



# focus:



## IN THIS ISSUE:

- When can you take your benefits?
- Stay connected to your pension
- Divorce and your pension



**Be prepared to protect yourself from a pension scam**

**Take these steps to make sure you don't fall victim to a scam. £17.7 million was reported lost to scammers in 2023.**



### 1. Reject unexpected offers

If you get a cold call about your pension, hang up straight away. Cold calls are illegal, and are likely to be a scam. You can report any pension cold calls to the Information Commissioner's Office at [ico.org.uk](https://ico.org.uk).



### 2. Check who you're dealing with

Make sure anyone you speak to about your pension is on the Financial Conduct Authority (FCA) register. If they're not on the FCA register, you're unlikely to get your money back if things go wrong. You can check the FCA register at [register.fca.org.uk](https://register.fca.org.uk).



### 3. Don't be rushed or pressured

Take your time to check things through properly, even if you miss a 'fantastic deal'. If it sounds too good to be true, it probably is.



### 4. Get impartial information or advice

Advice from trusted experts can be valuable financially, and for your peace of mind. Make sure your adviser is FCA regulated, and never take advice from a company that contacted you, as it's likely to be a scam. There's a list of professional advisers at [btppensions.co.uk/resources/safety-and-scams](https://btppensions.co.uk/resources/safety-and-scams)



### 5. Keep your pension details safe

If you have a myFund account, it's important you don't share your log in details with anyone – even your financial adviser, if you have one. It's very unlikely that we'll contact you by phone, unless you have an ongoing query. If something doesn't seem right, please contact Railpen to check.

If you're suspicious, call Action Fraud on **0300 123 2040** or visit [actionfraud.police.uk](https://actionfraud.police.uk).



# Message from your Trustee Chair

## Focus is going digital!

We are reducing our use of paper, so this is the last issue of Focus you will automatically get through the post. However, if you still want a paper copy, you'll need to tell us. To do this, log in or register online at [btpensions.co.uk/login](http://btpensions.co.uk/login) for your myFund account.

If you have neither registered for an online account, nor opted in to paper copies, any personal documents will still be sent to you by post. However, other items such as your Annual Benefit Statements or reminder letters will only be available in your myFund account. So if you don't want to miss out, I recommend you register for a myFund account today.

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 3.

On page 4, you can read about what could happen to your pension if you get divorced. There's also a link to a survey, so you can tell us what you think about Focus and the communications you get from us. Please do fill in the survey, it really helps us make our communications better for you and your colleagues.

I'm pleased to say that more than two thirds of your fellow members have now made nominations. These tell the Trustee who you would like any benefits to go to if you die before claiming your pension. You can make or update your nomination today by logging in to your myFund account. It only takes a few minutes.

With best wishes,

**Christine Kernoghan**  
Trustee Chair



## When can I take my benefits?

Your membership in the Fund is about looking to the future.

You might be at the start of your career, or retirement could be just around the corner. Either way, it's important to know when you can take your benefits. This depends on which section you are a member of.

	1970 Section	2007 Section	CARE Section
<b>Normal retirement age</b> The age at which you can take your benefits without reduction for early payment and without increases for late payment.	55	55 for active members, 65 for preserved members	60 for active members, 65 for preserved members
<b>Earliest retirement age</b> If you were an active member of the Fund on 5 April 2006, you may have a Protected Pension Age of 50.	55	55	55
<b>Latest retirement age</b>	75	75	75

If you must stop working because you are too unwell, you could take your benefits before your earliest retirement age. For more information on ill-health retirement, check your Member Guide, available online in your myFund account.

## There are limits to how long some members can pay into the Fund

Have a look at the Maximum Pension Age and maximum membership pages on your member website to learn about how long you can save for retirement with the Fund, and what age limits apply if you wish to delay taking your pension.

Maximum Pension Age (MPA) applies to all active members of the Fund. This is the age at which you normally stop contributing and earning benefits, although you have the option to continue as normal if you want to. MPA is separate to the maximum membership rule that applies to some members. It is dependent on rank, and the section of the Fund that you are a member of.

Scan me!



Go to: [btpensions.co.uk/in-the-fund/your-maximum-pension-age-and-membership-service](http://btpensions.co.uk/in-the-fund/your-maximum-pension-age-and-membership-service) or scan the QR code.

## Taking the benefits you built by paying Additional Voluntary Contributions

### Taking your BRASS pot (1970 Section members only)

You must take any BRASS benefits at the same time as your main Fund pension. Your BRASS fund will be combined with your main Fund benefits. Or, if you don't want to take them at the same time as your Fund benefits, you can transfer them to another pension arrangement.

### Taking your AVC Extra pot

If you are over age 55 then you don't have to take your AVC Extra pot at the same time as your main Fund benefits. You can choose to leave it in the Fund for a while if you wish. However, you must still take your AVC Extra pot by your 75th birthday. If you are under age 55, then your AVC Extra pot must be taken at the same time as your benefits from the Fund (and BRASS if you are a member).

