

in:sight



What does your future hold?

Good planning can make all the difference to your life after work

According to the Living Wage Foundation, the pension pot needed for a basic standard of living in retirement has risen by 60% to £110,000. Despite this, research from the Scottish Widows shows **two-fifths of people are not saving enough.**

So it's really important to plan ahead and make sure you're on target.

Take advantage of your free online planning tools, to help you get a clear picture of the life you want after work, and think about the steps you may be able to take now to make sure you get there.

Use your Retirement Budgeting Calculator

This'll help to give you an idea of how much income you may need for the lifestyle you want when you retire. It considers things like where you plan on living, your social life, and how many holidays you'd like per year. You can adjust the amounts based

on your personal spending, to give you a more accurate view of what you'll need in retirement. Try it at railwayspensions.co.uk/calculator.

Use the Retirement Living Standards (RLS) as a guideline

The RLS were created by the Pensions and Lifetime Savings Association (PLSA) and Loughborough University, to show roughly how much you'll need each year in retirement. They include 3 different standards of living: a minimum, moderate, and a comfortable lifestyle in retirement. They reflect cost-of-living prices and public priorities (since the pandemic, the public have a greater focus on spending time with friends and family, for example).

Visit retirementlivingstandards.org.uk to find out more.

Find out more ways to plan ahead inside....

What's in **your** pot?

Use your DC modeller by logging into, or registering for, your myRPS account

Once you've got a savings goal in mind, you can use your DC modeller to get an idea of what your Personal Retirement Account (PRA) could be worth when you come to retire. This depends on your chosen retirement age and is affected by any Additional Voluntary Contributions (AVCs) you may choose to make.

The DC modeller shows you the 3 options you have for taking your money when you come to retire, which are:

- taking cash
- buying an annuity, or
- taking drawdown

You can only choose one of these options as an IWDC member, and the modeller allows you to model the different scenarios available to you. If you choose to withdraw your money from the Scheme, you can choose multiple options, however you'd need to do this with another provider.

You can request an estimate

You can also request an estimate of your benefits and view your most recent Annual Benefit Statement (ABS) in your online account. If the amount isn't what you hoped, you can think about saving more by making Additional Voluntary Contributions (AVCs) - see page 4.

Register

Almost 150,000 members have registered for a free myRPS account - join them to easily manage your pension anytime, from anywhere!



Register now at:
**railwayspensions.
co.uk/register**

Chair's message

Welcome to your 2025 issue of Insight

Our aim is to help you get the very best out of your future and your pension.

The future always seems a long way off...until it's here. Thinking about the kind of lifestyle you want in retirement can help you to build a vivid picture of the life you want after work. It'll give you something tangible to aim for. Don't leave it until it's too late. Take action now and keep your savings on track.

A great way to plan for your future is to use your planning tools by logging into (or registering for) your myRPS account. If your contributions aren't on track for the life you want after work, you can make adjustments to help you achieve your goals.

Your myRPS account also lets you:

- see the current value of your pension pot
- see, switch and manage your investment funds
- ask for an estimate
- view and update nominations, and
- update your contact details.

As an IWDC member, it's important to know how your investments work, as this can affect how much your pension pot may be worth when you come to retire. You can find information about this on page 3.

You'll find articles on how you can save more (page 4), making nominations (page 5), the Spring Statement (page 6) and more.

With best wishes,
Christine Kernoghan, Trustee Chair

How your IWDC pension works

Your IWDC pension is authorised as a 'master trust', but what is a master trust, and what does it mean for you?

In 2019, changes were made to legislation to raise standards in the pensions industry. Any pension scheme operating as a master trust was required to get authorisation from The Pensions Regulator (TPR).

This involves scrutinizing a pension scheme's governance systems and processes, to ensure they meet high standards. Your IWDC Section was first authorised by TPR in 2019 and remains authorised.

Here, we talk about what a master trust is, and how it applies to you.

What is a master trust pension scheme?

Where many employers only offer a pension scheme to one employer and their employees, master trusts work differently.

A master trust is a workplace pension scheme that:

- is used by 2 or more separate employers
- provides defined contribution (or 'money purchase') benefits to members, and
- isn't a public service pension scheme

How is a master trust pension scheme managed?

Master trusts are governed by a Board of trustees. Trustees have certain legal duties and obligations to their members and must comply with The Pension Regulator's Code of Practice.

The aim of a master trust is to create 'good member outcomes' by making sure:

- the scheme is administered effectively
- members' money is protected, and
- members get good value for money

As managers of a scheme's investments, trustees must make sure the scheme is run in the interest of its members.

