

Your News, in a nutshell

In this edition:

RMG Consultation Update

Cash Balance Increase

Environmental Sustainability

Member-Nominated Trustee

Pension Scams

When it's time to take
your pension benefits





Welcome to your Pensions News...

I hope that you and your families have stayed well throughout the last year and are now enjoying the long-awaited freedoms following the lifting of the COVID-19 restrictions. I would like to start by thanking my fellow Trustee Directors and everyone in the Pensions Service Centre for their continued dedication to ensure the smooth running of the Plan over this period.

In this edition of Pensions News you will find all the latest news about the Plan including an update on the position for a member-nominated trustee director and what the Plan is doing to be more environmentally sustainable. To help you find the information that is relevant to you, we have included a Royal Mail and/or Post Office logo next to each article.

Don't forget, if you have any questions about your benefits, you can contact the Pensions Service Centre – their contact details are on the last page.

Joanna Matthews
Chair of the Trustee,
Royal Mail Pension Plan

Take a look at the website

For more information about the Plan, including the latest news and bitesize videos, visit the RMPP website.

Scan the QR code below using your smartphone or tablet which will take you straight to your Section of the Plan, or type the link below into your browser and follow the prompts: royalmailpensionplan.co.uk



RMG Consultation Update

Royal Mail carried out a formal consultation about changes to the RMPP between 21 September and 21 November last year.

We understand that Royal Mail:

- Have considered consultation feedback from the unions and from employees, which was mainly supportive of the proposed changes,
- Wish to press ahead with the proposed changes, including the implementation of the Royal Mail Collective Pension Plan (“the Collective Plan”) as previously described, as soon as possible (subject to the government making some changes to the law that are needed to make the Collective Plan possible), and

- Aspire to send an application to The Pensions Regulator in the summer when it will start a process for reviewing and authorising this new type of pension plan.

There remains some uncertainty about how long it will take the Regulator to grant ‘authorisation’ of the Collective Plan. So, Royal Mail are not yet able to confirm the date that the new Collective Plan will start (and so when contributions into the RMPP will cease). They hope it will be towards the end of this year or early next year. In the meantime, we confirm that we’re satisfied that Royal Mail fulfilled its obligations regarding consulting on changes to the RMPP.



Cash Balance Increase

Benefits building up in the RMPP after 1 April 2018 are normally increased each year in accordance with a policy set by Royal Mail Group. This is based on market conditions from time to time, but the aim is to provide an above inflation increase.

We’re pleased to confirm that the benefits built up in the Cash Balance fund as at 31 March 2021 for current employees (or those who left since 1 April 2018) were increased on 1 April 2022 by 4.6%. This met the RMG’s aim of providing an increase above inflation, (based on the CPI measure of 3.1%).



Environmental Sustainability



We have continued to hear information in the news about the global climate pledge and the COP26 summit in November last year really put the focus on the action needed. Sustainability is a key focus for the RMPP and part of our duty to you, the members.

We updated you in the Trustee Report last autumn on some of the activities we have been undertaking internally, and with our investment managers, in this area. Since then, the Trustee Board has agreed that it should work towards achieving a 'net zero' investment portfolio by 2050 or sooner. This means that the investments of the RMPP generate net zero carbon emissions by that date, in line with global efforts to limit warming to 1.5°C.



This is the beginning of a journey and we recognise it will take time. But we have made a start by looking at all our investments to work out the current level of emissions. This will mean that we can create a sensible plan with achievable interim targets to reduce emissions to zero by 2050 or sooner, while also ensuring we fulfil our responsibilities to maintain and enhance the funding of the RMPP.

The Trustee will release a full report on its climate strategy, in line with the Task Force on Climate-Related Financial Disclosures (TCFD) later in the year.



Member-Nominated Trustee



Earlier in the year nominations were sought for the position of one of the four member-nominated trustee directors on the RMPP Trustee Board. Paul Kennedy's term of office was due to end on 31 March 2022 and he indicated he intended to seek re-election. In the event, no other candidates were forthcoming and so in accordance with the arrangements for nominating and selecting trustee directors, Paul was re-appointed for a new three-year term starting 1 April 2022.

