

in:sight



Check your details today!

The government is working with regulators and the pension industry to create an online tool that will let you see all your pensions securely, in one place. This is known as Pensions Dashboards.

Dashboards will give you clear information about all your pension savings, including your State Pension and RPS pension. It will also help reconnect you with old pension pots, including any you may have otherwise forgotten.

You can find out more at pensionsdashboardsprogramme.org.uk.

The date for launching pensions dashboards to the public is still to be confirmed.

It's essential that your member details are up to date, otherwise they might not match with the pensions dashboards correctly.

Here's what you need to do...

Dashboards will use 3 key identifiers to match our records:

- 1 Surname
- 2 Date of birth
- 3 National Insurance number

Please check these details are correct in the 'membership details' section of your myRPS account today. This will help make sure your dashboard is accurate when it's ready to launch.

If your information isn't correct, please let us know by emailing csu@railpen.com.

To make changes, you will need to include evidence of the correct information, otherwise we will not be able to make any changes to your records. Evidence could be a scanned copy or photograph of your:

- Marriage certificate
- Birth certificate
- National Insurance card, payslip or P60

If you don't currently have a myRPS account you can find out how to register on page 2.

More information on pensions dashboards

Once launched, pensions dashboards will give you a more complete picture of your unclaimed pension entitlement and make it easier for you to plan for life after work.

To help that even further, we're working on moving more of your RPS pension paperwork and processes online too. Make sure you're ready for those changes by registering for a myRPS account if you haven't already.

We'll keep you updated as both the pensions dashboards and our online projects progress, so keep an eye on railwayspensions.co.uk and in future newsletters for more.

Registering for your myRPS account

Visit railwayspensions.co.uk/register and follow these 4 simple steps:

1 Fill in your details, including your:

- pension reference number – you can find this on the message enclosed with this newsletter
- National Insurance number
- date of birth
- personal email address

2 Set up your security details by:

- creating a password
- choosing a security question from a small list of options

Tick the box to confirm you have read the terms and conditions and select 'register now'.

3 Verify your account by following the link sent to your personal email address

4 Log in to myRPS and create a piece of memorable information. You should then see your myRPS dashboard.

Chair's message...

A warm welcome to your Insight newsletter 2023

I'm delighted to greet you for the first time as the Chair of the Trustee.

I've worked in railways for nearly 40 years and have over 20 years' experience in the railways pension schemes as a financial services and pension leader, an employee and a member. This gives me an invaluable insight into your working lives and priorities to help you get the best retirement outcome. You can learn more about my role and experience on your member website railwayspensions.co.uk/thetrustee.

As a member of the Industry-Wide Defined Contribution (IWDC) Section of the RPS, your interests are looked after by the Trustee. The Trustee is made up of 16 employer and member representatives, chaired by me.

On page 7, you'll find out what a day in the life of a Trustee Director looks like. Mark Engelbretson has given an insight to the day-to-day responsibilities of the Trustee and shared the most exciting aspects of his role. Mark has also offered some excellent advice to anyone who may see themselves becoming a member of the Trustee.

Registering online is the easiest way to manage your pension and update your details ready for the launch of pensions dashboards. It only takes a few minutes to sign up, and you'll have 24/7 access to a range of excellent resources, tools and documents.

If you'd like to share your thoughts on this newsletter, please fill out our short survey. You'll find the details on the back page.

With best wishes,

Christine Kernoghan,
Trustee Chair



How it works: Your IWDC pot

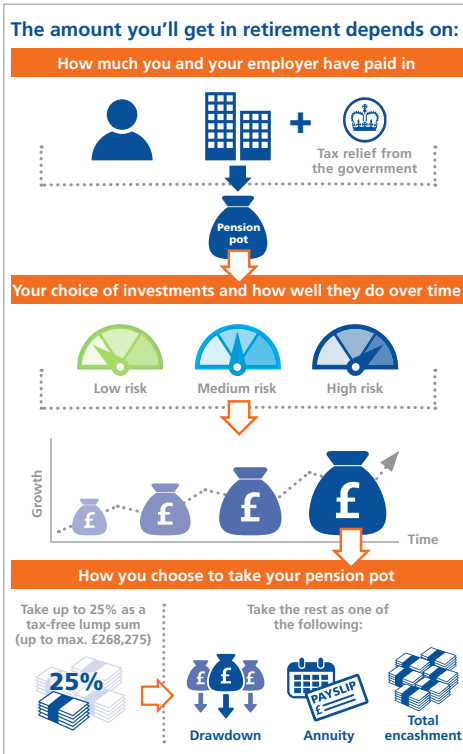
It's important you know how your IWDC pot works to get the most out of your membership.

