

re:view



We're all ears...

and we'd love to hear your thoughts!

It's time for some straight talking about your pension – that's why we're looking for volunteers to join our new online member group, **Platform**.

You can help shape the communications you receive from the Scheme – whether via this newsletter, online or video – to make sure they meet your needs.

You could win £150



of vouchers in our special prize draw as a thank you for registering.

See railwayspensions.co.uk/platform for terms and conditions.

Here's how Platform works...

1. **Sign up at railwayspensions.co.uk/platform** with your full name, date of birth and pension reference number.
2. **We send you an email...** inviting you to look at a new design, video or idea.
3. **You tell us what you think...** by answering 2 or 3 short questions.
4. **We listen and take your feedback on board...** some of our ideas may work – others won't – we need your views to make sure we stay on the right track.
5. **We share the results with you...**

Making better pension communications, together.

Chair's message...

Welcome to Review, your pension newsletter.

I'd like to take the opportunity to introduce myself to you as the new Chair of the Trustee Board for the Railways Pensions Scheme (RPS).

I've been a member of the Trustee Board since 2005 and chaired one of its sub-committees since 2007, so am very familiar with the RPS.

Outside of the Trustee Board, I have been involved in running company pension schemes for over 40 years so I hope to add to the considerable knowledge and experience of my fellow trustees in meeting our responsibilities to you, our members. I'm looking forward to continuing the good work the Board does. The RPS is a fantastic pension scheme, run for the benefit of you – its many members – so it's a privilege to play a part in that.

As a Board, we would like to say thank you to John Chilman for the brilliant contribution he made in leading us as Chair since 2014. We will continue to benefit from his expertise now that he's taken up the role of CEO of the Scheme's administrator, RPMI.

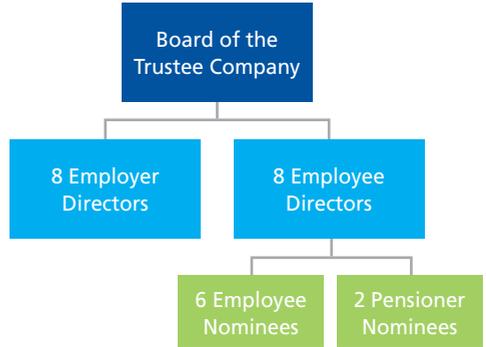
I'd also like to express our appreciation and gratitude to Tony Cotgreave who, after 14 years of serving on the Trustee Board, has chosen to step down. His dedication and commitment has been exemplary.



Best wishes

Chris Hannon, Trustee Chair

Trustee Director appointments



You may be aware that recently RPMI requested nominations to fill an Employee Director vacancy for the Pensioner electoral group, and an Employer Director vacancy for the Passenger Train Operating Companies Electoral Group.

Railways Pension Trustee Company Limited is the independent Trustee for the Railways Pension Scheme (RPS), the British Transport Police Force Superannuation Fund (BTPFSF), the British Railways Superannuation Fund (BRSF), and the BR (1974) Pension Fund. The Board of the Trustee Company has eight Employer Directors and eight Employee Directors (consisting of six employee nominees and two pensioner nominees). A third of the Directors retire by rotation every two years.

We are pleased to announce that two new Trustee Directors have now been selected to join the Trustee Board. Before RPMI can formally appoint and announce the new Trustee Directors there are certain checks to ensure they meet the requirements set by the Pension Regulator. These checks focus on honesty, integrity, financial soundness, competence and conduct. Once RPMI has completed the relevant checks, we will be in the position to formally announce the appointments. Keep an eye on the website for the latest news and announcements.



Pension news in brief:

This regular feature looks at developments in pensions which may be relevant to you as an active member of the RPS.

Scams warning

Your pension is vital to your retirement. Don't let a scammer take it.

Each year up to ten million people receive unsolicited pension offers, with one in ten of these requests coming from fraudsters. Would you know how to spot one?

To keep your pension safe it's important to know the tactics that fraudsters can use to contact you. These include emails, cold calls and text messages. A government ban on pensions cold calling came into force in January. Therefore, if you receive any unsolicited marketing calls about your pension, you should hang up.

Unsolicited pension offers might offer you higher returns or the ability to unlock your pension early. Before making any decisions or transferring any funds, make sure that you check out the ScamSmart website for more information at fca.org.uk/scamsmart. This website is backed by the Financial Conduct Authority (FCA) and the Pension Regulator (TPR).

Don't let a fraudster fund their lifestyle at your expense. Stay ScamSmart and protect your retirement.

