

re:view



Get on board,
go online now

Around 30,000 people are already taking control of their future with our re-vamped member website. And now's the perfect time for you to jump on board.

We will soon be adding two new features to **railwayspensions.co.uk**, making planning for your retirement and tracking your progress easier than ever before.

By simply logging in you will soon have access to:

- A **Pension Planner** – showing what your annual income is estimated to be when you stop work. And you can see how much you may be able to take as a tax-free lump sum
- A **Lifestyle Calculator** – to show you how much money you might need in retirement

You can also:

- Request estimates online as many times as you need
- Make or change your nominations (see page 5 for details)
- Check and update your contact details, including postal address and phone number
- See or switch your AVC funds
- Manage your account and reset your password
- Make a one-off contribution
- Ask us a question

If you haven't used the website since it relaunched in summer 2020, you'll need to register before you can access any of the features outlined above. You may even need to re-register if you were already signed up to the old site. You'll find a step-by-step guide to registering on page 2.

Chair's message...

Hello and welcome to your Review newsletter

After the challenging and uncertain times of 2020, I hope we will see some normality returning over the coming months.

Of course, there will always be reasons to adapt and overcome. Not least the ongoing impact of COVID-19 and the consequences of Brexit that are now in play.

Whatever comes our way, your financial future remains our number one priority. We will continue to support the Scheme and make payments to our members, with minimal disruption.

We also want to help you feel in control of your pension and what it can do for you.

With that in mind we've already made some significant improvements to your member website, with more new features coming online in 2021. If you haven't done so recently, take a look at railwayspensions.co.uk

We'll also be keeping you up to date with all the latest developments via the website and in future newsletters.



Best wishes

Chris Hannon, Trustee Chair

Setting up your online account

To access your myRPS account online, you may need to register on our new website. Here's how:

- 1 Visit railwayspensions.co.uk***
Look at the top right hand corner of your screen. Click 'login/register' if you're on a desktop or laptop. Select 'menu' if you're on a tablet or phone.
- 2 Select 'create an account' and fill in your details, including your:**
 - pension reference number – you can find this on any recent letters we've sent you. It should end in /00
 - National Insurance number
 - date of birth
 - personal email address
- 3 Set up your security by:**
 - creating a password with at least 8 characters, including upper case and lower case letters, a number and a symbol
 - choosing a security question and answer
- 4 Tick to confirm you have read the terms and conditions** and select 'register now'
- 5 Check your email.** You should have received confirmation that you're now registered. This may be in your spam/junk folder. Click the link in the email asking you to verify your account
- 6 Log in to myRPS and create a final piece of memorable information.** For added security, you'll use this together with your password each time you log in. You should then be taken to your myRPS dashboard

You can see a short video of these steps at railwayspensions.co.uk/register

* The site works on most browsers but is not supported by Internet Explorer 11 or Android using IOS versions 10 and under.



Pension news round-up

In this regular feature we look at developments in pensions, which may affect you as an active member of the Railways Pension Scheme (RPS).

Minimum Pension Age to rise

The Government plans to increase the minimum age for accessing pension savings, from 55 to 57. This is expected to come into force from 2028. It will tie in with an increase to the State Pension age, which will rise from 66 to 67.

It is unclear whether these changes will affect existing members of the RPS but we will let you know as soon as we can.

Our say on pension tax relief

The Trustee is sharing information with HM Treasury about how tax relief is provided for low earners.

Tax relief on pensions can currently be given in one of two ways:

- Contributions deducted from gross pay before income tax is calculated. This is known as a net pay arrangement
- Contributions made from pay after income tax is calculated. Tax relief is then reclaimed at the basic rate. This is known as a relief at source (RAS) arrangement

We use the net pay arrangement method because RAS was not available when the RPS launched.

This means that members currently earning under £12,500, do not receive tax relief.

The Government has recognised that this could be improved and evidence provided by organisations like ours will help decide a better way forward.

Pension Schemes Bill and scheme funding Code of Practice update

The new Pension Schemes Bill is likely to be in law by the time you read this. It includes changes to support The Pension Regulator's (TPR's) plans for a new Code of Practice covering defined benefit scheme funding.

One of the Code's main focuses is to improve security of benefits within UK pension schemes, including those that no longer have active members. The Trustee is keen to ensure that the new Code also protects the future benefits of members in open schemes and made those views known in TPR's first consultation in Spring/Summer 2020.

A second TPR consultation on its Code of Practice is expected in 2021, along with a separate consultation on regulations. We will remain involved in both and keep you updated in future editions of Review.

