September 2026

Dear Member,

The Network Rail Defined Contribution Pension Scheme ("NRDC") and Network Rail CARE Pension Scheme ("CARE")

This letter is to let you know about changes to the above pension schemes and their proposed transfers into the Railways Pension Scheme.

Importantly, these pension scheme transfers are not expected to adversely impact NRDC and NR CARE members' pension benefits, the existing benefits under the Network Rail Section of the Railways Pension Scheme, nor impact Network Rail's pension offering to employees.

You do not need to do anything now. Your pension arrangements will continue to operate as normal while work on the proposed transfers progresses.

Following the transfer, members will be able to access their pension information through the RPS website, making it easier to view and manage their Network Rail pension benefits in one place.

<u>Why Network Rail are making this change</u>

Every three years Network Rail conduct a strategic review of the pension schemes that the company operates, following completion of the actuarial valuations for the Network Rail Section of the Railways Pension Scheme (RPS) and the NR CARE Pension Scheme.

The purpose of the strategic review is to assess whether the set-up and structures of Network Rail's pension schemes (NRDC, NR CARE, RPS60 and RPS65) continue to provide excellent pension benefits for members, are being administered effectively, and are achieving best value for both members and the employer.

Following a nine-month process, the most recent strategic review concluded in April 2025, with the findings and associated recommendations presented to the Network Rail Executive Leadership Team (ELT) for consideration. The ELT provided approval to further explore and obtain the required approvals in respect of the strategic reviews proposed recommendations.

Between May 2025 and April 2026, the strategic review recommendations were explored further, with a significant amount of due diligence being undertaken by multiple different parties. This due diligence resulted in individual 'in-principle' approvals being received from the NRDC and NR CARE Trustees (Network Rail Pension Trustee Limited), the Trade Unions (RMT, TSSA and Unite), the Department for Transport, HM Treasury, Government Ministers (Secretary of State and the Rail Minister) and the RPS Trustees (Railway Pension Trustee Company Limited).

With all the required 'in principle' approvals received, Network Rail is now proceeding with the actions required to progress the following proposals:

1. To transfer the benefit accounts and members in the NRDC Pension Scheme into the Railways Pension Scheme Industry-Wide Defined Contribution Section (the RPS IWDC Master Trust Arrangement); and

2. To transfer the benefit accounts and members in the NR CARE Pension Scheme into the Network Rail Section of the Railways Pension Scheme (with NR CARE as a benefit structure to operate alongside RPS60 and RPS65).

<u>What happens next?</u>

The proposed transfers are subject to a number of legal, regulatory and governance steps and are currently expected to complete in late 2027.

We will keep members informed as the project progresses and will provide further information well in advance of any changes taking effect. If there are any decisions or actions required from members in the future, we will explain these clearly and provide support. Attached is a Frequently Asked Questions document which provides further information.

If you have any questions or comments please do contact us at PensionsCommunications@networkrail.co.uk

Yours sincerely

Richard Jolly
Group Head of Pensions
Network Rail Infrastructure Limited

Frequently Asked Questions

In summary: the organisations who look after NRDC and NR CARE are expected to change, but the benefits you have built up, and the way your core benefits work, should not change. You do not need to take any action now. We will contact you before anything needs your attention.

General FAQs

Why are Network Rail transferring NRDC and NR CARE into the Railways Pension Scheme (RPS)?

The transfer is intended to make Network Rail's pension arrangements simpler and more efficient to run, while improving the member experience. It follows the most recent '*Network Rail Pension Scheme Strategic Review*' (conducted between July 2024 and April 2025). The review concluded that there were opportunities to operate Network Rail's pension arrangements in a more efficient way by reducing or removing duplication within administrative, governance and legislative duties, and reduce pension complexity.
For members, the important point is that this change is about who looks after the schemes and how they are administered. It is not expected to change the pension benefits you have already built up, or the benefits you are expecting to build up in the future. In turn, this would improve our Network Rail colleagues' pension membership experience, such as access to the Railways Pension Scheme website, without impacting the pension benefits they have already built up or that they are expecting to build up in the future.

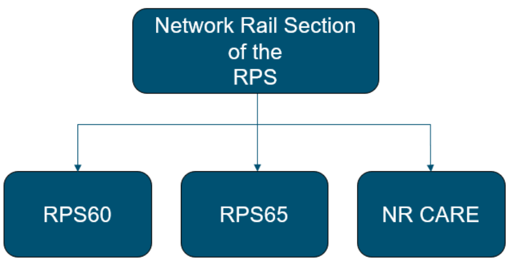
Why is this good for members?

We know pensions can feel complicated. By having all of Network Rail's pension arrangements within the RPS, you will have:

- Easier access to your pension information
- One place to view all your Network Rail pension benefits
- Strong oversight of your pensions through the well-established RPS
- Continuity of your existing benefits

Where is NR CARE being transferred to?