How does it work?

While you're working, you and your employer both pay in to your pension pot, also known as your Personal Retirement Account (PRA).

Your contributions are taken before tax, so you get tax relief on the money you pay in (up to certain limits).

Your money is invested into funds with the aim of helping its value grow over time. You can have a say in these investments, see page 4 for details.



What are the benefits of my membership?

As well as getting tax relief on your contributions and choosing how to invest your money, you can also save more by paying Additional Voluntary Contributions (AVCs). AVCs are simply added to your total pot.

Your loved ones might also be entitled to a lump sum if you die before taking your pension. Learn more about the benefits of your membership in your myRPS account.

What happens when I decide to take my pot?

When you're ready to take the money in your pot, there are a number of options available. You can:

- get a regular, secure income, known as an annuity
- take it all as a cash lump sum (any amount above 25% of your pot is taxable)
- get a flexible income, taking a bit at a time, known as drawdown

Under current tax rules, you can normally take up to 25% (but no more than £268,275) of your pot as a tax-free lump sum, and choose one, or a combination of these options for the remaining amount of your pension pot.

The RPS doesn't currently offer an annuity or drawdown option directly, so to access these you would need to transfer your pot to another provider. The Trustee has chosen Legal and General Investment Management (LGIM) to offer access to a drawdown facility.

You can read about each of these options in detail at railwayspensions.co.uk

For more information about IWDC visit railwayspensions.co.uk. Members told us in a recent survey that:

- the website is easy to use
- they would recommend our service to a colleague
- we keep members informed with clear information
- we do the right thing for members

How investment choice might affect your future

You can decide how the money you pay into your pot is invested.

How these different investments perform determines how much money is in your pot and whether its value goes up, or down. So, it's important to check your investments regularly to see if they're still right for you by logging into your myRPS account.

What are my investment options?

The first choice you need to make is how hands-on you want to be.

Do you want to:

- Have your investment choices managed for you? We call this a Lifestyle strategy.
- Make all of the investment decisions yourself, choosing from the range of investment funds on offer?
- Have a mix of both?

If you can't decide, you'll automatically be invested in a Lifestyle strategy by default.

Understanding my fund choices

Lifestyle strategies build your pension pot while you're working, and reduce the risk of a fall in value as you near retirement. They do this by automatically moving your investments from higher risk into lower risk funds in the 10 years leading up to your Target Retirement Age (TRA).

This won't happen if you choose to manage your investments yourself. That means it's up to you to decide if and when you need to move them, and to make the investment fund switch yourself.

No investment is 100% safe, and the appropriateness of the strategy you choose may change depending on your circumstances or world events. That's why it's important to check them regularly in your myRPS account.

The RPS offers 3 Lifestyle strategies. Or, if you'd prefer to manage your investments yourself, there are 7 investment funds to choose from. You can learn more about these at:

railwayspensions.co.uk/iwdc-investments.

How can I check and change my investments?

It's easy to manage your choice of investment funds with a myRPS account. Log in and go to 'My pension' and the 'Funds' page.

You can switch the funds you're currently invested in and those that will be used for future contributions. You can also check your investments online, any time.

Use the Retirement Modeller to see how switching your funds may affect your pot. Learn more about this on pages 8 and 9.

Where can I go for advice?

Choosing how to invest your pot is a big decision, so it's strongly recommended you speak to an Independent Financial Adviser (IFA).

Railpen has chosen Liverpool Victoria (LV) to provide advice to all RPS members. Call **0800 023 4187** to speak to the dedicated team.

You can also choose your own IFA at unbiased.co.uk.

Make sure to read all of the information, before you make a decision, at railwayspensions.co.uk

Follow us on Twitter

We regularly share top tips on Twitter, along with other helpful information and guidance to help you get the most out of your pension pot.

[@RPSPensions](https://twitter.com/RPSPensions)



Pension news from the Spring Budget 2023

On 15 March the Chancellor of the Exchequer, Jeremy Hunt, delivered the government's Spring Budget for 2023. The pensions related announcements are listed below.

■ Lifetime Allowance (LTA)

The LTA will be abolished entirely from April 2024, and the LTA charge is removed from 6 April 2023. The LTA is the maximum amount of pension savings you can build up over your lifetime before you pay extra tax.

