RAILWAYS PENSION SCHEME®

A guide for members
South Western Railway Section

Disclaimer

The information provided in this guide is intended for general information and illustrative purposes. Your benefits will be worked out in accordance with and subject to the governing trust deed and rules and relevant legislation.

Although every effort has been made to ensure the information given in this guide is accurate, none of the information provided can give you, or your beneficiaries, legal rights to benefits that differ from those provided in the pension trust and rules. We recommend that you get independent financial or specialist advice before making any important decisions about your pension arrangements.

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Welcome

You're a member of a highly valued pension scheme… the Railways Pension Scheme (typically called the RPS or Scheme).

It's really important to browse through this guide when you've got a minute, whether retirement is a long way off or approaching fast.

It includes lots of useful information about getting the most out of your pension, the benefits of being a member, and provides answers to your important questions.

Wherever you see this symbol, RAYN it means more information is available in Read As You Need leaflets on railwayspensions.co.uk.

Register on this website to view your personal pension record and play an active role in planning your retirement. If you have a general query about your pension, please call the Helpline on 0800 012 1117.

Joining

You can join the Section if your employer states you are eligible or if you have a legal right to join. A member who is paying contributions is classed as an 'active' member.

Protected rights

If you were a member of the BR Pension Scheme at midnight on 4 November 1993, you may have certain legal rights to join the Section. Contact your employer if you are unsure about your right to join.

RAYN 'Guide to your Protected Rights'.

You should also contact your employer if you have any other queries about joining.

Benefits of membership

By becoming a Scheme member, you have already taken an important step towards building your financial future. So what are the benefits of being a member?

Most importantly, you will get a pension for life when you retire (exceptions such as serious ill health lump sum are explained later in this guide).

You can even decide how to make your benefits work best for you.

For example, you can currently choose to take a tax-free lump sum when you retire. Your regular pension payments will then be calculated from your remaining Scheme benefits.

Under current rules, your pension is paid every four weeks into your bank account.

You can also 'top up' your benefits through BRASS, which is an additional voluntary contribution (AVC) arrangement for the Railways Pension Scheme.

Find out how your pension is worked out in 'About your Section'.

Benefit types

You may be eligible for different types of Scheme benefits, depending on when you retire or if your circumstances change.

These terms can be confusing, so here is a guide to the different benefit types.

Normal retirement benefits

These can be taken at your Normal Retirement Age (NRA). Please see the Glossary for more details.

Early retirement benefits

If you joined the section on or after 4 November 2021 and were born after 5 April 1973, the earliest you can draw your pension benefit is from age 57 unless you have a Protected Pension Age of 50 or 55 – referred to as PPA50 or PPA55. (See Glossary for more details). Your benefits will be reduced compared to what you would get at your NRA.

You must claim all your Scheme benefits at the same time if you:

- have a PPA50 and retire between the ages of 50 and 54 or you have a PPA55 and retire between the ages of 55 and 56; and
- have membership in different Sections.

Preserved benefits

If you leave the Section before you take your benefits and have completed a minimum length of membership, you become a 'preserved' member. This means you don't pay any more contributions and your benefits are based on membership up to your leaving date. More information on leaving the Section before you take your benefits can be found in 'About your Section'.

Your preserved benefits increase each April in line with Orders made under the Pensions (Increase) Act 1971 and in line with Scheme Rules, from the date that your membership ends.

Dependants' benefits

Dependants' benefits may also be provided, although the lump-sum death benefit is likely to be a lot less than when you were a contributing member.

Ill-health benefits

If you stop working due to ill health, you can apply for ill-health retirement benefits (as long as you have not already taken your benefits while in employment). This may be approved if:

- you have at least five years' membership in the Section (including transferred membership);
- you are under your NRA;

- you apply within a year of leaving work (although the Trustee may consider your application after this time); and
- the Trustee, having taken advice from a medical expert, agrees that, due to a more than temporary medical condition, you can't work in your current job or another suitable job.

If your application for ill-health retirement is approved and you don't have 40 years' membership, you will receive an enhanced period of membership to increase your pension.

