

No: 329/24

9th October 2024

Dear Colleagues,

Royal Mail: Pensions – The Collective Plan Successfully Launched

Further to LTB 324/24 dated 3rd October. The Collective Plan was successfully launched on Monday 7th October and all payroll processes are in place to reflect the 6% employee contribution.

Branches and Representatives are advised that pensionable pay is different in the Collective Plan to the previous schemes. This will have a relatively minor impact on the amount of money associated with pension contributions and in turn this will have a small impact on take-home pay for most people.


In the Collective Plan, more elements of pay are pensionable, so most members in some circumstances will see an increase in their Pensionable Pay. This means members impacted will see a small increase in their contributions, and a small decrease in their take-home pay after tax relief. However, crucially, Royal Mail's contribution and the benefit members receive from the Collective Plan are also based on this new, higher, Pensionable Pay. This is explained further in the attached slides produced by Royal Mail. Branches are urged to refer to these slides when receiving enquiries from members about changes to their take-home pay.

- those who joined Royal Mail after 2008 and were in the RMDCP
- those who joined Royal Mail before 1987, were in Section B of RMPP and contributed to DBCB
- those who joined Royal Mail between 1987 – 2008, were in Section C of RMPP and contributed to DBCB
- those who joined Royal Mail between 2008 – 2024, were in Section F of RMPP and contributed to DBCB

Branches and Representatives may also receive enquires from members as to why their AVCs have not been taken from payroll this week. The explanation for this is that the member hasn't instructed Royal Mail to start a fresh AVC as part of the Collective Plan, which is the requirement of the Trustees. Essentially, as previously advised, AVCs linked to former schemes have now ceased and new AVCs will have to be set up (this can be done via the People App).

Please ask members to visit the Royal Mail Collective Plan website for further information and FAQs: www.myroyalmail.com/collective-plan

Yours sincerely,



Martin Walsh
Deputy General Secretary (Postal)



Andy Furey
Assistant Secretary

Collective Plan: changes to pensionable pay

This document is to help you understand why there may be changes to your pensionable pay once we launch the Collective Plan on 7 October

- Page 2: those who joined Royal Mail after 2008 and are currently in RMDCP
- Page 3: those who joined Royal Mail before 1987, are in Section B of RMPP and currently contributing to DBCB
- Page 4: those who joined Royal Mail between 1987 – 2008, are in Section C of RMPP and currently contributing to DBCB
- Page 5: those who joined Royal Mail between 2008 – 2024, are in Section F of RMPP and currently contributing to DBCB