Warning

Don't lose your pension to transfer scams!

Pension scams are on the rise and they can happen to anyone. If you've been contacted by someone offering to help you to take your pension benefits before you reach age 55, or promising guaranteed high investment returns if you transfer your RMPP benefits, you may have been contacted by a scammer. A recent surge in pension scams has seen victims lose an average of £91,000.

If you've been tempted by an offer to transfer your benefits, it's crucial that you check it's legitimate. Once you've handed over your savings, it's too late to act. If you think you may have been scammed check the FCA warning list available at: fca.org.uk/scamsmart and report your suspicions using the form. If you've applied to transfer your benefits out of the Plan, but are having doubts or are concerned that it could be a scam, please contact

the Pension Service Centre immediately to see if they're able to stop the transfer before it takes place.

Remember the Financial Conduct Authority's (FCA's) 4 step guide to keep you safe from scammers:

1. Reject unexpected offers

Cold calling about pension arrangements is illegal, so if you get a call out of the blue it's likely to be a scam.

2. Check who you're dealing with

Anyone offering financial services or advice should be registered with the Financial Conduct Authority (FCA). To check the register visit <https://register.fca.org.uk/>



3. Don't be rushed or pressured

Make sure you have done all the relevant checks before going ahead.

4. Get impartial information or advice

You should always get financial advice before making any decisions about your pension.

For more information on how to spot a pension scammer, visit: fca.org.uk/scamsmart/how-avoid-pension-scams

Take a look at the Pension Scams video on the website.

Scan the QR code above with your smart phone or tablet or follow the link below

<https://www.royalmailpensionplan.co.uk/section-f/life-events/leaving-plan/transferring-out>

When it's time to take your pension benefits...



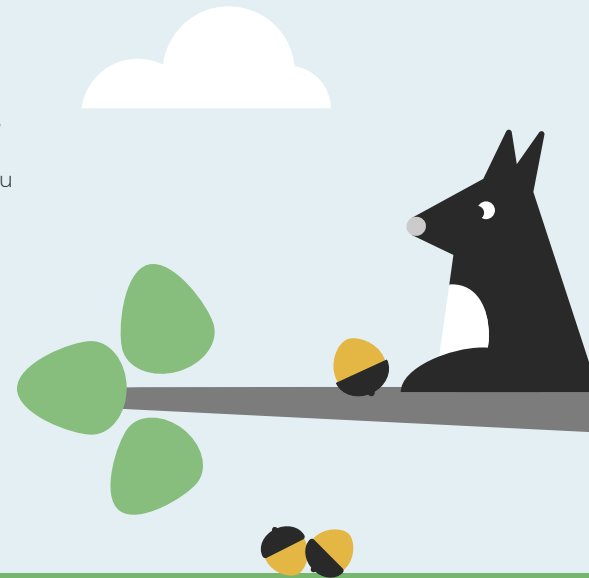
Lots of calls to the Pensions Helpline are from members, wanting to know when they will hear about taking their benefits when they get to 65. Below, we give a summary of the process.

As an employee, you're entitled to take your Cash Balance benefits in full at 65 – whether or not you are going to carry on working. We'll write to you about 4 months before your 65th birthday with the value of your Cash Balance benefits and ask if you would like to take it at 65. If you don't take it and are carrying on working past 65 then you can continue building up benefits.

If you decide you want to take your benefits, fill in the forms we send you and we'll reply with the different options you have for taking them. You can take a quarter (25%) of the value as tax-free cash and the rest as taxable cash. Or you can transfer your benefits to an annuity or drawdown arrangement.

If you're no longer working, the process is very similar, so we'll write to you about 4 months before you reach 65 and ask you how you'd like to take your Cash Balance benefits. So do remember to keep us informed if you move, to avoid any delay in getting your benefits paid.

Find out more about how your benefits build up and when you can take them on our website. Head over to royalmailpensionplan.co.uk for details.



Notes





Get in touch



You can always get in touch with us by phone, email or post.

If you have a question about your pension, 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 we need to help you more quickly.



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**