NR CARE is currently provided through a stand-alone pension scheme, governed by a Trustee Board, Network Rail Pension Trustee Limited (NRPTL), with its own Scheme Rules and legislative requirements. NR CARE benefits and members are expected to transfer into the RPS, specifically the Network Rail Section of the RPS. It will sit within the Network Rail Section as a separate benefit structure alongside RPS60 and RPS65. The NR CARE benefit structure will continue to remain open to new members, as will RPS65 subject to the current eligibility criteria. NR CARE will continue to operate in the Network Rail Section of the RPS in line with its existing Scheme benefit Rules, with minor changes only where needed to align administration with the RPS. These changes are not expected to change the benefits members have built up or the way their core benefits work.



Where is NRDC being transferred to?

Currently NRDC is provided through a stand-alone pension scheme in its own right, with its own Scheme Rules and legislative requirements and governed by a Trustee Board, Network Rail Pension Trustee Limited (NRPTL). NRDC is expected to be transferred into the RPS Industry Wide Defined Contribution (RPS IWDC) Master Trust.
The contribution options under the RPS IWDC will be the same as under the NRDC Scheme, and it will remain open to new members. Existing NRDC members will be able to continue building up defined contribution (DC) benefits in the RPS IWDC, with the investment options available under the RPS IWDC.

What exactly is changing for me?

Right now, there are no changes for you. If you need support with your pension, such as planning to retire soon, please contact the Network Rail Pensions Team or visit www.mynrpension.co.uk where you'll find information to support you, no matter what Network Rail pension arrangement you have.

Following the proposed transfer, you will see all your Network Rail pensions all in one place, through the RPS website. The Network Rail Pensions Team and Railpen will provide member support and communications for NR CARE, NRDC benefits, RPS60 and RPS65.

	Current	Future: following the transfer
Governed by:	Network Rail Pension Trustee Limited (NRPTL)	Railways Pension Trustee Company Limited (RPTCL)
Administered by:	WTW	Railpen
Investment:	WTW	Railpen
Member support:	NR Pensions Team, WTW via ePA member account	NR Pensions Team, Railpen via myRPS member account

What happens between now and the planned transfer in late 2027?

There are no changes for you now, and you do not need to take any action at this stage. The transfer is planned to complete in late 2027, subject to the necessary final steps and checks. We will keep you updated as the work progresses and will give you clear information before anything changes.

- **Now:** your pension arrangements continue as normal. Your benefits, contributions, pensionable pay and death-in-service cover are not changing as a result of this announcement.
- **During the period until late 2027**: Network Rail, the Trustees and Railpen will continue the work needed to prepare for the transfer. We will share further information with you as details are confirmed.
- **Before the transfer completes:** we will explain what will happen to your online access, who to contact, and any choices you may need to consider. For NRDC members, this will include information about the RPS IWDC investment funds. For NR CARE members with AVCs, this will include information about the RPS BRASS funds.
- **After the transfer:** Railpen will administer NRDC and NR CARE benefits, and you will be given details of how to access your benefits through the RPS website.

If you do need to make any choices before the transfer, we will explain what those choices are, when you need to make them, and where to go for support.

What is the RPS IWDC?

The RPS IWDC is the RPS Master Trust arrangement, authorised to operate and subject to ongoing supervision by The Pensions Regulator (TPR). The RPS IWDC is a multi-employer defined contribution (DC) pension arrangement used by a number of other employers in the UK rail industry. Each employer has their own DC structure within the RPS IWDC where the employer can apply their own contribution rates, Normal Retirement Age etc. As Master Trusts consist of multiple employers they therefore have a greater combined membership, enabling Master Trusts to offer a number of advantages to members compared with a single-employer DC scheme like the NRDC Scheme, such as additional investment opportunities, better member resources, modelling tools and overall member experience.

Who has approved this?

Multiple approvals were required in order to get to this stage, which in total took twelve months to obtain and involved significant due diligence being undertaken by each party. The approvals that have been granted include:

- **Network Rail Pension Trustee Limited (NRPTL)** - As Trustees of the NRDC Scheme and NR CARE Scheme, NRPTL undertook an extensive eight-month period of due diligence with their professional advisers to ensure NRDC and NR CARE members should not be adversely impacted by the proposed scheme transfers into the RPS.
- **Trade Unions** - Following NRPTL's 'in principle' approval, Network Rail engaged and presented the scheme transfer proposals to the Trade Unions (RMT, TSSA and Unite) and subsequently received support from each Trade Union to proceed.
- **Department for Transport (DfT) and HM Treasury** - Due to Network Rail's position as an arms-length public body, the scheme transfer proposals had to be shared with the DfT and HM Treasury.
- **Railways Pension Trustee Company Limited (RPTCL)** - As Trustees of the pension scheme that would be receiving NRDC and NR CARE benefits and members, RPTCL undertook their own extensive due diligence with their professional advisers and provided their 'in principle' approval.

