

## Ready for departure? When and how you can take your pension pot

Reaching the point where you can take your pension pot is a great milestone – your ticket to a new adventure. But just like any great trip, a little planning goes a long way.

As a member of the Industry-Wide Defined Contribution (IWDC) Section of the Railways Pension Scheme (RPS), your regular pension contributions grow over the years in your Personal Retirement Account (PRA) or 'pot'.

As you approach retirement, one of the most important financial decisions you'll make is how to access your pot.

You can normally take up to 25% of your pension pot as a tax-free cash lump sum (but no more than £268,275 unless you have a higher protected amount).

You can then choose one, or a combination, of the available options for the remaining amount of your pension pot.

**Pages 4 and 5** give you more information on what those options are and when you can take your pot.

### Get support if you need it

Defined Contribution (DC) pensions offer a lot of flexibility which may sound empowering but equally places a lot of responsibility on you – the regular saver.

The good news? You don't have to figure it out on your own. There is support available.

You can get a free appointment with PensionWise if you're over age 50. Or, visit [moneyhelper.org.uk/en/pensions-and-retirement](https://moneyhelper.org.uk/en/pensions-and-retirement) or [railwayspensions.co.uk](https://railwayspensions.co.uk) for more guidance and information about your options.

### NEED TO KNOW

There are 4 routes you can go down to take your pot:

1. Total encashment
2. Drawdown
3. Annuity
4. Mix and match

Find out more on [page 4-5](#).

#### ACTION NEEDED

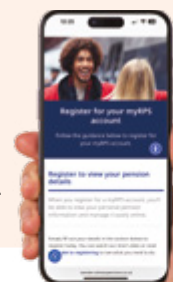
#### Get online today



Log into your myRPS account at [railwayspensions.co.uk/login](https://railwayspensions.co.uk/login).



You can also register at [railwayspensions.co.uk/register](https://railwayspensions.co.uk/register) if you haven't already.



# Message from your Trustee Chair



A warm welcome to your new-look 2026 edition of Insight, which many of you will now be reading online.

This change follows our recent move to make more of your pension documents available through your myRPS account.

Your myRPS account is a fantastic way to plan ahead. If you haven't yet registered, I strongly encourage you to do so. It brings all your pension information together securely in one place and lets you manage it wherever and whenever you choose. You can log in at [railwayspensions.co.uk/login](https://railwayspensions.co.uk/login)

As part of our ongoing commitment to making our communications as useful and effective as possible for our members, we've refreshed Insight. We listened to your feedback and made changes based on what you told us matters most. Your input is invaluable in helping us shape

our services. If you'd like to stay informed about new developments and share your views, please consider joining our member feedback group, Platform - you can find details on the [back page](#).

Finally, I wanted to let you know that I'll be stepping down as Trustee Chair after 4 wonderful years of serving our members. We'll be confirming my successor in the coming months, and I'm confident you'll be in the very best hands with my fellow Trustees, who care deeply about securing a strong future for your pensions.

With best wishes

**Christine Kernoghan,**  
Trustee Chair

## The new Insight

We hope you're enjoying your new-look newsletter.

Its makeover is a direct response to member feedback, and we are grateful to everyone who has taken the time to share their views.

If you'd like to tell us what you think of the refreshed Insight, please share your thoughts in our short survey [surveymonkey.com/r/InsightNews12026](https://surveymonkey.com/r/InsightNews12026)

You'll continue to get Insight once a year, every May.

