

# Network Rail CARE Pension Scheme



## Your Member's Guide

The bigger picture



# Jargon buster

**Additional Voluntary Contributions** is the name given to any contributions you pay above your normal employee contributions to the Scheme.

**Anniversary Date** is 1 April each year.

**Annual Allowance (AA)** is the maximum value of benefits you can earn in any year under all your pension arrangements, see page 11.

**The Company** Network Rail Infrastructure Limited.

**Deferred Member** is a member who leaves the Scheme before Normal Pension Age and leaves their pension deferred in the Scheme.

**Dependant** is a person who is married to you, in a civil partnership with you, or in the opinion of the Trustee is financially dependent (or interdependent) on you.

**Earnings Cap** is the maximum amount of Pensionable Salary that can be used to calculate your pension benefit accrued in each Scheme Year. The earnings cap increases each tax year (£150,600 for 2016/2017 tax year).

**Eligible Child** is any one of your children who has not yet reached 18 years old, or is under 23 years old, but was in full-time education on their 18th birthday and continues to be, or has a disability that means they are unable to earn a living.

**Lifetime Allowance (LTA)** is the maximum value of tax efficient pension savings you can build up during your lifetime as decided by HM Revenue and Customs, see page 11.

**Minimum Pension Age** Currently age 55. The government had indicated that the minimum age people can access their benefits will rise to 57 from 2028, when it plans to link the minimum age to rises in the state pension age.

**Normal Pension Age** is age 65.

**Notional Pensionable Salary** is used if you are absent from work (e.g. on unpaid leave) and is your Pensionable Salary based on your regular pensionable earnings as if you are working normally.

**Pensionable Salary** is your basic pay plus any London/South East allowance you receive (if applicable), but excluding other allowances, bonuses etc, and not exceeding the Earnings Cap.

**Pensionable Service** is your period of membership of the Scheme for which you have paid contributions and before you take your pension.

**Postponed Pensioner** is someone who has attained Normal Pension Age, ceased to make contributions to the Scheme, but has not yet taken their pension.

**Revaluation Percentage** For benefits built up during pensionable service to 31 March 2016 it is the increase in the Retail Prices Index (RPI). For benefits built up during pensionable service from 1 April 2016 it is the Consumer Prices Index (CPI). Both the RPI and CPI (often referred to as inflation) used will be as published by the Office for National Statistics for the 12 months ending 30 September prior to the Anniversary Date.

**Scheme** is the Network Rail CARE Pension Scheme.

**Scheme Year** means a period of one year beginning on the Anniversary Date.

**Trustee** is Network Rail Pension Trustee Limited.

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# Introduction

## This booklet is your guide to the Network Rail CARE Pension Scheme (the Scheme).

The Scheme is a trust-based pension arrangement which is completely separate to the Company, and is run by a Trustee. The Trustee is responsible for managing the Scheme and monitoring its investments.

The term CARE stands for Career Average Revalued Earnings. This means that your pension, when you take it, will be based on the average of your pensionable salary over your period of membership in the Scheme, adjusted to take account of price inflation. The Scheme is an excellent way for you to save for your retirement, thanks to the contributions made by Network Rail and by you, and the tax relief you receive on your contributions.

You can find out more about the Scheme at [www.myNRpension.co.uk](http://www.myNRpension.co.uk), including a link to view your own pension details through a secure online portal.

If you have a general query about your membership of the Scheme, you can telephone the Capita Helpline on 0345 8509 599 or the Network Rail Pensions Helpline on 01908 781010.

The Scheme also provides benefits on retirement through ill-health and there are various options if you leave the Scheme before retirement. In the event of your death, there are also benefits payable to those who depend on you financially.

Any basic State Pension due to you is paid in addition to any benefits from the Scheme and any pension benefits you have built up in other arrangements.

Although you are required to contribute to the Scheme, Network Rail pays 60% of the overall cost of providing benefits.

The assets of the Scheme are held in trust and are separate from the assets of Network Rail. The Scheme is a registered pension scheme under the Finance Act 2004 and benefits from valuable tax privileges, such as tax relief on contributions paid into the Scheme.

Each year as a member you can expect to receive a Summary Funding Statement and a Benefit Statement; these keep you informed about the financial position of the Scheme and how your own benefits are building up. You may also request a copy of the latest annual Report and Accounts.