This enhancement will be the lesser of:

- 10 years;
- the period between your date of leaving employment and your NRA; and
- the number of years and days needed for 40 years' membership.

The section headed 'Options at retirement' describes how you can choose your benefits to meet your personal needs.

If you are under your NRA and claiming an ill-health pension, this may be reduced or suspended. This would depend on whether you have sufficiently recovered from the condition for which you were awarded an incapacity pension so that you are able to earn an income.

When you reach your NRA, your pension (including any enhancement) will be reinstated even if you carry on working.

RAYN 'Guide for members - incapacity benefits'.

Serious ill-health lump sum

If you are suffering from a serious illness which reduces your life expectancy to less than 12 months, you may be able to apply to the Trustee to convert your pension benefits into a single lump sum. You can do this if:

- you have left active membership of the Scheme; and
- you have not claimed any benefits from this or any other Section of the Scheme.

The amount of lump sum is calculated by the Scheme Actuary and you give up your entitlement to a pension. This does not affect any spouse, children's or dependants' pensions which may be payable upon your death.

If you work part-time…

Contributions: These are worked out using the equivalent full-time rate of Section Pay for your job, but reduced in proportion to the hours you work.

Additional Voluntary Contributions: You are entitled to the same terms as full-time members. See the 'Saving more' section for details.

Your benefits: You are entitled to the same benefits as full-time members, but they are calculated using your part-time hours (compared to the full-time hours) for your job.

Retirement benefits: Your benefits are calculated using the total of your full and part-time membership over your entire period of service.

Ill-health benefits: The number of years' membership you need to qualify for ill-health benefits is not affected by the number of hours you work. However your benefits and the enhancement are worked out using your part-time hours.

Dependants' benefits: The amount of dependants' pensions and death in service lump sum is worked out using your part-time hours.

RAYN 'Guide to part-time working'.

Saving more

You can 'top up' your benefits by paying Additional Voluntary Contributions (AVCs) into your own BRASS account.

AVCs are taken from your earnings before income tax is deducted, meaning extra savings for you.

BRASS allows you to decide:

- how much you want to contribute (subject to set limits - which can be found in RAYN);
- where you invest your contributions, you can find more information on the funds available to you online at railwayspensions.co.uk.
- when you start - and stop - making contributions.

Taking your BRASS benefits:

- They can be taken at the same time as your Scheme benefits; or
- If you have stopped paying into BRASS, you may be able to transfer them into another pension arrangement.

AVCs may be particularly suitable if you:

- have earnings which are not pensionable;
- are thinking about taking your benefits early; or
- simply want to save a bit more towards retirement.

There are limits about how much your BRASS contributions can be. However, the Section also has a second AVC arrangement called AVC Extra, which is available if you want to pay more than is allowable under BRASS.

RAYN 'Guide for members of BRASS' and 'Guide to AVC Extra'.

Your tax limits

You can only build up, and receive, a certain amount of pension benefits before you have to pay more tax.

These limits, set by HM Revenue & Customs, are called the Annual Allowance and the Lifetime Allowance.

There is also a limit on the tax-free cash lump sum you can get from the Scheme. This applies to **all** members and is currently set at 25% of the capital value of your pension benefits.

What is the Annual Allowance?

This is the most money you can save tax-free in all your pension arrangements during any tax year (also known as a 'Pension Input Period').

If your savings go over the Annual Allowance, you may have to pay more tax.

RAYN 'Tax limits – Annual Allowance'; and 'Guide to paying tax if over your Annual Allowance.

What is the Lifetime Allowance?

This is the limit on the total amount you can save in all your pension arrangements, including any you might have outside the Scheme (excluding state pensions).

RAYN 'Tax limits – Lifetime Allowance'.

You are strongly advised to get independent financial advice if you think you will be close to, or over, the Annual Allowance or the Lifetime Allowance.

Flexible options

You can also contribute to other types of pension arrangements, for example, personal pension schemes, which are totally separate from the Railways Pension Scheme. You should seek independent financial advice if you are considering doing this.

If things change...

Circumstances can change and you may need to know what happens in the following scenarios.