If you think you could be the victim of pension fraud, or have been cold-called, contact Action Fraud on **0300 123 2040**.

Pension dashboards

Pensions dashboards were first announced in the 2016 Budget as a way to help people see information about all their pension savings in one place, including their State Pension.

It is estimated that over £400m is sitting in pensions that people have lost contact with.

The government has announced that it hopes for a first dashboard to be introduced within the next year by the new Money and Pensions Service. Other pensions-industry dashboards are then expected to follow within the next three to four years.

Once pensions dashboards are up and running, we will provide further information in a future edition of Review and on the website about where to find them and how members might want to use them.

If you would like to trace your lost pension investments, you can use the DWP Pension Tracing Service at gov.uk/find-lost-pension

Sustainability in your pension

RPMI Railpen ("Railpen"), the investment manager for the RPS, is working to ensure that sustainability is taken into account when making investments with members' pensions.



Sustainable Ownership is Railpen's approach to incorporating considerations into the investments we manage on behalf of our members. It is championed by the Trustee of the Scheme and is underlined by the Trustee's investment belief that "environmental, social and governance (ESG) factors materially impact long-term investment returns and must be taken into account".

The Sustainable Ownership Report 2018 has been published and focuses on activities in three areas:

- Integration;
- Active Ownership; and
- Longer-term risk and opportunities.

Climate change is one of the main areas of focus and Railpen is a proud supporter of the Task Force on Climate-related Financial Disclosures (TCFD), encouraging all portfolio companies to provide information in line with the framework. The first disclosure against the framework is highlighted in the report.

Railpen is a signatory to the United Nations Principles for Responsible Investment (PRI) and is part of the current PRI-coordinated engagement in cyber security.

To find out more about Railpen's approach to Sustainable Ownership, view the report at rpmirailpen.co.uk/sustainable-ownership

Case study – Greener Gretna

One of the property assets managed by Railpen is Gretna Gateway Outlet Village, a shopping destination located on the border of England and Scotland.

In November 2018, Gretna Gateway won the Best Waste Management Award at the JLL Responsible Property Management Awards. The centre doesn't send any waste to landfill and is less reliant on sending waste to incineration.

Annual Report 2018 publication

The 2018 Annual Report for the Railways Pension Scheme (RPS) has been published.

The RPS provides pensions for 144 employers operating within the privatised railway industry. Key figures for the RPS from the latest report include:



Total membership



Net assets of Scheme



Benefits paid out

The report includes key statistics, investments and audited financial statements and is available to read or download at railwayspensions.co.uk/reports

What happens to my pension while I'm on family leave?

If you're on, or are preparing to take, family leave, it's important to know what happens with your pension.

What happens to my contributions?

Unless you opt out of the Scheme, your contributions will continue while you're on family leave. Your contributions are based on a percentage of your earnings, so if your earnings change while you're on family leave, your contributions will change too.

If you receive no pay while on your family leave your contributions will stop. However it's important to note that you would need to pay the arrears of your contributions once you start to be paid again to avoid a gap in pensionable service.

While you're on family leave, your pension benefits won't be affected (as long as you haven't opted out) and your benefits will still be based on your final average pay.



BRASS and AVCs

If you're currently paying contributions to BRASS or AVC Extra, they will continue, however you can stop or change these while you're receiving lower pay.

Where can I get more information?

Find more information at railwayspensions.co.uk or phone 0800 2 343434. You can also contact your employer or visit the Government website, which has broader information on childcare and parenting: gov.uk/browse/childcare-parenting

You do not need to tell RPMI directly about your family leave as your employer will do this for you.

LTA update

The Lifetime Allowance (LTA) has increased to £1.055million for the 2019/20 tax year.

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 across all of your pension arrangements before you pay extra tax.

This limit is known as your 'Lifetime Allowance' (LTA). If you build up pension savings (including any

other pension schemes you might be part of) worth more than the LTA, you must pay a tax charge on the excess.

You can find out more about pension tax limits on the HM Revenue & Customs (HMRC) website: gov.uk/tax-on-your-private-pension/lifetime-allowance and we have produced a Read As You Need guide on 'Tax limits – Lifetime Allowance' at railwayspensions.co.uk/resources/read-as-you-need

"I'm nowhere near retirement – why should I start saving now?"

For many of you just starting out on your employment journey, the words 'pension' and 'retirement' are the last things on your mind, even though you have already made the first steps by joining the RPS.