**Disclaimer:** This booklet provides a summary of the main features of the Network Rail CARE Pension Scheme and does not confer any rights or entitlements to benefits from the Scheme. This booklet is intended to be a guide to how the Scheme works; full details are set out in the Trust Deed and Rules which are the legal documents governing the Scheme. Nothing in this booklet can or will override the Trust Deed and Rules of the Scheme, or prevailing legislation.

# Benefits at a glance

## **Retirement pension**

An income for life from Normal Pension Age (65), or possibly before if you apply for early retirement (from Minimum Pension Age).

## **Tax-free cash sum**

The option to take a reduced pension in exchange for a lump sum payment on retirement, you may use some or all of your AVC funds to provide your cash lump sum subject to HMRC rules. At the time of printing this booklet (January 2017) such payments are regarded as tax-free under HMRC legislation.

## **III-health benefits**

A pension if you have to retire early because of serious ill-health (subject to Trustee and Company consent).

## **Life assurance**

A cash lump sum payable at the discretion of the Trustee to your nominated beneficiaries if you die whilst still a contributing member. This is an insured benefit and is subject to any restrictions or exclusions imposed by the insurer.

## **Dependants' pensions**

Pensions for those who depend on you financially should you die (e.g. your surviving spouse, civil partner, or a person who in the opinion of the Trustee was financially dependent or interdependent on you at date of death).

## **Pension increases**

Annual increases to pensions in payment.

## **Tax efficiencies**

Tax relief is available on your contributions to the Scheme.



# Joining

## Who can join?

You may join the Scheme if you are offered membership of the Scheme by the Company and are aged less than 65 years old. You must be employed for a regular fixed number of hours per pay period (e.g. per week or four-weekly). In some circumstances, you may be required to undergo a medical examination (with satisfactory results) prior to joining the Scheme.

## How do I join?

You will need to complete and submit an application form. These are available from the pensions department. See back page for contact details.

Your effective date of membership will be the first day of the next pay period, after the Trustee has received your completed application form and any other information required, or such earlier date as the Trustee determines.

## How it works

The Scheme is a career average revalued earnings defined benefit arrangement. This means that for each year of membership of the Scheme you earn a unit of pension for that year based on your Pensionable Salary. Your Pensionable Salary, will, in effect, be divided by 60 (the rate at which you earn pension) to give the unit of pension for each year. These units of pension will then build, year on year, until the time you take your pension (retirement), or the date you leave the Scheme if earlier.

## Example

If your Pensionable Salary for a particular Scheme Year is £30,000, the unit of pension you earn for this year is  $\text{£}30,000 \div 60 = \text{£}500$ .

If your Pensionable Salary for another Scheme Year was £32,000, the unit of pension you earn for this year is  $\text{£}32,000 \div 60 = \text{£}533$ .

Whilst you are a contributing member, the unit you earn in each Scheme Year will be increased by the yearly increase in the applicable Revaluation Percentage from the second Anniversary Date following the Scheme Year in which you earned the unit of pension.

## Transferring previous benefits into the Scheme

Subject to certain criteria, you can transfer benefits from previous pension arrangements into the Scheme. All transfers-in will be treated as defined contribution (money purchase) benefits, which means the transfer value would be invested in the same way as Additional Voluntary Contributions (AVCs).

## Opting-Out

You may leave the Scheme and continue to work for Network Rail by giving one month's written notice. You would only be permitted to rejoin the Scheme with Network Rail's consent. See page 16 'Leaving the Scheme' for the options available to you on leaving.



- You can join from your first day of employment if you:
  - are offered membership by Network Rail
  - are under age 65
  - are employed for a fixed number of hours per pay period
  - complete and return an application form.
- As a member you will earn a unit of pension each Scheme Year based on 1/60th of your Pensionable Salary for that Scheme Year.

# Contributions

## Your contributions

You are required to contribute to the Scheme at a percentage of your Pensionable Salary. This is a 'shared cost' scheme and the rate at which you contribute is equal to 40% of the overall cost of providing Scheme benefits. Member contributions are currently 5.92% (from April 2016) of Pensionable Salary; this is reviewed by the Trustee and the Scheme Actuary from time to time and you will be advised in advance of any changes. Tax relief is automatically given on your contributions at the highest rate of income tax you pay.