Leaving employment

If you leave employment you will stop making contributions and you will no longer be an active member of the Scheme.

Taking leave

If you are temporarily absent from work, you will need to check about continuing to pay contributions with your employer.

If you get family leave pay, your contributions are based on what you are earning at that time, but your benefits are based on your normal rate of pay.

If for any reason, you can't pay the contributions, these may be collected from your future earnings. If you don't return to work and owe arrears, your employer has the option to reclaim them from your benefits.

RAYN 'Guide to family leave'.

See 'About your Section' for more details.

Starting work again after retiring

Please note there are important tax issues to think about if you leave work and claim your pension benefits before age 55, or 57 from 6 April 2028 and then start working again. You must leave a gap of at least **one month** if you return to either the same employer or another employer in the same corporate group. If your new role is not materially different in nature to your previous role, then you must leave a gap of at least **six months.**

06 If things change...

Taking your benefits early while working

You may be able to claim your benefits early (from age 55, or 57 from 6 April 2028) and continue working. In some cases employer agreement may be required.

However, it's important to note that:

- your benefits will be reduced because they are being paid before your Normal Retirement Age (NRA). Please note the reduction is likely to be more than if you were leaving employment and claiming your benefits;
- there may be an effect on lump-sum death benefits and ill-health benefits;
- you also give up your right to be an active member of your Section, although your employer may need to enrol you in a pension arrangement to meet it's automatic enrolment duties.

Compulsory transfer of employment (TUPE)

If your job is transferred to another employer because of a change of contract, business sale or change in franchise, you can no longer be an active member of the Section. Your future pension arrangements will be determined by your new employer.

However, you will still be a member of the Scheme if you are a 'Protected Person' or have the 'Indefeasible Right'. This means your new rail employer must give you the option to join their Section.

RAYN 'Guide to your protected rights'.

When your new membership is set up, Railpen Limited ("Railpen") will send you details about your pension options within six months of your employment transfer.

Separating from your partner

If you face divorce or the dissolution of a civil partnership, your pension is likely to be considered along with your other assets when financial settlements are worked out.

A court order can be made to transfer part of the value of your benefits as part of the divorce or dissolution proceedings. If this is the case, it would mean your Scheme benefits will reduce to provide benefits for your ex-spouse or ex-civil partner.

RAYN 'Guide to divorce and your pension'.

Benefits for dependants

While it's not a topic most of us want to discuss, it's reassuring to know that your dependants may be eligible for benefits from the Railways Pension Scheme when you die.

These benefits would be paid on top of any other pensions your dependants are entitled to from the Government. Pensions may be payable to the following people:

An eligible spouse
Your husband or wife or your partner in a civil partnership, who you were legally married to, or in a civil partnership with, and living with at the time of your death.

A legal spouse
Your husband or wife or your partner in a civil partnership, who you were legally married to, or in a civil partnership with, but not living with at the time of your death.

Eligible dependant
Any person, other than an Eligible Spouse or Eligible Child, who had been fully or largely dependent on you financially for at least two years immediately prior to your death (up to a maximum of three people).

Eligible children
Your two youngest eligible children normally receive pensions until they are 18 years old.

If a child is in full-time education, the pension may continue to be paid to the age of 23, if the Trustee agrees. If a child is disabled, the pension may be payable for life, again if the Trustee agrees.

If there is no spouse or eligible dependant's pension to pay, each child's pension is doubled.

All dependants' pensions are taxable and any increases would be given in line with Orders made under the Pension (Increase) Act 1971 and Scheme Rules.

Lump-sum death benefit
It is very important that you keep your Nomination form up to date so that the Trustee (which is responsible for managing your pension benefits) knows who you would like to receive any lump-sum death benefits that may become payable. The Trustee will consider your wishes when making payment.

See 'About your Section' for more information about dependants' benefits.

Making the most of your benefits

Think ahead – what do you really want out of retirement? Use this checklist to help you get the most out of your membership.

