

# **Royal Mail's other pre-2018 Defined Benefit (DB) pension schemes**

A guide to:  
The pre-2018 Sections of the Royal Mail Pension Plan ('RMPP') and the Royal Mail  
Statutory Pension Scheme ('RMSPS').

# Welcome from CWU

Pension benefits represent an important element in the remuneration package for postal workers. The CWU has always seen “pensions as deferred pay” and as we continue to develop policy, our primary objective must be the long-term sustainability and certainty around the pension benefits due to our members.

The long-awaited Royal Mail Collective Pension Plan (“the Collective Plan”) launched in October 2024. We are proud of the role CWU has played in the development of the Collective Plan, which is the first of its kind in the UK. We believe it to be significantly better than the viable alternatives available and going forwards we will work closely with Royal Mail to support the interests of members.

However, we recognise that pensions are a complex subject, and the addition of the Collective Plan increases the complexity. We wanted to prepare a set of booklets, incorporating the new information on the Collective Plan, to help members understand their Royal Mail pensions.

We are keen to have your feedback. Please let us know what you think of these booklets by emailing [dgspdepartment@cwu.org](mailto:dgspdepartment@cwu.org). General enquiries regarding pensions can be sent to the same email address.



**Martin Walsh**  
**Deputy General Secretary (Postal)**

# How to use this booklet

Some or all of this booklet applies to you if:

- You started working for RMG or POL (and joined the Royal Mail Pension Plan) before 1 April 2008.

**This is the fifth booklet, in a set of six created by CWU – all about Royal Mail pensions.**

This booklet is designed to act as a guide to Royal Mail's **pre-2018 Defined Benefit (DB) pension schemes** – including:

- the **Final Salary Section** - Final Salary benefits now paid from the Royal Mail Statutory Pension Scheme ('RMSPS'), and
- the **Career Salary (CARE) Section**.

This includes benefits originally built up in the **Royal Mail Pension Plan** ('RMPP') that have been transferred to the **Royal Mail Statutory Pension Scheme** ('RMSPS') and will now mainly be paid from there.

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# How to use this booklet

The Royal Mail Group (RMG) has provided many different pension schemes over the years. RMG employees, both past and present, could be a member of one or more of these pension schemes.

CWU has produced a set of six booklets for RMG members, and Representatives, to help explain the Royal Mail Group's different pension arrangements and to promote a better understanding of RMG's pension schemes, as well as the State Pension.

These booklets explain what you might get when you retire and the different options open to you in each of the schemes.

**Not every booklet will apply to you, but if you've worked for Royal Mail for a while, it's likely that more than one booklet will be useful for you.**

The table on the next page shows you the breakdown of the six booklets.

If you're not sure which Royal Mail pension schemes you're a member of, **Booklet 1: Understanding your Royal Mail pensions** is the best place to start.

**Booklets 2 to 6** in this set cover information about one or two pension schemes, to keep the content in each booklet short. Plus, there's a short overview about the State Pension in **Booklet 3: NEST and the State Pension**, as well as a reminder about factoring in other pensions that you might have to your retirement planning.

# How to use this booklet

Booklet	Booklet name	What's inside?
1	Understanding your Royal Mail pensions	A summary of all Royal Mail pensions, past and present. It's designed to help you get to grips with which Royal Mail pension schemes you're likely to be a member of and find the right booklet to take a deeper dive into your pension
<b>Current pension schemes:</b> these booklets will be relevant for most current employees.		
2	Royal Mail Collective Pension Plan	A guide to the <b>Royal Mail Collective Pension Plan</b> ('the Collective Plan' or 'RMCPP')
3	NEST and the State Pension	A guide to <b>NEST</b> and the new <b>State Pension</b>
<b>Past pension schemes:</b> different booklets will be relevant for different members, depending on their period of service.		
4	Royal Mail's Cash Balance Section	A guide to the <b>Cash balance Section</b> of the Royal Mail Pension Plan ('RMPP')
5	Royal Mail's other pre-2018 Defined Benefit (DB) pension schemes	<p>A guide to:</p> <p>The <b>pre-2018 Sections of the Royal Mail Pension Plan</b> ('RMPP'), including the interaction with the <b>Royal Mail Statutory Pension Scheme</b> ('RMSPS') covering:</p> <ul style="list-style-type: none"> <li>• Final Salary Sections A &amp; B</li> <li>• Final Salary Section C</li> <li>• Career Salary (CARE) Section</li> </ul>
6	Royal Mail's past Defined Contribution (DC) pension scheme	A guide to the <b>Royal Mail Defined Contribution Plan</b> ('RMDCP')

# Royal Mail's pre-2018 Defined Benefit (DB) pension schemes

Some or all of this booklet applies to you if:

- You started working for RMG or POL (and joined the Royal Mail Pension Plan) before 1 April 2008.

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Royal Mail's pre-2018 Defined Benefit (DB) pension schemes

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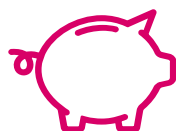
Pre-2018 DB pension schemes at a glance

# Pre-2018 DB pension schemes at a glance

**If you started working for Royal Mail or Post Office Ltd (POL) before 1 April 2008, you'll likely have Defined Benefit (DB) pension benefits built up in the Royal Mail Pension Plan ('RMPP').**

Up to 31 March 2018 the RMPP let you build up a yearly pension (an income for life). But the amount of yearly pension that you will have built up has changed over time, and different parts of the RMPP will give you different amounts that will be paid at different ages.

**If you joined the RMPP before 31 March 2008**



**You'll have Final Salary benefits in the RMPP – in this booklet we've called this the Final Salary Section (although it's not an official Section).**

This Section gives you a **yearly pension**, paid for the rest of your life.

You could also **take a tax-free cash lump sum** when you retire (up to 25%, a quarter, of the total value of your pension can normally be paid tax free).

Your pension from this Section will be **paid at age 60**, unless you choose a different age.

**If you were still a member of the RMPP on 1 April 2008**



**You'll also have Career Salary benefits in the RMPP – this is the Career Salary (CARE) Section.**

This Section also gives you a **yearly pension**, paid for the rest of your life, although what you'll get will be different to the amount you have built up in the Final Salary Section. And just like with the Final Salary Section, you'll have the **option to take a tax-free cash lump sum** when you retire too.

Your pension from this Section will be **paid at age 60 for the pension that you've built up to 31 March 2012** and then **at age 65 for the pension that you've built up from 1 April 2012** - unless you choose a different age.

# Pre-2018 DB pension schemes at a glance

What you've built up for your retirement in each Section will depend on when you joined, and when you left, the RMPP – and some changes that were made to each Section.

Here's a summary of how the RMPP changed over time up to 31 March 2018, and the different bits in each Section:

## Final Salary Section

Normal Retirement Age = 60

If you joined the RMPP  
before 31 March 1987

You're in Section A/B

Or, if you joined the RMPP from  
1 April 1987 to 31 March 2008

You're in Section C

All pension benefits built up in the RMPP up to 31 March 2012 were transferred to the Royal Mail Statutory Pension Scheme ('RMSPS') and will be paid from the RMSPS rather than from the RMPP.

## Career Salary (CARE) Section

Normal Retirement  
Age = 60

If you were still a member from  
1 April 2008 (up to 31 March  
2010)

You'll have Age60 Benefits

Normal Retirement  
Age = 65

And also from 1 April 2010  
(up to 31 March 2018 or up to  
31 March 2017 for POL)

You'll also  
have  
Age65 Benefits

All pension benefits  
built up in the RMPP  
from 1 April 2012 will  
be paid from the  
RMPP.

If you worked for Royal Mail and were still a member of the RMPP on 31 March 2018, you will also have automatically joined the Cash Balance Section of the RMPP. You can find out more about the Cash Balance Section in **Booklet 4: Royal Mail's Cash Balance Section**.





# Pre-2018 DB pension schemes at a glance

You may have spotted that pensions moved from the RMPP, to the Royal Mail Statutory Pension Scheme ('RMSPS') on 31 March 2012. This means that if you worked for Royal Mail or POL after this date, when you retire, you'll likely have some of your pension paid from the RMPP and some of your pension paid from the RMSPS.

Here's how this will work:

Who pays it	What you'll get	When you'll get it	What they're called
The RMSPS will pay the pension you've built up to 31 March 2012	Your yearly Final Salary Section pension (with or without a tax-free cash sum) that you built up to <b>31 March 2008</b> .	Age 60	Together these are called your <b>Age60 Benefits</b>
	Your yearly Career Salary (CARE) Section pension (with or without a tax-free cash sum) that you built up <b>from 1 April 2008 to 31 March 2010</b> .	Age 60	
	Your yearly Career Salary (CARE) Section pension (with or without a tax-free cash sum) that you built up <b>from 1 April 2010 to 31 March 2012</b> .	Age 65	Together these are called your <b>Age65 Benefits</b>
The RMPP will pay any pension you've built up from 1 April 2012 and may also pay some increases on top of your RMSPS pension	Your yearly Career Salary (CARE) Section pension (with or without a tax-free cash sum) that you built up <b>from 1 April 2012 to 31 March 2018</b> (or up to or up to 31 March 2017 for POL).	Age 65	
	The RMPP will provide any <b>increases</b> applied to your pension benefits if you continued to work for Royal Mail or POL after 31 March 2012.	Age 60 and/or age 65	These are called your <b>margin benefits</b> .

# Pre-2018 DB pension schemes at a glance

We know that this may feel complicated, so we've broken the two main pre-2018 Sections down into two different sections of this booklet. You might need to read both sections depending on when you worked for Royal Mail, or POL.

If you joined the RMPP before 1 April 2008

## The Final Salary Section

You can find out more about your pension benefits in the Final Salary section of this booklet.

As you go through this section of the booklet, you'll find more detailed information about your Section A/B or Section C benefits.

> Go to page 11 for the start of the Final Salary section.



If you were still a member of the RMPP on 1 April 2008

## The Career Salary (CARE) Section

You can find out more about your pension benefits in the Career Salary (CARE) section of this booklet.

As you go through this section of the booklet, you'll find more detailed information about your Age60 Benefits and Age65 Benefits in Section A/B or Section C.

> Go to page 30 for the start of the Career Salary (CARE) section.

**Plus, you can explore the RMPP's website too** (which covers the Final Salary, Career Salary (CARE) and the Cash Balance Sections):  
[www.royalmailpensionplan.co.uk](http://www.royalmailpensionplan.co.uk)

**And the Royal Mail Statutory Pension Scheme ('RMSPS') website** (which covers pensions built up in the RMPP up to 31 March 2012 which have been transferred into the RMPSP): [www.royalmailsps.co.uk](http://www.royalmailsps.co.uk)

# The Final Salary Section

**This section applies to you if:**

- You started working for RMG or POL (and joined the Royal Mail Pension Plan) before 1 April 2008.

