

A guide for members RPS 65



## **Disclaimer**

The information provided in this guide is intended for general information and illustrative purposes. Your benefits will be worked out in accordance with and subject to the governing trust deed and rules and relevant legislation.

Although every effort has been made to ensure the information given in this guide is accurate, none of the information given can give you, or your beneficiaries, legal rights to benefits that differ from those provided in the pension trust and rules. The Trustee, Network Rail and Railpen Limited (“Railpen”) give no warranty and accept no responsibility for the accuracy of the information provided, or for your reliance on that information. Therefore, the information provided should not be relied upon to make investment or other decisions.

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# 01

# Glossary



### **The Committee**

A Pensions Committee which Network Rail has set up with equal numbers of members' and employer's appointees dedicated to the Network Rail Section. The Committee works with the Trustee to manage the Network Rail Section for you and your dependants.

### **Basic State Pension**

Basic State Pension has been replaced for people who reach State Pension Age on or after 6 April 2016. The Section however, will continue to use Basic State Pension as published by the government annually.

### **Final Average Basic State Pension**

The single person's basic State Pension averaged over the 12 months before you: take your benefits; leave the Section of your Scheme; or die; whichever is earlier.

### **Final average pensionable pay**

Your pensionable pay averaged over the 12 months before you: take your benefits; leave the Section of the Scheme; or die; whichever is earlier.

### **Pensionable pay**

Your yearly rate of pensionable pay on each 1 April.

### **Rules**

A document which sets out in detail how the Network Rail Section of the Scheme works and what benefits are provided.

### **The Section**

The Network Rail Section of the Railways Pension Scheme.

### **Trustee Company**

The Railways Pension Trustee Company Limited.

## **Minimum Pension Age**

The earliest age at which you can apply to take your pension benefits. Generally, if you were a member of the NR Section or any other section of the Railways Pension Scheme on 5 April 2006, you may be able to claim your pension benefits from age 50 if you apply for immediate payment on leaving employment. If you weren't a member on this date, your Minimum Pension Age will be 55. You can check this with Railpen.

The government had indicated that the minimum age people can access their benefits will rise to 57 from 2028, when it plans to link the minimum age to rises in the state pension age.

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## **Pensionable Restructuring Premium**

This is part of your pay which is treated as pensionable from a certain date. Pensionable Restructuring Premiums (PRPs) are used to calculate contributions and benefits payable from the Section.

A PRP only affects benefits accrued from the date it starts.

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## **Section pay**

Pensionable pay (including all pensionable restructuring premiums), less 75% of the single person's basic State Pension.

Your Section pay will never be less than half of your pensionable pay (including all pensionable restructuring premiums).

If you joined the Section before 1 July 2012, please refer to the section in this booklet called 'Combined membership' to see how Section pay differs for your service before July 2012.

# 02

## Welcome

A guide for members

# Welcome to RPS 65


You're a member  
of a highly valued  
pension scheme.


It's really important to browse through this guide when you've got a minute, whether retirement is a long way off or approaching fast.

From April 2016, Network Rail introduced important changes to its Section of the Railways Pension Scheme (RPS) to ensure it remains affordable and sustainable.

This guide includes lots of useful information about getting the most out of your pension, the benefits of belonging to RPS 65, and answers to your important questions.



Wherever you see this symbol , it means more detail is available in Read As You Need leaflets on [railwayspensions.co.uk](http://railwayspensions.co.uk).

You can also register on this website to view your RPS 65 pension details, and play an active role in planning your retirement. 

Important note: If you were a member of the Network Rail Section before 1 July 2012, please see the section 'Combined membership' in this booklet for details about your combined membership in RPS 60 and RPS 65.

If you have a general query about your pension, please call the Helpline on 0800 012 1117.

Now is the perfect time to start getting the most out of tomorrow by planning for it today.

# Benefits of membership



Here's the good news!  
You're never too young or too old  
to start planning your retirement.

Retirement is no longer seen as 'the end of the road' and many people don't want to change their lifestyles because of it.

## Benefits

By becoming an RPS 65 member of the Network Rail Section, you have taken an important step towards building your financial future. So what are the benefits of belonging to the Section?

Most importantly, you will get a pension for life when you retire (exceptions such as 'opting out' are explained later in this guide).

The amount you get depends on:

- how long you have been a member of the Section; and
- your final average pensionable pay, plus other benefits such as BRASS funds.

Under current Rules, pensions are paid every four weeks into your bank account.

