The RPS: Your Good to Know Guide

Industry-Wide Defined Contribution (IWDC) Section

Contents

Introduction

Pensions can be confusing, especially if you're new to paying into one or haven't given retirement a lot of thought before. If that sounds familiar, this guide has been designed with you in mind. It's for members who, perhaps for the first time, are thinking about saving for their life after work.

It aims to cover the basics that are **'good to know'** as a starting point for your journey to retirement. If it makes you want to know more, there's plenty of additional detailed content, videos, guides and practical tools, to help you plan ahead on the website. We'll point out where they may be useful along the way.

If you need detailed information on your own pension pot, please **register or log in** to your online account on this website and you can check your Member Guide, which you'll find under the 'My Library' area.

Getting the most from the guide

To help you get to the information you want, as quickly as possible, the guide has been structured around some common questions that members have. You can link directly to these in the contents list, and also see them summarised at the beginning of each chapter. And feel free to check out this guide whenever you need to and just skip the bits you already know. You don't need to read it all in one go.

Pension basics and how the RPS works

Your questions answered in this chapter:

- What is a pension?
- What is the RPS?
- Are there different types of RPS pensions?
- How does the IWDC Section work?
- What is the Trustee and what does it do?

What is a pension?

A pension is a tax-efficient way of saving while you work. It will give you money to live off once you stop working. There are 3 main types of pension plans:

1 Workplace pension

A workplace pension is a great benefit offered by many employers. It's set up by your employer to help you save for retirement and it's sometimes also known as an Occupational Pension. You and your employer regularly pay money in (contributions), and you benefit from tax relief from the government on that money. You can find more on tax relief on page 7 of this guide and by watching the videos in our **video library**.

2 Private pension

This is arranged by you. You pay regular contributions into it and the government provides tax relief, but your employer does not pay in.

3 State Pension

This is a regular payment from the government once you reach State Pension age. Whether you're entitled to the full State Pension amount depends on your National Insurance record. If you can get it, on its own it may not provide you with enough money for the lifestyle you want in retirement.

The State Pension is paid separately to your workplace pension or any other pensions you may have.

Is there a difference between a pension plan, pension scheme, and a pension fund?

No, they all mean the same thing and are simply the product name for what you pay your money into that will eventually pay you money back when the time comes to retire.

What is the RPS?

The Railways Pension Scheme (RPS) is a workplace pension and is one of the largest pension schemes in the UK, representing more than 150 rail companies across the industry with a community of around 350,000 members.

Are there different types of pensions?

The RPS is split into different parts. These include a defined contribution (DC) section (also known as the Industry-Wide Defined Contribution Section, or IWDC) and a defined benefit (DB) arrangement. They work in different ways so it's good to understand the differences.

Defined contribution (DC) pension

With a DC pension, the money you pay in is invested with the aim of increasing in value over time to provide a pot of money, which we generally refer to as your 'pension pot', for when the time comes to retire. The final value of that pot largely depends on:

- how much money has been paid in
- how long you have saved for
- how well your investments have performed

Defined benefit (DB) pension

A DB pension, also known as a final salary pension, pays you a defined amount of annual income. This income is guaranteed for the rest of your life. The amount you get is based on your pay and how long you've been paying into the Scheme.

This guide focuses on the IWDC Section, which is a defined contribution pension.

How does the IWDC Section work?

You and your employer both pay money, called contributions, into your pension pot. Your pension pot in the IWDC is also known as a Personal Retirement Account, or PRA for short. For the purposes of this document we'll refer to it as a pot, or pension pot.

Your money is invested in a range of carefully selected funds with the aim of helping it grow over time.

For more on investment choices, see the **IWDC Investments** information on this website.

There are several ways you can use the money in your pension pot to provide you with an income in retirement. See page 13 for more details on how you can take your money. You can also visit **Ways to take your PRA** on this website or watch the dedicated video on **IWDC retirement options**.

What is the Trustee and what does it do?

The Trustee Board is responsible for ensuring that the RPS is run properly. The Board is made up of 16 Trustee Directors – 8 employer-elected and 8 member-elected representatives. They oversee the management of the Scheme including collecting and investing contributions. If you'd like to find out more about the Trustee, go to **The Trustee** area of this website.

Decisions for your IWDC pension are delegated to a dedicated Trustee sub-committee, the Defined Contribution Committee (DCC). The Trustee Board and DCC are responsible for carefully selecting the range of investment funds available for members.

