

# re:view

## Wise up!

### Plan ahead for a better retirement



**Don't wing it with your future. Use our simple, new online retirement calculating tools to help you plan for the best possible life after work.**

Time flies. One minute we're young and living for the moment, then the next we're close to retirement, wondering if we'll have enough income to enjoy the lifestyle we'd like.

But now, there's no more need for guesswork. We've launched a simple, new Retirement Budgeting Calculator, along with a Pension Planner, so you can easily work out how much money you might need for your retirement, based on how you want to live.

You'll find this in the 'Planning for the future' section of your online account if you're logged in to myRPS. It's also in the 'resources section' of our website at [railwayspensions.co.uk](http://railwayspensions.co.uk).



Use your time wisely with the new quick and easy Retirement Budgeting Calculator to create a personalised pension target.

Having a rough idea of what retirement could cost will help you see if you're saving enough for the future. And, research shows people save better when they have a target to aim for.

#### Here's how it works:



**Step 1: Choose who you're planning for**



**Step 2: Select the standard of living you hope for**



**Step 3: Personalise your wants and needs and create a basket of goods right for you.**

In just a few minutes, you'll get a personalised estimate of the annual income you're likely to need in retirement.



**Personalised target to aim for**

## Chair's message...

**A very warm welcome to your Review newsletter for summer 2021.**

**I hope you'll all be able to enjoy some sunshine over the next few months, even if we're still unable to travel too far from home.**

Whilst we can't predict the future and see your retirement, we can suggest you do the next best thing and use our new "Retirement Budgeting Calculator". This has just been launched online for all of our members and will give each of you an indication of the income you're likely to need in retirement.

You can use the Retirement Budget Calculator alongside our other online tools to help you feel more in control of your pension and future life. See more on the front page of this newsletter.

In these pages we're also giving you a "behind the scenes" tour of the Railways Pension Scheme (RPS). You'll see the expertise that goes into the successful investment and growth of your pension savings. Plus, you can discover the excellent, sustainable projects that your pension savings are helping.

Let's hope the world recovers from the pandemic as soon as possible and that life for everyone can return to some form of normality in the near future.

In the meantime, you can rely on us, as ever, to pay your pensions securely, affordably and sustainably.



Best wishes

**Chris Hannon, Trustee Chair**

## See your likely retirement income with our Pension Planner

**You can use our Pension Planner to see how much annual income you're likely to get from your pension when you retire.**

You'll know how much you need, if you've used our new Retirement Budgeting Calculator. So by using both these tools together, you'll be able to see if your pension savings are on track, or whether you need to take further action.

If you're logged in to your myRPS account, you will find a link to the Pension Planner on your home page or in the 'Planning for the future' section.

The Pension Planner will help you to:

- work out what your annual pension is likely to be when you retire
- show how much of a lump sum you might be able to take when you retire
- see the expected value of your Additional Voluntary Contributions (AVCs).\*

We use the latest salary data your employer has sent us to give more accurate results.

If your retirement budget doesn't match the likely pension amount you're due to get, you may need to make adjustments. For example you may choose to:

- change the age you want to retire
- start to pay in flexible extra sums (AVCs)\*
- change your AVC contributions or make a one-off payment.\*

*\*See article on saving more for your pension and AVCs on page 11 of this newsletter.*



## Pension news round-up

**In this regular feature we look at developments in pensions, which may affect you as an active member of the RPS.**

### Minimum Pension Age to rise

The Government has recently consulted on its plans to increase the minimum age for accessing pension savings, from 55 to 57. This change is expected from 6 April 2028.

We are awaiting the publication of the response to this consultation to see how protection of an earlier pension age will operate for those who had this right. We will keep you updated as the detail emerges.

### Pension Schemes Bill and scheme funding Code of Practice update

The Pension Schemes Bill was passed in early 2021 to become the Pension Schemes Act 2021. The Act includes changes to strengthen the powers of The Pensions Regulator (TPR) with plans for a new funding Code of Practice.

