

# A guide for members of BRASS (Network Rail section)

If you would like to save more towards your retirement, you could pay Additional Voluntary Contributions (AVCs) into BRASS. This guide covers:

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## What is BRASS?

BRASS is the Railways Pension Scheme in-house AVC arrangement and this could be suitable for you if you:

- have large earnings which do not qualify for Scheme pension (such as overtime and bonus payments); or
- want to increase your benefits at retirement or to enable you to take your benefits early (as long as you meet the conditions to do so).

When you join BRASS, you will open a Personal Retirement Account (your BRASS Account) which will hold your savings.

Your contributions are deducted each time you are paid or you can make lump sum payments yourself. Like your normal Scheme contributions, these receive tax relief, subject to you not exceeding the Annual Allowance. They are used to buy units in the investment fund(s) you have chosen.

Your BRASS Account also has tax benefits; for example, there is no capital gains tax payable on the capital growth of your fund.

## When you can join BRASS

You can join BRASS if you are a contributing member of the Scheme. If you would like to join BRASS you should contact your payroll office who will start the deductions from your pay.

## Contributions

Contributions to BRASS start from as little as £2 a week, or £10 a month (if you are paid monthly).

The maximum you can contribute to BRASS is potentially up to 100% of your annual taxable earnings (subject to the Earnings Cap of £150,600 in the 2016/2017 tax year), less the normal Scheme contributions you make to the Network Rail section of the Scheme.

### How you can contribute to BRASS

BRASS contributions deducted from your pay by your payroll department, like your contributions to the Scheme, benefit from tax relief through what is referred to as a "Net Pay Arrangement" where pension contributions are collected before income tax. This means for taxpayers, full tax relief at the highest rate is automatic and no income tax is paid on the money being contributed to a pension.

By using the Network Rail payroll system, you can contribute up to 75% of your contribution limit and automatically benefit from tax relief. If you wish to contribute more than 75%, you can make supplementary contributions by BACS transfer to RPMI. If you pay any contributions by either of these methods it is your responsibility to reclaim any tax from contributions you pay directly from HMRC. When you do so, you may want to include the confirmation letter you will receive from the Scheme's administrator, RPMI, as proof that the amount has been paid.

#### Note:

If you are a member of the Network Rail section of the Scheme and are a protected person under Part II of the Railway Pensions (Protection and Designation of Schemes) Order 1994 (the Protection Order), your maximum BRASS contribution is restricted to 15% of your annual taxable earnings, less the amount you currently pay as normal Scheme contributions. However, you can choose to waive your protected right in respect of your future BRASS contributions so that you can contribute more than the 15% limit. If you wish to consider this, get an 'Election notice' form, read the information and sign the Election if you wish to proceed with the waiver.

If you are not currently paying the maximum amount to BRASS and want to make a one-off payment, you can top up your regular payments towards the end of each tax year. This will take account of your gross pay earned in the tax year, which may be higher than your pensionable pay if you receive additional payments such as overtime. You should contact the Network Rail Pensions Department who will confirm the additional amount you can pay.

### Changing your contributions

Provided you are not in a salary sacrifice arrangement which includes contributions to BRASS, you can increase, reduce or stop your BRASS contributions at any time.

If you are in a salary sacrifice arrangement which includes contributions to BRASS, there is an annual window in which you can increase, reduce or stop your BRASS contributions.

If you want to change your BRASS contributions you will need to contact your employer.

### BRASS matching contributions

If you are receiving matching contributions and you reduce the amount you pay, any matching contribution made by Network Rail may reduce accordingly. Once your matching contributions have reduced, Network Rail will not increase them if you increase your BRASS contributions in the future.

### Family leave

If you take maternity, paternity or adoption leave, your contributions will stop if your pay reduces to zero. You will need to make sure that your employer restarts deductions from your pay for BRASS when you return to work.

Helpline: **0800 012 1117**  
Website address: [railwaypensions.co.uk](http://railwaypensions.co.uk)  
Date published: **August 2020**

We recommend that you get independent financial advice before making any important decisions about your pensions arrangements.

## Fund choices

Your contributions to BRASS are used to buy units in the fund, or funds, you choose. There are a number of fund choices made available by the Trustee Company in which you can choose to invest your contributions to BRASS. You can find details of these fund choices at [railwayspensions.co.uk](https://railwayspensions.co.uk).