Membership of the RPS

Your questions answered in this chapter:

How and why did I become a member of the RPS?

A pension is a valuable benefit of your employment, offered by many employers.

As a member of the RPS, your employer has enrolled you into a great pension scheme, which is a valued part of your overall employee benefits package, in addition to your other terms and conditions.

You may have been enrolled into the RPS as part of your employment contract or you may have been automatically enrolled if the RPS is your employer's auto-enrolment pension scheme.

You can find more information about auto-enrolment on this website and at **Moneyhelper.org.uk**.

What do I get with my membership?

The RPS is a good pension scheme with a lot of great benefits. Here are some of the best things about being a member of the IWDC Section:

- Death benefits. Not a nice thought, but comforting to know that a lump sum could be paid to your loved ones if you die before taking your pension pot.
- You're not saving alone. Your employer pays into it too, helping you save for your life after work.
- The great advantage of saving for retirement in a pension, is that some of the money that would normally have gone to the government in tax, goes towards your pension instead and increases your savings.
  - The money you pay into your pension (your pension contribution) is taken from your wages, before any tax is deducted from you.
  - You will usually only pay tax on what's left after your pension contributions have been taken, so your tax bill is usually lower.
  - This means you get more take-home pay (also known as net pay). Although you've paid the full amount of your pension contribution yourself, you benefit from tax relief straight away by paying less tax.
- You get award-winning support and guidance.
- You'll get the 'Insight' newsletter every year, packed with information to keep you up to date with the Scheme, general pensions news, and tips to help you achieve the retirement outcome you hope for.
- Your dedicated member website, which gives you access to your myRPS online account, has everything you need to know in one place and pension planning tools to help you enjoy a great retirement.

How do I know what kind of member I am?

If you're not sure whether you're a DB or DC member, you can **register or log in** to your myRPS online account on this website and check your Membership details page. You can also look at your Member Guide, which you'll find under 'My Library' if you're logged in to your online account.

Is there a limit to how many pensions I can have?

It's not unusual for people to have more than one pension, especially if you've moved jobs during your career. Some people have private pensions as well as paying into a workplace pension. Others have pensions they no longer pay into, which remain 'preserved' until the time comes to retire.

You can have as many pensions as you want to help you provide for your future, but there are limits to how much you can save tax-free towards all your pension arrangements in any tax year. Find out more about pension saving tax limits on page 20 of this guide. You can also find out more in the **Read as you Need guides**, which can be found on this website.

Can I transfer another pension into the RPS?

You can usually transfer savings from other pension schemes into the IWDC Section. Contact your previous pension provider if you are considering transferring into the IWDC Section.

Any savings you do transfer will be added to your IWDC pension pot.

You would need to complete a Transfer-in request form to start this process. You can find this on the **Forms** page of this website.

If you are transferring from a 'defined benefit' arrangement, it is a legal requirement for you to provide evidence that you've taken professional financial advice, before transferring, if the value of your savings is over £30,000.

You can find out more about transferring benefits into the RPS in your Member Guide, which is available in 'My Library' when you **log in** to your myRPS account.

Can I opt out if I don't want to be a member?

Paying into a pension is one of the most secure ways of saving for your life after work. But if you decide it's not right for you, then you can opt out of the Scheme. How you do this depends on whether you were auto-enrolled into the RPS.

Opting out if you were auto-enrolled

If you were auto-enrolled, opting-out happens in 2 steps:

1. Complete an Auto-enrolment opt-out notice and send it to your employer. You'll find this on the **Forms** page of this website. When they receive it, your employer will check that the notice is valid, stop your membership, and make sure you don't pay any more into the Scheme.
2. To get a refund of any money you have already paid in, you must opt out within a month of being auto-enrolled. This is known as the 'opt-out period'. If you meet the opt-out criteria, then you will get a refund from your employer. If you leave the Scheme after the 'opt-out period' then you may not get a refund of the money you've paid in so far. Your options will depend on the rules of the IWDC Section and pension law.

Opting out if you weren't auto-enrolled

If you weren't auto-enrolled, but enrolled as part of your employment contract, then you need to speak to your employer if you want to opt out. Your employer will then contact the Scheme administrator, Railpen, which will start the process to end your membership.

If you're not sure why or how you were enrolled, contact your employer to find out.

Investment choices

Your questions answered in this chapter:

- What investment fund choices are there?
- How do I know which funds to pick?
- Do I have to make a choice?
- Can I change my mind?
- How does the Trustee decide what to invest in?