Your questions answered - pension fundamentals

Every issue, we'll be answering some of your pension-related questions. If there's anything you'd like to know, please contact us using the details on the back cover. Let's start with some of the main points...



Q. Do I have to have a pension?

A. No – but it could affect your future if you don't. Your pension is basically a savings fund, putting money aside for when you finish work. It comes with benefits that you might not get anywhere else and could help cover your costs when wages stop. Legally, employers must offer a pension scheme and many have to enrol their staff automatically. This is known as auto-enrolment. You can choose not to be a part of it, by opting out, but may want to get financial advice first.

Q. What will it cost me?

A. The exact amount you pay into your pension depends on how much you earn and the contribution rates set for your Section. As well as your contributions, your employer will pay into your pension too. Under the shared cost sections of the RPS, employers typically pay at least one and a half times the standard contribution you pay into your pension.

Q. What do I get out of my pension membership?

A. Free money and added protection. As well as the money from your employer, the Government also pays in by reducing the tax you pay on your wages and adding that to your pension pot instead. This is known as tax relief and comes at no cost to you. Your pension also offers benefits, such as life cover and the chance to take your money early if you become too ill to work.

Q. Where is my money kept?

A. The money in your pension is invested on your behalf. In a defined benefit scheme, such as the RPS, the amount you'll get at the end can be accurately predicted. The money is invested on your behalf and a group of people, called The Trustee, regularly checks that the investment strategy is working correctly.

Q. When can I have my pension?

A. You can usually start taking your workplace pension anytime from age 55 to 75 years old. There are some exceptions to this, and your pension will be reduced if you take it before your Normal Retirement Age. Please log into your myRPS account and check your Member Guide for more details.

Q. How much will I get when I retire?

A. The amount you get will depend on your salary, length of service and the specific rules of your pension scheme. You can find these rules and get an estimate of your pension benefits by logging into your myRPS account.

Expect the unexpected - make your nominations now

If 2020 taught us anything, it's that you never know exactly what's waiting round the corner.

But while some things in life may prove difficult to plan for (like a global pandemic), it's easy to put things in place to help protect those you care for if the worst happens.

Your pension offers a range of benefits that could be paid out if you die, such as:

- a pension for a partner, child or other financial dependant
- a lump-sum, which can be paid out at the discretion of the Trustee

You can let us know exactly who you think should receive your lump sum by nominating them online now.

Nominees can include:

- Individuals, such as a family member or friend
- A charity, club or organisation

The exact amount that could be paid out will depend on a number of factors, including whether you have taken any of your pension before you die.

If you nominate more than one person, you can list what percentage of the payout you think should go to each of them.

If you haven't already registered on our new website you will need to do that before you can nominate. Details of how to register are on page 2.

Once you've nominated online, you'll be able to see a copy of your choices in your myRPS account. Any previous nominations you've made, either on paper forms or via the previous website, are still held on your record but might not show in your online account.

How to nominate online



Make your nominations in 5 simple steps

- 1** Log in to your myRPS account at railwayspensions.co.uk/login

You will need to register if you haven't already done so

- 2** Go to 'My Nominations' under the 'My Pension' section

- 3** Add the details of each nominee, including:

- Address
- Postcode

You must include details for a parent/guardian if your nominee is under 18

- 4** Select the percentage of the payout you'd like each nominee to receive, making sure it adds up to 100% if you're nominating more than one person

- 5** Press submit and we will confirm your wishes have been recorded

Climate change and your pension

Sustainability, and climate change in particular, can have a huge impact on making sure you get the retirement income you've been promised, as well as on the world in general.

As such, climate change is something that we consider carefully in all our investment decisions, and are also actively involved in helping to tackle.

Our work on climate change to date

In 2019, we formally committed to voting in Annual General Meetings (AGMs) against any companies that we believed lacked oversight of climate change at management level.

And this year that policy will be expanded to include voting against companies in key climate-affected sectors that do not make the impact of climate change clear in their financial accounts.

This is the latest in a series of steps we've taken, recognising the importance of climate change and its impact on your savings (see timeline to the right).

Our plans on climate change

Over the past 12 months, we've been working hard to reduce the impact of climate change even further. We recently published our Climate-Related Disclosure at www.rpmirailpen.co.uk/wp-content/uploads/2018/05/SO-Climate-related-Disclosure-report.pdf so you can see exactly how this is going.

We've also established a cross-team Climate Working Group, chaired by Railpen's Chief Investment Officer, Richard Williams, to look at how we can play our part in helping the UK achieve its ambition to bring greenhouse gas emissions to net zero by 2050.

