

re:view



Check your details are up to date.

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 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. However, the RPS needs to be ready by the end of this year.

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

Here's what you need to do...

Dashboards will use three key identifiers to match our records:

- Surname
- Date of birth
- 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.

You must 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 dashboard and our online projects progress, so keep an eye on railwayspensions.co.uk and in future newsletters for more.

Registering for a 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...

Welcome to your first Review newsletter for 2023.

I appreciate it's been a challenging time for many over the past few months and I'm sure finances are at the front of your mind.

Whilst there have been some challenges in the financial markets, I would like to reassure you that as members of the Scheme, your pension money is being looked after and carefully managed in your best interests.

In this newsletter we include an update on what's been happening in the financial markets, and Sustainable Ownership too. You'll also find more information about where you can go if you need financial or emotional support during the cost of living crisis.

Please keep vigilant for pension scammers. I'm sad to say that scammers are rather ruthlessly trying to cash in on the current economic climate. We give you some tips as to what to look out for to keep your pension safe on page 6.

On a lighter note, the Scheme is continuing its efforts to make a positive contribution to the world you will retire into.

Sustainability remains a key focus in our investment decisions, incorporating issues such as climate change and fair pay.

If you have any thoughts to share about this newsletter, please complete our short survey. You'll find the details on the back page.



Best wishes

A handwritten signature in black ink that reads "Christine Kernoghan".

Christine Kernoghan,
Trustee Chair

I'm here to help.



Meet your Virtual Assistant

The Virtual Assistant is a handy tool at railwayspensions.co.uk

You can ask the Virtual Assistant questions about your pension any time. And it will respond with information it thinks will be helpful or will direct you to other resources on the website that may have the answer.

How do I use the Virtual Assistant?

You'll find the Virtual Assistant in the bottom right hand corner of your screen whenever you visit the member website.

It will appear as a blue circle with a white smiling face and a speech bubble saying "I'm here to help".

On mobiles, the icon may be half hidden (as shown below) so it doesn't cover too much of your screen.

Desktop:



Mobiles:



Simply select the icon and the Virtual Assistant will open. You can then type in your questions for a quick response.

You can download a transcript of your interaction with the Virtual Assistant by selecting the 3 dots icon in the top right of the box.

Once you're finished, you can minimise the Virtual Assistant on your screen by selecting the downward chevron icon in the top right corner of the box.

Will I be talking to a real person?

No. The Virtual Assistant is an automated tool. You won't be interacting with an agent while you're using it, but all of the answers have been written by real members of the RPS team.

The assistant will select which of these answers to show you, based on key words and phrases in your question.

What if I can't find the answer I'm looking for?

We'll be adding to the knowledge bank for the Virtual Assistant over time so if you can't find the answer you need right now, it may be available there in future.

In the meantime, you can find more information about your pension elsewhere on the member website. This includes:

- videos to help you understand your pension
- Read as you Need guides on important pensions topics
- frequently-asked questions about the Scheme

You can also email us at csu@railpen.com if you can't find the answers you're looking for online. For security reasons, the Virtual Assistant does not have access to your personal information and account details, so cannot give responses tailored to your individual circumstances. However, it can tell you where to find that type of information.

You can also view your personal account details by logging in to your myRPS account.

Can I tell you about my experience of the Virtual Assistant?

You can share your feedback using the thumbs up/down feature in the Virtual Assistant or by selecting the 'Feedback' tab on the right of your webpage. If you cannot see a 'Feedback' tab, you may need to accept cookies for the website.



Market update

Despite volatility in the markets in recent months, benefit security within the railways pension schemes remains healthy and funding of the schemes has broadly improved.

Global stock markets experienced poor performance in 2022. As a global investor, many of our investments are in international currency, not solely British Pound Sterling (GBP). This means that when the value of the Pound weakened, the value of non-UK investments like ours rose in relative terms. We continue to see good opportunities to make strong returns over the long-term.

For pension schemes, many of the recent negative headlines were related to Liability Driven Investment funds, or leveraged Government bond assets. The railways pension schemes have not been impacted by the extreme moves in the market like some pension schemes have and Railpen is well positioned to manage the risks related to these investments.