## In this section...

Page 11	<b>The Final Salary Section</b>
Page 12	<b>The Final Salary Section at a glance</b>
Page 15	<b>A deeper dive into the Final Salary Section</b>
Page 58	<b>Reference notes</b>

# The Final Salary Section at a glance

Although you're no longer paying in to the Final Salary Section, the pension that you have built up so far hasn't gone anywhere. It's still there, ready for you to use when you come to retire.

## Who looks after the Final Salary Section?

The Royal Mail Statutory Pension Scheme ('RMSPS') was created by the Postal Services Act 2011. It's a public sector pension scheme and is backed by the Government. On set-up, all pensions built up in the RMPP before 1 April 2012 (including your Final Salary Section pension) were transferred to the RMSPS.

The day-to-day responsibilities for the RMSPS are delegated to a Management team, led by the RMSPS Scheme Manager. The RMSPS Scheme Manager's role is to make sure that the RMSPS is working well, make discretionary decisions, and deal with the most serious complaints.

**The RMSPS will pay any pension that you've built up in the RMPP, up to 31 March 2012.**

## The Final Salary Section gives you a yearly pension (or an income for life), at retirement.

This amount is **guaranteed** and is worked out broadly based on:

- the number of years and days you paid into the Final Salary Section (**up to 31 March 2008**),
- your "final salary" on 31 March 2012 (or earlier if you left the RMPP before then), and
- the rate that your pension built up each year, based on when you joined the RMPP:

If you joined the RMPP **before 1 April 1987** you'll be in **Section A/B** and your pension was built up at a rate of **1/80<sup>th</sup> of your final salary each year**.

or

If you joined the RMPP **from 1 April 1987 (up to 31 March 2008)** you'll be in **Section C** and your pension was built up at a rate of **1/60<sup>th</sup> final salary each year**.

Plus, if you have stopped working for RMG or POL you may also get a temporary yearly pension supplement paid from age 60 until your State Pension Age.

**You can only be a member of either Section A/B or Section C - you can't be a member of more than one Section.**

# The Final Salary Section at a glance

**Any Additional Voluntary Contributions (AVCs) you made will be added to your yearly pension.**

**If you paid Additional Voluntary Contributions (known as 'AVCs'), before 1 April 2008** these were used to buy extra years, or part years, of service in the Final Salary Section. So, any AVCs that you made will be added to your yearly pension amount, rather than having them in a separate pot.

**Plus, you could take a tax-free cash lump sum at retirement too.**

Normally up to 25% (a quarter) of the total value of your pension can be taken as a tax-free cash lump sum when you first start to get your yearly pension.

**If you're a Section A/B member** (if you joined the RMPP **before 1 April 1987**)

Section A/B will automatically give you a cash lump sum of 3x the value of your yearly pension. So, if your pension is £4,500 a year you'd also get a one-off cash sum of £13,500 when you retire.

But you'll also have the option to give up a part of your yearly pension from Section A/B for a bigger cash lump sum. If you choose to take a bigger cash lump sum, your yearly pension will be smaller.

Or you could choose to take a smaller (or no) cash sum and get a bigger yearly pension.

**or**

**If you're a Section C member** (if you joined the RMPP **from 1 April 1987 (up to 31 March 2008)**)

You'll have the option to give up part of your yearly pension from Section C for a cash lump sum. If you choose to take a cash lump sum, your yearly pension will be smaller.

# The Final Salary Section at a glance

## When can I take my pension?

**The Final Salary Section's Normal Retirement Age is 60.** At age 60 you will get your full guaranteed yearly pension amount as set out in the Final Salary Section's rules.

**If you wanted to take your pension earlier**, you can currently take it anytime from age 55 (this will rise to age 57 from April 2028). But, this would mean that your yearly pension amount (and any tax-free cash lump sum you take) will be smaller – so you will get less than you would if you took it at age 60.

**If you wanted to take your pension later**, you can choose to do this, but it won't be any bigger and you'll miss out on any pension payments that you would have got if you started to get your pension from age 60.

**You must take your Final Salary Section pension and any Career Salary (CARE) Section pension that you have built up to 31 March 2010 at the same time. That's because these both have a Normal Retirement Age of 60.**

But you can choose to take these early or at age 60 – as long as you take them together. You can also choose to take them later than age 60, but your pension will not be increased, and any missed payments will not be back-dated.

## How do I know how much Final Salary pension I've built up for my retirement?

Your most recent **Current Value Statement** provided by the RMSPS will show you:

The joint amount that you have built up in the Final Salary Section **and** in the Career Salary Section (up to 31 March 2010), based on you getting this part of your pension at age 60.

These together are **all your Age60 benefits**.

+

The amount that you have built up in the Career Salary Section (from 1 April 2010 to 31 March 2012), based on you getting this part of your pension at age 65.

These are likely just **some of your Age65 benefits**. If you were still a member of the RMPP on 1 April 2012, the rest of your Age65 benefits will be paid from the RMPP.

You can find an online version of your most recent Current Value Statement by **signing in** to your account on the RMSPS pension portal at: [www.royalmailsp.co.uk](http://www.royalmailsp.co.uk)

## A deeper dive into the Final Salary Section

You'll find more detailed information about the Final Salary Section in this section of the booklet.

Here's what's inside, broken down into different topics:

Joining	Page 16
Paying in	Page 16
What you'll get at retirement at age 60	Pages 17 to 20
Retiring before age 60	Page 21
Retiring after age 60	Page 22
Transferring out of the RMSPS	Page 23
Death before retirement	Pages 24 to 27
Increases to your yearly pension paid from the RMSPS	Pages 28 to 29

We've used some reference notes - shown as "(x)" - in this section (*A deeper dive into the Final Salary Section*), rather than go into a lot of technical detail all at once. If you'd like to explore these more, you'll find the supporting reference notes on pages 58 to 63 of this booklet.

# A deeper dive into the Final Salary Section

## Joining

### Eligibility

If you started working for RMG or POL before 1 April 2008 you would have had the option to join the Final Salary Section of the RMPP. The RMPP closed on 1 April 2008, so no new members were able to join from this date.

The date that you started paying into the RMPP sets whether you're a member of Section A, Section B or Section C – which in turn sets the rules for the way your yearly pension amount is worked out, and the rules about some other benefits that you are eligible for:

- **Section A (1)** applies to members who joined POL before 1 December 1971.
- **Section B** applies to members who joined POL between 1 December 1971 and 31 March 1987, or to members of **Section A (1)** who have chosen to receive Section B benefits.

**These are often referred to together as Section A/B** (as a lot of the benefits and rules are the same).

- **Section C** applies to members who joined RMG or POL from 1 April 1987 (up to 31 March 2008).

## Paying in

### What you paid

The Final Salary Section closed to new pension build up on 31 March 2008 – so no payments have been made into this Section of the RMPP since then.

### Additional Voluntary Contributions (AVCs)

The Final Salary Section also closed to new AVC payments on 31 March 2008 – so no AVC payments have been made into this Section of the RMPP since then.

You'll find the supporting reference notes for (1) on pages 58 to 63 of this booklet.



# A deeper dive into the Final Salary Section

## What you'll get at retirement at age 60 (at Normal Retirement Age)

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### Retirement age

The Normal Retirement Age for the Final Salary Section is **60**.

You must take all your **Age60 Benefits (2)** at the same time – this includes your Final Salary Section pension (paid from the RMSPS) and any Career Salary (CARE) Section pension that you have built up to 31 March 2010 (also paid from the RMSPS).

You do not need to take your Age60 Benefits and **Age65 Benefits (3)** at the same time. You can take your Age60 Benefits and then take your Age65 Benefits at a later date.

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You'll find the supporting reference notes for **(2) (3)** on pages 58 to 63 of this booklet.

# A deeper dive into the Final Salary Section

## What you'll get at retirement at age 60 (at Normal Retirement Age)

### Type of benefit – yearly pension

The Final Salary Section gives you a **guaranteed yearly pension** (or income for life). This amount is worked based on:

- your **Service (4)** – this is broadly the number of years and days you paid into the Final Salary Section,
- your **Final Pensionable Pay (5)** – this is broadly your “final salary” on 31 March 2012 (or earlier if you left the RMPP before then), and
- your **Accrual Rate (6)** – this is the rate that your pension built up each year, based on when you joined the RMPP. Section A/B member's yearly pension built up at a rate of 1/80<sup>th</sup> a year, and Section C member's yearly pension built up at a rate of 1/60<sup>th</sup> a year.

**Section A/B:** If you joined the RMPP **before 1 April 1987** your yearly pension that you have built up is worked out as:

$$\left( \frac{\text{Service}}{80} \right) \times \text{Your Final Pensionable Pay}$$

This amount is also increased ('revalued') yearly in line with increases in the Consumer Prices Index, to help it keep pace with increases in the cost of living (known as 'inflation').

**Section C:** If you joined the RMPP **from 1 April 1987** your yearly pension that you have built up is worked out as:

$$\left( \frac{\text{Service}}{60} \right) \times \text{Your Final Pensionable Pay}$$

Plus, if you have stopped working for RMG or POL you may also get a temporary yearly **Pension Supplement (7)** added to your yearly pension from age 60 until you reach your State Pension Age.

This amount is also increased ('revalued') yearly in line with increases in the Consumer Prices Index up to 5% a year, to help it keep pace with increases in the cost of living (known as 'inflation').

# A deeper dive into the Final Salary Section

## What you'll get at retirement at age 60 (at Normal Retirement Age)

### Type of benefit – yearly pension (continued)

**Section A/B:** If you joined the RMPP **before 1 April 1987**

**For example, Jane would get £7,475 a year if she:**

- joined on 31 March 1985, and paid into the Final Salary Section until it closed on 31 March 2008 (meaning she has 23 full years of Service (4)), and
- had Final Pensionable Pay (5) of £26,000 when she left the RMPP on 1 April 2012 when her pension transferred to the RMSPS.

$$\left( \frac{23 \text{ years}}{80} \right) \times £26,000 = £7,475 \text{ as a yearly pension}$$

Jane's yearly pension amount would have increased in some (or all) years, depending on the increases in the Consumer Prices Index. To keep things simple, we haven't included any increases in this example.

**Section C:** If you joined the RMPP **from 1 April 1987**

**For example, Zahir would get £2,700 a year if he:**

- joined on 31 March 1999, and paid into the Final Salary Section until it closed on 31 March 2008 (meaning he has 9 full years of Service (4)), and
- had Final Pensionable Pay (5) of £18,000 when he left the RMPP on 1 April 2012 when his pension transferred to the RMSPS.

$$\left( \frac{9 \text{ years}}{60} \right) \times £18,000 = £2,700 \text{ as a yearly pension}$$

Zahir's yearly pension amount would have increased in some (or all) years, depending on the increases in the Consumer Prices Index (capped at 5%). To keep things simple, we haven't included any increases in this example.

### Additional Voluntary Contributions (AVCs) – yearly pension

**If you paid AVCs before 1 April 2008 you'll have 'Addplan' AVCs.** These were used to buy extra years of Service (4) in the RMPP. Any AVCs that you made will have been added to your Final Salary Section yearly pension amount.

