

re:view



Hop aboard your
myRPS account

Over 120,000 members of the Railways Pension Scheme (RPS) are planning for retirement with a myRPS account. Are you one of them?

If you haven't yet registered for your personal myRPS account, make this a priority and join in!

With an online account you can manage your pension easily and securely no matter where you are, at a time that works for you.

As soon as you register, you'll get access to your RPS pension information and a whole host of useful tools and tips to help you plan for retirement.

By simply logging in you can:

- Use the Retirement Budgeting Calculator
- Experiment with the Pension Planner
- Access the financial wellbeing tool, MoneyFit

Find out more about the planning tools available on pages 6 and 7.

We keep bringing new features to your myRPS account to make retirement planning more straightforward for you.

✓ Logging into your myRPS account is now even easier

We introduced a feature called two-factor authentication which made getting access to your account quicker and more secure than ever.

✓ You can now contact us online

We recently made it possible for you to contact us by filling out a form in your myRPS account. By sending us a message from your account, the information we need is all in one place and sent securely.

To register for a myRPS account, go to railwayspensions.co.uk/register.

Chair's message

Welcome to the new issue of Review which most of you will be reading online.

This is because we recently moved some of your pension documents to your myRPS account.

Your myRPS account is a fantastic way to plan ahead. If you haven't yet registered for one, I'd strongly encourage you to. It has all your pension information stored securely in one place and lets you manage it wherever and whenever you like.

For example, with an online account you can:

- Request pension estimates
- Make or change your nominations
- Check and update your contact details
- See or switch your Additional Voluntary Contribution funds
- Make a one-off contribution towards your pension

Having a myRPS account would also make it easier for you to ensure the contact details we have for you are up to date. This is extremely important as we prepare for the launch of pensions dashboards. It's essential that your member details are up to date by then, or they might not match with the dashboards correctly.

More on this is available on page 7. What is more, keeping your pension information online means it will be more difficult for other people to get hold of it. We take great care to safeguard your personal and sensitive information, ensuring it remains confidential and protected.

You should be extremely vigilant of fraudsters trying to steal your money as their scams are getting ever trickier to spot. See page 8 to understand the warning signs to watch out for.

The Chancellor's Autumn Budget announced some changes to tax on inherited pensions, and transferring your pension overseas. You can read about these on page 11.

If you change your mind about how you would like to receive your pension communications including Review, you can tell us by completing a form at railwayspensions.co.uk/knowledge-hub/help-and-support/communication-preferences.

I hope you enjoy this newsletter. Please fill out the survey on the back page – it'll only take you a couple of minutes but will give us some useful insight that will help us make future editions of Review even more valuable to you.



With best wishes

Christine Kernoghan,
Trustee Chair

From paper to pixels

You can choose whether to get your pension paperwork online, or by post.

Some of your pension paperwork is now only available online, stored securely in your myRPS account.

If you want to continue to receive your pension documents by post, you need to let us know by completing a form. You can find the form on the 'My communication preferences' page of your member website.

We have embarked on this journey to make it easier for you to manage your pension anytime, anywhere.

How will my pension be paid?

There are different ways you can take your pension.

If the rules of your Section of the Scheme allow, you can:

Take part lump sum, part pension

You may be able to take up to 25%, (but normally no more than £268,275) as a tax-free cash lump sum. The rules which explain the exact amount you can take as a lump sum are in your Member Guide.

Take it all as pension

You may be able to take all of your pension benefits as regular pension payments, and none as lump sum. This is done by converting any lump sum into additional pension.

This option may be restricted if you've paid any Additional Voluntary Contributions (AVCs) to BRASS, and depends on the rules for your Section.

Take it all as a cash lump sum

This is only possible in some circumstances, and depends on the rules for your Section.

