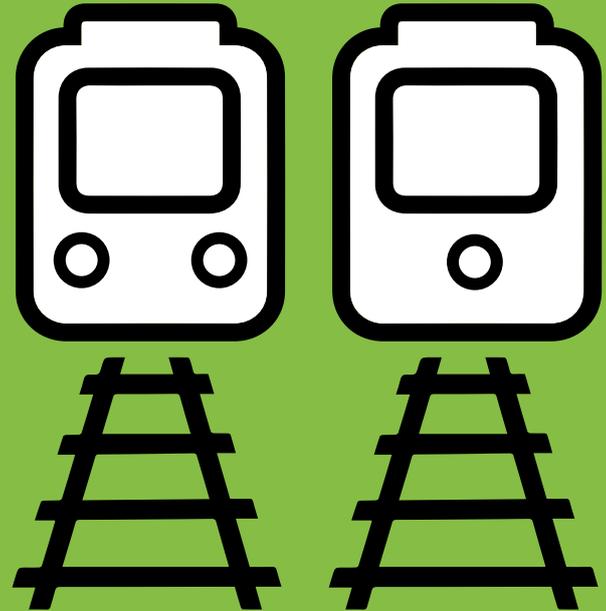


November 2021

Choices



The newsletter for members of the Network Rail Defined Contribution Pension Scheme (NRDC)



At a glance

As at
31 December 2020,
the Scheme was worth

£469.1
million



During the year,
the Scheme increased
in value by

£67.6 million



Membership had
increased to
30,542 members



Look inside

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Welcome

A warm welcome to the 2021 issue of *Choices*, the newsletter for members of the Network Rail Defined Contribution Pension Scheme.

I'm pleased to report that the Scheme's administration services were successfully transitioned from Capita to Willis Towers Watson, who took over as the Scheme's new administrator on 1 February 2021. Thank you to our members for your patience at this key time for the Scheme. Moving administrator is a very involved piece of work, and I appreciate that this may have caused disruption for some members, but I hope you will start to see the quality of service improve going forward. If you need to get in touch with Willis Towers Watson, there's a reminder of their contact details on the **back page**.

Have a look at our *5 things to do today* on **page 6**, which include a few pensions 'housekeeping' tasks. Number one is to go online and log in to the member portal provided by Willis Towers Watson. Here you can keep up to date with the Scheme and find out about your own benefits.

During the pandemic, you may have reduced your pension contributions because of your personal circumstances.

Now's a good time to catch up again and pay a little bit more if you can. On **page 9**, you can see how much it costs to start saving more into your pension.

During the year, there have been several changes to the Trustee Board. In April 2020, our member-nominated Director (MND), Ben Milway, was re-elected. However, Ben then left Network Rail in November, stepping down from his position as MND. As a result, another election was held, and we welcomed Robert Arnold in December 2020.

Anit Chandarana, Chair of the Trustee, decided to step down from his role in September 2020, after several years' service as a Trustee. Law Debenture Pension Trust Corporation (LawDeb Pensions), represented by myself, were appointed to replace Anit as Chair in November 2020.

Finally, Mark Langman retired from Network Rail in December 2020 and Eoin O'Neill stepped down from his role as a Trustee Director in March 2021. They have been replaced on the Trustee Board by Mark Engelbretson and Kathryn Andrews.

We thank our out-going Trustee Directors, Anit, Ben, Mark and Eoin, for their service to the Scheme and look forward to working with our new Board members. You can read more about them on **page 4**.

Samantha Pitt
Chair of the Trustee





Looking after the Scheme

The Scheme is a trust-based scheme, which is run by a trustee company called Network Rail Pension Trustee Limited.

Your Trustee Directors

Independent Chair



Samantha Pitt, Law Debenture Pension Trust Corporation Ltd

Samantha is an accredited professional trustee. A former NR employee, she previously served on the Trustee Board between 2013 and 2018. Now as an independent trustee with Law Debenture, Sam is also a trustee director for a number of UK pension schemes.

Appointed by Network Rail



Kathryn Andrews

Kathryn is the Internal Communications Director for NR and has been with NR since 2015. She joined the Trustee Board in March 2021 and is also a member of the NR Pensions Committee of the Railways Pension Scheme.



Tim Craddock

Tim is HR Director, Eastern Region. He joined the Trustee Board in March 2020.



Mark Engelbretson

Mark is NR's Head of Pensions and has been with NR since 2017. He joined the Trustee Board in December 2020, and he is also a Trustee Director of the Railways Pension Scheme and a member of the NR Pensions Committee of the Railways Pension Scheme.