You'll find the supporting reference notes for (4) (5) on pages 58 to 63 of this booklet.

# A deeper dive into the Final Salary Section

## What you'll get at retirement at age 60 (at Normal Retirement Age)

### Type of benefit – tax-free cash lump sum

Normally up to 25% (a quarter) of the total value of your pension, including the value of any Addplan AVCs that you may have paid, can be taken as a tax-free cash lump sum at retirement.

#### Section A/B: If you joined the RMPP before 1 April 1987

You will automatically get a cash lump sum of 3x the value of your yearly pension (which is equal to  $\frac{3}{80}$ ths of your **Final Pensionable Pay (5)**). This is a guaranteed amount paid on top of the yearly pension that you have built up.

But you'll also have the option to give up part of your yearly pension from Section A/B for a bigger cash lump sum. If you choose to take a bigger cash lump sum, your yearly pension will be smaller.

Or you could choose to take a smaller (or no) cash lump sum and get a bigger yearly pension.

#### Section C: If you joined the RMPP from 1 April 1987

You'll have the option to give up part of your yearly pension from Section C for a cash lump sum. If you choose to take a cash lump sum, your yearly pension will be smaller.

Cash lump sums are provided by the RMSPS, but the RMPP will provide any **increase** to your cash lump sum if you were employed by RMG or POL after 31 March 2012 – this is known as the 'margin' benefit.

You'll find the supporting reference notes for (5) on pages 58 to 63 of this booklet.

# A deeper dive into the Final Salary Section

## Retiring before age 60 (before Normal Retirement Age)

Similarly to Royal Mail's other pension schemes, you can choose to retire before the Final Salary Section's Normal Retirement Age of 60. If you take your yearly pension early, your yearly pension (and any cash lump sum you take) will be reduced - the earlier you retire, the bigger the reduction.

### Early retirement (before age 60)

Retiring early means your yearly pension (and any cash lump sum you choose to take) will be smaller than if you took it at age 60.

You must take all your **Age60 Benefits (2)** at the same time – this includes your Final Salary Section pension (paid from the RMSPS) and any Career Salary (CARE) Section pension that you have built up to 31 March 2010 (also paid from the RMSPS).

### Minimum age to retire

The minimum age you can take your yearly pension is currently age 55 except in the case of ill health. This minimum pension age is set by the Government and will increase from age 55 to age 57 from April 2028, although you may be able to retire earlier in cases of ill health.

### Ill health retirement

You could get your Final Salary Section pension early if you meet the criteria for ill health. Evidence about your state of health will be needed for the **RMSPS Scheme Manager (8)** or the **RMPP Trustees (RMPTL) (15)** to decide whether you qualify for **Ill Health Early Retirement**. If you have benefits in both the RMPP and the RMSPS, the RMPP Trustees (RMPTL) will decide if you qualify for an ill health early retirement pension.

**We understand that circumstances like retiring early due to ill health can be difficult. If you'd like to explore ill health retirement, please get in touch with your CWU Representative, who will be able to explain the criteria and process and support you through the steps that you'll need to take.**

You'll find the supporting reference notes for **(2)** **(8)** **(15)** on pages 58 to 63 of this booklet.

# A deeper dive into the Final Salary Section

## Retiring after age 60 (at Normal Retirement Age)

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### Late retirement (after age 60)

You can choose to delay your retirement past age 60, but your pension won't be increased for taking it later and you'll miss out on any pension payments that you would have got if you started to get your pension at age 60.

You must take all your **Age60 Benefits (2)** at the same time – this includes your Final Salary Section pension (paid from the RMSPS) and any Career Salary (CARE) Section pension that you have built up to 31 March 2010 (also paid from the RMSPS).

You can start to get your **Age60 Benefits** at age 60 until you can get your **Age65 Benefits (3)**.

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You'll find the supporting reference notes for (2) (3) on pages 58 to 63 of this booklet.

# A deeper dive into the Final Salary Section

## Transferring out

### Transferring out your Final Salary pension benefits

You can only transfer your Final Salary Section pension benefits (and your Career Salary Section benefits built up to 31 March 2012) to another Defined Benefit (DB) pension scheme. It is not possible to transfer your benefits held in the RMSPS to the RMPP (or to do it the other way around).

Plus, if you also have a pension that you've built up in the Career Salary Section, up to 31 March 2010, you will need to transfer these benefits with your Final Salary Section benefits (these are your **Age60 Benefits (2)**).

- If you want to transfer just your **Age60 Benefits (2)** these must be transferred before your 59<sup>th</sup> birthday.
- If you want to transfer both your **Age60 Benefits and Age65 Benefits (3) together**, you can transfer these up to your 64<sup>th</sup> birthday (as long as you haven't yet started to get your pension from your Age60 Benefits).

If you want to transfer your Age60 Benefits out of the RMSPS you will need to contact the RMSPS's administrator at least 18 months before you turn age 60 to request a transfer.

For information about **transferring out your benefits held in the RMPP** please go to page 46.

### Additional Voluntary Contributions (AVCs) – yearly pension

If you paid AVCs before 1 April 2008 you'll have 'Addplan' AVCs. These were used to buy extra years of Service (4) in the RMPP. Any AVCs that you made will have been added to your Final Salary Section yearly pension amount, so you do not have a separate pot that you are able to transfer.

You'll find the supporting reference notes for (2) (3) (4) on pages 58 to 63 of this booklet.

# A deeper dive into the Final Salary Section

## Death before retirement

If you have not yet taken any of your **Age60 Benefits (2)** and **Age65 Benefits (3)** the following might be paid:

- A lump sum death benefit, paid to your **Lump Sum Beneficiaries (9)**.
- A pension, paid to your spouse or civil partner (or a financial dependant).
- A pension, paid to your children.

**You'll find more information about each of these in the rest of this section on pages 25 to 27.**

If you have already started to get your **Age60 Benefits (2)** but not yet started to get your **Age65 Benefits (3)** please go to pages 48 to 51 (*A deeper dive into the Career Salary (CARE) Section*) for more information on the benefits that might be paid if you died.

If you have already started to get **both your Age60 Benefits (2) and Age65 Benefits (3)** please go to pages 52 to 56 (*A deeper dive into the Career Salary (CARE) Section*) for more information on the benefits that might be paid if you died.

You'll find the supporting reference notes for **(2) (3) (9)** on pages 58 to 63 of this booklet.



# A deeper dive into the Final Salary Section

## Death before retirement

### Lump sum death benefit

If you have not yet taken any of your **Age60 Benefits (2)** and **Age65 Benefits (3)** a lump sum death benefit is payable.

#### Section A/B: If you joined the RMPP before 1 April 1987

Your **Lump Sum Beneficiaries (9)** will get a lump sum of whichever is bigger from the below:

- **1.25x your Pensionable Pay (10)** as calculated at the latest date of:
  - the date you stopped working for RMG, or
  - the date you started to take your pension if you were still working for RMG at that point.

**or**

- **5x the yearly rate of your Age60 Benefits (2) and/or Age65 Benefits (3)** that would have been payable to you at the date of your death.

**If you paid the additional 0.2% contribution to the RMPP until 31 March 1999**, your lump sum death benefit will be worked as below if it gives a bigger amount than the two options shown above:

- **3/80ths of your Pensionable Pay (10)** as calculated at the date you stopped working for RMG (or the date you started to take your pension if you were still working for RMG at that point) for each year (or part year) of service completed before 1 April 1999, **plus**
- **5x the yearly rate of your Age60 Benefits (2)** built up before 1 April 1999.

#### Section C: If you joined the RMPP from 1 April 1987

Your **Lump Sum Beneficiaries (9)** will get a lump sum of **5x the yearly rate of your Age60 Benefits plus your Age65 Benefits** that you have built up (excluding any **Pension Supplement (7)** and without enhancement).

This lump sum is **capped at a maximum of 4x your Final Pensionable Pay (5)**. For the purposes of this calculation, your Final Pensionable Pay is not reduced by the **Lower Earnings Deduction (12)**. Also, for part-time employees, Final Pensionable Pay is not scaled up to the full-time equivalent.

You'll find the supporting reference notes for (2) (3) (5) (7) (9) (10) (12) on pages 58 to 63 of this booklet.

# A deeper dive into the Final Salary Section

## Death before retirement

### A pension, paid to your spouse or civil partner (or a financial dependant)

If you have not yet taken any of your **Age60 Benefits (2)** and **Age65 Benefits (3)** a yearly pension will be paid to your spouse or civil partner.

#### Section A/B: If you joined the RMPP before 1 April 1987

Your spouse or civil partner will get a pension amount of up to **half your pension** that you would have got when you stopped building up benefits in the RMPP.

This is worked out based on you:

- being age 60 (in relation to your **Age60 Benefits (2)**), **and**
- being age 65 (in relation to **Age65 Benefits (3)**).

#### Section C: If you joined the RMPP from 1 April 1987

Your spouse or civil partner will get a pension amount of **half your pension** that you would have got at the time of your death.

This is worked out from both your **Age60 Benefits (2)** and **Age65 Benefits (3)** without any **Pension Supplement (7)**.

If you are not married or in a civil partnership a pension may be paid to a **Financial Dependant (11)** instead. A dependant's pension is normally the same amount as a pension for your spouse or civil partner.

You'll find the supporting reference notes for **(2) (3) (7) (11)** on pages 58 to 63 of this booklet.

# A deeper dive into the Final Salary Section

## Death before retirement

### A pension, paid to your children

Your children (including step-children), nieces, nephews and/or siblings may get a pension if, at the time of your death, they are dependent on you and:

- under 18, or
- under 23 and in full-time education or training which is approved by the **RMSPS Scheme Manager (8)** or the **RMPP Trustees (RMPTL) (15)**, or
- incapable of self support because of physical or mental incapacity.

Their pension will be part of the pension you would have got at the time of your death. How much they get will depend on the number of children you have and whether or not a pension is paid to your spouse, civil partner or financial dependant as well.

#### Section A/B: If you joined the RMPP before 1 April 1987

**If a pension is paid to your spouse, civil partner or financial dependant**, your children will get:

- 1/3 of your pension if there is one child, **or**
- 2/3 of your pension where there are two or more children (divided equally between all your children).

**If no pension is paid to your spouse, civil partner or financial dependant**, your children will get:

- 4/9 of your pension if there is one child, **or**
- 8/9 of your pension where there are two or more children (divided equally between all your children).

#### Section C: If you joined the RMPP from 1 April 1987

**If a pension is paid to your spouse, civil partner or financial dependant**, your children will get:

- 1/4 of your pension if there is one child, **or**
- 1/2 of your pension where there are two or more children (divided equally between all your children).

**If no pension is paid to your spouse, civil partner or financial dependant**, your children will get:

- 1/3 of your pension if there is one child, **or**
- 2/3 of your pension where there are two or more children (divided equally between all your children).