■ Annual Allowance (AA)

The AA is increased from £40,000 to £60,000 from 6 April 2023. The AA is the limit on the amount of your pension savings that can benefit from tax relief each year.

■ Money Purchase Annual Allowance (MPAA)

The MPAA is increased from £4,000 to £10,000 from 6 April 2023. It only impacts members who have flexibly accessed their benefits in a defined contribution (DC) arrangement, and keep paying into their pension pot.

■ Tapered Annual Allowance (TAA)

The TAA impacts those on the highest incomes. It reduces the AA by £1 for every £2 over the 'adjusted income'. From 6 April 2023, the adjusted income is increased from £240,000 to £260,000. The Minimum Tapered Annual Allowance (MTAA) is increased from £4,000 to £10,000.

■ Tax-free lump sum:

The maximum tax-free lump sum, for those without any existing protections, is restricted to £268,275 (25% of the current Lifetime Allowance).

■ Midlife MOT

The government will expand and improve the midlife MOT tool. The midlife MOT is a review for workers in their 40s and 50s that helps them take stock of their finances, skills and health, and help them prepare for their retirement.

Market update

Despite heightened volatility in the markets over the past year, the longer-term outlook for the IWDC Section remains healthy.

Global stock markets experienced poor performance in 2022. The Section's growth assets (investments that seek to generate higher returns) are spread across many different types of investment, most of which fared better than stock markets. This, along with the fact that many of these investments are connected to foreign currencies that rose in value compared to British Pound Sterling (GBP), helped shield these growth assets from significant falls.

Looking to the future, we are shaping the investments you can choose, with long-term horizons in mind. This will further help to ride out short-term fluctuations in the market and

provide good returns over the long-term.

As an IWDC member, it's important that you regularly consider your fund choices and your investment timeframes until your retirement date.

The Trustee, supported by Railpen, makes thoughtful, long-term decisions about scheme investments, and remains focused on achieving the best outcomes for members.

By John Greaves
*Head of Investment Strategy
and Research, Railpen*





Sustainable ownership: Voting for positive change

Voting is used by the people who invest your pension to help achieve the investment returns needed so you have enough to live on when your working days are over.

Your pension is invested in a mix of businesses in different industries and countries. When Railpen decides to invest in a company, it can influence positive change by voting at companies' Annual General Meetings (AGMs).

Caroline Escott, Senior Investment Manager at Railpen, oversees Railpen's voting activities and is a co-author of the 2023 Global Voting Policy. We asked Caroline how voting in the world of pensions works and why it's important for your retirement outcome.

How do you decide how to vote at a company's AGM?

Railpen invests in thousands of companies on your behalf. We vote at thousands of company AGMs each year – most take place between March and July. At each company AGM, investors can vote on between 10 and 30 'AGM resolutions'. It's one of our busiest – but also most exciting! – times of year.

Throughout the year, we meet with our largest companies, as well as those where we have concerns around specific ESG (environmental, social and governance) issues, to understand their approach and try to improve their behaviour with sustainable financial performance in mind. We

call this "engagement". When we vote at these companies' AGMs, we consider their progress and our discussions and vote accordingly.

Can you share a success story of using Railpen's right to vote?

We engaged with a large non-UK financial services company around its board composition, including the need for a cognitively diverse group of directors who have the right skills, expertise and availability to provide effective oversight. One of the directors put forward for appointment at the 2022 AGM sat on so many boards and other committees that we felt they would be unable to fully contribute to the oversight of such a complex company. We flagged this issue to the company, noting that we were likely to vote against the director's appointment unless steps were taken to ensure they could commit enough time.

In response, the company announced the director would step down from some of their other commitments. We welcomed this, and were able to vote in favour of the appointment, but continue to engage with the company to understand how the new director is settling in.

Learn more about shareholder voting at **Railpen.com** and on the Blog at **railwayspensions.co.uk**.

A day in the life of a **Trustee Director**



Meet Mark Engelbretson, Head of Pensions at Network Rail.

Mark is one of 16 Trustee Directors, who sit on the Board and help to look after your interests as a member of the railways pensions schemes. He brings a wealth of experience to this role, thanks to a career that extends over 28 years.

We asked Mark about being a Trustee Director and the advice he would give to anyone thinking about taking on a similar role.

