

November 2024



# Choices

The newsletter for members of the Network Rail Defined Contribution Pension Scheme (NRDC)

# Welcome

## Welcome to your 2024 issue of *Choices*, the newsletter for members of the Network Rail Defined Contribution Pension Scheme (NRDC)

For the first time, your 2024 annual benefit statement has been issued electronically via the member portal, unless you have elected for a paper copy. As more of our Scheme communications will be issued electronically going forward, it is really important that you make sure you're registered so you can receive future communications. There are more details about the member portal on page 4.

Following the implementation of the Scheme's new investment strategies and fund options, the Trustee continues to review the investment choices that are available to members, in consultation with the investment adviser, at least every quarter. The investments are monitored by the Trustee, along with its dedicated investment sub-committee to ensure that the default investment strategy is working for you. For more information, please see page 11.

With the recent change in government and the Labour Party's publicised proposals for the railways, it would be remiss of me to not mention Great British Railways. As yet, we do not know what impact this may have on the Scheme,

however, we will of course be communicating any developments and potential impact with all Network Rail colleagues.

Finally, there have been some changes to the Trustee board with Andrew Fielding (a Union Nominated Trustee) and Mark Engelbretson (Employer Nominated Trustee) both resigning from their roles during 2023. They are replaced on the board by Ian Waters (Union Nominated Trustee) and Lisa Leeds (Employer Nominated Trustee). Following the member-nominated director (MND) ballot process, Ian Icton has been appointed as MND from 1 April 2024 replacing Robert Arnold.

I hope you enjoy reading this issue of *Choices* and find it useful. If you have any questions, please get in touch using the contact details on the back page.

**Samantha Pitt**  
Chair of the Trustee

# At a glance

As at 31 December 2023,  
the Scheme was worth  
**£558.2 million**

Membership has  
increased to  
**34,047 members**

The Scheme offers  
a choice of **12**  
investment funds and  
**3** lifestyle strategies.



## Look inside

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# Noticeboard

## Your pension communications are now digital

We have gone digital. As with this newsletter, our communications are going online and will be issued to you in the future via the member portal. You can opt out of receiving communications in this way, but please be aware that the default method of communicating with you in the future will be via the member portal.

You can find any communications, by logging in to your account at [epa.towerswatson.com/accounts/nwr/](http://epa.towerswatson.com/accounts/nwr/)

You can also use the portal to:

- view and update your personal details
- review and make changes to your AVC investments
- use the retirement planning tools
- request a cash equivalent transfer value
- request a retirement quote
- check and update your expression of wish.

If you've lost or forgotten your login information, the quickest way to regain access to your account is by calling WTW on 01737 230487. Alternatively, you can email them at [NetworkRailPensions@wtwco.com](mailto:NetworkRailPensions@wtwco.com)





## Update your expression of wish online

Knowing who's important to you is important to us. An up-to-date expression of wish tells the Trustee who you would like to receive your pension benefits in the event of your death. It helps us pay the right people without additional delay to your loved ones.



It's important to review your wishes every year and whenever your circumstances change, such as if you get married or divorced, enter or leave a civil partnership, or become a parent. Please use the member portal to make any changes to your nominated beneficiaries or simply to reconfirm your existing nominations.

## MoneyHelper

MoneyHelper is the government's financial information and guidance service. It's the easy way to get free, trusted help for your money and pension choices. Easy to use, MoneyHelper is available online and over the phone and provides clear guidance, as well as pointers to trusted services if you need more support. Go to [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)





## Meet your new member-nominated Trustee director



Ian Icton

Following the member-nominated director (MND) ballot process, Ian Icton was appointed to the Trustee board on 1 April 2024, replacing Robert Arnold. Ian has over 20 years' experience, including five years as trustee and chair of the two Network Rail pension schemes between 2013 to 2018. Before that, he was a trustee of his previous employers'

pension schemes, Skanska and Volkswagen, and is currently an independent trustee and chair of the Waterways Pension Scheme and the Cambridge University Assistants Pension Scheme. Ian has passed the prestigious Diploma in Trusteeship from the Pensions Management Institute.

In addition to Ian's trustee experience, he has worked for a pension investment adviser, River and Mercantile, so he has seen how scheme advisers operate from the other side of the table.

As HR Director, first for Infrastructure Projects and then Network Rail Group, Ian had six years meeting many employees and pension scheme members with frequent opportunities to listen to your needs and requirements from the schemes. Ian also met with the Trade Unions on many occasions so has experience of their priorities too.

Ian is a visiting lecturer and Honorary Professor at the University of Buckingham, focusing on work relating to his Doctorate looking at employment opportunities for autistic and neurodivergent individuals. He is a keen sportsman and triathlete and remains a guest member of Sleepers, the Network Rail golf society.



# Looking after the Scheme

The Scheme is a trust-based scheme, which is run by a trustee company called Network Rail Pension Trustee Limited.

