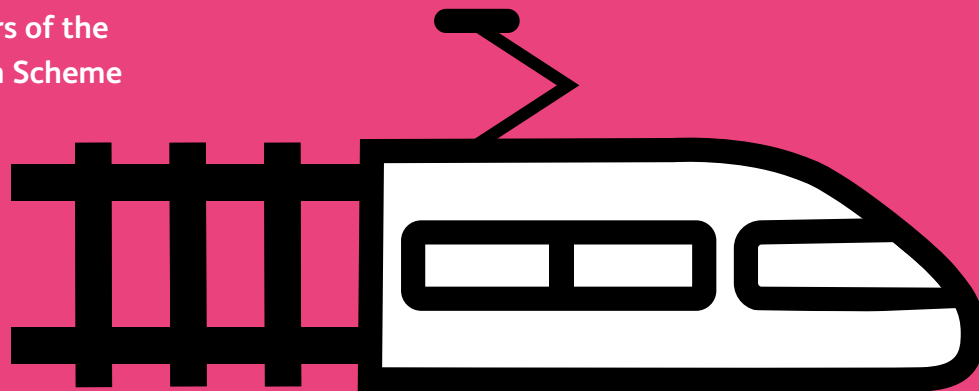


November 2026

LOOKING FORWARD

The newsletter for members of the
Network Rail CARE Pension Scheme



Welcome

Welcome to your 2026 issue of *Looking Forward*, the newsletter for members of the Network Rail CARE Pension Scheme.

It was another strong year for the Scheme, with active membership increasing from 5,867 at the start of 2025 to 6,415 at 31 December 2025. During the same period, the Scheme's assets increased from £330.5m to £415m. The Trustee Directors and their professional advisers are currently undertaking the triennial actuarial valuation of the Scheme, which is being carried out as at 31 December 2025. The results will be published before the statutory deadline of 31 March 2027. You can read more about this in the noticeboard on page 4.

As communicated to Scheme members and Network Rail employees in September 2026, the Trustee and other parties have agreed 'in principle' to a proposal from Network Rail to transfer the NR CARE Pension Scheme into the Network Rail Section of the Railways Pension Scheme (RPS). Work has now commenced to implement the transfer, which is scheduled to

complete later in 2027. You can find out more about this important development for the Scheme and our members on page 6.

There have also been a number of developments in the wider pensions landscape over the past 12 months. Our pensions news section brings together some of these updates and explains what they could mean for you. You can find this on pages 14 to 15.

Finally, there has been a change to the Trustee board following the recent member-nominated Trustee ballot process. Nick Chadwick has been appointed to the board, replacing Ian Icton, who resigned in December 2025. You can find out more about Nick on page 9.

I hope you enjoy reading this issue of *Looking Forward* and find it useful. If you have any questions or there's a topic you'd like to see covered in a future issue, please get in touch using the details on the back page.

Samantha Pitt
Chair of the Trustee



At a glance



As at 31 December 2025,
the Scheme had assets worth
£415 million

Membership has increased to
15,236 members

During the year, the Scheme paid
benefits to members worth
£9.3 million

Look inside

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Digital communications

We're now using digital communications to keep you up to date with the latest news about the Scheme. Visit myNRpension.co.uk to log in to your personal account via the member portal.

Make sure your communications preference is set to digital so you don't miss any important updates.



Noticeboard

Scheme funding

The most recent actuarial valuation of the Scheme looked at the position as at 31 December 2022, when the Scheme's funding level was 84 %, with a shortfall of £40.5 million. The Trustee monitors the funding level regularly, and in between formal valuations, the Scheme actuary provides annual update reports.

As at 31 December 2024, the funding level had improved to 112 % due to the Scheme's assets performing better than expected and a lower cost of pension accrual.

The Trustee and its professional advisers are currently undertaking the Scheme's actuarial valuation as at 31 December 2025. The valuation is being carried out under the Pensions Regulator's new regulatory framework, which is designed to support the long-term sustainability of Defined Benefit (DB) pension schemes. The results of the 2025 valuation will be published before the statutory deadline of 31 March 2027.

Do we know your wishes?

Please make sure that you've completed an online expression of wish and that you keep it up to date by reconfirming your wishes every couple of years and whenever your personal circumstances change. This is particularly important if you get married or divorced, enter or leave a civil partnership, or become a parent.

An up-to-date expression of wish tells the Trustee who you would like to receive your pension benefits in the event of your death. It helps us pay the right people without additional delay to your loved ones.