You can decide how to make your benefits work best for you.

For example, you can choose to convert some of your RPS 65 pension into a lump sum (currently tax-free) when you retire.

You can also 'top up' your benefits through BRASS, which is the Additional Voluntary Contribution (AVC) savings facility for the Railways Pension Scheme.

## Protected Rights

If you were a member of the British Rail Pension Scheme on or before 4 November 1993, you may have certain legal rights to join the Section. Contact the Network Rail Pensions Team if you are unsure about your right to join.

 'Your Protected Rights'

# 04

## Benefit types

A guide for members

# Benefit types

You may be eligible for different types of Scheme benefits, depending on when you retire or changes in your circumstances.



These terms can be confusing, so here is a guide to the benefit types and when you can start claiming them:

### Normal retirement benefits

These can be taken at your 65th birthday (Normal Pension Age) or at any time between the ages of 65 and 75.

### Early retirement benefits

You may qualify for early retirement from age 55, or 50 if you have a protected minimum pension age (known as a Protected Pension Age), but your benefits will be reduced compared to what you would get at your Normal Pension Age.

### Ill-health benefits

If you retire from employment with Network Rail through ill-health, you can apply for your benefits if:

- you have five years' continuous company service (but not yet reached five years' pensionable service); or
- you have been in your Section for at least five years, or have at least five


years' membership in the Section (including transferred membership) and

- a medical expert chosen by the Committee provides evidence that you can't work in your current job or any other suitable job (other than temporarily);
- you are under age 65; and
- you apply within a year of leaving work with Network Rail.

If you are under 65 and start working again while claiming ill-health benefits, your pension may be reduced or suspended, depending on:

- your earnings; or
- if the Committee receives medical advice that you are able to earn an income.

When you reach 65 you can claim the full pension again, even if you carry on working.

 'Guide for members applying for incapacity benefits'



# 04 Benefit types

## Preserved benefits

If you leave the Scheme before you are able to receive your benefits, you become a 'preserved' member. This means you don't pay any more contributions and you don't build up any more benefits in the Section.

However, your preserved benefits increase each April in line with Orders made under the Pensions (Increase) Act 1971 and in accordance with Scheme Rules, from the date that your membership ends.

These benefits can be paid from age 65 without any reductions; or they can be left in RPS 65 up to age 75 if you wish. If you decide to take your benefits after age 65, your benefits will be increased to reflect the later payment date.

Preserved members can apply to take their benefits from the Section before age 65; the benefits payable would be reduced to reflect retirement before Normal Pension Age (age 65).

You can apply to transfer your preserved benefits to another registered pension scheme.

## Transferring benefits

### Transferring-out

Preserved members may be able to transfer their benefits to another Section within the RPS, or to a different pension scheme outside the RPS. A transfer-out would include the value of your BRASS account (if applicable) up to the date of transfer.

### Transferring benefits in from another RPS Section

You can transfer-in benefits from another Section.

### Transferring benefits in from outside the RPS

RPS 65 does not accept transfers-in from external pension schemes with the exception that the NR Section will accept transfers-in from the Network Rail Defined Contribution Pension Scheme (NRDC) and the Network Rail CARE Pension Scheme (CARE). Transfers-in from the NRDC and CARE Schemes would be invested in BRASS only.

At retirement you can use these funds to provide a cash lump sum (up to HMRC limits), or convert to additional pension.

## Compulsory transfer of employment (TUPE)

If your job is transferred to another employer, because of a contract or business sale or change in franchise, you can no longer be a member of RPS 65.

If you are a 'protected person' or have an 'indefeasible right', under the Railways Act 1993, you will continue as a member of the Scheme. Your new rail employer must give you the option of joining their Section of the Scheme.

Railpen will contact you once your new membership is set up, and will send you transfer information about your pension options within six months of your employment transfer.

 'Guide to your Protected Rights'.

## If you work part-time...


You are entitled to the same benefits as your full-time colleagues, based proportionately on your part-time hours (compared to the full-time hours) for your job. For example:

**ill-health benefits:** The number of years' of employment or membership you need to qualify for these is not affected by the number of hours you work.

**dependants' benefits:** The amount of benefit is calculated based on your part-time hours.

**contributions:** These are calculated using the equivalent full-time rate of Section pay for your job, but reduced in proportion to the hours you work.

**AVCs:** You are entitled to the same terms as your full-time colleagues. See the 'Saving more' section for details'.

 'Guide to working part-time'.

