

## Network Rail Pension Schemes – Key Features

There are differences between the pension schemes and the choice you make about which scheme you apply to join will depend on your individual circumstances. This document is intended to provide a broad summary of each of the Network Rail pension schemes to help you consider the main features. The Trust Deed and Rules of each pension scheme set out the detailed provisions and the information in this document does not override the terms of these legal documents or any overriding legislation.

Further information is available from the NR Pensions Team by email: [pensions@networkrail.co.uk](mailto:pensions@networkrail.co.uk) or telephone 01908 781010 (internal 085 21010).

	<b>Network Rail Section of the Railways Pension Scheme (RPS65)</b>	<b>Network Rail CARE Pension Scheme (CARE)</b>	<b>Network Rail Defined Contribution Pension Scheme (NRDC)</b>
<b>What type of pension is it?</b>	A defined benefit arrangement.	A defined benefit arrangement based on your career average Pensionable Pay.	A defined contribution (money purchase) arrangement.
<b>Can I join and when?</b>	<p>If you are a new employee who was a member of another Section of the RPS <i>immediately</i> before starting work with Network Rail, you may be eligible to apply to join.</p> <p>Subject to Company policy, shortly before reaching 5 years' continuous company service with NR you will be contacted by the pension administrators and invited to join RPS65.</p> <p>You must be under age 65.</p>	<p>You can apply to join from the later of the date you start employment with Network Rail or from the beginning of the first available pay period following receipt of your application form, subject to any discretionary entrant requirements for the insured death in service benefits.</p> <p>You must be under age 65.</p>	<p>You can apply to join as soon as you start employment with Network Rail, or later subject to any discretionary entrant requirements for the insured death in service benefits.</p> <p>You must be under age 75.</p>
<b>What will it cost me and how are contributions paid?</b>	From 01 April 2016, 7.00% of your RPS 65 Section Pay (contribution rates can vary from time to time).	From 01 April 2016 the contribution rate is 5.92% of your Pensionable Pay (contribution rates can vary from time to time).	<p>The current normal contribution range is 0% to 4% with employer contributions from 3% to 7%, based on your Pensionable Pay.</p> <p>You may have to pay minimum contributions in accordance with the Scheme Rules to comply with auto-enrolment legislation; please refer to the Member's Guide for details.</p>
	Contributions to RPS 65 are paid entirely through the SMART arrangement (subject to statutory exclusions); you do not pay normal contributions to RPS 65, Network Rail pays the contributions for you. Please refer to the SMART booklet for more information on how SMART works, there is no voluntary opt-out of SMART for members of RPS 65.	If you participate in the Network Rail SMART arrangement you do not pay normal contributions to your pension scheme, Network Rail pays the contributions for you. Please refer to the SMART booklet for more information on how SMART works (available on Connect or from the Payroll Helpdesk).	
	Tax relief on pension contributions is applied through the payroll system, providing you earn enough to pay income tax.		
<b>How is my Pensionable Pay defined?</b>	Basic pay (plus London/South East Allowance, if applicable) reduced by 75% of the basic State Pension (BSP) to calculate Section Pay. There is an annual cap (April to March) on increases to pensionable pay of RPI.	Basic pay (plus London/South East Allowance, if applicable).	Basic pay (plus London/South East Allowance, if applicable).

	<b>RPS</b>	<b>CARE</b>	<b>NRDC</b>
<b>How is my pension calculated?</b>	<p>Your pension will be based on your Pensionable Service (PS) and Final Average Pay (FAP). FAP is usually your Pensionable Pay (see above) in the last 12 months before date of retirement reduced by 75% of the average BSP at that date. The formula to calculate the pension is: 1/60 x FAP x PS.</p> <p><u>Note:</u> Promotional pay awards will result in Pensionable Restructuring Premiums which are pensionable for future service only.</p>	<p>Your pension will be based on your Pensionable Pay (PP) in <i>each</i> year of membership. The formula used for the unit of pension earned each year is: 1/60 x PP</p> <p>Whilst you are a contributing member, these units are increased by CPI (from April 2016) in each subsequent year to help protect your pension from inflation.</p>	<p>New rules from April 2015 removed the requirement to buy a pension at retirement in this type of scheme, instead you may choose to take 100% of your fund as a cash payment, but 75% is subject to income tax and 25% is paid tax free.</p> <p>If you choose to buy a pension (annuity) the amount you could receive depends on the:</p> <ul style="list-style-type: none"> <li>• Value of your Personal Retirement Account (PRA);</li> <li>• Lump sum you may take</li> <li>• Age you are at retirement and;</li> <li>• The cost of buying a pension (annuity) at retirement.</li> </ul>
<b>What if I die?</b>	<p>Your eligible beneficiaries will receive a lump sum equal to 4 times your average pensionable pay in the year to date of death.</p> <p>Dependants pensions may be payable.</p>	<p>Your eligible beneficiaries will receive a lump sum of 4 times your pensionable pay at the date of your death (this is an insured benefit subject to the insurer's conditions).</p> <p>Dependants pensions may be payable.</p>	<p>Your eligible beneficiaries will receive a lump sum of 4 times your pensionable pay at the date of your death (this is an insured benefit subject to the insurer's conditions).</p> <p>The value of your PRA may be used to provide a lump sum, or used to buy an annuity for a dependant (e.g. widow).</p>
<b>When can I take my pension without reduction?</b>	From age 65 (max' pension age is 75)	From age 65 (max' pension age is 75)	From age 65 (max' pension age is usually 77)
<b>What benefits are available if I become too ill to work?</b>	<p>You may be entitled to ill-health benefits provided you have 5 years Company service or membership in the NR Section and meet the ill-health requirements in the Rules of the Scheme.</p> <p>The benefits comprise:</p> <ul style="list-style-type: none"> <li>– Immediate pension</li> <li>– Up to 10 added years of pensionable service</li> <li>– Option to commute some pension to receive a lump sum.</li> </ul>	<p>There are 2 levels of ill-health benefit. You may be entitled to an immediate pension providing your ill-health is not in relation to a pre-existing medical condition and subject to Company and Trustee consent. The 2 levels are:</p> <ol style="list-style-type: none"> <li>1. If you are unfit for your current role, you could receive a pension based on pensionable service to date with no early retirement reduction.</li> <li>2. If you are unfit for any gainful employment, you could receive a pension based on service to date plus added years (subject to the total service used to calculate the whole benefit not exceeding 2 times your actual pensionable service at date of retirement) with no early retirement reduction.</li> </ol>	<p>Your accumulated Personal Retirement Account may be used to buy an immediate annuity due to ill-health, with Trustee consent.</p> <p>If your employment is terminated due to serious incapacity (accident or illness) and you are incapable of future employment there is an insured lump sum of 2 times' pensionable pay. As this is an insured benefit, outside of the NRDC, any potential claim is subject to the insurer's conditions.</p>
<b>Will I get a State pension in addition to my NR pension benefits?</b>	Entitlement to a State pension depends on your National Insurance Contribution (NIC) record. From 06 April 2016 government introduced a new single tier State pension for people who reach State Pension Age after this date (subject to eligibility).		