



The Four Pillars – Pensions – The Facts

CWU Members have been bombarded with propaganda from Royal Mail relating to their proposal on pensions. This material has been carefully written to give the misleading impression that RM's proposal will deliver a decent pension in retirement. **This is completely incorrect.**

This *Members Bulletin* is designed to give members the **facts** on Royal Mail's pension proposal and the CWU's alternative pension proposal.

Fact No 1: Royal Mail has taken a **unilateral decision** to close the Royal Mail Pension Plan (RMPP) to future accrual from the 31st March 2018. The RMPP is a Defined Benefit scheme and provides a pension for life. Closing the Plan to future accrual means that alternative pension arrangements need to be agreed from the 1st April 2018.

Fact No 2: Royal Mail's proposed alternative pension arrangement, a Defined Benefit Cash Balance scheme will **not** provide a pension for members. **It is only designed to produce a cash lump sum.** The only guaranteed element in this scheme is that members will get theirs and the employer contributions back as a cash lump sum. Nothing else is guaranteed.

Fact No 3: Royal Mail's other alternative pension arrangement; a Defined Contribution Scheme does **not** automatically provide a pension for members. This scheme only produces a cash pot. If a member of this scheme wants to convert the cash pot to a pension they have to use their pension pot to purchase a private pension, called an annuity. It accepted in the pensions industry that annuities are currently very poor value for money.

Pension Special

Fact No 4: The Royal Mail manager's Union, CMA/Unite, put Royal Mail's pension proposal to a consultative ballot of their members. Royal Mail's proposal was **rejected**. Why should CWU members accept a proposal, that managers do not believe is fair or reasonable?

Fact No 5: The CWU proposed solution of a new Defined Benefit Scheme that would commence from the 1st April 2018, called the Wage in Retirement Scheme (WinRS), would be the new pension scheme for **all** Royal Mail employees and **will** provide a pension for life.

Fact No 6: Royal Mail took a unilateral decision in 2008 and closed the RMPP to new entrants. New entrants since that date have had to join the Royal Mail Defined Contribution Plan (RMDCP). Whilst the CWU opposed Royal Mail's decision to close access to the RMPP, we were not able to prevent it.

The CWU has campaigned since then for a better deal for employees who have joined Royal Mail since the 1st April 2008. We have had some success, but the DC scheme is still an inferior pension scheme to the RMPP.

Fact No 7: The CWU pension proposal is the **only** proposal on the table that will:

- ✓ **deliver a pension for life for CWU members, and**
- ✓ **is the only proposal that applies to all Royal Mail employees**

Now is the time to bring ALL Royal Mail employees together for their future pension arrangements under a new Defined Benefit Pension Scheme - a scheme that will deliver a decent wage in retirement.

These are the **FACTS** on the pension issue. **It really is a choice between dignity in retirement or pensioner poverty.**

**IT'S TIME TO CHOOSE SIDES. CHOOSE THE CWU
OR FOREVER ACCEPT LESS**