- [ ] Register for your personal myRPS account at railwayspensions.co.uk. Registering is simple and only takes a few minutes.
- [ ] Nominate your beneficiaries for any death benefit lump sum that might be paid if you die before taking your pension. The easiest way to do this is online, once you've registered. Make sure you check your nominations every couple of years so they still reflect your wishes.
- [ ] Consider paying additional voluntary contributions into a BRASS account. If you already have one, make sure you regularly review your fund choices and the amount you are contributing to make sure they're still right for you.

Thinking about retiring?

Follow these four steps to start claiming your Railways Pension Scheme (RPS) benefits:

1 Request an estimate

The easiest way for you to request an estimate and details of your options is online at railwayspensions.co.uk. Log into your myRPS account and go to 'My Pension'.

Alternatively, you could request an estimate from Railpen by calling the Helpline on 0800 012 1117. Charges may apply if you request an estimate from the Helpline more than once in a year.

2 Apply for your pension benefits

If you want to claim your pension, contact your employer who can start the process for you. Alternatively, you could either write to Railpen or call the Helpline on 0800 012 1117.

3 Railpen processes your application

After Railpen receives your request, confirmation will be sent to you, showing the benefits that you will receive, taking into account the options you have chosen.

If you apply for your benefits more than 28 days before your retirement, Railpen will contact you confirming that more details will be provided closer to the actual date.

4 Payment of your pension

Any lump sum you may have requested will be paid into your bank account and your pension will be paid every four weeks for life.

Options at retirement

You can tailor your benefits to meet your personal needs when you retire. See the options below to work out what's best for you.

As a Scheme member, the Rules provide you with a pension and a lump sum, based on your membership. You can...

Take a higher lump sum and a lower pension...

A cash lump sum is provided by the Scheme. This is tax free under current laws. You may be able to increase this lump sum by giving up part of your pension up to a limit. See 'Your tax limits' for details.

So, for example, if you want to increase your lump sum by £12, your pension will reduce by £1 a year.

... or take a higher pension and a lower lump sum

If you want to increase your pension, you can put some or all of your lump sum towards it. So, if you want to increase your pension by £1 a year, you will have to give up £12 of your lump sum.

In either case, your choices will not affect the pensions your dependants will receive if you die.

As with the other options, you should consider getting financial advice about what option is best for you.

See 'About your Section' to find out how your lump sum is calculated.

10 Options at retirement

Level pension

You might want to start taking your Railways Pension Scheme benefits before your State Pension begins. If so, the level pension option will help even out the change in your income when you start claiming your State Pension.

How?

- By drawing a higher Scheme pension before you claim your State Pension; and
- a lower Scheme pension after you reach State Pension age.

Please note that your terms will be based on your State Pension age at the date you start taking the level pension.

Please also note that the change in your starting level of pension may affect your Annual Allowance and the amount of your Lifetime Allowance used up.

This option is not available if:

- you are over your State Pension age;
- you receive an ill-health pension; or
- your pension before or after State Pension age is below a minimum level.

Extra pension for a named dependant

A pension will be paid to any dependants or eligible children who qualify when you die. However, you may be able to give up part of your own pension to provide more pension for a named dependant. You would make this election when you retire. This must be your spouse, registered civil partner or other dependant.

The amount of extra pension depends on your age and your dependant's age, and is taxable.

The payments will continue until your dependant(s) dies. However, if your dependant(s) dies before you, you are unable to change your original decision and will still receive the reduced pension.

Additional Voluntary Contributions (AVCs)

If you have paid any AVCs (e.g. BRASS), and have not transferred them out to another pension arrangement, you must take these benefits at the same time as your other Scheme benefits.

Pensions Increases

All of the above Scheme pensions increase in line with Orders made under the Pensions (Increase) Act 1971 and the Scheme Rules.

Taxation

Your pension will be taxed in the same way as your pay is taxed.

About your Section

This section answers some frequently asked questions about your pension from the South Western Railway Section.

Current rates

Currently your contribution rate is:

NRA60 Contributions	
Member	9.52%

NRA62 Contributions	
Member	8.48%

Your employer pays

As a shared cost scheme, your employer pays at least 60% of the cost of providing benefits (normally 1.5 times the normal member contribution).

