

# re:view

**Don't let  
them down!**

**Nominate now...**

**You won't always be around  
– so make sure your loved  
ones don't lose out.**

Those you care about could get a cash lump sum worth up to **four times your final average salary** if you die before claiming your RPS pension.

To nominate – and say where you'd like the payment to go – simply log into your myRPS account (or register for one) at **Railwayspensions.co.uk** and go to 'My nominations'.

**Once you nominate, you'll be able to see your choices online, and can change them at any time.**



Scan this QR code or visit **Railwayspensions.co.uk/nominate-now** to watch a short video and see why nominating is so important!

If you have a problem registering or logging on to your account, simply call **01325 342992**.

## Trustee's message...

### When is a pension not a pension?

Don't worry, I won't get too philosophical, but there has been a lot of talk lately about whether 'pensions' should be renamed.

Some think the word is off-putting and confuses people – and when that happens, we often ignore the topic, bury our heads in the sand, and hope for the best.

Whether rebranding pensions is right or not, it's incredibly important to take retirement planning seriously. A huge part of that is being able to understand all the benefits that a good pension scheme, such as the RPS, offers.

You will have received your Annual Pension Estimate by now, so take time to look through it as it gives you an idea of the pension benefits you are saving towards.

Remember, the Trustee and your pension administrator, RPML, are here to support you every step of the way. If you have questions about your RPS pension at any time, you can check out our online FAQs at [Railwayspensions.co.uk/faqs](https://www.railwayspensions.co.uk/faqs).

You'll also find a glossary to help you understand some of the more complex pensions terms at [Railwayspensions.co.uk/glossary](https://www.railwayspensions.co.uk/glossary). And, of course, if you need any further help, please call **0800 2 343434**.

Your pension can make a real difference to your future so don't neglect it. I hope this newsletter and your website will help you get the most from it.

Best wishes,

**John Chilman, Trustee Chairman**



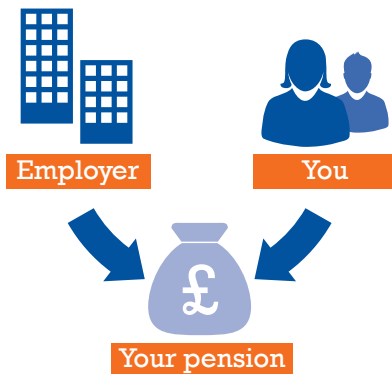
### inside this issue:

- Ill-health retirement
- Avoid retirement envy
- Data protection changes
- Know your tax limits

## Boosting your pot

**One of the best things about a workplace pension, such as the RPS, is that you're not saving alone.**

Your employer pays into your pension when you do, building a significantly bigger pot than simply saving on your own, which you can enjoy when you retire!



What's more, the money you pay into your pension is taken from your salary before you pay any tax, so every pound you save into your pension reduces your take-home pay by much less than this. This encourages saving, as you avoid paying tax on your pension savings today, although some tax restrictions do apply.

# Haven't registered yet?



Visit [Railwayspensions.co.uk/register](https://Railwayspensions.co.uk/register) to sign up for your online myRPS account today!

## See what you're missing!



Check your latest Annual Pension Estimate



Check which BRASS funds you're invested in



Use tools and calculators to help you plan for your retirement



Make sure your details are up to date



Nominate your loved ones to receive a lump sum if you die before taking your pension

## Join today

Nearly 50,000 members have already registered on the website.



If you have a problem registering or logging on to your account, simply call **01325 342992**.

## Understanding: ill-health retirement

**No one likes to think about falling seriously ill. But, if you do stop working through ill health, you may be able to take ill-health benefits from the Scheme.**

You can apply for ill-health benefits within a year of leaving work (although the Trustee may consider your application after this time). Your application may be approved if:

- you have been in the Section for at least five years, or have at least five years' membership (including transferred membership). Or you've been employed and in the Network Rail Section for five years;
- a medical expert chosen by the Trustee provides evidence that you can't work in your current job or another suitable job (this is *any* job, not just a railway role and/or with the same company); and,
- you are under your Normal Retirement Age.