One of the Code's main focuses is to improve security of benefits. The Trustee is keen to ensure that the new Code helps to protect the future benefits of members. The Trustee provided a response to TPR's first of two consultations last year. We will continue to monitor and assess this and keep you updated on developments.

### Protection from pensions scams

Changes to regulations are currently being considered by the government which would allow trustees or pension administrators to stop transfers of pension benefits where there are signs that the transfer could be at risk of a pension scam. The government intends to introduce the regulations in autumn 2021.

You can read more on how to protect yourself from fraudsters and scams on page 12 of this newsletter, and in the 'Resources' section of the RPS website at [railwayspensions.co.uk](http://railwayspensions.co.uk).

## Requesting estimates of your retirement benefits

**One of the many advantages of your online myRPS account is that you can request estimates of your likely retirement benefits.**

Simply register or log in to myRPS at [railwayspensions.co.uk](http://railwayspensions.co.uk) and you will find the option to request an estimate in the 'My Pension' section of your online account.

If you need further help, you can watch a short video on the same page which explains the steps clearly.

The estimate of your retirement benefits will normally be sent to the messages area of your inbox within an hour. For more complex pensions it may take longer (up to ten working days).



## Behind the scenes of your pension

### What happens to the money you put into the Railways Pension Scheme once it leaves your wages?

We take a glimpse behind the scenes to see where your hard-earned cash goes, on its journey from payslip to pension.

#### How it works

The funds from your Scheme contributions are carefully managed by an experienced group of employer and elected member representatives, known as the 'Trustee'. Their objective is to pay your pension securely, affordably and sustainably.

The Trustee works closely with our professional team of pensions and investment experts, known as the Investment Manager, or RPMI Railpen.

RPMI Railpen and the Trustee work with elected pensions committees, and take additional, external advice from the Scheme Actuary.

Every Section has its own specific requirements, so the investment team works with each Section and its representatives, to create the most suitable investment strategy for them.

Your contributions are combined into "pooled" or collective investment funds. This means your money benefits from economies of scale and the team can choose from a wider, more valuable range of investments.

Investing widely helps to limit risk and this diverse approach gives your retirement savings the best possible chance of increasing in value over the years.

This approach is reviewed frequently and adjustments are made along the way, to make sure it is still achieving goals on your behalf.

## Here are examples of where your pension funds have been invested recently:

- In 2017, we invested in Gigaclear, a company dedicated to building and operating ultrafast, pure fibre-to-the-premises broadband networks in rural Britain.
- In 2020, we purchased the majority interest in an onshore wind farm in Scotland, Carraig Gheal Wind Farm. This investment is expected to generate renewable energy over the next 30 years and help the decarbonisation of the UK energy supply.
- In 2021, we invested in MIPS, a company that makes a patented Brain Protection System for helmets that mimics the brain's own protection system, offering a scientifically-proven element and much better protection than current products.
- In 2020, we co-invested in Sleaford Renewable Energy Plant, a biomass facility in Lincolnshire. The plant has been operational since 2014 and converts local straw into heat and energy, as a renewable source of power.
- In 2021, we invested in Lonza Group, a leading manufacturer of products and services to the biopharma and consumer health industries. Lonza offers direct exposure to the growth of tomorrow's drugs.

## Sustainable investments and your pension

Here at the Railways Pension Scheme, we always endeavour to ensure your pension is invested responsibly.

We examine our potential investments carefully as we believe sustainable, ethical organisations have sustainable futures. These are the organisations that will grow and last and we want to be part of them.