If you choose one of the Lifestyle funds, it is important that you tell RPMI when you are planning to retire (known as your 'Target Retirement Age' or TRA) so that your investments are switched into lower-risk funds at the right time. Your TRA can be earlier or later than when you would normally take your pension. If you do not choose one, it will default to your Normal Retirement Age.

The value of your BRASS Account depends on the number of units you have and the price of your units each day, so the value of your BRASS Account can go down as well as up. It also depends on which fund choices you make and how those fund choices perform. Information about the available fund choices, including performance, is published monthly at [railwayspensions.co.uk](https://railwayspensions.co.uk) or you can get a copy from the Helpline.

You should regularly review where your contributions are invested to make sure that your choices are still appropriate for you. If you are invested in a Lifestyle fund, you should also review your Target Retirement Age in case your plans have changed.

Please note that any information provided is not investment advice from the Trustee or its subsidiary companies and is intended only as a general guide. If you need investment advice, please get in touch with an independent financial adviser. Details of independent financial advisers in your local area can be found at [unbiased.co.uk](https://unbiased.co.uk).

## Fund charges

The costs for administering the BRASS AVC arrangement (including fund manager fees for the various fund choices) are paid for by levying a charge against each individual member's BRASS Account. This is achieved by adjusting the daily prices of units available in each BRASS fund choice.

Details of all charges are available at [railwayspensions.co.uk](https://railwayspensions.co.uk) or on request from the Helpline.

## How to change your allocated funds

You can change the funds your future contributions are paid to or switch your existing fund holdings between funds at any time. The easiest way would be to log into or register for your myRPS account at [railwayspensions.co.uk](https://railwayspensions.co.uk) and complete the process online.

Alternatively, you could print and complete the change of investment form, which can be found at [railwayspensions.co.uk](https://railwayspensions.co.uk)

RPMI recommends that you consider taking independent financial advice before you make any decisions.

## Annual statement

Each year, close to your birthday, you will receive a statement showing the total contributions that have been used to buy units and the number of units in your BRASS Account.

Your BRASS Account will also be included in your Annual Pension Estimate from the Scheme and are shown in the secure myRPS area at [railwayspensions.co.uk](https://railwayspensions.co.uk).

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## Tax limits

You can contribute, tax-free, any amount each tax year towards all your pension arrangements up to the limits explained later in this section.

There are certain HM Revenue & Customs limits on the amount of pension benefits you can build up and receive from the Scheme **before** you have to pay extra tax.

### Annual Allowance

This is the most you can save tax-free towards your pension in a tax year. It takes into account any registered pension arrangements that you are a member of and all AVC contributions you make, such as BRASS.

If your pension savings go over the Annual Allowance, you will have to pay tax on the amount over the limit, unless you have sufficient unused allowance from the previous three years that you can carry forward.

The Annual Allowance is currently £40,000 (although this could change in the future), however, this will be reduced for people whose taxable income is more than £110,000 and who have an “adjusted income” of over £150,000. From the 2020/21 tax year the £110,000 taxable income limit is being raised to £200,000 and the £150,000 limit is being raised to £240,000.

A reduced Annual Allowance, called the Money Purchase Annual Allowance applies to those who flexibly access any defined contribution (DC) funds, such as benefits in BRASS. This had been £10,000 but reduced to £4,000 from 6 April 2017. It doesn't replace the standard Annual Allowance – it works alongside it so you may still be able to save up to £40,000 in total if you are paying in to a defined benefit scheme too.

Find out more about the Annual Allowance in our Read As You Need guide in the Resources section at [railwayspensions.co.uk](https://railwayspensions.co.uk).

### Lifetime Allowance

You can save as much as you like towards your pension, but there is a limit on the amount of pension savings you can build up before you pay extra tax. This is known as the Lifetime Allowance (LTA). If you build up pension savings worth more than the LTA, you must pay a tax charge on the excess.

The LTA is £1,073,100 for the 2020/21 tax year and it will increase every tax year in line with inflation (using the Consumer Prices Index from the previous September). However, the government may decide to change these limits and/or the way they are calculated in the future.