Nominated by the Trades Unions



Paul Norris, Rail, Maritime and Transport Union (RMT)

Paul is the Pensions Officer for the RMT union. He joined the Trustee Board in February 2018.



Urvish Pandya, Transport Salaried Staffs' Association Union (TSSA)

Urvish is a Solution Architect at NR. He joined the Trustee Board in September 2016.



Andrew Fielding, Unite Union

Andrew is Investigation Manager at NR. He joined the Trustee Board in March 2019.

Member nominated



Robert Arnold

Robert is a train delay Attribution Controller at NR. He was elected to the Trustee Board in December 2020.

Advisers to the Trustee

Auditor

RSM UK Audit Ltd

Investment adviser

River and Mercantile Investments Ltd

Legal adviser

Squire Patton Boggs (UK) LLP



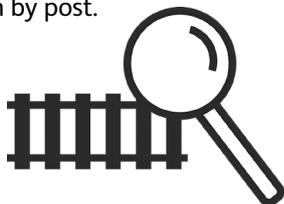
5 things to do today

1. Go online

The Scheme's website at www.mynrpension.co.uk is the place to find all the key information about the Scheme, including the Member Guide, newsletters, forms and important Trustee documents. From here, you can also log in to the member portal provided by Willis Towers Watson at <https://epa.towerswatson.com/accounts/nwr/>

Earlier this year, we sent you your individual login details for the member portal, called ePensions Administration (ePA). If you haven't registered yet, why not do so today? It only takes a couple of minutes, and then you can:

- review and update your personal details
- check and make changes to your investment options
- update your Expression of Wish
- elect to receive future pension communications electronically rather than by post.



Trouble logging in?

If you've forgotten your user ID or password, try the *User ID reminder* or *Reset your password* services. If you're new to ePA or are still having problems, there is an *Account Recovery service*.

If you still have a problem logging in, you can email NetworkRailPensions@willistowerswatson.com for more help.

2. Update your Expression of Wish

One of the most difficult issues for the Trustee is deciding how to pay any benefits that are due if a member dies, and they haven't completed an Expression of Wish form for some time, or at all.

It's a good idea to make sure that you update your Expression of Wish every two years (even if you are nominating the same person) or whenever your circumstances change, particularly if you get married or divorced, enter or leave a civil partnership or have a child. You can then know that your savings will go to the right person. It's very easy to update your wishes, using the form



on the Scheme website or by logging in to ePA and completing it online at <https://epa.towerswatson.com/accounts/nwr/>

3. Watch out for scams

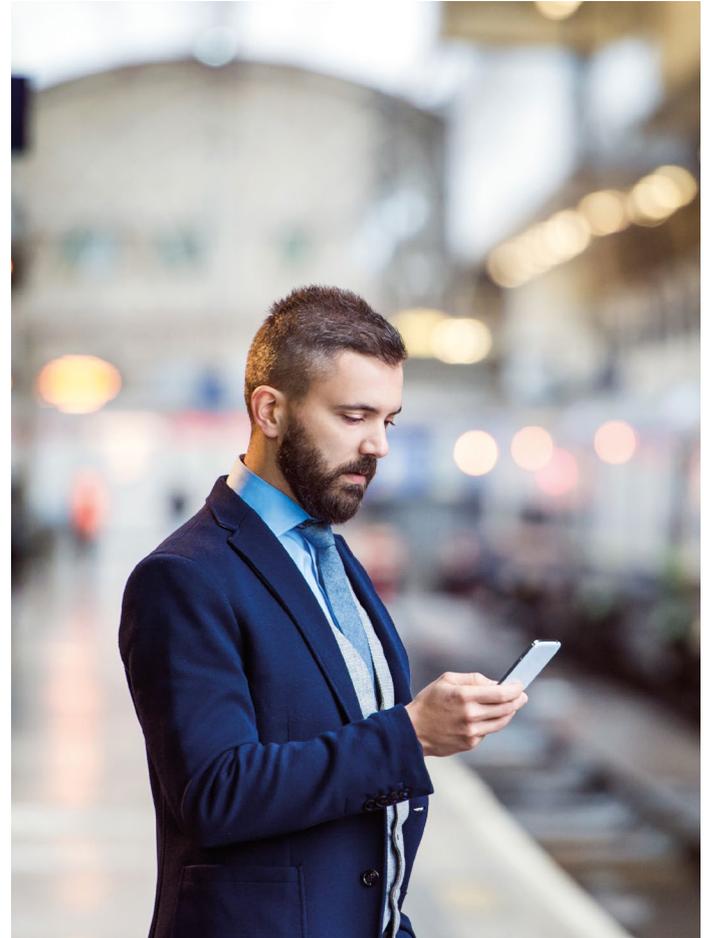
Scams in general are on the increase. Covid-19 created more opportunities for fraudsters, and scammers are continuing to target pension pots of all sizes. They are becoming ever more sophisticated in their approach and more determined.

