

Frequently Asked Questions related to the mailing of Benefit Illustrations, Current Value Statements and Trustee's Report to members of the Royal Mail Pension Plan

ACTIVES – I.E. EMPLOYEE MEMBERS

Q1 Who have I nominated to receive my death benefits/ I want to change the death benefit nomination details, what should I do?

A You will need to download a nomination form from [here](#).

Q2 My illustration shows reduced Benefits at age 60 and at 65 compared to 2009 or earlier, why?

A If you have had a reduction in pay – perhaps because you have reduced your hours of work – this will affect the projected benefits at age 60 and at 65. However, because from 1st April 2010 we have a new retirement age of 65, we have changed what is shown on the Benefit Illustrations of all members. From 1st April 2010 we no longer project benefits to age 60 with an element of NRA65 benefits reduced for early payment and we no longer project all benefits to age 65. The benefits shown in the NRA 60 table are only based on service to 31st March 2010. Similarly the benefits shown in the NRA 65 table are only based on service from 1st April 2010.

Q3 Is the pension shown the amount that I will receive at age 60 or 65 respectively?

A The NRA 60 table shows the benefits which have an NRA of 60 – i.e. they come into payment when you attain age 60. The NRA 65 table shows the benefits which have an NRA of 65 – i.e. they come into payment when you attain age 65. The total benefits payable at age 60 (should you elect to take all your benefits at that age) would be:

- The Benefits in the NRA 60 table **plus**
- The Benefits in the NRA 65 table but reduced to reflect the longer time for which they would be payable.

Q4 Why is my Final Salary Service at 31st March 2008 less than the time I have worked for the business?

A There are a number of reasons why this could be:

- You are a part time member and have varied the number of hours worked each week; we have rounded the hours up to the full time equivalent for your grade.
- You have had periods of unpaid leave for which you have not made contributions (i.e. Strike days, special leave without pay etc.)
- The date you joined the Pension Plan was later than the date your service began with the business.

Q5 Why do my Added Years not show the full amount I am purchasing?

A An Addplan AVC assumes you will pay into it until your 60th Birthday and so the cost is spread out over your remaining years until you reach aged 60. The Benefit Illustration shows how many days you have actually bought up to 31st March 2011. If you add together the number of years bought at 31st March 2011 to the balance of added years remaining it should come to the full total of your contract. The balance of added years is the amount of service you have left to purchase on your Addplan contract. Each year from now until your 60th Birthday the amount of actual service bought will rise and the balance left will decrease providing you fulfil the contract.

Q6 Do I have to work until age 65?

A Although the normal retirement age for Plan benefits built up from 1st April 2010 rose to 65 on 1st April 2010 you can still leave the business and/or take your pension benefits before your 65th Birthday. A booklet called “Flexible Retirement options and benefits” is available to download from [here](#). If you take your NRA 60 benefits before your 60th Birthday, or you take your NRA 65 benefits before your 65th Birthday, those benefits will be reduced because you will be receiving them for longer.

Q7 What is the difference between Pensionable Salary and Career Salary Pay?

A Pensionable Salary Pay is the figure used to calculate your pension earned up to 31st March 2008. Career Salary Pay is the figure used to calculate the pension blocks you can earn going forward. Reasons why your Pensionable Salary Pay may differ from your Career Salary Pay are shown on page 2 of your Benefit Illustration.

DEFERREDS

Q1 You have sent the statement to the wrong address/incorrect name – what should I do?

A In order for the Pensions Service Centre to be able to amend your record you will need to write to them at the address below and provide them with documentation to support the change e.g. a copy of a marriage certificate.

Benefit Illustration
Pensions Service Centre
PO Box 500
CHESTERFIELD
S49 1WX

Q2 Can I cash my pension in?

A Generally, Her Majesty’s Revenue & Customs (HMRC) does not permit pensions to be cashed in. With the exception of pensions granted due to ill-health, the earliest age that pensions can commence is 55. In limited circumstances where the pension is regarded by HMRC as ‘trivial’, it can be paid out as a one off sum. The rules regarding triviality are complex but certainly a pension of more than £1,000 a year would not be regarded by HMRC as trivial.

Q3 Can I take my pension early?

A If you are over the age of 55 you will need to apply in writing to the Pension Service Centre to request payment. They will let you know if this option is available to you. If you

are under age 55 and in ill health you may be able to have your pension paid to you. Please contact the Pensions Helpline for more information:

Pensions Helpline 0114 241 4545
e-Helpline: pensions.helpline@royalmail.com

The minimum pension age rose from 50 to 55 on 6 April 2010. It will not be possible to receive Plan benefits under age 55 unless they are being paid on ill health grounds.

Q4 What happens when I get to 60; do I need to contact you?

A No, approximately 3 months prior to your 60th Birthday the Pensions Service Centre will contact you directly to start the process. Please remember to inform them if you move address so that they can keep in contact with you.

Q5 Can I take a lump sum from my pension?

A Nearly all members will be able to take a reduced pension and a tax-free cash sum when their pension comes into payment. When you decide to take your Plan benefits, the quotations provided by the Pensions Service Centre will show all of the options available.

PENSIONERS

Q1 Do I need to complete a Death Benefit Nomination form?

A If you have been receiving your pension for more than 5 years then you will not need to complete a Death Benefit Nomination form as there is no death lump sum payable. If you have not been receiving your pension for more than 5 years and you have not completed a form before, or wish to update your beneficiaries or are unsure as to whom you have nominated as your beneficiaries, you should complete a new nomination form. You will need to download a nomination form from [here](#).

You will need to send your completed form to:

Pensions Service Centre
PO Box 500
CHESTERFIELD
S49 1WX