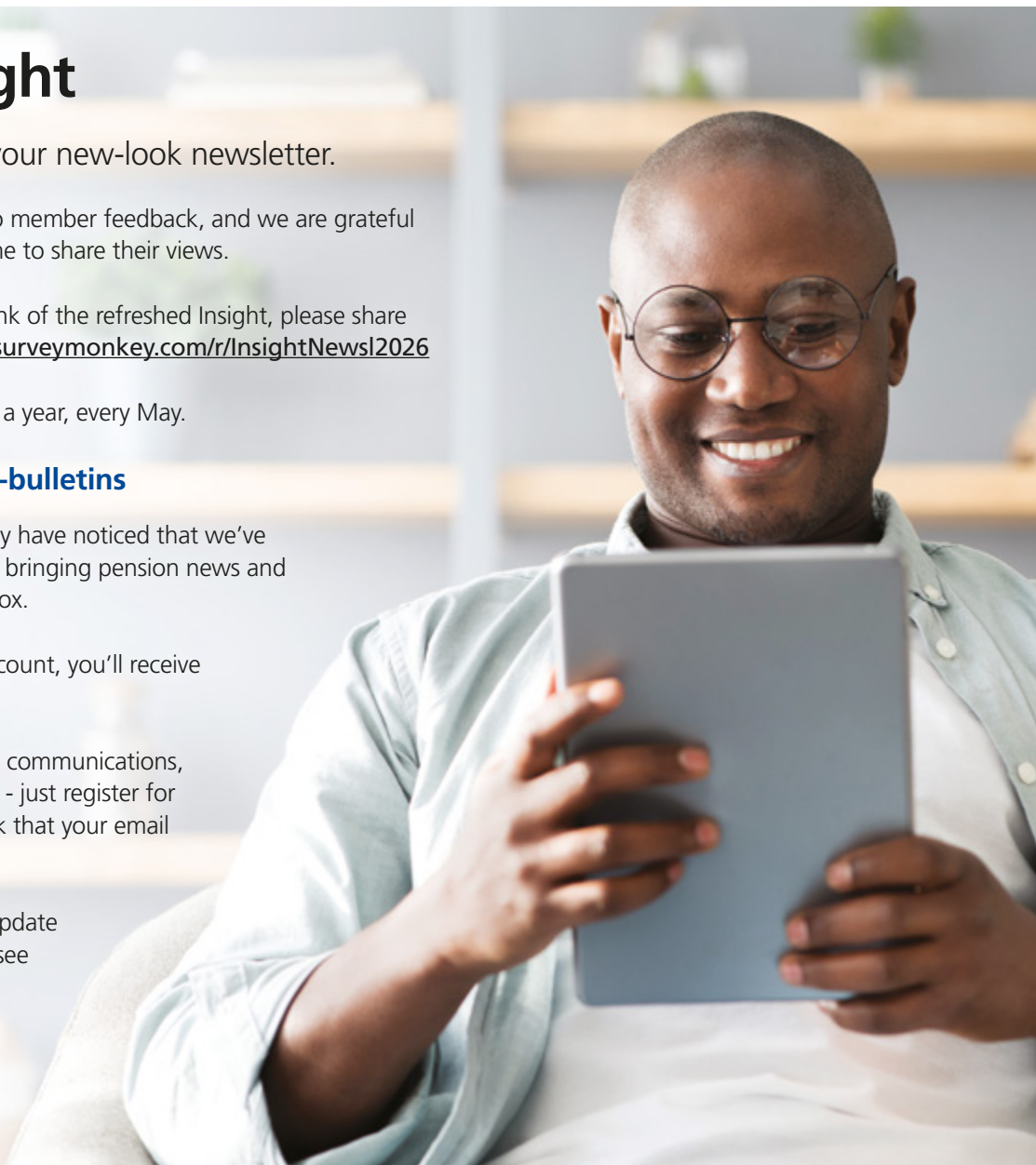
### Introducing your Insight e-bulletins

Alongside your newsletter, you may have noticed that we've started sending regular e-bulletins, bringing pension news and useful updates straight to your inbox.

If you're registered for a myRPS account, you'll receive these automatically.

If you've told us you prefer printed communications, you can still get the e-bulletins too - just register for a myRPS account or log in to check that your email address is up to date.

For more information on how to update your communication preferences, see the [back page](#).