## Your Trustee Directors

Independent  
chair



**Samantha Pitt**  
Law Debenture  
Pension Trust  
Corporation Ltd

Nominated by  
the Trades  
Unions



**Paul Norris**  
Rail, Maritime  
and Transport  
Union (RMT)

Appointed by  
Network Rail



**Tim Craddock**  
HR Director,  
Network Rail



**Gary Adams**  
Transport Salaried  
Staffs' Association  
(TSSA)



**Lisa Leeds**  
Finance Director,  
Network Rail



**Ian Waters**  
Unite Union



**Louise Kavanagh**  
Finance Director,  
Network Rail

Member  
nominated



**Ian Icton**



## Advisers to the Trustee

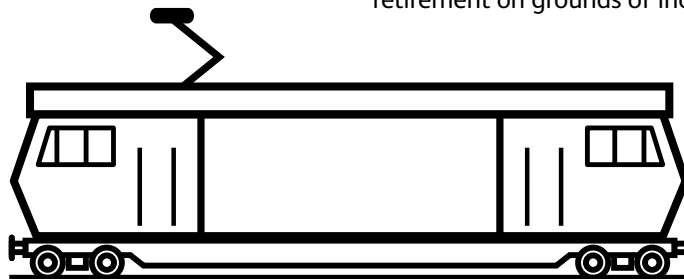
<b>Auditor</b>
RSM UK Audit Ltd
<b>Investment Adviser</b>
Schroders Solutions
<b>Legal Adviser</b>
Mayer Brown International LLP
<b>Secretary to the Trustee</b>
Claire McCarthy Pensions Trustee Governance Manager, Network Rail

The Trustee board meets each quarter. There are also three sub-committees:

**Audit and Risk sub-committee:** responsible for identifying, monitoring and recommending methods of managing the key risks associated with the Scheme.

**Investment sub-committee:** responsible for the management of the Scheme investment portfolio, reviewing the investment performance with the investment adviser and making recommendations to the Trustee board on any aspects relating to the Scheme's investment strategy.

**Benefits sub-committee:** the Trustee has delegated authority to this committee to exercise discretion and make decisions regarding the payment of benefits in certain circumstances. This will usually involve deciding who is to receive lump sums and dependants' benefits on the death of a member and approving member requests for early retirement on grounds of incapacity.



# Report and accounts

for the 12 months to 31 December 2023

The information on these pages is a summary taken from the Scheme's audited report and accounts. If you would like to see the full report, you can find it on the Scheme website.

Financial highlights	31 Dec 2023 £'000	31 Dec 2022 £'000
Net assets at the start of the year	488,638	541,170
Money in less money out	25,146	27,740
Net return on investments	44,441	(80,272)
Net assets at the end of the year	558,225	488,638

During the year, the fund increased in value by £69.6 million (2022: decrease of £52.5 million)



Money in	31 Dec 2023 £'000	31 Dec 2022 £'000
Members' normal contributions	1,646	1,739
Members' AVCs	2,592	2,231
SMART contributions	18,591	18,096
Employer's normal contributions	18,880	18,157
Employer's special contributions	371	28
Death benefits from insurance company	3,345	2,300
Individual transfers in	614	536
<b>Total</b>	<b>46,039</b>	<b>43,087</b>

Money out		
Benefits paid to members	(11,936)	(7,995)
Transfers out	(8,943)	(7,336)
Administration expenses	(14)	(16)
<b>Total</b>	<b>(20,893)</b>	<b>(15,347)</b>

## Scheme investments

The Scheme's assets are invested through a unit-linked insurance policy designed for company pension schemes. It is provided by Legal and General Assurance Limited (L&G). You can choose to manage your own investments from the Pick & Mix range of funds, or you can have your investments managed for you in one of the Managed Lifestyle strategies.

The Trustee reviews the investment options that are available to members to ensure the range of funds and the Managed Lifestyle strategies remain appropriate. If you would like to understand more about this, you can find the NRDC Statement of Investment Principles (SIP), which was updated in September 2024, on the Scheme website at [www.mynrpension.co.uk](http://www.mynrpension.co.uk)



If you use the Pick & Mix funds, please make sure you have enough knowledge and time to review your investments regularly, particularly as you get closer to your target retirement age.

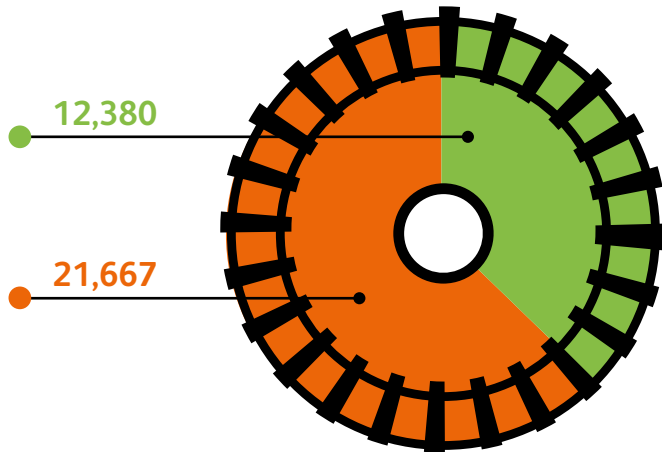
Unlike the Managed Lifestyle strategies, there is no automatic derisking of your investments and you'll need to manage this yourself.

