

Your News, in a nutshell

**Look
inside**

The verdict is
in - what you
really think!

Open all hours
- your new website

Flexible pension
- because one size
doesn't fit all

And more...



A message from the Chair of the Trustee, Joanna Matthews



Welcome to the spring 2016 edition of Pensions News: your news, in a nutshell.

Helping you understand your benefits from the Plan is one of our key aims, so we need your views on how we talk to you about your benefits. Many thanks to everyone who took part in our recent survey.

We've loved reading the many positive comments, as well your thoughts and suggestions about future improvements.

Find out more about the survey findings on page 3.

Most of you enjoy reading your benefit illustration because it's personal. But what about Pensions News? What's in it for you?

Of course, there are certain things we have a duty to tell you, but we also want you to be 'in the know' so you can make good decisions. For example, did you know that you now have more choice about how you take your benefits?

So read on and please keep sending us your feedback.

Joanna Matthews
Chair of the Trustee
Royal Mail Pension Plan

POST
OFFICE



Benefit illustrations – a fresh look

Lots of you rang the Pensions Helpline team to talk about your benefit illustrations when they were sent out in September. Most callers liked the new design. Some of you took the time to give helpful suggestions. We'll take note of your ideas when planning the 2016 statements later this year.

"New layout is a lot easier to understand."

"New layout is better than the last one."

"More straightforward."

"Looks good."



Your number one question to the Helpline was:

No.1

Do I get both Age 60 and Age 65 benefits or does my pension go down when I reach 65?

Happily, if your statement shows both Age 60 and Age 65 benefits, you have **two** parts to your pension and you will get **both**: some at 60 and the rest at 65. Take a look at page 6 to find out more.

The verdict is in - what you really think!

We sent printed surveys to 40,000 members, chosen at random, and 5,143 people filled them in. Everyone had a chance to complete the survey online and another 1,068 of you did so.

Adjusting for the different number of surveys sent out in 2014, three times more people took part this year compared to our last survey.

In it to win it

As a 'thank you' for completing the survey, we ran a prize draw. Our top prize winner was Grahame Weston, recently retired Parcellforce engineer, who scooped High Street shopping vouchers worth **£250**. Another 25 lucky members each had a **£20** Marks and Spencer voucher dropped through their letterbox. Congratulations to all our winners!



Your verdict: on the right path and getting better

"The information received about the pension is easy to understand and informative."

It's clear more of you are taking an active interest in your Plan and understanding your benefits. Compared to 2014:

- **Twice as many** of you say you 'completely understand' both the Plan and your benefit calculation.
- **Five in ten** of you read your benefit illustration thoroughly, rising to six in ten for online respondents (in 2014 this was only four in ten).
- **One in ten** of you who use the website visit it once a month (one in a hundred in 2014).
- **Three-quarters** of you who had used the website pension calculator found it helpful.

What still needs fixing?

"The pension plan is very difficult to understand and work out, especially if you are trying to decide whether to retire early."

The survey results showed that around half of you still didn't realise that some benefits are payable at age 60 and some at age 65.

Whenever we hear that members are unclear about an aspect of their benefits, we use Pensions News to focus on it in more detail. So we were sorry to learn that only six in ten of you read it. But seven in ten of those who do read it rate the new, jargon-free magazine more positively than in 2014. Why not encourage your colleagues (who are Plan members) to take a look at Pensions News?

We'll give the last word to one of the survey respondents:

"An excellent pension statement. However, we must not be complacent; there are always things to update."

Your benefit questions - sorted

We know you lead busy lives. You want to enjoy your time off, not spend hours working out your pension. That's why we give you lots of ways to find what you need quickly: newsletters, website, estimates and the Pensions Helpline. Two members, Cye and Ray, tell us how the Pensions Helpline got their questions answered.



Cye first worked for Royal Mail back in the 1980s, but left to join the RAF. He returned to the Royal Mail some years later.

Cye thought he had a deferred pension in the Plan, but was not sure.

So he made a call to the Pensions Helpline. The adviser quickly tracked down his deferred pension and arranged for an updated statement to be sent to Cye, at his new address. Cye praised the adviser for putting his mind at rest.

Remember - make sure to tell the Pensions Service Centre of any changes to your home address.

Ray Evans, Birkenhead Delivery Office, has been a postman since 1 April 1997.

"I joined on April Fool's Day," he jokes. But it must have been a wise decision because Ray turns 60 in May and recently received a letter explaining the choices he had when taking his Plan benefits.

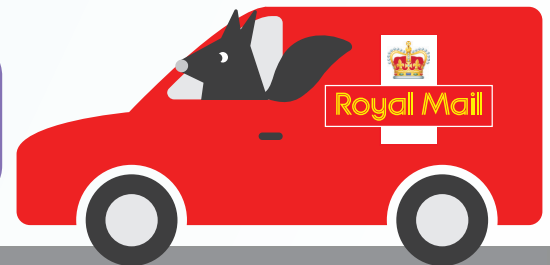
"I couldn't figure it out. It was coming up to Christmas, so I put it aside. Then I got another letter."

Ray phoned the Pensions Helpline and, after speaking to an adviser, grasped the details quickly.

"You can take your lump sum and your Age 60 pension (in full from your 60th birthday) and carry on working and paying into your Age 65 benefits."

It's as simple as that. With his pension queries sorted, Ray is looking forward to the new Crown Green bowls season - an ideal sport for a man with an early start for work every morning!

Coming soon - to help members like Ray, new, clearer benefit estimate letters written in plain English.



