



focus:



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Make sure you're prepared for retirement by planning your pension to-do list for 2020 now.

Now is the time to start making those New Year's resolutions. You owe it to yourself to be fully prepared for retirement, so why don't you put yourself one step ahead in 2020? Make sure you put these key prompts in your 2020 diary **now**, ready for the new year.

2020 to-do list

How's my pension doing?

- Make a list of the things I want in retirement and work out what they will cost.
- Check my latest estimate to see if I'm on track.



Consider paying more

- Check how much I already pay into my pension every month.
- Work out my monthly outgoings if I decide to pay Additional Voluntary Contributions (AVCs).
- Consider joining an AVC arrangement or paying more if I already pay AVCs.



Think about my loved ones

- List who I would like to receive any death benefit from my pension.
- Log into my account at btppensions.co.uk to add or update my nominations.



Review my fund choices

- Check the performance of my AVC fund choices.
- Switch fund choices in myFund account if necessary.
- Review or update my target retirement date if I'm invested in a Lifestyle Strategy.



Chair's message...

Welcome to your latest newsletter.

As another year draws to a close, it's time to start looking ahead to the new one and I'd strongly encourage you to think about your pension and retirement plans.

Even if retirement seems a long way off, the time to act is now! Have you checked your latest estimate from the Fund? Do you know what your previous pensions are worth and what you can expect when you retire?

As with all planning, getting started is often the hardest step, but it's the best way to keep you on track for the retirement you want. By taking simple steps, you can put yourself one step ahead.

Use the information on the previous page to help you put key prompts in your 2020 diary, such as reviewing your nominations and keeping an eye on your investment funds.

The new year is just around the corner and you owe it to yourself to be fully prepared for 2020 and retirement.

Best wishes,

Chris Hannon, *Trustee Chair*



Time to top up?

You can top up your benefits by paying **Additional Voluntary Contributions (AVCs)** into an arrangement such as **BRASS** or **AVC Extra**.

AVCs are invested in a range of funds with the aim of building up extra benefits over time. You choose how much you want to pay in, and where to invest your money. You can check and change your investment funds whenever you like.

AVCs are taken from your earnings before income tax is deducted, meaning extra savings for you.

Even paying the minimum of £2 a week can help you to make a start.

With AVCs, you can decide:

- how much you want to contribute (subject to certain limits)
- how to invest your contributions
- when you start – and stop – making contributions
- how you take your AVC benefits

You have to take your AVC benefits at the same time as your Fund benefits, unless you stop contributing and separately transfer your AVC benefits to another pension arrangement.

AVCs may be particularly suitable if you:

- have earnings that do not qualify for Fund pension, such as bonuses and overtime;
- are thinking about taking your benefits early; or
- simply want to save a bit more towards retirement in a tax-efficient way.

Visit btppensions.co.uk for more information.

BRASS is an AVC arrangement for 1970 Section members who joined the Fund before 1 April 2007.

AVC Extra is the AVC arrangement for 2007 Section and CARE members. It is also open to members of the 1970 Section who are already paying maximum BRASS contributions.

Make the most of your membership

Ask yourself – what do you really want out of your retirement?

Here are a few handy tips to help you take control of your pension:

- Register or log in at btppensions.co.uk to view and manage your online account.
- Ensure your personal details are up to date.
- Also ensure your details are up to date with previous pension providers. It's good to keep track of your previous pensions, if you have any.
- Complete a Nomination form so the Trustee knows who you would like to receive your lump sum death benefit if you die in service (or check your existing form to make sure the details are still up to date).
- Check your pension's current value in your Annual Pension Estimate (APE) and the forecast of benefits when you retire*.
- Consider paying Additional Voluntary Contributions (AVCs) and if you're already paying AVCs, review your fund choices to make sure they're still right for you.
- Check out the online FAQs at btppensions.co.uk/FAQs for answers to general queries about your membership and benefits or get in touch with the Helpline (0800 2 343434 or csu@rpm.co.uk).

*Fund members should receive APE statements in December.

News round-up

We take a look at developments in pensions that may be relevant to you as an active member of the Fund.

Pension Schemes Bill

The latest Queen's speech took place on 14 October and confirmed a Pension Schemes Bill, although Brexit was the main talking point.

The Bill will progress items from the government's pension agenda and items that had been included in the 2018 White Paper, titled 'Protecting defined benefit pension schemes'.

The Queen stated:

"To help people plan for the future, measures will be brought forward to provide simpler oversight of pensions savings".

The Pension Schemes Bill includes legislation to progress the implementation of pensions dashboards, as well as including provisions to:

- Strengthen the powers of The Pensions Regulator (TPR)
- Support TPR's plans for a new defined benefit scheme funding Code of Practice
- Facilitate the introduction of collective defined contribution (CDC) schemes

TPR has indicated that it will launch consultations on the new scheme funding Code of Practice. The first of these is expected in the new year.

