

Royal Mail

Statutory Pension Scheme

Your current value
statement explained

www.royalmailsp.co.uk

Section A/B members

This section shows the value of your benefits as at April 2022 based on your Normal Retirement Age (NRA) at 60 and 65.

Annual pension

1 This is the yearly amount of pension that you could receive. It is based on 1/80th of your pensionable salary for each year of service.

Lump sum

2 This is the one-off lump sum amount that you could receive. It is based on 3/80ths of your pensionable salary for each year of service.

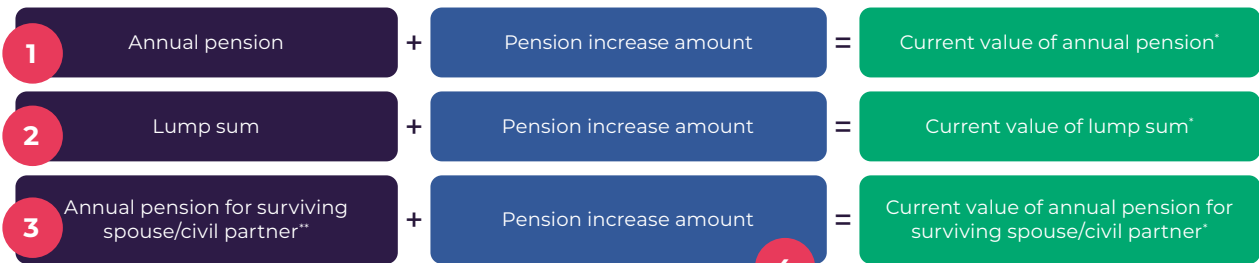
Annual pension for surviving spouse of civil partner

3 This amount refers to the annual pension that your surviving spouse or civil partner could receive.

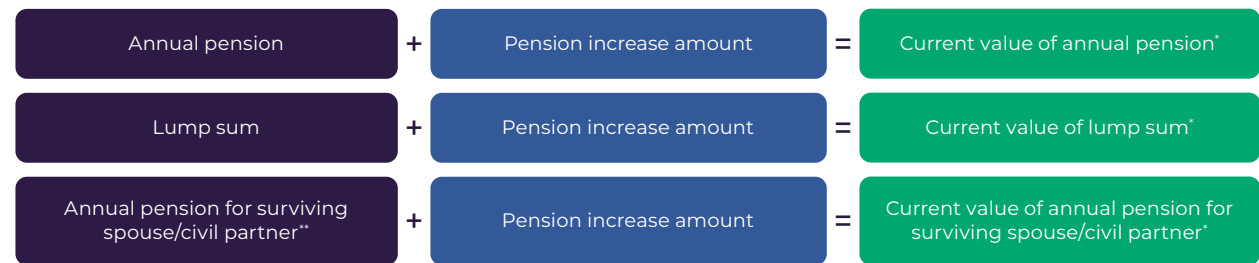
Pension increase

4 This is the amount that your annual pension and lump sum values would be increased by in line with the provisions of the Scheme Rules.

Current value of your benefits as at April 2022 - NRA 60 benefits



Current value of your benefits as at April 2022 - NRA 65 benefits



Notes:

*Pension and lump sum values are reviewed each year in line with the provisions of the Scheme Rules. It is not possible to forecast the value of benefits at a future date.

**Surviving spouse/civil partner's pension means the annual pension that a surviving spouse or civil partner will receive.

Section C members

These pages explain how your benefits are calculated and the value of your benefits as at April 2022 based on your Normal Retirement Age (NRA) of 60 and 65.

Annual pension

1 This is the yearly amount of pension that you could receive. It is based on 1/80th of your pensionable salary for each year of service.

Annual pension supplement payable until your State Pension age

2 This is the amount that you will receive if you have stopped working with Royal Mail or the Post Office Limited.

Annual pension for surviving spouse of civil partner

3 This amount refers to the annual pension that a surviving spouse or civil partner could receive.

Pension increase

4 This is the amount that your annual pension and lump sum values would be increased by in line with the provisions of the Scheme Rules.