How contributions are calculated

The rate of contributions can go up or down, to meet the cost of paying current and future benefits from the Section. Generally, this rate is reviewed every three years and agreed between the Trustee, the employer and an external adviser known as the Scheme Actuary.

Member and employer contributions are normally fixed in July each year. Contributions are deducted as a percentage of your Section Pay – see the Glossary for details.

The contribution amount is fixed for the next 12 months unless there is:

- a change in the agreed contribution percentage;
- a change in your circumstances, such as taking statutory family leave; or
- a change in your working hours e.g. your contracted hours change.

Salary sacrifice

Your employer may operate a salary sacrifice arrangement. Under this your National Insurance contributions go down, but your normal pension contributions don't change.

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

Contributions will be paid through salary sacrifice, except in certain circumstances. Please contact your employer if you have any specific queries regarding salary sacrifice arrangements.

11 About your Section

Protecting your benefits

The Scheme provides two valuable types of protection against inflation:

- While you are an active member, as your Pay grows, so do your benefits;
- When you take your benefits, or become a preserved member (leave your Section of the Scheme), your pension increases in line with Orders made under the Pensions (Increase) Act 1971 and Scheme Rules. Traditionally this increase has happened in April each year. See the Glossary for details.

Looking after your interests

The Railways Pension Scheme (RPS) is a registered pension scheme with HM Revenue & Customs. Members have valuable tax privileges, such as tax relief on contributions and a tax-free lump sum if chosen. Certain investment returns are also not taxed, for example, capital gains.

These privileges are subject to certain limits. Tax relief is based on the Annual Allowance and the Lifetime Allowance. See 'Your tax limits' for further information.

Your contributions end when you:

- stop working for your employer;
- opt out of the Section;
- start claiming your benefits;
- reach age 75; or
- are a 'Protected Person' who has stopped paying contributions after 40 years of membership.

Transferring your benefits

- Transfers-out can be arranged subject to the receiving scheme being registered with HMRC and the Trustees being satisfied it meets all the relevant transfer regulations.
- Transferring benefits in from outside the RPS is currently not allowed.
- You may be able to transfer-in benefits from another RPS section. Special terms may apply if you request to transfer your previous period of membership into your new one within 15 months of your leaving date.

'Guide to transfer options'.

Leaving employment

When you leave employment, your active membership of the Scheme automatically ends.

What happens to your benefits will depend on your length of membership. See the section on 'Leaver benefits' below.

Opting-out

If you do not wish to be an active member of the Section, you can opt out at any time by asking your employer to notify Railpen of your decision. Please note, if you have a PPA50 and opt-out, you will lose this and would be unable to apply to take early retirement until at least age 55 or from age 57 if you joined the section after 4 November 2021 and born after 5 April 1973.

'Guide to your Protected Rights'.

What happens to your benefits will depend on your length of membership. See 'Leaver benefits' below.

Leaver benefits

If you leave employment or opt-out with:

- Less than three months' membership, and no transferred-in benefits, any contributions you made will be refunded.

- More than three months' but less than two years' membership, and no transferred-in benefits, you will be given the option of a refund of any contributions you have made or a transfer of your benefits to another pension arrangement.
- More than two years' membership, or less than two years' membership but you have transferred-in benefits, your benefits will be preserved in the Scheme. You may be able to apply to take early retirement from age 57 or from age 55 if you have PPA55 or 50 if you have PPA50 - see Glossary for more details. Once you reach your Normal Retirement Age (NRA) your pension benefits are automatically payable unless you choose to defer payment. Alternatively you may be able to transfer your preserved benefits to another pension arrangement.

Please note that if you are part of your employer's salary sacrifice arrangement, you will not receive a refund from the Scheme as your employer paid contributions on your behalf.

Auto-enrolment

If you opt-out of the Section, your employer is required by law to re-enrol you every three years, unless they offer you membership of an alternative qualifying pension arrangement. If you have opted-out of the Section and would like to re-join before your re-enrolment date, please contact your employer for details.