# Pension highlights

## New limits on salary sacrifice contributions from 2029

Salary sacrifice lets you give up part of your pay so your employer can pay it into your pension instead. Because this lowers your salary, you normally pay less National Insurance (NI), and your take home pay can be higher than if you made the same contribution yourself.

In the Autumn Budget 2025, the government announced that from April 2029, if you pay more than £2,000 a year into your pension using salary sacrifice, you and your employer will have to pay NI on anything above that £2,000 limit.

You'll still get income tax relief on your pension contributions (as long as they're within the annual allowance), whether you use salary sacrifice or not.

## Inheritance Tax changes from April 2027

Inheritance Tax (IHT) is a tax on the money, property and possessions worth more than £325,000 someone leaves when they die. Anything left to a spouse, civil partner or charity is usually exempt from IHT.

At the moment, pensions don't normally count towards the value of an estate. This is changing.

From 6 April 2027, some unused pension funds and certain death benefits will be included - this may affect:

- ▶ Pension pots or drawdown funds still unspent
- ▶ Most lump sum death benefits

The following will not be counted in the estate:

- ▶ Defined Benefit pensions (dependants' pensions will also be excluded)
- ▶ Lifetime annuities (dependants' pensions and joint life (survivors) part of the annuity will also be excluded)
- ▶ Death in service benefits

Separately, from April 2027, Personal Representatives will be able to ask pension schemes to hold back up to 50% of taxable pension benefits if they believe IHT may be due. They'll then have 15 months to confirm whether the scheme should pay the tax directly to His Majesty's Revenue and Customs.

# Grow your pension confidence with a myRPS account

More and more RPS members are choosing to manage their pension online - and it's easy to see why.

With a myRPS account, you can stay in control of your pension at a time and place that works for you.

It's quick, secure and completely free.

## Registration progress

As of March 2026, almost half of RPS members have already taken the step to register - and are enjoying simple tools that make it easier to understand, plan and manage their pension.

If you haven't registered yet, here's what you'll unlock:

- ▶ **A smarter way to plan for retirement**  
See the current value of your pot, request estimates, use retirement planning tools, and view, switch or manage your investment funds.



- ▶ **Quick and easy nominations**  
Make or update your nominees in just a few seconds.
- ▶ **Confidence your details are up to date**  
Ensure we have the correct information so we can contact you about important pension matters when you need us most.


**ACTION NEEDED**

**Ready to join them?**

Registering only takes a couple of minutes - and once done, you're fully set up to manage your pension with confidence.

Sign up now at [railwayspensions.co.uk/register](https://railwayspensions.co.uk/register)





# Let's explore the routes you can go down to take your pot:



## Route 1: Total encashment

### Take your whole pension pot as cash

You can withdraw your entire pot in one go. This option might be suitable for those with a small pot (less than £10,000), other income sources, or a clear plan for the lump sum.

- The first 25% is tax-free.
- The remaining 75% is taxable as income in the year you take it.
- Be mindful of any tax limitations that may apply – taking it all at once could push you into a higher tax bracket.

## Route 2: Drawdown

### Take flexible amounts over time

This option might be suitable for people who want flexibility and some control over how and when they receive money.

- You take cash as and when you need it, rather than all at once.
- Each time you withdraw money, 25% of that amount is tax-free and the rest is taxed as income.
- The rest of your pot stays invested and may continue to grow.

If you go for this option, you will need to transfer your pot to another provider.

## Route 3: Annuity

### Buy a guaranteed income

An annuity converts your pension into a guaranteed income for life (or a set number of years). Buying an annuity might be suitable to those wanting certainty and stability.

- You can use some, or all, of your pot to buy an annuity.
- You can often take 25% tax-free before buying an annuity.
- Annuity income is taxable, like a salary.

If you go for this option, you will need to transfer your pot to another provider.

## Route 4:

### Mix and match different options

You don't have to pick just one approach.