You may be able to take it all as a cash lump sum if:

- the value of all your pension benefits is no more than £30,000. You may be able to cash it in under what's known as 'Trivial Commutation' rules. There's more information in the Read as You Need Guide to Trivial Commutation in the Knowledge Hub of your member website.
- you take your pension on the grounds of serious ill health, or
- you get a short service leaver refund

Take the level pension option

The level pension option aims to level out your income in retirement. With this option, you get more pension from the RPS before your State Pension age (SPA), and less pension from the RPS after your SPA. You can check your SPA at gov.uk/state-pension-age.

Transfer your pension, with risks

You may be able to transfer your DB pension to another pension provider. But transferring carries risks, and it's important you stay alert to scams. You should think carefully before you transfer, as you could lose the valuable benefits of your DB pension.

You may have to take financial advice by law, depending on the value of your pension benefits. You cannot transfer your pension benefits once they are being paid to you.

Get an extra pension for your dependants

A pension will be paid to your eligible dependants, such as a spouse, when you die.

When you take your pension benefits, you could give up part of your own pension entitlement in order to give extra pension to your dependants.

If you choose this option:

- You give up part of your pension – how much you give up will depend on your age and gender, as well as those of your dependant.
- Your named dependant will get a percentage of your normal pension when you die.

It's important to keep in mind that if your named dependant dies before you, then the money you've given up will be lost and won't go back into your pension. You also cannot change your named dependant.



Check the Read as You Need Guide to Retirement Options on your member website for more information.



Working after retirement

Taking your defined benefits from the RPS does not necessarily mean that you must stop work altogether.

You may decide to carry on working when you start taking your pension, or you may choose to return to work later.

Either way, it's important to understand the restrictions and tax implications associated with these options, so you can decide what's right for you.

Below are a few things to consider about working after taking your benefits:

- You will not be able to take your pension and keep working before age 55, even if you have a Protected Pension Age.
- If you take your benefits before your Normal Retirement Age (NRA) it is classed as early retirement and reductions may apply.
- When you take your pension you lose any death in service benefits, even if you're still working.
- Different early reduction factors may apply if you continue in employment
- You may pay more tax, particularly if your total income, including pension payments and wages, is over the Personal Allowance.
- If you're continuing to work for the same employer, you might need their permission to start taking your benefits and stay in work.
- If you start work for a new employer, they may let you join their workplace pension scheme. This could even be another employer within the RPS.
- If you retire due to ill-health, are under your NRA, and you start working again, your incapacity pension may be affected.



You can find much more information on the 'Staying in work' page of your member website.



The tax year ends on 5 April. That means there's still time to understand how tax affects your pension savings and save more if you're able.

Tax relief

Saving with your RPS pension is tax efficient, because the money you pay in is taken from your salary before tax is deducted. That means you pay less tax on your salary and save more instead.

For example, if you're a basic-rate tax payer (who pays 20% income tax) putting £100 into your pension, would only cost you £80, and the other £20 comes from tax relief.

Annual Allowance

The Annual Allowance (AA) is a limit on the amount of your pension savings that can benefit from tax relief each year.

It means the most you can save tax-free in all your pension arrangements in a single tax year is the lower of either 100% of your earnings, or the AA limit, which is currently £60,000.

Different limits apply for high earners (the Tapered Annual Allowance) or anyone who has already taken money from a defined contribution (DC) pension pot, including BRASS or AVC Extra (the Money Purchase Annual Allowance). You can find out more on the 'Tax allowances' page of your member website.

When the new tax year starts on 6 April, your AA will renew. So, if you can afford to, you might think about paying more into your pension now, to use up your remaining AA before the new tax year.

If you've already used your AA for this tax year, you can carry forward any unused AA from the previous 3 years. This may mean you can pay more into your pension, without having to pay any extra tax.

Saving more

You can save more into your RPS pension by making Additional Voluntary Contributions (AVCs). These are extra payments on top of your normal pension contributions to help boost your savings, and use up your AA.

You decide how much you want to pay in, starting from as little as £2 per week or £10 per month. These can be regular, or one-off, payments, and you can stop paying AVCs at any time.

You'll also get tax relief on your AVCs, just like you do with your regular pension contributions.