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



By John Greaves

Head of Investment Strategy and Research, Railpen

Sources of support

If you're struggling with anything during the cost of living crisis, help is at hand.

Financial support

MoneyFit – This simple tool, will give you personalised hints and tips to help manage your money. It's anonymous, and only takes around 10 minutes to use. Find it in the 'Planning for the future' section in your myRPS account.

Gov.uk/cost-of-living – The Government website has details of financial support that may be available to help you with the cost of living. This includes income and disability benefits, bills and allowances, childcare, housing and travel.

Moneyhelper.org.uk – MoneyHelper offers free, practical advice on managing your money, including dealing with debts and setting a budget.

Railway Benefit Fund (RBF) – The RBF is a charity for current and former railway employees and their families. It offers help and support with debt advice, a grants programme, a family fund, a legal advice helpline and bespoke advice and signposting. Visit railwaybenefitfund.org.uk or email support@railwaybenefitfund.org.uk

Mental Health

Samaritans – Offering free support for anyone who is struggling to cope. Samaritans is free to call on **116 123** and you'll get an immediate response, any time, day or night. You can also email jo@samaritans.org for a response within 24 hours.

Shout – Is a free and confidential service, offering support over text message. All you have to do is text the word SHOUT to **85258** to start a conversation with a trained volunteer. All texts are free and will be answered 24/7.



Keep paying into your pension

When times are tight, it's easy to question whether the money you're spending has any real effect. Here's 3 things your pension can give you and why it's important you keep paying in if you can.

1. You get 'free money'

When you pay money into your RPS pension, your employer pays in too.

As a Defined Benefit (DB) member, your employer pays in at least 60% of the money you put in. For example, if you earn £25,000 a year and you pay £3,000 towards your pension, your employer will put in an additional £4,500 for free.

You also get 'free money' from the government. That comes in the form of tax relief on your pension contributions. So, if you are a basic rate taxpayer and want to save £100 into your pension, it will actually only cost you £80. The other £20 comes from tax relief.

2. You get other benefits

If you die in service, or before you start taking your pension, your loved ones might get a tax-free lump sum. Your dependants, such as your spouse or children, may also get a pension.

You can find out if you're entitled to any death benefits in your Member Guide. And you can tell

the Trustees who you would like to receive any death benefit lump sum by nominating them in your myRPS account.

3. You might have less to worry about later on in life

With many people now living well into their 80s and beyond, chances are you could have many years left to live once you retire.

Your DB pension means you'll get a pension for life when you stop work. This is based on

- your final average pay
- how long you've paid in (your membership)

You could consider relying on the State Pension instead, but that works out at around £10,000 less per year than you would get paid working 40 hours a week on the National Minimum Wage. And that might not be enough.

You can use the Retirement Budgeting Calculator at [railwayspensions.co.uk](https://www.railwayspensions.co.uk) to work out how much income you might need to fund the lifestyle you want when you retire.



Scammers are preying on people's money worries to cash in on the cost of living crisis. Anyone considering taking money from their pension early is particularly vulnerable. But we could all be at risk.

What to watch out for

The Financial Conduct Authority (FCA) says the most commonly used scam tactics are:

- ❗ The offer of a **free pension review**. This allows scammers to gather information and gives them a chance to talk you into the tactics detailed below
- ❗ Promises of **higher returns**, where they guarantee they can get you better returns on your pension elsewhere
- ❗ **Help to release cash from your pension early**. An offer to release funds before age 55 is highly likely to be a scam, and has major tax implications
- ❗ **High-pressure sales tactics**, where the scammers pressure you with 'time-limited offers', and some even send a courier to your door to wait while you sign documents
- ❗ **Unusual investments**, which tend to be unregulated and high risk
- ❗ **Complicated structures** where it isn't clear where your money will end up
- ❗ **Arrangements with several parties involved**, some of which may be based overseas. They all take a fee, which means the total amount deducted from your pension is significant
- ❗ **Long-term pension investments**, which mean it could be several years before you realise something is wrong

