

No.148/26

13th May 2026

Dear Colleague,

Royal Mail: Pensions – Guide for CWU Reps and Collective Plan Presentation at Postal Conference

At our Postal Conference yesterday, senior members of the Collective Plan Executive Team presented on the Collective Plan, including the importance of signing up to the Member Self Service Portal which enables members to:

- Check their personal details and contact information are correct
- Tell the Executive Team who they'd like their money to go to in the event of death
- Choose how they would like the Executive Team to keep in touch with them
- View what they've got in the Collective Plan so far and what they might get at age 67.

An explanation was also given on the first annual valuation and the headline results, and how the adjustments work to both the Income for Life and the Lump Sum. The slide presentation is attached to this LTB for ease of reference.

A good and extensive Q&A session took place following the presentation, and on behalf of our delegates, we would like to pass our thanks on to the Collective Plan Executive Team for their time and the important update.

Launch of the CWU Pensions Guide

Delegates at conference were provided with a printed copy of the new Pensions Guide for CWU Reps. This guide covers all of the various Royal Mail pension schemes, including the Collective Plan, and is intended to be used as a reference document for Branches and Reps to refer to when members come to them with questions on their pensions. The guide is also available electronically, by scanning the QR code below:



If you have any queries in relation to this LTB, please contact Samantha Nicholas – snicholas@cwu.org or Heidi Maughan - hmaughan@cwu.org

Yours sincerely

Martin Walsh
Deputy General Secretary (Postal)

Andy Furey
Assistant Secretary

CWU Conference May 2026



What is the Royal Mail Collective Pension Plan (the Collective Plan)?

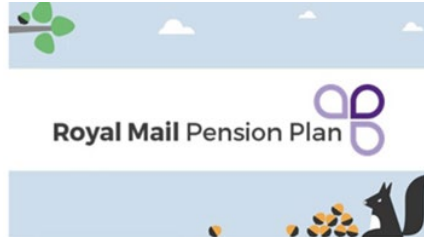


Royal Mail Pension Schemes



Royal Mail Collective Pension Plan (the Collective Plan)

The Collective Plan launched on 7 October 2024. The Collective Plan is for those who have over 12 months continuous service with Royal Mail Group Limited (including Parcelforce).



Royal Mail Pension Plan (RMPP)

The RMPP closed with effect from 7 October 2024, when the Collective Plan launched.

Royal Mail Defined Contribution Plan (RMDCP)

The RMDCP closed for the vast majority of members on 7 October 2024, when the Collective Plan launched.



Royal Mail Statutory Pension Scheme (RMSPS)

The RMSPS closed in 2012, when Royal Mail was privatised.

National Employment Savings Trust (NEST)

NEST is used for some Royal Mail employees, including those with less than 12 months continuous service with Royal Mail Group Limited (including Parcelforce)



How does it work?

The key benefits of the Collective Plan are:

- An automatic **income for life**, in addition to a one-off cash **lump sum**, making it easier for people to manage their money in retirement
- When you pay 6% of your pensionable pay into the Collective pot each payday, **Royal Mail tops that up with a contribution of 13.3%** (+ Royal Mail pays 0.3% of your pensionable pay towards ill health premiums - anything left over from this is paid into the Collective Plan)
- One plan for everyone – **every employee with at least a year's service is eligible to join**

Everyone's contributions to the Collective Plan are **pooled and invested collectively** to provide the benefits.

Overview of RMCPP - contributions

| | CDC Pension Section | DBLS Section | |
|---|--|---|----------|
| | | Lump sum* | DC AVCs |
| Core Employer Contributions | Fixed 11.2% of pay (of which 0.3% is paid into expense reserves) | Fixed 2.4% of pay PLUS possible deficit reduction contributions | - |
| Core member contributions | Fixed 4% of pay | Fixed 2% of pay | - |
| Core total | 15.2% of pay | 4.4% of pay | |
| Lump sum Booster | No option | 1% of pay payable by member, matched by Employer for lump sum booster | Optional |
| Additional voluntary contributions | No option | £ chosen by member (minimums applicable) | Optional |

** includes an amount towards ill-health premiums provided outside the DBLS, and also pays for death lump sums and expenses*

Who manages the Collective Plan?