If you're thinking of transferring your pension benefits, **please be extra cautious**. Scammers design attractive offers to persuade you to transfer your pension pot to them, where it is:

- invested in unusual and high-risk investments
- invested in more conventional products but within an overly complex structure that hides multiple fees and high charges
- stolen outright.

Common pension scams include early pension release or pension reviews. You should:

- reject any unsolicited contact about investments
- check the Financial Conduct Authority's warning list
- avoid being rushed into making a decision
- get impartial advice.



5 things to do today continued

Don't let a scammer ruin your retirement. Go to the Pension Regulator's website for more details about pension scams and how to avoid them: www.thepensionsregulator.gov.uk/en/pension-scams

4. Review your investments

It's a good idea to review your investment choices regularly to make sure you're still on track with your plans for retirement. You can see the value of your Personal Retirement Account and make changes to your investments at any time by logging in to ePA at <https://epa.towerswatson.com/accounts/nwr/>

5. Check your target retirement age

If you're using the default Managed Lifestyle investment strategy, it's very important to make sure that your target retirement age is correct and matches with your plans for when you want to retire. This is because your investments are automatically moved from growth investments into less volatile funds like bonds and cash as you get closer to retirement.

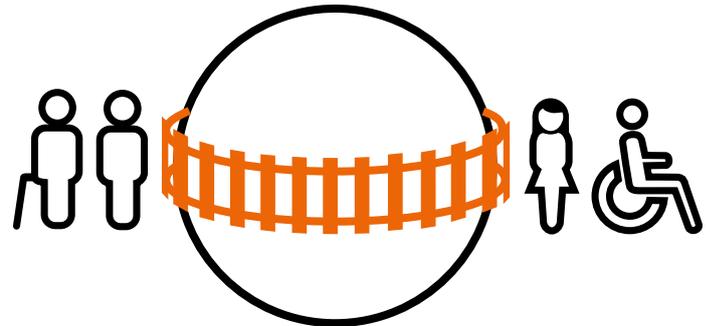
If you've left your target retirement age at the Scheme's default of age 65, but you're actually hoping to retire earlier, it could mean that your retirement account is still invested in

a growth fund too close to your retirement. If there's a sudden downturn in the financial markets, your retirement savings might not have enough time to recover.

Similarly, if you've chosen age 55, but find you want to continue working a bit longer, your investments will have started switching into less volatile funds too soon and you might miss out on some investment growth.

A note about State pension age

You should consider if your target retirement age needs to match your State pension age. The State pension age is gradually rising, and yours could be age 66, 67 or 68. You can check this at www.gov.uk/state-pension-age

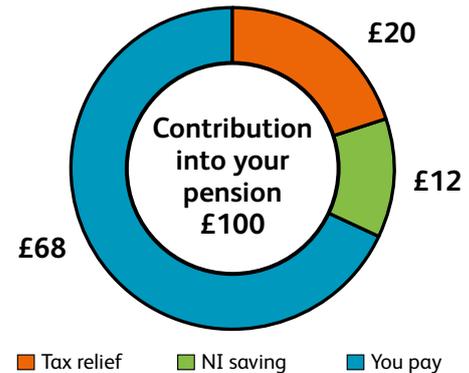


Are you saving enough?

Knowing how much to save for your retirement can be difficult. There's lots to think about like when to retire, how much your living costs will be and how much your investments will grow. There's also the uncomfortable truth that your savings need to last for the rest of your life – and estimating how long that could be is something we all tend to avoid.

Paying more costs less than you think

Any money you decide to contribute to your pension will cost you less than you think because you don't have to pay income tax on it. Paying through Smart means you also make savings on National Insurance. If you're a basic rate taxpayer, this brings the cost of paying an extra £100 into your pension down to £68.



By giving up £68 from your pay, you'll be making a £100 contribution into your pension!



Are you saving enough? continued

Don't miss out on valuable contributions from Network Rail

Can you afford to miss out on up to 7% of your basic salary? How much you pay depends on your own circumstances, but if you only ever pay a minimum contribution rate, you'll be missing out on valuable contributions from the Company. If you've been automatically enrolled into the Scheme, contributions are based on your qualifying earnings (which is lower than basic salary), and you could be missing out on the higher Company contributions that are available by joining the Scheme.

