

# Changes from July 2012

To compare the different terms for the Network Rail Section let's call them RPS 60 and RPS 65.

The "Your pension, your choice!" change guide has been designed to explain the changes, and supports the content in the website and these videos. Please make time to read the personal letter and change guide.

It's important that you understand if you have 'protected status' when making your decision; the personal letter you receive will tell you if you are a 'protected person'.

The first thing to highlight is that, **regardless** of whether you remain in RPS 60 or change to RPS 65 from 1 July, increases to your pensionable pay will be treated differently in the future:

- Any annual increase to your pensionable pay, for example your yearly pay review, will be capped at a maximum increase of the Retail Prices Index, RPI, plus 0.5%
- The annual pensionable salary cap' of RPI plus 0.5% will come into effect from 1 July 2012; afterwards the cap will apply from 1 April to 31 March each year
- If you receive a promotion; which results in a change in Grade or Band, any increase in pay you receive will be treated as a 'Pensionable Restructuring Premium' for future service from the date of your promotion

For members of RPS 60 there is one other change being introduced from 1 July 2012;

- Your normal contribution rate will reduce from 11.6% to 9.36% of your Section Pay  
.....everything else *stays the same*.

So, what changes for RPS 65 members, from 1 July, haven't we covered yet?

- Normal pension age will be 65 not 60
- Section Pay will be more, as the reduction applied to pensionable pay will be 75% of basic State Pension instead of the higher 150% deduction applied to RPS 60
- The normal contribution rate will reduce to 7% of the new higher definition of Section Pay, as just described
- The higher Section Pay will generally mean greater pension from July 2012 as more of your pay will be pensionable
- Members will have the *option* of taking a cash lump sum by converting some of their pension, instead of the automatic lump sum provided by RPS 60
- Early retirement factors for all service from July 2012 will be entirely 'cost neutral', for each year retirement is before age 65

Existing members of the RPS will have a one-off option to change to RPS 65. You have until Friday 8 June 2012 to tell us what you want to do.