### Additional Voluntary Contributions (AVCs)

If you paid AVCs before 1 April 2008 your 'Addplan' AVCs were used to buy extra years of **Service (4)** in the RMPP. Any AVCs that you made will have been added to your Final Salary Section yearly pension amount and used to determine any death benefits to be paid. **There is no separate death benefit for these.**

You'll find the supporting reference notes for **(4) (8) (15)** on pages 58 to 63 of this booklet.

# A deeper dive into the Final Salary Section

## Increases to your yearly pension after retirement

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### Pension increases to your pension in payment

Your yearly pension (and any pension paid to your spouse, civil partner or financial dependant if you die) will normally increase each year in April to help it keep pace with any increases to the cost of living, known as 'inflation'. **Your pension can only ever increase, it won't go down – even if inflation goes down.**

If you start to get your pension part way through a reporting year (i.e. a date other than 31 March), your first pension increase may be lower than the full year's increase to reflect that your pension has not been in payment for a full year.

Because some member's pensions are made up of different parts that have different rules applied to them, the increases for some parts are also different, as shown on the next page.

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# A deeper dive into the Final Salary Section

## Increases to your yearly pension after retirement

### Pension increases to your pension in payment (continued)

#### Section A/B: If you joined the RMPP before 1 April 1987

If you reached (or will reach) State Pension Age on or after 6 April 2016 your pension will increase in line with Pension Increase (Review) Orders, which are decided by the Government and based on the increase in the Consumer Prices Index (CPI) from the previous year.

If you reached State Pension Age before 6 April 2016 your pension will continue to increase in the same way as shown above, but special terms apply to the increases you get on a part of any pension that you earned between 6 April 1988 and 5 April 1997 called the **Guaranteed Minimum Pension (GMP)** (13) as follows:

<b>GMP earned between 6 April 1988 and 5 April 1997 - paid when you are aged 60 (if you are a woman) and 65 (if you are a man).</b>	An increase of up to 3%
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#### Section C: If you joined the RMPP from 1 April 1987

If you reached (or will reach) State Pension Age on or after 6 April 2016 your pension will increase in line with the Retail Price Index (RPI) over the previous year (up to a maximum of 5%).

If you reached State Pension Age before 6 April 2016 your pension will continue to increase in the same way as shown above, but special terms apply to the increases you get on a part of any pension that you earned between 6 April 1988 and 5 April 1997 called the **Guaranteed Minimum Pension (GMP)** (13) as follows:

<b>GMP earned between 6 April 1988 and 5 April 1997 - paid when you are aged 60 (if you are a woman) and 65 (if you are a man).</b>	An increase of up to 3%
---	-------------------------

You'll find the supporting reference notes for (13) on pages 58 to 63 of this booklet.

# The Career Salary (CARE) Section

## This section applies to you if:

- You started working for RMG or POL (and joined the Royal Mail Pension Plan) before 1 April 2008,
- and*
- were still a member of the Royal Mail Pension Plan on 31 March 2008 (when the RMPP first closed to new members).

## In this section...

Page 30	The Career Salary (CARE) Section of the Royal Mail Pension Plan ('RMPP')
Page 31	The Career Salary (CARE) Section at a glance
Page 37	A deeper dive into the Career Salary (CARE) Section
Page 58	Reference notes

# The Career Salary (CARE) Section at a glance

If you were still a member of the Final Salary Section of the RMPP on 31 March 2008 (when it closed), you would have automatically joined the Career Salary (CARE) Section of the RMPP on 1 April 2008.

## Who looks after the Career Salary (CARE) Section?

The pension that you built up in the RMPP up to 31 March 2012 was transferred into the Royal Mail Statutory Pension Scheme ('RMSPS'). Any pension that you built up in the RMPP from 1 April 2012 stayed in the RMPP.

So, some of your Career Salary (CARE) Section pension is held in the RMSPS, and some is held in the RMPP:

In the RMSPS		In the RMSPS		In the RMPP
Your yearly Career Salary (CARE) Section pension that you built up from 1 April 2008 to 31 March 2010.	+	Your yearly Career Salary (CARE) Section pension that you built up from 1 April 2010 to 31 March 2012.	+	Your yearly Career Salary (CARE) Section pension that you built up from 1 April 2012 to 31 March 2018 (or up to 31 March 2017 for POL).
This pension is designed for you to start to get it at age 60.		This pension is designed for you to start to get it at age 65.		This pension is designed for you to start to get it at age 65.

The day-to-day responsibilities for the RMSPS are delegated to a Management team, led by the Scheme Manager. The Scheme Manager's role is to make sure that the RMSPS is working well, make discretionary decisions, and deal with the most serious complaints.

The RMPP is managed by a Trustee Board – called Royal Mail Pensions Trustees Ltd. The Trustee Board is made up of nine Trustee Directors. Four Trustee Directors are nominated by the employers, four by the unions – and the ninth is an independent Chair, appointed by Royal Mail with the unions' agreement.

## The Career Salary (CARE) Section at a glance

Just like with your Final Salary Section pension, the pension that you have built up in the Career Salary (CARE) Section is still there, ready for you to use when you come to retire.

**The Career Salary (CARE) Section gives you a yearly pension (or an income for life), at retirement.**

Your pension builds up by a **guaranteed amount each year (or part year) in blocks**. Each year's block of pension that you have built up is worked out broadly based on:

- your basic pay in that year, and
- the rate that your pension block builds up each year, based on when you joined the RMPP:

If you joined the Final Salary Section of the RMPP **before 1 April 1987 you'll be in Section A/B** and your pension will build up at a rate of **1/80<sup>th</sup> each year**.

or

If you joined the Final Salary Section of the RMPP **from 1 April 1987 (up to 31 March 2008) you'll be in Section C** and your pension will build up at a rate of **1/60<sup>th</sup> each year**.

**Just like in the Final Salary Section, you can only be a member of either Section A/B or Section C - you can't be a member of more than one Section.**

**Plus, the value of your yearly pension that you have built up in blocks might be increased each year to help it keep pace with any rises to the cost of living (known as 'inflation').** The amount of pension that you've built up at any point in time can go up, but it won't go ever go down, even if inflation does.

When you come to retire, the pension blocks that you have built up in each year (along with any increases that have been applied) are added together to give your total pension from the Career Salary (CARE) Section in retirement.



# The Career Salary (CARE) Section at a glance

## Plus, you could take a tax-free cash lump sum at retirement too.

Normally up to 25% (a quarter) of the total value of your pension can be taken as a tax-free cash lump sum when you first start to get your yearly pension.

### **If you're a Section A/B member** (if you joined the RMPP **before 1 April 1987**)

Section A/B will automatically give you a cash lump sum of 3x the value of your yearly pension. So, if your pension is £2,500 a year you'd also get a one-off cash sum of £7,500 when you retire.

But you'll also have the option to give up a bigger part of your yearly pension from Section A/B for a bigger cash lump sum. If you choose to take a bigger cash lump sum, your yearly pension will be smaller.

Or you could choose to take a smaller (or no) cash sum and get a bigger yearly pension.

or

### **If you're a Section C member** (if you joined the RMPP **from 1 April 1987 (up to 31 March 2008)**)

You'll have the option to give up part of your yearly pension from Section C for a cash lump sum. If you choose to take a cash lump sum, your yearly pension will be smaller.

# The Career Salary (CARE) Section at a glance

## When can I take my pension?

The Career Salary (CARE) Section has two different Normal Retirement Ages.

### Normal Retirement Age of 60

This includes the pension that you've built up in the RMPP **to 31 March 2010:**

**some of your Career Salary (CARE) Section pension**

+

**your Final Salary Section pension.**

These pensions will both be paid from the Royal Mail Statutory Pension Scheme ('RMSPS').

**You must take these pensions together, at the same time.**

&

### Normal Retirement Age of 65

This includes the pension that you've built up in the RMPP **from 1 April 2010 to 31 March 2018** (or up to or up to 31 March 2017 for POL):

**the rest of your Career Salary (CARE) Section pension.**

Some of this pension will be paid from the Royal Mail Statutory Pension Scheme ('RMSPS'), and some will be paid from the RMPP.

**You must take these pensions together, at the same time.**

**At each Normal Retirement Age, you will get your full guaranteed yearly pension amount** as set out in the RMSPS and RMPP's rules.

**If you wanted to take your pension earlier**, you can currently take it anytime from age 55 (this will rise to age 57 from April 2028). But, this would mean that your yearly pension amount (and any tax-free cash lump sum you take) will be smaller – so you will get less than you would if you took it at the Normal Retirement Age.

**If you wanted to take your pension later**, you can choose to do this, but it won't be any bigger and you'll miss out on any pension payments that you would have got if you started to get your pension from Normal Retirement Age.

# The Career Salary (CARE) Section at a glance

## How do I know how much Career Salary pension I've built up for my retirement?

Your most recent **Current Value Statement** provided by the RMSPS will show you:

The joint amount that you have built up in the Final Salary Section and in the Career Salary Section (up to 31 March 2010), based on you getting this part of your pension at age 60.

These are **all your Age60 Benefits** (minus any increases which are paid from the RMPP if you continued to work for RMG or POL after 31 March 2012).

+

The amount that you have built up in the Career Salary Section (from 1 April 2010 to 31 March 2012), based on you getting this part of your pension at age 65.

These are likely just **some of your Age65 Benefits**.



Your most recent **Benefit Illustration** provided by the RMPP will show you:

Any **increases** to your pension benefits that you built up in the RMSPS if you continued to work for RMG or POL after 31 March 2012.

These are known as **margin benefits**.

+

The amount that you have built up in the Career Salary Section (from 1 April 2012 to 31 March 2018, or up to or up to 31 March 2017 for POL), based on you getting this part of your pension at age 65.

These are **the rest of your Age65 Benefits**.

If you don't have copies of these, you can get new ones by:

- signing into your pension portal at [www.royalmailsps.co.uk](http://www.royalmailsps.co.uk) to see an online version of your most recent Current Value Statement provided by the RMSPS, and
- contacting the Pensions Service Centre and ask for a copy of your most recent Benefit Illustration provided by the RMSPS:

[pensions.helpline@royalmail.com](mailto:pensions.helpline@royalmail.com)

**0345 603 0043** (Mon to Fri, 9.00am to 5.00pm)

# The Career Salary (CARE) Section at a glance

**Plus, you have flexibility with how to use any Additional Voluntary Contributions that you've made.**

**If you paid Additional Voluntary Contributions (known as 'AVCs'), from 1 April 2008 to 31 March 2018** these will have been paid into one or more separate pension pot(s) held in your name and will stay invested until you're ready to take them. You can take your AVC pension pot(s) at the same time that you start to get some of your Career Salary (CARE) Section pension. Or you can take your AVCs separately - anytime from age 55 (rising to age 57 in April 2028).

You'll be able to use your AVCs to do one of the following (or a combination of all three):

## Take all (or some) as cash

### Cash

You could take all, or some, of your AVCs as cash.