How does this benefit you?

It means that your pensions savings will be managed under a master trust pension framework of strict regulations and rigorous governance practices, to ensure that the money you contribute to your Scheme is managed and invested responsibly.

Your IWDC membership

As an IWDC member of the RPS, the contributions you and your employer make while you're still working go towards your pension pot, which is also known as your 'Personal Retirement Account (PRA)'.

Your contributions benefit from tax relief and are invested into funds. The aim is to build your pension pot over time. Your chosen investment funds affect how much your pot may be worth when you retire, so it's important to check or manage them regularly by logging into your myRPS account.

You can decide how your money is invested

As an IWDC member, you can:

- have your investment choices managed for you, by choosing from one of the Lifestyle strategies
- make all of the investment decisions yourself, by choosing from the range of investment funds, or
- have a mix of both

To learn more about investments, visit railwayspensions.co.uk/investment-basics.

Can I **save more** and how can I do it?

While you're still contributing to your IWDC pot, you can think about saving more if you need to. When you come to retire, this could give you more money to spend on things you enjoy and to cover your bills.

You may want to save more if:

- you're thinking about taking your pension pot early
- you have extra earnings, such as overtime or bonuses, that aren't part of your Pensionable Pay. You can find more information about your Pensionable Pay in your Key Features leaflet, when you log into, or register for, your myRPS account
- you can afford to pay more into your pot, as it's a tax-efficient way to save
- you want to save more towards your retirement

Register for a **free member webinar**

Get to know your rail pension better with our upcoming webinar for IWDC Section members.

Whether you're new to the Scheme or you've been a member for some time, it pays to get to know your pension better so you can plan ahead with confidence.

What we'll cover

Our 'Get to know your RPS pension' webinar can help you understand the fundamentals of the Railways Pension Scheme (RPS), and the range of valuable benefits in saving for the future with the RPS.

You can save more with AVCs

You can save more into your IWDC pot by making Additional Voluntary Contributions (AVCs). These are extra payments that are added to your pot on top of the contributions you and your employer pay in.

Here's how it works...

- You can make AVCs regularly, or as one-off payments.
- You decide how much you want to pay in with AVCs. You can change or stop these payments at any time.
- AVCs are taken from your pay before tax, subject to certain limits.
- If you earn extra money, like overtime and bonuses, that are not part of your Pensionable Pay, you can use that money as AVCs and boost your pot further.

You can start making AVCs by...

Speaking to your employer, who'll start the process for you.

The webinar will also cover:

- who contributes to your pension and how
- topping up your pension and tax limits
- the options for taking your pension

When and how to join us

The webinar will take place on **Wednesday, 4 June** via Microsoft Teams.

To book, please visit railwayspensions.co.uk/knowledge-hub/help-and-support/pension-webinars, or scan the QR code and complete the registration form.



Once you've filled in your details, you'll receive a confirmation email with the webinar joining link.

We'll be running more sessions later this year. Keep an eye on your member website for more details.

Market and fund performance

Annual update on your investment choices

Over 2024, the returns from global equities from the Global Equity Fund and Socially Responsible Equity Fund were really strong and in double-digits.

The Long Term Growth Fund - which is the main fund the Lifestyle strategies invest in initially - aims to generate returns of 4% per annum above CPI inflation over the longer term. To do this, it invests in a diverse mix of mainly growth-focused assets, including equities, bonds, property and other diversifying assets.

The asset allocation of the Long Term Growth Fund is flexible. It will vary due to changing market conditions. This helps ride out short-term fluctuations in individual asset class performance. In 2024, the Fund returned 7.4%, which was ahead of the CPI+4% per annum comparator return. This was mainly due to strong equity performance.

Returns for the 3 bond funds were mixed over the year. The Corporate Bond Fund returned 3.0%, the UK Government Fixed-Interest Bond Fund returned -0.8% and the UK Government Index-Linked Bond Fund returned -17.8%.

Members in a Lifestyle strategy with 10 years or less until their target retirement age (TRA) will have some investments in the Corporate Bond Fund and the UK Government Fixed-Interest Bond Fund, alongside investments in the Long Term Growth Fund. The split between these funds depends on the time left until your TRA. The Deposit Fund's return was 5.1% over 2024.

Check your investments regularly to make sure they still work for you, as this affects how much your pension pot may be worth when you come to retire. You can do this by registering for, or logging into your myRPS account.

Take care of your loved ones - nominate today

A lump sum could be paid to your nominees if you die within 5 years of taking your pension, so it's important that they're kept up to date.

Why nominate?

