



September 2021

Dear member

Consultation on closure of the Royal Mail Defined Contribution Plan (RMDCP)

Royal Mail Group Ltd (“RMG”) have just sent out details of the new Royal Mail Collective Pension Plan (“Collective Plan”) which it hopes to launch next year. RMG also began a consultation about closing the RMDCP to contributions and new members, but for all members’ savings in the RMDCP to continue to be invested (“closure”).

By now, you should have seen their letter and consultation booklet, and I would urge you to take a moment to read through the booklet to see how your Royal Mail pension may change.

You don’t have to act on this letter, but the Trustees think you should make yourself aware of the proposed changes.

I want to explain the role that the Trustees of the RMDCP have in this consultation process and to explain what may happen after the consultation has ended.

What is the role of the RMDCP Trustees?

The Trustees aren’t involved in the formal consultation process, which is being conducted by RMG with the unions. However, we are watching the process closely and will check that it meets with the legal requirements.

RMG decides what pension benefits it wishes to offer its employees from time to time. Those benefits are set out in a legal document called the Trust Deed and Rules. The Rules of the RMDCP say that RMG can at any time give notice in writing to the Trustees to stop paying in contributions.

However, RMG can only stop paying contributions into the RMDCP after it’s consulted with affected members, which is what it’s now doing. The Trustees don’t have a decision-making role in relation to the closure of the RMDCP. Our role, when faced with a proposal from RMG regarding benefit changes, is firstly to assess whether the legal requirements have been met to enable RMG to move to closure, and then agree the next steps with RMG.

What happens after the consultation process?

We’ll write to you again if RMG decides to go ahead and launch the Collective Plan, and therefore decides to close the RMDCP to future contributions and to new members.

No changes will happen to the pension benefits you’ve already built up. As explained in RMG’s consultation letter, the pension savings you’ve built up in the RMDCP will remain invested.

For any queries about the consultation, the pension proposal, or the effect on your pension benefits, please refer to the information sent recently to you by RMG. Further information is available at myroyalmail.com/collective-plan.

Scottish Widows will not be able to help with queries regarding the Collective Plan or the consultation process, although they’re happy to help with any questions you may have about your current RMDCP pension savings of course.

Yours sincerely,

Venetia Trayhurn
Chair, Royal Mail Defined Contribution Plan