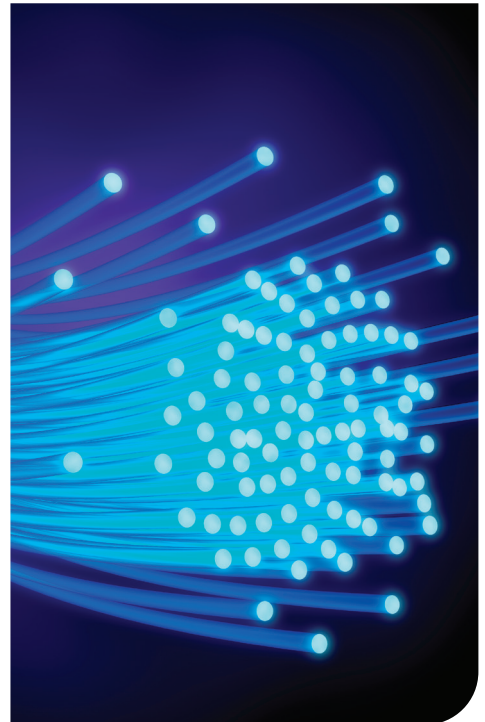
How these organisations use the money they receive from pension investors like you, via the Railways Pension Scheme, can make a big difference on behalf of us all, to the future of the world.

We consider investment opportunities in four ways:

- 1 How does it improve our investment returns?
- 2 How does it reduce our investment risk?
- 3 How does it affect the future world our members retire into?
- 4 How does it impact our reputation as a responsible investor?

The Railways Pension Scheme is one of the UK's largest and longest established pension funds. RPMI Railpen is responsible for the safekeeping and investment of circa £30 billion on behalf of the Scheme's 350,000 members who are connected to the railway industry.

We have been paying members' pensions securely, affordably and sustainably for more than 50 years. To achieve this, we continue to invest the Scheme's assets to generate strong investment returns over the long term.





# Life changes and your pension options

Life can change for better or worse when we're least expecting it. It's useful to understand how these changes can affect your pension and what choices you have.



## Redundancy

With redundancy, you roughly have three options with your pension:

- 1** You can keep your pension benefits where they are, but no longer contribute and become a "preserved" member of the Scheme.
- 2** You can transfer your savings to a new pension provider.
- 3** If your employer agrees, you may be able to take 'redundancy augmentation'. This means money from your redundancy is put directly into your pension by your employer, rather than being given to you (less tax on any payment over £30,000).

## Family leave

If you get maternity, paternity, family or adoption leave pay, your pension membership will normally be continuous. Your contributions may change as they are calculated using a percentage of your earnings, but your benefits will be based on your final average pay.

You can find out more on family leave in the Read as you Need Guide in the 'Resources' section of your member website, [railwayspensions.co.uk](http://railwayspensions.co.uk).

## Divorce, separation and dissolution of a relationship

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

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

## Ill health and early retirement

If you have to retire due to ill health, you may be able to claim your RPS benefits early. This could be approved if:

- you have five years' membership in the Section
- you are under normal retirement age
- a medical expert chosen by the Trustee provides evidence that you're unable to work in your current or other suitable job.

## Bereavement

One of the first things you should do when someone dies is to inform their pension scheme. The sooner you do this, the easier it will be to sort the affairs of the deceased and, if you're a dependant, the quicker you may receive any pension benefits due to you. The scheme administrator will then write to you to tell you what happens next.

**For more information on how your pension could be affected by any of these life changes, we would advise you to check the specific rules in your Member Guide. If you're logged into myRPS, you can find your Member Guide in the 'My Library' section of your account.**

## Tracing lost pensions

**If you've worked for several different employers during your career, it can be difficult to remember all the pension schemes you've paid into. The Pension Tracing Service is free and can help you find a pension you've lost.**

It's best to get as much information as you can before you apply, for instance:

- the name of your previous employer (or pension scheme)
- any previous names it had
- the type of business it ran
- whether it changed address
- what dates you belonged to the scheme.

If you have all, or most, of this information, the Pension Tracing Service should be able to tell you the contact details of your pension's administrator. You can then contact the administrator to find out whether you have a pension, what value it is and ask for it to be paid to you.

Go to [gov.uk/find-pension-contact-details](http://gov.uk/find-pension-contact-details) and follow the online steps.

### Other ways to apply

You can also request contact details from the Pension Tracing Service by phone.

Telephone: **0800 731 0193** - Monday to Friday, 9.30am to 3.30pm.

