

A guide to transfer out options for DB members

There are 2 main reasons why you might consider transferring out of the RPS:

1. To consolidate your pension savings into one place. This could be to a new employer's scheme, or to an alternative pension provider, to keep saving for life after work. You can normally do this at any time before your pension is put into payment and in line with your specific Section rules.
2. To take your pension at a different time or in a different way to that offered by the RPS DB Sections, such as to buy an annuity or move to a drawdown arrangement.

Whatever your reason, there is a lot to think about before deciding to transfer out of the Scheme and you should consider that it may not be in your best interest.

This guide is for DB members who want to transfer their benefits out of the RPS. You'll find information on:

- Options for transferring your DB pension
- Transferring your DB pension to another defined benefit (DB) arrangement
- Transferring your DB pension to a defined contribution (DC) arrangement
- How to transfer your DB pension
- Taking financial advice
- How to spot a pension scam

Please read the information below carefully and make sure you have everything you need to make an informed decision.

If you are a member of the Industry-Wide Defined Contribution (IWDC) Section, the information in this guide does not apply to you. You can find more information about your IWDC transfer options on your member website and in your Member Guide. You can find your Member Guide in 'My Library' when you log in to your myRPS account.

Options for transferring your DB pension

You could transfer your DB pension to:

- a different (DB) arrangement, or
- a defined contribution (DC) arrangement

This could be to another provider in the UK, or an overseas provider, however, it must be to an arrangement which is registered with HMRC.

If you have Additional Voluntary Contributions (AVCs), you may be required to transfer them at the same time as your DB pension – see the table below to see how you may be affected.

You can also transfer AVCs without transferring your DB benefits, as long as it's in line with the rules for your specific RPS Section. You can find more information in the table on page 2.

The RPS DB Scheme offers 2 AVC arrangements: BRASS and AVC Extra. You can read more about these in separate Read as You Need Guides:

- [A guide for BRASS members](#)

- [A guide for Network Rail members of BRASS](#)
- [A guide for AVC Extra members](#)

The rules on transferring your benefits are specific to your Section of the RPS DB Scheme, and are in line with legislation.

You can choose to transfer all your benefits (i.e. your DB benefits plus your BRASS and AVC Extra pots). The Section specific options are detailed below:

	All RPS defined benefit (DB) Sections except the RSSB, Unisys, CSC and Network Rail Sections	* RSSB, Unisys and CSC RPS DB Sections	Network Rail RPS DB Section
Can I transfer all my RPS benefits together (i.e. my DB benefits plus any AVCs)?	✓	✓	✓
Can I transfer my RPS DB benefits on their own if I have any AVCs?	✗	✓	<p>You cannot transfer your DB benefits on their own if you have pre and post 6 April 2009 BRASS pots. But you can transfer your DB benefits together with your BRASS 3 funds. BRASS 3 means your BRASS pot based on contributions made on or after 6 April 2009 or post waiver for Protected members.</p> <p>You can transfer your DB benefits on their own if you only have BRASS 2 funds. BRASS 2 means your BRASS pot based on contributions made pre-6 April 2009 or post waiver for Protected members.</p>
The options below show what you can do if you want to transfer your AVCs without transferring your RPS DB benefits			
I have a BRASS pot but not AVC Extra	You can transfer your BRASS pot on its own	You can transfer your BRASS pot on its own	<p>You can transfer your BRASS pot on its own; or</p> <p>You can transfer your BRASS 2 on its own. BRASS 2 means your BRASS pot based on contributions made pre-6 April 2009 or post waiver for Protected members.</p> <p>You can transfer BRASS 3 on its own. BRASS 3 means your BRASS pot based on contributions made on or after 6 April 2009 or post waiver for Protected members</p>
I have BRASS and AVC Extra pots	You cannot transfer your BRASS pot on its own	You can transfer your BRASS pot on its own	N/A

	You can transfer your AVC Extra pot on its own	You can transfer your AVC Extra pot on its own	
	You can transfer your BRASS and AVC Extra pots together	You can transfer your BRASS and AVC Extra pots together or separately	

* You can transfer your BRASS pot, your DB benefits and/or your AVC Extra pot together or separately, combining any option.

Transferring your DB pension to another defined benefit (DB) arrangement

If you are going to work for another employer within the railways industry, you may be able transfer your RPS DB pension benefits into your new employer's DB Section of the RPS. This will not happen automatically, and you would need to complete an [Inter-scheme transfer request form](#) to start this process. Special terms may apply if you request a transfer within 15 months of leaving your current Section.

You can find out more about transferring benefits into the RPS in your Member Guide, which is available in 'My Library' when you log in to your myRPS account.

