



# Flexible retirement options and benefits

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For Section A/B and Section C members  
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When you reach age 55, you will have a number of choices for taking your pension benefits. This guide explains those options in detail.

The text in italics is explained in the 'Guide to benefits – Section A/B' and the 'Guide to benefits – Section C' which can be downloaded at [www.royalmailpensionplan.co.uk](http://www.royalmailpensionplan.co.uk) or are available on request from the Pensions Service Centre (PSC).

# Introduction

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Providing you are employed by the *Company* and are contributing to the Royal Mail Pension Plan (the *Plan*), you will be building up benefits which will be payable, without reduction, from the *Normal Retiring Age (NRA)*.

The Plan has two *NRA*s as follows:

- For *reckonable service* up to and including 31 March 2010, the *NRA* is your 60th birthday. Benefits earned in this period are referred to as your *NRA 60 benefits*;
- For *reckonable service* on and from 1 April 2010, the *NRA* is your 65th birthday. Benefits earned in this period are referred to as your *NRA 65 benefits*.

In addition, there is a legal minimum age from which pension benefits can be paid before the *NRA*. This is known as the *Minimum Pension Age (MPA)* and is your 55th birthday.

If you want to take your *Plan* benefits before the applicable *NRA* under the flexible retirement options, they will be reduced to take account of early payment (by reference to the applicable *NRA*) on a basis determined by the *Plan Actuary*. This is sometimes referred to as an actuarial reduction. The actuarial reduction is necessary to reflect the fact that a pension paid early will be paid for a longer period than originally expected.

You do not have to elect to take benefits under the flexible retirement options – these are options available to you which you may choose. If you make no election, you will simply continue accruing *NRA 65 benefits* whilst a contributing member up to the maximum of 45 years' *reckonable service*. Your *NRA 60 benefits* will be available to you at age 60, without reduction.

Although *NRA 60 benefits* and *NRA 65 benefits* can be taken separately as explained in this guide, all *NRA 60 benefits* must be taken at the same time, and all *NRA 65 benefits* must be taken at the same time.

# Your choices

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When you reach the *MPA*, you have a number of choices about your Plan benefits if you remain employed by the *Company*. This guide explains those options, as well as how they affect your current and future benefit entitlements.

Since the detail may be complicated, an overview of the various flexible retirement options and subsequent effect on your benefits is shown on the next two pages.

**Please note:** The options in this booklet only apply if you are still employed by the *Company*. If you have left employment and have *preserved benefits* in the Plan, your options are different and these are explained in the guide 'Your options on leaving the Plan' which can be downloaded at [www.royalmailpensionplan.co.uk](http://www.royalmailpensionplan.co.uk) or is available on request from the Pensions Service Centre (PSC) – their contact details are shown on page 10.



Your age	Your options	Effect on benefits			More info
		<i>NRA 60 benefits</i>	<i>NRA 65 benefits</i>	Enhanced benefits	
Age 55–60	Carry on contributing	Your benefits will remain unchanged	You will continue to build up benefits	You will still be eligible for enhanced benefits if you are retired by the <i>Company</i> on grounds of <i>ill health</i> or in applicable cases of redundancy	Pg 6
	Take early payment of your <i>NRA 60 benefits</i> , if the <i>Company</i> agrees	Your benefits will be paid early but at a reduced level			Pg 6
	Take early payment of your <i>NRA 65 benefits</i> , if the <i>Company</i> agrees	Your benefits will remain preserved in the Plan until age 60	Your benefits will be paid early but at a reduced level	You will no longer be eligible since you are no longer contributing	Pg 6
	Take early payment of all benefits, if the <i>Company</i> agrees	Your benefits will be paid early, but at a reduced level			Pg 7

Your age	Your options	Effect on benefits			More info
		<i>NRA 60 benefits</i>	<i>NRA 65 benefits</i>	Enhanced benefits	
Age 60–65	Take <i>NRA 60 benefits</i>	You can take these benefits in full	You will continue to build up benefits	You will still be eligible for enhanced benefits if you are retired by the <i>Company</i> on grounds of <i>ill health</i> or in applicable cases of redundancy	Pg 7
	Take all of your benefits, if the <i>Company</i> agrees	You can take these benefits in full	Your benefits will be paid early but at a reduced level	You will no longer be eligible since you are no longer contributing	Pg 7
Age 65–75	Take <i>NRA 60 benefits</i>	You can take these benefits in full	You can continue to build up benefits	You will no longer be eligible since you have reached the maximum age to which service can be enhanced (age 65)	Pg 8
	Take all of your benefits	You can take these benefits in full	You can take these benefits in full		Pg 8

**Between the time that you reach the MPA and your 60th birthday, you can choose one of the following four options:**

### **1. Carry on contributing to the Plan**

You will carry on building up *NRA 65 benefits* until you take your benefits, leave service, opt out of the Plan, reach age 75 or die.

You will continue to be eligible to receive enhanced benefits if you are retired by the *Company* on grounds of *ill health* or redundancy (where applicable).

### **2. Take early payment of your NRA 60 benefits only**

If the *Company* agrees, you can have your *NRA 60 benefits* paid early, with an actuarial reduction. You will also remain contributing to the Plan – building up *NRA 65 benefits* until you take your benefits, leave service, opt out of the Plan, reach age 75 or die. If you opt out then your *NRA 65 benefits* are payable at any time up to age 75, or on a reduced basis before age 65 with *Company* agreement.

You will continue to be eligible to receive enhanced benefits if you are retired by the *Company* on grounds of *ill health* or redundancy (where applicable).