## Company contributions

The cost of the wide range of benefits provided by the Scheme is met by contributions from you and Network Rail. These costs are agreed between Network Rail and the Trustee, after taking advice from the Scheme Actuary. The overall costs are shared between the member and Network Rail, so that Network Rail meets 60% of the costs and the member 40%. The current Company contribution is 8.88% of Pensionable Salary.

## Think SMART!

Participating in the SMART arrangement does not affect your pension benefits. It means that:

- The Company pays your normal contributions on your behalf;
- your contractual pay is adjusted to reflect this change; and
- your take-home pay goes up, because you are paying less National Insurance Contributions.



- You are required to contribute at a rate which may vary over time depending on the overall cost of Scheme benefits. Member contributions are currently 5.92% of Pensionable Salary.
- You receive tax relief on your contributions and can save on National Insurance contributions by being in the SMART arrangement.
- Your contributions cover 40% of the cost of the benefits of the Scheme, the remaining 60% of the cost is met by Network Rail.
- You can make Additional Voluntary Contributions (AVCs).

## AVCs

You may choose to pay Additional Voluntary Contributions (AVCs) with the aim of increasing your overall benefits from the Scheme. AVCs are used to provide additional benefits on a defined contribution basis (sometimes called 'money purchase') and invested in the AVC funds available through the Scheme. You choose which funds your AVCs are invested in.

AVCs have the same tax advantages as normal contributions to the Scheme, provided they are made within the Annual Allowance (see page 11), but they do not attract any contributions from Network Rail.

When you take your pension, AVC benefits are paid in addition to your benefits from the Scheme. Your AVCs may be used to provide you with:

- 1) A cash lump sum payment on retirement (see page 11).  
Or
- 2) A pension. If you choose this option, this will usually be done by you purchasing an annuity (pension) with your AVCs from an Insurance Company; this is known as the Open Market Option.

# Your pension

The main aim of the Scheme is to provide you with a pension from retirement for the rest of your life. These pages look at the pension you can build up in the Scheme. Your pension is based on your Pensionable Salary received in each Scheme Year.

## Normal retirement

### Example

Tony is a member of the Scheme and earns a unit of pension equal to 1/60th of his Pensionable Salary each year.

To see how Tony's pension builds to retirement, let's assume Tony retires at age 65 with three and a half years' pensionable service in the Scheme and his Pensionable Salary is £30,000 a year in year one, increasing by £1,000 each year.

Tony earns a unit of pension, equal to 1/60th of his Pensionable Salary received in each Scheme Year. In addition, in each subsequent year, the units of pension he has built up are revalued to take account of inflation by the increase in the applicable Revaluation Percentage for each complete Scheme Year that he is a contributing member of the Scheme.

In this example we're assuming that the Revaluation Percentage is 2% each year.

The table shows how Tony's pension will build up to his retirement in the three and a half years he is a member of the Scheme to his Normal Pension Age.

### Unit of pension earned

Year 1	$\text{£30,000} \div 60 = \text{£500}$
Year 2	$\text{£31,000} \div 60 = \text{£516}$
Year 3	$\text{£32,000} \div 60 = \text{£533}$
Year 4 (only six months of service)	$\text{£16,500} \div 60 = \text{£275}$

### Value of pension at retirement =

Pension	Compound revaluation	Revalued
£500	+ 4%	= £520
£516	+ 2%	= £526
£533		= £533 (no increase as not in for a full Scheme Year)
£275		= £275 (no increase as only a part year; six months)
<b>Total pension at retirement</b>		<b>£1,854 a year</b>

All figures have been rounded to the nearest pound.

**The actual amount of pension payable at retirement depends on the date you join the Scheme and the date that you retire or leave (whichever is earlier).**

As you can see, when Tony retires after three and a half years' membership in the Scheme, he has built up a pension of £1,854. This will be paid each year for the rest of his life.



## **Early retirement**

Although your Normal Pension Age is age 65, with Network Rail's consent you can retire at any time from Minimum Pension Age (or earlier in the event of serious ill-health).