The main AVC arrangement for defined benefit (DB) members is BRASS. You can find out more in the defined benefit area of your member website at railwayspensions.co.uk/defined-benefit-members/saving-more-BRASS-AVC-Extra.

Tax when you take your benefits

Along with allowances while you're saving, there are tax implications when you come to take your benefits too. This includes limits on the amount you can take as a tax-free lump sum (the Lump Sum Allowance) and the possibility of exceeding your Personal Allowance or going into a higher tax bracket if you take your benefits and continue to work.

You can find out more in the 'Planning to take my benefits' area for DB members of your member website.

Tax allowances are set by the government and are subject to change. You can get the latest updates at gov.uk/income-tax-rates.



Coping with financial pressure – help is at hand

Research shows that money worry is the biggest cause of stress outside of work.*

Spare some time for your finances this year with MoneyFit - a free, simple tool to help you take control of your personal finances.

It offers practical tips to manage your money, and possibly free up more to save for your life after work.

How does MoneyFit work?

MoneyFit is quick and easy to use when you log into your myRPS account. Here's how it works, in 4 simple steps:

- 1** Take the 5-minute Attitude to Money Quiz to learn more about your approach to money.
- 2** You'll get a MoneyFit score, and your unique 'money personality' based on your quiz answers.
- 3** Receive your personal MoneyFit action plan, including ideas to possibly free up a little more to contribute to your pension savings.
- 4** Use your personal action plan to look at the way you manage your money.

MoneyFit is completely anonymous and cost-free. It has recently been improved with some exciting new features which help make your MoneyFit action plan more suited to your financial needs.

What are the new features?

The new features include:

- The MoneyFit Gym where you can work out a plan for your retirement

- Money Modellers to see the impact of small savings over time
- The Resource Zone to learn about financial topics, such as saving for life after work
- The Money Glossary which aims to demystify financial terms with simple, clear definitions
- Help and support with debt, mental health and how to identify and avoid scams
- Financial wellbeing tips, including creating your personal budget

How can I use MoneyFit to plan for retirement?

You could use your personal MoneyFit action plan to think about the way you manage your money, and possibly save more for life after work.

- Save more towards your pension

If you can afford to, you could pay more into your pension with Additional Voluntary Contributions (AVCs). These are extra payments, on top of your normal pension contributions.

- Think about your costs in life after work

For a personalised estimate of how much you might need when you retire, try the Retirement Budgeting Calculator on your member website.

The Retirement Living Standards (RLS) offer a general guide to how much you might need when you stop work. Visit retirementlivingstandards.org.uk to find out more.

The Retirement Living Standards and Retirement Budgeting Calculator figures are based on the retirement income you may need after tax.

- Take financial guidance or advice from an expert

MoneyFit can offer financial education, but not financial advice. You can find a list of trusted financial professionals on the Guidance and advice page of your member website.

*Finder, 2023

Get the picture on retirement...

...with your online planning tools.

If you know what your income is likely to be when you retire, it's much easier to plan ahead for life after work.

You can find this out by requesting a pension estimate online and by using the Pension Planner tool in your myRPS account.

How to request a pension estimate

- Log into your myRPS account. Under the 'My Pension' section, select 'Request an estimate'.
- Select the 'Get an estimate of your retirement benefits' button to take you to the estimates page.
- Choose your options and select 'Submit'

How to use the Pension Planner

- Once signed in to your myRPS account, under the 'Planning for the future' section, select 'Pension Planner'
- Read the information, change your options if you'd like and select 'Click here to recalculate'.

As well as working out what your annual pension is likely to be, the Pension Planner will show:

- how much lump sum you could take when you retire and how it would affect your annual pension
- the expected value of your Additional Voluntary Contributions (AVCs) if you pay them

It gives an estimate of what you might receive from your pension before tax.

You may also want to try the Retirement Budgeting Calculator – it helps you work out how much income you might need to pay for the retirement you hope for. It's also available in your myRPS account.



Prepare for pensions dashboards

Pensions dashboards is a government initiative that will allow people to easily access all of their pensions information in one secure online place.

