ROYAL MAIL SENIOR EXECUTIVES PENSION PLAN

Your latest summary funding statement

The funding position of the Royal Mail Senior Executives Pension Plan (the "Plan")

The Trustees obtain a full valuation of the Plan at least once every three years. This is carried out by the Plan Actuary. The purpose of the valuation is to check the Plan's funding position and make sure the assets in the Plan can meet future pensions. The last full valuation was carried out at 31 March 2018. The Plan Actuary also carries out reviews in the years between valuations. These reviews provide us with an approximate update of the Plan's funding position and the last such review was carried out at 31 March 2019.

The valuation at 31 March 2018 showed that the Plan's assets were equal to 111% of the Plan's funding target (which is called the technical provisions).

In September 2018, the Trustees purchased annuities from Rothesay Life, which covered any Plan benefits which were not already insured with Scottish Widows.

At both 31 March 2019 and 31 March 2020 the Plan's assets were equal to 102% of the Plan's funding target. The cost of purchasing annuities is high, so the funding level is now lower than it was at 31 March 2018. All benefits members receive from the Plan are now covered by insurance policies and for this reason the Plan's funding position remained broadly unchanged over the period between 1 April 2019 and 31 March 2020.

The Employers pay £500,000 annually to meet expenses involved in running the Plan plus any levies required by the Pension Protection Fund ("PPF").

There has not been a refund of surplus to the Employers from the Plan's assets since we issued the last summary funding statement.

The Pensions Regulator can change the Plan, give directions about working out its technical provisions or impose a schedule of contributions. The Pensions Regulator has not used its powers in this way for the Plan.

What if the Plan winds up?
As part of the valuation, the Plan Actuary must also look at the Plan's solvency if it started to wind up (come to an end). At 31 March 2018, the Plan's assets were estimated to cover 97% of the solvency funding target. As at 31 March 2020 the Plan had purchased annuities to cover all benefits in the Plan, so if the Plan were wound up then members' benefits would be covered in full.