Calculation of benefits

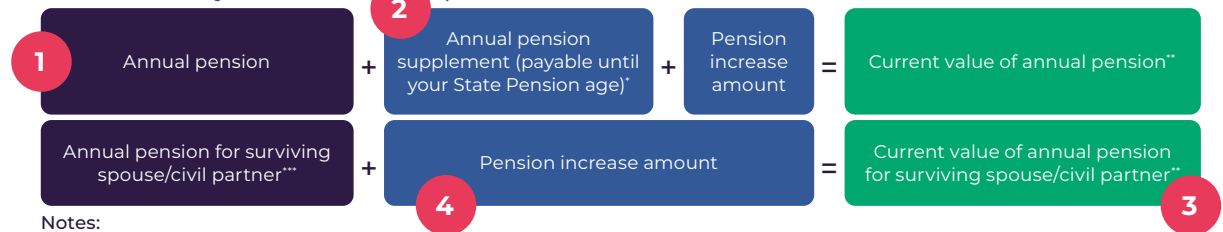
We will write to you as you approach 60 and/or 65 and let you know the amount of your benefits due for payment.

For reckonable service before 1 April 2008, your annual pension is based on 1/60th of your final pensionable pay for each year of reckonable service. For reckonable service on and from 1 April 2008, your pension will have built up each year by an amount equal to 1/60th of your pensionable salary for that year. Each year, any pension you had built up over previous years would have been revalued in line with the annual increase in the Retail Price Index (RPI) to a maximum of 5% and a minimum of 0%. <If not an RMPP active member - Once you left the scheme, the pension benefits you had built up were revalued each year in line with the annual increase in the Consumer Price Index (CPI) up to a maximum of 5%.> <If active RMPP member - While you are a contributing member of the Royal Mail Pension Plan, the pension benefits you built up continue to be revalued each year in line with the annual increase in the Retail Price Index (RPI) up to a maximum of 5%.> The surviving spouse/civil partner's pension is based on up to half of your own pension.

At retirement you can also choose to give up some pension in exchange for a tax-free lump sum. You will be given more information about these options and the effect these might have on your pension benefits when you get closer to your NRA.

The diagram below shows you how your pension is made up.

Current value of your benefits as at April 2022 - NRA 60 benefits



Notes:

*The pension supplement will only be payable if you have stopped working with Post Office Limited or Royal Mail Group.

**Pension values are reviewed each year in line with the provisions of the Scheme Rules. It is not possible to forecast the value of benefits at a future date.

***Surviving spouse/civil partner's pension means the annual pension that a surviving spouse or civil partner will receive. A dependant may receive a pension benefit at the discretion of the Scheme Manager of the RMSPS.

Section C members

These pages explain how your benefits are calculated and the value of your benefits as at April 2022 based on your Normal Retirement Age (NRA) of 60 and 65.

Annual pension

1 This is the yearly amount of pension that you could receive. It is based on 1/80th of your pensionable salary for each year of service.

Annual pension supplement payable until your State Pension age

2 This is the amount that you will receive if you have stopped working with Royal Mail or the Post Office Limited.

Annual pension for surviving spouse of civil partner

3 This amount refers to the annual pension that a surviving spouse or civil partner could receive.

Pension increase

4 This is the amount that your annual pension and lump sum values would be increased by in line with the provisions of the Scheme Rules.

Current value of your benefits as at 1 April 2022 - NRA 65 benefits

1 Annual pension	+	2 Annual pension supplement (payable until your State Pension age)*	+	Pension increase amount	=	Current value of annual pension**
Annual pension for surviving spouse/civil partner***	+	Pension increase amount	=	Current value of annual pension for surviving spouse/civil partner***	3	


4

Notes:

*The pension supplement will only be payable if you have stopped working with Post Office Limited or Royal Mail Group.

**Pension values are reviewed each year in line with the provisions of the Rules. It is not possible to forecast the value of benefits at a future date.

***Surviving spouse/civil partner's pension means the annual pension that a surviving spouse or civil partner will receive. A dependant may receive a pension benefit at the discretion of the Scheme Manager of the RMSPS.