Key features of the Bill are as follows:

- Providing a framework for the establishment, operation, and regulation of collective money purchase schemes (CDC pensions).
- Strengthening the Pension Regulator's powers and the existing sanctions regime. This will include introducing new criminal offences, with the most serious carrying a maximum sentence of seven years' imprisonment and a civil penalty of up to £1m.
- Giving the Regulator powers to obtain the right information about a scheme and its sponsoring employer in a timely manner.
- Providing a framework to support pensions dashboards, including new powers to compel pension schemes to provide accurate information to consumers (will include provisions for the regulators to ensure relevant schemes comply).
- Creating regulations to set out circumstances under which a pension scheme member will have the right to transfer their pension savings to another scheme.
- Improving the defined benefit scheme funding system by requiring a statement from trustees on their funding strategy.
- Amending the legislation for the Pension Protection Fund compensation regime to enable the Fund to continue to apply the compensation regime as intended and amend the definition of administration charges.

Due to the general election on 12 December at the time of publication, it is not yet known if the Pension Schemes Bill will be passed through Parliament by the next government in its current form or how quickly it will progress.

Annual Allowance: submitting information to HMRC

If you have recently received a Pensions Savings Statement from RPMI, or if you are a high-earner, you may have to pay an Annual Allowance tax charge.

Your Pension Savings Statement and an Annual Allowance 'Read as You Need' guide on the member website can help you check if a tax charge is owed.

It would be your responsibility to inform HMRC of an Annual Allowance tax charge as part of their Self-Assessment process.

If you need to pay a charge, you may be able to pay it from your Fund benefits through the 'Scheme Pays' process. This means the Fund pays the charge direct to HMRC on your behalf, and the tax charge is taken out of your pension savings. This option is included within HMRC's Self-Assessment tax return form.

If you tell HMRC that you will use the Scheme Pays option, it is important for you to complete and provide a form to let the Fund know. The form is in the Read as You Need Section of btppensions.co.uk. The deadline for applying for Scheme Pays for tax charges from the 2018/19 tax year is 31 July 2020. We cannot accept forms after that date.

2018 Actuarial Valuation

The actuarial valuation for the Fund is underway and aims to be finalised by 31 March 2020.

Its purpose is to compare the value of the Fund's assets at 31 December 2018 against the value of the Fund's liabilities (future benefit payments) at the same date.

The Management Committee's Valuation Working Party has been working with the Scheme Actuary and liaising with the employer in order to complete the valuation. Once finalised, all members of the Fund will be sent a Summary Funding Statement to inform them of the outcome of the valuation.

New Trustees

Richard Murray and Peter Holden have recently been appointed to the Trustee Board.



Richard Murray

Richard is the Group Pensions Director for FirstGroup, having joined the Reward & Pensions team in 2008. He has more than 20 years of experience in pensions and has had a variety of Trustee roles for FirstGroup pension arrangements in the UK and North America.



Peter Holden

Peter Holden will be familiar to many of you as he worked in the British Transport Police Force for 30 years, retiring as Chief Superintendent (Divisional commander) in 2016. He was a member of the British Transport Police Force Superannuation Fund Committee from 2009 to 2016 and then re-joined as a pensioner-nominated member of the Committee in 2017.

Peter is also a member of the Valuation Working Party for the Fund.



Get some answers

What happens to my pension if I have to stop working due to ill health?

If you stop working because of ill-health, you can apply for an incapacity pension (as long as you have not already taken your benefits while in employment). This may be approved if:

- you have at least five years' membership in the Fund (including transferred-in membership)
- the Trustee, having considered advice from a medical expert, is satisfied you can't perform your duties on a more than temporary basis
- you are under the age of 55 (or age 60 for CARE members)

What happens to my pension if I am absent from work for an extended period?

If you are absent from work for an extended period, you will need to check about continuing contributions with your employer. You may be entitled to a career break.

If you get maternity, paternity, additional paternity, family or adoption leave pay, your contributions are based on what you receive at that time, but your benefits are based on your normal salary.

If for any reason, you can't pay the contributions, they may be collected from your future earnings if your employer agrees. If you don't return to work and owe arrears, your employer has the option to reclaim these from your benefits.

What happens if I separate from my partner?

If you face divorce or the dissolution of a civil partnership, your pension is likely to be considered along with your other assets when financial settlements are worked out.

A court order can be made to transfer part of the value of your benefits as part of the divorce or dissolution proceedings. If this is the case, it would mean your Fund benefits will reduce to provide benefits for your ex-spouse or ex-civil partner.

Pension queries

Visit: btppensions.co.uk

Email: csu@rpm.co.uk

Telephone: 0800 2 343434 (Mon - Fri, 8am-5pm)

Have your say

Tell us what you think about Focus. It only takes two minutes.

Your feedback is very important, so please scan the QR code or visit: surveymonkey.co.uk/r/FocusDec19