A significant factor of saving into a DC pension is how you choose to invest your money, because how those investments perform could have a big impact on the value of your pension pot in the future.

This can seem daunting, especially if you haven't had to make investment decisions like this before. Here are some things it may be helpful for you to consider.

What investment fund choices are there?

The funds available to members vary in the types of things (assets) they invest in – like bonds, property, shares and cash – which affects the level of risk involved and the potential growth you can achieve.

The IWDC Section has these funds to choose from:

- 3 x Lifestyle strategies
- 7 x investment funds

Should you feel more comfortable having your choice made for you, your money will automatically be invested in one of the lifestyle strategies, called the Target Flexible Drawdown Lifestyle Strategy (see page 10).

Lifestyle strategies

Lifestyle strategies aim to build pension savings when you still have a long way to go until you retire, and reduce any potential risk of a fall in value by automatically and gradually moving your money from a higher-risk fund into lower-risk funds as you near retirement.

The 3 Lifestyle strategies offered by the RPS are each designed to be most suitable for the ways you can use your money when you retire:

- Target Annuity Lifestyle strategy
- Target Flexible Drawdown Lifestyle strategy
- Lump Sum Lifestyle strategy

Investment funds

The 7 available funds vary in the type of assets they invest in and come with either a high, medium or low risk rating:

- Corporate Bond Fund
- Deposit Fund
- Global Equity Fund
- Long-Term Growth Fund
- Socially Responsible Equity Fund
- UK Government Fixed-Interest Bond Fund
- UK Government Index-Linked Bond Fund

You can find more details on each of the investment options by going to our **IWDC Investments** information.

How do I know which funds to pick?

Having a rough idea of your long-term plan, and how you might want to use your pension pot money, isn't essential now but can help with making appropriate investment choices. But, if making choices for a time in the distant future feels overwhelming, answering the following questions might help.

How involved with managing your investments do you want to be?

If you'd like to actively manage your investment choices yourself, no problem. Choose any combination of the Lifestyle strategies and investment funds, and decide how much of your money you want to invest in each.

If you'd prefer the Trustee to manage your money for you in a way that is considered suitable for a typical member, choose a Lifestyle strategy.

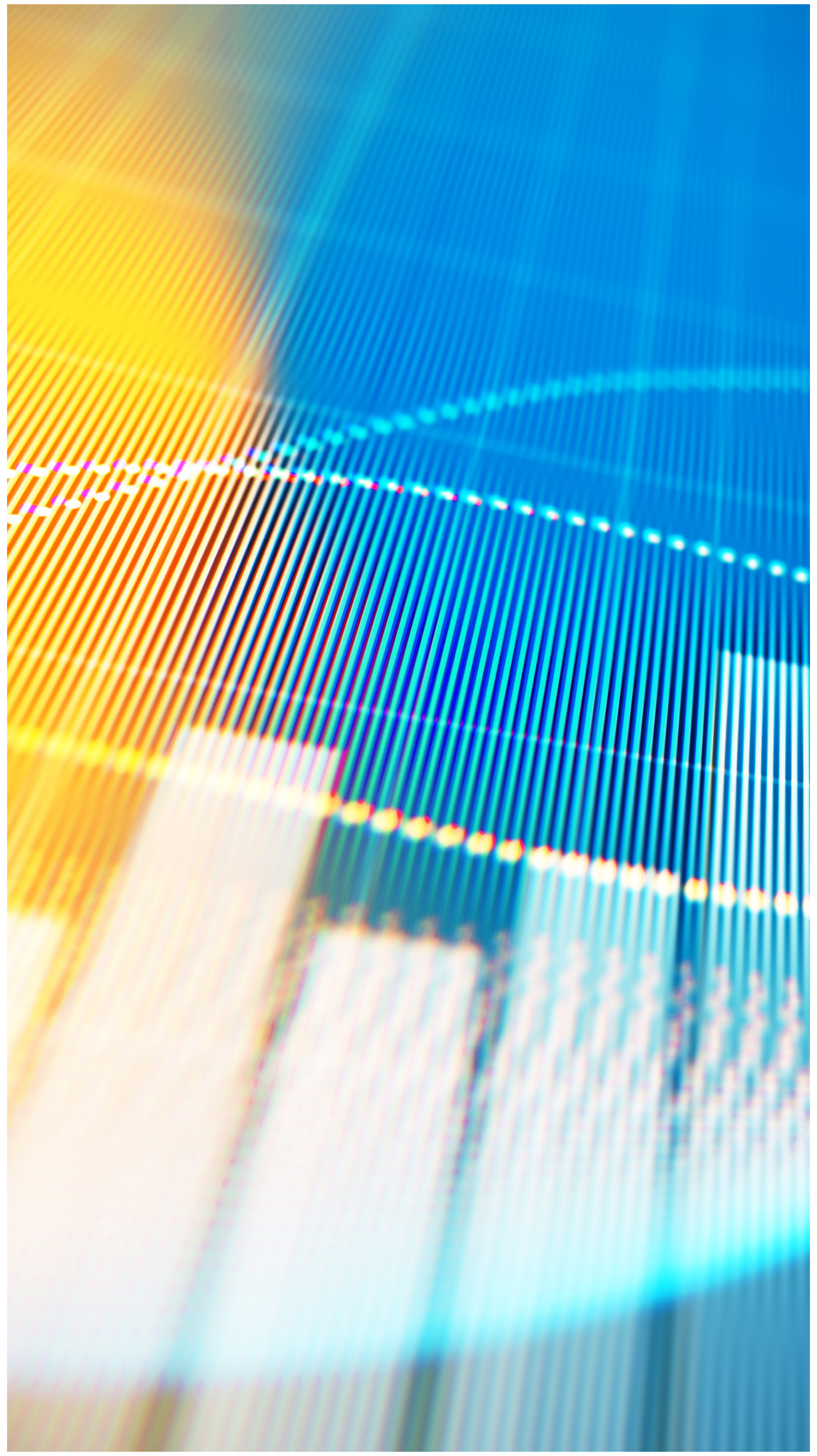
How comfortable are you about taking risks with your money?