Your pension isn't covered by your will. Nominating beneficiaries lets the Trustee know who you'd like your lump sum to go to if you die.

You can nominate...

- a person or several people
- a charity or several charities, or
- any other organisations you care about

The Trustee doesn't have to follow your nomination, but it's an important piece of information they'll consider. It can make the process quicker and may prevent delays in any lump sum being paid, which can have tax implications. The lump sum is separate to any pensions that may also be paid to your dependants.

You can make a nomination by...

- 1 Logging into your myRPS account and going to 'My Nominations' under the 'My Pension' section
- 2 Adding the details of your nominees, choosing the percentages you'd like each nominee to receive
- 3 Checking that they add up to 100%, then clicking 'Submit'

You should check your nominations regularly to make sure they still reflect your wishes, particularly if you have a change in circumstances, such as the death of a loved one, birth of a child or separation from your partner.

Celebrating the 200th anniversary of the modern railway

The original 26-mile journey on the Stockton and Darlington Railway took place on 27 September 1825.

Throughout 2025, activities and events are being planned to celebrate important railway history, the role of the railway today and how rail can contribute to a sustainable future.

In 2022/23, the UK railway carried 1.4 billion passengers on 9,864 miles of route between 2,578 stations. Over 15.7 billion tonnes of freight have also been transported by the UK railway.

This meant that 6.4 million lorries didn't have to transport freight across congested roads. There are also 211 heritage railways, covering 600 miles across beautiful scenery and served by 460 stations.

They provide days out for 13 million people a year, with 22,000 volunteers and 4,000 staff.

Railway 200

As part of Railway 200, 3 councils, Darlington, Stockton-on Tees and Tees Valley Combined Authority and Durham, together with local, national and international partners, will deliver a 9-month festival of events and projects throughout 2025.

Railpen, your pension administrator, will also be celebrating Railway 200 to honour the past, present and future of rail.

As part of Railway 200, 4 themes will be explored:

- Skills and Education
- Innovation, Technology and Environment
- Heritage, Culture and Tourism
- Celebrating Railway People

To see the full programme of events, visit sdr200.co.uk.

No major pension changes announced in the Spring Statement

Chancellor of the Exchequer, Rachel Reeves, delivered the Spring Statement on 26 March 2025. There were no major updates on pension policy or tax rules.

Many had expected updates on:

- Defined Benefit (DB) scheme surplus rules
- The next phase of the Pension Investment Review
- The State Pension underpayment review

These were not addressed. However, the Chancellor said the government is focused on growing the economy by reforming pensions, creating a National Wealth Fund, and cutting red tape.

The pension 'triple lock' is a rule that increases the UK State Pension each year by the highest

of either inflation, average earnings growth, or 2.5%. Some pensions industry commentators have warned that freezing the tax-free personal allowance until 2028 - announced in the Autumn Budget 2024 - may mean some people have to pay income tax on their State Pension.

The government is expected to publish the first draft of the Pension Schemes Bill soon. It aims to improve how pension schemes operate.

To keep up to date with news about your pension, check the News page of your member website at railwayspensions.co.uk/news-updates.



Getting ready to take your pension pot?

You may be close to taking your hard-earned pension savings. But how do you know what's going to work best for you, and your circumstances?

Learn the different options you have for taking your pension, as this may impact your choice of investment fund.

How can I take my pension?

There are 3 main ways you can take your pension pot, which include:

- getting a flexible income, where you take a bit at a time from the Scheme, known as **drawdown**
- getting a regular, secure income, known as an **annuity**
- taking all of the money in your IWDC pension pot as a cash lump sum, known as **total encashment**

Is there a maximum lump sum I can take, tax-free?

Normally, you can take up to 25% of your pot as a tax-free lump sum, but no more than £268,275 unless you have a higher protected amount. You can then choose one or a mixture of the above options for the remaining value of your pension pot. You do not have to take a tax-free lump sum if you don't want to. You can learn more about

this by visiting the 'IWDC Members' section of your member website.

If I've already chosen my Target Retirement Age (TRA), can I take my pension later if I want to?

You can change your TRA at any time and delay taking your pension pot up to age 75, if you like. But, within 10 years of your TRA, your investments get switched to lower risk funds to retain, rather than grow, their value, so it's important to keep this in mind if you're thinking of delaying your retirement. You can always adjust your investment funds to higher risk funds if you want to keep working for longer.

Where can I go for advice if I'm unsure on how best to take my pension?

