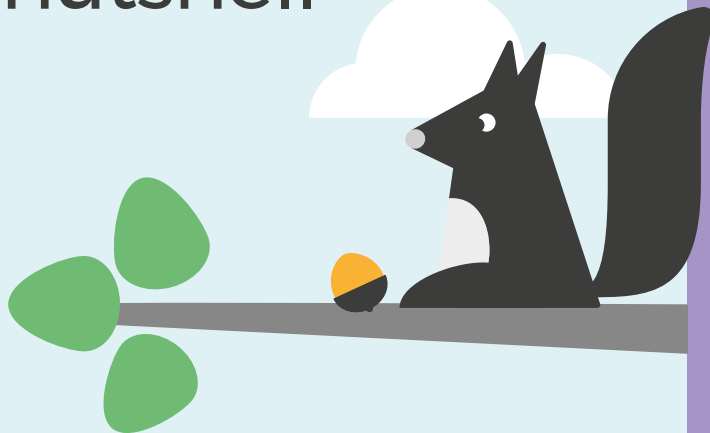


# Your News, in a nutshell



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Beware of scams!

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## Welcome to your Pensions News...

I'm delighted to share with you the 2023 edition of Pensions News. In this edition you will find all the latest news about the Plan, including an update on the funding position.

On page 3 you will find an interview with new Trustee Director Gary Sassoon-Hales, who tells us about his current role at Royal Mail and what he is most looking forward to as a new Trustee Director.

Many of you may have AVC contributions invested through Scottish Widows, Aviva or Standard Life. It's important to keep track of your savings and review your fund choices from time to time. You can find more information on page 6.

Remember, 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

**You can find more information about the Plan on the RMPP website. We're also currently working on some new content and tools to help support you with your pension planning. So, keep an eye on the site for new features coming soon.**

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](https://royalmailpensionplan.co.uk)**





# Meet your new Trustee Director

Graeme Cunningham recently stepped down as one of the four member-nominated trustee directors, after serving on the Board since 2003. We wish Graeme all the best for his retirement and thank him for his contribution to the Board.

Following a nomination and selection process run by Unite/CMA, Gary Sassoon-Hales was recently elected to fill the vacancy left by Graeme. Find out a little about Gary below:

## **Tell us a little about your background and current role at Royal Mail**

I am originally from Bethnal Green in London and joined Royal Mail in 1995 after moving to Bridgend in Wales in 1994. Although I had been working as a printer in London it had become evident that I needed a change of career and having previously been a postal messenger Royal Mail seemed a good fit. Even back then, the provision of a good pension scheme factored in my decision to join the company.

I started work in Delivery initially in Bridgend and then in Whitechapel in London, before a transfer back to Wales and processing at Cardiff Mail Centre. I learnt the business from the ground up and whilst working nights studied Social Policy, Mathematics, Politics & Government and a short course in classical Islam.

I became an acting manager in 2005 and applied for a managerial role in 2006 on the automation (IMPs). Four months later I applied and was successful as Automation Lead and shortly thereafter became a shift manager and ended up having experience across all shifts as well as a spell in Swansea Mail Centre.

I have always worked with people, and it was a natural progression to become a Unite CMA Representative, then Divisional Secretary for South Wales & the South West and finally part of the National Committee where I was elected chair just over 2 years ago.

## **What interested you about the job of trustee director?**

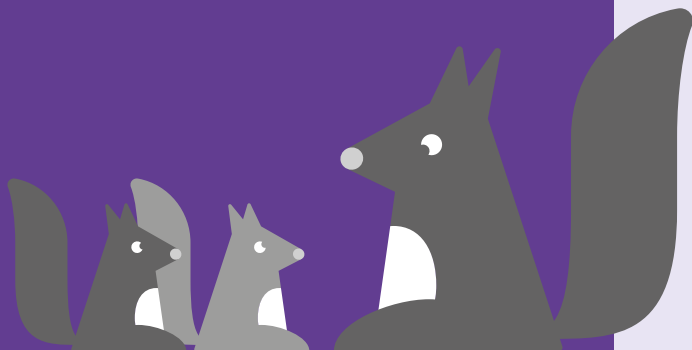
I have always had an interest in pensions, especially making the subject more understandable to those with no pension knowledge. I currently lead on Pensions for Unite CMA and have been part of our pensions working group since 2018 and was involved with the consultation between Royal Mail and the unions to switch the RMPP to a 'cash balance' scheme. I also sit as a trustee for another pension scheme.

## **What aspect of the job are you most looking forward to?**

I am looking forward to working with the rest of the Trustee Board. It will be interesting to deal with a scheme with a strategy focused on de-risking to protect the benefits we have all built up. There have been some great investment decisions made by the Trustee on behalf of the scheme members, it is my honour to have the opportunity to join them.

# 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 2022 for current employees (or those who left since 1 April 2018) were increased on 1 April 2023 by 11.3%.



# Funding Update

Every year we look at how much money the RMPP is likely to need to pay everyone their benefits (the liabilities) and compare that with the total amount of money the RMPP currently has (the assets). The results of the most recent 'Funding Update' for the Royal Mail Section of the RMPP as at 31 March 2022 are shown below, compared to the previous full valuation in 2021.

## Non Cash Balance

This relates to the benefits that members have built up before 1 April 2018.

