trustee Director. There were six candidates and Lionel Sampson was re-elected for a new three-year term, starting from 1 April 2020. Also, Graeme Cunningham was re-nominated by Unite/CMA for a further three-year term from the same date.



Funding Update

In our last Trustee Report, sent to you last Autumn, we reported the results of the most recent Actuarial Valuation for the Royal Mail Section of the RMPP. This report, completed every three years, compares how much money the RMPP is likely to need to pay everyone their benefits (the **liabilities**), with the total amount of money it currently has (the **assets**).

The results are updated once a year between each Actuarial Valuation. The results of the most recent 'Funding Update' are shown below.

| | Actuarial Valuation as at 31 March 2018 | Funding Update as at 31 March 2019 |
|---|---|------------------------------------|
| Liabilities | £9,854 million | £10,411 million |
| Assets | £9,986 million | £10,464 |
| Surplus | £132 million | £53 million |
| Funding level (assets divided by liabilities) | 101% | 101% |

You will see that the value of the assets has increased by £478 million between 2018 and 2019. However, the value of the liabilities has gone up by a larger amount (£557 million), which is why the surplus (the difference between the assets and the liabilities) fell by £79 million.

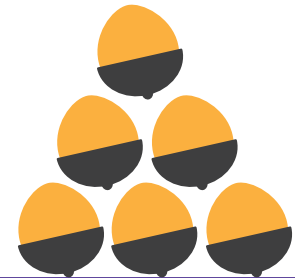
What if the RMPP is wound up?

By law, we have to tell you the funding level (as at the last Actuarial Valuation) if the RMPP was wound up, and the assets and responsibility for paying your benefits were transferred to an insurance company. On this basis, and based on the last full valuation at 31 March 2018, the RMPP could meet 100% of its commitments.

Finally, we have to tell you that over the past year we didn't pay any 'surplus assets' to Royal Mail, Post Office Limited or other employers and The Pensions Regulator has not imposed any orders on the RMPP to change the rate of contributions or benefits, or the way in which the liabilities are calculated.

Cash Balance Increase Announced

Benefits building up in the RMPP after 1 April 2018 are normally increased each year in accordance with a policy set by Royal Mail Group. This is based on market conditions from time to time but the aim is to provide an above inflation increase. We're pleased to confirm that the benefits built up in the Cash Balance fund as at 31 March 2019 for current employees (or those who have left since 1 April 2018) were increased on 1 April 2020 by 3.7%.



Annual Fund Value Statements for AVCs

Members who are paying (or who have previously paid) Additional Voluntary Contributions will shortly be receiving their annual statement. Following the transfer of business from Zurich to Scottish Widows (in July 2019), those statements will look different from previous years' statements. The statement will still show the contributions paid over the year and the value of your AVC funds as at 31 March 2020.

Also, because of the earlier transfer of administration platform and funds (in May 2019), the contributions will show in two parts – contributions related to April 2019 will be included in the 'transfer in' and contributions since then will be shown as 'contributions'. Your statement will include contact information if you have any questions about your AVC accounts.

Don't forget, AVCs are a tax-efficient way for you to increase your pension benefits so if you are interested in finding out more, an up-to-date AVC Guide is available to view and/or download at the library page of royalmailpensionplan.co.uk.



Equitable Life

Although no longer accepting contributions, you may be one of our members who at one time made additional voluntary contributions (AVCs) to Equitable Life (a with-profits fund).

In August 2019, Equitable Life policyholders were asked to vote on a proposal to:

- disinvest with-profit policies,
- use reserves to substantially enhance the reinvestment value, and
- transfer all policies (and member assets) to Utmost Life and Pensions.

The Trustee of the RMPP is the policyholder for the Equitable Life AVC arrangement. After taking professional advice, we concluded that the proposal was attractive to members with funds invested

and so voted in favour of the proposal. The required number of policyholders voted in favour of the proposal and so it was ratified at a court hearing in November.

Following the transfer to Utmost on 1 January 2020, members' funds are being held in a cash fund. Together with our advisers, we were satisfied about the security of Utmost Life and Pensions, but we didn't think that funds should remain invested with Utmost in the long term. The range of investment funds on the Scottish Widows platform (to which current AVC payers contribute) has lower charges and includes a lifestyle option under which members can select their target retirement age.

We are working with Utmost, Scottish Widows, and colleagues from the Pensions Service Centre, to transfer benefits from the cash fund with Utmost to the lifestyle option

Be scam smart

with Scottish Widows. We expect the transfer to take place mid-June. We will write individually to members around the date of the transfer to let them know the value of the funds being transferred and enclosing a form to enable members to select a fund choice other than lifestyle should they wish to do so.

Remember, you should consult an Independent Financial Adviser before making any irreversible financial decisions like transferring your benefits out of the Plan.



If you've been approached by someone offering to unlock your pension benefits before you reach age 55, or promising guaranteed high investment returns if you transfer your benefits, you may have been contacted by a scammer. A recent surge in pension scams has seen victims lose an average of £91,000.

If you've been tempted by an offer to transfer your benefits it's crucial that you check it's genuine (i.e. FCA authorised to handle pension transfers). Once you've handed over your savings, it's too late to act. You should check the FCA warning list available at [fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart) if you think you may be being scammed and report your suspected scammer. If you've applied to transfer your benefits out of the RMPP, but are having doubts about the transaction, please contact the Pensions Service Centre immediately to see if they're able to stop the transfer before it takes place.

To avoid losing your benefits in this way, it's important to be aware of the warning signs.

5 tell-tale signs of a pension scam

- 1 You've received a cold-call or other unsolicited message about releasing your pension benefits (this became illegal on 9 January 2019).
- 2 You've been told you must act quickly as the offer is only available for a short period of time.
- 3 You've been promised returns that seem too good to be true.
- 4 You've been approached by someone claiming to be from Pension Wise, the Money Advice Service or another legitimate sounding organisation (these organisations don't cold-call people).
- 5 The contact details for the organisation they claim to be are mobile numbers or a PO box address.

Staying in touch

You can always get in touch with us by phone, email or letter.

For **RMPP** benefits, contact the Pensions Service Centre:

Pensions Service Centre
PO Box 5863
Sheffield
S98 6AB

0114 241 4545 or Postline network users can call **5456 4545**

The team is available between 8:30am and 5pm, Monday to Friday.

pensions.helpline@royalmail.com
royalmailpensionplan.co.uk

For **RMSPS** benefits, contact Capita:

Royal Mail Statutory Pension Scheme
PO Box 551
Darlington
DL1 9TX

Email: **enquiries@rmsps.co.uk**
Telephone: **0333 222 0078**
Overseas: **+44 1325 271 861**

The team is available between 9:00am and 5pm, Monday to Friday.

royalmailps.co.uk

If you have a pension question, please tell us your full name and date of birth along with your National Insurance or Pension Plan number. This helps us find the information we need to help you more quickly.