You may be able to transfer your RPS DB pension benefits out of the RPS to another DB pension arrangement. This will depend on whether the rules of your new DB arrangement will allow transfers in.

Transferring your DB pension to a defined contribution (DC) arrangement

You might think about transferring your DB pension to a DC arrangement to get more choice around how, and when, to take your pension benefits. You can read more about the options available to you in the [guide to your retirement options](#) from a DC arrangement. If you're aged 50 or over and have a DC pension pot such as BRASS and AVC Extra you can [book a Pension Wise appointment](#) for guidance on your options.

If you are thinking about transferring to a DC arrangement in order to take your pension, keep in mind that you can normally only take your benefits from age 55. If you want to transfer to a DC arrangement and keep saving for life after work, you can do this at any time in line with your specific section rules.

But, it's important you understand the risks and are aware of the benefits you may lose.

For example, if you're considering transferring your DB pension to a DC arrangement you could:

- Lose the guaranteed income for life, for you and your dependents in your current scheme
- See the value of your pension pot go down, it won't necessarily always go up
- Have less income in retirement, particularly if the value of your pension pot falls
- Have to pay management fees to your pension provider
- Run out of money during your lifetime

Because of these added risks and potential outcomes, you may be legally required to get independent financial advice if you are transferring from a DB to a DC arrangement. See page 5 for more details.

You can also [watch a short video](#) which explains the risks of pension transfers on your member website.

How to transfer your DB pension

You can only transfer your DB pension if you have stopped paying in, which means your pension is preserved. Please speak to your employer to stop your contributions.

If you only want to transfer your AVCs, i.e. BRASS and/or AVC Extra, then you must stop paying AVCs, but you can continue paying into your DB pension as normal.

This guide is specifically about transferring your full DB pension, including BRASS or AVC Extra. If you want to transfer BRASS and AVC Extra separately, please see the separate Read as You Need guides to [BRASS and AVC Extra](#).

The steps for transferring your DB pension are:

1. Make sure you read and consider as much of the guidance available to you as possible, including:
 - the [Read as You Need guide](#) to your options from a DC arrangement
 - the Financial Conduct Authority's (FCA) [information for anyone considering a DB pension transfer](#)
 - [MoneyHelper's](#) guide to transferring your DB pension

You can also find further information across the defined benefit areas of the [member website](#).

2. Get an estimate of your DB pension. This will tell you what your transfer value could be, and help you understand whether it is right for you. You can get an estimate for free, any time, by logging in to your myRPS account. Once logged in you can also use the DB planner or look at your latest annual benefit statement to compare your options.
3. Identify a new pension scheme provider.

You should check that:

- The scheme you want to transfer your pension to accepts transfers in
- Your new proposed scheme is safe, and you haven't received unexpected contact (such as a cold-call) encouraging you to transfer
- You understand the benefits you may lose if you transfer out of the Scheme
- You understand what your new scheme provides, what it costs and how your transfer value will be invested
- You understand where to get help and support if you need it
- You are aware of the risk of pension scams, see page 6 for more details

If you are interested in a transfer to a drawdown arrangement, the Trustee of the RPS has appointed Legal and General Investment Management (LGIM) to offer members [access to a drawdown facility](#). Or, you may choose an alternative provider.

4. If you decide to proceed with the transfer, you need to request a guaranteed transfer out quote, also known as a cash-equivalent transfer value (CETV). The quickest and easiest way to do this is online. Simply [log in to your myRPS account](#) and select 'request a transfer out quote (CETV)' from the 'my pension' menu. If you're an AVC Extra member, you'll need to switch to your main DB record first. Alternatively, you can send us a message in your online account, or email csu@railpen.com or call the Helpline on 0800 012 1117.

You can only get 1 free CETV quote in a 12 month period. Any additional requests for a CETV quote during that period will be charged at £96 (including VAT). So it's really important to be sure before you go ahead with this process.

If you have pension benefits in more than one section of the RPS, you will need to request a separate CETV quote for each section. The charges for any additional requests apply to each separate section.

5. Railpen will provide you with your CETV quote. This gives you a guaranteed transfer value of your DB pension and current value of your AVCs that will be paid to your new provider.

Railpen will also send the paperwork for you to complete. This will include a checklist of exactly what you need to send back. It's important you read that checklist carefully to make sure you send Railpen everything needed and avoid any unnecessary delays.

Your transfer quote is only valid for **3 months** so it's important that you return all of the necessary paperwork within that timeframe. If your quotation expires and you need to request another one to complete your transfer, there would be a charge of £96 (including VAT) and the values of your CETV quotation may change.