Your pension will be calculated in the same way as the pension at normal retirement (see the example on page 8) but will be based on Pensionable Service to the date of your early retirement. As you are taking your pension before Normal Pension Age, it will be reduced to take account of the fact you will be paid for a longer period of time.

## **Retirement whilst remaining in employment**

You may be able to take your pension whilst continuing to work for the Company by opting-out of the Scheme. Taking your pension whilst remaining in employment is subject to Company consent. The benefits will be calculated as above and you will not build up any further pension or be provided with death in service cover in the Scheme. You will need to check what, if any, pension arrangements may be available from Network Rail in the future.

## **Early retirement on the grounds of ill-health (Incapacity or Total Incapacity)**

With the consent of the Trustee and Network Rail, you may be able to retire at any age due to serious ill-health or injury. There are two definitions of ill-health in the Scheme: Incapacity and Total Incapacity. The amount of pension you receive, should you retire early on the grounds of ill-health, depends on the definition of incapacity that can be applied to your condition at that time.

You will have to provide medical evidence or attend a medical examination so that the serious nature of your condition can be determined. Based on this independent medical report, you may be entitled to an immediate pension. Please note you may also be required to provide periodic evidence of your continuing incapacity to the Trustee during your retirement. Details of the pension you may receive under the two definitions of ill-health are given below.

You must not have suffered from the ill-health condition when you joined the Scheme.

### **Incapacity (lower level ill-health early retirement)**

If, in the opinion of the Trustee you meet this definition of ill-health, which means in summary that your ill-health prevents you from continuing in your current occupation or carrying out any other suitable duties (and you have ceased to carry on your normal occupation), your pension will be calculated as it would be for early retirement (see above), but with no reduction for the early payment of your pension.

# Your pension continued

## Total incapacity (higher level ill-health early retirement)

To meet this definition of ill-health, it must be deemed, in the opinion of the Trustee, that you are no longer able to continue in your current occupation (and you have ceased to carry on your normal occupation), and you will not be able to carry out any other paid employment, now or in the future. If you meet this definition of ill-health, your pension will be the sum of:

- 1) Your pension calculated as it would be for early retirement (see page 9), but with no reduction for early payment.
- 2) An additional amount calculated as 1/60th of your Pensionable Salary per year of Pensionable Service between your actual date of retirement and your Normal Pension Age. Your Pensionable Salary for the purpose of this calculation will be based on your Pensionable Salary (or Notional Pensionable Salary as determined by Network Rail) for your last complete Scheme Year of membership.

Subject to a limit on your total Pensionable Service used in calculating 1) and 2) above not exceeding two times your actual Pensionable Service up to the day before your ill-health retirement.



## Late retirement

If you continue working for the Company after Normal Pension Age you can choose to remain a contributing member of the Scheme and carry on building up pension benefits, or choose to stop contributing at age 65 and become a Postponed Pensioner.

If you remain a contributing member of the Scheme, the pension you receive when you take it will continue to build in the same way as pension at normal retirement (see the example on page 8).

If you become a Postponed Pensioner, your pension, when you take it, will be based on the pension you had built up to your Normal Pension Age, but will be increased by a factor determined by the Scheme Actuary to take account of its late payment.

In both cases, you must take your pension by your 75th birthday.



- At Normal Pension Age (age 65), your pension will be made up of units of pension earned for each year of Pensionable Service, revalued to take account of inflation.

- You can retire from Minimum Pension Age with Company consent, but your pension will be reduced to take account of early payment.
- If you meet the criteria, you may retire early on grounds of serious ill-health. The pension you receive will depend on the severity of your condition and must not be a pre-existing condition at the date you joined the Scheme.
- You may retire after age 65, but you must take your pension by age 75.

# Your other retirement benefits

## Cash lump sum

At retirement, you are able to exchange some of your pension for a tax-free cash lump sum under current tax rules (2016/2017 tax year).

Details of the amount of tax-free cash lump sum payable to you will not be known until you reach your retirement. However, under current tax rules this is up to a maximum of 25% of the total value of your pension.

The maximum lump sum you are allowed will be tested against the Lifetime Allowance (LTA) at the date you retire, and any benefits you receive at retirement which are in excess of the LTA will incur a tax charge.