Normally, the first quarter (25%) can be taken tax free. And remember, you can take some tax-free cash first, and then do something different with the rest.

**If you take your AVC pension pot at the same time as some of your Career Salary (CARE) Section pension, you can use this to get a bigger cash lump sum if you want to.**

## Buy a guaranteed income

### An annuity

You can use some, or all, of your AVC pension pot to buy an annuity from an insurance company. This will provide you with a guaranteed income during retirement.

You can normally choose whether to buy an income that stays the same throughout your retirement or one that increases each year. You can also normally choose to buy an income that could be passed on to your spouse (or other dependants) after your death.

## Invest your cash sum amount and take money out as and when you need to in retirement

### Income drawdown

You could transfer your AVC pension pot into a drawdown arrangement (through a provider of your choice).

Drawdown gives you the option to take your AVCs flexibly, whilst still keeping the money you haven't used invested with the aim that it will grow over time when you're not using it.

# A deeper dive into the Career Salary (CARE) Section

You'll find more detailed information about the Career Salary (CARE) Section in this section of the booklet.

Here's what's inside, broken down into different topics:

Joining	Page 38
Paying in	Page 38
What you'll get at Normal Retirement Age	Pages 39 to 43
Retiring before Normal Retirement Age	Page 44
Retiring after Normal Retirement Age	Page 45
Transferring out	Page 46
Transferring out your Additional Voluntary Contributions (AVCs)	Page 47
Death after taking your Age60 Benefits	Pages 48 to 51
Death after taking your Age60 Benefits and your Age 65 Benefits	Pages 52 to 55
Death after taking your Additional Voluntary Contributions (AVCs)	Page 56
Increases to your yearly pension paid from the RMPP	Page 57

We've used some reference notes - shown as "(x)" - in this section (*A deeper dive into the Career Salary (CARE) Section*), rather than go into a lot of technical detail all at once. If you'd like to explore these more, you'll find the supporting reference notes on pages 58 to 63 of this booklet.

# A deeper dive into the Career Salary (CARE) Section

## Joining

### Eligibility

If you were still paying into the Final Salary Section of the RMPP on 31 March 2008 you would have automatically joined the Career Salary (CARE) Section. The RMPP closed on 1 April 2008, so no new members were able to join from this date.

The date that you started paying into the RMPP sets whether you're a member of Section A, Section B or Section C – which in turn sets the rules for the way your yearly pension amount is worked out, and the rules about some other benefits that you are eligible for:

- **Section A (1)** applies to members who joined POL before 1 December 1971.
- **Section B** applies to members who joined POL between 1 December 1971 and 31 March 1987, or to members of **Section A (1)** who have chosen to receive Section B benefits.

**These are often referred to together as Section A/B** (as a lot of the benefits and rules are the same).

- **Section C** applies to members who joined RMG or POL from 1 April 1987 (up to 31 March 2008).

## Paying in

### What you paid

The Career Salary (CARE) Section closed to new pension build up on 31 March 2018 (or 31 March 2017 for POL) – so no payments have been made into this Section of the RMPP since then.

### Additional Voluntary Contributions (AVCs)

The Career Salary (CARE) Section closed to new AVC payments on 31 March 2018 (or 31 March 2017 for POL) – so no AVC payments have been made into this Section of the RMPP since then.

You'll find the supporting reference notes for (1) on pages 58 to 63 of this booklet.

# A deeper dive into the Career Salary (CARE) Section

## What you'll get at retirement at Normal Retirement Age

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### Retirement age

There are two different Normal Retirement Age's for the Career Salary (CARE) Section - **60 and 65**.

**You must take all your Age60 Benefits (2) at the same time** – this includes your:

- Final Salary Section pension (paid from the RMSPS), and
- any Career Salary (CARE) Section pension that you have built up to 31 March 2010 (also paid from the RMSPS).

This includes **any increases applied** to your Final Salary and/or Career Salary pension benefits if you continued to work for RMG or POL after 31 March 2012. These increases are paid from the RMPP.

**You must take all your Age65 Benefits (3) at the same time** – this includes any:

- Career Salary (CARE) Section pension that you have built up from 1 April 2010 to 31 March 2012 (paid from the RMSPS) and
- Career Salary (CARE) Section pension that you have built up from 1 April 2012 to 31 March 2018, or to 31 March 2017 for POL (paid from the RMPP).

This includes **any increases applied** to your Career Salary pension benefits if you continued to work for RMG or POL after 31 March 2012. These increases are paid from the RMPP.

**You do not need to take your Age60 Benefits and Age65 Benefits at the same time.** You can take your Age60 benefits and then take your Age65 benefits at a later date.

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You'll find the supporting reference notes for (2) (3) on pages 58 to 63 of this booklet.

# A deeper dive into the Career Salary (CARE) Section

## What you'll get at retirement at Normal Retirement Age

### Type of benefit – yearly pension

The Career Salary (CARE) Section gives you a **guaranteed yearly pension** (or income for life). You will get a minimum guaranteed amount of money at retirement that builds up in yearly blocks. Each yearly block is worked out based on:

- your **CSDB Pensionable Salary (14)** – this is broadly your yearly basic pay for each year up to 31 March (or part year if you left the Career Salary (CARE) Section part way through a year), and
- your **Accrual Rate (6)** – this is the rate that your pension builds up each year, based on when you joined the RMPP. Section A/B member's yearly pension builds up at a rate of 1/80<sup>th</sup> a year, and Section C member's yearly pension builds up at a rate of 1/60<sup>th</sup> a year.

**Section A/B:** If you joined the RMPP **before 1 April 1987** each yearly pension block that you have built up is worked out as:

$$\left( \frac{\text{CSDB Pensionable Salary}}{80} \right)$$

**Section C:** If you joined the RMPP **from 1 April 1987** each yearly pension block that you have built up is worked out as:

$$\left( \frac{\text{CSDB Pensionable Salary}}{60} \right)$$

Plus, each year's block of pension that you've built up is revalued every 31st March (beginning the year after it has been earned), using the previous September's increase in the Retail Price Index (with a maximum increase of 5% a year).

This helps your pension keep pace with any increases in the cost of living (known as 'inflation') over time. Your pension can only ever be increased – it will never go down.

You'll find the supporting reference notes for (14) (6) on pages 58 to 63 of this booklet.



# A deeper dive into the Career Salary (CARE) Section

## What you'll get at retirement at Normal Retirement Age

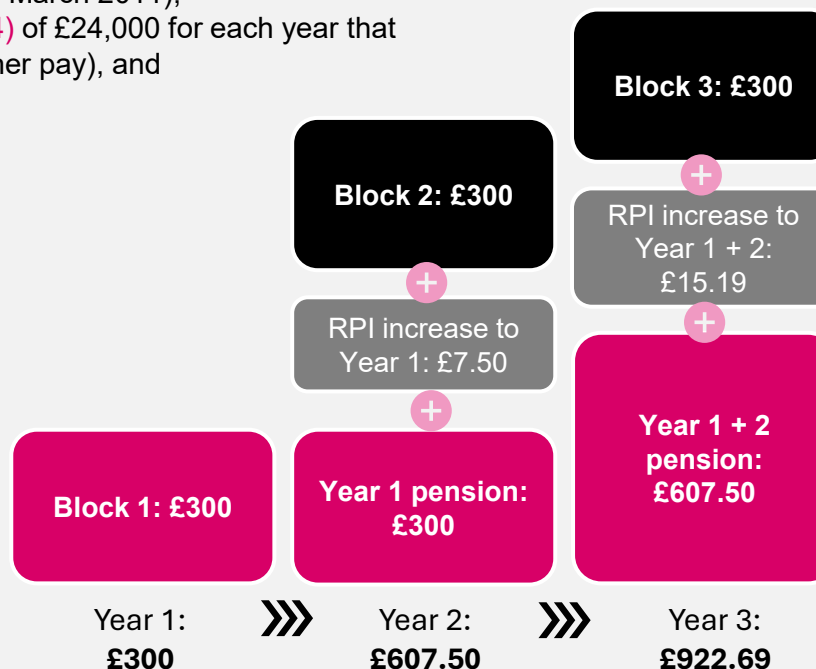
### Type of benefit – yearly pension (continued)

**Section A/B:** If you joined the RMPP **before 1 April 1987**

**For example, Jane would have built up a Career Salary (CARE) pension worth £922.69 a year in three years if she:**

- joined on 1 April 2008, and paid into the Career Salary (CARE) Section for three full years (up to 31 March 2011),
- had **CSDB Pensionable Salary (14)** of £24,000 for each year that she paid in (without any change in her pay), and
- RPI was 2.5% each year.

**Plus, Jane would have also built up a one-off cash lump sum of £2,768.07**  
(worked out as 3x her yearly pension amount).



You'll find the supporting reference notes for (14) on pages 58 to 63 of this booklet.

# A deeper dive into the Career Salary (CARE) Section

## What you'll get at retirement at Normal Retirement Age

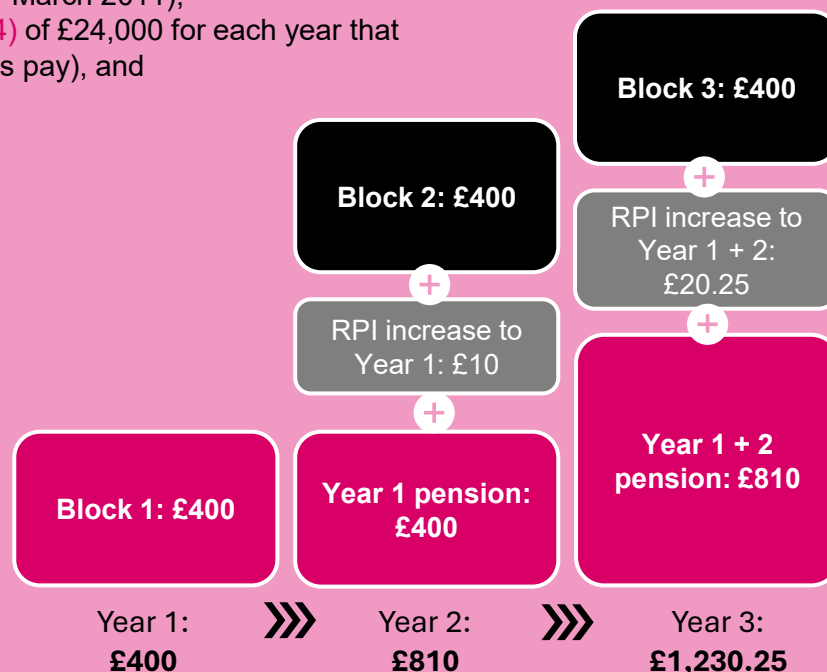
### Type of benefit – yearly pension (continued)

#### Section C: If you joined the RMPP from 1 April 1987

For example, Zahir would have built up a Career Salary (CARE) pension worth £1,230.25 a year in three years if he:

- joined on 1 April 2008, and paid into the Career Salary (CARE) Section for three full years (up to 31 March 2011),
- had **CSDB Pensionable Salary (14)** of £24,000 for each year that he paid in (without any change in his pay), and
- RPI was 2.5% each year.

