

BRASS payroll deduction form - Election Notice



Please fill in this form if you are a 'Protected Person' and would like to start contributing in excess of the 15% limit to BRASS

Please read these important notes before you fill in this form

If you wish to contribute in excess of the 15% limit, you must complete this form and send it to the Network Rail Pensions Team. You will have to wait for this Election Notice to take effect before you can increase your contributions to BRASS above the 15% limit.

I understand that:

- to have the opportunity to contribute more than 15% to the RPS and BRASS I must complete this Election Notice to waive my protected right, in respect of my **future** BRASS contributions, to have the additional pension, in respect of the amount by which those contributions cause my BRASS funds to exceed the Revenue permitted maximum cash lump sum, calculated by using a conversion rate of £12 of excess providing £1 of pension per year. I understand that my Election cannot take effect until at least 30 days after the date my Election Notice is received by the Trustee, and cannot be before the second month after the date the notice is received e.g. if waiver received 28 April 2013 election takes effect 1 June 2013.
- my Election will bind me even if I never take up the opportunity to actually invest more than 15% in the RPS and BRASS.
- I will be able to make BRASS payments in excess of 15% of annual taxable earnings by paying additional contributions **after** my Election Notice has taken effect.
- HMRC restrict the maximum amount you can save tax-free towards all of your pension arrangements in a Pension Input Period. The Pension Input Period is the 12 month period over which pension savings (pension input amount) are measured. For the Railways Pension Scheme (RPS) the Pension Input Period runs from 6 April to 5 April.

For final salary (also called 'defined benefit') schemes, like the RPS, the pension input amount is measured by the increase in your benefits each Pension Input Period. Any increase in the value of your Scheme pension counts towards the Annual Allowance (£40,000 in the 2014/2015 tax year) and has to be multiplied by 16 to get the 'contribution' amount. Any increase in your estimated Scheme lump sum also has to be added. For money purchase (also called 'defined contribution') benefits, such as BRASS contributions, it is measured by the total contributions that are paid each tax year.

- The maximum contributions I can make to the RPS, via payroll, is up to 75% of my annual taxable earnings.
- I will be responsible for working out whether I am liable for an Annual Allowance charge and for reporting this on my Self Assessment tax return. Information about the increase in value of your pension savings for the tax year can be obtained from RPM1, the Scheme Administrator.
- Contributions paid through payroll receive tax relief at source, but it is my responsibility to reclaim any tax from contributions I pay by cheque directly from HMRC.
- I have taken, or have seriously considered taking, my own independent financial advice before choosing to increase my BRASS contributions.

To:

Railways Pension Trustee Company Limited, 7th Floor, Exchange House, 12 Exchange Square, London EC2A 2NY

Notice of Election under Part IV (Election and Enforcement) of the Railway Pensions (Protection and Designation of Schemes) Order 1994

I am a member of the Network Rail Section of the Railways Pension Scheme (the Scheme) and understand that my contributions invested in BRASS

- before 6 April 2009 will provide a lump sum benefit which may be converted at the rate of £12 of lump sum for £1 per year of pension to increase my annual pension from the Scheme.
- after 6 April 2009 will not provide me with additional pension at the rate of £12 to £1 unless I exceed the permitted maximum cash lump sum allowable by Revenue (HMRC) rules at retirement. In which case, only an amount equal to the excess cash lump sum will provide an additional pension calculated on the basis of £12 of excess produces £1 of pension per year.

The Rules of the Scheme were amended in 2009 and allow me to contribute over 15% of my annual taxable earnings to the Scheme including BRASS. Previously the amount that could be contributed to the main Scheme and to BRASS was capped at 15% of annual taxable earnings (or earnings cap if less) and members who wished to make more Additional Voluntary Contributions (AVCs) did so by contributing to the Network Rail Defined Contribution Pension Scheme (NRDC).