Many people choose to combine options.



## When you can take your pot and begin your journey

You can usually access your pot from your Pension Age, which is typically between 60 and 65. If you're unsure of your Pension Age, you can find it in your Member Guide, available in the My Library section of your myRPS account.

You can also take your benefits earlier or later if you prefer. This could be from age 55 (or as early as 50 if you have a Protected Pension Age) up until your 75th birthday.

You may also be able to start taking your pension earlier if you need to stop work early due to ill health.

## Set your destination – choose a Target Retirement Age (TRA)

If you're invested in a Lifestyle strategy, it's a good idea to choose a Target Retirement Age (TRA) and review it regularly to make sure it still suits your plans.

### What is a Lifestyle strategy?

Think of it as your travel planner. As you approach retirement, it gradually shifts your savings from higher-growth funds to more stable ones, helping to protect your pot from market volatility.

This transition begins 10 years before your TRA, or your NRA if you haven't selected a TRA.

You can find out more about the fund choices available on your member website.

### NEED TO KNOW

You can also set, check and change your TRA by logging in to your myRPS account. Go to 'My Pension', then 'Funds' and 'Change Target Retirement Age.'



### FIND OUT MORE

See more on retirement options for IWDC members in [When to retire at railwayspensions.co.uk](#).



# Let's talk tax

You can save as much as you like into your pension, but limits apply to how much receives tax relief each year and over your lifetime.

For defined contribution (DC) members of the RPS, the main tax allowance that applies is the Annual Allowance (AA).

The Annual Allowance limits how much you can save into your pension each tax year with tax relief. For 2026/27, it is the lower of £60,000 or 100% of your earnings.

If you start taking DC benefits flexibly (for example, via a drawdown or cashing it all in), the Money Purchase Annual Allowance (MPAA) may apply instead.

Find out more on your member website [railwayspensions.co.uk/pension-essentials/pension-tax-limits](https://railwayspensions.co.uk/pension-essentials/pension-tax-limits)

## NEED TO KNOW

If the MPAA is triggered this means:

- ▶ You'll have a lower allowance for future DC savings
- ▶ You may also receive lower tax relief on any future Defined Benefit (DB) savings

### FIND OUT MORE

Read the full article to find out more about the views you shared with us:



You can find blogs, short videos, and the Sustainable Ownership Member Review on your member website.



## Your views on how we invest your pension

Thank you to more than 1,500 members who took part in our latest survey on our investment approach. Your feedback helps shape how we look after your pension.

### What matters most to you

Your top concerns have stayed consistent over time:



49% chose **'social' issues** like fair pay and good treatment of workers



33% focus on **governance**



26% focus on **environmental impact**



Nearly **47%** of you said that **'fair pay for workers'** should remain a key focus of our engagement with companies

**Strong governance** – including whether companies are run by the right people and supported by effective systems and processes – and making sure company boards can be held to account also remain top priorities





## Your annual fund performance update

### Equity funds

2025 was a good year for global equity markets.

The Global Equity Fund and Socially Responsible Equity Fund both performed well, returning 20.5% and 6.8% respectively. The Global Equity Fund performed more strongly because it holds more of the very large, US-based technology companies that did particularly well last year.

### Long Term Growth Fund

The Long Term Growth Fund aims to grow your savings by CPI inflation + 4% a year over the long term. It invests in a broad mix of assets, including equities, bonds, property, and other diversifying assets.

While equities make up the biggest portion, the mix of assets helps reduce the impact of short-term ups and downs in individual asset class performance.

In 2025, the fund returned 13.3%, almost 6% above its CPI+4% comparator. This performance was mainly due to strong equity performance.

### Bond and deposit funds

The bond funds saw mixed results in 2025 but performed broadly in line with their respective comparators:

- ▶ Corporate Bond Fund returned 7.0%
- ▶ UK Government Fixed-Interest Bond Fund: 4.8%
- ▶ UK Government Index-Linked Bond Fund: -0.2%

The Deposit Fund returned 4.1%, again broadly in line with its comparator.