When it comes to investing your money for retirement, how much risk you're willing to take for a potential reward is a balance, often between how long you have to invest and what you want to get back.

Generally speaking, the higher the risk rating, the higher the expected return over the long-term. However, this also means the rises and falls in value along the way can be bigger. There's no guarantee and the value of your pot could go down as well as up.

There is no right or wrong way to manage your investment options. Ultimately, it comes down to whatever you are most comfortable with, your retirement goals, and what works best for you.

Whatever option is right for your needs, it is important that you understand all of the information you need to make an informed decision.



Do I have to make a choice?

No. If you're really not comfortable choosing, your pension pot will be automatically invested in the 'default' option of the Target Flexible Drawdown Lifestyle Strategy. Your investments and fund choices will be managed for you by the strategy which invests in a mix of assets believed to be suitable for the majority of members.

Can I change my mind?

Yes. You can change your fund choices at any time. The investments you choose now may not always be the most suitable for you if your plans or circumstances change.

Regardless of which funds you choose, it's important to regularly review your choices to make sure they remain appropriate for you. You can track performance of the investment funds any time online, and make changes online in your myRPS account.

To track and change your investment choices **register or log in** to your myRPS account on this website.

How does the Trustee decide what to invest in?

The main aim of the Trustee, with the help of the investment experts at Railpen, is to protect your money and help it grow and all investment decisions are made with you and your retirement outcome in mind.

The Trustee and Railpen choose to invest in companies that are well-run – treat their suppliers, customers and workers fairly and have a responsible approach to risk and environmental, social and governance issues (ESG) – not just because this is the right thing to do, but because companies like this tend to perform better over the long term.

For more on our approach to responsible investing take a look at the Sustainable Ownership Member Review at **Railpen Reports**.

Understanding when and how you can use your pension pot

Your questions answered in this chapter:

- When can I take my pension?
- How can I use my pension pot to provide an income in retirement?
- How do I start the process if I want to take my pension pot?
- What are pension scams and how do I guard against them?

When can I take my pension?

You can take the money in your pension pot if you are:

- over age 55 (this will rise to 57 in April 2028)
- over age 50 if you have a Protected Pension Age, e.g. because you were an active member of the RPS on 5 April 2006

While retiring early sounds great, you need to consider that you'll need about 40 years of saving to be able to provide an income for 30-40 years of retirement. Remember too that the State Pension (if you're eligible) won't be available till you're much older.

You can find more information on the Protected Pension Age in the **Read as you Need guides** on this website.

NOTE: If you are in ill health, you may be able to retire younger than this if you meet the conditions for RPS ill-health retirement. You can find what the rules are in your Member Guide in the 'My Library' area of your myRPS account.

How can I use my pension pot to provide an income in retirement?