What does 'in principle' approval actually mean?

'In principle' approval means there is an agreed intention to transfer NRDC and NR CARE into the RPS but it is not 100% set in stone, guaranteed to happen.
A lot of work is needed before the transfers can be implemented. In addition, as you may appreciate, pension schemes and pension benefits are complex in nature and can be impacted by numerous variables such as world events, political events and global investment markets. Such variables mean that what may be true today, may not be true in the future. Therefore, Network Rail, NRPTL and RPTCL have given their 'in principle' approval at this moment in time to proceed with the scheme transfers, so that the work required for implementation can proceed.
However, should anything occur that may impact the rationale on which this approval was based, then Network Rail, NRPTL and RPTCL can decide to stop the transfers. None of the parties can force through the scheme transfers without the agreement of all parties.
The NRDC and NR CARE scheme transfers into the RPS will only happen if Network Rail and NRPTL consider it is in members interests to proceed with them.

When will both NRDC and NR CARE be transferred into the RPS?

It is planned that both the NRDC and NR CARE scheme transfers into the RPS will complete in late 2027.

Who will be responsible for NRDC and NR CARE following the transfer to the RPS?

Currently both the NRDC and NR CARE pension schemes are governed and overseen by NRPTL. NRPTL is a corporate Trustee. The board of NRPTL consists of eight Trustees Directors, with four Employer Nominated Directors and four Member Nominated Directors (3 nominated by the RMT, TSSA and Unite Trade Unions and one elected by eligible scheme members).
Upon transfer, NRPTL will transfer responsibility for members and benefits from both schemes to RPTCL. RPTCL is the corporate Trustee responsible for the Railways Pension Scheme and the board consists of sixteen Trustee Directors, elected by various nominating constituent bodies and Trade Unions.
Alongside RPTCL's overall responsibility, the NR CARE benefit structure being implemented in the Network Rail Section (along with RPS60 and RPS65) will also be overseen by the Network Rail Sections Pensions Committee. The Pensions Committee has been set up by Network Rail with equal numbers of members' and employer's appointees, dedicated to the Network Rail Section. The Pensions Committee works with RTPCL to manage the Network Rail Section.
Additionally, with NRDC benefits and members transferring into the RPS IWDC, specific oversight of the RPS IWDC is managed by the RPS Defined Contribution Committee (DCC), a sub-committee of RPTCL.
The in-house Network Rail Pensions Team will continue to be the first port-of-call for Network Rail employees and business areas for all pension related matters.

How can I find out more?

We will keep you updated with detailed information on the pension scheme transfers as they progress.
You can find FAQs specific to NRDC members, NR CARE members and RPS members within this document.
In the meantime, if you have any questions or comments please contact the Network Rail Pensions Team at PensionsCommunications@networkrail.co.uk

NRDC Member FAQs

I am an active NRDC member, can I remain in the scheme and what will happen to my NRDC benefits?

If you are an active NRDC member any DC benefits you have built up in the NRDC Scheme and your active membership will be transferred over into the RPS IWDC and you will build up benefits in the RPS IWDC going forwards.
The contribution structure of NRDC is being replicated in the RPS IWDC so your contributions will continue as normal.
The administration of your DC benefits will move from the current Scheme Administrator, WTW, to being administered by Railpen (the RPS Scheme Administrator).
Upon transfer, Railpen will let you know how you can log in to view your pension benefits in your secure account, known as MyRPS, on the member website. You do not need to take any action.

Will NRDC contribution rates change due to this transfer into the RPS IWDC?

No, there are no changes being made to the NRDC contribution structure. The existing NRDC contribution structure will be available in the RPS IWDC.

Will my NRDC funds remain invested in the NRDC funds that I have chosen?

The investment funds offered by the RPS IWDC are different to those that are available in the NRDC Scheme. Therefore, ahead of the transfer to the RPS IWDC we will provide you with detailed information on the investment funds available in the RPS IWDC and you will have the opportunity to self-select the RPS IWDC fund(s) you would like your DC benefits to be invested in or continue with the default investment options.

Can I still join RPS65 when I complete 5 years continuous service with Network Rail?

Yes, you will still have the option to join RPS65 once you have completed 5 years continuous service with Network Rail.

I have preserved benefits in NRDC, will these be affected?

Your preserved DC benefits in the NRDC Scheme will transfer into the RPS IWDC. Ahead of the transfer to the RPS IWDC, we will provide you with detailed information on the investment funds available in the RPS IWDC and you will have the opportunity to select the RPS IWDC fund(s) you would like your preserved DC benefits to be invested in.