	<b>Actuarial Valuation as at 31 March 2021</b>	<b>Funding Update as at 31 March 2022</b>
<b>Liabilities</b>	£10,641 million	£10,375 million
<b>Assets</b>	£11,302 million	£11,525 million
<b>Surplus</b>	£661 million	£1,150 million
<b>Funding level (assets divided by liabilities)</b>	106%	111%

You'll see that the value of the liabilities fell by £266 million over the year. This means the cost of providing all the benefits due under the Plan fell. The main reason for this was the rise in gilt yields in the months leading up to 31 March 2022 which in turn makes the cost of providing pensions lower. Meanwhile, the Plan's investments performed well, increasing by £223 million so that together the surplus and overall funding level improved over the year.

## Cash Balance

This relates to benefits that members are building up since 1 April 2018.

	<b>Actuarial Valuation as at 31 March 2021</b>	<b>Funding Update as at 31 March 2022</b>
<b>Liabilities</b>	£1,151 million	£1,503 million
<b>Assets</b>	£1,181 million	£1,543 million
<b>Surplus</b>	£30 million	£40 million
<b>Funding level (assets divided by liabilities)</b>	103%	103%

Assets and liabilities in the Cash Balance section are increasing because this is where all the contributions and benefits have been building up since 2018.

## What if the RMPP is wound up?

By law, we have to tell you the funding level if the RMPP was wound up, and the assets and responsibility for paying your benefits were transferred to an insurance company. On this basis, and based on the funding update at 31 March 2022, the RMPP could meet 100% of its commitments. Finally, we have to tell you that over the past year we didn't pay any 'surplus assets' to Royal Mail, Post Office Limited or other employers and The Pensions Regulator has not imposed any orders on the RMPP to change the rate of contributions or benefits, or the way in which the liabilities are calculated.



# Making the most of your Additional Voluntary Contributions (AVCs)

**If you're one of the almost 10,000 members who have AVC contributions invested through Scottish Widows, Aviva or Standard Life, it's important from time to time to review your fund choices and (if you are still paying in) the level of savings. Later in the year you'll be sent a statement showing how your AVC account is performing.**

If your funds are with Scottish Widows, you can also check the value of your AVC account at any time by using the online facility that Scottish Widows has made available – this can be accessed via [royalmailpensionplan.co.uk](https://royalmailpensionplan.co.uk). At the same time, you can choose to change your investment options; for example you may choose to:

- Change from the Lifestyle option to your own fund choices (or the other way round)
- If you are making your own fund choices, switch your existing pension savings and/or future contributions into different funds; and/or
- Amend your selected retirement age (this won't affect your main RMPP benefits which are payable at 60 and 65).

If you have funds invested in Aviva's and/or Standard Life's 'with-profits' fund, please read your statement carefully to familiarise yourself with the guarantees from which you might benefit.

If you are unsure about making decisions about your investment options, you may want to take advice from an independent financial adviser (IFA) to help you decide on which investment approach

is best suited to your own personal circumstances. You can find a local IFA by visiting [unbiased.co.uk](https://unbiased.co.uk)

## **When it's time to take your AVCs out...**

When taking their main RMPP benefits, most people with AVC funds use all the money to provide part or all of their tax-free cash sum. Alternatively, you can transfer the value of your AVC account to another provider who may be able to offer you different choices. One option is to buy an annuity, which is a policy which converts your AVC fund into a regular income for life. Your retirement income and whether you should buy an annuity will depend on:

- the size of your pension pot and how old you are when you buy your annuity
- how long you want the annuity to last – for a fixed term or for your lifetime

# Don't let a scammer enjoy your retirement

- annuity rates at the time you buy
- your health and lifestyle
- which annuity type, income options and features you choose

The government's Money Helper website has a page with more detail about annuities and a simple calculator to give you an estimate of the income you might get based on your AVC fund and age you want to take it.

Scan the QR code below using your smartphone or tablet to visit the website, or type the link below into your browser:



[moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/guaranteed-retirement-income-annuities-explained](https://moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/guaranteed-retirement-income-annuities-explained)

**Pension scams are on the rise in the UK. The internet and advances in digital communications mean these kinds of scams are getting more common and harder to identify. Find out how to spot, avoid and report pension scams.**

## Step 1 – Reject unexpected offers

If you're contacted out of the blue about a pension opportunity, chances are it's a scam. Pension cold calling is illegal, and you should be very wary. An offer of a free pension review from a firm you've not dealt with before is probably a scam.

## Step 2 – Check who you're dealing with

Visit the Financial Conduct Authority at [fca.org.uk/scamsmart](https://fca.org.uk/scamsmart) and check the FCA's register to make sure anyone offering you advice is authorised. If they are, check they're permitted to give

pension advice by checking the FCA register online or by calling the FCA Consumer Helpline on **0800 111 6768**. If you don't use an FCA-authorized firm, you risk not having access to compensation schemes.

## Step 3 – Don't be rushed or pressured

Take your time to make all the checks you need – even if this means turning down what seems to be an 'amazing deal'.

## Step 4 – Get impartial information or advice

You should seriously consider seeking financial advice before changing your pension arrangements. In some cases, for example where you are wanting to transfer more than £30,000 from a 'Defined Benefit' scheme, you must obtain this advice. The RMPP is a Defined Benefit scheme.



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



**0345 603 0043**

Mon to Fri, 9.00am to 5:00pm



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

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

For questions about RMSPS benefits visit Capita at **[royalmailsp.co.uk](http://royalmailsp.co.uk)**