## Have you reviewed your investments lately?

It's a good idea to review your investment choices regularly to make sure you're still on track with your plans for retirement. You can see the value of your Personal Retirement Account, check your target retirement age, read the fund factsheets and make changes to how your account is invested at any time by logging in via [www.mynrpension.co.uk](http://www.mynrpension.co.uk)

# Scheme membership

You are one of 34,047 members in the Scheme. The charts show a breakdown of the membership as at 31 December 2023 and how it has grown compared with the previous year.



Total membership at 31 December 2023  
**34,047**

- **Active members**  
are those currently paying contributions into the Scheme.
- **Deferred members**  
are former employees or opted-out members who have not yet taken their Scheme benefits.

	31 Dec 2023	31 Dec 2022
Active members	12,380	12,148
Deferred members	21,667	20,128





# Pension news

## New tax allowances and your pension

From April 2024, the government introduced three new limits which apply to pension scheme members.

**Lump Sum Allowance (LSA):** The maximum you can take as tax-free cash from all of your pension arrangements is limited to £268,275, unless you hold a valid Lifetime Allowance (LTA) protection. Lump sums paid under this allowance are called Pension Commencement Lump Sums (PCLS). If your lump sum exceeds the LSA, you can claim the excess above the LSA as a lump sum. You would still receive the maximum LSA of £268,275 tax free, but anything above this would be subject to tax at your marginal tax rate. This excess amount is called a Pension Commencement Excess Lump Sum (PCELS).

**Lump Sum and Death Benefit Allowance (LSDA):** There is now a maximum limit applied to the maximum tax-free death benefits that can be paid. The limit has been set at £1,073,100, unless you hold a valid LTA protection. If any death benefits exceed this amount, the excess will be subject to tax at the beneficiaries' marginal tax rate.

**Overseas Transfer Allowance (OTA):** A new limit has been applied to transferring your pension to a qualifying recognised overseas pensions scheme (QROPS). If you want to transfer your pension benefits abroad and the total value exceeds £1,073,100, an overseas transfer charge of 25% will apply on the excess.



## Pensions dashboards update

The pensions dashboards project is a government-backed initiative which will allow people to access information about their pensions across different schemes and with different providers all in one place, including the State pension. It aims to increase people's awareness and understanding of their pensions, help them plan for retirement and make informed decisions, as well as find any pension schemes they may have lost touch with.

By 31 May 2025, Network Rail will be connected to the pensions dashboards, but it has not yet been announced when the dashboards will be available to the public. We will continue to update you with any information as it is released.





## Be scam smart

The danger from pension scams continues, and they are becoming ever more sophisticated. The use of artificial intelligence (AI) by fraudsters is making scams more convincing and harder to spot. While the methods can vary, the purpose is always to obtain personal information and money.

Examples of AI scams include deepfakes (a video where a person is digitally manipulated to look like someone else), voice cloning (where victims are convinced they are having a genuine phone conversation with a person) and chatbot phishing (with text that replicates the tone and coherence of legitimate messages).

Look out for the small details on videos, particularly in people's faces. Note any inconsistencies and discrepancies, and pay attention to tone of voice, as AI scams usually lack emotion.

### Don't

- be rushed or pressured – take the time to make all the checks you need. If a deal sounds too good to be true, it probably is.

### Do

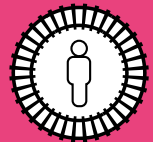
- reject unexpected pension offers – a free offer out of the blue is probably a scam
- check who you are dealing with by using the Financial Conduct Authority's financial services register [register.fca.org.uk/s](https://register.fca.org.uk/s)
- get impartial advice – MoneyHelper provides free, independent information and guidance [www.moneyhelper.org.uk](https://www.moneyhelper.org.uk)



To find out more about pension scams and how to protect yourself, see the Financial Conduct Authority's website at [www.fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)

## Increase to minimum pension age

The government is raising the normal minimum pension age from 55 to 57 in April 2028. If you intend to retire early, this change may affect your plans. While we expect there to be some protections in place for those close to the current minimum pension age of 55, we don't currently know what these will be.



# Keep in touch

If you have a question about the Scheme or your benefits, please get in touch with the administrator, WTW, or the Network Rail in-house pensions team.

**Email:**

NetworkRailPensions@wtwco.com  
or Pensions@networkrail.co.uk

**Call us:**

01737 230487

**Write to us:**

WTW  
Network Rail  
Sunderland  
SR43 4JU

**Website:**

[www.mynrpension.co.uk](http://www.mynrpension.co.uk)

**Go online:**

Log in to your account using the member portal at  
[epa.towerswatson.com/accounts/nwr](http://epa.towerswatson.com/accounts/nwr)



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