## MoneyHelper

**MoneyHelper is a new website from the Money and Pensions Service (also known as MaPS) where you can find clear and impartial guidance on money and pensions matters.**

When it was created in 2019, MaPS brought together the existing Money Advice Service, The Pensions Advisory Service and Pension Wise, although each kept its own identity and website.

MoneyHelper now merges all three of these organisations, making it simpler and easier to access pensions and financial advice in one place.

For more information, please go to [moneyhelper.org.uk](http://moneyhelper.org.uk).

## New advice service for members

**It may be wise to take financial advice if you want to make sure your pension is working its best for you.**

Liverpool Victoria (LV) has been chosen by Scheme administrator, RPMI, as the official partner to give RPS members access to financial advice. LV has a dedicated team with specific knowledge on the Scheme, and covers all areas of advice, including:

- retirement
- financial planning
- understanding tax.

LV is offering its services at a discounted rate for RPS members. You can contact the team on **0800 023 4187**.

LV's retirement advice service was carefully chosen, based on both quality and cost. But you are still free to choose your own Independent Financial Adviser (IFA). You can find an IFA in your area at [unbiased.co.uk](http://unbiased.co.uk).

More information about getting help and advice is also available in the 'Planning for Retirement' section of [railwayspensions.co.uk](http://railwayspensions.co.uk).



## Pension queries

### My friends and I disagree about how much we should be paying into our workplace pensions? How do I know what the best amount for me is?

This can be different for each individual and what may be best for one person, may not be right for another.

Some important things to consider are:

- what retirement lifestyle you are aiming for
- what other sources of income you might have in retirement, such as State Pension, other pension entitlements and savings
- how long you have until your retirement
- what your current pension scheme provides
- what scope you have to change your contributions
- how much you can afford.

There are many different types of pension schemes in the UK and they can all work in different ways.

If you are a Defined Benefit (DB) member of the Railways Pension Scheme, a great way to find out if your pension is on the right lines, is by checking out our new online calculating tools.

### The Retirement Budgeting Calculator

The online Retirement Budgeting Calculator will give you an indication of the income you may need in retirement, based on the lifestyle you would like.

### The Pension Planner

The Pension Planner will then give you an idea of your likely retirement income from the Scheme. If there's a shortfall, you'll know you probably need to take action!

If you're logged in to your myRPS account, you'll find the Retirement Budgeting Calculator and the Pension Planner in the 'Planning for the Future' section of [railwayspensions.co.uk](http://railwayspensions.co.uk). See pages 1 and 2 of this newsletter to find out how to use these really useful, new online tools.

### Getting an estimate

You can also get estimates online of the benefits which may be payable to you. See page 3 of this newsletter for a quick guide on how to do this. Or you can log in to myRPS at [railwayspensions.co.uk](http://railwayspensions.co.uk) and go to the 'My Pension' section of your online account where you'll see the link to request an estimate.

### Topping up with AVCs

You can 'top up' your benefits by paying Additional Voluntary Contributions (AVCs). The main AVC arrangement for RPS members is called BRASS. Extra amounts are taken from your earnings before income tax is deducted, meaning additional savings for you. You can find out more about BRASS and saving more for your pension on page 11 of this newsletter and also in the 'In the Scheme' section of the RPS website at [railwayspensions.co.uk](http://railwayspensions.co.uk).



## How does my pension affect my loved ones if I die?

If you are a member of the RPS and if you die before taking your benefits, or within a short time of starting to take them, a lump sum is payable to your beneficiaries.

The Trustee decides who is to receive any lump sum payable from your pension on death, but will take account of any nomination you have made. If you want your loved ones, such as partners, children, grandchildren or friends to get a payment from the Scheme if you die, it would be wise to make sure you nominate them.

The easiest way to nominate is by logging in to your online pension account at [railwayspensions.co.uk](https://www.railwayspensions.co.uk). You'll find the nominations page in the 'My Pension' section of your account.