Q. What does a typical day look like?

A. Being a Trustee Director involves a lot of reading and keeping informed on matters relating to the running of schemes: whether that's in Board papers, Committee papers, emails or advisory updates. I attend meetings and ensure I contribute to the best of my ability to get the right outcomes for our members.

Q. What do you enjoy most in your role?

A. I love to help members understand the complex world of pensions: to give them that lightbulb moment when they understand what it all means and why it's so important.

The role is really varied: from talking to members about their pensions in Wiltshire, attending investment meetings in London,

discussing an individual's ill-health benefits, to keeping informed on legislative changes via a virtual meeting.

Q. What would you say to someone who is thinking about becoming a Trustee Director in future?

A. Being a Trustee Director is a great development opportunity for individuals from all types of backgrounds. Don't dismiss the opportunity because you're concerned you don't 'get it' all straight away. Part of being a Trustee Director is continually learning and there's so much support on hand.

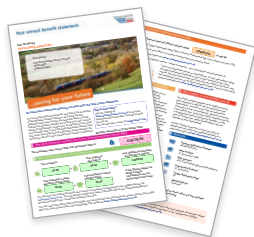
I'd say that being a Trustee Director requires about 70-80 days of my time each year. It's a big commitment but do I have any regrets? No, I absolutely love it!

Do you see yourself as a Trustee Director? Speak to your Employer Representatives for more information.

You can learn more about the role and responsibilities of the Trustee at railwayspensions.co.uk/thetrustee.

Your new-look **annual benefit statements**

Your annual benefit statement can help you keep on top of your retirement planning.



It tells you how much money you have in your pot, and how much you could have when you retire. If you're still paying into the Scheme, you might use it to think about how you could save more.

This year it's been improved with a new design that lets you see the most important figures more clearly and meets new legal requirements.

Your annual benefit statement arrives around the month of your birthday, so keep an eye out for your revamped statement arriving in the post and via your myRPS account.

Under the spotlight: The DC Retirement Modeller

Not sure what your pot might be worth when you retire?



Use the step-by-step guide to the DC Retirement Modeller (p.9) to shine a light on your pension pot, no matter where you are in your retirement journey.

What does it do?

The Retirement Modeller shows what your pension pot might be worth when the time comes for you to retire, and the options you have for how you could take your money.

You can model a variety of scenarios to see what difference it would make to your pension pot if you were to retire earlier or later than your Target Retirement Age (TRA), or if you paid in more.

How does it work?

The Retirement Modeller uses the following to calculate your estimated total account:

- Your age
- Your salary
- Your current pension pot balance
- Target Retirement Age (TRA)
- Your normal contributions
- Any Additional Voluntary Contributions (AVCs)
- The investments you have, and the level of risk

What can I do with the results?

You could print the 'Summary' screen and use it for your own planning, or take it to an Independent Financial Adviser (IFA).

To plan for your future you could:

- ✓ Look at the Retirement Living Standards (RLS) from the Pensions and Lifetime Savings Association (PLSA) and use the Retirement Budgeting Calculator at railwayspensions.co.uk to see what your retirement lifestyle might cost. Remember, the RLS and Calculator figures are based on income after tax, whereas the Retirement Modeller provides pre-tax amounts.

- ✓ Save more with Additional Voluntary Contributions (AVCs)

- ✓ Make changes to your fund choices

- ✓ Adjust your Target Retirement Age (TRA)

When you think about your retirement lifestyle, don't forget to add any additional costs such as hobbies, mortgage payments and bills.

Where can I find it?

Try the Retirement Modeller for yourself any time, by logging into your myRPS account at railwayspensions.co.uk.

Go to your dashboard and the '**Planning for my future**' area. You'll find the DC Retirement Modeller in the drop-down list.

The RPS doesn't currently offer an annuity or drawdown option directly, so to access these you would need to transfer your pot to another provider. Learn more about your retirement options at railwayspensions.co.uk/taking-my-benefits

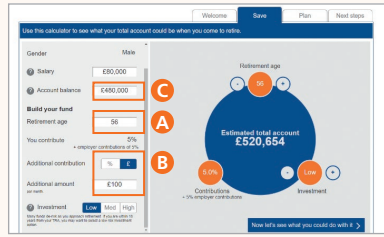
Step-by-step guide to using the Retirement Modeller

The Retirement Modeller is really simple to use. But if you want some extra help, you can find a short video on how to use it on our YouTube channel @railwayspensionscheme

STEP 1: How much might you save

Open the Modeller, and press 'Continue' to start.

