

No. 087/26

25th March 2026

Dear Colleague

ROYAL MAIL: WINDING UP THE RMDCP SCHEME – TRANSFER OF MEMBER ASSETS TO LEGAL AND GENERAL MASTERTRUST IN JULY 2026

Branches and Representatives are advised that our members who are in the Royal Mail Defined Contribution Plan – RMDCP - are due to imminently receive an important communication from the Trustee (**Appendix A**) advising that the scheme is winding up with all savings/assets invested moving to the Legal & General Mastertrust from July 2026.

Background

For clarity purposes eligibility to be a member of the RMDCP scheme members would have to have been employed by Royal Mail between 1st April 2008 and 6th October 2024.

The RMDCP scheme has been administered from its inception by Scottish Widows and essentially operates on the basis that each individual has a pension pot which sits within an overall investment plan (either the Default Lifecycle option or one of their choice), with the aim of growing the pot over time through the investment returns. The assumption that Scottish Widows adopts in terms of investments is that members will take their pension pot at age 65 (although it can be taken from age 55).

As a consequence of the introduction of the new Collective Plan, the RMDCP was closed to new entrants on 7th October 2024 and subsequently completely closed to new payments on 6th October 2025, which rendered it a “legacy scheme”. This position led to the Trustee of the RMDCP, along with Royal Mail, to make a decision to move all monies held in the RMDCP to a Master Trust. An extensive selection process was undertaken to identify a suitable destination for members’ pots and Legal & General was chosen from the shortlist.

From July 2026, the L&G Mastertrust will receive retirement savings/assets from the RMDCP which will be placed into a default fund called “The Lifetime Advantage Fund”. The L&G Mastertrust is one of the largest in the UK and became the first insurance-based master trust to reach £30bn in assets. The RMDCP Trustee states **“This scale, alongside the member experience offering and investment choices impressed the Trustees and made it the clear choice for member pots”**.

L&G is a major UK financial services company that runs pensions and investments for millions of people, and a master trust is a type of pension scheme used by many employers. Because a master trust looks after a very large number of members:

- it can offer lower charges
- better online services
- and more support as members approach retirement.

As a consequence of the RMDCP Trustee decision, I have been in further dialogue with the Scheme Executive regarding the transfer of member assets to the Legal and General Mastertrust to clarify a number of points, particularly around scheme membership numbers, death in service, Ill health Retirement etc. I have received helpful responses (in blue) to my questions, which are reproduced in the attached **Appendix B**.

The Postal Executive has recently received a presentation from the RMDCP Executive along with a Legal & General expert and is satisfied that these changes are positive overall and to the benefit of our members currently in the RMDCP.

It should be noted that more information can be obtained from the dedicated microsite that L&G have set up. The link is as follows and is live now:

www.legalandgeneral.com/rmdcp

Furthermore, two Webinars have been arranged as follows:

Tuesday 14th April 10.30 to 11.30
Thursday 23rd April 14.00 to 15.00

RMDCP members will be encouraged to join the webinar and pose questions. Registration for the Webinars can be made via the microsite. The RMDCP Executive is also planning wider communications to engage with scheme members.

In conclusion, the Postal Executive has carefully considered this matter and is of the opinion that the move away from Scottish Widows to the L&G Mastertrust is a positive development.

Any queries in relation to this LTB should be directed to Samantha Nicholas at snicholas@cwu.org

Yours sincerely,

Andy Furey
Assistant Secretary



How can I update my contact details to ensure that I continue to receive communications from you, Scottish Widows and L&G?

Until the transfer takes place, you can update the contact details that the RMDCP has on file for you online at www.scottishwidows.co.uk/save/royalmaildcpplan.html or by scanning the QR code.

After the transfer has taken place, please contact L&G to update your contact details.



If I need to contact someone now, who should that be?

Until the transfer is done, Scottish Widows will continue to administer the RMDCP, watched over by the Trustee.

Scottish Widows contact details:

0800 092 8263

royalmailserviceteam@scottishwidows.co.uk



Private & Confidential

<Title> <Initial> <Surname>

<Address 1>

<Address 2>

<Address 3>

<Address 4>

<Address 5>

<Postcode>

Dear Member,

Important news about your savings in the Royal Mail Defined Contribution Plan



Your savings in the Royal Mail Defined Contribution Plan (RMDCP) are being moved to the Legal & General (L&G) Mastertrust and the RMDCP is winding up. This document explains the change and what this means for you.

The change described only affects your savings in the RMDCP. No changes are being made to your savings in other pension arrangements.

Why is there a change?

In October 2024, Royal Mail set up a new pension scheme called the Royal Mail Collective Pension Plan. At the same time, the RMDCP closed to new members.

Since October 2025, no new contributions have been paid into the RMDCP. This means the scheme now only exists to look after savings built up in the past.

Because of this, the people who make up the Trustee Board (the Trustee), together with Royal Mail Group, have reviewed whether the RMDCP is still the best place for members' savings.

What is changing?