Your pension will be reduced as a result of taking a tax-free cash lump sum. Alternatively, if you choose to pay AVCs you could use some or all of your AVC fund to provide this part of your benefits at retirement. Since April 2015 it is possible to take all of your AVC fund as a cash lump sum at retirement; 25% can be paid to you tax free the remaining 75% would be taxed at your marginal rate.

Further information on the tax-free cash lump sum available to you will be given nearer to the time you are due to take your pension.

## Pension payment and increases

Your pension and lump sum will be paid by the Trustee, into your nominated bank account. Pensions will normally be paid four-weekly in arrears, unless the Trustee gives advanced notice that some other interval will apply. If tax is due on the pension then it will be deducted under the PAYE system.

Once in payment, your pension will be increased at each Anniversary Date (1 April) by 5%, or by the increase in applicable Revaluation Percentage if lower.



## What is my Lifetime Allowance?

This is the limit on the total amount you can save in all your pension arrangements, before you become liable to pay additional tax, over your lifetime. This includes any pension savings you might have outside the Scheme (excluding State pensions). The value of the Lifetime Allowance has changed several times since it was set up in 2006, and is £1 million in the 2016/2017 tax year.

## What is my Annual Allowance?

This is the amount you can build up and save tax-free in all your pension arrangements during the Scheme year (known as a Pension Input Period or PIP).

The Annual Allowance is currently set at £40,000 (for 2016/2017). If your savings go over this allowance, you may have to pay more tax. However, you may be able to carry forward any unused Annual Allowance from up to the three previous tax years. If you earn £110,000 per year or more you may be subject to the Tapered Annual Allowance introduced in the 2016/17 tax year.

Any contributions paid, or benefits received, above these allowances will be subject to a tax charge. The Annual Allowance and Lifetime Allowance are set by HMRC and can change from time to time. You may wish to seek independent financial advice if you think you are affected by these allowances.



- At retirement you can exchange some of your pension for a lump sum, which is tax-free under current legislation.
- Pensions in payment receive annual pension increases.
- Payment of pensions and lump sums are subject to allowances set out by HM Revenue and Customs.

# Death benefits

In the event of your death, there are also benefits payable to those who depend on you financially.

## Death in service

If you die whilst you are an active member of the Scheme, your dependants or beneficiaries could receive:

### Lump sum benefit

A lump sum equal to four times the annual rate of your Pensionable Salary as at your date of death would be payable to your beneficiaries, at the discretion of the Trustee. As this is an insured benefit, the amount payable is subject to any restrictions, limitations or exclusions imposed by the insurer.

### Pensions for those who depend on you

In addition to the lump sum benefit payable, those who depend on you financially, including your Dependant and/or Eligible Child(ren), may receive a pension.

The amount of pension payable to your Dependant would be the sum of:

- One half of the pension you had built up, calculated as though you had left the Scheme the day before you died. Plus
- An amount equal to 1/120th of your Pensionable Salary in the last complete Scheme Year prior to your death, for each year between the date of your death and Normal Pension Age, plus a proportionate amount for each part year.

Please note that this pension will be reduced if your Dependant is more than ten years younger than you.

In addition, children's allowances may be payable, see page 13.

## Death in retirement

On death whilst in receipt of a pension from the Scheme, the following benefits are payable:

### Lump sum benefit

If you were to die within five years of taking your pension from the Scheme and before you reach age 75, a lump sum equal to the pension you would have received from the Scheme during the remainder of

the five-year period (excluding pension increases), would be payable. If you were to die within five years of taking your pension, but are 75 years or over, no lump sum would be payable. Instead, the pension would continue to be paid for the remainder of the five years to your dependants (at the Trustee's discretion).

### Pensions for those who depend on you

In addition to the lump sum benefit payable, those who depend on you financially, including your Dependant and/or Eligible Child(ren), may receive a pension.

If you leave a Dependant, they will be paid a pension for life equal to one half of the pension payable at your date of death, before any reduction to your pension if you took a cash lump sum at retirement. Please note that this pension will be reduced if your Dependant is more than ten years younger than you.

In addition, children's allowances may be payable, see page 13.

## Postponed Pensioners

If you take late retirement and die before you take your pension, the benefits for those who depend on you will be as if you had taken your pension the day before you died. See above for details.