Retirement might seem million light years away, and there's so much to do before then: progressing your career, buying a car, finding a house, having a family – they're all huge things blocking your view of your retirement... so why on earth should you be thinking about your pension now?

Thinking differently

Instead of retirement, think of it as life after work. When you'll be free of the day job and have the time to do the things you don't have time to do now. And that life after work period could be up to 20 years (based on retiring at 65 and dying at 85) – or even more.

Then substitute the word 'pension' for 'saving'. Because that's all it is really, you (plus your employer and the tax man) are putting money into a long-term savings pot. You are saving to pay yourself a 'salary' for the 20 (ish) years of your life after work.

So 'pension for your retirement' becomes...
'saving for your life after work'.

Your life after work

What will you do? Travel? Spend time with your grandkids? Take up archery?

Think about how much it costs to do the things you love. How much money does that come to in one year? Add it to basic living costs and you'll have an idea of what kind of income you'll need to live your life after work.

Another (quick and simple) way to look at it is – how much do you earn a year? Research suggests you'll need about two-thirds of your salary for your life after work, so take off about a third, and that's how much you might wish to target, as a minimum, for your life after work

Example

A yearly salary of:	£30,000
$\frac{1}{3}$ of your salary:	£10,000
Minimum target:	= £20,000

Please note that the Trustee, your employer and RPMI can't offer you financial advice. It is strongly recommended that you seek independent financial advice before making any decisions about your pension or retirement planning.



The State Pension

The full amount of the new State Pension is currently £168.60 per week, which is £8,767.20 per year. Considering that the current Minimum Income for an acceptable minimal standard of living is £10,215 (for a single pensioner)*, you can see how the State Pension is unlikely to cover your needs on its own.

You can get an estimate of what your State Pension may be at gov.uk/check-state-pension, and check your state Pension age at gov.uk/state-pension-age

* minimumincome.org.uk, 2018



The great news about starting to save early

The earlier you start saving, by joining a pension scheme like the RPS for example, the longer you have got to build up a pension or savings to give you the life you want after work.

You can use your latest Annual Pension Estimate – or get an estimate from RPMI – to give you an indication of the RPS benefits you might be on track to get.

And if you decide you want to save even more, check out your options on our website railwayspensions.co.uk/brass or see page 10.



Case study

Take a look at the case study to see what one of our pensioners says about having to save for a pension and how he feels now.

Turn page to read

Case study:

Life after work

Meet John Harrison, the National Chairman of the British Transport Pensioners Federation and a pensioner who saved for his retirement with the RPS.



John's career started in the Derby Carriage and Wagon Works (now Bombardier) and covered roles in a number of rail-related companies in London, Derby, Birmingham and Crewe – with a project in Tanzania, East Africa, in the mix too! Here's John's advice for new and current savers to the Scheme.

Q. What did your pension mean to you when you were paying in? And what does it mean now you're retired?

A. Railway Pensions always had a great reputation. It was known as one of the best and still is. To me, it meant peace of mind for my retirement. I could plan the kind of life I wanted to live after my working days were done, and know that I could do those things when that time arrived.

Q. What advice would you have for anyone considering or just joining the Scheme?

A. Stick with it for your entire career if you can. I know that life throws curveballs every now and again, but try to keep your pension contributions going. And always pay in as much as you can afford – if you get a pay rise or bonus, consider putting the extra into your pension pot.

Also, keep an eye on your pension – check your statements and make sure it's on track to meet your needs. If it's not, or you're not sure, speak to a professional – it probably doesn't cost as much as you might think, and it's worth it to make sure your pension savings are heading in the right direction.

Q. What does your pension allow you to do?

A. My pension has given me the freedom to do what I want to, change my car when I need to, go on the odd holiday and not be a burden to my family – which I would be if I didn't have it. Doing voluntary work fulfils me and I sometimes still do some paid work, but it is only work that I enjoy doing. Anything I do not want to do, I just don't do it. The independence and freedom of my pension is such a weight off my mind.

“ My pension means the difference between having a retirement to spend as I wish, or having to work. ”

John has kindly contributed this case study as a personal viewpoint of the RPS.

Please note that the Trustee, your employer and RPMI can't offer you financial advice. It is strongly recommended that you seek independent financial advice before making any decisions about your pension or retirement planning.

Do you know about the different types of retirement?

When it comes to thinking about retirement, it's easy to assume it 'just happens', but you have a lot more control over the process than you might think.