How to protect yourself

- ✔ **Reject emails, calls and other contact which are out of the blue.**
- ✔ **Check who you're dealing with.** Visit [fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart) to see if the opportunity you're considering is on the FCA warning list. You can also visit [register.fca.org.uk](https://www.register.fca.org.uk) or call **0800 111 6768** to see if the company you're dealing with is authorised by the FCA.
- ✔ **Never feel rushed** into making a decision. Take your time to check things over.
- ✔ **Trust your gut.** If it doesn't feel right, it probably isn't.
- ✔ **Take time to understand your pension.** The FCA says scammers often prey on their victims' misunderstanding of how pension savings work. MoneyHelper offers free independent guidance on pensions. Visit [moneyhelper.org](https://www.moneyhelper.org) or call their Pensions Helpline on **0800 011 3797**. You'll also find more information about your pension at [railwayspension.co.uk](https://www.railwayspension.co.uk) and in your myRPS account.
- ✔ **Get help before making any changes.** Liverpool Victoria (LV) is able to give financial advice to RPS members. You can contact them on **0800 023 4187**. You can also find a list of FCA regulated Independent Financial Advisers in your area at [unbiased.co.uk](https://www.unbiased.co.uk).



Pension news round-up

Autumn Statement

In November 2022, the Chancellor, Jeremy Hunt delivered his Autumn Statement. From a pensions perspective, the announcements included:

- The triple lock on the State Pension will be retained. This means the State Pension will increase by 10.1% in April 2023.
- State benefits will rise in line with inflation.
- The Secretary of State for Work and Pensions will publish the Government's latest Review of the State Pension age in early 2023.
- The freeze on the income tax personal allowance, higher rate threshold, main National Insurance (NI) thresholds and the inheritance tax thresholds will be extended for a further 2 years, to April 2028.

Cost of living crisis increases the risk of pension scams

The Pensions Regulator, Financial Conduct Authority and the Money and Pensions Service have warned of a potential increased risk from pension scammers seeking to cash in on economic uncertainty.

A spokesperson for the Pension Scams Action Group, said: "Pension schemes are not at risk of collapse. It's vital that savers who have seen recent headlines over the economy don't panic and rush a decision over their retirement savings."

You can find out how to spot the warning signs of a scam on page 6.

Pensions dashboards regulations approved

Pensions dashboards are being introduced to help people access all their pension information online securely, in one place. It is hoped this will help to reconnect people with any lost pension pots and support better planning for retirement.

The regulations to determine how pension schemes will connect to the dashboard infrastructure and what providers must do to become a qualifying pensions dashboards service were approved by Parliament in November 2022.

Dashboards are expected to go live in 2024/25, however these timings had not been confirmed at the time of writing.

Auto-enrolment 10th anniversary

It's been 10 years since employers had to start automatically enrolling eligible workers into a pension scheme, in a process known as automatic enrolment.

Since 2012, more than 10 million people have been auto-enrolled into a workplace scheme. And the total annual workplace pension contributions have increased by over £20 billion in real terms.

The government has previously said it hopes to expand the scope of auto-enrolment by abolishing the lower limit on the band of earnings on which contributions can be calculated, and reducing the eligible age for auto-enrolment from 22 to 18.

At the time of writing, these changes had not yet been introduced.



Understanding investments and what you can do

If you pay Additional Voluntary Contributions (AVCs) into BRASS or AVC Extra, you can decide how the money you pay into these arrangements is invested. If you don't want to choose, you will be invested in a default arrangement.

There are a range of investments for you to choose from. How these investments perform determines how much money is in your BRASS or AVC Extra account and whether its value goes up, or down.

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?
- or a mix of both?

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

As a defined benefit (DB) member, this information only applies to money you pay in to BRASS or AVC Extra. Your DB pension as a whole works differently and the benefits you receive do not depend on investment performance but on your length of service and salary.

Have your investments managed for you with a Lifestyle strategy

If you don't feel comfortable looking after your investments directly, you can opt for a more 'hands-off' approach and choose a 'Lifestyle strategy'.

Lifestyle strategies build your pension savings while you're still working and reduce the risk of a fall in value as you near retirement. They do this by moving your investments automatically as you get closer to your 'target retirement age' (TRA).

Your TRA can be earlier or later than when you would normally take your pension. You can set your TRA in your myRPS account. If you do not choose one, it will default to your Normal Retirement Age.

