
EXPLANATORY NOTE

(This note is not part of the Order)

This Order implements sections 17, 18, 19 and 20 of the Postal Services Act 2011 (c. 5) (“the Act”).

Article 1 provides for the commencement of different Articles of the Order at different times, so that after article 1, articles 2 to 12 will come into force first, and articles 13 and 14 immediately after.

Article 2 defines terms in the Order, in particular, prescribing the qualifying time as required by section 16(1) of the Act, as the time immediately before which the relevant accrued pension rights are to transfer under this Order.

Article 3 and Schedule 1 establish the Royal Mail Statutory Pension Scheme (“RMSPS”), and article 4 and Schedule 2 restrict the future amendments that can be made to the RMSPS. Article 5 transfers accrued pension rights from the Royal Mail Pension Plan (“RMPP”) to the RMSPS. The transferring rights include all components of those accrued rights, for example the rights and entitlements in relation to Guaranteed Minimum Pensions, which will become the responsibility of the RMSPS.

Article 6 and Schedule 3 make provision for the transfer of obligations and liabilities relating to pension sharing orders, pension attachment orders and other orders related to earnings.

Article 7 discharges the RMPP Trustee from any liability in respect of the rights that transfer under article 5.

Article 8 provides a specific definition of the RMPP Trustee for the purposes of the discharge. Article 9 and Part 1 of Schedule 4 provide that the RMSPS will be treated as if it were an occupational pension scheme for the purposes of the occupational pensions legislation at Schedule 4, Part I. Article 10 and Part II of Schedule 4 provide that the RMSPS will be treated as a salary-related contracted out scheme for the purposes of Part 3 of the Pension Schemes Act 1993 (c. 48), and modifies that legislation in its application to the RMSPS.

Article 11 gives effect to the commensurate amendments to the RMPP to remove the rights that transfer to the RMSPS. The amendments to the RMPP documentation are so voluminous that they are contained in an external document, the Statement of Amendments, which is available as described in the definition of that document at article 2, and below. Article 12 amends documents relating to financial security for the RMPP.

Article 13 gives effect to those amendments to the RMPP which divide it into different sections so as to create a new section for the employees of Post Office Limited. Article 14 makes further provision about the division of the RMPP into sections and the relationship between the new section and the rest of the RMPP.

An Explanatory Memorandum accompanying this Order is available alongside the instrument on the OPSI website (www.opsi.gov.uk). Copies have also been placed in the Libraries of the House of Commons and the House of Lords.

The document referred to as the Statement of Amendments, which sets out the amendments to the RMPP, and the documents relating to the financial security of the RMPP which are referred to in Schedule 5, have been placed in the Libraries of the House of Commons and the House of Lords and are being made available on the BIS website.

An impact assessment has not been produced for this Order as a full impact assessment was prepared for the enabling provisions in the Act, the findings of which have not changed.