Open all hours – your new website

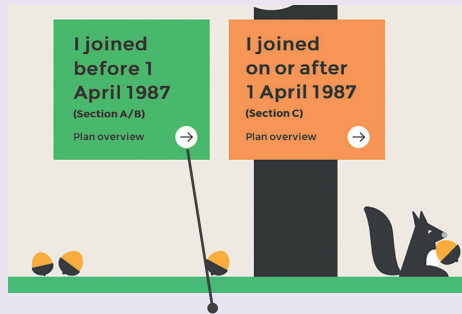
Your new-look pension website www.royalmailpensionplan.co.uk opened for business last August. Have you visited yet? You don't need a password and it's easy to read. Whether you use a computer, your phone or a tablet, you can get all the information you need in a couple of clicks.

We know you prefer talking to a real person about your pension and getting your statements and newsletters by mail. Don't worry – this will continue. The website is an extra tool to help if you need a quick answer to a pension question at another time.

Let's have a look at the website here

Route finder

To set out on the right path, click the link for the date you joined the Plan.

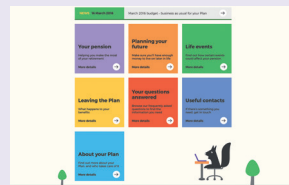


You won't get lost. Click the back arrow or use the quick menu at the top of the screen.

If you don't spot the area you need, scroll down for more choices.

Signposts

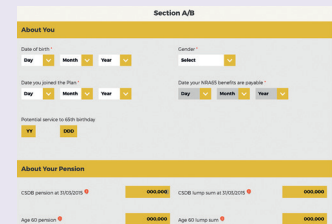
We've used large type, colour and clear headings to map out the key sections.



Popular pages are Life Events, Useful Contacts and Calculating your Pension.

Pension calculator

Once you're within four months of your 55th birthday, you can use this calculator, along with figures from your most recent benefit illustration, to work out your flexible pension options.



Pensions in translation

We hope you'll find the new website design easy to navigate and the language clear and jargon-free. When you've mastered the basics, if you want to download a booklet, please have a look at the section headed 'About your Plan'. Here you'll find detailed background information in exactly the place you'd expect – the Library.

Flexible pension – because one size doesn't fit all

For members of the Plan who are still working.

Everyone's different, with different ideas for the future. Flexible pension is one way your Plan can help.

What is flexible pension?

Here are a few points to keep in mind. As Ray did (see page 4), you can look into the detail later, when the time is right for you.

Need to know

- At age 55 you can take either your Age 60 or your Age 65 benefits, or both, but they will be reduced as you are taking them early, so will always be lower than they would have been had you waited. This means that taking your benefits early may not always be the best long-term financial decision.

Remember
- at age 75 you have to take your benefits, whether or not you are still working for your employer.

- Your Age 60 benefits are due, without reduction, from your 60th birthday. If you don't take them then and ask for them later, say when you reach 62, they'll start from that later date. But beware: you'll miss out on two years' worth of pension as no arrears can be paid.
- Your Age 65 benefits are paid, without reduction, if you take them at age 65. But, once you take them, you won't be able to pay more into the Plan. So if you're staying on in work, you might want to consider carrying on paying in, to get more out when you finally leave service.

Where to find out more - We can't tell you everything on one page. Flexible pension isn't right for everyone so you must do your research. So, when you're ready, check in at www.royalmailpensionplan.co.uk, download a 'Flexible Pension' booklet from the Library and take control of your future.



State Pension news

New State Pension delivered

The Government's new single-tier State Pension came into being on 6 April 2016. The new rules won't affect you if you reached State Pension age before that date. They will apply to you if you are:

- A man born on or after 6 April 1951.
- A woman born on or after 6 April 1953.

The full rate has been set at £155.65 per week but you'll need 35 years of National Insurance (NI) contributions or credits. (A minimum of 10 years' NI contributions or credits is required to get anything at all.)

What State Pension will I get?

As a member of the Royal Mail Pension Plan, you've been 'contracted out' of part of the State Pension and you've been paying lower NI contributions up to 5 April 2016. The Government will deduct an amount from the starting rate of your new State Pension to cover this. But you won't lose out. You'll get a broadly equivalent amount included as part of your Plan benefits.

When will I get my State Pension?

The Government has announced changes to the age when people get their State Pension. To find out more go to: www.gov.uk/state-pension-age.

The end of contracting-out

Contracting-out ended from 6 April 2016. Your employer has written to all active members of the Plan to explain how this will affect you. (It does not affect deferred or pensioner members.) If you have any questions about this, please contact your HR Service Centre.

March 2016 Budget - business as usual for your Plan

There were many rumours about wide-ranging changes that might be announced in the Budget, especially to the taxation of pensions. However, in the event nothing was announced that affects your Plan. It is very much business as usual.

Trustee Board update



Following a nomination process run at the end of 2015, we're pleased to re-appoint Paul Kennedy, who was selected

as Member-Nominated Trustee Director for a further three-year term, running from 1 April 2016. Paul holds one of the three posts filled by a Communication Workers Union (CWU) nomination and selection process. He is the Midlands Divisional Representative for the CWU.



Pensions News

- tell us what you think

What did you think of this issue of Pensions News? Did you learn anything new? Was the tone and language about right? Tell us what you think. Drop a quick email to the Pensions Helpline putting 'Pensions News feedback' in the subject line.



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PO Box 500, Chesterfield,
S49 1WX

If you get in touch about a pension query, 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 you need more quickly.



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