However, assuming you reach your retirement age, then you should consider taking financial and legal advice on the best way to take your benefits so that your loved ones can inherit in the fairest and most sensible way for them, taking into account their ages and circumstances.

As a member of the RPS, you broadly have four choices at retirement. You can:

- 1** Take part of your benefits as a cash lump sum and the rest as regular pension payments.
- 2** Take all your benefits as regular pension payments. This is only possible if the rules of your Section allow and you haven't made any Additional Voluntary Contributions (AVCs) to BRASS.
- 3** Take your entire benefits as a cash lump sum, where tax rules and those of your Section allow. This usually requires the value of your benefits to be below a certain level.
- 4** Transfer all your benefits to an alternative pension provider, if the rules of your particular Section allow. \*



*\*It is a legal requirement for you to get independent financial advice if you wish to transfer your RPS (DB) pension into a defined contribution (DC) pension.*

There's plenty of support available. The Railways Pension Scheme has chosen Liverpool Victoria (LV) to give members access to financial advice. LV can be contacted on **0800 023 4187**. Or you can choose your own Independent Financial Adviser (IFA). You can find an IFA in your area at [unbiased.co.uk](https://www.unbiased.co.uk).

# Meet your Trustee Adam Golton



**Adam Golton joined the Trustee in July 2020, after being nominated by Greater Anglia. He is a member of the Integrated Funding Committee,**

**which reviews the funding plans for the RPS, and the Audit and Risk Committee, which considers reports from the external auditor and business assurance, as well as the risk management framework.**

We asked Adam about being a Trustee and what he hopes to achieve in this important role.

## **Q How did it feel to be elected to the Trustee Board?**

**A:** I was very proud to be elected as Trustee and impressed with the comprehensive induction process. The role carries a great responsibility, but I've chaired Pension Committees for train operating companies (TOC) over a number of years and been a TOC Finance Director for 20 years, so I have lots of experience that is being put to good use here.

## **Q. Can you tell us more about your background?**

**A:** I qualified as a Chartered Accountant and joined National Express Group as Group Head of Internal Audit in 1996. I then spent 20 years in various Finance Director roles, first with National Express Group and then with transport operator, Abellio, including Gatwick Express, c2c, Silverlink, WAGN and Greater Anglia. I am currently in a Group role at Abellio, focusing on business development and industry change.

## **Q. What is your greatest achievement to date?**

**A:** My record of profit delivery as a Finance Director over a long period of time.

## **Q. What are your hopes as a Trustee?**

**A:** I hope to use my experience to help the Trustee Board achieve its mission to pay members' benefits securely, affordably and sustainably, taking into account the interests of employers and other stakeholders.

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

**A:** There is already a high level of trust in the RPS. We need to build on this and continue to be a scheme that members and employers are truly proud of.

## **Q. What are the main challenges facing the Scheme and pensions industry?**

**A:** The Pension Schemes Act could put further pressure on many defined benefit schemes. For RPS, agreeing the valuations for the Train Operating Companies also remains a major challenge, and there are ongoing discussions with The Pensions Regulator.

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

**A:** Pensions and retirement planning have been brought to the forefront of people's minds with the recent economic uncertainty. That, and the new ways of working brought by Covid-19, mean we have the chance to adapt in a positive way.

You can find out more about the RPS Trustee and the current members of our Trustee Board at [railwayspensions.co.uk/trustee](https://railwayspensions.co.uk/trustee). Also read page 4 of this newsletter for further insight into the work of the Trustee in 'Behind the scenes of your pension'.

## Could you **save more** for your retirement?

### Should you be saving more for your life after work?

If you've used our new, online Retirement Budgeting Calculator and our Pension Planner\*, you'll know roughly how much annual income you'll need in retirement and how much you're likely to get from your pension.

If there's a shortfall, you may want to make adjustments.

But even if you're on target, it makes good financial sense to put extra, tax-efficient savings into your pension, if you can afford it. That small, regular amount could eventually add up to quite a few more home comforts in retirement.