I understand that in order to have the opportunity (whether I exercise it or not) to contribute more than 15% of my annual taxable earnings to BRASS I must make this Election and waive my protected right, in respect of my future BRASS contributions after this Election takes effect, to have the additional pension, in respect of the amount by which those contributions cause my BRASS funds to exceed the Revenue permitted maximum cash lump sum, calculated by using a conversion rate of £12 of excess providing £1 of pension per year ("£12 to £1 compensation"). Instead the conversion rate will be as set by the Trustee having considered the advice of the Actuary or, if the Trustee elects will be set by an insurance company.

I have taken or have seriously considered taking my own independent financial advice before making this Election. I have weighed up the advantages to me of being able to pay more than 15% into BRASS and investing my funds using the investment options available under BRASS versus only being able to pay up to 15% into BRASS and using the NRDC (with its investment options which are different to the BRASS options) for contributions above 15%. I accept that the Trustee, Network Rail and RPMI cannot and have not given me advice on whether to take up this opportunity to be able to pay more than 15% into BRASS and therefore whether I should make this Election to obtain this opportunity. I understand that it is not possible to predict with certainty how the Election will affect me individually.

I confirm I am:

- a member of the Network Rail Shared Cost Section of the Railways Pension Scheme established by the Railways Pension Scheme Order 1994 (SI No. 1433) and
- a 'Protected Person' under Part II of the Railway Pensions (Protection and Designation of Schemes) Order 1994 (the **Protection Order**).

I am therefore:

- giving notice under Article 12 of the Protection Order that I elect that Part II of the Order shall **not** have effect with respect to me and my surviving dependants so far as I currently have the following right described above as £12 to £1 compensation (as provided under the Rules of the Network Rail Section, or any other Section). **This Election does not affect any other aspect of my entitlements under the Protection Order.**

Right when I become entitled to benefits in respect of my BRASS Account

My BRASS funds invested before 6 April 2009 will provide a lump sum benefit which can be converted to £1 per year of pension for £12 of lump sum, unless I elect to receive as a cash lump sum.

My BRASS contributions invested on and after 6 April 2009 will provide a lump sum benefit. Alternatively, some or all of that lump sum may be

converted to pension at a rate determined by the Trustee having considered the advice of the Actuary or, if the Trustee elects, set by an insurance company.

However, if I am unable to receive all the lump sum (even if I convert into a pension) because it is capped by the Revenue permitted maximum lump sum, then Part II of the Order requires the Scheme to pay me an additional pension in respect of the excess over such cap from the date the lump sum becomes payable converted at the rate of £1 per year of pension for £12 of lump sum.

The effect of my election in this Notice is that the rate of conversion will be:

- (i) at £1 per year of pension for £12 of lump sum, in respect of contributions made to BRASS between 6 April 2009 and the date this Notice takes effect capped at 15% of annual taxable earnings (or earnings cap if less); and
- (ii) in respect of contributions made to BRASS after this Notice takes effect, on a basis determined by the Trustee having considered the advice of the Actuary or, if the Trustee elects, at a rate provided by an insurance company.

Date this Election Notice takes effect

I acknowledge that I may withdraw this Election by written notice to the Trustee in accordance with Article 12(5) of Part IV of the Order before the expiry of 30 days from the date when the Notice is given. Where a withdrawal notice is not received by the Trustee in accordance with Article 12(5) of Part IV of the Order within this time limit I understand that the notice will become irrevocable i.e. it will be binding and cannot be withdrawn, even if I should join another Section of the Railways Pension Scheme and it will take effect on the first day of the second month after I make my Election e.g. if the Trustee receives my Election notice on 28 April my Election will become effective on 1 June.

The Trustee will acknowledge this Notice within 21 days of receipt and confirm the date when this Notice will take effect, unless withdrawn.

I have read and understood the important notes on page 1 and I confirm I wish to make this Election as set out in this form.

Full Name: <input type="text"/>	National Insurance number: <input type="text"/>
Signature: <input type="text"/>	Date: <input type="text"/>

Now send this form to the Network Rail Pensions Team. By email: pensions@networkrail.co.uk or by post to: The Quadrant:MK, Furzton Building (floor 1), Elder Gate, Milton Keynes, MK9 1EN.