This is an ever-changing field, but one we are committed to remaining at the forefront of.

We are actively involved in the Government's Pensions Climate Risk Industry Group (PCRIG), which supports the pensions industry in responding to climate change and aims to raise standards of climate-aware investment.

And we will continue to use our voice, alongside those of other investors, to publicly call for positive corporate action on climate change and to apply positive influence on the companies we invest in.

We also hope that the UK hosting the 26th UN Climate Change Conference (UKCOP26) later this year will provide more opportunities to discuss the impact of climate change, not only on your pension but on the world you will retire into.

Find out more about our approach to climate change

You can read more about our work on climate change and other environmental, social and governance factors (ESG) in our Sustainable Ownership Report, available online at railwayspensions.co.uk

2012	Signed up to Carbon Disclosure Project - helping companies around the world to measure, manage, disclose and reduce their emissions
2013	Committed to Aiming for A - a group of organisations calling for greater disclosure around climate change
2014	Began participating in Institutional Investors Group on Climate Change and now lead on company engagements
2015	Signed Montreal Carbon Pledge, committing to measuring and publishing our carbon footprint each year
2016	Integrated climate change into investment decision-making process
2017	Divested from companies on climate grounds (thermal coal and tar sands)
2018	First publicly reported our approach to climate governance, strategy and risk management Signed the Global Investor Statement on Climate Change, supporting The Paris Agreement's goal of keeping global temperature rise below 2°C
2019	Formally committed to voting against company boards which lack climate expertise
2020	Published our first standalone Climate-related Disclosure



Update on investments

A pension fund not only relies on the cash contributions paid in by you and your employer but also on successfully investing that money to generate strong, long-term investment returns.

In the RPS, we typically expect investment returns to meet approximately three-quarters of the total pension income paid out to members. We achieve this by investing in a diversified mix of assets, including shares, bonds, property and other types of investments.

Financial markets were affected significantly by the global Coronavirus pandemic in 2020. In the first few months of 2020 there was a sharp fall in the value of many investments as markets panicked about the financial impact of Coronavirus on businesses.

However, by the summer of 2020 asset prices had broadly recovered to a level similar to the start of the year. Investors were encouraged as governments across the world took exceptional measures to try to support jobs, businesses and the wider economy. In the latter part of the year, financial markets were cheered by news of successful vaccine trials and investment values rose further.

Our in-house investment team is focused on securing our members' future and has been working hard to keep on top of this fast-changing situation. While it is difficult to draw conclusions over what the eventual impacts of the pandemic might be, we will continue to focus on finding good quality, long-term investments that enable us to pay pensions now and in the future.

Staying safe from scammers

Pension scams have been on the rise during the Coronavirus crisis. Help protect your retirement fund by following these tips from the Financial Conduct Authority (FCA).

Reject unexpected offers

Be suspicious if you're contacted out of the blue and offered a free pension review, especially if it's a company you've not dealt with before.

Check who you're dealing with

Visit [fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart) or call the FCA on **0800 111 6768** to see if the firm you are dealing with is authorised. Scammers sometimes pose as well-known firms, so insist on calling them back using the contact information on the FCA Register and not with any details they give you. Before doing that, hang up and then call another number you are familiar with, such as a family member or friend, to make sure the scammer is not still on the line.

Don't be rushed or pressured

Scammers often succeed by making people think that what they're offering is only possible for a limited time. Take the time to make the checks outlined here, even if it means turning down what appears to be an 'amazing deal.'

Get impartial advice

Get advice before making any changes to your pension. You can do this via the Pensions Advisory Service ([pensionsadvisoryservice.org.uk](https://www.pensionsadvisoryservice.org.uk)) or an Independent Financial Adviser. Check that your adviser is FCA regulated and not connected to the company that contacted you in the first place.

Are you ready for retirement?

Whether you're retiring in 30 years or three months, there's never a bad time to get your finances in order. Here's your guide to getting retirement ready...

Check what income you'll have when you retire

First, look at what money you'll have coming in when you stop work. This could include:

- Your workplace pension – check your Annual Benefit Statement or log in to your myRPS account for an estimate of how much your pension will pay out. A pension planner will also be available soon within your myRPS account to show what your annual pension is likely to be.
- Your State Pension – the amount you receive is set by the Government. You can request an estimate online at [gov.uk/check-state-pension](https://www.gov.uk/check-state-pension)
- Other pensions – you may have a private pension or pensions linked to previous employment. You'll need to speak to each of the providers individually for estimates on those accounts. If you've lost their contact details, the Pensions Tracing Service may be able to help. It's a free, Government-backed, service available

online ([gov.uk/find-pension-contact-details](https://www.gov.uk/find-pension-contact-details)) and over the phone (0800 731 0193).