## Cost



Pension contributions receive tax relief.\* Members and the company both pay regular contributions into the Railways Pension Scheme (RPS).

### How contributions are calculated

The rate of normal contributions can go up or down, in order to meet the cost of paying current and future benefits from the Section. Generally, the contribution rate is reviewed every three years by an external adviser to the Trustee known as the Scheme Actuary. The table below shows the current contribution rates for RPS65:

RPS65 Protected default normal contributions	
Member	Employer
5.84%	8.76%
RPS65 Protected extra contributions 2016 option	
Member	Employer
7.62%	7.08%
RPS65 Non-protected default normal contributions	
Member	Employer
6.32%	8.28%
RPS65 Non-protected extra contributions 2016 option	
Member	Employer
8.10%	6.60%

Contribution rates effective from 1st July 2024.

Member and employer contributions to RPS 65 are normally fixed in July each year. Contributions are deducted as a percentage of your Section pay. Section pay is set out in the 'glossary' but is based on your pensionable pay at 1 April with a deduction of 75% of the basic State Pension as at 1 April.

This amount is fixed for the next 12 months, unless:

- there is a change in the agreed contribution percentage;
- a change in your circumstances, such as taking statutory family leave; or
- you change your working hours e.g. going part-time.

From April 2016 members of the RPS pay higher National Insurance contributions because the government abolished 'contracting-out'.

\* Tax relief is limited by the Annual Allowance. Visit [gov.uk](http://gov.uk) for detailed information and updates.

# 05 Cost

## Think SMART!

Participating in the SMART arrangement does not affect your pension benefits. It means that:

- Network Rail pays your normal contributions on your behalf;
- your contractual pay is adjusted to reflect this change; and
- your take-home pay goes up, because you are paying less National Insurance Contributions.

RPS65 members will participate in SMART automatically. In limited circumstances some members cannot participate in SMART in this event the payroll system will automatically remove the member from the SMART arrangement. There is no voluntary SMART opt-out for RPS65 members.

## Three ways your pensionable pay can increase

1. Since July 2012 pensionable pay rises, e.g. from your yearly pay review, or other non-promotional pay increase, are capped by the annual pensionable pay cap. The cap was the maximum of the Retail Prices Index (RPI) for the previous September plus up to 0.5%, however from 1 April 2016 the annual cap has been adjusted to the RPI only. This cap applies every year from 1 April to 31 March.
2. Members who chose the one-off option to pay the RPS Extra Contributions 2016 will have non-promotional pay increases above the annual RPI cap, treated as pensionable for future service only from the date of the non-promotional pay award; this is known as Pensionable Restructuring Premium (PRP).

3. Separately, any increase to your basic pay as a result of a promotion which involves a change in Grade or Band will be treated as pensionable for future service only from the date of the promotion. This is known as a Pensionable Restructuring Premium (PRP).

## Your contributions end when you:

- Stop working for Network Rail;
- Opt-out of RPS 65;
- Start claiming your benefits;
- Reach age 75, or have 40 years' membership (whichever is earlier).

## Protecting the value of your benefits

The Scheme provides two valuable types of protection against inflation:

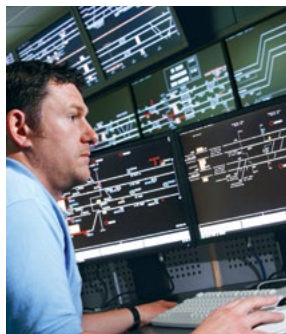
- While you are an active RPS 65 member, as your pensionable pay grows, so do your benefits;
- When you take your benefits, or become a preserved member, your pension increases in line with Orders made under the Pensions (Increase) Act 1971 and Scheme Rules. Traditionally this increase has happened in April. The Consumer Prices Index (CPI) is the measure of inflation currently used for these increases.

# Saving more

## BRASS AVCs

You can 'top up' your benefits by paying Additional Voluntary Contributions (AVCs) into your own BRASS account.

AVCs are taken from your earnings before income tax is deducted, meaning extra savings for you.



BRASS allows you to decide:

- how much you want to contribute\*;
- where you invest your contributions, you can find more information on the funds available to you online at [railwayspensions.co.uk](http://railwayspensions.co.uk).
- when you start - and stop - making contributions.

You have to take your AVC benefits at the same time as your main Scheme benefits or you could transfer-out your BRASS funds only to another pension arrangement (non Network Rail).