Whatever age you decide to retire, how you ultimately choose to use your pension pot is up to you and will depend on your personal circumstances. If you don't know yet, don't worry – you can always decide later, or change your mind, but it's important to understand the choices available, because that might influence which funds you choose to invest in.

Be aware that your pension pot doesn't automatically become retirement income for you when you finish work. You have several options for taking your money and these decisions will affect the income you have in retirement.

Here are the main options for how you can take the money in your pension pot:

- **Buy an annuity** which provides you with a regular guaranteed income in retirement. This will be subject to income tax. The IWDC Section doesn't provide annuity options, but there are many companies that do, and you may be able to get a better income if you shop around and check what's on offer. You would need to transfer your IWDC pension pot to the company of your choice, if you wanted to take this option.
- **Have a flexible income**, taking your money a bit at a time. This is known as **drawdown**. Your pension pot would remain invested and you can take as much money as you want, as often as you want, until you have used it all up. The payments that you receive in this way will be subject to normal income tax rates. The IWDC Section doesn't offer a drawdown option, so you would need to transfer your IWDC pension pot to another provider (of your own choosing) if you wanted to take this option.
- **Take all the money in your pot as a cash lump sum**. This is known as total encashment. You can normally take up to 25% of your pot tax-free but normally no more than £268,275.

You can choose one, or a combination of the options, which may or may not include a cash lump sum.

Want to know more..?

These options all come with different tax implications, benefits and risks. To find out more go to **Retirement options (for IWDC members)** on this website.

There is also a more detailed 'Guide to retirement options' under Guides for IWDC members, in the **Read as you Need guides** on this website.

More general information on retirement is available from **Moneyhelper.org.uk**.

You should strongly consider taking independent financial advice as part of your retirement planning. See page 24 for details about how to do that.

How do I start the process if I want to take my pension pot?

You should apply three months before you want to take your pension pot.

- **If you're still paying into the IWDC Section**, you must tell your employer that you intend to take your pension pot. Your employer will then start the retirement process by telling Railpen (the Scheme administrator) when you want to retire.
- **If you're no longer paying into the IWDC Section**, you would need to contact Railpen via email at **csu@railpen.com** or via telephone 0800 012 1117 to start the retirement process.

Please remember to have your pension reference number handy. You will find this online in your Membership Details when you're logged into your myRPS account, or on any correspondence you receive from Railpen about your pension.

Once your request has been processed, you'll be sent a retirement quotation with your available options and the forms you need to complete.

You will need to complete your Retirement Option forms once you've chosen your options.

If you want to buy an annuity and/or choose to take your money a little bit at a time (drawdown), you will also need to confirm the name and contact details for the new providers you've chosen.

If you're aged 50 or over and wish to transfer out of the Scheme or start to take money from your pension pot, you can get free guidance on your retirement options from **Pension Wise** before you go ahead. This is to protect you as there's risk from fraudsters and scammers at every stage of your journey to retirement, but you're particularly vulnerable if you're looking at ways to release your pension savings early.

What are pension scams and how do I guard against them?

Pension scams are when fraudsters rob you of all, or part, of your pension savings. These crimes have become increasingly common over the last few years, and the methods used are becoming more and more devious. No matter how savvy you think you are about money, don't think you're too clever to fall victim to a scam.

If someone claims they can help you access your pension before you're 55, then it's highly likely it's a scam. Not only will you be faced with a huge tax bill but you will probably be robbed of your pension savings as well. Scammers will often pose as professional Financial Advisers too, so be very careful to thoroughly check out anyone who is giving you advice and make sure they're regulated by the Financial Conduct Authority (FCA).

Always reject any unexpected calls, emails, texts or social media approaches about pensions.

You can learn more about the warning signs and find out how to protect yourself from pension scams by visiting the **pension scams** page on this website.

Planning for the future

Your questions answered in this chapter:

- How do I work out how much money I'll need to live on in retirement?
- How do I know how much money I'll have in my pension pot when I retire?
- What if I don't think I'm on target to save enough?
- What's the easiest way to manage my pension pot and plan for retirement?

Planning for your life after work might feel like an overwhelming task – how do I know what I'll want, or need? What will it cost? Will I have enough money?

Trying to figure this out won't be easy, especially if you're new to pension saving. But like a lot of tasks in life if you break it down into small steps, it will be much simpler.

We'll look at each of those 3 steps more closely over the next few pages to see how they can help you plan for retirement.

Step 1:
Picture your life after work and set a target to aim towards.

Step 2:
Review your retirement savings and understand how much you'll have.