There are 3 Lifestyle strategies offered by the RPS:

- Annuity Purchase Lifestyle strategy
- Flexible Drawdown Lifestyle strategy
- Full Cash Withdrawal Lifestyle strategy

You choose which of these 3 strategies you prefer. This could be based on

- how much risk you are prepared to take
- how you might want to use your BRASS or AVC Extra pension pot when you retire, if it won't be used to buy extra pension. For example, this could be as a one-off lump sum, as flexible payments through drawdown, or as fixed payments in an annuity. As a DB member this will only apply to your funds in BRASS or AVC Extra, and not to your DB pension overall. Your options may also be limited depending on which section you belong to and whether you're in BRASS or AVC Extra. Check the Read as you Need guides on BRASS and AVC Extra at railwayspensions.co.uk/rayn

Based on your chosen strategy, your Additional Voluntary Contributions (AVCs) will be invested on your behalf by the Trustee.

It's really important that you take an active interest in your investment choices and review them regularly. No investment is 100% safe and the strategy you choose may change depending on your circumstances or world events. The easiest way to check or change your investment choices is through your myRPS account.

You can read more about Lifestyle strategies, how they work and the options available to you at railwayspensions.co.uk/brass

Manage your investments yourself, choosing from a range of funds

If you feel comfortable looking after your investments and want to be more hands-on, you can manage your investments by yourself.

You decide:

- which funds to invest in, based on a defined list.
- how much of your AVCs you want to invest in each fund.

There are 7 funds to choose from:

- Corporate Bond Fund
- Deposit Fund
- Global Equity Fund
- Long-Term Growth Fund
- Socially Responsible Equity Fund
- UK Government Fixed-Interest Bond Fund
- UK Government Index-Linked Bond Fund

Each fund has a different objective and risk rating, so you can choose the one that's right for you. For example, the lowest risk rated fund is the Deposit Fund but there are a range of medium and high risk funds too. Please check your investment choices to ensure the risk rating meets your appetite.

Alongside these 7 funds, you can also invest in

any of the 3 Lifestyle strategies mentioned previously.

You can find out about the investment funds, including their risk ratings, in the fund factsheets. These can be found at railwayspensions.co.uk/brass

If you choose this hands-on investment funds approach, your money will not automatically move from high to lower risk funds as you get closer to retirement. That means it's up to you to decide if and when that's necessary, and to make the investment fund switch yourself.

Change your investment choices at any time

To change the strategies or funds you're invested in now, or where you want to invest them in the future, log into your myRPS account. Then, go to the 'My pension' section and 'Funds' page.

If you're invested in a Lifestyle strategy, you can also check, and change, your Target Retirement Age (TRA) in your myRPS account.

Any changes you do make to your TRA may affect your investments, including the allocation of your pot between investment funds and the risk profile of your investment.

Make sure you have read all of the information available on the website and try out the Pension Planner to help you understand the consequences before you act.

Get help deciding what's right for you

You can find more information about your investment options at railwayspensions.co.uk/brass

If you need more support, you can also get financial advice.

Our advice partner Liverpool Victoria (LV) offers members financial advice at a discounted rate. You can contact LV on **0800 023 4187**. You can also find Independent Financial Advisers in your local area at [Unbiased.co.uk](https://unbiased.co.uk).



Sustainable Ownership - the hidden power in your pension

Have you ever thought about what happens to the money you put into your pension?

Well, it's already working hard to secure your financial future and, in doing so, can also help change the world for the better too.

The money you pay into your pension is invested

The money you pay into your pension is put together with contributions from all of the railway pension schemes' 350,000+ members.

It is then invested by the Scheme administrator, Railpen.

These investments help make sure we can pay all of our members' benefits when they stop work.

As a defined benefit (DB) member, our investments don't directly affect how much you get from your pension. This is typically based on:

- your final pensionable salary over your last year of service and
- the amount of pensionable service you have at retirement

Investments are made in well-run, responsible companies

When deciding where to invest your money, we look for companies that are well-placed to make the most of their opportunities, while also trying to reduce their risks.

We call this approach to investing, Sustainable Ownership.

It takes into account a wide range of environmental, social and governance (ESG) issues, risks and opportunities, including:

- climate change
- fair pay, including executive pay
- fair treatment of workers

We apply this Sustainable Ownership lens to its investment decisions, whether it's with companies listed on a Stock Exchange or infrastructure assets like energy or telecoms.