You pay	Network Rail pays
0%	3%
1%	4%
2%	5%
3%	6%
4%	7% (max)

1% more?

During the pandemic, you might have reduced your pension contributions. Now's a good time to catch up again and pay a little bit more if you can. You can change your contributions at any time by logging in to your NRDC member account via www.mynrpension.co.uk

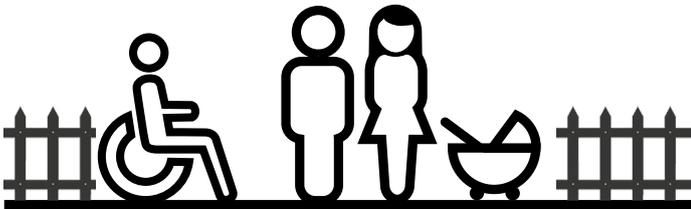


Pension news

MoneyHelper is here

MoneyHelper is an easy way to get free, trusted help for your money and pension choices. The services previously provided by the Money Advice Service, the Pensions Advisory Service and Pension Wise now all come under MoneyHelper, bringing everything together in one place.

Offering free, impartial help that's quick to find and easy to use, MoneyHelper is available online or over the phone, providing clear money and pensions guidance, as well as pointers to trusted services, if you need more support. It helps people to clear their debts, reduce spending and make the most of their income to build up savings and pensions and know their options. Go to www.moneyhelper.org.uk



A freeze on the Lifetime Allowance

The Lifetime Allowance (LTA), which is the maximum amount of pension savings you can have at retirement from all pension schemes without incurring an additional tax charge, has been frozen at £1,073,100 for the next five years. Since 2017, the LTA has been increasing in line with inflation but will now remain fixed until 2026.

Planning ahead – minimum pension age to change

The State pension age is rising to age 67 in 2028, with a further increase planned to age 68 between 2037 and 2039.

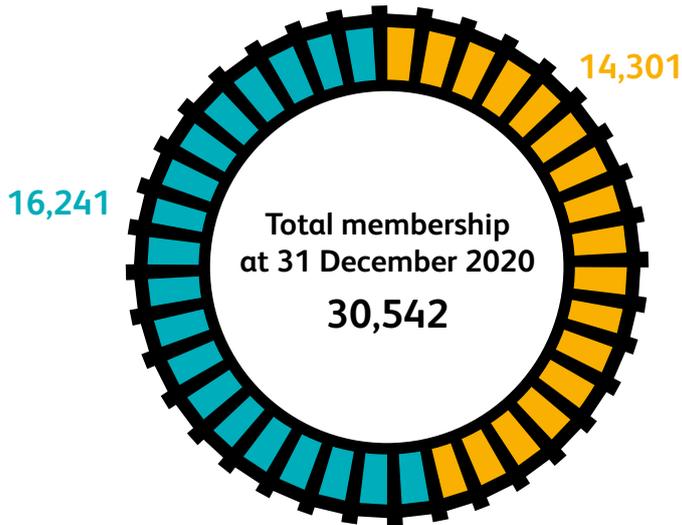
Corresponding with this rise is an increase to the minimum age at which you can start taking benefits from a workplace or personal pension, which will rise from age 55 to age 57 in 2028. The minimum pension age tracks the State pension age at 10 years younger.

This may affect you if you have plans to retire early and your 55th birthday falls in 2028.

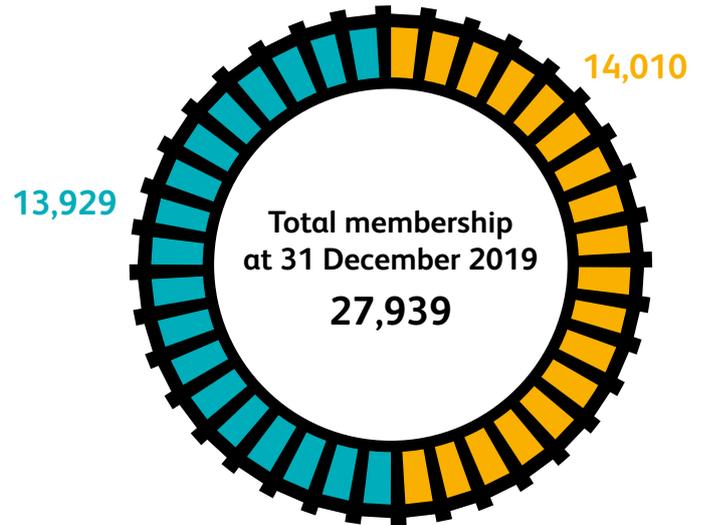


Scheme membership

You are one of 30,542 members in the Scheme. The charts below show a breakdown of the membership as at 31 December 2020 and how it has grown compared with the previous year.