Step 3:
Work it out and check if your current level of saving will be enough for what you want.

How do I work out how much money I'll need to live on in retirement?

Step 1: **Picture your life after work and set a target**

If retirement is still a long way off, this may be difficult, but having a rough idea of your long-term plan will help you work out if you're saving enough for your future.

Start by thinking about whether you would like more or less income than you have now. It's likely that, during your retirement years, you'll want to continue the lifestyle you've enjoyed while working.

The Retirement Living Standards* have been designed to give you a sense of what different standards of living in retirement could cost. There are 3 levels – minimum, moderate and comfortable – based on the cost of a 'shopping basket' of goods typical of that lifestyle.

Research has shown that people are more likely to save regularly if they have specific future goals and the Retirement Living Standards provides a really useful guide to use as targets to aim for.

SINGLES	RETIREMENT LIVING STANDARDS*	COUPLES
£43,900	**COMFORTABLE** More financial freedom and luxuries	£60,600
£31,700	**MODERATE** More financial security and flexibility	£43,900
£13,400	**MINIMUM** Covers all your needs, with some left over for extras	£21,600

** Figures quoted are from the Retirement Living Standards by the Pension and Lifetime Savings Association (PLSA) and Loughborough University. Costs will be higher in London. To see full details go to:* ***retirementlivingstandards.org.uk***.

You can use the simple **RPS Retirement Budgeting Calculator** on this website to set your personalised target.

You start by choosing one of the Retirement Living Standards as a base, then change the details to suit your own life so you create a personalised target annual income for the lifestyle you want after work.

Setting a target now doesn't mean you can't change it in future – it just gives you something to aim for.

Your pension pot is also often known as a Personal Retirement Account, or PRA for short.

How do I know how much money I'll have in my pension pot when I retire?

Step 2: Check your pension pot

If you're logged into your myRPS account, here are 2 ways you can find out what your IWDC pension pot could be when you choose to take it.

1. Using the Retirement Modeller

- You can find the Retirement Modeller in your myRPS account, in the 'Planning for the future' area.
- Use the Retirement Modeller to see an estimate of what your pension pot could be worth, depending on when you intend to take it. You can also model the impact of making additional contributions to see how much of a difference this could make.

2. Requesting an estimate

Another way to find out what you could get in retirement is to request an online estimate. You can request as many online estimates as you like and, a bit like the Retirement Modeller, you can choose to see different scenarios.

- To get an estimate, select 'Request an Estimate of Retirement Benefits' in your myRPS account, under the 'My Pension' area.
- The estimate is sent to your myRPS inbox, usually within 1 hour but in certain situations this could take a little longer.

Step 3: Work it out

Using the results from the previous 2 steps, take your potential retirement income and deduct your personal target suggested by the Retirement Budgeting Calculator or Retirement Living Standards as illustrated in the example on the right. The balance should give you a rough idea of whether your level of saving is on track to meet your target.

The figures in this diagram are for illustration only.

Your estimated annual income at retirement:	£	20,500.00
MINUS		
Your personal retirement target Based on: COUPLE / MODERATE	£	34,000.00
BALANCE	£	-13,500.00

The figures in the Retirement Budgeting Calculator are based on income **after tax**, whereas the information in your Retirement Modeller provides **pre-tax** amounts.

Be aware that how you take the money in your pension pot will also impact your estimated annual income, so the balance is unlikely to be exact but is simply an indicator of whether you're roughly on target.

You can see the options you have for taking your pension pot in this guide on page 13.

When considering how much money you'll have when the time comes to retire, remember to include any other private pensions and savings you might have, plus the State Pension, as well as your IWDC pension pot.

What if I don't think I'm on target to save enough?

Your RPS pension, together with any private and State Pensions, plus savings, could go a long way to making up the costs for many people.

But, if you're not on track for what you want, think about whether you can afford to pay more into your pension pot now, to help bridge the savings gap. Paying even a little extra via Additional Voluntary Contributions (AVCs) can make a big difference. See page19 of this guide for more information.

Even if you are on track, saving extra now could mean a more comfortable retirement. Circumstances can change too, so remember to regularly review your needs.

What's the easiest way to manage my pension pot and plan for retirement?