The first thing for you to think about is: when do you want to retire? The RPS offers a variety of different retirement options for members, to suit their plans for life after work. These include:

- Normal retirement – usually between the ages of 60 and 65
- Early retirement
- Late retirement – postpone taking your benefits up to a maximum age of 75
- Ill-health retirement

Normal retirement

Normal retirement is when someone takes their pension at the Normal Retirement Age (NRA). This allows you to take your full Scheme benefits without any reductions. NRA can vary but it's generally between 60-65. You can find out your exact NRA by logging into your myRPS account at railwayspensions.co.uk/login.

Early retirement

You can take early retirement from the age of 55, with some members being able to take benefits from age 50. The right to take benefits from age 50 typically applies if you were an active member of the RPS on 5 April 2006, although you should check with the Helpline on 0800 2 343434 if you plan to use this right.

On early retirement, your benefits will be reduced to reflect the fact that they're being paid out for longer. If you opt for early retirement you'll also lose cover for the death-in-service lump sum and you won't subsequently be able to apply for ill-health benefits.

Late retirement

If you reach your NRA but don't want to take your pension, you can delay payment till you're 75 (at the latest). You will need to contact RPMI, your pension administrator, to confirm your intentions before your NRA and pension payments start. When you do start to take your benefits they'll be enhanced to reflect that they're being paid later than the normal date.

Ill-health retirement

Ill health can happen to anyone, and you may be able to claim your Scheme pension and cash lump sum early if this happens to you. If you meet certain criteria, you may be able to take ill-health retirement with no reductions for early payment, and a potential credit to your pensionable service of up to ten years. Check your Member Guide and the rules for the Scheme for full criteria and conditions.

What will my pension be?

Now that you have an idea of when you'd like to retire, you need to make sure your pensions savings are on track for the life you want in retirement. Check your latest Annual Pension Estimate online at railwayspensions.co.uk/myrps/ to get an idea of what you are likely to receive if you were to take your pension at your NRA.

It's recommended that you get independent advice before making decisions about your financial future – you can find a list of regulated advisers at unbiased.co.uk

Boost your benefits

Many people choose to save more towards their life after work by making **Additional Voluntary Contributions (AVCs)** to their pension savings pot. The RPS arrangement to do this is called **BRASS**.

Why save more?

Paying AVCs is a tax efficient way of boosting your pension as contributions are taken from your pay before tax (as long as you stay within your Annual Allowance).

BRASS is flexible too, as you can change how much you contribute to fit your lifestyle changes.

How much can you add?

You can make additional contributions from as little as £2 per week or £10 per month, up to 15% of your gross pay or 20% of your pensionable pay plus pensionable Restructuring Premiums if you have them. Both of these limits are minus your normal Scheme contributions.

Some members can save above those amounts, so do check with your employer if you want to explore your options.

You can also make a one-off payment into BRASS, if for example you receive a bonus or inheritance, which is a great way of investing lump sums for the future. If this one-off payment comes from your taxed income, you'll need to claim tax relief separately from HMRC.

The choice is yours

When you make additional voluntary BRASS contributions, you can choose how 'hands-on' you want to be with how your contributions are invested. You don't have to be hands-on at all – there are different options to choose from depending how comfortable you are managing your investments.



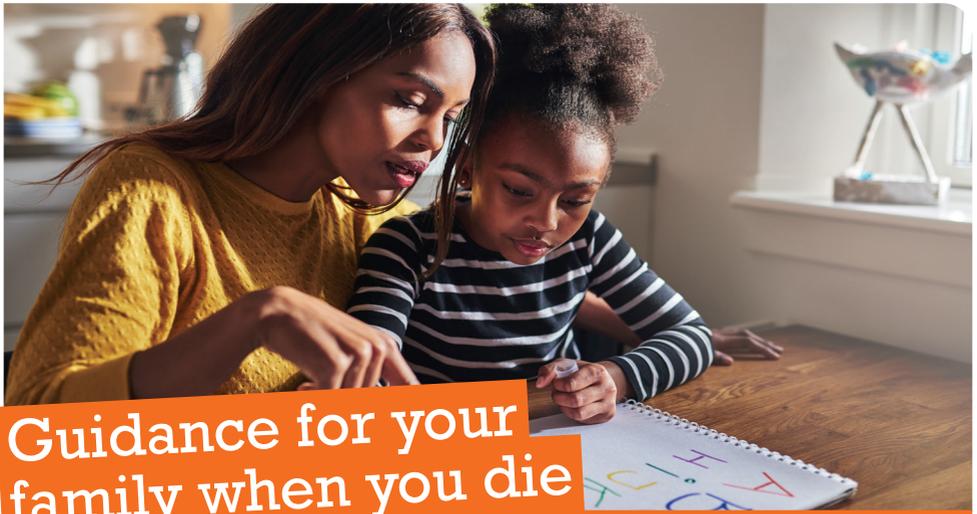
There is a charge each year for your money to be invested. This charge covers the management and running of the fund, and it can range from 0.18% to 0.45% per year, depending on the funds you choose to invest in.