Active members
are those currently paying contributions into the Scheme.



Deferred members
are former employees or opted-out members who have not yet taken their Scheme benefits.



Report and accounts

The information on these pages is a summary taken from the Scheme's audited report and accounts for the 12 months to 31 December 2020. If you would like to see the full report, you can find it on the Scheme website.

	31 Dec 2020	31 Dec 2019
	£'000	£'000
Financial highlights		
Net assets at the start of the year	401,463	330,760
Money in less money out	33,463	28,265
Net return on investments	34,151	42,438
Net assets at the end of the year	469,077	401,463

During the year the fund increased in value by £67.6 million (2019: £70.7 million)



	31 Dec 2020	31 Dec 2019
	£'000	£'000
Money in		
Members' normal contributions	1,766	1,598
Members' AVCs	1,436	1,280
SMART contributions	19,591	16,689
Employer's normal contributions	20,129	18,910
Death benefits from insurance company	2,398	1,647
Individual transfers in	847	1,712
Total	46,167	41,836

Money out		
Benefits paid to members	(6,342)	(5,087)
Transfers out	(6,268)	(8,458)
Administration expenses	(94)	(26)
Total	(12,704)	(13,571)

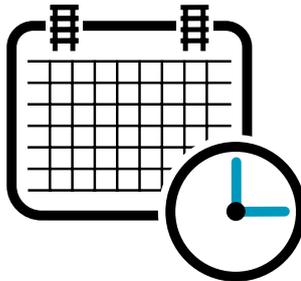


Investment update

The Scheme's assets are all invested through a **unit-linked insurance policy designed for company pension schemes**. Members can choose from a range of 12 funds to invest in, provided by **Legal & General Assurance Limited (L&G)**.

The **Managed Lifestyle** strategy is for you if you don't want to be involved in making your own investment decisions. 'Lifestyling' means that your investments are automatically managed for you and risk is gradually reduced as you get closer to retirement.

The self-select **Pick & Mix** range of funds is for you if you have the knowledge and time to take a more hands-on approach and select your investments yourself. There is no automatic de-risking as you get closer to retirement, and so you would need to control this yourself.



NRDC microsite

You can use the NRDC investment microsite to find detailed information about the investment fund range, including the latest fund factsheets which you can access from the homepage of the Scheme website at www.mynrpension.co.uk



Investing responsibly

You may have heard about responsible investment, which is an approach to investing that explicitly acknowledges the relevance of environmental, social and governance (ESG) factors and of the long-term health and stability of the market. It recognises that the ability to achieve long-term, sustainable returns depends on stable, well-functioning and well-governed social, environmental and economic systems.

The Trustee takes ESG issues very seriously and works closely with the Scheme's investment adviser. It regularly reviews the ESG rating and carbon impact of the Scheme's investments, and an ESG beliefs survey has recently been completed to pinpoint areas of concern more accurately and take appropriate action.

The Scheme's investments are made using the investment funds provided on the L&G platform, and so consideration of financially material factors, including ESG risks, is delegated to the underlying fund managers.

ESG factors and stewardship are considered in the context of long-term performance by the Trustee as part of the manager selection criteria. This review occurs before funds are approved for investment. For invested funds, the Trustee, with help from its investment adviser, monitors ongoing compliance with ESG and other factors, like stewardship, as a part of overall engagement.

The Trustee's investment strategy for the Scheme is set out in a formal document called the Statement of Investment Principles (SIP) which is reviewed on a regular basis.

If you would like to see the SIP, you can find it on the Scheme website, along with the Implementation Statement, which describes how the investment managers have engaged with ESG issues during the year.

The Trustee has met with Company representatives to understand what the Network Rail business is doing in this area. We will continue to provide updates on the Trustee's approach to ESG in future newsletters, as this is an important and evolving area for the Scheme.



Keep in touch

If you have a question about the Scheme or your benefits, please get in touch with the administrator, Willis Towers Watson.

Email:

NetworkRailPensions@willistowerswatson.com
pensions@networkrail.co.uk

Call us:

01737 230487

Write to us:

Willis Towers Watson
Network Rail
PO Box 545
Redhill
Surrey RH1 1YX

Website:

www.mynrpension.co.uk

Go online!

Log in to your account using the member portal at
<https://epa.towerswatson.com/accounts/nwr/>



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