The easiest way to manage your IWDC pension pot and plan for retirement is to **register or log** in to your myRPS account on this website

A myRPS account is where you can manage your pension online. It will help you easily keep on top of your pension pot and retirement plans. Once you have activated your myRPS account, you can:

- see all the information about your pension
- use the Retirement Modeller to plan ahead
- request estimates of what you might get in different scenarios
- make changes to personal details
- nominate and/or update your beneficiaries to let the Trustee know who you'd like your cash lump sum to go to if you die before you're able to take it

If you haven't already activated your myRPS online account, select **Log in/Register** on the top right of this website and follow the instructions. There's also an explanatory video on this page if you'd like to watch it.

Saving more for your life after work

Your questions answered in this chapter:

- What are AVCs?
- Is there a limit to how much I can save into a pension?

What are AVCs?

While regularly saving into the RPS is a great start, you may wish to save more for the lifestyle you want after work. You can do this by paying Additional Voluntary Contributions (AVCs) – this is extra money that you save into your pension pot, in addition to your regular contributions. And like your regular contributions, they're a tax-efficient way to save extra for your retirement.

To work out if you think you need to save more for the lifestyle you want in retirement, try the **Retirement Budgeting Calculator** (see page 16 for more detail).

Also like your regular contributions, the extra money is invested in funds with the long-term aim of building up your pension savings. The investment funds and choices available are the same. See pages 9-11 of this guide for more details

AVCs are a great way to save more for retirement because:

- you can decide how much extra to pay
- you can pay into AVCs with money from overtime and bonuses, which aren't usually part of your Pensionable Pay
- you get tax relief on what you put in (up to Annual Allowance tax limits)

Is there a limit to how much I can save into a pension?

You can save as much as you like into a pension for your life after work, but there are limits to how much you can save without paying tax.

How does tax relief work and what are the limits?

One of the great benefits of saving into a pension, rather than into a different type of saving scheme, is you get tax relief on the money you pay in. This is because your pension contributions are usually taken from your wages before you're taxed, so the money that would have otherwise been taken as tax goes into your pension instead – up to certain tax limits. If you go over these limits, you may have to pay a tax charge, so it's good to know what they are:

- **The Annual Allowance (AA)** is a limit on how much you can save towards all of your pension arrangements in a single tax year. It is currently £60,000. You can also carry over any unused allowance from the previous 3 years.
- **The Tapered Annual Allowance (TAA)** is a lower Annual Allowance which may affect you if you're a high earner. If your 'threshold income' (your annual income from all sources before tax) is over £200,000 and your 'adjusted income' (your annual income before tax, plus your pension savings) is over £260,000, then you may be affected by the TAA.
- **The Money Purchase Annual Allowance (MPAA)** is only triggered if you start to take money flexibly from a DC pension pot.
- **A tax-free lump sum.** When you take your pension pot, you can normally take up to 25% (but normally no more than £268,275) of it as a tax-free lump sum and choose one, or a combination of other options for the remaining amount. But you don't have to take a tax-free lump sum. You can see more about your retirement options on page 13 of this guide, or by going to 'A guide to retirement options' in the **Read as you Need guides** on this website.

You can find out more about tax allowances and tax relief on your pension on the **Gov.uk** website or by going to the **Read as you Need guides** on the website.

How major changes in your life could affect your pension

Your questions answered in this chapter:

- Will my pension be affected if I take family leave?
- If I get divorced, will my pension be affected?
- What happens if I suffer from long-term ill health and can't work anymore?
- What happens to my pension if I die?

It's useful to know in advance what might happen to your pension and your contributions if an unexpected event comes your way.

Will my pension be affected if I take family leave?

If you're welcoming a new member to the family, then you may get one of these types of pay:

- maternity pay
- paternity pay
- family pay
- adoption leave pay

While you get any of these payments, the money you pay into your pension pot will be based on these types of pay while you receive them, rather than on your normal wages. Your employer will continue to pay their contributions based on your normal pay. During family leave, your Scheme membership will normally be continuous.

If you do not get any pay during family leave then your payments into your pension pot will be paused. Your employer may choose to continue to pay these on your behalf, however you would need to pay your employer back once you return to work. You would then also restart paying your normal contributions. Please speak to your employer for more details.

For more information, please **register or log in** to your online account on this website and you can check your Member Guide which you'll find under the 'My Library' area.

If I get divorced, will my pension be affected?

If you're married or in a civil partnership and face divorce or dissolution, then your pension is likely to be considered as part of any financial settlement. A court order can be made to transfer some of the value of your pension benefits to your ex-spouse or ex-civil partner.

What happens if I suffer from long-term ill health and can't work anymore?