You can update your expression of wish by logging in to your account at epa.towerswatson.com/accounts/nwr



Pension increases

Pensions in payment are reviewed on 1 April each year in line with the Rules of the Scheme. Different elements of your pension receive different increases depending on when you earned your benefits, based on the relevant inflation index for the previous September.

Pension earned	Inflation index	Increase in 2026
Before 31 March 2016	Retail Prices Index (RPI) capped at 5%	4.5%
Since 1 April 2016	Consumer Prices Index (CPI) capped at 5%	3.8%

There were no discretionary increases during the year.

Scheme transfer

NR CARE to move into the Railways Pension Scheme

Over the past two years, Network Rail has undertaken a strategic review of its pension schemes to assess whether they continue to provide strong benefits for members, are being administered effectively and represent good value for members and the Company.

Following the review, Network Rail has obtained the required approvals to transfer the Network Rail CARE Pension Scheme into the Network Rail Section of the Railways Pension Scheme (RPS). NR CARE will remain open to members and will operate alongside RPS60 and RPS65.

Alongside the NR CARE transfer, the Network Rail Defined Contribution Pension Scheme (NRDC) will transfer into the RPS Industry-Wide Defined Contribution (IWDC) Master Trust.

Importantly, you will see no change to your NR CARE benefits as a result of the transfer. Any NR CARE pension benefits you have already built up will be transferred over into the Network Rail Section of the RPS. If you're an active member, you will continue to build up NR CARE benefits as normal.

The administration of NR CARE will move from the current Scheme administrator, WTW, to Railpen, the RPS Scheme administrator. Once the transfer is complete, you will receive new login details from Railpen, allowing you to view your NR CARE benefits and any other Network Rail pension scheme benefits all in one place through the online RPS member portal.

The current expectation is that the NR CARE and NRDC transfers will both complete in late 2027.

Members will be kept updated with important information throughout the transfer process, and an FAQs document is available at myNRpension.co.uk. If you have any questions, you can contact the Network Rail Pensions Team at PensionsCommunications@networkrail.co.uk

Who has approved this Scheme transfer?

- Network Rail Executive Leadership Team
- NRDC and NR CARE Trustees (Network Rail Pension Trustee Ltd)
- Trade Unions – RMT, TSSA, Unite
- Department for Transport (DfT)
- HM Treasury
- RPS Trustees (Railways Pension Trustee Company Ltd).



Looking after the Scheme

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

Your Trustee Directors

Independent chair



Samantha Pitt
Law Debenture Pension
Trust Corporation Ltd

Appointed by Network Rail



Tim Craddock
HR Director, Group
Reward, Pensions &
Benefits, Network Rail



Lisa Leeds
Finance Director,
Corporate Functions,
Network Rail



Louise Kavanagh
Finance Director,
Corporate Functions,
NRIL

Nominated by the Trade Unions



Paul Norris
Rail, Maritime and
Transport Union (RMT)



Gary Adams
Transport Salaried Staffs'
Association (TSSA)



Ian Waters
Unite Union

Member nominated



Nick Chadwick

Advisers to the Trustee

Auditor

RSM UK Audit LLP

Investment Adviser

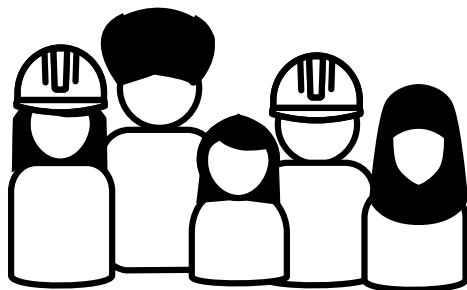
Schroders Solutions

Legal Adviser

Mayer Brown International LLP

Secretary to the Trustee

Claire McCarthy
Pensions Trustee Governance Manager, Network Rail





Meet your new member-nominated Trustee: Nick Chadwick

Following the recent member-nominated Trustee (MNT) ballot process, Nick Chadwick was appointed to the Trustee board, replacing Ian Icton.

Nick currently works for Network Rail as a Signaller, and has worked in the railways industry since 1989, spending time at British Rail, Railtrack and Jarvis. The first half of Nick's career was spent working in Tickets Offices, Train Planning and in Operations as Scotland Level Crossing Manager, before moving into Project Management at Jarvis.

Nick has spent the last 20 years as a Signaller and is currently on the Operations Area Council for Scotland. Being an experienced staff representative means Nick always puts the interests of staff members at the forefront and is happy to provide challenge when needed.

