

## FOUR PILLARS BULLETIN



### BULLETIN #07

## A PENSION SOLUTION FOR ALL

Pensions are a challenging subject to discuss, especially if you are young but the fact is that with social security shortfalls and decreases in state pensions, young people face an uncertain financial future and will need to invest more in their retirement than their parents or grandparents.

Anyone who joined Royal Mail Group after 2008 is in the DC scheme which will not deliver the retirement security you will need. Equally, members who joined before 2008 had a promise of a pension which they have planned their retirement around.

The legally binding agreements of 2013 carried the joint purpose of safeguarding the future of the DB scheme and improve the DC scheme, it recognised that pension provision was a key element of your terms and conditions and specified that the company and the union would jointly develop future pension strategy.

Royal Mail's decision to close the defined benefit scheme from March next year and place all members into an inferior pension scheme without CWU agreement is a clear rejection of our mutual interest approach. The company's own illustrations show that in relation to both the DC Plan and their cash balance lump sum scheme members stand to lose thousands in future pension benefits.

We believe we have acted in good faith and in the spirit of the agreement. The CWU have never accepted the closure of the DB scheme but have pragmatically proposed a solution that meets management concerns, responds to the inadequacies of the DC scheme, would end two-tier provision and provide a 'wage in retirement' for all. The fact is management have never questioned the "theoretical resilience" of our WinRS scheme, they have conceded that it could work and have even used elements of it to propose their own "cash out scheme" at the point of retirement which does not provide a decent wage for later life.

In keeping with our mutual interest agreement, we are urging Royal Mail to reconvene meaningful talks on pensions at the earliest opportunity to allow the parties and our respective advisers to discuss in detail all the outstanding issues around risk, accrual rates and investment returns and work with the CWU to develop and implement our Wage in Retirement scheme from April 2018.

Ask any of your workmates nearing retirement and they will tell you that pensions are worth fighting for.

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

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