



Network Rail Pension Schemes – Key Features

At Network Rail, there are three different pension schemes which you may have the opportunity to join during your employment with Network Rail. This document is intended to provide a broad summary of each of the Schemes to help you make an informed decision when deciding which pension scheme to join.

Further information is available from the NR Pensions Team by email: pensions@networkrail.co.uk or telephone 01908 781 010.

	Network Rail Section of the Railways Pension Scheme (RPS65)	Network Rail CARE Pension Scheme	Network Rail Defined Contribution Pension Scheme (NRDC)
What type of pension scheme is it?	A defined benefit pension scheme.	A Career Average Revalued Earnings (CARE) defined benefit pension scheme.	A defined contribution pension scheme (also known as a Money Purchase pension scheme).
Can I join and when?	<p>If you are a new employee but are joining Network Rail from another Railway employer and are a current member of the Railways Pension Scheme in that employer's Section, you may have the opportunity to join the Network Rail Section straight away. Please visit https://www.mynrpension.co.uk/joining-the-rps/ for more information.</p> <p>If you aren't currently a member of the RPS through your employment with your previous employer, then you will be invited to join RPS65 shortly before you reach 5 years' continuous company service.</p> <p>You must be under the age of 65 to join.</p>	<p>You can join either from your first day of employment with Network Rail, or from the 1st day of the next available pay period if you did not elect to join when starting NR.</p> <p>If you do not join at the first available opportunity, then you may have to be assessed under discretionary entrant requirements for the insured death in service benefits.</p>	<p>All new employees of Network Rail are contractually enrolled into NRDC from their first day of employment with Network Rail, unless you have previously opted to join CARE.</p> <p>If you have elected to join RPS65 under the Notice of Election process, you may still be contractually enrolled into NRDC until entry into RPS65 has been approved.</p> <p>If you are contractually enrolled, and do not select a contribution rate, then you will be enrolled with a contribution rate of 0%, with Network Rail contributing 3%.</p>



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What will it cost me and how are contributions paid?	<p>Contributions are currently fixed at 6.32% of your RPS 65 Section Pay.</p> <p>Your Section Pay is based upon your Pensionable Pay as at 1st April, or date of joining if later, minus 75% of the Basic State Pension. For example, for 2024/2025, Basic State Pension is £8,814 per annum. If your Pensionable Pay on 1st April (or date of joining if later) is £35,000, your RPS contributions would be calculated based upon £28,389.50 (£35,000 minus £6,610.50 (75% of the Basic State Pension)).</p> <p>Contributions to RPS are also fixed from July each year (or later, if you join RPS after July), and any increase or decrease in Pensionable Pay will not be factored into your RPS contributions until the following July.</p> <p>Contributions are deducted via SMART directly from your pay each period. For more information on SMART, please visit: https://www.mynrpension.co.uk/wp-content/uploads/2021/07/SMART-Booklet-2021.pdf</p>	<p>Contributions to CARE are currently fixed at 7.24% of your Pensionable Pay.</p>	<p>If you are contractually enrolled, then you will be enrolled with a contribution rate of 0%, with Network Rail contributing 3%.</p> <p>You have the option to change this, and the contribution structure is shown below:</p> <table><tr><th>Your normal contributions* % of Pensionable Earnings</th><th>Company contributions* % of Pensionable Earnings</th></tr><tr><td>0 %</td><td>3 %</td></tr><tr><td>1 %</td><td>4 %</td></tr><tr><td>2 %</td><td>5 %</td></tr><tr><td>3 %</td><td>6 %</td></tr><tr><td>4 %</td><td>7 % (maximum)</td></tr></table> <p>Due to government legislation, if you meet automatic enrolment criteria, the minimum that can be deducted from your pay is 5% of your qualifying earnings per pay period. As such, even if you have been enrolled with a contribution rate of 0%, you may still be contributing 5% of your qualifying earnings each pay period.</p> <p>For more information, please visit: https://www.mynrpension.co.uk/joining-nrdc/</p>	Your normal contributions* % of Pensionable Earnings	Company contributions* % of Pensionable Earnings	0 %	3 %	1 %	4 %	2 %	5 %	3 %	6 %	4 %	7 % (maximum)
Your normal contributions* % of Pensionable Earnings	Company contributions* % of Pensionable Earnings														
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	Tax relief on your pension contributions is applied via the payroll system for all of our pension schemes.														