### **3. Take early payment of your NRA 65 benefits only**

If the *Company* agrees, you can have your *NRA 65 benefits* paid early, with an actuarial reduction. You will cease to be a contributing member of the Plan and will not build up any further benefits. Your *NRA 60 benefits* will remain preserved in the Plan until you reach age 60 or, if you are under age 60, until you decide you wish to begin receiving them (in which case they will be actuarially reduced for early payment before age 60).

Since you will no longer be a contributing member of the Plan, you will not be eligible for any enhanced benefits if you are subsequently retired by the *Company* on grounds of *ill health* or redundancy (where applicable).

You may be eligible to join the Royal Mail Defined Contribution Plan to continue your future pension provision.

#### 4. Take early payment of all your benefits

If the *Company* agrees, you can have your *NRA 60* and *NRA 65* benefits paid early, with an actuarial reduction. You will cease to be a contributing member of the Plan and will not build up any further benefits.

Since you will no longer be a contributing member of the Plan, you will not be eligible for any enhanced benefits if you are subsequently retired by the *Company* on grounds of *ill health* or redundancy (where applicable).

You may be eligible to join the Royal Mail Defined Contribution Plan to continue your future pension provision.

#### If you have reached age 60...

**Between the time that you reach age 60 and before your 65th birthday, you can choose one of the following two options:**

##### 1. Take your *NRA 60* benefits only

You are entitled to take your *NRA 60* benefits in full (with no reduction) from age 60.

You will also remain contributing to the Plan – building up *NRA 65* benefits until you take your benefits, leave service, opt out of the Plan, reach age 75 or die. If you opt out then your *NRA 65* benefits are payable at any time up to age 75, or on a reduced basis before age 65 with *Company* agreement.

You will continue to be eligible to receive enhanced benefits if you are retired by the *Company* on grounds of *ill health* or redundancy (where applicable).

##### 2. Take all of your benefits

If the *Company* agrees, you can take your *NRA 60* benefits in full (with no reduction) together with your *NRA 65* benefits paid early, with an actuarial reduction. You will cease to be a contributing member of the Plan and will not build up any further benefits.

Since you will no longer be a contributing member of the Plan, you will not be eligible for any enhanced benefits if you are subsequently retired by the *Company* on grounds of *ill health* or redundancy (where applicable).

You may be eligible to join the Royal Mail Defined Contribution Plan to continue your future pension provision.

## If you have reached age 65...

Once you have reached age 65, you will normally leave *Company* service and be entitled to take all your Plan benefits in full. The *Company* may permit you to remain in employment after age 65 and you will be contacted about this before your 65th birthday. If you remain in *Company* employment beyond age 65 you can choose one of the following two options:

### 1. Take your NRA 60 benefits only

You will have been entitled to take your *NRA 60 benefits* in full (with no reduction) from age 60.

You will also remain contributing to the Plan – building up *NRA 65 benefits* until you take your benefits, leave service, opt out of the Plan, reach age 75 or die. If you opt out then your *NRA 65 benefits* are payable at any time up to age 75, or on a reduced basis before age 65 with *Company* agreement.

Since you will already have reached 65, you will not be eligible for any enhanced benefits if you are subsequently retired by the *Company* on grounds of *ill health* or redundancy (where applicable) as those enhancements only apply on retirement before the applicable *NRA*.

### 2. Take all of your benefits

You can take your *NRA 60 benefits* together with your *NRA 65 benefits* in full (with no reduction). You will cease to be a contributing member of the Plan and will not build up any further benefits.

Since you will no longer be a contributing member of the Plan, you will not be eligible for any enhanced benefits if you are subsequently retired by the *Company* on grounds of *ill health* or redundancy (where applicable).



# Which flexible retirement options should I choose?

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This is very much down to personal choice and your own circumstances. You should think carefully before you make your choice since certain options will mean that you will no longer be building up additional benefits. Also, the choice you make will affect other benefits from the Plan such as those payable if you die, are *ill health* retired (with immediate pension) or leave on redundancy terms (where applicable).

**You can find details of these benefits and how the flexible retirement options affect what you might receive, in the following guides (which can be downloaded at [www.royalmailpensionplan.co.uk](http://www.royalmailpensionplan.co.uk) or are available on request from the Pensions Service Centre (PSC)):**

- Benefits payable when you die
- Benefits on ill health, redundancy and early retirement

You will need to request the relevant version of these guides depending on whether you are a Section A/B member or a Section C member.

Because neither the *Company* nor the Trustee is authorised by law to provide financial advice, the Pensions Service Centre, for example, will not be able to tell you what to do or which option is best for you.

You are strongly encouraged to think about your situation carefully and get independent financial advice if you are still unsure what to do. You can find details of your nearest independent financial adviser by visiting the website [www.unbiased.co.uk](http://www.unbiased.co.uk).

# Get in touch

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For further information on flexible retirement options or for more general information about the Plan, you can contact the Pensions Service Centre using the details below.



## **Pensions Service Centre**

**PO Box 500  
CHESTERFIELD  
S49 1WX**



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



**[pensions.helpline@royalmail.com](mailto:pensions.helpline@royalmail.com)**



**[www.royalmailpensionplan.co.uk](http://www.royalmailpensionplan.co.uk)**

Please quote your full name, date of birth and either your National Insurance number or membership number when contacting the Pensions Service Centre.

All booklets are also available to download from the Plan website at **[www.royalmailpensionplan.co.uk](http://www.royalmailpensionplan.co.uk)**.



# Notes

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