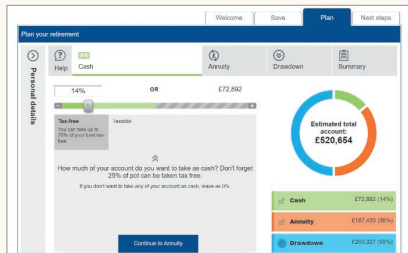
- A. Try changing your retirement age, or
- B. Adjust your contributions to see how this could affect your estimated total account.
- C. You can also add any other income or pensions you have to your 'account balance' to get the most accurate result.



STEP 2: What you can do with your money

See how you might take your pension pot and make adjustments as you see fit.

Cash: Select how much of your money you'd like to take as cash. You can take 25% (but no more than £268,275) of your pot tax-free.



Annuity: This is a fixed, regular income you can buy using your money from your pot.

You can change the amount you want to take and how often you take it. If you don't want to take an annuity, leave the value as zero. Your changes will be shown in your estimated total account.

Drawdown: If you want a flexible income, drawdown lets you take a bit at a time.

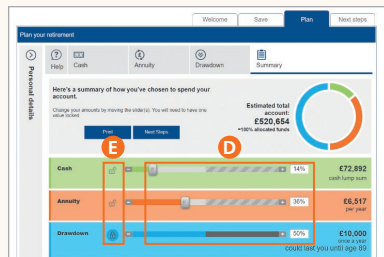
The Drawdown screen uses the money left over after any you've chosen to take as cash or an annuity have been deducted. You can make changes on the next screen.

STEP 3: Summary

The summary shows how you've chosen to spend your money as cash, annuity and drawdown. It's possible to mix your options, but most people choose either annuity or drawdown.

To see how each option works out separately, simply model one at a time.

- D. You can change the amounts by using the sliders, or adjust the percentages.
- E. If you want to stop any of the sliders from moving, click the padlock. This will lock it in place while you make other changes.



NOTE: The figures shown in the pictures are for illustrative purposes only and are not your own savings.

Do you know what you'll need in retirement?

The Pensions and Lifetime Savings Association (PLSA) has updated its Retirement Living Standards (RLS).

The RLS are a guide to help you picture your retirement and what it may cost. They have been updated with the recent increased costs of living.

Research from the PLSA shows 77% of savers don't know how much they'll need in retirement.* Don't be one of them!

Picture your retirement

The RLS show what retirement might look like at 3 different levels of income after tax, and the lifestyle which might be affordable.

You could think about which level you'd like to aim for and use this as a target. As a general rule they suggest:

	MINIMUM	MODERATE	COMFORTABLE
Single	£12,800 a year	£23,300 a year	£37,300 a year
Couple	£19,900 a year	£34,000 a year	£54,500 a year
What standard of living could you have?	Your basic day-to-day needs, with a little money left over for fun	More financial security and flexibility, in your day-to-day needs and extras e.g the opportunity for one foreign holiday a year	Financial freedom in your day-to-day needs, plus a few luxuries on top

Find an idea of what you might need based on your personal circumstances with the Retirement Budgeting Calculator at railwayspensions.co.uk.

How to see if your savings are on track

To see if you're on track, log in to your myRPS account and check the value of your pot against your target. You should log in regularly to make sure your pot is on track to reach your goal.

Start by thinking about:

- Your costs when you retire, including any hobbies and other payments
- How you might fund these costs
- Whether your pension pot will cover these costs
- What you can do if the numbers don't add up

What to do if the numbers don't add up

You could try the MoneyFit tool to help you manage your money, and possibly free up more to pay into your pension pot, see page 12 for more details.

If you can afford to, you could increase your savings with Additional Voluntary Contributions. Find more details in your Scheme booklet 'A guide for members', and on the insert included with this newsletter.

If your investments are managed for you, you'll likely be invested in a Lifestyle Strategy and have chosen a Target Retirement Age (TRA). To help stretch your savings, you might log into your myRPS account to change your TRA.

Before you make changes, use the Retirement Modeller to see how they could affect your estimated total account.

For more information on how to manage your pension pot, visit MoneyHelper.org.uk.

*Find full details at retirementlivingstandards.org.uk.

We've launched a YouTube channel!

Subscribe to our YouTube channel for helpful videos on key pension topics such as tax, retirement options and how to use your member website.

Don't miss out! Go to [YouTube.com/@railwayspensionscheme](https://www.youtube.com/@railwayspensionscheme) to subscribe.