Investors like us, can generate change

We do whatever we can to encourage companies we invest in to improve their behaviour on ESG issues. This includes:

- speaking to companies privately, either individually or together with other investors.
- making our concerns public. For example, using our vote at Annual General Meetings (AGMs) to publicly express either support for, or disagreement with, a company's senior management or board.
- discussing our views with politicians, government officials and regulators. This helps us to understand how laws and regulations might be changed to support companies and individuals to make sustainable choices.
- removing companies from our portfolio, if we no longer agree with their behaviour.

It all helps to protect your future

We believe investing like this is the best way to protect the value of your savings and have a real impact on the world you retire into.

You can read more in our Sustainable Ownership Member Review 2021 at [railwayspensions.co.uk](https://www.railwayspensions.co.uk)

You can also let us know what you think by emailing so@railpen.com



Tax and your pension

Tax and pensions can be a puzzle. Here's a basic guide in time for the new tax year (6 April).

Tax relief and your pension

When you save for retirement via a pension, some of the money that would normally have gone to the government in tax from your wages, goes towards your pension instead. This is known as tax relief.

Tax relief limits and allowances

You can put up to 100% of your annual earnings into your pension. However, there are limits on the amount of pension savings that can benefit from tax relief each year, and over your lifetime. These allowances are set by the Government and may vary at the start of each financial year (April).

Annual Allowance

The main tax allowance affecting defined benefit (DB) members of the Railways Pension Scheme is the Annual Allowance (AA).

This is the limit on your pension savings in a single tax year before you need to pay a tax charge. For 2023/2024 it's £40,000.

Whether you will exceed this allowance depends on how your pension savings have increased and

not just how much you've paid in. You can find out more in the Annual Allowance Read as you Need guide at railwayspensions.co.uk

If you pay Additional Voluntary Contributions (AVC) to BRASS or AVC Extra, these also count towards your Annual Allowance. However, they are considered slightly differently because they are defined contribution (DC) arrangements.

Money Purchase Annual Allowance

If you start taking money from a DC pension pot, like BRASS or AVC Extra, the amount you can continue paying into your pension and still get tax relief on may reduce. This is known as the Money Purchase Annual Allowance (MPAA). The MPAA is currently £4,000.

If you trigger the MPAA, the administrator or scheme manager will send you a flexible access statement. You must then send that statement to schemes where you are still actively accruing benefits.

Tapered Annual Allowance

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

Lifetime Allowance

The Lifetime Allowance (LTA) affects those with the largest pension savings. It's the limit placed on your pension savings throughout your lifetime before you need to pay a tax charge. The LTA has been frozen at £1,073,100 until 2025/26.

Exceeding your allowances

If your pension savings in the Railways Pension Scheme exceed the AA, or the MPAA, we will send you a Pension Savings Statement (PSS). This will show how much of your allowance you have used.

You can apply to carry forward any AA that you haven't used from the previous 3 years to the current tax year. However, no carry-forward is available for MPAA.

For more details, see our Read as you Need guides, and short tax videos at railwayspensions.co.uk/video-library

Get in touch...

If you require a large print version of this newsletter, please email format@railpen.com.

You'll find more information about your pension at railwayspensions.co.uk and in your secure myRPS account.

You can also follow us on Twitter @RPSpensions. If you can't find the answers you need online, please email us at csu@railpen.com and we'll be more than 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).

Follow us on Twitter



We share useful information and guidance on getting the best from your pension. Join us at [Twitter.com/RPSpensions](https://twitter.com/RPSpensions) @RPSpensions

Help us improve Review

If you found this newsletter helpful, or have ideas for how it can be improved, we want to hear about it.

Simply visit www.surveymonkey.co.uk/r/ReviewFeb2023 to complete our short survey.

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



Thank you.



Giving you a Platform



Do you have something to say about your pension? Then why not add your voice to our volunteer communications panel, Platform?

More than 500 of your fellow Scheme members are already signed up. And together they help us shape the way we talk about pensions for everyone in the Scheme.

You too can be part of that conversation and have your opinions heard.

All you need to do is sign up at railwayspensions.co.uk/platform and answer a few quick surveys we'll send you throughout the year.

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



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