Visit myroyalmail.com/pensions for more information



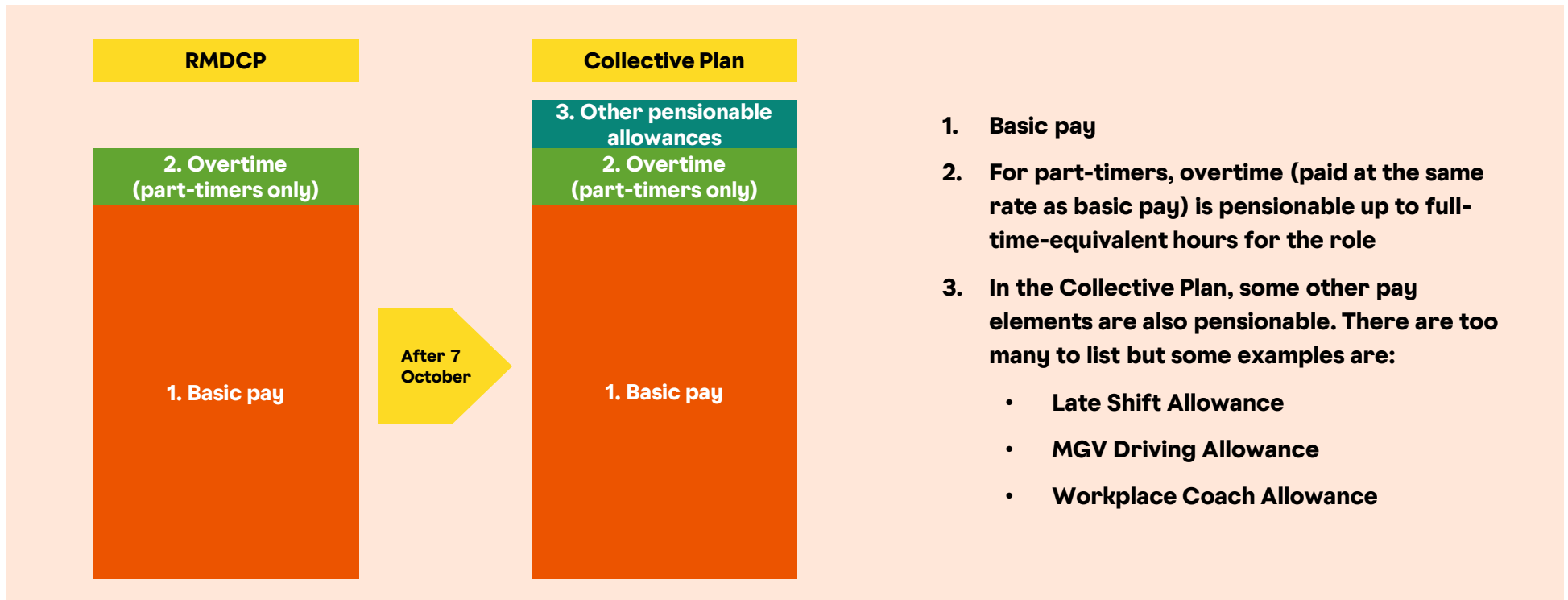
We deliver
MORE

Change in pensionable pay for people currently contributing to RMDCP

(if you joined since 1 April 2008, you're in a pension scheme, and you didn't choose to transfer to DBCBS after five years, you'll be in RMDCP)

In the Collective Plan, more elements of pay are pensionable, so most people in RMDCP will see an increase in their Pensionable Pay.

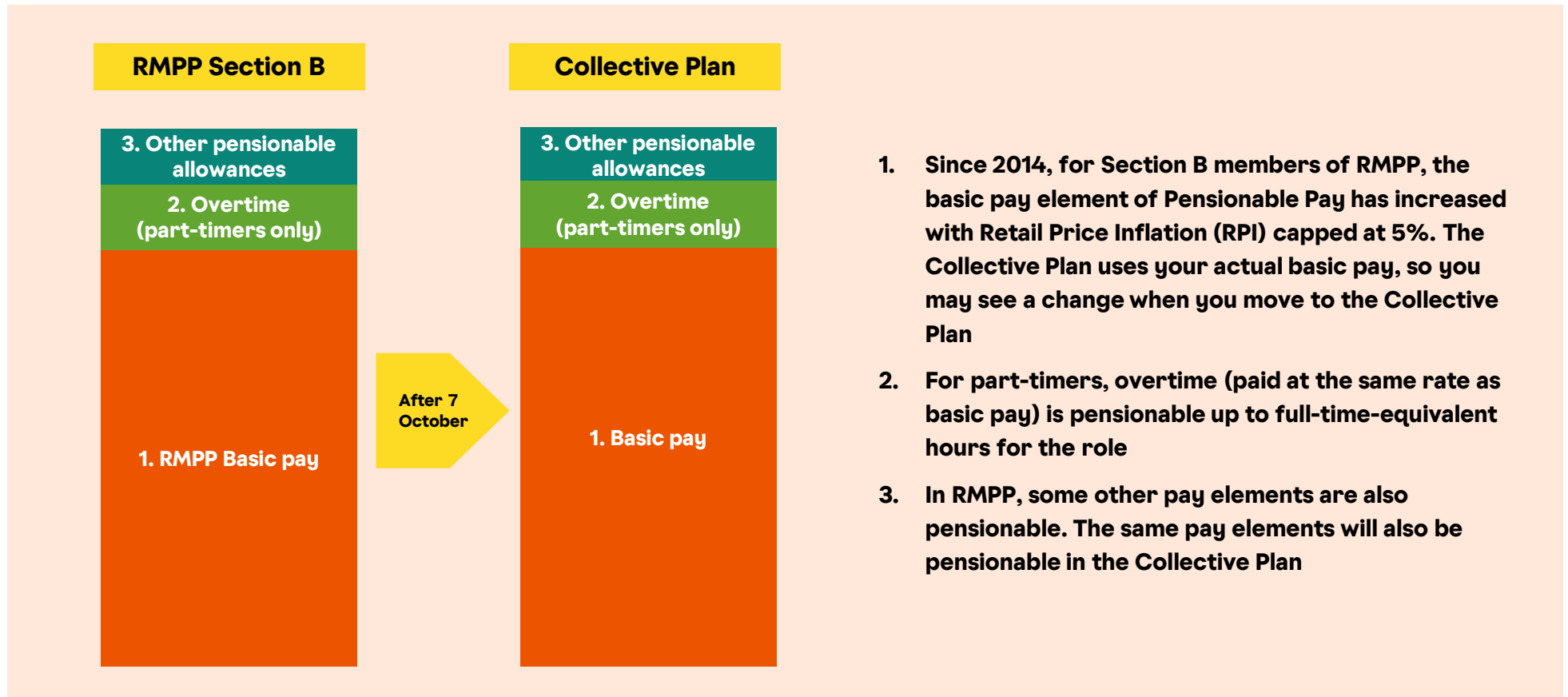
This means many people will see a small increase in their contributions, and a small decrease in their take-home pay after tax relief. But remember, Royal Mail's contribution and the benefit you receive from the Collective Plan are also based on this new, higher, Pensionable Pay.