After reviewing other pension schemes in the market, the Trustee has decided to move members' pension savings to a large pension scheme run by L&G.

L&G is a major UK financial services company that runs pensions and investments for millions of people.

The value of your savings will move into the L&G Mastertrust. To do this, your investments with Scottish Widows will be sold, and new investments of the same value will be bought in L&G funds.

These steps will not happen at exactly the same time. If prices change during the transfer, L&G will cover any drop.

When will this happen?

The transfer is planned for July 2026.

It involves a lot of work for Scottish Widows and L&G. Between 18 June to 19 August 2026 you will not be able to take any money out if you are retiring then. You also won't be able to change investments or move your money to another pension arrangement during this time.

If you are planning to retire or move your money to another pension arrangement, please contact Scottish Widows before 2 June.

These timeframes may change during the project, and we will inform you if they do.

Do I need to do anything?

If you are happy for your savings to move into the L&G Mastertrust, you do not need to take any action. If you do nothing your savings will move to the L&G Mastertrust's default fund, called "The Lifetime Advantage Fund". Members invested in a Shariah fund will move to an equivalent Shariah fund at L&G.

All members will move to The Lifetime Advantage Fund, except those invested in the Shariah fund. If you want your savings to be transferred into a different investment fund, then you can complete an "investment option form", which can be accessed using the QR code on page 4. This must be done before 23 June 2026.

If you do not want your savings to move to the L&G Mastertrust, you still have the option to transfer your savings into a different pension scheme if you contact Scottish Widows before 2 June 2026.

What is a master trust?

A master trust is a type of pension scheme used by many employers. Because it looks after a very large number of members, it can typically offer:

- lower charges
- better online services
- more support as members approach retirement.

Will the change be good for me?

The Trustee believes that this change is a positive development and is in the best interests of most of the membership.

The RMDCP has been well run over many years. However, even a large single-employer scheme like the RMDCP cannot match the size and efficiency of a major master trust like the L&G Mastertrust.

What are the main benefits?

The L&G Mastertrust offers:

- lower ongoing charges for most members in the default investment option (this is the fund your money is in if you don't make your own choice)
- an improved online account and planning tools
- more choice and support at retirement. You will have the option to take money from your savings in different amounts and at different times when you retire.

Investment options similar to those that are familiar to RMDCP members, and death benefits currently included in the scheme, will continue to be available immediately after the transfer.



What about costs?

In the RMDCP, members in the main default fund currently pay around 40p each year for every £100 saved.

In the L&G Mastertrust, members in the default option are expected to pay between 20p and 33p each year for every £100 saved, depending on how close they are to retirement.

Where can I find out more?

Further information, including frequently asked questions and presentations, will be available online, at legalandgeneral.com/rmdcp



Yours faithfully,

Elizabeth Hartree

Elizabeth Hartree
Chair,
Royal Mail Defined Contribution Plan



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1. How many members in total are in the RMDCP and how many of these are current RM employees?

There are around 104k members in RMDCP, the split between active and deferred members is around 60/40 in favour of active members, so close to 60k. Having said that, we do not have an ongoing feed of leavers so that number may be slightly less.

As a reminder our members employed by Royal Mail between 1st April 2008 and 6th October 2024 were eligible to be in the RMDCP.

2. In respect of scheme members that have already drawn their pension from Scottish Widows - is there any change relevant to them in respect of the L&G transfer?

No, members who have drawn benefits from Scottish Widows will have completely emptied their pension pots and will not have any relationship with Scottish Widows. This transfer will not affect them in any way.

3. I note from the member communication that "death benefits will continue to be available immediately after the transfer". Are these death benefits exactly the same as those offered by the Scottish Widows DC scheme?

Yes, death benefits for deferred members are a return of fund to beneficiaries regardless of whether from L&G or Scottish Widows.

4. With the current Scottish Widows arrangements, the minimum age members can take the pension pot is 55. Will this continue to be the case as part of the L&G Mastertrust?

Yes - the move to Legal & General will not impact members minimum retirement age. However, the normal minimum pension age is due to increase from 55 to 57 in April 2028.

5. In respect of Ill Health Retirement, what are the arrangements and have these changed?

The arrangements are similar to those under RMDCP, i.e. if a member is unable to carry out their current role due to an incapacity then they may qualify to access their retirement savings before the normal minimum retirement age, i.e. before age 55.

6. What are the arrangements for Legal & General for scheme members making nominations for dependants and is there any change from the Scottish Widows arrangements - i.e a change in definition of dependant?

Members may nominate any individual or individuals that they wish on their nomination forms. I'm not clear whether this extends to nominations of organisations, such as nominating charities. Should a member not complete a nomination form, then the Trustees will distribute the benefits at their discretion having regard to the members personal circumstances at the time they passed away. As with RMDCP, nomination forms are not binding on the Trustee.

7. Once the Mastertrust transfer has taken place in July from Scottish Widows, will L&G scheme members be able to transfer monies from other pension funds into the Mastertrust?

Yes