

FOUR PILLARS BULLETIN



BULLETIN #17

Friday 22nd September 2017

VOTE YES FOR DECENT PENSIONS FOR ALL

Royal Mail has broken its pension promise. The company plans to save millions in pension costs by slashing members' future pension benefits. Their ultimate objective is to cut costs and dump their future pension liabilities. Their only pension guarantee is that everyone will lose out with the youngest hit the hardest.

The latest examples provided by the company confirm that current members of the Defined Benefit Royal Mail Pension Plan (RMPP) will lose between 10% and 45% of their future pension benefits in the proposed Cash Balance Scheme. For example, a 40 year old Section C member, earning £25,000 a year will lose 27% of their pension promise - that equates to £4,100 a year or £82,000 over the course of a 20 year retirement. For someone aged 30, the loss rises to a staggering 40% or £6,600 per annum (£132,000 over 20 years).

Royal Mail's Cash Balance proposal only applies to current DB members. For those members and all new entrants stuck in the inferior Defined Contribution scheme (RMDCP) the position is worse. Not only are outcomes even lower than the Cash Balance Scheme but the examples provided by Royal Mail wrongly assume all are paying the top tier of contributions. Since only around 10% of DC members actually pay the full rate, the example illustrations simply don't apply to 90% of DC members whose pension outcomes will be even lower than forecast.

In the face of two failing schemes, the CWU's Wage in Retirement Scheme provides a fully costed and workable pension plan for all employees that will deliver better outcomes than either of Royal Mail's inadequate alternatives. The company's latest misleading comparisons with our Wage in Retirement Scheme are inaccurate and based on false assumptions about future accrual rates and investment returns.

Unfortunately Royal Mail still refuse to seriously negotiate over the introduction of a single wage in retirement scheme for all employees, preferring instead to plough on with their damaging and divisive proposals which their own illustrations show will deliver vastly inferior pension outcomes and consign future generations of postal workers to pensioner poverty.

Our aim is to secure decent pensions for all, end unfair two-tier provision, protect the next generation of postal workers and give every member, young and old, proper security and dignity in retirement.

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

SECURE THE FOUR PILLARS SUPPORT THE CWU

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