Generally you can contribute up to 75% of your taxable earnings to RPS 65 as AVCs through payroll (less normal contributions or SMART reduction). You can also pay extra contributions directly to the Scheme by cheque, but you are responsible for reclaiming tax relief (if any) on these payments from HM Revenue and Customs (HMRC).

\*If you are a 'protected person' you can only pay 15% of your annual taxable earnings, including normal Scheme contributions (or SMART reduction). If you want to contribute above 15% you can waive part of your protected right, specifically in respect of future BRASS contributions.


# 06 Saving more

AVCs may be particularly suitable if you:

- have earnings which do not qualify for Scheme pension, such as bonuses and overtime;
- are thinking about taking your benefits early (as long as you meet certain requirements); or
- simply want to save a bit more towards retirement.

Please refer to gov.uk for detailed information about the Annual Allowance.

For more information about BRASS and how to join.

 'Guide for Network Rail members of BRASS'.





# 07

## If things change

A guide for members

# If things change...

Circumstances can change and you may need to know what happens if you....

### Take leave

If you receive family leave, your contributions are based on the actual pay you receive but your benefits are based on your normal rate of pensionable pay.

If for any reason, you can't pay the contributions, for example you have a period of unpaid leave, Network Rail and the Scheme may collect what is owed from your future earnings; this is known as contribution arrears.

 'Guide for family leave'

### Take a career break

If you apply, and Network Rail agrees, you can take a career break which is unpaid leave. Whilst on a career break you do not pay pension contributions and the period you are on a career break will be treated as a 'break in service' by the Scheme.



### Opt-out

You can opt-out of the Scheme while still working by asking for an opt-out form from the Network Rail Pensions Team.

If you apply to stop your membership within a month of joining, you will be treated as though you had never joined. Network Rail will refund any contributions paid, minus adjustments for tax and National Insurance Contributions. If you apply to opt-out after a month, your Scheme benefits will be preserved.

You can't rejoin the Section unless Network Rail and the Pensions Committee agree, and you may have to have a medical examination. Currently Network Rail does not permit employees to rejoin if they have opted-out of the Section.

# 07 If things change

## Work and claim your benefits

You must have Network Rail's permission, and be at least age 55, to claim your benefits while still working for them.

If you are thinking about doing so, it's important to note that:

- you will no longer be an active member of RPS 65 and cannot rejoin the Section;
- your benefits will be worth less than if you left work and claimed them if you are under age 65;
- your pension will be subject to income tax but not National Insurance Contributions; and
- you will not be eligible for RPS65 death in service cover or incapacity benefits, although a dependant's pension may still be paid.

You will also need to check what, if any, pension arrangements may be available from Network Rail in the future.

## Retire and start work again

You must claim all your Scheme benefits at the same time if you:

- have a Protected Pension Age and are taking your benefits under age 55.
- have worked for different rail employers and been a member of their RPS Section.



There are important tax issues to think about if you leave work, claim your pension benefits before age 55 and then start working again: either for the same employer or another employer in the same corporate group, within six months of retirement, or one month of retirement if you return to do a job which is materially different in nature.

## Divorce or dissolution of a civil partnership

If you separate from your partner, your pension is likely to be considered along with your other assets when financial settlements are worked out.

A court order (known as a Pensions Sharing Order) can be made to transfer part of the value of your RPS 65 benefits as part of the divorce or dissolution proceedings. If this is the case, it would mean your Scheme benefits will be reduced to provide benefits for your ex-spouse or ex-civil partner.

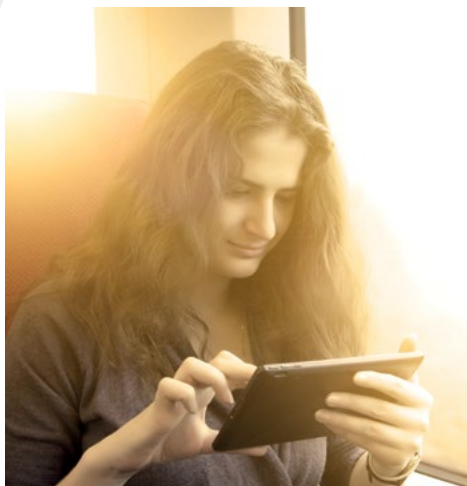


'Guide to divorce and your pension'.



# Benefits for dependants

While it's not a topic most of us want to discuss, it's reassuring to know that your dependants may be eligible for RPS benefits if you die.