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Can I pay more?	<p>Yes, you can. Whilst you can't amend your contribution rate to the scheme, you can pay Additional Voluntary Contributions (known as BRASS within the RPS).</p> <p>BRASS works like a money purchase pension scheme, the contributions that you pay in each period are paid into a BRASS account in your name and then invested to try to achieve a positive return on your BRASS contributions.</p> <p>You can have as much or little control over the investments as you would like.</p> <p>For more information, please visit: https://www.mynrpension.co.uk/paying-in-more-3/</p>	<p>Like RPS, you aren't able to amend your scheme contribution rate but can opt to pay Additional Voluntary Contributions (AVC's) on top of your normal scheme contributions.</p> <p>AVCs work like a money purchase pension scheme, the contributions that you pay in each period are paid in to an AVC account in your name and then invested to try to achieve a positive return on your AVC contributions.</p> <p>You can have as much or little control over the investments as you would like.</p> <p>For more information, please visit: https://www.mynrpension.co.uk/paying-in-more/</p>	<p>Yes, you can.</p> <p>Anything you choose to pay in above 4% will be deducted as an AVC contribution and paid into your NRDC pension along with your normal contributions.</p> <p>The contributions paid into your pension are then invested to try and achieve a return on your contributions.</p> <p>You can have as much or little control over the investments as you would like.</p> <p>For more information, please visit: https://www.mynrpension.co.uk/paying-in-more-2/</p>
What is my Pensionable Pay?	<p>Pensionable Pay within the Railways Pension Scheme is made up of your Headline Salary plus regional allowances.</p> <p>It is important to note that Pensionable Pay within the RPS is subject to a Pensionable Pay cap, which is set each year in line with the Retail Price Index (RPI).</p> <p>For example, if you receive a pay award of 5%, but the Pensionable Pay cap for that year is set at 2%, your Pensionable Pay will only increase by 2%.</p> <p>It is very common for members of the RPS to have a lower Pensionable Pay than their Headline Salary.</p>	<p>Pensionable Pay within the CARE scheme is equal to your Headline Salary plus regional allowances.</p>	<p>Pensionable Pay within the NRDC scheme is equal to your Headline Salary plus regional allowances.</p>