The value of your BRASS Account, your Scheme benefits and any other pension you are receiving added together must not be more than the Lifetime Allowance limit at the time you take your benefits to avoid an additional tax charge.

More information is available on both the Annual Allowance and the Lifetime Allowance at [railwayspensions.co.uk](https://railwayspensions.co.uk) in the Resources section.

## How you can take your BRASS funds at retirement

When you take your benefits, the value of your BRASS Account is added to your main Scheme benefits to increase the total amount of pension benefits you will receive. On 6 April 2009, the way your BRASS Account is used to provide additional benefits changed.

If you were a member of BRASS before 6 April 2009, any contributions made up to 5 April 2009 provide a lump sum benefit which can be converted at the rate of £12 of lump sum for £1 of pension per year.

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Contributions made on and after 6 April 2009 will not provide additional pension at the rate of £12 of lump sum for £1 of pension per year. Instead, these funds will be used to provide you with either a cash lump sum up to the permitted maximum under HM Revenue & Customs rules or a pension at the rate determined by the Actuary or, if the Trustee Company elects, on terms available from an insurance company. If your lump sum exceeds the permitted maximum at retirement the Trustee Company will convert any excess BRASS funds into pension at a rate advised by the Actuary, or on terms available from an insurance company. The permitted maximum is a lump sum broadly equal to 25% of the total value of your Scheme benefits.

When you receive your Annual Pension Estimate, the value of your BRASS Account for any contributions made before 6 April 2009 will be shown as BRASS2. The value of your BRASS Account for any contributions made on or after 6 April 2009 will be shown as BRASS3.

## Can you transfer your BRASS funds to another arrangement?

As part of the defined contribution flexibilities that were introduced in April 2015, you can transfer your BRASS funds to another arrangement if you wish, provided you have already ceased BRASS contributions. For example, you may wish to take your BRASS funds in a different way to those shown or at different time to your main Scheme benefits.

You would not need to transfer your main Scheme benefits at the same time as your BRASS benefits, although you would be able to do so if you are a preserved member.

If you are considering transferring BRASS or your main Scheme benefits, either now or in the future, we strongly recommend you seek independent financial advice. Such advice may be required before any transfer can proceed.

## Pension scams

If you are thinking of transferring your benefits to another pension provider, then you should be aware of scams.

In particular, beware of people contacting you out of the blue wanting to discuss your pension, adverts offering 'free pension reviews' or promises of better returns on your savings, upfront cash. Once you have transferred your benefits to one of these organisations, it is often too late to do anything about it. You could lose your entire pension savings and be asked to pay a large tax bill as well.

For further information about pension scams, visit [thepensionsregulator.gov.uk/pension-scams](https://thepensionsregulator.gov.uk/pension-scams).

All firms offering financial products or advice should be registered with the Financial Conduct Authority (FCA). If you are unsure about a firm that has contacted you, use the FCA's online register to check if the firm is registered at [fca.org.uk/register](https://fca.org.uk/register) or call 0800 111 6768.

## What happens if you leave employment?

If you leave Network Rail and do not take payment of your benefits, you cannot continue to pay contributions to BRASS. In this situation, your BRASS Account will remain invested in your chosen fund(s) until you claim your benefits or transfer to another pension provider.

If you voluntarily change railway employer, you must stop paying your BRASS contributions to your previous employer's section of the Scheme. However, if your new employer has a section in the Railways Pension Scheme and you join, you can restart your BRASS contributions by contacting the payroll office. The benefits from each period will be kept separate unless you elect to transfer.

If you decide to transfer your benefits to any other pension arrangement, you have a few options to choose from. Details of all these options can be found at [railwayspensions.co.uk](https://railwayspensions.co.uk) in the Resources section.

## Contact us

If you have any questions about BRASS, you can:

- visit [railwayspensions.co.uk](https://railwayspensions.co.uk);
- call the Helpline on 0800 012 1117; or
- contact the Network Rail Pensions Department: by emailing [pensions@networkrail.co.uk](mailto:pensions@networkrail.co.uk) or telephone 01908 781010

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### Disclaimer

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Although every effort has been made to ensure that the information given in this leaflet is accurate, none of the information given can give you legal rights to benefits that differ from those provided in the pension trust and rules.

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