You may want to speak to an Independent Financial Adviser (IFA). Liverpool Victoria (LV) has been chosen as the official partner to give Scheme members access to financial advice. LV can be contacted on **0800 023 4187**. You are still free to choose your own adviser if you'd prefer. You can find an IFA in your area at **unbiased.co.uk**.



Prepare for Pensions Dashboards...

...a government initiative that'll allow people to access all of their pensions information securely online, in one place.

Dashboards will give people free, clear details about all of their pensions, including the State Pension. They're seen as a big step forward in helping pension scheme members understand the benefits they've built up and helping you track down old pension pots.

The date for launching Pensions Dashboards hasn't been confirmed to the public yet. But the RPS is well under way with its plans to be ready for the launch.

It's really important that your member details are up to date, or they won't match with the Dashboards correctly.

Here's what you can do

Log into your myRPS account and check that the personal details we hold for you are still correct.

You can find these in the 'Membership details' area of your myRPS account. If your address isn't correct, you can update it. If any of the other information we hold for you isn't correct, you can let us know by emailing csu@railpen.com.

We'll let you know when there's an update. You can learn more about Pensions Dashboards at pensionsdashboardsprogramme.org.uk.

Keep your pension safe!

£17.7 million was lost to pension fraud in recent years, with an average loss of £46,959 per person.

The figures released by Action Fraud in October last year reveal that there were 559 reports of pension fraud in 2024 alone.

A **new video**, released by The Pensions Regulator, shows the devastating impact of falling victim to pension fraud. It tells the story of 60-year-old nurse, Pauline, who was scammed out of £45k worth of hard-earned retirement savings.



Watch the video at youtube.com/watch?v=jTHmLTC553s.

Know the red flags to look out for

It's vital you know what red flags to look out for so you can recognise potential threats and keep your retirement income safe.

The most common warning signs are:

- unexpected contact - we'll never contact you out of the blue about your pension
- promises of high or guaranteed returns - if they sound too good to be true, they probably are
- free pension reviews - check who you're dealing with
- access to your pension before age 55 - don't fall for offers of early access to your pension
- pressure to act quickly - never feel rushed into making a decision

If you recognise any of the above signs, report it to Action Fraud at actionfraud.police.uk.

Sustainable Ownership and the member survey results

Sustainable Ownership (SO) is our approach to incorporating sustainability issues, like climate change or executive pay, into the investments Railpen manages on your behalf.



You and your employer pay contributions while you're an active member of the railways pension schemes. These contributions are then invested in different ways, including in companies and brands you may well be familiar with. We do this to achieve the investment returns needed to give you and other members an income in retirement.

We believe it's sensible to invest these contributions in companies that are well run, and try to address all the risks and opportunities related to how their business works. These risks and opportunities include environmental, social and governance (ESG) issues. These could be things like climate change, such as the impact of extreme weather events on food production, or it could be a company's approach to the health and safety of its workers.

We think investing like this is the best way to protect and increase the value of your savings, giving you a good retirement outcome. Even before you receive your pension, the way we invest and manage contributions plays a major part in supporting a more sustainable future for us all.

The Sustainable Ownership (SO) member survey

In November and December 2024, nearly 700 randomly selected members paying into the railways pension schemes took part in the survey.

The respondents - of different backgrounds, ages, jobs and with different levels of investment knowledge - answered our questions and shared their views on the way we invest their pension.

Here is a snapshot of what you told us:

- **many of you are familiar with our work**
49% were familiar with the term "Sustainable Ownership".
- **you want us to continue to influence for positive change** **66%** think it's extremely or quite important that we try to influence law and regulations to ensure companies do better on environmental, social and governance (ESG) issues.
- **you prioritise 'social' issues** **38%** said 'social' issues were their top area of concern, followed by **34%** on 'governance' and **27%** on 'environmental'.
- **we need to communicate to you more, or to find more ways to get to you** **75%** haven't come across any of our Sustainable Ownership papers.

You can read the full survey results in the Sustainable Ownership (SO) Member Viewpoint Report at railwayspensions.co.uk/sustainable-ownership.



Interview with your Trustee Chair, Christine Kernoghan

We speak to Christine Kernoghan about the role she plays in overseeing the IWDC, what she enjoys and what she's learned after a long career in the railway industry.

You've spent 40 years in the rail industry. Can you tell us a bit about your experience?

It's been a huge privilege to be a part of an industry that is so vital to so many people across the country. The railways have constantly evolved and transformed over the last 40 years which has provided me with numerous opportunities to try new things, grow my skills and eventually lead on key changes within the industry.