When not at work, Nick is heavily involved at his local rugby club, where he has coached youth rugby for over 20 years, and still, very occasionally, pulls his boots on to play.

Otherwise, he can be found in the garden or planning an adventure abroad.



Report and accounts

The information on these pages is a summary taken from the Scheme's formal report and accounts for the 12 months to 31 December 2025, which have been independently audited by RSM UK Audit LLP. If you'd like to see a copy of the full report, you can find it on the Scheme website: myNRpension.co.uk

	31 Dec 2025	31 Dec 2024
Financial highlights	£'000	£'000
Net assets at the start of the year	330,471	297,689
Money in less money out	49,311	37,005
Net return on investments	35,058	(4,223)
Net assets at the end of the year	414,840	330,471

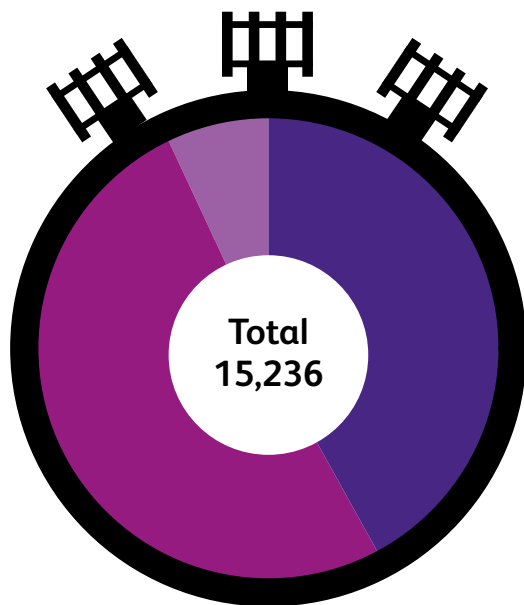
During the year, the fund increased in value by £84.4 million (2024: increase of £32.8 million).



	31 Dec 2025	31 Dec 2024
Money in	£'000	£'000
Members' normal contributions	1,254	915
Members' AVCs	7,477	4,684
SMART contributions	20,071	16,883
Employer's normal contributions	31,270	26,731
Death benefits from insurance company/other income	1,075	1,783
Individual transfers in	2,233	1,870
Total	63,380	52,866
Money out		
Benefits paid to members	(9,290)	(9,923)
Transfers out	(1,513)	(2,355)
Life assurance premiums	(1,336)	(1,132)
Administration expenses	(1,930)	(2,451)
Total	(14,069)	(15,861)

Membership

You are one of 15,236 members in the Scheme. The chart shows a breakdown of the membership as at 31 December 2025.



- **Active members**
are those currently building up benefits in the Scheme.
- **Deferred members**
are former employees or opted-out members who have not yet taken their Scheme benefits.
- **Pensioners**
including dependants who are in receipt of their benefits.

	31 Dec 2025	31 Dec 2024
Active members	6,415	5,867
Deferred members	7,797	7,189
Pensioners	1,024	867
Total	15,236	13,923

Investment update

Managing the investments

The Trustee is responsible for setting the investment strategy for the Scheme. It makes the important decisions on investment policy, while delegating the day-to-day management of the Scheme’s assets to its appointed investment manager, Schroders Solutions.

The Trustee’s main objective is to ensure that the Scheme has enough money to pay pensions to members as they become due. The strategy to achieve this is set out in a formal document called the Statement of Investment Principles (SIP).

It splits the assets into the following two groups:

Growth assets:  Liability hedging assets: 



If you’d like to know more about the Scheme’s investments, you can find a copy of the SIP on the Scheme’s website: myNRpension.co.uk

How are the assets invested?

The chart shows how the assets in the investment fund were allocated as at 31 December 2025 compared with 31 December 2024.

	2025	2024
Equities	53.5%	52.2 %
Return-Seeking Credit	15.3%	20.5 %
Property	0.0%	3.6 %
Commodities	5.1%	2.1 %
Alternatives	12.4%	11.7 %
Cash & Sovereign Bonds	13.7%	9.9 %



Investment performance

The Trustee sets an investment target to measure the performance of the Scheme's assets over one year, three years and five years, as shown in the table below.

	One year %		Three years % p.a.		Five years % p.a.	
	Fund	Target	Fund	Target	Fund	Target
Total portfolio	9.1	4.0	3.3	-2.5	-10.6	-11.2

The Scheme's year

The 12 months to 31 December 2025 saw a gradual shift from concerns about persistent inflation towards a focus on slowing economic growth. Having kept interest rates at higher levels, major central banks gained greater confidence that inflation was moving back towards target and began to ease monetary policy further during the year.