I left the RPS having reached the 40 years maximum RPS membership and so I joined NRDC. As NRDC will be transferring into the RPS, does that mean I will have to leave NRDC and not be able to continue in the RPS IWDC?

Your NRDC membership will be transferred into the RPS IWDC and you will be able to continue as an active member of the RPS IWDC.

Will I still be covered by the death in service benefit?

Yes, the death in service benefit of 4x your annual pensionable pay will still be provided in the RPS IWDC.

Will my pensionable pay change?

No, your pensionable pay will continue to be equal to your headline salary plus regional allowances.

Network Rail Contractual Enrolment and Automatic Enrolment

As the NRDC Scheme is currently used for Network Rail ‘Contractual Enrolment’ and legislative Automatic Enrolment purposes, the RPS IWDC will instead be the scheme which colleagues are contractually or automatically enrolled into. Additionally, the NRDC contribution ‘underpin’ (used to ensure NRDC members and Network Rail are paying the minimum level of contributions under Automatic Enrolment legislation) will continue to apply in the RPS IWDC.

NR CARE Member FAQs

I am an active NR CARE member, can I remain in the scheme and what will happen to my NR CARE pension benefits?

Any CARE pension benefits you have built up in NR CARE and your active membership will be transferred over into the NR CARE benefit structure being introduced in the Network Rail Section of the RPS.
The structure and scheme benefit rules of the existing NR CARE scheme are being replicated in the RPS (with minor changes only where needed to align with administration within the RPS). So your NR CARE pension membership and contributions will continue as normal.
The administration of NR CARE benefits will move from the current Scheme Administrator, WTW, to being administered by Railpen (the RPS Scheme Administrator).
Upon transfer, Railpen will let you know how you can log in so you can view your NR CARE benefits in your secure account, known as MyRPS, on the RPS member website. You do not need to take any action.

Will NR CARE contribution rates change due this scheme transfer?

It is not currently expected that there will be a change to the NR CARE contribution rates as part of this transfer.
The proposal is that the NR CARE contribution rates will remain the same at least until the 2028 triennial actuarial valuation process for the Network Rail Section of the RPS (which is expected to take place during 2029/2030).

I pay NR CARE AVC's, what will happen to my NR CARE AVC funds?

Your CARE AVC funds will be transferred to be invested in the RPS BRASS funds. Ahead of the transfer, we will provide you with detailed information on the RPS BRASS funds available and you will have the opportunity to self-select which RPS BRASS fund(s) you would like your CARE AVCs to be invested in.

Can I still join RPS65 when I complete 5 years continuous service with Network Rail?

Yes, you will still have the option to join RPS65 once you have completed 5 years continuous service with Network Rail.

I have preserved benefits in NR CARE, will these be affected?

Your preserved NR CARE benefits will transfer into the CARE benefit structure being introduced in the Network Rail Section of the RPS. The structure and scheme benefit rules of NR CARE are being replicated in the RPS (with some slight tweaks to align with the RPS and for administration simplicity) so your benefits should not be adversely affected. In particular, you will continue to receive indexation increases each year up until you draw your CARE pension benefits at retirement on the same basis as you would have if you had remained in the NR CARE Scheme.

I left the RPS having reached the 40 years maximum RPS membership and so I joined NR CARE. As NR CARE will be transferring into the RPS, does that mean I will have to leave NR CARE and not be able to continue in the RPS?

Your NR CARE benefits and membership will be transferred into the Network Rail Section of the RPS and you will be able to continue as an active member of the NR CARE benefit structure under the Network Rail Section of the RPS.

Will I still be covered by the death in service benefit?

Yes, the death in service benefit of 4x your annual pensionable pay will still be provided in the RPS.

Will my pensionable pay change?

No, your pensionable pay will continue to be equal to your headline salary plus regional allowances.

I am a NR CARE pensioner in receipt of a pension, will this continue?

Yes, your NR CARE pension payments will continue and will be paid to you by Railpen.

RPS Member FAQs

I am an active member of the RPS, will I be affected by the transfer of NR CARE into the NR Section of the RPS?

No, RPS60 and RPS65 benefits will not be impacted. You will continue to accrue RPS60 or RPS65 benefits as normal.

I have preserved benefits in NRDC and/or NR CARE, what will happen to my preserved benefits?

Your NRDC and/or NR CARE preserved benefits will transfer into the RPS and will remain preserved. For NR CARE members with AVCs, ahead of the transfer we will provide you with detailed information on the RPS BRASS funds available and you will have the opportunity to self-select which RPS BRASS fund(s) you would like your AVCs to be invested in.
Following transfer, you will be able to see your active RPS benefits as well as your preserved NRDC and/or NR CARE benefits all in one place in your secure MyRPS account on the RPS member website, making it easier to manage your Network Rail pension benefits.