The Collective Plan Trustee Board

RMCPP Trustees Limited (Corporate Trustee Entity)

Commonly used term in communications – The Trustee of the Collective Plan

9 Trustee Directors

- Chair – chosen by the Company (in consultation with the Unions)
- 4 Member Nominated Directors
- 4 Employer Nominated Directors
- Currently the Chair is from an independent trustee company and so are 2 of the employer nominated directors
- The Trustee role is not full time - day to day oversight and running of the Collective Plan is supported by an Executive team.

Trustee Board

Funding &
Investment

Governance
Audit & Risk

Member
Engagement

Covenant

The Collective Plan Trustee Executive



Providing Executive and Finance Function to the Trustee

Full time seconded to the Trustee to run the Collective Plan

Independent from Royal Mail

The Trustee Executive Team Role

| | | | | |
|--|---|--|--------------------------------|--|
| Supporting ongoing authorisation | Creation and maintenance of all governing documentation | Risk oversight and management | Member communications | Ballot processes |
| Delegated powers – IDRPs cases, payments etc. | Monitoring pensions developments | Tender exercises | Contractual negotiations | Trustee training |
| Researching and writing papers for the Trustee | Oversight of adviser work | Annual report and accounts preparation | Managing annual trustee budget | Overseeing the Custodian and Fiduciary Manager |
| | | Monitoring contributions | | |

Why is the Collective Plan different?





What are the Compliance Requirements?



Because of the design of the Collective Plan we are often caught by DB, DC and CDC legal and regulatory requirements.



This includes The Pensions Regulator Codes of Practice – both the General and CDC codes.



The CDC code was the code considered by The Pensions Regulator (TPR) when assessing the authorisation application and the Trustee must continue to meet the requirements of this code in order to maintain the Collective Plan's authorised status.



CDC Authorisation Requirements

Before a CDC scheme can operate, TPR must be **satisfied that it meets all six authorisation criteria**. These criteria ensure the scheme is **well-governed, financially sustainable, and effectively managed** to protect members.



Meeting all six criteria is ***mandatory for authorisation***.

Each criterion protects members, ensures financial security, and supports good governance.

Trustees should ensure:

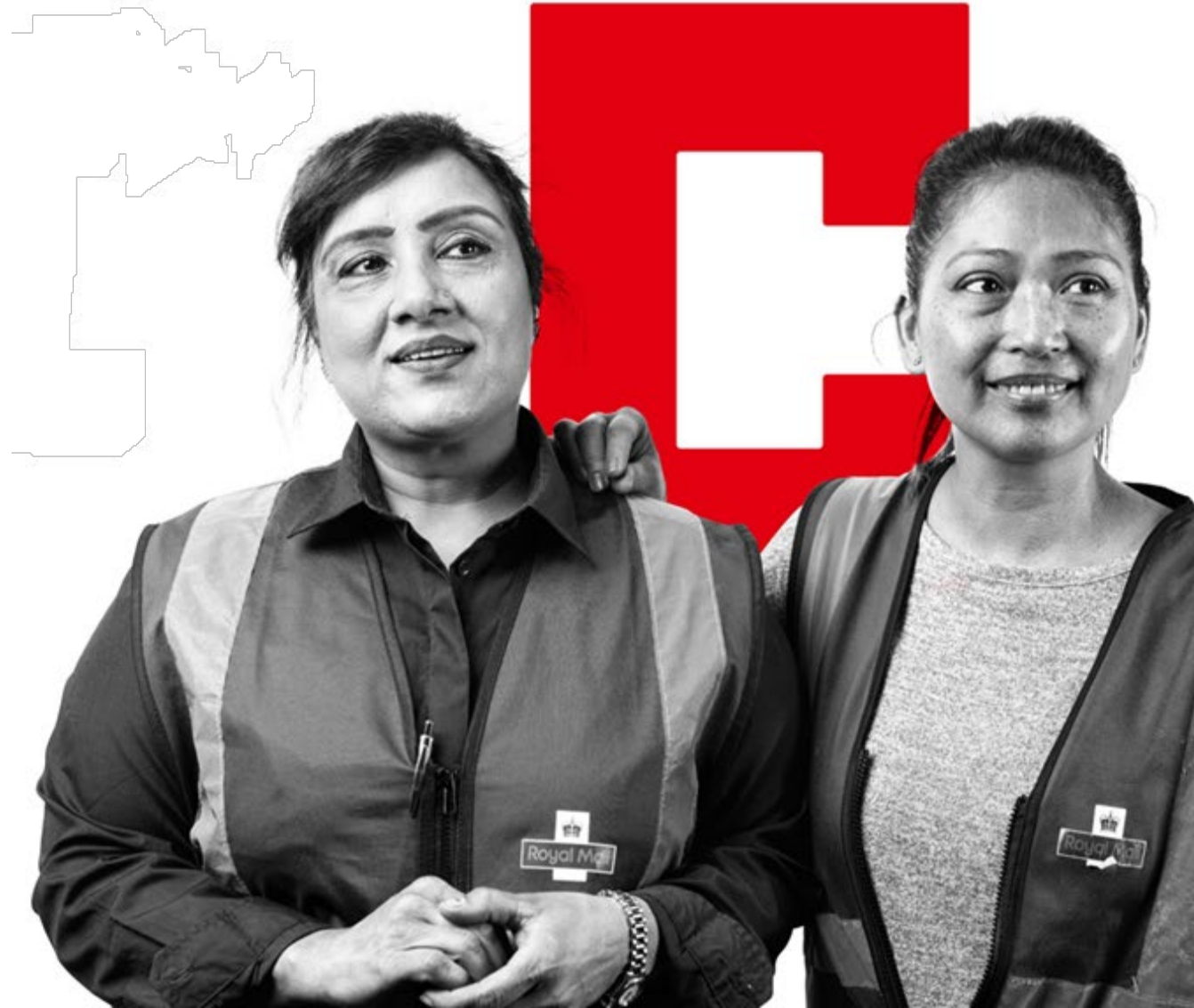
- They and key individuals are **fit and proper**
- **Systems, communications, and contingency plans** are robust
- **Financial resources and scheme design** are sustainable and well-documented



Once a **CDC scheme is authorised**, it must continue to demonstrate that it meets all **authorisation criteria**. TPR's ongoing assessment of schemes is called **supervision**.