Plus, Zahir would have the option to take a one-off lump sum (and take a smaller yearly pension) if he wanted to. He wouldn't build up an additional lump sum on top of his yearly pension.



You'll find the supporting reference notes for (14) on pages 58 to 63 of this booklet.

# A deeper dive into the Career Salary (CARE) Section

## What you'll get at retirement at Normal Retirement Age

### Type of benefit – tax-free cash lump sum

Normally up to 25% (a quarter) of the total value of your pension can be taken as a tax-free cash lump sum at retirement.

#### Section A/B: If you joined the RMPP before 1 April 1987

You will automatically get a cash lump sum of 3x the value of your yearly Career Salary (CARE) Section pension. This is a guaranteed amount paid on top of the yearly pension that you have built up.

But you'll also have the option to give up a bigger part of your yearly Career Salary (CARE) Section pension from Section A/B for a bigger cash lump sum. If you choose to take a bigger cash lump sum, your yearly pension will be smaller.

Or you could choose to take a smaller (or no) cash lump sum and get a bigger yearly pension.

#### Section C: If you joined the RMPP from 1 April 1987

You'll have the option to give up part of your yearly pension from Section C for a cash lump sum. If you choose to take a cash lump sum, your yearly pension will be smaller.

### Additional Voluntary Contributions (AVCs)

Your AVC account will remain invested until you choose to take them. You can use your AVC account to provide a bigger cash lump sum when you choose to take your main Career Salary (CARE) Section benefits or you can take the benefits from your AVC account separately.

# A deeper dive into the Career Salary (CARE) Section

## Retiring before Normal Retirement Age

Similarly to Royal Mail's other pension schemes, you can choose to retire before the Career Salary (CARE) Section's Normal Retirement Age of either 60 or 65. If you take your yearly pension early, your yearly pension (and any cash lump sum you take) will be reduced - the earlier you retire, the bigger the reduction.

### Early retirement (before age 60 or age 65)

Retiring early means your yearly pension (and any cash lump sum you choose to take) will be smaller than if you took it at age 60 (for your **Age60 Benefits (2)**) or age 65 (for your **Age65 Benefits (3)**).

### Minimum age to retire

The minimum age you can take your yearly pension is currently age 55 except in the case of ill health. This minimum pension age is set by the Government and will increase from age 55 to age 57 from April 2028, although you may be able to retire earlier in cases of ill health.

### Ill health retirement

You could get your Career Salary (CARE) Section pension early if you meet the criteria for ill health. Evidence about your state of health will be needed for the **RMSPS Scheme Manager (8)** or the **RMPP Trustees (RMPTL) (15)** to decide whether you qualify for Ill Health Early Retirement. If you have benefits in both the RMPP and the RMSPS, RMG or POL will decide if you qualify for an ill health early retirement pension.

If you qualify, you will get the full yearly pension that you would get at age 60 and/or at age 65 – this will not be reduced for early payment.

**We understand that circumstances like retiring early due to ill health can be difficult. If you'd like to explore ill health retirement, please get in touch with your CWU Representative, who will be able to explain the criteria and process and support you through the steps that you'll need to take.**

You'll find the supporting reference notes for (2) (3) (8) (15) on pages 58 to 63 of this booklet.

# A deeper dive into the Career Salary (CARE) Section

## Retiring after Normal Retirement Age

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### Late retirement (after age 60 or age 65)

You can choose to delay your retirement past age 60 (for your **Age60 Benefits (2)**) or age 65 (for your **Age65 Benefits (3)**), but you'll miss out on any pension payments that you would have got if you started to get your pension at your Normal Retirement Age.

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You'll find the supporting reference notes for (2) (3) on pages 58 to 63 of this booklet.

# A deeper dive into the Career Salary (CARE) Section

## Transferring out of the RMPP

### Transferring out your benefits held in the RMPP

You can transfer the value of your benefits (known as taking a 'transfer value') held in the Career Salary (CARE) Section of the RMPP to another registered pension scheme at anytime, even before age 55. It is not possible to transfer your benefits held in the RMPP to another Royal Mail pension scheme (or to transfer other pensions into the RMPP).

Your transfer value is intended to be the amount of money that's needed to provide you with all the promised pension benefits you have within the Career Salary (CARE) Section of the RMPP. It includes how much it would cost to provide you with a yearly pension for the rest of your life and the benefits that might be paid to your loved ones on your death. It also includes the increases to your pension that are built into the RMPP's rules.

If you want to transfer your Career Salary (CARE) Section benefits out of the RMPP you will need to contact the Pensions Service Centre to request a transfer quote and the forms that you will need to fill in:

[pensions.helpline@royalmail.com](mailto:pensions.helpline@royalmail.com)

0345 603 0043 (Mon to Fri, 9.00am to 5.00pm)

### Transferring out is a big decision

By transferring out your Career Salary (CARE) Section benefits, you'd be giving up an income for life that includes some protection against the rise in the cost of living. It's a big decision and one that you can't change once you've transferred out. So, it's essential to spend some time with an independent financial adviser to help you make the right decision for you and your circumstances.

As with other Defined Benefit (DB) pensions, if your transfer value is £30,000 or more, you must take (and show you've taken) independent financial advice before the **RMPP Trustees (15)** can allow you to transfer out. You can find a financial adviser on MoneyHelper:

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

> Select 'Pensions & retirement' from the main menu and then 'Find a retirement adviser'.

# A deeper dive into the Career Salary (CARE) Section

## Transferring out your Additional Voluntary Contributions (AVCs)

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### Additional Voluntary Contributions (AVCs) – yearly pension

If you paid AVCs from 1 April 2008, these will stay invested in a separate pot. You can leave your AVCs until you're ready to take them.

Or, you have the option to transfer the current value of your AVCs to another registered pension scheme\*.

\*Currently, it is not possible to transfer into the Royal Mail Collective Pension Plan (RMCPP) or any other Royal Mail pension scheme including the RMSPS.

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# A deeper dive into the Career Salary (CARE) Section

## Death after taking your Age60 Benefits

If you have already taken your **Age60 Benefits (2)** but not taken your **Age65 Benefits (3)** the following might be paid:

- A lump sum death benefit, paid to your **Lump Sum Beneficiaries (9)**.
- A pension, paid to your spouse or civil partner (or a financial dependant).
- A pension, paid to your children.

You'll find more information about each of these in the rest of this section on pages 49 to 51.

If you have not yet taken **any of your Age60 benefits (2) and Age65 benefits (3)** please go to pages 24 to 27 (*A deeper dive into the Final Salary Section*), for more information on the benefits that might be paid if you died before retirement.

You'll find the supporting reference notes for **(2) (3) (9)** on pages 58 to 63 of this booklet.



# A deeper dive into the Career Salary (CARE) Section

## Death after taking your Age60 Benefits

### Lump sum death benefit

If you have not yet taken any of your **Age65 Benefits (3)** but have already taken your **Age60 Benefits (2)**, a lump sum death benefit is payable.

#### Section A/B: If you joined the RMPP before 1 April 1987

Your **Lump Sum Beneficiaries (9)** will get a lump sum of whichever is bigger from the below:

- **1.25x your Pensionable Pay (10)** as calculated at the latest date of:
  - the date you stopped working for RMG, or
  - the date you started to take your pension if you were still working for RMG at that point.
- or**
- **5x the yearly rate of your Age65 benefits (3)** and any remaining **Age60 benefits (2)** that would have been payable to you at the date of your death.

If you paid the additional 0.2% contribution to the RMPP until 31 March 1999, your lump sum death benefit will be worked as below if it gives a bigger amount than the two options shown above:

- **3/80ths of your Pensionable Pay (10)** as calculated at the date you stopped working for RMG (or the date you started to take your pension if you were still working for RMG at that point) for each year (or part year) of service completed before 1 April 1999; **plus**
- **5x the yearly rate of your Age60 benefits (2)** built up before 1 April 1999.

#### Section C: If you joined the RMPP from 1 April 1987

If you die within five years of starting to get your **Age60 Benefits**, your **Lump Sum Beneficiaries (9)** will get the remaining balance of the pension that you would have received for the first five years since your **Age60 Benefits** payments started (without any future increases added), **plus** **5x the yearly rate of your Age65 benefits** that you have built up (excluding any **Pension Supplement (7)** and without enhancement).

This lump sum is **capped at a maximum of 4x your Final Pensionable Pay (5)**. For the purposes of this calculation, your Final Pensionable Pay is not reduced by the **Lower Earnings Deduction (12)**. Also, for part-time employees, Final Pensionable Pay is not scaled up to the full-time equivalent.

# A deeper dive into the Career Salary (CARE) Section

## Death after taking your Age60 Benefits

**A pension, paid to your spouse or civil partner (or a financial dependant)**

If you have not yet taken any of your **Age65 Benefits (3)** but have already taken your **Age60 Benefits (2)**, a yearly pension will be paid to your spouse or civil partner.

**Section A/B: If you joined the RMPP before 1 April 1987**

### **For the first 91 days after your death**

Your spouse or civil partner will get the same pension that you were being paid immediately before your death).

### **From 92 days after your death (and onwards)**

Your spouse or civil partner will get a pension amount of:

- up to **half your pension from your Age60 benefits** that you were getting at the date of your death.
- Up to **half your pension from your Age65 benefits** that you would have received when you stopped building up benefits in the RMPP, had you been age 65 at that date.

**Section C: If you joined the RMPP from 1 April 1987**

### **For the first 91 days after your death**

Your spouse or civil partner will get the same pension that you were being paid immediately before your death (excluding any **Pension Supplement (7)**).

### **From 92 days after your death (and onwards)**

Your spouse or civil partner will get a pension amount of **half your pension** that you were getting at the time of your death, ignoring any pension that you gave up to get a cash lump sum when you started to get your **Age60 benefits (2)**.

This is worked out from both your **Age60 benefits (2)** and **Age65 benefits (3)** without any **Pension Supplement (7)**.

If you are not married or in a civil partnership a pension may be paid to a **Financial Dependant (11)** instead. A dependant's pension is normally the same amount as a pension for your spouse or civil partner.

You'll find the supporting reference notes for **(2) (3) (7) (11)** on pages 58 to 63 of this booklet.

# A deeper dive into the Career Salary (CARE) Section

## Death after taking your Age60 Benefits

### A pension, paid to your children

Your children (including step-children), nieces, nephews and/or siblings may get a pension if, at the time of your death, they are dependent on you and:

- under 18, or
- under 23 and in full-time education or training which is approved by the **RMSPS Scheme Manager (8)** or the **RMPP Trustees (RMPTL) (15)**, or
- incapable of self support because of physical or mental incapacity.

Their pension will be part of the pension you would have got at the time of your death. How much they get will depend on the number of children you have and whether or not a pension is paid to your spouse, civil partner or financial dependant as well.