Other companies offer a similar service but many charge a fee

- Savings and investments – if you have savings outside your pension, get those statements from your bank or other provider

Consider the lifestyle you want

Next, try to picture your life when you finish working? Are you aiming to cover just your essential costs? Or would you like more for splashing out?

The Retirement Living Standards (RLS) are benchmarks for the income you might need in order to afford different lifestyles (minimum, moderate and comfortable).

You can find out more at retirementlivingstandards.org.uk

As a general rule, they suggest the following:

	MINIMUM	MODERATE	COMFORTABLE
Single	£10,200 a year	£22,200 a year	£33,000 a year
Couple	£15,700 a year	£29,100 a year	£47,500 a year
What standard of living could you have?	Your basic day-to-day needs, with a little money left over for fun	More financial security and flexibility, in your day-to-day needs and extras e.g the opportunity for one foreign holiday a year	Financial freedom in your day-to-day needs, plus a few luxuries on top

A new pension planner will be available in your myRPS account in the next few weeks. You can use this to see how much you're estimated to receive from your Scheme pension. This will help you see if you're on track to afford the lifestyle you want when you retire. You can also see the impact of starting or increasing Additional Voluntary Contributions (AVCs).



Make a list of your expenses

Think about what your specific expenses are likely to be when you retire.

You can use your current bills as a starting point and may want to include things like:

- **Household bills** - e.g. gas and electric, water, telephone
- **Food and drink** – whether that’s a regular supermarket shop, takeaways or eating out
- **Travel** – this could include your car running costs, such as petrol and MOT or money for public transport
- **Holidays and leisure** – covering how you like to spend your free time, such as luxury holidays

- **Clothing and personal costs** – including toiletries, shoes and minor healthcare expenses like glasses
- **Money you spend on others** – think about birthday gifts, as well as charity donations

Within the next few weeks you'll have access to a new pension planner on your myRPS account. This is designed to help you see what your income is likely to be when you retire.

You can then use your list of expenses and the PLSA's living standards to see if it'll be enough.

Take action

If you're worried that your income in retirement, won't cover your costs, there are a number of things you can do.

- **Get advice** – speak to an Independent Financial Adviser for guidance. The Money Advice Service (moneyadvice.service.org.uk) has a directory of advisers who specialise in retirement financial planning
- **Consider topping up your pension pot** – think about paying more into your pension if you can. This is known as making Additional Voluntary Contributions (AVCs). It's tax-free up to certain limits
- **Think about changing your retirement age** – you can delay taking your pension, giving you more time to increase it. This is not a decision to be taken lightly and we suggest you speak with a Financial Adviser first
- **Clear your debts** – if possible, try to pay off any debts you owe before you retire

New planning tools, available online soon, will help you to see the impact of making some of these changes, and help guide you towards your retirement goals.

Simply log in at railwayspensions.co.uk and remember to check the site for updates.

Meet your Trustee

Peter Holden



Peter Holden joined the Trustee in September 2019, after being nominated by the British Transport Pensioners Federation.

He is also a pensioner member of the British Transport Police Force Superannuation Fund (BTPFSF) Management Committee and a Non-Executive Director on the RPMI Board.

We asked Peter about his career and hopes for the RPS.

Q What's your background?

A: I graduated from Oxford in 1986 with a degree in Applied Biology. I had spells in uniform and as a plainclothes detective in the British Transport Police, retiring in the rank of Chief Superintendent (Divisional Commander) in 2016. I am currently a volunteer with the Woodland Trust, a member of Bolton Wanderers Supporters Trust and the Safeguarding Officer for my local church.

Q. What is your greatest achievement to date?

A: Securing a place on the Police Service's Accelerated Promotion Course, which only takes around 40 officers a year from the nation's police forces.

Q. How did it feel to join the Trustee Board?

A: Despite being a member of the BTPFSF Management Committee since 2009, I didn't expect to become a Trustee. I am privileged and honoured to have been given

the opportunity to help safeguard members' interests.

Q. What are your priorities as a Trustee?

A: My priorities are making sure the Trustee's mission of paying members' pensions securely, affordably and sustainably continues, while also recognising our responsibilities in environmental, social and governance issues.

Q. What's your vision for the RPS going forward?

A: I would like to see the RPS Trustee Board continuing to fulfil its mission in an innovative, responsive and responsible manner, reflecting the diversity of its members, and being a well-respected leader within the UK's pension industry.