Dashboards will give people free, clear and easy-to-understand details about all of their pensions, including the State Pension.

They're seen as a big step forward in helping pension scheme members understand the benefits they've built up – especially when it comes to re-discovering old pension pots.

The date for launching pensions dashboards to the public hasn't been confirmed yet. But the Railways Pension Scheme is well under way with its plans to be ready. It's really important that your member details are up to date, or they won't match with the dashboards correctly.

Here's what you can do

Please check that your personal details are correct in your myRPS account.

You can find these in the 'Membership details' area. If your address isn't correct, you can update it in your online account. If anything else isn't correct, let us know by emailing csu@railpen.com.

We'll continue to let you know through your usual RPS communications when dashboards are getting closer.

You can learn more about pensions dashboards at pensionsdashboardsprogramme.org.uk.



Keep your pension safe!

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

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

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



Watch the video at [youtube.com/watch?v=jTHmLTC553s](https://www.youtube.com/watch?v=jTHmLTC553s).

Know what red flags to look out for

It is absolutely vital you know what warning signs to look out for so you can recognise potential threats and keep retirement income safe.

The most common warning signs are:

- Unexpected contact – we'll never contact you out-of-the-blue about your pension

- Promises of high or guaranteed returns – if they sound too good to be true, they probably are
- Free pension reviews - check who you're dealing with
- Access to your pension before age 55 – don't fall for offers of early access to your pension
- Pressure to act quickly - never feel rushed into making a decision

If you can recognise any one of the above signs, you should terminate any contact you're having and report it to Action Fraud at [actionfraud.police.uk](https://www.actionfraud.police.uk).

Seek advice about anything to do with your pension

You can find a register of Independent Financial Advisers (IFAs) at [Unbiased.co.uk](https://www.unbiased.co.uk). An IFA will help you understand your pension, the options available, and how to manage your finances.



For more information about pension scams visit [fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart).

Understanding: your investment choices

If you save extra towards your pension with Additional Voluntary Contributions (AVCs), you can decide how the additional payments you make are invested.

The Railways Pension Scheme (RPS) offers two AVC arrangements – BRASS and AVC Extra.

BRASS is the main AVC arrangement for all defined benefit (DB) members who want to save more towards their RPS pension. AVC Extra is for those members of some sections of the RPS who have exceeded the maximum that can be paid into BRASS and still want to pay more.

Any payments made into either of the two arrangements are invested with the aim of building your savings over time. You can pick the funds you want your AVCs to be invested in. How the investments perform is one of the factors that determines how much you have in your BRASS or AVC Extra account.

Your money – your choice

The first choice you need to make is how involved you want to be in the investment process. 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.

If you'd rather have your investments managed for you...

...you can opt for a more 'hands-off' approach with 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 approach 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 online 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:

- Target Annuity
- Target Flexible Drawdown
- Target Lump Sum

You choose which of these 3 strategies you prefer.

Your choice 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 on your member website.

Based on your chosen strategy, your AVCs will be invested on your behalf by the Trustee.

You can check, and change, your TRA in your myRPS account.

If you'd like to be in the driving seat of your investment decisions ...

... you can manage your investments by yourself.

Continued on the following page...

You decide:

- which funds to invest in from the range provided by the Trustee
- 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.

Alongside these 7 funds, you can also invest in any of the 3 Lifestyle strategies mentioned previously.

With this 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.

You can change your investment choices any time in your myRPS account.

Get help if you need it

You can find more information about your investment options in the 'Saving more with BRASS or AVC Extra' section of your member website.

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**.



Spotlight on Sustainable Ownership

Fair treatment of workers, fair pay and holding company boards to account are highlighted in a new report as top investment priorities for members.

The annual Sustainable Ownership Member Review shows how members' money has been invested with sustainability in mind, taking environmental, social and governance issues into account.

Railpen, which administers the Railways Pension Scheme (RPS), calls this approach to investing 'sustainable ownership'.