**Eligible dependants** are classed as adults who depended on you financially (up to a maximum of three people, excluding eligible children) or the partner you were living with at the date of your death.

**Eligible spouse** is classed as your husband or wife or your partner in a civil partnership, who you were legally married to, or in a civil partnership with and living with at the time of your death.

**Legal spouse** pensions may be payable even if you are not living with your husband/ wife/ partner at the time of your death.

If you die while you're an active member of the Scheme, benefits for the above could include:

- a lump sum of four times your final average pensionable pay (less for preserved members);
- a dependant's pension worth half the pension you would have received if you had retired at age 65; and
- the value of your BRASS account.

The pensions rise in line with Orders made under the Pension (Increase) Act 1971 and Scheme Rules, and are taxable. Please note a dependant's pension (excluding spouse) may be reviewed after 10 years. A dependant's pension (including spouse) may be reduced if they are more than 10 years younger than you.



# 08 Benefits for dependants

## Eligible children

The two youngest eligible children normally receive pensions until they are 18 years old.

If an eligible child is disabled or continues in full-time education after they are 18, the pension may still be paid, if your Pensions Committee agrees. This could extend up to age 23 for students in full-time education.

The pensions rise in line with Orders made under the Pension (Increase) Act 1971 and Scheme Rules, and are taxable. If there are no eligible dependant or spouse pensions to pay, each child's pension is doubled.

## Lump-sum death benefit

It is very important that you keep your Nomination form up to date so that the Trustee knows who you would like to receive any lump-sum death benefit that may be payable.

If you have already filled one in, please consider completing a new Nomination form if your personal circumstances change, or it's been a while since you last completed one and sent it to Railpen.

The easiest way to do this is to log into your myRPS account and complete it online.

The NR Section Pensions Committee decides who gets your lump-sum death benefit, but will always take your wishes into account **providing you have an up-to-date Nomination form on your pension record held by Railpen.**



# 09

## Take control

A guide for members

# Making the most of your benefits

Think ahead – what do you really want out of retirement? Use this checklist to help you get the most out of your membership.



Register for your personal myRPS account at [railwayspensions.co.uk](https://railwayspensions.co.uk). Registering is simple and only takes a few minutes.

Nominate your beneficiaries for any death benefit lump sum that might be paid if you die before taking your pension. The easiest way to do this is online, once you've registered. Make sure you check your nominations every couple of years so they still reflect your wishes.

Consider paying additional voluntary contributions into a BRASS account. If you already have one, make sure you regularly review your fund choices and the amount you are contributing to make sure they're still right for you.

# 10

# Your tax limits

You can only build up, and receive, a certain amount of pension benefits before you have to pay more tax.




These limits, set by HM Revenue & Customs, are called the Annual Allowance and the Lifetime Allowance.

There is also a limit on the tax-free cash lump sum you can get from the Scheme. This applies to **all** members and is currently set at 25% of the capital value of your pension benefits.

### What is the Annual Allowance?

This is the most money you can save tax-free in all your pension arrangements during any tax year (also known as a 'Pension Input Period').

If your savings go over the Annual Allowance, you may have to pay more tax.

 'Tax limits – Annual Allowance'; and 'Guide to paying tax if over your Annual Allowance'.

### What is the Lifetime Allowance?

The Lifetime Allowance (LTA) was previously a limit set by the government on the amount of pension that you could accrue across all pension schemes that you have without facing a tax charge when claiming your pension.

The tax charge for exceeding the LTA was removed in April 2023, with the LTA then abolished in April 2024.

The amount of tax-free lump sum that you can take is still limited, and this limit for the 2025/2026 tax year is normally £268,275.00.

You are strongly advised to get independent financial advice if you think you will be close to, or over, the Annual Allowance or the Lifetime Allowance.

### Flexible options

You can also contribute to other types of pension arrangements, for example, personal pension schemes, which are totally separate from the Railways Pension Scheme. You should seek independent financial advice if you are considering doing this.

# 11

Thinking about retiring?

A guide for members

## Thinking about retiring?



Follow these four steps to start claiming your Railways Pension Scheme (RPS) benefits:

**1**

### Request an estimate

The easiest way for you to request an estimate and details of your options is online at [railwayspensions.co.uk](http://railwayspensions.co.uk). Log into your myRPS account and go to 'My Pension'.

Alternatively, you could request an estimate from Railpen by calling the Helpline on 0800 012 1117. Charges may apply if you request an estimate from the Helpline more than once in a year.