Pensions made plain

Tax and pension savings can seem like a difficult maze to navigate, and the official names for the pension tax limits might make you feel even more lost.

So, here's a simple guide to the basics.

Tax limits and allowances

You can save as much money as you want with a pension, but there's a limit on the amount which gets tax relief each year. You may trigger charges if you go over the limits.

The limits are set by the government and may change at the start of each financial year, in April. You can check the limits at [Gov.uk](https://www.gov.uk).

As a member of the IWDC Section, the main tax allowance which may impact you is the Annual Allowance (AA), but there are others which could also affect you.

Annual Allowance (AA)

The AA is the limit on your pension savings in a single tax year before you may need to pay a tax charge.

The most that you can save tax-free towards all your pension arrangements in a year (currently) is the lower of 100% of your earnings, or the amount the AA is set at for that tax year. For the 2023/24 tax year, the AA amount has been increased to £60,000 following the 2023 Spring Budget.

Money Purchase Annual Allowance (MPAA)

You may also be affected by the MPAA if you start to take money from your defined contribution (DC) pot. The MPAA has now increased to £10,000 following the 2023 Spring Budget.

Tapered Annual Allowance (TAA)

The TAA applies to high earners and is a lower Annual Allowance. This allowance works on a sliding scale, and if your income is over £200,000 it may affect you.

Lifetime Allowance (LTA)

The LTA has usually applied to high earners only. This was the limit on your pension savings throughout your lifetime before you need to pay a tax charge. The LTA had been frozen at £1,073,100 for several years, and it was announced at the 2023 Spring Budget that the LTA would be scrapped altogether.

See more details in the Read as you Need guides and video library at railwayspensions.co.uk.

Stay alert to pension scams!

The Financial Conduct Authority (FCA) has raised concerns that the cost of living crisis could make you more vulnerable to scams.



Beware of:

- Unexpected contact, calls or emails offering a 'free pension review'
- Unsolicited calls from IFAs who try to start a discussion about a transfer
- Promises of 'investment deals' and 'early access' to your pension before age 55
- Pressure when making a decision, particularly a time limit on a 'great' deal

Use the FCA's online register to confirm the person you're speaking to is regulated. Visit fca.org.uk/register or call **0800 111 6768**.

Make sure to read all of the information at railwayspensions.co.uk before making a decision.



Have your say

Enjoy sharing your views?
We want to hear from you!

Join Platform, our online feedback group to make sure your opinion is heard.

As a thank you, you'll be entered into our prize draw with the chance to **win £150 worth of shopping vouchers** at the end of 2023.

More than 500 members have already registered – don't miss out! Sign up to Platform at railwayspensions.co.uk/platform.

Getting in touch...

If you require this newsletter in large print, please email format@railpen.com.

For more information on your pension, visit railwayspensions.co.uk and login to your myRPS account. You can also ask our Virtual Assistant, check out the FAQs and go to the 'Resources' section for our 'Read as you Need' guides.

If you can't find what you need online, contact us at csu@railpen.com or call the Helpline on **0800 012 1117** (Mon-Fri, 8am-5pm, except Bank Holidays).

Help us improve Insight

Your feedback matters. Tell us what you think about this newsletter in our short survey at surveymonkey.co.uk/r/InsightMay2023 or scan this QR code:



Thank you

Sources of support

Living through the cost of living crisis is a difficult time for many of us. If you're struggling help is available.

Financial support:

- **MoneyFit** – This helpful tool gives you tips to help you manage your money based on your personal circumstances. More details are in the 'Planning for the future' section in your myRPS account.
- **Gov.uk/cost-of-living** – Visit the government website to find some financial support which may be available to you to help with the cost of living.
- **Moneyhelper.org.uk** – MoneyHelper offers free, practical advice to manage your money, debts and create a budget which suits your needs.
- **Railway Benefit Fund (RBF)** – The RBF is a charity which supports current and former railway employees and their families. They provide debt advice, a grants programme, a family fund, a legal advice helpline and more. Visit railwaybenefitfund.org.uk or email support@railwaybenefitfund.org.uk.

Mental Health:

- **Samaritans** – The Samaritans give free support to anyone who may be facing difficulties. Call Samaritans free on **116 123** at any time, day or night. You can also email jo@samaritans.org for a reply within 24 hours.
- **Shout** – Offers free and confidential mental health support over text message. Simply text the word **SHOUT** to **85258** to speak to a trained volunteer. Text messages are free and will be answered 24/7.