- There are benefits for those who depend on you financially if you die:
  - In service, whilst a contributing member of the Scheme
  - In retirement, whilst receiving a pension from the Scheme
  - As a Postponed Pensioner.
- Benefits payable on death include:
  - Lump sum benefits
  - Pensions payable to your Dependant for life
  - Pensions paid to Eligible Children.

## **Death whilst a Deferred Member**

On death whilst entitled to a deferred pension from the Scheme, the following benefits are payable:

### **Lump sum benefit**

A lump sum equal to the contributions you paid whilst a contributing member of the Scheme would be payable together with any interest the Trustee determines. Any AVCs you paid whilst a contributing member of the Scheme would also be payable as a lump sum.

### **Pensions for those who depend on you**

In addition to the lump sum benefit payable, those who depend on you financially, including your Dependant and/or Eligible Child(ren), may receive a pension.

Your Dependant would receive a pension for life, equal to one half of the deferred pension calculated at the date of death. Please note that this pension will be reduced if your Dependant is more than ten years younger than you.

## **Children's allowances**

Children's pensions may also be payable for any Eligible Child, aged under 18 (or under 23 if in full-time education or unable, because of a disability, to earn a living). The pensions payable to children vary depending on if there is also a Dependant's pension payable.

Where a pension is being paid to an adult Dependant, the total pension paid to Eligible Child(ren) will be:

- 50% of the Dependant's pension to one child; or
- 100% of the Dependant's pension for two or more children.

Where a pension is not being paid to an adult Dependant, the total pension paid to Eligible Child(ren) will be:

- 100% of the Dependant's pension to one child; or
- 200% of the Dependant's pension for two or more children.

If there are two or more Eligible Children, the proportions in which their benefits will be split are at the discretion of the Trustee.

## **Expression of Wish Form**

You should complete an Expression of Wish form to let the Trustee know who you would like to receive any benefits payable in the event of your death. Although benefits are payable at the Trustee's discretion, your wishes will be taken into account when a final decision is made providing you have an up to date Nomination form on your pension record held by Capita.

It is very important that you fill in a new Expression of Wish form whenever your personal circumstances change, or if you haven't completed a form for several years and you are not sure if your last form is up to date.

You can do this by:

- completing a form online through [www.myNRpension.co.uk](http://www.myNRpension.co.uk);
- requesting a form from the Network Rail Pensions Team;
- or ringing the Capita Helpline on 0345 8509 599.



- There are benefits for those who depend on you financially if you die whilst entitled to a deferred pension from the Scheme.
- Benefits payable on death include:
  - Lump sum benefits
  - Pensions payable to your Dependant for life
  - Pensions paid to Eligible Children.
- Children's benefits are payable, if you die, for any of your children under 18, or under 23 in some circumstances.
- The level of benefit payable to children depends on if a Dependant's benefit is also being paid.

# Changing circumstances

## General

You must keep the pensions administrators (currently Capita) up-to-date if your personal circumstances change, for example if you get married. You may need to update your Expression of Wish Form. This form indicates to the Trustee your wishes about the payment of the lump sum death benefit whilst you are employed by Network Rail.

As a pensioner or Deferred Member, you must also keep the pensions administrator updated if you change address.

## Absence on family leave

### Family leave

If you receive statutory maternity, paternity or adoption pay, your contributions will be based on the actual pay you receive. Network Rail will pay its contributions based on your normal Pensionable Earnings. You will continue to be covered for death in service benefits, subject to the insurer's terms and conditions. If, for any reason, you cannot pay your contributions or you have a period of unpaid statutory family leave you can choose to pay contribution arrears when you return to work normally.

The units of pension you build up for this period will be based on your Notional Pensionable Salary. Your lump sum death benefits at this time would also be based on your Notional Pensionable Salary.

If you choose not to pay the arrears there will be a gap in your Pensionable Service for the period that contributions were not paid.

If you do not return to work after a period of family leave, your membership of the Scheme will end, with effect from the last day of your leave (paid or unpaid). Your eligibility for a lump sum death benefit will end on the day that you give notice of your intention not to return, or on the day you lose the right to return to work.

## Divorce or dissolution of a civil partnership

When working out a financial settlement, your CARE Scheme benefits may be considered along with your other assets. A court order (known as a Pensions Sharing Order) can be made to transfer part of the value of your CARE benefits as part of the divorce or dissolution proceedings. If this is the case, it would mean your CARE benefits would be reduced to provide a benefit for your ex-spouse or ex-civil partner. You can request a transfer value of your CARE benefits from the Scheme Administrator.