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	<p>Promotions, which result in the change of Band at the numerical level, are considered pensionable for future service only.</p> <p>For more information, visit: https://www.mynrpension.co.uk/rps-pay/</p>																																																													
<p>How is my pension calculated?</p>	<p>RPS65 is a pensionable pay linked scheme, which means that your pension is typically calculated upon your final 12 months Pensionable Pay, less the 75% of the Basic State Pension, multiplied by your years’ service and divided by the scheme accrual rate of 60.</p> <p>First, your Final Average Pensionable Pay is calculated by taking the average of your Pensionable Pay for the 12 months preceding your date of retirement, and deducting the Basic State Pension Deductor (75% of the Basic State Pension):</p> <table><tr><td>£30,000</td><td>-</td><td>£6,610.50</td><td>=</td><td>£23,389.50</td></tr><tr><td>Average Pensionable Pay</td><td></td><td>Basic State Pension Deductor</td><td></td><td>Final Average Pensionable Pay</td></tr></table> <p>This is then used to calculate the pension payable:</p> <table><tr><td>£23,389.50</td><td>x</td><td>5</td><td>/</td><td>60</td><td>=</td><td>£1,949.12</td></tr><tr><td>Final Average Pensionable Pay</td><td></td><td>Number of Year Service</td><td></td><td>Scheme Accrual Rate</td><td></td><td>Annual Pension payable</td></tr></table>	£30,000	-	£6,610.50	=	£23,389.50	Average Pensionable Pay		Basic State Pension Deductor		Final Average Pensionable Pay	£23,389.50	x	5	/	60	=	£1,949.12	Final Average Pensionable Pay		Number of Year Service		Scheme Accrual Rate		Annual Pension payable	<p>As a member of CARE, each year that you are a member you accrue 1/60th of your Pensionable Pay as annual pension. The amount you accrue in a year is the revalued in line with the Consumer Price Index (CPI) each year on 1st April, each year until you retire. The increase only applies to full scheme years, so if you were to retire partway through the year, the pension that you have accrued from 1st April to your date of leaving would not be increased.</p> <p>If you earnt £30,000 and were a member of the scheme for 5 years, assuming CPI each year is 2% your pension would be calculated as follows:</p> <table><tr><th>Year</th><th>Pensionable Salary</th><th>Pension Accrued</th><th>Compound Revaluation</th><th>Revalued</th></tr><tr><td>1</td><td>£30,000</td><td>£500</td><td>8%</td><td>£540</td></tr><tr><td>2</td><td>£30,000</td><td>£500</td><td>6%</td><td>£530</td></tr><tr><td>3</td><td>£30,000</td><td>£500</td><td>4%</td><td>£520</td></tr><tr><td>4</td><td>£30,000</td><td>£500</td><td>2%</td><td>£510</td></tr><tr><td>5</td><td>£30,000</td><td>£500</td><td>No increase as not in the scheme for a full year</td><td>£500</td></tr><tr><td colspan="4">Annual Pension Payable</td><td>£2,600</td></tr></table>	Year	Pensionable Salary	Pension Accrued	Compound Revaluation	Revalued	1	£30,000	£500	8%	£540	2	£30,000	£500	6%	£530	3	£30,000	£500	4%	£520	4	£30,000	£500	2%	£510	5	£30,000	£500	No increase as not in the scheme for a full year	£500	Annual Pension Payable				£2,600	<p>NRDC is calculated based upon your contributions, plus Network Rails contributions, plus any investment returns that you might receive over the years. Whatever you have in your Personal Retirement Account (PRA) at retirement, would be used to fund your pension.</p> <p>As an NRDC member, you can access your pension in various ways, including:</p> <ul style="list-style-type: none">• Claim your pension as a lump sum. Up to 25% of the value of your benefits can be paid tax-free, with the remaining 75% subject to tax.• Transfer your pension out of NRDC to another pension provider to purchase an annuity.• Transfer your pension from NRDC to a drawdown provider.
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<p>What if I die?</p>	<p>If you were to pass away whilst an active member of the RPS65, then the following benefits would be payable:</p> <ul style="list-style-type: none"> • 4x Annual Pensionable Pay paid as a lump sum • Refund of BRASS accounts that you have as a lump sum • Spouse/Dependants pension. <p>If you pass away as a deferred member, then the benefits paid are slightly different:</p> <ul style="list-style-type: none"> • A lump sum is payable, and is the lesser of: <ul style="list-style-type: none"> ○ 4x Annual Pensionable Pay at leaving the Scheme ○ 5x Deferred annual RPS pension • Spouse/Dependants pension is also payable. <p>If you are already receiving payment of your pension, again the benefits payable are different:</p> <ul style="list-style-type: none"> • A lump sum is payable, and is the lesser of: <ul style="list-style-type: none"> ○ 4x Annual Pensionable Salary at retirement ○ 5x Annual RPS pension less any pension and lump sum paid. • Spouse/Dependants Pension payable. 	<p>If you passed away as an active member of CARE, the following benefits would be payable:</p> <ul style="list-style-type: none"> • 4x Annual Pensionable Pay paid as a lump sum • Refund of any AVC fund as a lump sum • Spouse/Dependants Pension <p>As a deferred member, the following benefits would be paid:</p> <ul style="list-style-type: none"> • Lump sum equal to the CARE contributions paid by the member • Spouse/Dependants Pension <p>If you have already claimed your CARE pension, and pass away, the following benefits would be payable:</p> <ul style="list-style-type: none"> • 5x annual CARE pension less any CARE pension paid to date of death paid as a lump sum • Spouse/Dependants pension 	<p>As a member of NRDC, the benefits payable from the Scheme in the event of your death as an active member would be:</p> <ul style="list-style-type: none"> • 4x annual Pensionable Pay paid as a lump sum • Payment of your Personal Retirement Account (your NRDC pension pot) as a lump sum. <p>If you pass away as a deferred member, then only a lump sum in respect of your Personal Retirement Account would be payable.</p> <p>As NRDC is a defined contribution pension scheme, once you have retired and claimed your NRDC benefits, the benefits would no longer be held by the NRDC Scheme, and there would therefore be no benefits payable as a retired member in the event of your death.</p> <p>Again, as NRDC is a defined contribution pension scheme, there are no spouse or dependants benefits payable under the Scheme Rules.</p>
<p>It is really important to ensure that your Expression of Wish form is up to date at all times. The Trustees of the Pension Scheme will ultimately decide on how payment of any death benefits will be made, and it's essential you notify them of your wishes by completing the Expression of Wish form.</p>			