**2**

### Apply for your pension benefits

If you want to claim your pension, contact your employer who can start the process for you. Alternatively, you could either write to Railpen or call the Helpline on 0800 012 1117.

**3**

### Railpen processes your application

After Railpen receives your request, confirmation will be sent to you, showing the benefits that you will receive, taking into account the options you have chosen.

If you apply for your benefits more than 28 days before your retirement, Railpen will contact you confirming that more details will be provided closer to the actual date.

**4**

### Payment of your pension

Any lump sum you may have requested will be paid into your bank account and your pension will be paid every four weeks for life.

# 11 Thinking about retiring?

## Early Retirement Factors

### What are early retirement factors?

If you start taking your benefits before your NRA, there are early retirement factors (ERFs) you need to think about.

### Retiring from active status

Applications for an immediate payment of benefits from an active status (when leaving employment) will be based on the ERFs shown in the table and will depend on your category of membership.

### Retiring from preserved status

Members with preserved benefits may be able to take their benefits early, with the Trustee's agreement. Early payment will normally be subject to ERFs set out in columns B and C (depending on NRA). These columns also applies to members who leave pensionable service but continue working. However the Trustee has the discretion to agree to a higher early retirement pension by applying the factors in column A.

The Trustee does not expect to agree to requests from members that the more favourable factors in column A should be used, other than in exceptional circumstances.

## Categories of member

Categories are needed to identify how members are treated for early retirement benefits.

If you were a contributing member on 1 July 2009, you became either a Category One or a Category Two member under the Rules for the Network Rail Section of the Scheme.

Category One members will be members who are Protected Persons. Other members, including those who have the Indefeasible

Right to be a member of the Railways Pension Scheme, will be Category Two members.

Generally, if you joined the Network Rail Section after 1 July 2009 (but before 1 July 2012) you will be a Category Two member.

However, there are certain circumstances where you could be classed as a Category One member. If you are unsure and would like to find out which category you are in, please phone the Helpline and they will be able to confirm this for you.

# 11 Thinking about retiring?

Age	Pensionable service to 30 June 2012		From July 2012
	Column A Category One member (all benefits) and Category Two member (benefits earned up to 30 June 2009)	Column B Category Two member (benefits earned on or after 1 July 2009 and up to 30 June 2012)	Column C Members in Category One and Category Two for benefits earned after 1 July 2012
65	100%	100%	100%
64	100%	100%	94%
63	100%	100%	89%
62	100%	100%	84%
61	100%	100%	79%
60	100%	100%	75%
59	98%	95%	71%
58	96%	90%	68%
57	94%	85%	64%
56	92%	81%	61%
55	90%	77%	58%
*54	87%	73%	55%
*53	84%	70%	53%
*52	81%	66%	50%
*51	78%	63%	48%
*50	75%	60%	46%

If payment is from a date in between birthdays, the reduction is adjusted appropriately.

\*Please refer to the definition of Minimum Pension Age in the Glossary to check if you may be eligible to claim early retirement pension benefits under age 55.

**IMPORTANT NOTE:** The factors in column B and C may change from time to time. You should ask for an early retirement estimate rather than rely on this table in the future.

# 12



# Options at retirement



You can tailor your benefits to meet your personal needs when you retire. See the options below to work out what's best for you.

### Take a cash lump sum

You may be able to take a lump sum, tax-free under current legislation, by giving up part of your pension (up to a limit, see the Tax Limits section for details). For every £1 of pension you give up, you will receive £12 of lump sum. If you have BRASS funds these can be taken as a lump sum, up to HMRC limits.

Taking a cash lump sum will not affect the pensions your dependants may receive if you die.

### Level pension

You might want to start taking your RPS benefits before you are eligible to claim your State Pension.

If so, the level pension option will help even out the change in your income when you start claiming your State Pension.

### How?

- By drawing a higher Scheme pension before you claim your State Pension;
- And a lower Scheme pension after you reach State Pension age (SPA).

Please note that the level pension available will be based on your State Pension age at the date you start taking the level pension.

This option is not available if:

- You are within a year of SPA;
- You are over SPA;
- You receive an ill-health pension; or
- Your pension before or after SPA is below the minimum level.

# 12 Options at retirement

## Extra pension for a named dependant

A pension may be paid to any qualifying dependants or eligible children when you die. However you may be able to give up part of your own pension to provide more pension for a named dependant. You would make this election when you retire. This must be your spouse, registered civil partner or other dependant.