See pages 9 and 10 for a glossary of pension terms and what they mean.

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All members

Tax

1

When you take your pension, it will be subject to income tax, just like your pay or any other regular income.

What is the Lifetime Allowance

The Lifetime Allowance is set by the government and limits the total amount you can save in pension benefits over your lifetime while still enjoying the full tax benefits.

2

When you come to access your pension savings they will be assessed against the Lifetime Allowance. If you go over the allowance you will generally pay a tax charge on the excess when you take a lump sum or income from your pot. The current Lifetime Allowance is £1.073 million.

Death benefit payments

If you die before taking your pension a lump sum will be payable.

If you die within five years of taking your pension then a lump sum will also be payable.

3

Your spouse, civil partner or a dependent may also be entitled to receive your pension.

To find out more about how this works for your specific pension you can access information at www.royalmailsp.co.uk/support/useful-documents

Tax on your pension

1

When your pension comes into payment, it will be taxed through Pay As You Earn (PAYE) just like a salary. Your pension will also be assessed against the Lifetime Allowance.

Lifetime Allowance

2

When it is time to pay your benefits, if the total value of all your pension benefits are more than the Lifetime Allowance of £1.073 million, you may be subject to a tax charge. Most people are unlikely to go over this allowance.

If you are worried that you may be close to the Lifetime Allowance, you can ask us how much the current value of your pension compares to the Lifetime Allowance.

Benefits paid when you die

3

We will pay a lump sum if you die before you start receiving your RMSPS pension. We will also pay a lump sum if you die within five years of claiming your pension benefits. The amount will depend on your circumstances. A pension may be payable to your spouse, civil partner or to someone who is financially dependent on you.

To understand in more detail what would happen to your benefits in the event of your death, please read the booklet 'Benefits payable when you die – For Section A/B members'. This is available to download at www.royalmailsp.co.uk/support/useful-documents or by contacting the Scheme administrator on **0333 222 0078**.

Based on your circumstances as at April 2022, your death benefits would be:

An annual pension of:

See pages 9 and 10 for a glossary of pension terms and what they mean.

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All members

Membership

1

Your membership number is individual to you. Please keep this information handy, especially when contacting the SCHEME administrator

NRA

2

NRA is the age at which you can normally take your pension without reduction. Any benefits you earned before 1 April 2010 have an NRA of 60. Benefits earned after 1 April 2010 have an NRA of 65. You can opt to take all your benefits at once, but any benefits taken before NRA will be reduced for early payment. Alternatively, you can take only your benefits with an NRA of 60 at age 60 and take your NRA 65 benefits later so they are not reduced.

You may be able to take your benefits early without a reduction if you are suffering from ill-health. You can find out more about this at www.royalmailsp.co.uk/support/useful-documents

Total service

3

This is the number of years and days used to work out your pension benefits.

Please note that your reckonable service takes into account any non-contributory and part-time periods and may, as a result, be shorter than the period between your date of joining the Scheme and date of leaving.

Date you left

4

This is the date you stopped building up benefits in the RMSPS, which is 31 March 2012.

Final pensionable pay

5

This is the pay used to calculate benefits you built up before 1 April 2008. It is based on your pay at the time you stopped building up benefits in the RMSPS. Any additional benefits that you may receive as a result of pay increases after 1 April 2012 are paid by the RMPP.

Your personal details at April 2022

These are the details we hold for you. Please check them carefully and contact Capita if they are incorrect, as it could affect the value of your benefits. You can also update your personal details on the pensions portal. Sign in or register via the website at www.royalmailsp.co.uk

1

Membership number:

Date of birth:

2

Date your NRA 60 benefits are payable (this is your 60th birthday):

Date your NRA 65 benefits are payable (this is your 65th birthday):

4

Date you joined the RMSPS:

Date you left the RMSPS:

3

Final pensionable pay:

Your service at April 2022

Total service:

Please note: Your total reckonable service before 1 April 2018 is limited to 45 years.

See pages 9 and 10 for a glossary of pension terms and what they mean.

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