## **Career break**

If you apply, and the Company agrees, you may be able to take a career break which is unpaid leave. Whilst on career break, neither you nor the Company pay pension contributions and the period you are on career break is treated as a 'break in service'. You will continue to be covered for death in service benefits, subject to the insurer's terms and conditions.

## **Working part-time**

If you work on a part-time basis your pension is calculated based on your actual part-time Pensionable Salary.

### **Summary**

- You should keep the pensions administrators informed of any changes to your personal circumstances.
- There are provisions in the Scheme for periods of absence from work. These vary depending on the reason for your absence.



# Leaving the Scheme

## Leaving the Scheme

Your Pensionable Service ends on the day you leave the Scheme (this includes if you choose to opt-out of the Scheme). The options available to you should you leave depend on your length of Pensionable Service in the Scheme.

Any member who leaves the Scheme will, ordinarily, become a Deferred Member and the pension they have built up will be deferred until Normal Pension Age. The deferred pension will be made up of:

- 1/60th of the aggregate of your Pensionable Salary for the Scheme Year in which you left.

Plus

- The units of pension you had already built up to the start of the Scheme Year in which your pension became deferred.

Your deferred pension will be increased by 5% per annum or the increase in the applicable Revaluation Percentage (if lower) for each complete year between the date your membership ends and the date your pension commences. With the consent of Network Rail, a deferred member may choose to take their pension from the Scheme at any time after Minimum Pension Age. As your pension will be paid for a longer period of time if you take it early, it will be reduced to take account of the fact that you are taking it before Normal Pension Age.

## Opting-out

You can opt-out of the Scheme by completing an 'Opt-out Form'. If you opt-out you will not be covered for any insured death in service lump sum through the Scheme. If you opt-out you would only be permitted to rejoin the Scheme with the consent of the Company.

## Leaving the Scheme with at least three months' but less than two years' Qualifying Service

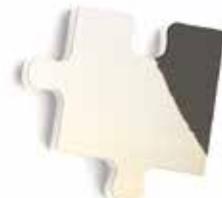
Instead of becoming a Deferred Member, you can choose to take a refund of your contributions (including AVCs), less an adjustment for tax and National Insurance. However, if you have transferred benefits from a personal pension into the Scheme you cannot take a refund of your contributions.

## Transferring-out of the Scheme

As an alternative to taking a refund of your contributions (described above) you may transfer your benefits (including your AVC fund) to another registered pension arrangement at any time after you leave the Scheme, but before you take your pension. The amount transferred will be the cash equivalent value of your deferred benefits, including the value of any AVCs you have paid.

## Leaving the Scheme with less than three months' Qualifying Service

If you have less than three months' Qualifying Service (and have not transferred benefits into CARE) you will automatically receive a refund of your contributions (including any AVCs) less an adjustment for tax and National Insurance.



# The State Pension

## State Pensions

During your working life you will build up entitlement to pension benefits payable by the Government (subject to your National Insurance record). Any entitlement you may have can be paid to you when you reach your State Pension Age. The new State Pension came into effect for anyone reaching State Pension Age on or after 6 April 2016. State Pensions are separate to your benefits in the NRDC.

For information about your State Pension entitlement and to request a forecast, contact the Pension Service:

T: 0800 731 7898

W: [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension)

Until 6 April 2016 the Scheme was contracted-out of the State Second Pension and members paid reduced rate National Insurance Contributions (NIC). Government abolished contracting-out from 6 April 2016 and since then Scheme members and the Company have paid full rate NIC.



- If you leave the Scheme before you take your pension you will ordinarily become a Deferred Member.
- Your pension at Normal Pension Age will be made up of your pension built up to the time of leaving, plus an annual adjustment for inflation.
- In addition to your pension from the Scheme, the basic State Pension is payable at State Pension Age.



# Other information

## **Amendments or discontinuance**

Network Rail may amend the Scheme from time to time, or it may choose to discontinue it. Any amendment to the Scheme would require the consent of the Trustee. Network Rail also retains the right to change or terminate its contributions at any time. You will be given due notice of any changes to benefits.