While inflation remained above target in some regions, and concerns over tariffs and geopolitical tensions created periods of uncertainty, the overall direction of travel was towards lower rates. The US Federal Reserve, European Central Bank and Bank of England all reduced interest rates during 2025, although the pace and timing of easing varied between regions.

Economic growth remained resilient but generally slowed compared with previous years. Unemployment remained relatively low, although the number of job vacancies fell and wage growth eased compared with previous years. Government bond yields were volatile over the course of the year as investors reassessed the outlook for inflation, growth and the extent of future rate cuts, but the broad backdrop became more supportive for fixed-income markets than in the previous year.

Overall, the fund is ahead of its investment target for both the 12 months and three years to December 2025.



Pension news

Inheritance tax on pensions

You may have seen in the news that changes are being made to the way inheritance tax (IHT) applies to pensions. From 6 April 2027, certain unused pension savings and death benefits will be brought within the scope of IHT.

Following consultation on the draft legislation, the government has confirmed that death in service benefits will remain outside the scope of these changes.

If IHT is due on pension benefits following a member's death, the member's Personal Representatives (PRs) will be responsible for reporting and paying any IHT due. Pension schemes will need to provide the PRs with information about any relevant benefits that need to be included when calculating the value of the member's estate.

In certain circumstances, PRs will be able to ask pension scheme administrators to withhold a percentage of taxable benefits and use this to pay any IHT due in respect of the death benefits on their behalf. HMRC will be publishing guidance for PRs on how the new regime will work.

You may wish to take independent financial advice on the potential implications of the IHT changes for your financial

planning. You may also wish to review your expression of wish (see page 4).

Don't forget: minimum pension age is rising

If you're thinking about early retirement, the normal minimum pension age (NMPA) is rising and it may affect your plans. From 6 April 2028, the earliest you can access your pension is going up from age 55 to age 57, unless you're in ill health.

Tax treatment of salary sacrifice pension contributions

Changes announced in the 2025 autumn budget will affect the National Insurance (NI) treatment of pension contributions made through salary sacrifice arrangements, known as SMART at Network Rail.

Currently, there is no limit on the amount of salary sacrifice contributions that can be made without paying NI, but from 6 April 2029 this will change. The first £2,000 of salary sacrifice pension contributions each year will continue to be exempt from NI, but any contributions above £2,000 will be subject to NI.



An update on pensions dashboards

Pensions dashboards are designed to make it easier for you to see information about your workplace, personal and State pension entitlements securely online, all in one place. They aim to help you understand your retirement savings, reconnect with lost pension pots and plan for retirement.

Our Scheme connected to the pensions dashboards ecosystem in May 2025. While legislation sets a single statutory connection deadline of 31 October 2026, pension schemes and providers are expected to connect in line with a staged timetable set by the Department for Work and Pensions (DWP).

As the pensions dashboards project gains momentum and becomes more widely known, it's important to be aware that scammers may try to take advantage of the project. At no point will anyone from a pensions dashboard contact you to confirm any of your personal information.

Cyber security

Cyber-attacks continue to evolve, with new technologies, such as artificial intelligence (AI), creating additional opportunities for criminals to target individuals and organisations. Pension schemes can be attractive targets because they hold personal and financial information, so keeping this information secure is a key priority for the Trustee.

Cyber security is included on the Trustee's risk register and is regularly monitored. The Trustee also has a response plan in place to help ensure that, should a cyber-attack affect the Scheme, appropriate action can be taken quickly to protect members and their information.

Pension scams

Pension scams continue to be a risk to members, particularly if you're approaching retirement or considering transferring your pension benefits. Scammers can target anyone and no pension amount is too small.

The Pensions Regulator (TPR) has guidance to help you spot the warning signs of a pension scam and protect yourself. You can find out more on TPR's website at thepensionsregulator.gov.uk/pension-scams

Always remember to be cautious if someone:

- contacts you unexpectedly about your pension
- promises guaranteed or unusually high returns
- pressures you to make a quick decision
- asks you to transfer your pension before you've had time to consider your options.

Keep in touch

If you have a question about the Scheme or your benefits, please get in touch with the administrator, WTW, or the Network Rail in-house pensions team.

Email

NetworkRailPensions@wtwco.com

Pensions@networkrail.co.uk

Call

01737 230487

Write to

WTW

Network Rail

Sunderland

SR43 4JU

Website

myNRpension.co.uk

Go online

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



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