Change in pensionable pay for people in Section B of RMPP and currently contributing to the DBCB Section

(if you joined before 1 April 1987 and haven't taken all your benefits yet, you'll very likely be in Section B of the RMPP)

Pensionable pay in the Collective Plan is similar to Pensionable Pay in Section B of RMPP. However, **you will probably see a change due to the different ways basic pay is calculated**. For most people the difference will be relatively small.

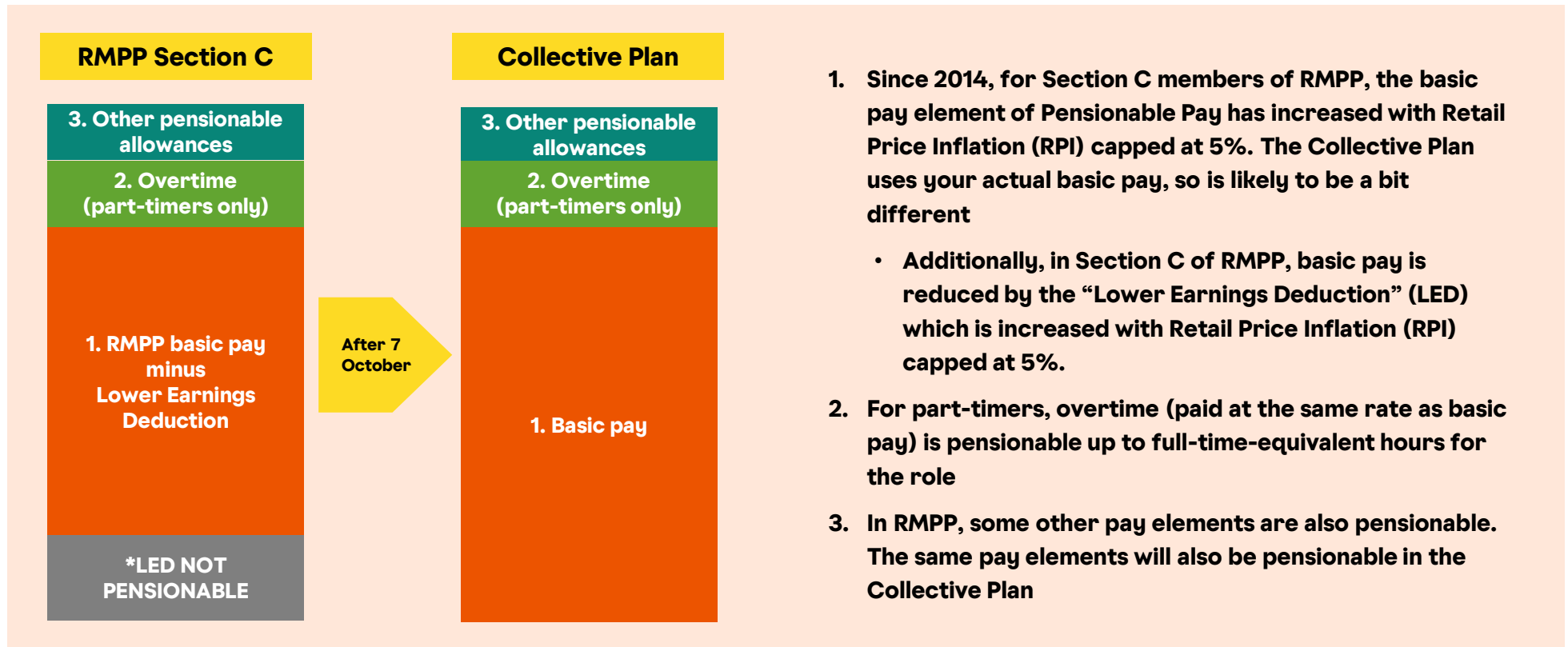


Change in pensionable pay for people in Section C of RMPP and currently contributing to the DBCB Section

(if you joined between 1 April 1987 and 31 March 2008 and haven't taken all your benefits yet, you'll very likely be in Section C of the RMPP)

Members of Section C of RMPP will generally see an increase in their Pensionable Pay (mainly due to the removal of the LED).

This means an increase to your contributions, and a relatively small decrease in your take-home pay after tax relief. But remember, Royal Mail's contribution and the benefit you receive from the Collective Plan are also based on this new, higher, Pensionable Pay.



Change in pensionable pay for people in Section F of RMPP and currently contributing to the DBCB Section

(if you joined between 1 April 2018 and 6 October 2024 and haven't taken all your benefits yet, you'll very likely be in Section F of the RMPP)

Members of Section F of RMPP will generally see an increase in their Pensionable Pay (mainly due to the removal of the LED).

This means an increase to your contributions, and a relatively small decrease in your take-home pay after tax relief. But remember, Royal Mail's contribution and the benefit you receive from the Collective Plan are also based on this new, higher, Pensionable Pay.