## Stay connected to your pension

### If you have 15 minutes:



- Plan for your future by joining the Fund.
- Register for a myFund account at [btppensions.co.uk/register](https://btppensions.co.uk/register) and log in.
- Verify your mobile number to speedily and securely log in using two-factor authentication.
- Check your postal address is correct in the 'Contact Details' area.
- If the email address you log in with is your work email address, change it to your personal email address in the 'Account Security' area.
- Make or update your death benefit nominations – you can nominate an individual, several people, a charity, club or organisation.

### If you have more time:



- How much is your pension worth? Check your latest Annual Benefit Statement or request an Estimate.
- Use the Retirement Budgeting Calculator in your myFund account to see how much income you'll need in retirement for the lifestyle you want.
- What can you do with your pension? Use the 'Planning for retirement' section of your member website to find out about the ways you can take your pension.
- If you pay Additional Voluntary Contributions into BRASS or AVC Extra, look at the 'Funds' section of your myFund account.
  - If you invest in Lifestyle strategies, check your Target Retirement Age ties in with when you plan to retire, your maximum pension age and maximum membership service (see page 2 for more information)
  - Check the funds you are invested in match the way you plan to take the money. To learn about investment funds, go to the 'In the Fund' then 'BRASS AVCs' or 'AVC Extra' section of your member website.
- Consider joining BRASS or AVC Extra to save more towards your pension. To find out more, go to the 'Boosting my benefits' pages of your Section area on your member website.



## Pension news

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 to 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 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 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 £230.30 a week (£11,975 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 have 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.



## Divorce and your pension

**Dividing any pensions you may have is usually one of the biggest financial decisions you'll need to make in a divorce settlement.**

In Scotland, the value of your pensions built up during your marriage or civil partnership are considered. In the rest of the UK, all pensions are taken into account, regardless of when they were built up. There are 3 ways your pension can be split:

### 1. Pension Offsetting

You keep your pension assets to yourself in their entirety, while something else of the same or similar value, such as property is awarded to your ex-spouse.

### 2. Pension Sharing Order (PSO)

Assets are split immediately, and the shares of pension benefits are treated independently. A one-off payment, that is agreed by both parties and approved by the Court, is made from your pension to your ex-spouse or former civil partner at the time of divorce, or ending of a civil partnership.

Their share is taken off the total amount of your pension – this is known as a 'pension debit'. Your ex-spouse receives their share, known as the 'pension credit' as soon as the order is finalised.

Once the payment has been made, your ex-spouse will have no further claim to your pension. The amount your ex-spouse receives may be used to buy pension benefits either in the Fund, or with another pension provider. These pension benefits are separate to yours, so your ex-spouse does not have to receive their benefits at the same time you do.

### 3. Pension Attachment Order (known as Earmarking in Scotland)

With this option, when you start getting your pension, a certain amount that is agreed by both parties and approved by the Court, will go to your ex-spouse or former civil partner. The amount could also include a portion of your lump-sum death benefit, and/or your retirement lump sum. The payments will be made directly to your ex-spouse, or former civil partner, when you decide to take your benefits. If you die before you start receiving your pension, your ex-spouse or former civil partner will not get the share awarded to them. They may still receive some of the lump sum which could be paid out when you die.

If you are living with your partner but are not married and not in a civil partnership, they will not be entitled to any of your pension benefits if you separate. The State Pension is not included in a financial settlement. Find out more at [btppensions.co.uk/resources/divorce-and-my-pension](https://btppensions.co.uk/resources/divorce-and-my-pension)

## 2023 Funding update

**Every 3 years the Scheme Actuary does a full actuarial valuation of the Fund**

This compares the amount of pensions that need to be paid in the future, based on assumptions agreed between the employer and Trustee, with the value of assets in the Fund. In the years between full valuations, the Scheme Actuary produces a funding update to estimate how the funding level might have changed.

The 31 December 2021 valuation showed a funding level of 103% in the 1970 Section of the Fund. The 2022 funding update showed a funding level of 144%.

The funding update as at 31 December 2023 showed:

- £1,602m Fund assets
- £1,175m estimated liabilities
- 136% funding level

You can read more information about this update in your enclosed 2023 Summary Funding Statement. The next full actuarial valuation will be calculated as at 31 December 2024 and you will be sent a Summary Funding Statement once this is complete.

## Tell us what you think



Share your feedback to help us improve Focus, and our wider pension communications. Your opinion is important to us. Fill in our online survey at [surveymonkey.com/r/FocusDec24](https://surveymonkey.com/r/FocusDec24) or find the survey by scanning the QR code.

Scan me!



## Pension queries

Visit: [btppensions.co.uk](https://btppensions.co.uk) Telephone: **0800 012 1117**  
 @ Email: [csu@railpen.com](mailto:csu@railpen.com) (Mon - Fri, 8am-5pm)

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