### Invested in a Lifestyle Strategy?

If you have more than 10 years until your Target Retirement Age (TRA), all your money will be invested in the Long Term Growth Fund.

Once you are within 10 years of your TRA, your investments will be gradually moved into the Corporate Bond Fund and the UK Government Fixed-Interest Bond Fund, alongside the Long Term Growth Fund.

Your exact mix of funds will depend on how close you are to your TRA.

**ACTION NEEDED**

### Stay in touch with your pension

Review your investments regularly to make sure they still suit your plans in your myRPS account.



## Is what's in your pot enough?

The online tools can help you check.

Our online retirement budgeting calculator can help you see what your chosen lifestyle may cost. Once you know how much you might need, use your retirement modeller or request an online estimate to see what your annual pension could be. If there's a gap, you can make changes now rather than later.

You could pay more into your pension with Additional Voluntary Contributions, adjust your retirement age, or rethink your lifestyle plans.

If you're logged into your myRPS account, you'll find the calculator and modeller under 'Planning for the future', and estimates under 'My pension'.

**NEED TO KNOW**

Go to Guidance and advice for defined contribution members to find out more.



**Free webinars for members – join in!**



**'Get to know your pension' webinar**

16 June, 2-3pm



**'Approaching retirement in the RPS' webinar**

17 June, 12-1pm



## Your voice could be worth £150

Your opinion matters - and joining Platform puts you in with a chance to win £150 in shopping vouchers.

Platform is an online member community that helps us refine the communications you receive from us.

We regularly share ideas, ask quick questions, and gather feedback on things we're working on.

Member insight plays a vital role in shaping what we do. It was central to the recent refresh of Insight and our other newsletters - and it will continue to influence how we design our services going forward.

Don't forget, you can tell us what you think about this issue of Insight by completing our short survey: [surveymonkey.com/r/InsightNewsI2026](https://surveymonkey.com/r/InsightNewsI2026)

If you'd like to have your say on more of the work we're doing, please consider joining Platform. It's open to all Scheme members, and if you join now, you'll automatically be entered into our £150 prize draw, with the winner selected at the end of the year.

**ACTION NEEDED**



**Join Platform**

Scan the QR code to join.

## Stay connected to your pension, your way

There are now more ways than ever for you to stay up to date with your pension news.

If you get Insight by post and need a copy in large print, please email [format@railpen.com](mailto:format@railpen.com).

You can also read Insight online in the News and views area of the member website.

There, you'll find:

- the latest news updates
- in-depth blogs exploring more complex pension topics
- content from the new e-bulletins we started to send you

The website includes an accessibility toolbar to help make browsing easier for members with additional needs.

If you'd like to receive the new e-bulletins straight to your inbox, make sure you're registered for a myRPS account and that your email address is up to date.



### Get in touch

You can find lots more information about your pension on the member website, [railwayspensions.co.uk](https://railwayspensions.co.uk), and in your secure myRPS online account.

If you can't find the answer you need there, please contact us directly and we'd be happy to help.

### You can reach us by:

- sending a message in your myRPS account
- emailing [csu@railpen.com](mailto:csu@railpen.com)
- calling the Helpline on **0800 012 117 (UK)** or **+44 1325 342 800** (international)

Our offices are open Monday to Friday, 8am to 5pm, excluding Bank Holidays.

Please remember to include some security information so we can identify you, such as your:

- full name
- full address
- Pension Reference Number or NI number
- date of birth



### Follow us on YouTube

If you prefer watching a video to reading about your pension, head to our YouTube channel where we host a range of helpful videos on different pension topics. Go to [youtube.com](https://youtube.com) and search [@railwayspensionscheme](https://twitter.com/railwayspensionscheme)