

Your options as an Employee Member

Section A/B members

The Post Office section of the Royal Mail Pension Plan (which we call 'the Plan' in this guide) closed on 31 March 2017. If you were a Post Office employee in the Plan on this date, you stopped building up new benefits from this date and the benefits you had built up will remain in the Plan from 1 April.



Is this guide for me?

Yes,

if you were employed by Post Office on 31 March 2017, and remained so on 1 April 2017. This makes you a 'Post Office Employee Member' or just 'Employee Member' for short. This guide describes the difference in your Plan benefits compared to members who left the Plan for any reason before the closure date (but without payment of their benefits).

POST OFFICE



What happens now?

You will be an Employee Member until you leave Post Office employment, opt out, die or take your benefits. This guide describes how your benefits will be treated under each scenario.

Whilst you're an Employee Member, because you're carrying on working and not taking your pension, you may be interested in our 'Flexible Pension Guide'.

Reminder

Your pension benefits actually come from two different schemes. One is the Royal Mail Statutory Pension Scheme (RMSPS), which was set up by the Government on 1 April 2012 and is responsible for paying the benefits you earned before that date. The other is the Royal Mail Pension Plan (RMPP), which covers any benefits you earned since then.

Please note that this guide generally applies to both Section A and B members. If you're a Section A member you can choose to receive Section B benefits instead of Section A benefits. We will tell you more about this, if you are affected, when you come to take your benefits.

Normal Retiring Age is:

- Age 60 for 'Age60 benefits'
- Age 65 for 'Age65 benefits' (although it's age 60 only for all Section A benefits).

What happens whilst I am an Employee Member?

Still employed by Post Office?

For as long as you are still working for the Post Office (and don't opt out of the Plan), you will be an Employee Member and your benefits will be treated slightly differently compared to someone who has left employment or opted out of the Plan.

So what's different?

The way your pension increases

The most important difference will be the way that your benefits in the Plan will increase before you take them. If you leave Post Office employment, you will no longer be an Employee Member and all of your benefits will increase in line with inflation, measured by the 'Consumer Prices Index', as per the right hand column below.

	Employee Members	Members who have left employment or opted out of the Plan, and haven't taken their benefits
Pre 2008 benefits (final salary pension ¹)	They will increase in line with inflation, measured by the 'Retail Prices Index' (up to a maximum of 5%), or certain promotional increases if greater. ³	They will increase in line with inflation, measured by the 'Consumer Prices Index'.
2008 - 2012 benefits (CSDB blocks ²)		
2012 - 2017 benefits (CSDB blocks ²)	They will increase in line with inflation, measured by the 'Consumer Prices Index'.	

¹ This is the final salary pension you've earned based on your service up to 31 March 2008.

² These are the blocks of pension you've earned for each complete year of service since 1 April 2008, after they've been increased each year to keep up with inflation.

³ These increases won't be less than the increases otherwise paid for members who have left employment.

If you die before your benefits are paid

If you die before you start receiving your pension, we will pay a lump sum death benefit. Any pension payable (such as to a spouse or civil partner) would be based on your benefits calculated at the date of closure, increased as described in the table above.

Every year we will send you a 'current value' statement, showing you how much your benefits are worth (including any increases we've added).



How do I claim my pension when I want to take it?

Taking your pension at your Normal Retiring Age

We'll write to you at least four months before you reach Normal Retiring Age, to explain what will happen next. Please make sure you keep us up to date with any changes to your address, so that we can get in touch and pay you promptly when the time comes.

What if I want to take my pension and lump sum early?

You may be able to take your benefits early from age 55. If you do take them early, your pension will be reduced because it will be paid for longer. This means that your lump sum will be lower too.

Too ill to work?

As an Employee Member, Post Office may decide that, as a result of being unable to work due to ill health, you are eligible to receive benefits from the Private Health Insurance scheme. In that case, Post Office will notify us and we will usually be able to pay your Plan pension early on the grounds of ill health as well (you will need to have stopped working). In these circumstances, we'd start to pay your Age60 and Age65 pensions at the same time, without any reduction, along with your lump sums.

If at any other time, after you have left Post Office employment, you find yourself too ill to work, you may be able to take your pension early on the grounds of ill health, provided the Trustee of the Plan approves your application after considering the medical evidence. In these circumstances, we'd start to pay your Age60 and Age65 pensions at the same time, without any reduction, along with your lump sums. You would need to apply by contacting the Pensions Service Centre.

What happens to my Additional Voluntary Contributions (AVCs)?

As the Post Office section of the Plan has closed, you will have stopped paying any AVCs you were paying before. If you've bought added years through Addplan, this extra service will form part of your pension from the Plan. If you've paid into Flexiplan, your AVC fund will remain with your AVC provider. When you take your other benefits, we can pay you your AVC fund as well.

For more information see the '[Guide to Additional Voluntary Contributions \(AVCs\)](#)'.

What happens if I leave employment?

Becoming a deferred member

If you leave employment, you will no longer be an Employee Member. If you're not taking your pension yet, you will have two choices:

- Keep your pension with us, as a 'deferred' benefit
- Transfer it to another pension arrangement (subject to certain conditions).

We strongly recommend you take independent advice (see the back page for further details) before deciding to transfer your benefits. You cannot change your mind after the transfer has been made.

Remember, please be aware of pension scammers if you are considering a transfer. Your pension is extremely valuable and if a deal sounds too good to be true, it probably is. Always stop and think, if you receive an offer that you didn't ask for.



Questions about your benefits and keeping in touch

Your next steps

- The Pensions Advisory Service has independent, professional people who can answer all sorts of questions about retirement and pensions. This is a free service; go to www.pensionsadvisoryservice.org.uk for more information.
- If you're thinking of transferring your pension benefits to another pension arrangement, we recommend you take independent financial advice from a firm or individual authorised to give advice on transferring a pension. In fact, if the 'transfer value' of your pension is greater than £30,000, and you're thinking about transferring to a defined contribution scheme, the law now requires us to check that you've taken financial advice from such a firm or individual. You can find a financial adviser by going to www.moneyadviceservice.org.uk.
- Remember that neither the Pensions Service Centre nor your employer are allowed to give you financial advice, so we can't tell you what you should do, only explain the choices you have. If you've got any defined contribution pension savings, for example if you have Flexiplan AVCs, and are age 50 or over, the Government's free advice service 'Pension Wise' can help. Go to www.pensionwise.gov.uk to find out more.



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.

Please remember to tell us if you change your address, so that we can continue writing to you about your Plan benefits. When you contact the Pensions Service Centre, please make sure you have your National Insurance or membership number handy.



pensions.helpline@royalmail.com



Pensions Service Centre,
PO Box 5863, Pond Street, Sheffield S98 6AB



Member helpline – 0345 603 0043

You can call any time from 8.30am to 5.00pm, Monday to Friday.
We are usually busiest from 11.30am to 2.00pm and on Mondays.

For queries about RMSPS benefits contact Capita by
phone on: 0333 222 0078 or email: enquiries@rmsps.co.uk

Disclaimer

The RMPP is governed by formal legal documents known as the 'Trust Deed and Rules'. If there is a conflict between the Trust Deed and Rules and this guide, the Trust Deed and Rules will overrule this guide.

