

SCHEDULE 1

The Royal Mail Statutory Pension Scheme Rules

PART V

SECTION C RULES OF THE SCHEME

Payment of RMSPS benefits, retirement options and flexible retirement

4.—(1) A Member's RMSPS NRA60 Pension and RMSPS NRA65 Pension are separate benefit entitlements, and shall constitute separate arrangements for the purposes of the Finance Act 2004⁽¹⁾ provided that the Secretary of State has the power to arrange the benefits under the RMSPS (in respect of one or a number of Members) so that RMSPS NRA60 Pension and RMSPS NRA65 Pension constitute the same arrangement for the purposes of the Finance Act 2004.

(2) Subject to sub-paragraph (4) below in relation to Wholly Discharged RMPP Members and Partially Discharged RMPP Members and sub-paragraph (5) below in relation to Nil Margin Members, but despite any other provision of these Section C Rules—

(a) a Member's RMSPS NRA60 Pension—

- (i) will come into payment automatically under the RMSPS when that Member draws or is paid his or her RMPP NRA60 Pension from the RMPP (having obtained all consents necessary under the RMPP to do so); and
- (ii) may not come into payment under the RMSPS until that Member draws or is paid his or her RMPP NRA60 Pension from the RMPP; and

(b) a Member's RMSPS NRA65 Pension—

- (i) will come into payment automatically under the RMSPS when that Member draws or is paid his or her RMPP NRA65 Pension from the RMPP (having obtained all consents necessary under the RMPP to do so); and
- (ii) may not come into payment under the RMSPS until that Member draws or is paid his or her RMPP NRA65 Pension from the RMPP.

Rule 6 (Late retirement) and Rule 7 (Early retirement through incapacity) will in each case apply on a basis that is consistent with this principle (except that sub-paragraphs (4) and (5) below, and any specific provisions that are set out in those Rules, will apply in relation to Wholly Discharged RMPP Members, Partially Discharged RMPP Members and Nil Margin Members).

(3) Where a Member's RMSPS NRA60 Pension or RMSPS NRA65 Pension—

- (a) should have come into payment automatically under Paragraph (2)(a) or (b) but has not come into payment, the Member shall be paid the relevant RMSPS NRA60 Pension or RMSPS NRA65 Pension in arrears, with such Interest, if any, as the Secretary of State considers appropriate; and
- (b) has come into payment, but the RMPP NRA60 Pension or RMPP NRA65 Pension, as appropriate under Paragraph (2)(a) or (b), has not come into payment, the relevant RMSPS NRA60 Pension or the RMSPS NRA65 Pension will be treated as having been paid in error, and the Secretary of State must take whatever action he deems appropriate in his absolute discretion to correct the error.

(4) In the event that a Member—

(1) 2004 c.12.

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- (a) ceases to be a member of the RMPP by reason of a transfer of all of that Member's benefits out of the RMPP (other than a transfer to a New POL Scheme described in Clause 5 (New POL Scheme)) or a discharge of all of the RMPP Trustees' obligations to provide benefits to that Member (in either case, other than money purchase benefits (such Member being a Wholly Discharged RMPP Member)); or
- (b) ceases to have a right or entitlement to either that Member's RMPP NRA60 Pension or RMPP NRA65 Pension for one of the reasons set out in Paragraph (a) above (such Member being a Partially Discharged RMPP Member and that benefit being a Discharged RMPP Benefit),

the following will apply—

- (i) Sub-paragraphs (2) and (3) above will not apply in respect of a Wholly Discharged RMPP Member or, in the case of a Partially Discharged RMPP Member, that Member's Relevant RMSPS Benefit, if and to the extent that any benefit under the RMSPS has not yet (or should have) come into payment under sub-paragraph (2).
- (ii) Rule 6 (Late retirement) and Rule 7 (Early retirement through incapacity) will apply in respect of the Wholly Discharged RMPP Member or, in the case of a Partially Discharged RMPP Member, that Member's Relevant RMSPS Benefit, as provided for in each of those Rules.
- (iii) Any Wholly Discharged RMPP Member whose benefits (or some of them) are preserved under Rule 3(6) (Benefits payable to Members on retirement) may elect, any time after Minimum Pension Age to take his or her RMSPS NRA60 Benefits or (if applicable) his or her RMSPS NRA65 Benefits, or both.

Similarly, if Relevant RMSPS Benefit of a Partially Discharged RMPP Member is preserved under Rule 3(6) (Benefits payable to Members on retirement) that Member may elect, any time after Minimum Pension Age to take that RMSPS benefit.

This election shall require the consent of the Secretary of State (provided that such consent shall not be required in respect of a RMSPS NRA60 Pension if the Wholly Discharged RMPP Member or Partially Discharged RMPP Member has reached age 60, and shall not be required in respect of a RMSPS NRA65 Pension if the Wholly Discharged RMPP Member or Partially Discharged RMPP Member has reached age 65). If only one tranche of benefit is taken, the other shall continue to be preserved but, for avoidance of doubt, the remaining tranche can subsequently be brought into payment early in accordance with this Rule.