If you qualify for ill-health early retirement and don't have 40 years' membership, you may also receive a bonus period of membership which will increase your pension.

You can find more information in your member booklet. Simply log into your myRPS account (or register if you haven't already) at **Railwayspensions.co.uk** and look under 'My Library'.

If you are unable to work due to ill health and are considering applying for your pension benefits, you should firstly read 'A guide for members - Incapacity benefits' which can be found at **Railwayspensions.co.uk/RAYN**. **Please note**, a separate guide/form is available for Network Rail members.

## Avoid retirement envy!



**Research has shown that many people are leaving it too late to save for the retirement they want – don't be one of them!**

In a recent survey by Prudential\*, half of the respondents who are due to retire in the next ten years said they were jealous of the finances of those who'd already retired.

Meanwhile, one-third said they wished they'd saved more for their own retirement, and nearly two-thirds (63 per cent) said the best advice they could give to those who have just started work for the first time would be "to save as much as they can for as long as they can".

**Don't leave it too late to get your pension savings in shape!**

\*Prudential Class of... research (2017)



# Action plan

Start by registering online for your personal myRPS account at [Railwayspensions.co.uk/register](https://Railwayspensions.co.uk/register). Then, follow these 5 steps to help keep your retirement plans on track.

## 1 Try the lifestyle calculator



This will give you an idea of the costs you might face when you retire, so you'll know roughly how much you'll need. Simply log into your myRPS account at [Railwayspensions.co.uk/login](https://Railwayspensions.co.uk/login) and look under 'Planning my future'.

## 2 Check your Annual Pension Estimate (APE) to see your forecast



You should have received your APE in the post, but you can also find a copy when you log into your myRPS account at [Railwayspensions.co.uk/login](https://Railwayspensions.co.uk/login), under 'My pension'.

## 3 Consider whether your estimated pension is on track to meet the cost of your future lifestyle



If it is, that's great. If not, think about the steps you can take to redress the balance – perhaps lowering your expectations or paying more into your pension pot.

## 4 If you'd like to pay more, you could apply to join BRASS



This is a pension savings arrangement available to you through the RPS. It allows you to make additional contributions into a separate account, which you can claim when you retire.

You can pay a one-off lump sum, or make regular payments (minimum of £2 per week or £10 per month) and can start or stop them whenever it suits you. Like your normal pension savings, these are made before any tax is deducted from your pay, so it doesn't cost you this much from your take-home pay.

You can learn more at [Railwayspensions.co.uk/BRASS](https://Railwayspensions.co.uk/BRASS)

If you're already a member of BRASS and pay the maximum to it, you may be able to save more by joining the AVC Extra arrangement. Visit [Railwayspensions.co.uk/avc-extra](https://Railwayspensions.co.uk/avc-extra) for details.

### Remember

You can switch your BRASS fund choices online when you log into your myRPS account at [Railwayspensions.co.uk](https://Railwayspensions.co.uk) and check the funds' recent prices and performance at [Railwayspensions.co.uk/brass-performance](https://Railwayspensions.co.uk/brass-performance)

## 5 Review your pension plans regularly



Your plans – and circumstances – can change, so keep a close eye on your pension savings and the performance of any BRASS funds you're invested in to make sure they're still meeting your needs!

There are some limits on how much you can save towards your pension before tax. You can learn more about these on page 11.



## Pension news in brief:

This regular feature looks at developments in pensions that may affect you as a member of the RPS.

### Autumn Budget 2017

The Autumn Budget was held on 22 November 2017. As with other recent Budgets, there had been rumours of pension-related changes in the run-up. However, they failed to materialise.

There was confirmation on Budget day that:

- The basic State Pension will be increased by 3% in April 2018, in line with the triple lock; and
- The Lifetime Allowance will increase by 3% to £1,030,000 from 6 April 2018, in line with inflation.