PLEASE NOTE: The value of the investments can go down as well as up.

For more detailed information about all the funds, please visit [railwayspensions.co.uk/In the Scheme/BRASS](https://www.railwayspensions.co.uk/In the Scheme/BRASS)

Regularly review

It's a good idea to check your investment funds regularly to make sure they're working for you. The easiest way to do this is by registering or signing in to your myRPS account at [railwayspensions.co.uk/login](https://www.railwayspensions.co.uk/login). You can also see how your funds are performing and change your investments whenever you want.



Guidance for your family when you die

When a loved one dies, it can be very difficult for their loved ones and family to cope – not only with their loss, but with the practical actions they must take. If anything should happen to you, it's important to make sure you've put everything in place so that those closest to you are looked after.

If you pass away while you're still working, your dependants (or a charity or cause close to your heart) might be entitled to a lump sum worth up to four times your final salary, and a pension from the Scheme. This could also be the case if you were to die in the first five years after your retirement. Do ensure your nominations are up to date so that the Trustee knows your intentions and to help avoid delays in payments.

This guide is to help those who will be dealing with your estate, to make it easier for them to take the practical actions after you're gone.

The process they need to follow is on the right. We suggest you make a record of your pension details and save them with your will or 'important papers'.

What the next of kin/executor needs to do:

Contact us as soon as you feel ready to tell us:

- telephone the Helpline on 0800 2 343434;
- email csu@rpm.co.uk; or
- write to RPMI, PO Box 300, Darlington DL3 6YJ.

We will need to know:

- the date of death;
- the name and address of the person who contacted us, or the contact details for the person who has been designated to deal with the member's affairs; and
- details of family members who may be entitled to pension benefits from the scheme.

Our advisers will guide you through what you need to do, and we'll write to you so that you have the information you need. Please note, we will need an original death certificate, however we will explain exactly what you need to do.

More information is available at gov.uk/after-a-death

New financial and pensions guidance body

At the start of 2019, a new single financial guidance body was set-up to replace the Money Advice Service, Pensions Advisory Service and Pension Wise.

Called the Money and Pensions Service, the body will provide free and impartial guidance around pensions and money issues. During 2019, it will be getting established and developing its strategy – see moneyandpensionservice.org.uk for more information. For now, information can also be found on the websites of the three bodies that the Money and Pensions Service replaces:

Money Advice Service

Money guides, tools and calculators to help improve your finances.
moneyadviceservice.org.uk

The Pensions Advisory Service

Free and impartial pension guidance.
pensionsadvisoryservice.org.uk

Pension wise

Guidance for over 50s with a personal or workplace pension.
pensionwise.gov.uk

Your Annual Pension Estimate

Your Annual Pension Estimate will be issued later this year.

We know how important this statement is to you and we are committed to improving the way the information is presented. We are continuing to work on these improvements, taking feedback from Scheme members and employers into account. We will let you know through this newsletter and on the RPS website when your new-look statement will be ready.

Helpful contacts

The Government website

Easy-to-understand information about pensions, tax, and National Insurance. You can find information at gov.uk/state-pension-age, and obtain a forecast of your State pension benefits at gov.uk/check-state-pension.

Independent financial advisers

For accredited advisers in your area, visit unbiased.co.uk

Pension tax information

Your pension savings benefit from tax relief but there are limits. Go over the limit and you could face extra tax charges. Find out more about the different allowances at railwayspensions.co.uk/resources/read-as-you-need or watch our videos at railwayspensions.co.uk/in-the-scheme/final-salary/your-tax-limits. Gov.uk/tax-on-your-private-pension also has up-to-date information about tax limits.

Getting in touch...

There's lots of help online for active members. Visit railwayspensions.co.uk and go to the 'In the Scheme' section or 'Resources' for Read as you Need guides and FAQs.

If you can't find the answer you need, email csu@rpm.co.uk or telephone the helpline on **0800 2 343434** (Mon – Fri 8am-5pm).

Survey time

Help us to improve this newsletter.

Tell us what you think at surveymonkey.co.uk/r/ReviewJuly19 or complete our survey by scanning this QR code.

