

Look

INSIDE

Review of the year
Contributions
and benefits

Trustee Report ...2020



**The nuts
and bolts
of the
last year**

Welcome from your Trustee Chair, Joanna Matthews

Welcome to the 2020 Trustee Report, your chance to read about what's been happening in the Royal Mail Pension Plan (RMPP) over the last year.

I think you'll agree that it's been a different world of late, with the year so far dominated by Covid-19 and lockdown. These have been challenging times and I hope you and your loved ones have kept safe. I would like to thank the Pensions Service Centre (PSC) for continuing to provide their usual quality service and ensuring pensions continue to be paid on time.

In the Spring Newsletter we shared with you updated valuation figures. On pages 3 and 4 you'll find a summary of how the investments have grown over the year as well as an update on membership numbers.

In recent years The Pensions Regulator has been made aware of an increase in pension scams. This highlights how important it is to understand and protect yourself against potential threats. On page 4 you'll find information about the Financial Conduct Authority's campaign, which aims to promote awareness and prevent you from becoming the victim of a scam.

Communications refresh

As mentioned in the Spring Newsletter, we've been making some changes to our communications to reflect the feedback we received from the member research. I'm pleased to report that the website has been given a new look and some exciting new content - the Plan Guides are still there but we've added some bite sized videos on a variety of useful topics, from understanding your Benefit Illustration to filling out forms. We hope these changes make it easier for you to find the information you need, as well as keeping you up to date on any changes or Plan news.

These changes are also being reflected across our letters. If you're approaching age 60 in the coming months you will be one of the first to receive the updated letters with reference to the new videos. We're looking forward to hearing your feedback.

Changes to Benefit Illustrations

We also announced in the Spring that your Benefit Illustration will look a bit different this year. Since 11 November 2019 Capita have been responsible for administering all of the benefits in the Royal Mail Statutory Pension Scheme (RMSPS), whilst the PSC continue to administer the RMPP. In previous years we have sent you an illustration showing the combined total benefits across both schemes. However, from this year onwards, Capita will be writing to you separately about the RMSPS part of your benefits. You should receive your Benefit Illustration from Capita towards the end of September. In the meantime, head over to royalmailpensionplan.co.uk and check out our new video which will help you understand your new illustration.

I hope you find this annual report informative. If you have any comments or questions, please get in touch with the PSC. You can find their contact details on page 4.



JOANNA MATTHEWS
CHAIR OF TRUSTEE
ROYAL MAIL PENSION PLAN



Money held in the RMPP

The RMPP is financially secure, with £12.5 billion invested at 31 March 2020.

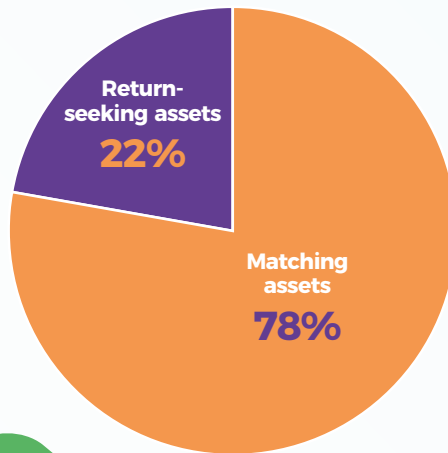
That money is there to make sure every single member gets their pension, when it's time for them to retire. It's also there to support your loved ones after you die. It's the Trustee's duty to make sure the money held in the RMPP is invested in the best way possible. That means making sure that the money is both secure and able to grow. This money is sometimes referred to as the 'assets'.

How is this money invested?

With the help of investment professionals, we invest in two different types of assets, 'matching' and 'return-seeking'. Matching assets keep track with the changes in the cost of providing pensions, whereas return-seeking assets are invested with the aim of increasing in value as much as possible without taking undue risk.

The following pie chart shows that there is over three times as much invested in matching assets as return-seeking assets, for a good balance between security and growth.

Asset split as at 31 March 2020:



How have the investments performed over the year?

We're pleased to say that, not including any money paid in, the investments have grown by £645 million.

Want to know more?

If you're interested in how we invest the RMPP's money, you can find more detail in the Annual Report and Accounts, available on our website royalmailpensionplan.co.uk

Contributions & Benefits

What goes in?