#### Section A/B: If you joined the RMPP before 1 April 1987

**If a pension is paid to your spouse, civil partner or financial dependant**, your children will get:

- 1/3 of your pension if there is one child, or
- 2/3 of your pension where there are two or more children (divided equally between all your children)

**If no pension is paid to your spouse, civil partner or financial dependant**, your children will get:

- 4/9 of your pension if there is one child, or
- 8/9 of your pension where there are two or more children (divided equally between all your children)

#### Section C: If you joined the RMPP from 1 April 1987

**If a pension is paid to your spouse, civil partner or financial dependant**, your children will get:

- 1/4 of your pension if there is one child, or
- 1/2 of your pension where there are two or more children (divided equally between all your children)

**If no pension is paid to your spouse, civil partner or financial dependant**, your children will get:

- 1/3 of your pension if there is one child, or
- 2/3 of your pension where there are two or more children (divided equally between all your children)

### Additional Voluntary Contributions (AVCs)

If you've also paid Additional Voluntary Contributions (AVCs) and have not yet used your AVC pension pot, these will be paid as a lump sum to your beneficiaries. This lump sum will be separate to the lump sum death benefit paid from the Career Salary (CARE) Section.

# A deeper dive into the Career Salary (CARE) Section

## Death after taking your Age60 Benefits and Age65 Benefits

If you have already taken both your **Age60 Benefits (2)** and your **Age65 Benefits (3)** the following might be paid:

- A lump sum death benefit, paid to your **Lump Sum Beneficiaries (9)** if you die within five years of starting to get your Age65 Benefits. If you die more than five years after starting to get your Age65 Benefits, there will be no lump sum death benefit paid.
- A pension, paid to your spouse or civil partner (or a financial dependant).
- A pension, paid to your children.

You'll find more information about each of these in the rest of this section on pages 53 to 55.

If you have not yet taken **any of your Age60 benefits (2) and Age65 benefits (3)** please go to pages 24 to 27 (*A deeper dive into the Final Salary Section*), for more information on the benefits that might be paid if you died before retirement.

You'll find the supporting reference notes for **(2) (3) (9)** on pages 58 to 63 of this booklet.

# A deeper dive into the Career Salary (CARE) Section

## Death after taking your Age60 Benefits and Age65 Benefits

### Lump sum death benefit

If you have already taken **both your Age65 Benefits (3) and Age60 Benefits (2)**, a lump sum death benefit will only be paid to your beneficiaries if you die within five years of starting to get your Age65 Benefits.

**If you die more than five years after starting to get your Age65 Benefits, there will be no lump sum death benefit paid.**

#### Section A/B: If you joined the RMPP **before 1 April 1987**

Your **Lump Sum Beneficiaries (9)** will get a lump sum of:

- the remaining balance of any pension that you would have received for the first five years since your **Age60 Benefits** payments started (without any future increases added),  
*plus*
- the remaining balance of any pension that you would have received for the first five years since your **Age65 Benefits** payments started (without any future increases added).

#### Section C: If you joined the RMPP **from 1 April 1987**

Your **Lump Sum Beneficiaries (9)** will get a lump sum of:

- the remaining balance of any pension that you would have received for the first five years since your **Age60 Benefits** payments started (without any future increases or **Pension Supplement (7)** added),  
*plus*
- the remaining balance of any pension that you would have received for the first five years since your **Age65 Benefits** payments started (without any future increases or **Pension Supplement (7)** added).

You'll find the supporting reference notes for (2) (3) (7) (9) on pages 58 to 63 of this booklet.

# A deeper dive into the Career Salary (CARE) Section

## Death after taking your Age60 Benefits and Age65 Benefits

**A pension, paid to your spouse or civil partner (or a financial dependant)**

If you have already taken **both your Age65 Benefits (3) and Age60 Benefits (2)**, a yearly pension will be paid to your spouse or civil partner.

**Section A/B:** If you joined the RMPP **before 1 April 1987**

### **For the first 91 days after your death**

Your spouse or civil partner will get the same pension that you were being paid immediately before your death.

### **From 92 days after your death (and onwards)**

Your spouse or civil partner will get a pension amount of **half your pension** that you were getting at the time of your death, ignoring any pension that you gave up to get a cash lump sum when you started to get your pension.

This is worked out from both your **Age60 benefits (2)** and **Age65 benefits (3)**.

**Section C:** If you joined the RMPP **from 1 April 1987**

### **For the first 91 days after your death**

Your spouse or civil partner will get the same pension that you were being paid immediately before your death (excluding any **Pension Supplement (7)**).

### **From 92 days after your death (and onwards)**

Your spouse or civil partner will get a pension amount of **half your pension** that you were getting at the time of your death, ignoring any pension that you gave up to get a cash lump sum when you started to get your pension.

This is worked out from both your **Age60 benefits (2)** and **Age65 benefits (3)** without any **Pension Supplement (7)**.

If you are not married or in a civil partnership a pension may be paid to a **Financial Dependand (11)** instead. A dependant's pension is normally the same amount as a pension for your spouse or civil partner.

You'll find the supporting reference notes for **(2) (3) (7) (11)** on pages 58 to 63 of this booklet.

# A deeper dive into the Career Salary (CARE) Section

## Death after taking your Age60 Benefits and Age65 Benefits

### A pension, paid to your children

Your children (including step-children), nieces, nephews and/or siblings may get a pension if, at the time of your death, they are dependent on you and:

- under 18, or
- under 23 and in full-time education or training which is approved by the **RMPP Trustees (RMPTL)** (15), or
- incapable of self support because of physical or mental incapacity.

Their pension will be part of the pension you would have got at the time of your death. How much they get will depend on the number of children you have and whether or not a pension is paid to your spouse, civil partner or financial dependant as well.

#### Section A/B: If you joined the RMPP before 1 April 1987

**If a pension is paid to your spouse, civil partner or financial dependant**, your children will get:

- 1/3 of your pension if there is one child, or
- 2/3 of your pension where there are two or more children (divided equally between all your children)

**If no pension is paid to your spouse, civil partner or financial dependant**, your children will get:

- 4/9 of your pension if there is one child, or
- 8/9 of your pension where there are two or more children (divided equally between all your children)

#### Section C: If you joined the RMPP from 1 April 1987

**If a pension is paid to your spouse, civil partner or financial dependant**, your children will get:

- 1/4 of your pension if there is one child, or
- 1/2 of your pension where there are two or more children (divided equally between all your children)

**If no pension is paid to your spouse, civil partner or financial dependant**, your children will get:

- 1/3 of your pension if there is one child, or
- 2/3 of your pension where there are two or more children (divided equally between all your children)

You'll find the supporting reference notes for (15) on pages 58 to 63 of this booklet.

# A deeper dive into the Career Salary (CARE) Section

## Death after taking your Additional Voluntary Contributions (AVCs)

The benefits payable on death after retirement will depend on how you decided to use your AVCs when you retired.

### If you took some (or all) of your AVCs as cash

If you took some cash, there will be no further benefits payable to your beneficiaries but any remaining cash at the date of death can be passed on.

### If you took some (or all) of your AVCs as an annuity

If you bought a guaranteed income (an annuity) (16), the benefits payable on death after retirement will depend on the terms of the annuity that you bought. When buying an annuity, you can choose the level of death benefits that's right for you and your circumstances e.g. the pension payable to a spouse or other dependant.

### If you took some (or all) of your AVCs into a drawdown arrangement

If you entered into an income drawdown (17) arrangement, the remaining benefits at date of death can be passed on to your beneficiaries.

You'll find the supporting reference notes for (16) (17) on pages 58 to 63 of this booklet.



# A deeper dive into the Career Salary (CARE) Section

## Increases to your yearly pension paid from the RMPP

### Pension increases to your pension paid from the RMPP

Your yearly pension (and any pension paid to your spouse, civil partner or financial dependant if you die) will normally increase each year in April to help it keep pace with any increases to the cost of living, known as 'inflation'. **Your pension can only ever increase, it won't go down – even if inflation goes down.**

If you start to get your pension part way through a reporting year (i.e. a date other than 31 March), your first pension increase may be lower than the full year's increase to reflect that your pension has not been in payment for a full year.

Because your pension is made up of different parts that have different rules applied to them, the increases for each part are also different as shown on the next page.

#### **Section A/B:** If you joined the RMPP **before 1 April 1987**

Your pension will increase in line with the Consumer Prices Index (CPI) from the previous year.

#### **Section C:** If you joined the RMPP **from 1 April 1987**

Your pension will increase in line with the Retail Price Index (RPI) over the previous year (up to a maximum of 5%).

# Reference notes

## Notes to the tables on pages 15 to 29 and on pages 37 to 57: (1) to (3)

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- (1)** **Section A.** Section A applies to members who joined the Post Office before 1 December 1971 (and Section B to those who joined between 1 December 1971 and 31 March 1987). Section A members may choose to receive the same benefits as Section B members. If you are in Section A, you can choose to receive Section B benefits instead of Section A benefits and that choice will apply to your entire benefits (payable by both the RMSPS and RMPP).

Section A members who joined the RMPP before 1 December 1971 and who do not opt for Section B benefits receive different benefits as follows:

- Pensionable Pay is 6% less than the definition given in this booklet.
- The Final Salary Section benefits (which for most members only applies to service up to 1 April 2008) applies to their service up to 31 March 2018.
- The Service used in calculating the pre-1 April 2018 benefits includes all service up to 31 March 2018 in which you were an active (contributing) member of the RMPP. The maximum Service used to calculate the pre-1 April 2018 benefits is 45 years.

- 
- (2)** **Age60 Benefits.** This is your yearly pension (and guaranteed cash lump sum for Section A/B members) that you have built up as follows:
- In the Final Salary Section up to 31 March 2018, and
  - In the Career Salary (CARE) Section from 1 April 2008 to 31 March 2010.
- Both of these benefits will be paid primarily from the Royal Mail Statutory Pension Scheme (RMSPS) and have a Normal Retirement Age of 60.

The RMPP will provide any increase applied to your Age60 Benefits if you continued to work for Royal Mail or POL after 31 March 2012.

- 
- (3)** **Age65 Benefits.** This is your yearly pension (and guaranteed cash lump sum for Section A/B members) that you have built up as follows:
- In the Career Salary (CARE) Section from 1 April 2010 to 31 March 2012. This will be paid from the Royal Mail Statutory Pension Scheme (RMSPS).
  - In the Career Salary (CARE) Section from 1 April 2012 to 31 March 2018 (or to 31 March 2017 for POL). This will be paid from the Royal Mail Pension Plan (RMPP).
- Both of these benefits have a Normal Retirement Age of 65.
-

# Reference notes

## Notes to the tables on pages 15 to 29 and on pages 37 to 57: (4) to (5)

- (4) Service.** This is used to work out your pension benefits in the Final Salary Section and is based on your time paying in to the RMPP up to 31 March 2008 (when the Rules treated you as being in 'Reckonable' or 'Pensionable' Service"). Or periods that were counted as paying in to the RMPP, e.g. if you were on maternity leave or another leave of absence or were a non-contributory member. It also includes any benefits transferred in from other pension schemes and/or additional Service that was added (for example through paying Additional Voluntary Contributions through Addplan). Periods of unpaid absence will not count towards your Service unless you made up missing contributions on your return to work.