**You can check your State Pension age at [Gov.uk/state-pension-age](https://www.gov.uk/state-pension-age)**

### Money Purchase Annual Allowance reduction

Just before the Autumn Budget, legislation was finalised to reduce the Money Purchase Annual Allowance (MPAA) from £10,000 to £4,000 from 6 April 2017. This change had been announced in the first Budget of the year, in March 2017.

The MPAA reduces the level of Annual Allowance for money purchase (or 'defined contribution') pension savings, including BRASS or AVC Extra, if you have already taken some pension savings using one of the following payment options:

- Taking a full cash payment of more than £10,000;
- Using a drawdown arrangement (i.e. a series of cash lump sums); or
- Buying an annuity where the income can be reduced.

If you have triggered the MPAA, the scheme you triggered it with should write to you to let you know.

Further details about the MPAA are available in the Annual Allowance Read as you Need guide at [Railwayspensions.co.uk/RAYN](https://www.railwayspensions.co.uk/RAYN).

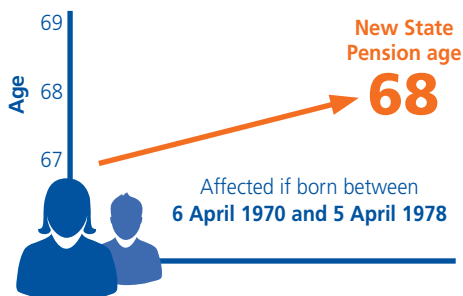


## State Pension age review outcome

In the July 2017 edition of Review, we outlined the main conclusions of the independent review of State Pension age, which had been published on 23 March 2017.

Soon after the last edition of Review was published, the government announced that the State Pension age would rise to age 68 over a two-year period, starting in 2037 and ending in 2039.

The change will only affect you if you were born between 6 April 1970 and 5 April 1978, in which case your State Pension age will increase to between 67 years 1 month and 68 years, depending on your exact date of birth.



## Your opinion matters



**We want to hear your views about Review to make sure you're getting what you need from your newsletter.**

Please share your thoughts and any suggestions you may have for future issues by completing our online survey.

You can scan the QR code on your smartphone to go straight there, or visit [Surveymonkey.co.uk/r/ReviewFeb18](https://www.surveymonkey.co.uk/r/ReviewFeb18).



Alternatively, please email your feedback to [review@rpm.co.uk](mailto:review@rpm.co.uk).

# Data protection laws are changing



**A new EU data protection law called the General Data Protection Regulation (GDPR) will be introduced in May 2018. So, what is it and how will it affect you?**

## What is data protection?

Data protection is a legal safeguard over your personal information to prevent it being mis-used.

For the past two decades, data protection law in the UK has been covered by the Data Protection Act 1998. Most of the Act does not apply to domestic use but anyone holding personal data for other purposes is legally obliged to comply with this Act, subject to some exemptions.

## When and why is the law changing?

A new EU data protection law called the General Data Protection Regulation (GDPR) will replace the Data Protection Act 1998 from 25 May 2018.

The GDPR takes into account the many technological changes that have occurred over the last 20 years and aims to harmonise data protection law across Europe.

## Who does it apply to?

The GDPR will apply to all European Union (EU) citizens' data, regardless of where it is processed.

This means that any organisation based inside or outside the EU (including the UK) that processes the personal data of EU citizens will have to comply with the GDPR.

The Railways Pension Trustee Company Limited and RPMI Limited currently handle personal information in compliance with the Data Protection Act 1998 and, from May 2018, will fully comply with the General Data Protection Regulation (GDPR).

## What rights will you have when the GDPR comes into effect?

Under the GDPR, you will have the right to:

- 1 see the information we hold about you;
- 2 request personal data to be amended if it is inaccurate or incomplete;
- 3 request the deletion or removal of personal data where there is no compelling reason for its continued use;
- 4 block or restrict the processing of your personal data in certain circumstances; and
- 5 object to the processing of your data

If you have any queries about data protection, please contact:

Data Protection Officer  
RPMI  
Stooperdale Offices  
Brinkburn Road  
Darlington  
County Durham  
DL3 6EH

## Keeping your details safe

We're strongly committed to protecting your information and take the utmost care to ensure we follow the laws of data protection. We also have secure measures in place to protect your details online.