\* If you're logged in to your myRPS account, you'll find the Retirement Budgeting Calculator and the Pension Planner in the 'Planning for the Future' section of [railwayspensions.co.uk](http://railwayspensions.co.uk).

### How to save extra for your retirement

The main Additional Voluntary Contributions (AVC) arrangement open to members of RPS is called BRASS.

With BRASS, you can make flexible, extra pension savings from your pay (before tax) on top of the normal contributions you make to your pension.

- You don't need to save a set amount every month.
- It's a great way to save extra for retirement if you get payments which don't qualify for your pension (like overtime and bonus payments).
- You get tax relief on anything you put in (up to the remainder of your Annual Allowance).

If you join BRASS, your contributions are invested in a range of funds with the aim of building up extra pension savings over time.

See our Guide to BRASS in the Read as you Need Guides at [railwayspensions.co.uk](http://railwayspensions.co.uk).

## Helpline improvements

**We've made improvements to our Helpline to make it quicker and easier to get the information you need about your pension.**

You can now speak to our staff more easily and get quicker answers to your queries.

If you're short of time, there's no need to leave messages, or waste time queuing. You can simply mark your place in the queue and put down the phone. As soon as the system reaches you (usually in a few minutes), you will receive a call back.

The system is very adaptable and fully agile, so if there's something important that we need to communicate, we can immediately create a voice message that all callers receive.

All our call handlers receive comprehensive training in customer service and in pension administration. Their work is regularly monitored and assessed for its professionalism and customer care.

You are welcome to call us on **0800 012 1117** between 8am to 5pm, Monday to Friday.

It's a good idea to have your pension number to hand if you are calling us. You'll find this on the 'Membership details' page, under the 'My Pension' section of your online myRPS account or on any letters from RPMI about your RPS pension.

### Want to know more about your options at retirement?

Watch our new video at [railwayspensions.co.uk/resources/video-library/your-retirement-options](http://railwayspensions.co.uk/resources/video-library/your-retirement-options)

## Don't be tricked out of your pension!

**Pension scams are increasing – and they're getting harder to spot. Fraudsters can seem pleasant, polite and convincing and they're often financially knowledgeable. But beware! They are out to steal your pension benefits.**

Action Fraud has revealed that £1.8m was lost to pension scams in the first three months of 2021 and there were 107 reports of pension fraud. This is an increase of 45% on the same time in 2020. Make sure you're not next by spotting the warning signs below.

### 6 common scammers tactics

- 1** Cold calls asking for information on your pension
- 2** Promises of early access to cash from your pension (before the age of 55)
- 3** Free pension "reviews"
- 4** Unusual or exotic sounding investments
- 5** Guarantees of higher returns on your pension
- 6** Time-limited pension offers and high-pressure sales tactics.

### How can you protect yourself?

- Always reject unexpected offers. If you are contacted out of the blue about pensions, it may be illegal and is probably a scam, so hang up. Your pensions administrator will never cold call and ask for information. We would only call you in response to an enquiry you have made.
- Suspicious? For more information, visit [fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart), or [pension-scams.com](https://www.pension-scams.com) or call The Pensions Advisory Service (TPAS) on **0800 011 3797** for free pensions guidance and information.
- See more in 'Safety and scams' in the Resources section of our website at [railwayspensions.co.uk](https://www.railwayspensions.co.uk).



## Have your say!

**Do you care about your pension, like to share your opinions, and have a few minutes to spare?**

Then why not join Platform, our volunteer communications panel? By sharing your opinions on things like new designs, videos or ideas, you'll play an important part in helping to shape your member website and newsletter content. 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. So sign up today at [railwayspensions.co.uk/platform](https://www.railwayspensions.co.uk/platform).

## Getting in touch...

The RPS website, [railwayspensions.co.uk](https://www.railwayspensions.co.uk), offers lots of information about your RPS pension.

If you can't find the answer you need, email [csu@rpm.co.uk](mailto:csu@rpm.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/ReviewJuly21](https://www.surveymonkey.co.uk/r/ReviewJuly21) or complete our survey by scanning this QR code.

