



To: All BTRSS Team Members

Dear BTRSS member,

Pensions review – details of the changes to your pension and what happens next

The consultation about proposed pension changes closed on 17 January 2018, after members of our two main pension schemes – the BT Pension Scheme (BTPS) and BT Retirement Saving Scheme (BTRSS) – asked us questions and sent their feedback.

In February we explained we were taking more time to review the feedback from team members in the BTPS and BTRSS and had continued discussions with the CWU before we made any final decisions. Having considered the responses and with agreement from the CWU, we can now confirm the enhancements we'll be making to your pension and what happens next.

A summary of your feedback

We've summarised the feedback you raised during consultation in a dedicated feedback report, which can be found at <http://snip.bt.com/vph>.

If you'd like to view similar feedback reports for BTPS members and BTRSS managers, visit snip.bt.com/pensions

The changes

1. We're pleased that BT's standard contribution rates will increase to 10% assuming you pay at least 5% from 1 June 2018 as shown in the table below. These rates are further improved from those proposed during the consultation:

Your contribution	Current level of BT contribution	Level of BT contribution proposed in the consultation	Level of BT contribution now agreed with CWU (available to you from 1 June 2018)
5%	8%	9%	10%
6%	8.5%	9.5%	10%
7%	9%	10%	10%

So if you currently have a pensionable salary of £30,000 and are choosing to pay 5% into the BTRSS, you're paying £125 per month into your account. BT currently pays £200 per month into your account, but from 1 June 2018, BT's contribution will increase to £250 per month – a 25% increase.

If you're currently contributing on lower historical rates of less than 5%, you may wish to consider increasing your own rate to maximise the contribution you can get from BT.

2. We'll also be making changes to the benefits on death in service. From 1 June 2018, we're increasing the cash lump sum payable from 3x to 10x BTRSS Pensionable Salary, where the maximum lump sum is equal to the Lifetime Allowance (currently £1 million) at the time of your death. The dependants' pension currently payable will be removed. Your beneficiaries would also still receive the value of the BTRSS plan you've built up.
3. We've also formalised the policy for medical retirement with the CWU, and will share more details with you soon.
4. We also told you previously that we would include London Weighting allowance as being pensionable and we've now included some further allowances which some people get. We'll update you with more on this in the near future.



Redundancy policy

We've agreed a new redundancy policy with the CWU that would cover all team members in BT plc. We'll provide an update on this in due course.

Where you can find all our communications

All our communications, including those sent to other members in the pensions review, can be found at <http://snip.bt.com/pensions>.

We'll also continue to update this site with FAQs.

We'll be sending you a guide in the post containing full details of the changes.

We're also arranging a series of calls, webinars, and roadshows over the next few months, which everyone will have the opportunity to join.

If you have any questions in the meantime, you can also contact the helpdesk on 0800 083 5056 or bt.pensionsreview@wealthatwork.co.uk.

My thanks to you and your colleagues for taking the time to participate in the consultation.

Alison Wilcox

Group HR director

What happens next?

You don't need to do anything now.

We're preparing a guide that we'll send you in the post containing:

- Full details of the final changes and any decisions you'll need to make
- Information about the support we're providing to help you understand and plan your finances in retirement.