The maximum service that can be used to calculate benefits built up before 1 April 2018 is 45 years.

**If you worked part-time before 1 April 2008**, your Service will be based on the actual hours that you worked and would count as part of full-time service. For example, if you worked 20 hours per week for two years and the full-time hours for the same job are 40 hours per week, your service will be worked out as: **(20 years / 40 hours) x 2 years = 1 year Service** (this is often referred to as 'Reckonable Service').

- (5) Final Pensionable Pay.** This was used to work out the part of your pension benefits in the Final Salary Section for your Service before 1 April 2008.

### Section A/B

It is the total of your basic yearly salary or wages (including, where appropriate, London weighting) plus any pensionable allowance in whichever of the last three years of Service gives you the highest amount.

Final Pensionable Pay is adjusted to the full-time equivalent during periods of part-time employment unless stated otherwise.

### Section C

It is based on your **Pensionable Pay** and is the greater of:

- Your highest **Pensionable Pay** for any calculation year during the last three years of your service, ending on your last day of service, **or**
- The highest average of your **Pensionable Pay** in any three consecutive tax years in the last 10 years before you leave Service, take your benefits or die.

Your **Pensionable Pay** is equal to your yearly rate of basic pay, plus other amounts stated as pensionable in your terms and conditions of employment, minus the average **Lower Earnings Deduction (13)** during the calculation year.

If you work part-time, the Pensionable Pay used to calculate your Final Pensionable Pay will be adjusted to its full-time equivalent.

# Reference notes

## Notes to the tables on pages 15 to 29 and on pages 37 to 57: (6) to (8)

- (6)** **Accrual Rate.** This is the rate at which your pension benefits builds up each year in both the Final Salary Section and the Career Salary (CARE) Section. The rate is a fraction which is then multiplied by your Final Pensionable Pay (for the Final Salary Section) or your CSDB Pensionable Salary (for the Career Salary (CARE) Section) each year.

Your final pension benefit is calculated by adding all the savings made in each year of membership together.

- **Section A/B** member's Accrual Rate for pension is 1/80<sup>th</sup>.
- **Section A/B** member's Accrual Rate for cash lump sum is 3/80<sup>th</sup>.

- **Section C** member's Accrual Rate is 1/60<sup>th</sup>.

- (7)** **Pension Supplement.** This applies to Section C members only for both the Final Salary Section and the Career Salary (CARE) Section.

You may receive a Pension Supplement if you start to get your yearly pension before your State Pension Age and are not working for Royal Mail or the Post Office Limited. Any Pension Supplement paid will be paid only until you reach your State Pension Age and then it will stop.

The Pension Supplement is based on your Service after 31 March 2008 and the **Lower Earnings Deduction (13)** and is worked out as 1/60th of the average Lower Earnings Deduction over the period during which Final Pensionable Pay is calculated, with an additional pro-rata amount for part years. It was increased ('revalued') each year in the same way as your Career Salary benefits were.

- (8)** **RMSPS Scheme Manager.** The Cabinet Office (part of the Government) is responsible for managing the RMSPS, which is responsible for paying your Final Salary Section pension, plus any Career Salary (CARE) Section pension built up to 31 March 2012. The day-to-day responsibilities for the RMSPS are delegated to a Management team, led by the RMSPS Scheme Manager. The RMSPS Scheme Manager's role is to make sure that the scheme is working well, make discretionary decisions, and deal with the most serious complaints.

# Reference notes

## Notes to the tables on pages 15 to 29 and on pages 37 to 57: (9) to (10)

(9)

### Lump Sum Beneficiaries.

#### For your lump sum death benefit payable from the Royal Mail Statutory Pension Scheme (RMSPS)

The RMSPS Scheme Manager has complete discretion when selecting who will receive your lump sum death benefit, but it will normally follow the wishes you've shared on your 'Lump sum death benefit nomination' form. This means it is important that your wishes are clear and that you update your form straight away if your circumstances change, for example, if you marry, divorce or separate, even if you wish to re-confirm the existing nominees. The RMSPS Scheme Manager may choose not to follow your nomination if your circumstances have changed and you have not completed a new nomination form.

**Section A/B** members should complete and return the 'Direction of lump sum death benefit form' at:

[www.royalmailspss.co.uk/support/useful-documents](http://www.royalmailspss.co.uk/support/useful-documents)

> Select the form from 'Sections A and B'

**Section C** members should complete and return the 'Lump sum death benefit nomination form' at:

[www.royalmailspss.co.uk/support/useful-documents](http://www.royalmailspss.co.uk/support/useful-documents)

> Select the form from 'Section C'

#### For your lump sum death benefit payable from the Royal Mail Pension Plan (RMPP)

The RMPP Trustees have complete discretion when selecting beneficiaries, but they will normally follow your wishes as set out on your direction or nomination form.

**Section A/B** should complete and return the 'Lump sum direction and nomination form' at:

[www.royalmailpensionplan.co.uk/documents-and-forms](http://www.royalmailpensionplan.co.uk/documents-and-forms)

> Select 'Between 1 April 1987 and 31 March 2018 (Section C)' from the Document section drop down, and 'Nomination Forms' from the Document type dropdown and then hit 'Search'.

**Section C** members should complete and return the 'Lump sum nomination form' at:

[www.royalmailpensionplan.co.uk/documents-and-forms](http://www.royalmailpensionplan.co.uk/documents-and-forms)

> Select 'Between 1 April 1987 and 31 March 2018 (Section C)' from the Document section drop down, and 'Nomination Forms' from the Document type dropdown and then hit 'Search'.

(10)

**Pensionable Pay.** This is used to work out most of your benefits (including some of the death benefits) that may be paid from both the RMSPS and RMPP. It is equal to your yearly rate of basic pay, plus other amounts stated as pensionable in your terms and conditions of employment, minus any average **Lower Earnings Deduction** (13) (applied to Section C members only, except when working out most lump sum death benefits) during the calculation year.

# Reference notes

## Notes to the tables on pages 15 to 29 and on pages 37 to 57: (11) to (13)

**(11) Financial Dependant.** This is someone who is financially dependent on you in some way immediately before your death. This is normally someone who is living with you.

Examples of people who may be considered for a dependant's pension are:

- A long-term partner (who you are not married to or in a civil partnership with).
- An elderly parent who cannot support themselves because of ill health.

Someone may be considered as financially dependent on you if:

- they share living expenses with you or receive financial support from you, and
- their standard of living would be affected by the loss of your financial contribution or support.

**(12) Lower Earnings Deduction.** This applies to Section C members only.

**For Section C members** this is used to work out your CSDB Pensionable Salary and any Pension Supplement that is paid to you.

The Lower Earnings Deduction has been frozen at £3,328 a year for members who worked full-time (scaled down for part-time members or part years of service by reference to hours worked).

**If you work part-time**, the Lower Earnings Deduction is reduced in proportion to the number of hours you actually work (compared to the hours that you would work if you were full-time).

**(13) Guaranteed Minimum Pension (GMP).** This is part of your pension that you built up to 5 April 1997 and is called the Guaranteed Minimum Pension (GMP). The GMP is roughly equal to the pension you would have built up to that date in the State Earnings Related Pension Scheme ('SERPS') if you had been a member of SERPS instead of a member of the RMPP. All GMPs that built up in the Royal Mail Pension Plan ('RMPP') are now provided by the Royal Mail Statutory Pension Scheme ('RMSPS').

# Reference notes

## Notes to the tables on pages 15 to 29 and on pages 37 to 57: (14) to (17)

**(14) CSDB Pensionable Salary** (Career Salary Defined Benefit Pensionable Salary). This was used to work out the part of your Career Salary (CARE) Section pension (and any tax-free cash lump sum that you take) that relate to your service on or after 1 April 2008. It is the amount of your pay used to work out your pension and other benefits during each year that you paid into the Career Salary (CARE) Section.

It is equal to your yearly rate of basic pay, plus any other amounts stated as contributory in your terms and conditions of employment during the 12 months up to and including each renewal date (on 31 March each year). The CSDB Pensionable Salary figures on which your pension benefits will be based (less the Lower Earnings Deduction) will have been worked out at the time you stopped building up benefits in the RMPP and then increased broadly in line with the Retail Price Index (RPI) capped at 5%.

This is also sometimes referred to as '**CSDB Pensionable Pay**' rather than CSDB Pensionable Salary, but they mean the same thing.

**(15) RMPP Trustees.** This is Royal Mail Pensions Trustees Limited – the organisation that manages the RMPP in accordance with its Trust Deed and Rules. The Trustee Board is made up of nine Trustee Directors. Four Trustee Directors are nominated by the employers, four by the unions – and the ninth is an independent Chair, appointed by Royal Mail with the unions' agreement.

**(16) Annuity.** This means the regular retirement income (i.e. a yearly pension) that will be paid by an insurance company in return for a sum of money paid from some or all of your AVC funds.

**(17) Income drawdown.** This is a facility provided within a pension arrangement that enables you to take your benefits flexibly. This means that, unlike an annuity, you would have ongoing choices about the way that your money is invested and the frequency and amount of that you take out of your chosen income drawdown arrangement. You would likely need to transfer your AVCs to another registered pension scheme in order to access this.

This is also sometimes known as 'Flexi Income Drawdown' or just 'Drawdown'.

# A note about using this booklet



**This booklet is intended to give a clear and simple summary to help CWU members who work for, or have worked for, Royal Mail Group (RMG) with their retirement planning.**

**CWU cannot provide you with financial advice.** This booklet, and the others in this set, are designed for information only and should not be seen as providing financial advice. If you are unsure about making decisions about your pension, you may want to take advice from an independent financial adviser. You can find an independent financial adviser at: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) by selecting 'Pensions & retirement' from the main menu and then 'Find a retirement adviser'.

We have tried to be accurate without using a lot of legal terms and pension jargon. This booklet provides an outline of the benefits in the Final Salary and Career Salary (CARE) Section of the Royal Mail Pension Plan ('RMPP') and/or the Royal Mail Statutory Pension Scheme ('RMSPS') only, but does not give you any legal right to those benefits and cannot cover every possible outcome. It gives no legal rights to benefits, which are governed only by the Trust Deed and Rules of the RMPP and/or the RMSPS which may change from time to time, as well as by legislation. It was not prepared on behalf of any of Royal Mail, or the RMPP or RMSPS Trustees, who can take no responsibility for it.

More information can be found on the relevant websites at [www.royalmailpensionplan.co.uk](http://www.royalmailpensionplan.co.uk) and [www.royalmailsps.co.uk](http://www.royalmailsps.co.uk) and in the personal statements that set out your individual entitlement.