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When can I claim my pension?	<p>The earliest that you can claim your pension is from age 55, unless you have a Protected Pension age of 50.</p> <p>The government are increasing this to age 57 from 6th April 2028. If you were a member of RPS on or before 4th November 2021, then you will retain a 'protected pension age' of 55, and still have the option to access your pension from the age of 55.</p> <p>The Normal Retirement Age for RPS65 is 65, and if you claim your pension before this date, then your pension may be reduced for early retirement.</p>	<p>The earliest you can claim your pension from is age 55.</p> <p>The government are increasing this to age 57 from 6th April 2028. There is no protected pension age within the CARE scheme, and all CARE members will have a minimum pension age of 57 from 6th April 2028.</p> <p>The Normal Retirement Age for CARE is 65, and if you claim your pension before this date, then your pension may be reduced for early retirement.</p>	<p>The earliest that you can claim your pension from is age 55.</p> <p>The government are increasing this to age 57 from 6th April 2028. If you were a member of RPS on or before 4th November 2021, then you will retain a 'protected pension age' of 55, and still have the option to access your pension from the age of 55.</p>
What benefits are available if I become too ill to work?	<p>If you have more than 5 years Company service, or 5 years membership in the NR section, you could apply for payment of your benefits on the grounds of ill health.</p> <p>Whether or not you qualify for payment of your pension on the grounds of ill health will depend on your condition and the Scheme Rules.</p> <p>If you do qualify, then your pension may be enhanced by the lesser of:</p> <ul style="list-style-type: none"> the number of years to your 40 years maximum RPS membership date; the number of years to age 65; or 10 years RPS service. 	<p>You may be entitled to an immediate pension providing your ill-health is not in relation to a pre-existing medical condition and providing that you meet the criteria for payment of your CARE pension on the grounds of ill health.</p> <p>There are two levels of enhancement applied to CARE ill health pensions, depending on your condition. The two levels are:</p> <ol style="list-style-type: none"> If you are unfit for your current role, you could receive a pension based on pensionable service to date with no early retirement reduction. If you are unfit for any gainful employment, you could receive a pension based on your CARE service to date plus added years (limited to 2 times your CARE service at your date of leaving) with no early retirement reduction. 	<p>There is no enhancement to NRDC benefits due to ill health, however if you are under the age of 55 and unable to continue working, then you could apply for payment of your benefits under ill-health.</p>



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Will I get a State pension in addition to my NR pension benefits?	Yes – there is no impact on your State Pension by being a member of one of the Network Rail Pension Schemes.
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