This extra pension depends on your age and your dependant's age, is taxable, and increases in line with Orders made under the Pensions (Increase) Act 1971 and Scheme Rules.

The payments will continue until your dependant dies. However, if your dependant dies before you, you can't change your decision and will still receive only the reduced pension.

## Taking your benefits early while working

You may be able to claim your benefits early (from age 55) and continue working – as long as you are eligible and Network Rail agrees.

However, it's important to note that:

- Your benefits will be reduced if you are under age 65. The early retirement reduction factors will be applied on a 'cost neutral' basis which is likely to result in a greater reduction than shown on page 22, even if you are a 'protected person'.
- You will no longer be covered for the four times pensionable salary death in service lump sum, and you will not be eligible for ill-health benefits. Eligible dependant pensions may still be payable.
- Your pension would be subject to Income Tax but not National Insurance deductions.
- You also give up any right to be an active member of the Section, and you will not be allowed to rejoin under any circumstances.

## Additional Voluntary Contributions

If you have paid into BRASS, you must take these benefits at the same time as your main Scheme benefits. Alternatively you may be able to transfer-out your BRASS funds to an external pension scheme.

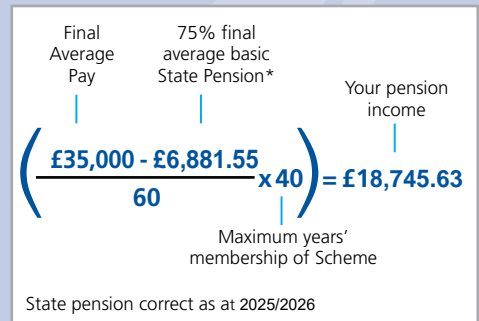
## How your pension is worked out


Your pension is:

- your final average pensionable pay, less 75 per cent of the Final Average Basic State Pension; or
- one half of your final average pensionable pay if it is more.

This figure is divided by 60 and multiplied by the number of years' and days' membership you have in RPS 65. You can't have more than 40 years' membership.

Example below for illustration purposes only.



 Your pension may also include Pensionable Restructuring Premiums (PRPs). Your pension will be taxed in the same way as your pay is taxed.

If you have membership before 7 April 1993, the pension worked out for the period before 7 April 1993 is increased by 5%. If you have extra membership because of a transfer-in, you may not receive the 5% increase on benefits for this period of membership. You will have been advised about this in the transfer terms provided at the time.



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## Combined membership

If you were a member of the Section before 1 July 2012 and you decided to switch to the new RPS 65 terms, this makes you a combined member of the Network Rail Section. This is because you have service on RPS 60 terms and

on RPS 65 terms going forward.

Below is a table summarising what this means for you, in respect of your pensionable service up to 30 June 2012 and from 1 July 2012.

	Your service up to 30.06.2012	Your service from 01.07.2012
Section pay (used to calculate contributions and pension benefits)	Pensionable pay less 150% of the basic State Pension (BSP). Currently this is approximately £13,221.00 of your pensionable pay is not included in your Section pay. Therefore, if your pensionable pay was £35,000 your Section pay would be £21,779.	Pensionable pay less 75% of the basic State Pension (BSP). Currently this is approximately £6,610.50 of your pensionable pay is not included in your Section pay. Therefore, if your pensionable pay was £35,000 your Section pay would be £28,389.50.
<b>BSP usually increases each April</b>		
Normal Pension Age	60	65
<b>You can retire earlier or later than your Normal Pension Age</b>		
Early Retirement	Your pension is reduced if it commences before age 60. Favourable early retirement terms apply if you are a 'protected person'. For all other members these terms apply only for pre-July 2009 service; after this date the terms are on a different basis to age 60.	Your pension is reduced if it commences before age 65 for service from 1 July 2012. Any membership in our Section of the RPS before this date will be treated under RPS 60 early retirement terms. Early retirement terms for all members will be 'cost neutral' to age 65.
Lump Sum	Automatic cash lump sum, in addition to the Scheme pension.	No automatic cash lump sum, but the option of converting some of your Scheme pension to cash.
Ill-health and death in service pension	Added years of membership apply to a maximum of age 65.	
SMART	Participation in the SMART arrangement remains voluntary.	Participation in the SMART arrangement is compulsory.
Protected Person status	No change to Protected Person status.	You gave up part of your protected benefits where the terms above are different to RPS 60.