The review focuses on the top three issues members said were important to them when it comes to how their money is invested. Members also said that governance – how well a company is managed – was really important to them as well.

You can find the review on the Sustainable Ownership page of your member website.

A video version of the review can also be seen on Railpen's YouTube channel at **youtube.com/@Railpen_Watch**.

Pension news round-up



On 30 October, the Chancellor of the Exchequer, Rachel Reeves, delivered the government's Autumn Budget for 2024.

The main announcements in relation to pensions were:

Changes to tax on inherited pensions from April 2027

At the moment, beneficiaries don't pay Inheritance Tax on pension savings they will inherit. This is because your pension isn't currently included in the value of your estate. If the value of your estate is over the tax-free threshold of £325,000, your beneficiaries may pay tax on anything above it. The threshold can be higher for some beneficiaries.

In the Autumn Budget, it was announced that the current tax-free threshold of £325,000 will remain the same until 2030. It was also announced that from April 2027 pensions will be included in the value of your estate. This means they could be subject to Inheritance Tax. This will only affect beneficiaries of pensions which haven't yet been claimed, and any lump sum death benefits due.

The State Pension will increase from April 2025

Pensioners will get a 4.1% boost to their State Pension from next year. This is because the government will keep the State Pension triple lock for the duration of this parliament. The full new State Pension will increase to £230.25 a week (£11,973 a year) and the full, old Basic State Pension will go up to £176.45 a week (£9,175 a year).

Tax-free overseas transfers to be reduced

Individuals who want to transfer their pension to an overseas pension provider may have to pay a 25% tax charge unless an exclusion applies.

Previously, if you transferred your pension pot to a Qualifying Recognised Overseas Pension Schemes (QROPS) in the European Economic Area (EEA) or Gibraltar, an additional charge did not apply.

The government has announced that from 30 October 2024, transfers to the EEA or Gibraltar will not be excluded from an extra charge. This is to address the risk of individuals receiving double tax-free allowances.

Lifetime Allowance abolition

As covered in the last Review, the Lifetime Allowance (LTA) was abolished on 6 April 2024. Two sets of regulations addressing technical inaccuracies identified with the legislation that abolished the LTA have been finalised. Both sets of regulations came into force on 18 November 2024. They are in effect for the tax year 2024-25 and subsequent tax years.

Government pension review

In 2024, the government announced the launch of a pension review to "boost investment, increase pension pots and tackle waste in the pension system".

An interim report with the initial findings of the review's first phase was published in November 2024. The government also published a consultation on proposals for fundamental changes to the Defined Contribution (DC) pension scheme market. The aim is to accelerate a move from smaller to larger DC schemes, which the government believes will drive the ability to invest in the UK economy and deliver greater returns for members.

Any pension reforms will be implemented through a Pension Schemes Bill, which is planned for the first half of 2025.



Get social with the Scheme

We are on X and our handle is **@RPSpensions** if you'd like to follow us. We share useful information and guidance on getting the best from your pension.



We are also on YouTube where we share short videos explaining different things to do with your pension in a clear and simple way. Subscribe to our channel at **youtube.com/@railwayspensionscheme**.



Your opinion is important to us – please share it!

Join our online feedback community, Platform.

We often bounce ideas off our Platform subscribers and ask for their feedback on the pension communications we develop for all our members.

We do this because we know pensions can be tricky and want to ensure our members understand their RPS pension.

If you join in, you'll be entered into our prize draw with the chance to win £150 worth of shopping vouchers at the end of 2025. Join at **railwayspensions.co.uk/platform**.

Get in touch...

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

If you can't find the answers you need, please email us at **csu@railpen.com** and we'll be happy to help. We currently have a 10-day target response deadline for any emails sent through.

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

Did you find this issue useful?

Share your thoughts on this newsletter by completing a short survey at **surveymonkey.com/r/ReviewFeb25**.

You can also use your phone camera or QR code app to scan this code and access the survey this way.



Large print

If you need a copy of Review in large print, please email **format@railpen.com**.