I have worked with so many good people at all levels who make the railway work, sometimes in the hardest of circumstances. The commitment, resilience and dedication of rail staff never ceases to amaze me and is a big reason why I stayed in the industry for so long. I have been very fortunate that so many people have helped me progress to where I am, and I must thank them for that.

I have lots of favourite memories that are as diverse as the roles I have had - from clearing snow off the platforms, providing customer service at Waterloo during disruption, to planning and delivering new payroll and pension systems. I particularly enjoyed mentoring and developing people, a number who have gone on to thrive in the industry.

Ultimately, my best memories all involve successes that have come from teamwork with the countless people I have worked with over the time.

What interested you in becoming Chair of the Trustee?

Good pension provision is essential for financial security and dignity in later life and it fills me with purpose. I have a good understanding of pensions from the member and employer point of view, which is critical to my role. I felt I could bring the skills and experience built up during my career to the Trustee Board and Railpen (the Scheme's administrator) to develop the long-term strategic direction, and to improve the service for members.

Trustees represent the voices of our current and future members. This is vital during times of potential government policy change where we champion good pension provision as imperative not only to the members, but to the economy and society.

It's a fascinating time in rail as the government considers its plans for renationalisation. As the industry's pensions expert, the Trustee and Railpen stand ready to support this work.

What do you enjoy most about your role?

We can make a real difference to people's lives in the future by managing the Scheme well. I enjoy working with the team of Trustees and the Railpen team, supported by our advisers, to deliver the best possible outcomes for members.

What do the Trustee do to help members of the railways pension schemes?

The Trustee oversees the running of the Scheme. We keep our promises, make sure funds are there to pay benefits, ensure it's governed well and help to protect benefits from fraud.

All trustees are incredibly passionate about supporting members to make the best decisions to meet their future needs.

When it comes to your pension, is there anything you learned the hard way, that you wish you'd known sooner?

I was lucky because I became aware of my pension very early in my career, and the benefit of saving

extra money into BRASS (the Scheme's AVC fund for Defined Benefit members).

As my grandparents lived long lives but didn't have good pension options, this made me really passionate about good pension provision and conscious of the need to save for a pension from the start. The railway made this easy for me.

What do you enjoy doing in your spare time?

I enjoy walking, gardening, reading, baking, seeing family and travelling. For many years, I've volunteered and have been a leader in Guiding for 12 years. I still occasionally help out with events and camps.

What are you looking forward to when you retire?

I seem to be blessed with good health, and look after myself well. To me, retirement is just another phase of my life. I have many things I'd still like to do. I like my garden and growing food so will continue that but will fit it around other activities like travelling and volunteering.

What tips can you share from your retirement planning journey?

It's never too late to start looking after your health, financially and physically, as this will pay off in the future. If you're able to get off and walk the last stop to your destination, or walk upstairs instead of using the lift, go for it. If you can afford it, think about saving more into Additional Voluntary Contributions.

At least 10 years before you retire, I'd suggest doing some financial planning, using all the helpful tools on the website, really thinking about what you'll need in retirement and what you'll be able to afford.

Will you be able or want to stop working altogether? It's important to actively manage your transition from working to retiring, especially if you've worked full time. Discuss it with friends and family and think carefully about what you'll do with your time if you stop working.

Share your opinion for the chance of winning £150 of shopping vouchers!



Do you have something to say about your pension? Have your voice heard by joining our online feedback group, Platform.

We ask Platform members for their opinions on new ideas we're working on, and what they'd like to see more of. Their opinions then shape the way we communicate to other members.

As a thank you for joining Platform, you'll be entered into a prize draw to win £150 worth of shopping vouchers at the end of 2025!

More than 500 of your fellow Scheme members are already signed up. Don't miss out!

Join in the conversation at
railwayspensions.co.uk/platform.

Get in touch...

You can find more information about your pension at railwayspensions.co.uk and in your secure myRPS account. If you can't find the answers you need, please email us at csu@railpen.com and we'll be happy to help.

If you need to speak to us more urgently, you can also call the Helpline on **0800 012 1117** (Mon-Fri, 8am-5pm).

Help us improve Insight

If you found this newsletter helpful, or if you have any suggestions on how we could improve it, please complete our short survey at surveymonkey.com/r/DCInsight2025.

You can also use your phone camera or QR code app to scan this code. Thank you.



Subscribe to our YouTube channel [@RailwaysPensionScheme](https://www.youtube.com/RailwaysPensionScheme)

Our short videos explain how your RPS pension works in a clear and simple way.

We also share our top tips to help you get the best retirement outcome at [youtube.com/@railwayspensionscheme](https://www.youtube.com/@railwayspensionscheme).



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