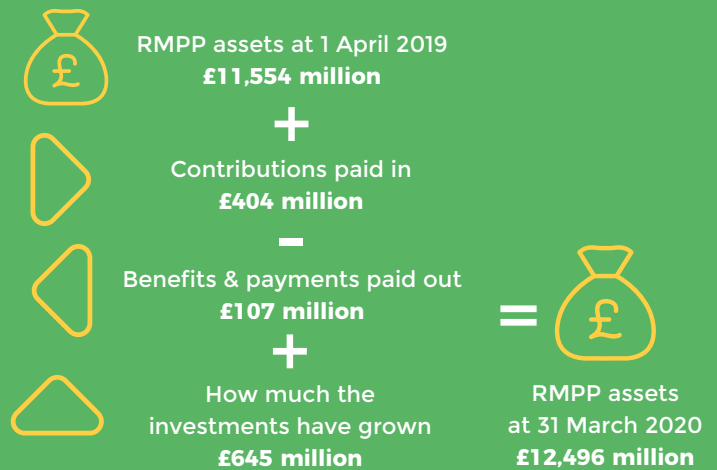
We've seen that the RMPP's assets are invested with the aim of keeping them secure, whilst still growing over time. Assets also increase when money is paid in – that means contributions from you and your Employer.

What goes out?

The RMPP's assets are gradually paid to members, either as regular pension payments, tax-free cash or death benefits. Money is also used to pay for the help that the Trustee needs to run the RMPP properly.

What happened over the last year?

As for the last few years, there are far more Employee members paying in than there are members that receive a pension and more money goes into the RMPP than goes out. (See the 'Members in the RMPP' section next). The table to the right shows what's gone in and what's gone out of the RMPP over the last year.



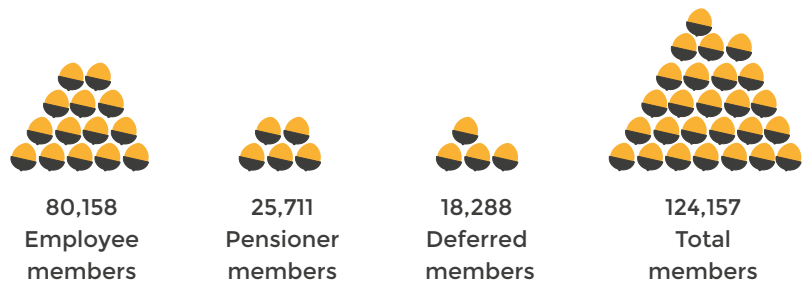
These numbers are for the whole RMPP - that means they include both the Royal Mail and Post Office sections. If you want to see how the numbers are split between each section, then take a look at the RMPP's Annual Report and Accounts, available on our website royalmailpensionplan.co.uk

Pension Scams

Many people are losing part or all of their pensions savings to scammers. Recent reports have confirmed that the average loss for scam victims is £91,000. The best way to keep your pension savings safe is by knowing what to look out for. The Financial Conduct Authority's campaign aims to help you protect yourself from pension scammers. This includes a warning list, which you can access at fca.org.uk/scamsmart/how-avoid-pension-scams

Members of the RMPP

There are a lot more members paying into the RMPP and building up benefits 'Employee members' than there are taking out a regular pension 'Pensioner members'. There are also members that don't pay in any more but aren't yet taking their pension 'Deferred members'. The table below shows the current split of members at 31 March 2020:



Get in touch



If you want some help with your pension, the best place to start is our website, which has regular news updates, useful information and a series of guides about how the RMPP works.

If you want to ask us a question about your benefits or tell us about a change in your situation, then please get in touch with us at the Pensions Service Centre.

It's important to tell us if you change your address, so that we can carry on writing to you about your RMPP benefits, and make sure that they are paid on time. When you contact the Pensions Service Centre, please make sure you have your National Insurance or membership number handy.



pensions.helpline@royalmail.com



0345 603 0043
Mon to Fri, 8.30am to 5.00pm



Pensions Service Centre,
PO Box 5863, SHEFFIELD, S98 6AB



royalmailpensionplan.co.uk

For questions about RMSPS benefits
visit Capita at royalmailsp.co.uk

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