Forms should be returned to Railpen using the address provided. Alternatively you can email your completed forms to csu@railpen.com or send us a message in your online account with them attached. Emailed forms must be signed with a handwritten signature. Railpen will not action any forms with electronic signatures.

6. Once all of the paperwork has been returned, Railpen will assess your request and the information provided. This will be done, impartially, in line with the regulations, introduced by the government in November 2021 to aim to protect you from scams or illegal transfers.

The regulations say that a transfer can only be made if it meets certain conditions and there are no 'red' or 'amber' warning flags that haven't been addressed. This may include instances where you have been given advice by someone who does not have appropriate permissions from the Financial Conduct Authority FCA, or if you asked for the transfer after unexpected contact. Trustees can refuse transfers where there's a greater risk that it may be part of a scam.

7. If Railpen believes the request does not satisfy the regulations, they will not action it. Railpen will instead contact you again to tell you the request has not been progressed and may ask for additional evidence so the transfer can be considered further. Railpen may also refer you to the government approved advice service, [MoneyHelper](#) for guidance. Railpen may not be able to progress your request until you seek independent financial advice, in line with the regulations.
8. If the information provided indicates that the new scheme meets the relevant conditions, in line with regulations, Railpen will process the transfer and arrange payment.

Railpen will do their best to complete your transfer as quickly as possible, but it may take up to 6 months for the money to be paid out. This is in line with regulations introduced by the government in November 2021, which aim to help protect you from unsuitable or insecure transfers. It gives Railpen time to carry out the necessary security checks and help protect your savings from scammers.

Railpen will send you a letter once the transfer is complete. Once a transfer is complete, it is permanent and cannot be reversed at a later date.

Taking financial advice

It's strongly recommended that you take financial advice if you want to transfer your pension.

In some situations, the law states you must take financial advice before your transfer can proceed. For example by law you **must** get independent financial advice if your 'safeguarded benefits' are more than £30,000. This is to make sure you understand the implications **before** you transfer your DB benefits, particularly if it's to a defined contribution (DC) arrangement.

If your 'safeguarded benefits' are £30,000 or under, it's strongly recommended that you take advice, but you are not required to do so.

- If you are a member of the RPS DB Section, your 'safeguarded benefits' are your DB benefits.
- If you are a member of the RSSB, Unisys or CSC Computer Sciences Section, your 'safeguarded benefits' are your DB benefits, plus your BRASS pot.
- If you are a member of the Network Rail Section, your 'safeguarded benefits' are your DB benefits, plus your pre-6 April 2009 BRASS pot.

Liverpool Victoria (LV) has been chosen by Railpen to give financial advice to all RPS members. You can contact LV and speak to its RPS team on 0800 023 4187. However, you may decide to choose another Independent Financial Advisor (IFA).

Your IFA must be authorised by the Financial Conduct Authority (FCA), and able to advise on the transfer of 'safeguarded benefits' before you transfer. You will need to pay for this advice, and provide evidence to the Trustee that you have taken advice. You can find details of IFA's in your local area at unbiased.co.uk.

You may also want to take guidance from [Pension Wise](https://www.pensionwise.co.uk) before transferring your pension. Pension Wise is a free and impartial service, from MoneyHelper, to help you understand your choices. You can opt out of this guidance, but you must let us know. The Pensions Regulator (TPR) has introduced these measures to help you make more informed decisions on your transfer.

Look out for pension scams

If you are thinking of transferring your benefits to another pension provider, then you should be aware of scams.

Watch out for:

- People contacting you out of the blue wanting to talk about your pension
- Unexpected calls from IFAs who may try to start a discussion about a transfer
- Adverts offering 'free pension reviews'
- Promises of better returns on your savings
- Upfront cash
- Offers of early access to your pension
- Incentives, such as cashback or gifts

Once you have transferred your money to one of these organisations, it is often too late to do anything about it. **You could lose your entire pension savings and be required to pay a large tax bill as well.**

Trustees and scheme managers must do specific checks in line with legislation before transferring your pension. These checks are there to help protect you from pension scams.

After Railpen assesses your transfer, if they believe you may be at risk of a scam, Railpen may refer you for guidance with MoneyHelper and Pension Wise, or refuse your transfer. **Your transfer request will not be refused on the basis that it may not be in your best interest.**

All firms offering financial products or advice should be registered with the Financial Conduct Authority (FCA). If you are unsure about a firm that has contacted you, use the FCA's online register to check if the firm is registered at fca.org.uk/register or call 0800 111 6768.

For further information about pension scams, visit thepensionsregulator.gov.uk/pension-scams.

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