Similarly, if Relevant RMSPS Benefit of a Partially Discharged RMPP Member is preserved under Rule 3(6) (Benefits payable to Members on retirement) that Member may elect, any time after Minimum Pension Age to take that RMSPS benefit.

This election shall require the consent of the Secretary of State (provided that such consent shall not be required in respect of a RMSPS NRA60 Pension if the Wholly Discharged RMPP Member or Partially Discharged RMPP Member has reached age 60, and shall not be required in respect of a RMSPS NRA65 Pension if the Wholly Discharged RMPP Member or Partially Discharged RMPP Member has reached age 65). If only one tranche of benefit is taken, the other shall continue to be preserved but, for avoidance of doubt, the remaining tranche can subsequently be brought into payment early in accordance with this Rule.

- (iv) Any Wholly Discharged RMPP Member may draw his or her RMSPS NRA60 Pension and his or her RMSPS NRA65 Pension at different times in accordance with the provisions of this Rule. However, if a Wholly Discharged RMPP Member or Partially Discharged RMPP Member wishes to draw his or her RMSPS NRA 60 Pension, that Member must draw all his or her RMSPS NRA60 Pension at the same time and not only part of it (and the same applies to RMSPS NRA65 Pension). Provided that where a Wholly Discharged RMPP Member or Partially Discharged RMPP Member had at the end of the Cut-Off Date two or more periods of RMPP Reckonable Service which were treated separately in accordance with Rule 10A

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(Breaks in Reckonable Service) of Section C of the RMPP Cut-Off Date Rules, the Member may draw benefits in respect of each period separately on the same basis as applied under the RMPP before 1 April 2010.

(5) This sub-paragraph applies to a Member (not being a Partially Discharged RMPP Member whose Relevant RMSPS Benefit is his or her RMSPS NRA60 Pension or a Wholly Discharged RMPP Member) whose RMSPS NRA60 Pension has not yet been brought into payment and who has a prospective RMPP NRA60 Pension payable from the RMPP under Rule 5A(1) (Normal Retirement) of Section C of the RMPP Rules of nil (as described in Rule 5AX (Deemed crystallisation of NRA60 Pension where no margin over RMSPS NRA60 Pension) of Section C of the RMPP Rules)) on the earliest of the dates specified in Paragraph (d) below (any such Member being a Nil Margin Member).

- (a) Sub-paragraphs (2) and (3) above will not apply in respect of the Nil Margin Member, if and to the extent that any benefit under the RMSPS has not yet (or should have) come into payment under sub-paragraph (2).
- (b) Rule 6 (Late retirement) and Rule 7 (Early retirement through incapacity) will apply in respect of the Nil Margin Member on the basis provided for in each of those Rules.
- (c) The Nil Margin Member may elect to take his or her RMSPS NRA60 Pension at any time after Minimum Pension Age. This election shall require the consent of the Secretary of State (provided that such consent shall not be required if the Nil Margin Member has reached age 60). If only the RMSPS NRA60 Pension is taken, the RMSPS NRA65 Pension shall continue to be preserved but, for avoidance of doubt, the RMSPS NRA65 Pension can subsequently be brought into payment early in accordance with sub-paragraph (2) or (4) above, as appropriate.
- (d) The dates specified for the purposes of this Rule are—
 - (i) the Nil Margin Member's RMPP Exit Date;
 - (ii) the effective date of any election by the Nil Margin Member for the purposes of the RMPP under Rule 5AA of Section C of the RMPP Rules (Retirement options and flexible retirement), which results in the Nil Margin Member ceasing to accrue further benefits under the RMPP or which would require his or her RMPP NRA60 Pension to be paid immediately; and
 - (iii) the date of an election by the Nil Margin Member to receive his or her RMSPS NRA60 Pension under Paragraph (c) of this Rule.

(6) While the Member remains in employment to which the RMPP relates, the Member's consent will not be required to defer payment of his or her GMP after age 65 (being the expiration of five years from the date on which that Member attains Normal Retiring Age in respect of that Member's RMSPS NRA60 Pension). Section 13(5)(b) of the Pension Schemes Act 1993 (as applied to the RMSPS by the Contracting-out Laws) shall apply subject to this exemption from its requirements. This sub-paragraph shall not apply to a Wholly Discharged RMPP Member, a Partially Discharged RMPP Member whose Relevant RMSPS Benefit is his or her RMSPS NRA60 Benefits. This sub-paragraph shall apply to a Nil Margin Member who remains in employment with an Employer, notwithstanding that there is at that time no RMPP NRA60 Pension payable to the Member.