

Frequently Asked Questions – FAQs

These FAQs are intended to support the information provided in connection with the announced changes to the Network Rail Section of the Railways Pension Scheme from 1 July 2012. They should not be read in isolation, and in any event RPS eligibility, pension contributions and entitlements are governed by the Trust Deed & Rules of the Network Rail Section of the RPS and any overriding legislation.

I am an existing RPS member...

QUESTION	ANSWER
1. Can I change my mind in the future?	No. This is your one-off option to switch to the RPS 65 terms. Friday 8 June 2012 is the deadline for confirming your decision.
2. Will I have to pay more?	No, contributions you pay from July 2012 are less than the current contribution rate because of the changes we are introducing. This will be reviewed again by the RPS Actuary at the next RPS valuation.
3. Which is the best option for me?	This depends very much on your personal circumstances. Neither RPMI, the Trustee nor Network Rail can give you financial advice. If you feel such advice would be of value, you might want to consider speaking to an independent financial advisor (IFA). You can find details of IFAs through: www.unbiased.co.uk .
4. I have 'protected person status'; do I have to give this up?	Your 'protected person status' will only be affected if you choose to switch to the RPS 65 terms, but only to the extent that the RPS 65 terms differ from RPS 60. Please refer to the guide "Your pension, your choice!" for further details.
5. Do these changes affect the RPS pension I have already built up?	No. The benefits you have built up to the end of June 2012 are not changing whether you stay with RPS 60 or switch to RPS 65 for the future. However, any future increases in your pensionable pay will be managed in line with the pay agreement reached with the Trade Unions.
6. Can I take a cash lump sum at retirement if I am on RPS 65 terms?	Yes, you can choose to take a cash lump sum if you are on RPS 65 terms; however you do this by converting some of your Scheme pension. In any event your RPS membership before July 2012 will provide an automatic lump sum. Please refer to the "Your pension, your choice!" guide and your personal illustration for further details.
7. Can I just carry on paying 11.6% with no changes?	No, this is not an option. Without the changes to manage future increases in pensionable pay for all members, normal contributions would have had to increase. The changes have helped us address the funding deficit and offer a more affordable and sustainable RPS for all.
8. I have not received my RPS pension pack, where can I get one from?	Please contact RPMI (the RPS administrator) on 0800 2 343434. You will need to have your Pension Reference number or National Insurance number to hand if you contact them.
9. I have lost my option form. What do I do?	You can download a new form from: www.myNRpension.co.uk or request one by calling the RPMI helpline on: 0800 2 343434.
10. I have a protected Minimum Pension Age of 50, will I lose this right if I switch to the RPS 65 terms?	No, if you are eligible to retire from age 50 then you will continue to have this option whether you are in RPS 60 or RPS 65.

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QUESTION	ANSWER
11. Why do I have to be in SMART with RPS 65?	RPS 65 is designed to provide a more affordable and fairer pension. One way of keeping costs down, is by using SMART which reduces National Insurance (NI) contributions for you and the company. More details about how SMART works can be found in the SMART booklet.
12. Will my BRASS or BRASS 'matching' contributions change from 1 July 2012?	Whether you stay with RPS 60 or switch to RPS 65, your BRASS and any BRASS 'matching' you receive will not change.

General FAQs about the RPS changes

QUESTION	ANSWER
13. Why is there a deficit?	<p>Every three years the RPS Actuary looks at the value of the money held in our Section and the benefits expected to be paid out in the future. There are several reasons why we have a deficit at the latest valuation, including:</p> <ul style="list-style-type: none"> • People are living longer than previously expected so more pension needs to be paid out • Our investments have not performed as well as expected • Long term investment returns are now expected to be lower than before <p>The changes we have introduced have addressed the deficit.</p>
14. Can you guarantee this will be the last change to the RPS pension?	There are no guarantees that further changes will not be necessary in the future, but the changes being put into place now are aimed at reducing the risk of this happening.
15. Will the changes to the RPS save Network Rail money as well?	Yes, the RPS is a shared cost scheme where the employer pays 60 % of the cost and the member 40 %.
16. Is this just a cost cutting exercise?	No, we have agreed measures to address the deficit, while keeping our Section of the RPS open and affordable for existing and future members.
17. What do the Unions think?	We have worked with the Trade Unions to develop these options.
18. Is RPS 65 a different pension scheme?	No. It is within the Network Rail Section of the Railways Pension Scheme, just with some different terms for members who switch, or new joiners from 1 July 2012.
19. How can these changes be implemented without a change to the Railway Pensions (Protection and Designation of Schemes) Order 1994?	<p>Members who have 'protected person status' can remain on RPS 60 terms and their protection is unaffected.</p> <p>If a 'protected person' chooses to switch to RPS 65 for future service from 1 July 2012 they will have to sign a waiver in respect of some of their protection, but only to the extent that the RPS 65 terms are different to RPS 60. Benefits built up before July 2012 will be unaffected.</p>
20. How can RPS contributions be reduced if there is a deficit?	The introduction of an annual cap on future pensionable pay increases, and promotional pay increases addresses the deficit and reduces the cost of future benefits.
21. Can I leave the RPS after I have joined?	<p>Yes you can leave the RPS at any time but should think carefully before doing so. If you choose to leave the RPS whilst still working for Network Rail you will not be able to re-join in the future.</p> <p>The benefits you have built up will remain in the RPS until you retire, or choose to transfer them to another pension scheme. Benefits cannot normally be paid out before age 55 (age 50 for some members). Benefits are normally paid at normal pension age.</p>

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QUESTION	ANSWER
22. Do I have to retire at the normal pension age for the scheme I am in?	No, there is no compulsory retirement age. You can usually ask to retire early and your pension benefits would be less than at normal pension age. Alternatively you can retire later and continue to build up extra pension, subject to a maximum of 40 years' pensionable service.

I am not an RPS member...

QUESTION	ANSWER
23. Will I still be able to join?	Yes, after five years' continuous company service you will be able to join the Network Rail Section under the new RPS 65 terms, subject to the usual eligibility rules.
24. Do I have to join the RPS when I complete 5 years' continuous company service?	No. The decision to take up the option of joining the Network Rail Section of the RPS or remain a member of the NRDC or CARE scheme is entirely up to you. Please note: The option of joining the RPS is a one-off option and cannot be deferred or re-offered at a later date under any circumstances.
25. I will have five years' service <i>before</i> 1 July 2012, what are my options?	If you are a member of the Network Rail Section of the RPS on 30 June 2012, you will be given the option to switch to RPS 65 from 1 July 2012; RPMI will send you information in due course. Please note: If you did not take up your one-off option to join the Network Rail Section of the RPS when it was offered, you will not have a further opportunity to do so now.

Where can I get more information?

Go to www.myNRpension.co.uk or contact the Network Rail Pensions Team on **020 7557 8371** (Internal number: 085 78371) or email: pensions@networkrail.co.uk