

CONTRIBUTION RATE CHANGES, QUESTIONS AND ANSWERS

Personal impact of contributions decrease

Why are my contribution rates being reduced?

The Trustee recently completed an actuarial valuation of your Section of the RPS. This is like a financial health check to make sure that pensions can continue to be paid well into the future. One of the things a valuation looks at is how much you and your employer need to pay in. This can go up, down, or stay the same over time. On this occasion, following a thorough assessment, it was decided that your contributions should be reduced.

Will this change affect the pension benefits I get in the future?

No. The benefits you receive from the Scheme are not affected by your contribution rate being reduced.

When will the decrease in contributions take effect?

From 1 July 2024.

I'd previously opted out of a Rail pension, but am now interested in joining – what should I do?

You'll need to speak to your employer about opting back into the Scheme.

Can I opt out of this change and continue contributing at the current rate?

No, individual members can't opt out of this change. As the RPS is a defined benefit pension scheme, your benefits are determined by the Scheme's Rules, not by the level of contributions made. But you could think about using some of the savings to increase your pension benefits by paying Additional Voluntary Contributions.

I want to pay more in – is there a way I can do this?

Yes, you can pay Additional Voluntary Contributions (AVCs). These are extra contributions you pay into the Scheme, on top of the regular contributions you and your employer pay in. You can either make AVCs regularly, or as one-off payments.

The Scheme's main AVC arrangement is called BRASS. It's a great way to boost your pension and save more for the future. You can [learn more about BRASS here](#).

How will this change affect people who are currently on leave or in part-time employment?

The reduction in contributions applies to all members who are paying into the Scheme, including those who are on leave or employed part-time. The contributions you pay will be changed proportionately, based on your earnings.

Can I provide feedback or input on this decision?

You can't change the specific decision to reduce your contribution rates. But the Trustee does value members' thoughts about their benefits and the Scheme more generally. You can get in touch by emailing csu@railpen.com

I'm nearing retirement – does this affect my plans in any way?

No, you will still be able to take your pension as planned. The reduction in contributions will not affect how your pension benefits are calculated or paid.

How you can pay more: BRASS and AVC Extra

Members not currently paying into BRASS

What is BRASS?

BRASS is the main arrangement for Scheme members to pay Additional Voluntary Contributions (AVCs). These are extra contributions you pay into the Scheme, on top of the regular contributions you and your employer pay in. You can either make AVCs regularly, or as one-off payments.

AVCs are usually taken from your pay before tax, so anything you pay into BRASS is tax-free, subject to certain limits, such as the Annual Allowance limit. That means it's a great way to boost your pension and save more for the future.

How does BRASS work?

When you join BRASS, you start a pot of money that is held separately to your main DB pension with the Scheme.

Your money is invested in a range of funds with the aim of helping it to grow over time. You need to contribute at least £2 per week, or £10 if you're contributing monthly.

You can choose to manage your own funds or have them managed for you. You can also check and change your fund choices at any time.

When it's time to take your benefits, the value of your BRASS pot is used to buy you extra pension in your Section of the Scheme. You normally have to take a tax-free cash lump sum equal to the value of your BRASS pot, up to the maximum allowed by HM Revenue and Customs. Or you may be able to transfer your BRASS pot to another scheme in order to access other options.

How can I join BRASS?

You can join BRASS as long as:

- You're a member of a defined benefit (DB) section
- You're still paying into the Scheme
- Your normal contributions do not come to more than both 15% of your gross pay and 20% of your pensionable pay, and pensionable restructuring premiums if you have them

If you want to join, speak to your employer to set up regular payments.

[Network Rail members can learn more about BRASS and how it works for them in this guide.](#)

Members currently paying into BRASS

Should I pay more into BRASS because of these changes?

We can't give you any advice as to what you should do. You should always think carefully before making any decisions about your planning for life after work.

Liverpool Victoria (LV) has been chosen as the preferred partner to give RPS members access to financial advice.

LV is regulated by the Financial Conduct Authority, covers all areas of pension and financial advice and has a dedicated team, with specific knowledge on the Scheme.

LV can be contacted on 0800 023 4187.

How do I pay more into BRASS?

[Complete the 'BRASS Payroll Deduction' form](#) to increase the level of your BRASS contributions.

Return it to your employer. Please don't send the form to Railpen.

I get BRASS matching – will this be affected by these changes?

No. The contribution rate decrease has no impact on your BRASS matching.

What is AVC Extra?

AVC Extra is an Additional Voluntary Contribution (AVC) arrangement. It is open to members who are already paying the maximum amount that you can pay into BRASS and still want to pay more. Much like BRASS, your AVC Extra pot is invested in a range of funds, with the aim of it growing over time.

This option is not available to members of the Network Rail section.

[You can learn more about AVC Extra here.](#)

Please speak to your employer if you wish to join.

General queries

How will the Scheme communicate any future changes or updates to members?

We'll always write to you in advance if there are any upcoming changes to contribution rates or anything else connected to your pension. You can also find general news and updates about the Scheme on your member website, and in your regular newsletters.

Will there be any changes to the Scheme's investment fund options?

No. There's no need to make changes to the range of investment funds available because of the reduction in contributions. The Trustee does regularly review the fund range to make sure it remains appropriate for members' needs.

MORE INFORMATION AND TOOLS TO HELP YOUR RETIREMENT PLANNING

Planning tools

Pension Planner: use the planner to get an idea of the benefits you might get from the Scheme. See the impact of making changes to your Target Retirement Age or BRASS payment.

Log into your myRPS account, or register for one if you've not already done so, and go to 'Planning for the future', then 'Pension Planner'.

Retirement Budgeting Calculator: an easy-to-use calculator that helps you work out how much income you might need, after tax, for the lifestyle you want in retirement.

Log into your myRPS account, or register for one if you've not already done so, and go to 'Planning for the future', then 'Retirement Budgeting Calculator'.

BRASS contribution calculator: there is a limit on the amount you can contribute to BRASS over a tax year. This calculator helps you get an estimate of the maximum amount you can contribute.

Log into your myRPS account, or register for one if you've not already done so, and go to 'Planning for the future', then 'BRASS contribution calculator'.

MoneyFit: a free and simple tool that helps you understand your current financial circumstances and take practical steps to better manage your money.

Log into your myRPS account, or register for one if you've not already done so, and go to 'Planning for the future', then 'Are you MoneyFit?'