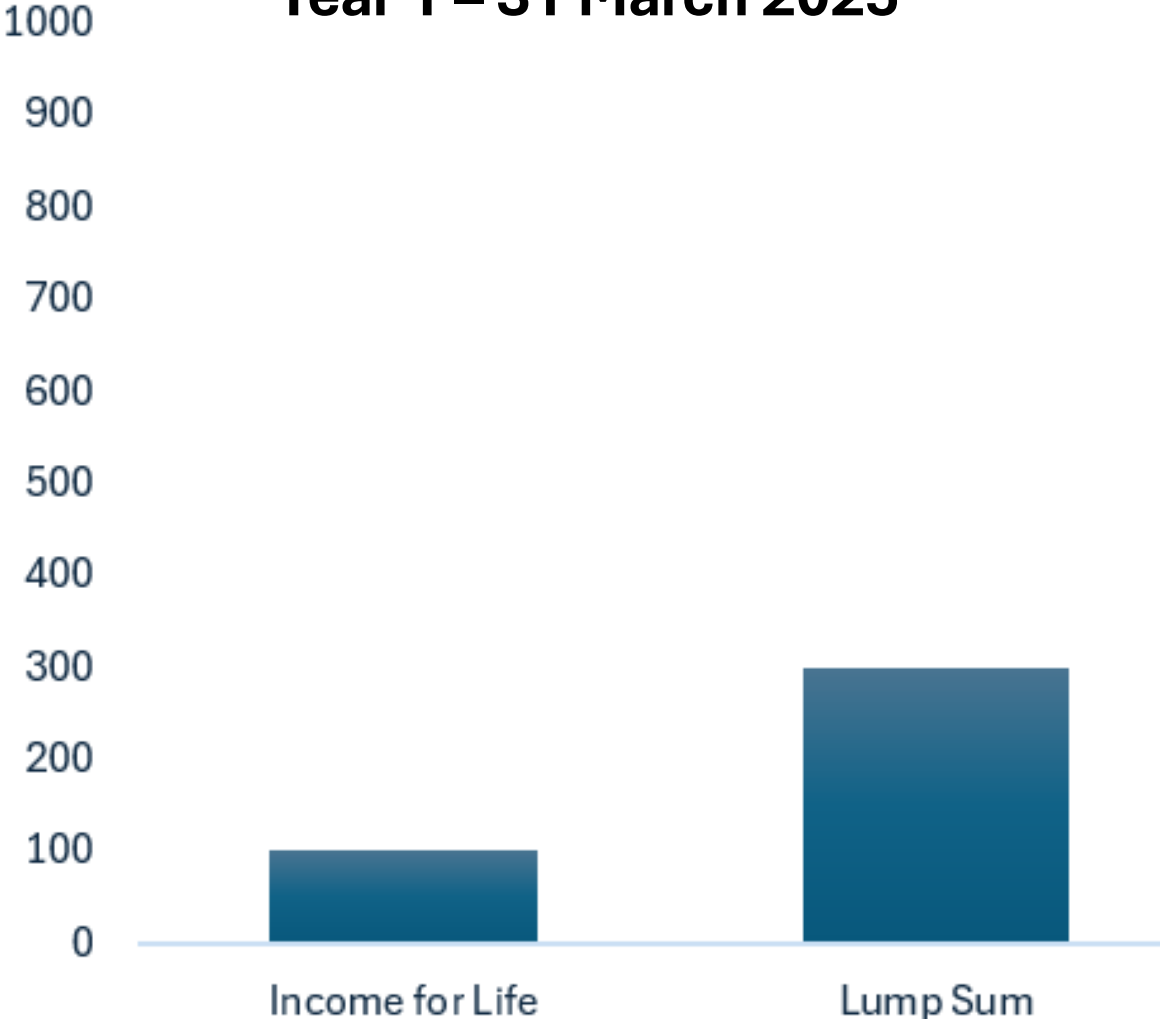
- **Supervision is ongoing:** Authorisation is not a one-time approval.
- **Annual reporting** and **event notifications** are mandatory.
- **Failing to meet criteria** can result in regulatory action, including **loss of authorisation**.
- Maintain **transparency and proactive management** to avoid compliance risks.
- **Significant events reporting is mandatory** and essential for maintaining authorisation.
- Develop **robust monitoring systems** to identify and track potential events.
- Encourage a **culture of prompt reporting** across all parties involved in scheme operations.
- Reporting allows TPR to **assess ongoing compliance** with authorisation criteria and take timely action if required.
- Clear documentation and explanation of events support **regulatory confidence and scheme resilience**.