Q. What are the main challenges for the Scheme and pensions industry?

A: Aside from the ongoing pandemic, the greatest challenge for the pensions industry is adapting to the increases in pension regulation and legislation and keeping up with developments, such as those around pension consolidation.

Q. What is most exciting about the Scheme and pensions industry?

A: The rapid pace of change and innovation within the pensions industry – especially regarding master trusts, superfunds and collective defined contribution pensions – makes this a very exciting time.

Q. What are you most proud of as a Trustee Board member?

A: As a retiree myself, I know and appreciate the value of good pension provision. I am proud to play a part in helping secure that for members of the rail industry.

Pensions and divorce

If your marriage is among the 42% in England and Wales that end in divorce, your pension will be considered in any financial settlement for your former spouse. The same applies for a civil partnership. Here's how it works:

How your pension can be included in the divorce

There are three main ways your pension can be included in the divorce:

Pension Offsetting

- You keep your pension in its entirety
- Your ex-spouse is awarded something of the same or similar value

A Pension Attachment Order

- Payments from your pension go to your ex-spouse when you start getting the pension yourself
- If you die before you start receiving your pension, your ex will not get the share awarded to them
- They may, however, still receive some of the lump sum which could be paid out when you die
- If your ex dies or remarries, they will not get the share awarded to them and it will all go back into your pension

A Pension Sharing Order

- A percentage of your pension and lump sum is awarded to your ex-spouse
- Their share is taken off your total in a process known as 'pension debit'

- Your ex can take their share, known as 'pension credit,' as soon as the order is finalised
- Once the credit is given, your ex will have no further claim on your pension
- They can keep their credit in the Scheme and take payment once they are old enough to do so. Or they can transfer their pension credit to a provider of their choice
- Your ex's pot will be completely separate to yours, which means they will keep their benefits, even if you die or they re-marry. You will also not get the money back if your ex dies before you do

Where to start:

Many of our members going through a divorce or the dissolution of a civil partnership find it useful to speak to a family lawyer and/or Financial Adviser. You can also find out more in the Pensions and Divorce Read As You Need guide in the Resources section of your member website, railwayspensions.co.uk

When it's all over:

When your separation is finalised, please update your personal details in your myRPS account online. This includes your nominations, so we know who you want any lump sum paid to if you die.

If you do lose part of your pension in the settlement, you can help build it back up by making extra payments on top of the ones that are taken automatically from your wages. These are known as Additional Voluntary Contributions (AVCs).



Have your say

Have you enjoyed reading this newsletter? Would you like to have your say on this, and other communications we send about your pension?

By signing up to our member advisory group, Platform, you can make sure your views are heard. You could also help shape the way we communicate in future.

As a thank you for getting involved, you'll be entered into our prize draw with the chance to win **£150 worth of shopping vouchers** at the end of 2021.

Sign up to Platform now at railwayspensions.co.uk/platform
All you need is your:

- name
- date of birth
- pension reference number, which you can find on the message enclosed with this newsletter

Let's talk tax

As the saying goes, the only things certain in life are death and taxes. Since we've dealt with death (page 5), let's tackle tax.

- Anyone earning over their personal allowance (currently £12,500 for most people) pays tax on their income
- If you are a Scottish taxpayer, you can pay 19%, 20%, 21%, 41% or 46% tax, depending on how much you earn above the tax-free, Personal Allowance (£12,500)
- Elsewhere in the UK, you can pay 20%, 40% or 45% tax, depending on how much you earn above the tax-free Personal Allowance (£12,500)
- When you're paying into a workplace pension, some of the money you would normally pay in tax automatically goes into your pension pot instead. This is known as tax relief
- The Government limits how much tax relief you get on your pension contributions in each tax year and over your lifetime. For most people in 2020/21 it's 100% of your wages or £40,000, whichever is lower. A lower Annual Allowance applies for some people who are subject to either the Money Purchase Annual Allowance or a high earner Tapered Annual Allowance. Please see the Annual Allowance Read as You Need guide on your member website for more information. You can also check these limits at gov.uk/tax-on-your-private-pension

You can find out more by visiting moneyadviceservice.org.uk

Getting in touch...

The RPS website, railwayspensions.co.uk, offers lots of information about your RPS pension.

If you can't find the answer you need, email csu@rpm1.co.uk or telephone the Helpline on **0800 012 1117** (Mon to Fri, 8am-5pm).

Survey time

Help us improve Review!
Your feedback matters.

Tell us what you think at www.surveymonkey.co.uk/r/ReviewFeb21 or complete our survey by scanning this QR code.

