

## Guide to Pensionable Pay for members of the Network Rail Section of the Railways Pension Scheme

Since July 2012, a Pensionable Pay Cap has been in place for members of the Network Rail Section of the Railways Pension Scheme (RPS), which effectively limits the amount that their Pensionable Pay can increase in line with the Retail Prices Index (RPI).

The introduction of the Pensionable Pay Cap was extensively communicated to members of the NR Section of the RPS and agreed with the Trade Unions before it was introduced. The Pensionable Pay Cap applies to all RPS60 and RPS65 members, regardless of Protected status.

### Pensionable Pay Cap Rates

Up to April 2016, the Pensionable Pay Cap was set in line with RPI plus 0.5%. From April 2016 onwards, the cap was set in line with RPI. The cap applies on a 12 month basis, from 1<sup>st</sup> April to 1<sup>st</sup> March, and is based on RPI from the preceding September.

The table below shows the Pensionable Pay Caps over the years, from when it first introduced in July 2012:

Year	Pensionable Pay Cap
2012/2013	6.1%
2013/2014	3.1%
2014/2015	3.7%
2015/2016	2.8%
2016/2017	0.8%
2017/2018	2.0%
2018/2019	3.9%
2019/2020	3.3%
2020/2021	2.4%
2021/2022	1.1%
2022/2023	4.9%
2023/2024	12.6%
2024/2025	8.9%
2025/2026	2.7%

Prior to July 2012, Pensionable Pay was equal to Headline Salary plus regional allowances.

### How the Pensionable Pay Cap works:

As the Pensionable Pay Cap was introduced in July 2012, if you joined the Scheme before July 2012, this is the starting point for calculating your current Pensionable Pay. If you joined after 1<sup>st</sup> July 2012, your Headline Salary plus regional allowances would form your starting Pensionable Pay within RPS.

Example of a member who joined RPS before 1<sup>st</sup> July 2012:

Salary Date	Headline Salary	Salary Increase	Pensionable Pay Cap	Increase applied to Pensionable Pay	Pensionable Pay
01/01/2012	£25,000				£25,000
01/01/2013	£25,600	2.4%	6.1%	2.4%	£25,600
01/01/2014	£26,400	3.1%	3.1%	3.1%	£26,394
01/01/2015	£27,500	4.1%	3.7%	3.7%	£27,370
01/01/2016	£27,900	1.4%	2.8%	1.4%	£27,768
01/01/2017	£28,500	2.1%	0.8%	0.8%	£27,990
01/01/2018	£29,700	4.2%	2.0%	2.0%	£28,550
01/01/2019	£30,300	2.0%	3.9%	2.0%	£29,127
01/01/2020	£31,100	2.6%	3.3%	2.6%	£29,896
01/01/2022	£32,500	4.5%	1.1%	1.1%	£30,225
01/10/2022	£33,600	3.3%	4.9%	3.3%	£31,248
01/01/2024	£34,000	1.1%	12.6%	1.1%	£31,620
01/01/2025	£35,224	3.6%	8.9%	3.6%	£32,758

As you can see, the Pensionable Pay Cap has impacted the increase to Pensionable Pay multiple times over the years.

If someone joins the RPS after 2012, the calculation is the same, but the starting point is from when they joined the Scheme:

Salary Date	Headline Salary	Salary Increase	Pensionable Pay Cap	Increase applied to Pensionable Pay	Pensionable Pay
01/01/2016	£27,900				£27,900
01/01/2017	£28,500	2.1%	0.8%	0.8%	£28,123
01/01/2018	£29,700	4.2%	2.0%	2.0%	£26,146
01/01/2019	£30,300	2.0%	3.9%	2.0%	£26,674
01/01/2020	£31,100	2.6%	3.3%	2.6%	£27,378
01/01/2022	£32,500	4.5%	1.1%	1.1%	£27,680
01/10/2022	£33,600	3.3%	4.9%	3.3%	£28,617
01/01/2024	£34,000	1.1%	12.6%	1.1%	£28,958
01/01/2025	£35,224	3.6%	8.9%	3.6%	£30,000

Again, the Pensionable Pay Cap has had an impact on the Pensionable Pay.

For a member who receives their annual pay award on the 1<sup>st</sup> July, their pensionable pay would progress as follows:

Salary Date	Headline Salary	Salary Increase	Pensionable Pay Cap	Increase applied to Pensionable Pay	Pensionable Pay
01/07/2011	£40,000				£40,000
01/07/2012	£40,996	2.49%	6.10%	2.49%	£40,996
01/07/2013	£41,975	2.39%	3.10%	2.39%	£41,975
01/07/2014	£42,814	2.00%	3.70%	2.00%	£42,814
01/07/2015	£43,541	1.70%	2.80%	1.70%	£43,541
01/07/2016	£44,411	2.00%	0.80%	0.80%	£43,889
01/07/2017	£44,709	0.67%	2.00%	0.67%	£44,184
01/07/2018	£45,290	1.30%	3.90%	1.30%	£44,758
01/07/2019	£45,743	1.00%	3.30%	1.00%	£45,206
01/07/2020	£47,568	3.99%	2.40%	2.40%	£46,291
01/07/2022	£49,703	4.49%	12.60%	4.49%	£48,368
01/07/2024	£51,934	4.49%	8.90%	4.49%	£50,539
01/07/2025	£54,006	3.40%	2.70%	2.70%	£51,904

As you can see from the above example, the pensionable pay cap has again had an impact on their pensionable pay.