# Important notes



## Rules and reports

This booklet and any literature associated with the Railways Pension Scheme are for guidance only. The Rules associated with the Section and the management of the Scheme are described in detail in the Pension Trust and Section Rules. In cases where there is a discrepancy between the Pension Trust and the Section Rules and the information contained in the booklet, leaflets or other communications with members, the Pension Trust and Section Rules will prevail.

Copies of the Section's Rules and Pension Trust are available at [railwayspensions.co.uk](http://railwayspensions.co.uk). Copies of the valuation are available on request.

Each year, you will receive a summary of the Annual Report and Accounts. You will also receive Summary Funding Statements which provide information each time an actuarial valuation or funding update of the Section is performed.

You can request your Section's full annual report and accounts by writing to:

Customer Services Team  
Railpen  
PO Box 300  
Darlington  
DL3 6YJ

Email: [csu@railpen.com](mailto:csu@railpen.com)

**Please have your pension reference number handy when you contact Railpen.**

## If you have a complaint or disagreement

The Scheme has a two-stage Internal Disputes Resolution Procedure for considering complaints and disagreements. If you have a complaint, you should first write to:

Director of Rail Administration  
Railpen  
PO Box 300  
Darlington  
DL3 6YJ

Your complaint will be carefully considered and you will receive a reply within two months. If you are not satisfied with the reply, you can ask for your complaint to be referred to the Committee. You must do this within six months of receiving the reply. The Committee will consider your complaint and contact you within two months.

## MoneyHelper

MoneyHelper brings together the support and services of three government-backed financial guidance providers: Money Advice Service, The Pensions Advisory Service and Pension Wise.

It offers free support on a wide range of financial matters, online and over the phone. This includes:

- Everyday money
- **Pensions and retirement**
- Savings

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# 14 Important notes

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- Money troubles
- Benefits
- Family and care
- Work
- Homes

For more information visit  
[www.moneyhelper.org.uk/](http://www.moneyhelper.org.uk/)

## The Pensions Ombudsman

If you are still not satisfied after going fully through our complaint process, you can ask the Pensions Ombudsman to investigate. The Ombudsman is independent and can investigate any complaint, or legal dispute, relating to your pension scheme membership.

The Pensions Ombudsman also provides an early resolution if you need help raising your concerns or to discuss a potential complaint.

You can contact the Ombudsman using the following details:

**T:** 0800 917 4487

**E:** [helpline@pensions-ombudsman.org.uk](mailto:helpline@pensions-ombudsman.org.uk)  
Pensions Ombudsman  
10 South Colonnade  
Canary Wharf, London  
E14 4PU

**W:** [pensions-ombudsman.org.uk](http://pensions-ombudsman.org.uk)

## The Pensions Regulator

The Pensions Regulator's principal aim is to prevent problems from developing and to provide support and advice where potential problems are identified. The Regulator has a wide range of powers to help put Scheme matters right if problems arise. In extreme cases, the Regulator is able to fine trustees and employers and remove trustees from a scheme. You can contact the Pensions Regulator using the following details:

Napier House  
Trafalgar Place  
Brighton  
BN1 4DW

**W:** [thepensionsregulator.gov.uk](http://thepensionsregulator.gov.uk)

**Railways Pension Scheme registration number:** 10203279

## Joining the Scheme

The Network Rail Section is open to all employees under the age of 65 who have a legal right to join and to other Network Rail employees (including part-time employees) whose contract of employment allows them to join after a qualifying period, which is currently five years' company service.

New employees who are potentially eligible to join the Section must complete an application form and send it to the Network Rail Pensions Team who will establish eligibility to join.

The application form is only available from the Network Rail Pensions Team.

**E:** [pensions@networkrail.co.uk](mailto:pensions@networkrail.co.uk)

**T:** 01908 781010

## Ending your membership

Your membership will end if you: stop working for Network Rail; choose not to continue being a member (referred to as opting-out); claim your benefits while still working for Network Rail; or reach 75.

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## **Data protection**

Railpen and the Trustee Company use your personal details to work out and pay your benefits. From time to time, they may need to give your information to other organisations, including your current or any previous employer. These organisations may use your information for business purposes.

Unless Railpen holds and processes this information, it cannot deal with and pay your benefits. If you have any objections to them using your information in the way described above, please write to the Data Protection Officer at Railpen. You have the right to see the information Railpen holds about you.

For further information about how and why we will use your personal information please refer to our 'data protection notification' leaflet which is available in the resource area of [railwayspensions.co.uk](http://railwayspensions.co.uk).