Collective Plan Valuations & Benefit Adjustments




How the adjustments work – year 1

Year 1 – 31 March 2025

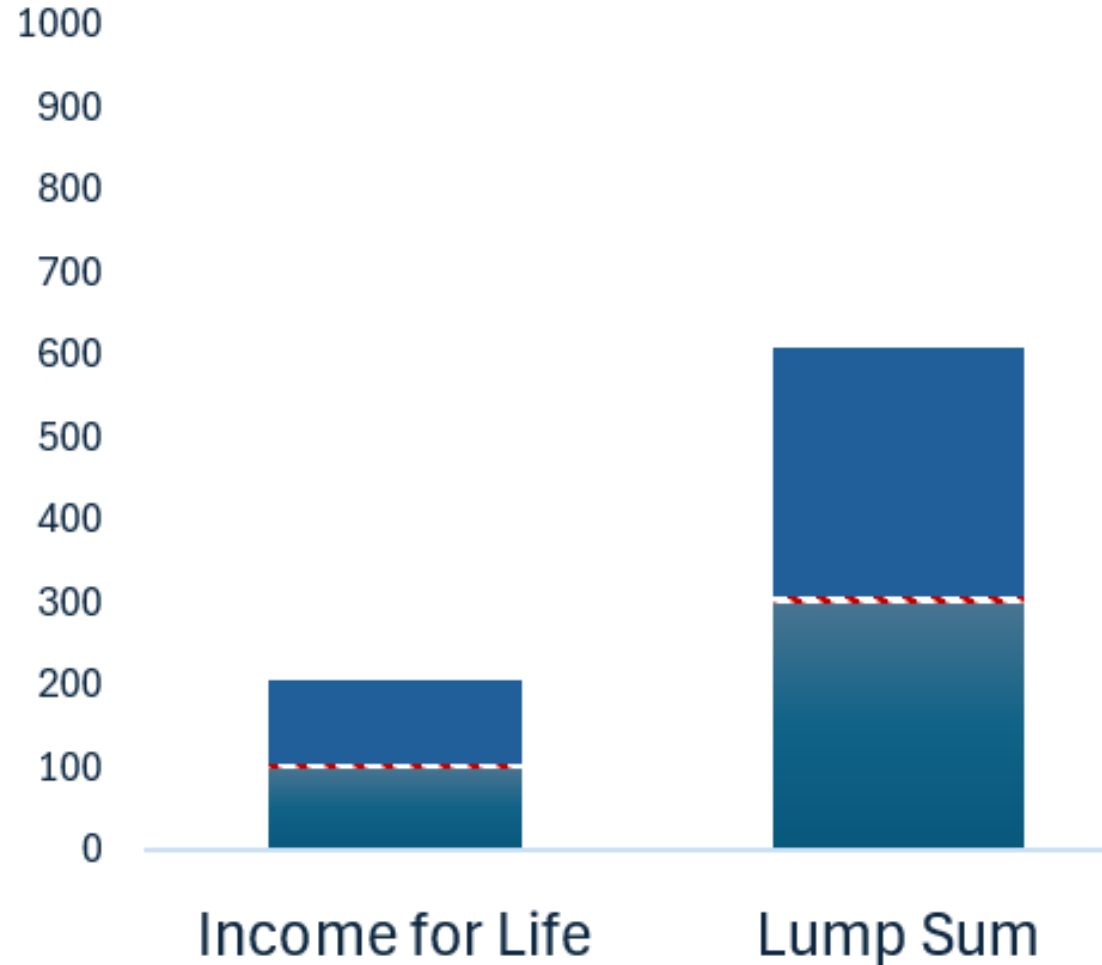


Key




 Benefits built up to 31 March 2025

How the adjustments work – year 2

Year 2 – 31 March 2026

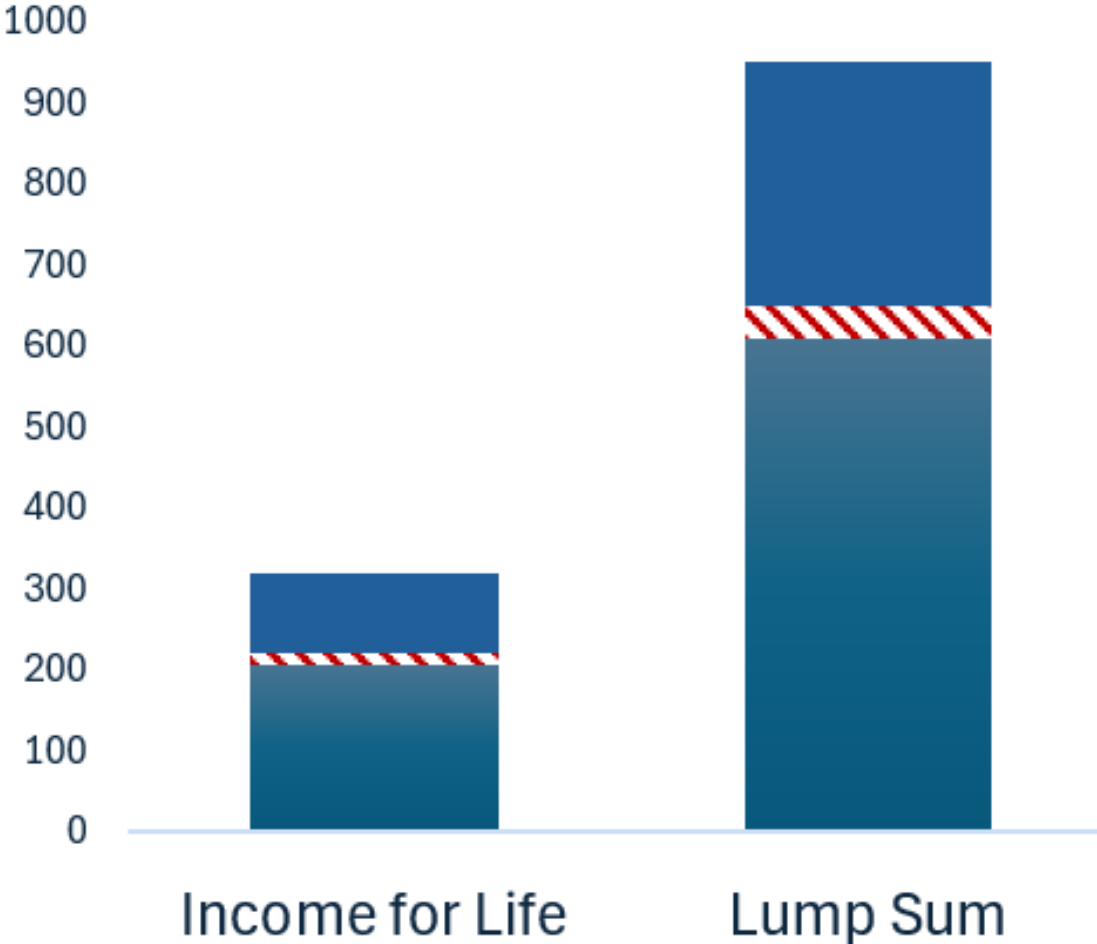


Key




-  Benefits built up to 31 March 2025
-  31 March 2026 adjustment
-  Benefits built up between 1 April 2025 to 31 March 2026

How the adjustments work – year 3

Year 3 – 31 March 2027



Key

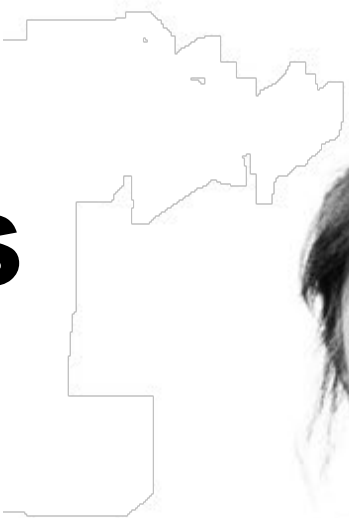
-  Benefits built up to 31 March 2026
-  31 March 2027 adjustment
-  Benefits built up between 1 April 2026 to 31 March 2027

First Valuations Outcomes – Headline Results



| Section | Benefit adjustment date | Valuation outcome | September 2025 CPI | Total increase |
|-----------------|-------------------------|-------------------|--------------------|----------------|
| Income for Life | 31 March 2026 | CPI + 2.6% | 3.8% | 6.4% |
| Lump Sum | 31 March 2026 | CPI + 3.8% | 3.8% | 7.6% |

Collective Plan Communications



The Collective Plan is Online



All together new
All together different
All together now

Welcome to the
Royal Mail **Collective Plan.**

Electronic Communications

Many of the costs of running the Collective Plan are paid for, collectively, by the members. To reduce costs, the Trustee of the Collective Plan will communicate with you electronically by default. This means more money to put towards your income for life





Member Self-Serve Portal

To make sure you get information about your income for life and lump sum in the Collective Plan, you need to provide us with your email by registering for the Member Self Service Portal. Once registered, you'll be able to:

- **Check** your personal details and contact information are correct.
- **Tell us** who you'd like your money to go to in the event of your death.
- **Choose** how you'd like us to keep in touch with you.
- **View** what you've got so far and what you might get at age 67.



Collective Plan Engagement Plans

-  Communications strategy review
-  Pensions roadshows
-  Feedback surveys
-  Focus groups & interviews