## Where can I learn more?

Please read the leaflet enclosed with your copy of Review for full details about the GDPR and how it may affect you.



# Getting ready to retire?

If you're preparing to retire from work and claim your RPS benefits, follow these steps...

## 1 Ask for an estimate

Around six months before you plan to retire, ask for an up-to-date estimate of your benefits by:

- contacting your employer
- downloading an 'Estimate of Benefits' form from **[Railwayspensions.co.uk/forms](https://www.railwayspensions.co.uk/forms)** (follow the links for your membership type)
- calling **0800 2 343434**, or
- emailing **[csu@rpm.co.uk](mailto:csu@rpm.co.uk)**.

The estimate will explain your different options.

We will write to tell you if your benefits meet the minimum requirements and can be paid.

## 2 Apply for your benefits



Tell your employer you want to claim your benefits, then print and fill out an 'Application for Benefits (PM65)' form (or, if you're a member of the Network Rail Section, print and fill out a 'Network Rail Application for Benefits form (PM65d)' form). Forms are available from **[Railwayspensions.co.uk/forms](https://www.Railwayspensions.co.uk/forms)** (follow the links for your membership type) or by calling **0800 2 343434** or emailing **[csu@rpm.co.uk](mailto:csu@rpm.co.uk)**

**Please note:** if you're a member of AVC Extra, you will need to apply for these benefits separately.

## 3 Check your statement



Once your application form is processed, we will send you a statement. This will show the benefits you'll receive, and when you'll receive your lump sum and first pension payment.

If you send your application form more than one month before your retirement date, we'll write to confirm that more details will be sent to you closer to the time.

Your pension payments will be made every four weeks for the rest of your life.

# What happens to my pension if I divorce?

**The breakdown of a relationship can be very difficult and while the impact on your pension might not be at the forefront of your mind, it may help to know what to expect.**

If you are living with your partner but are not married or in a civil partnership, they will not be entitled to any of your pension benefits if you separate.

However, your pension is one of many assets that will be taken into account when working out a financial settlement if you get divorced or there is a dissolution of your civil partnership.

You can pay part of your pension to your ex-partner either by a Pension Attachment Order or a Pension Sharing Order – both of these are granted by the Court.

## Pension Attachment Order

- Allocates an amount of pension (specified by the Court) to your ex-partner.
- The amount will be held in the Scheme and paid when you take your Scheme benefits.
- The amount could also include a portion of your lump-sum death benefit and/or your retirement lump sum.
- Your ex-partner would no longer be entitled to their share of the benefits if you die or (in most cases) if they remarried.
- If your ex-partner dies before you, your pension would revert to its full amount.



## Pension Sharing Order

- Allocates a one-off payment (specified by the Court) from your pension benefits to your ex-partner at the time of your divorce.
- Once the payment has been made, your benefits are reduced by the same amount and your ex-partner will have no further claim to your pension.
- The amount (known as a 'pension credit') is used to buy pension benefits for your ex-partner, either in the Railways Pension Scheme or another pension provider.
- These pension benefits are completely separate to yours, so your ex-partner does not have to take their benefits at the same time you do. They could also continue to be paid after your death or if your ex-partner remarried.

You can learn more about the options, process and charges in the 'Guide to divorce and your pension' Read as You Need guide at [Railwayspensions.co.uk/RAYN](https://Railwayspensions.co.uk/RAYN).

# Know your tax limits

**The money you pay into your pension arrangements usually has tax advantages. However, there are limits. And if you go over these limits, tax will be charged on any excess.**

Here's a brief summary of the different limits which could apply to you...

## Annual Allowance = £40,000

This is the total amount you can pay into your pension arrangements each year before tax will be charged.