## **Assignment of benefits**

Your benefits from the Scheme may not be assigned, charged or used as security for a loan.

## **Communication with members**

The Trustee is required to produce a report each year which includes the Scheme's accounts. A copy of the full report will be available on request from the pensions department.

In addition, the Trustee is required to provide members with an update of the funding position of the Scheme each year. Members can also expect to receive an annual benefit statement.

## **Data Protection**

The Trustee and the appointed Scheme Administrator will use information about you to arrange and administer your benefits in the Scheme. Your personal information will be held in accordance with the Data Protection Act 1998 and will be treated as confidential. Your personal details will only be used for administering your benefits in the Scheme; this may include sharing your information with other parties including Network Rail Infrastructure Limited, the Scheme's advisers and service providers, but only where it is necessary as part of providing your pension scheme benefits. The Trustee may disclose your personal information if required to do so by any legal, regulatory or statutory bodies such as HM Revenue & Customs.

## **Evidence of age**

Before any benefits are paid, evidence of age (normally a birth certificate) will be required.

## **Trust Deed and Rules**

This booklet is only a summary of the benefits provided by the Scheme and does not override the conditions in the Trust Deed and Rules, which are the legal documents governing the Scheme. The power to make changes to the Rules of the Scheme rests with the principal employer, Network Rail Infrastructure Limited, but it must have the Trustee's consent to do so.

## **Making a complaint**

We will do our best to make sure you never have cause to complain. However, if you do have a complaint, the Scheme has an internal procedure for resolving any disputes you may have. This complies with the Pensions Act 1995. In the first instance please write to: Pensions Manager, Network Rail Pensions Team, The Quadrant:MK, Furzton Building (floor 1), Elder Gate, Milton Keynes, MK9 1EN.

In normal circumstances you will receive a full response within two months. If you are not happy with this response, you must refer the matter to the Trustee within six months of receipt of the response. The Trustee will then reply to you directly, where possible within two months.



# Useful contacts

## The Pensions Advisory Service (TPAS)

TPAS is available to help members and beneficiaries of occupational pension schemes with any pension query they may have, or any difficulties they have been unable to resolve with the Trustee. TPAS contact details are:

The Pensions Advisory Service,  
11 Belgrave Road, London SW1V 1RB  
Telephone: 0300 123 1047  
Website: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

## Pensions Ombudsman

If you are still not satisfied, you can refer your complaint to the Pensions Ombudsman. The Pensions Ombudsman is appointed to investigate complaints and judge the facts of a case in relation to a pension scheme's rules and statutory regulations. Normally the Ombudsman will ask TPAS to consider the complaint first. The Pensions Ombudsman can be contacted at the same address as TPAS.

Telephone: 0207 630 2200  
Website: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

## The Pensions Regulator

The Scheme is covered by the Pensions Regulator, who has wide ranging powers to regulate the running of occupational pension schemes and can intervene if those responsible have failed in their duties. The Pensions Regulator's address is:

The Pensions Regulator, Napier House,  
Trafalgar Place, Brighton BN1 4DW  
Website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

## The Pension Tracing Service

You may no longer have the contact details of previous employers, where you may have pension benefits. All company pension schemes are registered with the Pension Tracing Service. You can trace your pension by going online at:

Website: [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

**www.myNRpension.co.uk** – is the one-stop-shop for information about the Network Rail pension schemes; follow the link for CARE. You can download forms and further copies of this guide.

# Contact details

If you have any questions about the Scheme, please contact the pensions department:

**Write:** Network Rail Pensions Team  
The Quadrant:MK  
Furzton Building (floor 1)  
Elder Gate  
Milton Keynes  
MK9 1EN

**Telephone:** 01908 781010

**Email:** [pensions@networkrail.co.uk](mailto:pensions@networkrail.co.uk)

CARE scheme registration number: 12000963

Disclaimer: This booklet provides a summary of the main features of the Network Rail CARE Pension Scheme and does not confer any rights or entitlements to benefits from the Scheme. This booklet is intended to be a guide to how the Scheme works; full details are set out in the Trust Deed and Rules which are the legal documents governing the Scheme. Nothing in this booklet can or will override the Trust Deed and Rules of the Scheme, or prevailing legislation.