If you need to stop work completely due to ill health, you may be able to take your pension pot straight away, even if you haven't reached your Normal Minimum Pension Age (which is age 55, or 57 from 2028 unless you have a Protected Pension Age). This is known as an incapacity pension, or ill-health retirement.

You must meet the conditions outlined in the IWDC Section rules to qualify for ill-health retirement. You can check this out in your Member Guide if you're logged in to your myRPS account.

What happens to my pension if I die?

If you die while you are still contributing to the IWDC Section, the value of your pension pot will be paid to your beneficiaries.

In addition, a lump sum cash payment could be paid to those you care about if you die. When deciding who should receive any lump sum payment, the Trustee will take your wishes into consideration, which is why it's important to tell us who you want your beneficiaries to be. This is referred to as 'making a Nomination', or simply 'Nominating'. You can do this easily online. Select My Nominations in your myRPS account, under the 'My Pension' area of this website and follow the simple instructions.

You might want to let relatives and loved ones know that they should inform us, as soon as possible, if you die. Also, make any dependants you have aware that they can find out more details on the **Reporting the death of a member** page on this website, should the worst happen.

Where to find pensions guidance and advice

Your questions answered in this chapter:

- Where can I find more support about my pension?
- Where else can I go for free pension guidance?
- What do I do if I want personalised financial advice?

Where can I find more support about my pension?

There's lots of guidance and support for RPS members throughout your member website. Here you'll find videos, infographics and Read as you Need guides.

IWDC members also receive a dedicated annual newsletter called 'Insight'. This is packed with useful information, tips and important pension news updates.

If you have a general question about pensions, you can also ask the Railways Pension Scheme's Virtual Assistant. Select the image on the bottom right corner of this website.

You can also follow us on Twitter for guidance and tips **@RPSPensions**

If you need specific information about your own pension, please **register or log in** to your online account on this website and you can check your own Member Guide, which you'll find under the 'My Library' area.

If you can't find what you need to know from this guide, or from this website, you can email **csu@railpen.com** or call **0800 012 1117** (8am to 5pm Monday to Friday). For international calls it's **+44 1325 342 800** (charged at normal overseas rates).

When you contact us directly, please have your pension reference number handy. If you're logged in to myRPS, you can find this in your Membership Details, under the 'My Pension' area, or on any correspondence from Railpen.

Where else can I go for free pension guidance?

If your question isn't answered on our website, here's where you can go:

MoneyHelper
MoneyHelper offers free support on a wide range of financial matters. This includes a variety of pension topics. Go to **moneyhelper.org.uk**

Pension Wise
Pension Wise is a service from MoneyHelper that offers free, impartial advice to people who are over 50 about the options available to them. You can make a 1-1 appointment with their pensions specialists. Visit **Pension Wise**.

Gov.uk
If you're unclear about any pensions, tax, or National Insurance issues, you can search the government's website for clear, jargon-free explanations. Go to their **Workplace and personal pensions** page for a range of useful, free information.

Railway Benefit Fund
RBF is a charity that provides support to current, former and retired railway staff across the UK. Find out more at **railwaybenefitfund.org.uk**.

What do I do if I want personalised financial advice?

Financial Advisers offer you professional advice on financial decisions and you will have to pay for their services.

Financial Advisers must be regulated by the **Financial Conduct Authority (FCA)**. You must always check to make sure whoever is offering you advice is actually regulated by the FCA by checking their own website as well as the **FCA website**.

Liverpool Victoria (LV)
Liverpool Victoria (LV) has been chosen as the official partner to give RPS members access to financial advice. LV is regulated by the FCA. It covers all areas of pension and financial advice and has a dedicated team with specific knowledge on the Scheme. LV can be contacted on **0800 023 4187**. However, you are free to choose your own adviser.

Unbiased
At **unbiased.co.uk**, you can find a register of Independent Financial Advisers (IFAs) in your area who will help you understand your pension, the options available, and how to manage your finances.

WARNING!
If you're looking for financial advice, be very wary of scams and fraudsters. Visit **pension scams** on this website to learn how to spot the warning signs.

This publication is a broad overview of the RPS. Some Sections may have slight differences in their rules, so please check your Member Guide for more details. You can find this in the 'My library' area when you **log in** to your myRPS account.

RAILWAYS PENSION SCHEME

If you haven't already seen it, we'd recommend you watch our short welcome video.

It's a 3-minute, whistle-stop tour of the Railways Pension Scheme and will help you understand the benefits of your pension today, so you can make the most of tomorrow.