Each £1 of annual defined benefit pension built up in excess of inflation is treated as £16 for this purpose. Each £1 of annual lump sum built up in excess of inflation is added to this. For defined contribution savings into BRASS or AVC Extra, it is the total of any contributions made by both you and the company.

Your Annual Allowance will be £40,000 unless a lower Tapered Annual Allowance applies to you.

## Money Purchase Annual Allowance = £4,000

This is the total amount you can pay into any defined contribution (or 'money purchase') pension arrangements each tax year before tax will be charged. This only applies if you have taken some of your defined contribution savings as a full cash payment, using a drawdown arrangement, or as an annuity where the income can be reduced.

The government reduced the Money Purchase Annual Allowance limit from £10,000 to £4,000 in late 2017 and applied it retrospectively to pension savings made from 6 April 2017 onwards.

### Affects you if:

You have already taken some of your pension savings from a defined contribution arrangement, using certain payment options.

## Tapered Annual Allowance = £10,000 - £40,000

This will usually only affect you if your 'adjusted income' (your taxable income plus your Pension Input Amount) is over £150,000 and your taxable income is over £110,000.

### Affects you if:

**ADJUSTED INCOME = over £150,000**

**AND**

**TAXABLE INCOME = over £110,000**

For every £2 of adjusted income over £150,000, your Annual Allowance reduces by £1 (down to a possible minimum of £10,000). If your total taxable income is £110,000 or more, you should check if the Tapered Annual Allowance applies to you.

## Lifetime Allowance = £1,000,000 (until April 2018)

This is the total amount you can pay into your pension arrangements over your lifetime before tax will be charged (unless you apply for a protection). Each £1 of annual defined benefit pension built up is treated as £20 for this purpose.

The Lifetime Allowance is due to increase to £1,030,000 from 6 April 2018.

These are only brief summaries of the various tax limits. If you think they may impact you, you should get further information from our Read as you Need guides at [Railwayspensions.co.uk/RAYN](http://Railwayspensions.co.uk/RAYN) or on the [Gov.uk](http://Gov.uk) website.

**Please note:** the allowances could change in future, so please check [Gov.uk/tax-on-your-private-pension](http://Gov.uk/tax-on-your-private-pension) for the latest information.

# Don't lose out!



## Pension scams are on the rise – don't get caught out!

Scammers are targeting your pension savings and, if they're successful, you could lose all of your savings and face tax charges, too!

Pension scheme members are often confused about the rules of their scheme. Fraudsters use this to their advantage and lure them into an illegal transfer.

Scams are constantly evolving, but warning signs include:

- Cold calls
- Offers of 'one-off deals' and 'guaranteed returns'
- Limited-time offers
- Overseas investments
- Mobile phone numbers or PO Box addresses used as contact details

If you're unsure about the rules of the RPS, or want more information about your pension, please visit **[Railwayspensions.co.uk](http://Railwayspensions.co.uk)** or call **0800 2 343434**. You can find more information on scams at **[Pension-scams.com](http://Pension-scams.com)**.

## Before agreeing to transfer your RPS pension elsewhere...

### Think carefully about the benefits you'd be giving up.

Remember, the RPS is a very good pension scheme. Your employer contributes to your pension alongside you and the money you both pay in gets tax relief, so it's a great way to save for your future.

The Scheme also gives you the option to retire early if you're too ill to work, and offers life assurance by paying to your beneficiaries if you die before claiming your benefits.

Make sure you don't lose out by agreeing to any transfers and consider speaking to an independent financial adviser if you're unsure.

You can find a list of advisers in your area at **[Unbiased.co.uk](http://Unbiased.co.uk)**.

## Get in touch...

### Pension queries

You'll find lots of useful information in our FAQs at **[Railwayspensions.co.uk/faqs](http://Railwayspensions.co.uk/faqs)**.

If you can't find the answer you're looking for online, email **[csu@rpmf.co.uk](mailto:csu@rpmf.co.uk)** or telephone the Helpline on **0800 2 343434**.