### Promotions

In 2012 a change was also introduced whereby promotions which resulted in the change of Band at the numerical level would be treated as pensionable for future service only.

If a member receives a promotion which changes their Band at the numerical level, then a Pension Restructuring Premium (PRP) tier is added to their RPS record.

The value of the PRP tier is equal to the value of the promotion. For example, if the members Headline Salary increased by £5,000 as a result of the promotion, then a PRP tier of £5,000 would be added to their RPS record.

### Pension Restructuring Premiums (PRPs)

If you have a PRP tier on your RPS record, then this also increases each time you have a pay award (also subject to the Pensionable Pay Cap). From the point that you receive your promotion, your Pensionable Pay is split between your 'All Service' Pensionable Pay (the Pensionable Pay used to calculate your total number of years' service in RPS) and PRP tier(s):

Salary Date	Headline Salary	Salary Increase	Pensionable Pay Cap	Increase applied to Pensionable Pay	Total Pensionable Pay	All Service Pensionable Pay	PRP Tier
01/01/2016	£27,900				£27,900		
01/01/2017	£28,500	2.1%	0.8%	0.8%	£28,123		
01/01/2018	£29,700	4.2%	2.0%	2.0%	£26,146		
01/01/2019	£30,300	2.0%	3.9%	2.0%	£26,674		
01/01/2020	£35,300	16.5%	3.3%	Promotion	£31,675	£26,675	£5,000
01/01/2022	£36,100	2.2%	1.1%	1.1%	£32,023	£26,968	£5,055
01/10/2022	£37,000	2.4%	4.9%	2.4%	£32,821	£27,640	£5,181

01/01/2024	£37,600	1.6%	12.6%	1.6%	£33,354	£28,089	£5,265
01/01/2025	£38,953	3.6%	8.9%	3.6%	£34,554	£29,100	£5,454

As you can see, when the promotion is applied in 2020, the value of the promotion is captured as a PRP tier. Going forward both the 'All Service' and PRP tier then increase by the lower of the pay award or Pensionable Pay Cap. For more information on Pension Restructuring Premiums, please see the Read As You Need Guide on the RPS website, available here: [pay-restructuring.pdf](#)

### Extra Contribution Members

In 2016, RPS members were given the one-off option of electing to pay higher contributions in order to capture any pay award above the Pensionable Pay Cap as pensionable. This works in the same way as promotions, in that a PRP tier is created from the effective date of the pay award and is equal to the value of the pay award which was limited by the Pensionable Pay Cap.

### How your Pensionable Pay is shared with Railpen

Following each pay day, an automated interface file (data taken directly from the Network Rail payroll system) is shared with Railpen and uploaded to the RPS portal. This includes personal data, like your home address, along with your contributions and Pensionable Pay information.

When there is a change to your Pensionable Pay, this is updated on the RPS portal around 4 weeks after your Pensionable Pay is updated in the Network Rail payroll system.

Your Pensionable Pay will only increase if your annual salary does, and so if there are years where you did not receive a pay award/increase, your Pensionable Pay will remain unchanged and the last increase to your Pensionable Pay will show on the RPS portal.

Taking all the above information into account, your Pensionable Pay may not equal your Headline Salary due to the Pensionable Pay Cap.

### How do I check my Pensionable Pay?

Your Pensionable Pay isn't displayed on your Network Rail payslip, but you can see what your Pensionable Pay is on the RPS member portal. If you haven't yet registered for the member portal, please visit: <https://member.railwayspensions.co.uk/login>.

Once you've logged in to the portal, click on 'MyRPS Account', and select 'Pay History' from the menu:



My Details	My Pension	My Library	Planning for the future
Contact Details	Dashboard	Member Guide	Pension Planner
Account Security	Membership Details	Scheme Rules	Retirement Budgeting Calc
	My Nominations	Summary Funding Statement	BRASS contribution calcula
	Request an Estimate	Financial Statements	Are you MoneyFit?
	<b>Pay History</b>	A guide to taking your benefits	BRASS e-form
	View Statements and Estimates	Newsletters	
	Funds		
	Tax and Allowances		
	Request a transfer out quote (CETV)		

This will take you to a full overview of your Pensionable Pay history and provide a breakdown between your All Service Pensionable Pay (called 'Pensionable Pay' on the RPS portal) and any PRP tiers:

## In this section

Dashboard	Membership Details	My Nominations	Request an Estimate	<b>Pay History</b>
View Statements and Estimates	Funds	Tax and Allowances		

## Pensionable Pay History

View a history of the details we hold for your Pensionable Pay.

Date	Salary
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### Railpen Terminology

Railpen and Network Rail do use slightly different terminology for different elements of pensionable pay. As Railpen administer over 100 sections of the RPS, which have different rules in place, it isn't always possible that the terminology used will match each and every employer. To make it easier to understand what Network Rail and Railpen mean when using different terms, please see the table below:

Network Rail Term	Railpen Term	What it means
Contribution Pay	Section Pay	Used to calculate your contributions. Equal to your pensionable pay minus the Basic State Pension Deductor

Pensionable Pay	Salary	This is your pensionable pay used to calculate both your contribution pay and your pension benefits.
Total Pensionable Pay	Total Salary	If you have Pension Restructuring Premiums, this is the total value of your pensionable pay plus Pension Restructuring Premiums.

#### Further Information

If you have any questions about your Pensionable Pay please contact the Network Rail Pensions Team at [pensions@networkrail.co.uk](mailto:pensions@networkrail.co.uk).