How your pension is worked out

On retirement your pension is based on your final average Section Pay. This is the greater of:

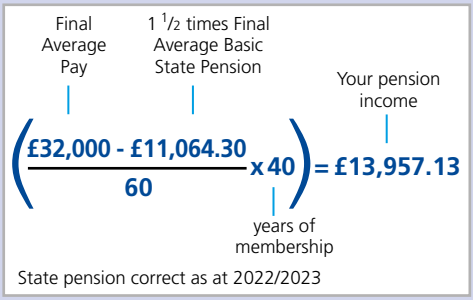
- your Final Average Pay, less 1.5 times the Final Average Basic State Pension; and
- one half of your Final Average Pay.

If half of your Final Average Pay is more than your Final Average Pay, less one and a half times the Final Average Basic State Pension, special conditions apply when we work out your benefits based on your Restructuring Premiums if applicable.

Your final average Section Pay is divided by 60 and multiplied by the number of years' and days' membership you have in the Section. For example:

- If your Final Average Pay is £32,000; and
- you have 40 years' membership at NRA

You will get:



Your pension may also include Restructuring Premiums (RPs). These are worked out by dividing each Final Average Restructuring Premium by 60 and multiplying by the number of years' and days' membership since you got that premium.

Depending on your level of pay, an element of your State Pension may be deducted from your RP.

Your pension will be taxed in the same way as your pay is taxed.

If you have membership before 7 April 1997, the pension for that period is increased by another 5%. If you have extra membership because of a transfer-in, you may not receive the benefit increases for these periods of

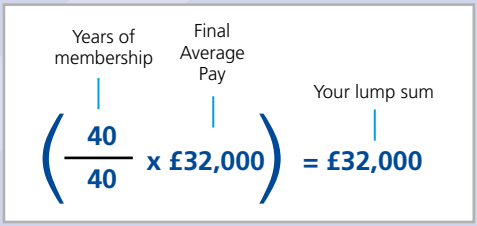
membership. You will have been told about this in the transfer terms provided at the time.

How your lump sum is worked out

On retirement, your lump sum is based on the number of days' and years' membership divided by 40 and multiplied by your Final Average Pay. For example:

- If your Final Average Pay is £32,000; and
- you have 40 years' membership at NRA

You will get:



For the purpose of working out your lump sum, the total of your Final Average Pay and Final Average Restructuring Premium, if applicable is restricted to 12 times the single person's Final Average Basic State Pension.

If you have RPs you will get an extra lump sum, worked out as your Final Average Restructuring Premium, divided by 40 and multiplied by the days' and years' membership since receiving the premium.

If you were a member before 7 April 1997, the lump sum worked out for the period before that date rises by another 25%.

You can apply to take early retirement from age 50 if you have a PPA50 or from age 55 if you have a PPA55 – see Glossary for more details. If you joined on and after 4 November 2021 and were born after 5 April 1973, you can apply to take early retirement from age 57.

You don't have to retire from the Section at your NRA (see the Glossary for details). You and your employer can keep paying contributions until you reach the age of 75 if you want to. This means you remain an 'active' Scheme member. However, when you reach 75, you must take your benefits.

Early retirement factors

What are early retirement factors?

If you start taking your benefits before your NRA, there are early retirement factors (ERFs) you need to think about.

Retiring from active status

Applications for an immediate payment of benefits from an active status (when leaving employment) will be based on the ERFs shown in the table on page 21 and will depend on your category of membership.

RAYN 'Guide to your Protected Rights'.

Non-protected members – changes from 1 July 2009

In 2009, a new category of membership was introduced within the Section which meant that Cost Neutral Pension Age 60 ERFs would be applied to benefits accrued on and from 1 July 2009.

If you were a Non-protected member, you were automatically moved to the new category of membership.

If you were moved to the new category of membership, there are two sets of factors that will apply to your pensionable service up to 31 March 2016. These are:

- Schedule 8 ERFs for pensionable service accrued up to and including 30 June 2009; and
- Cost Neutral Pension Age 60 ERFs for pensionable service accrued from 1 July 2009 up to and including 31 March 2016.

Age	Column A Schedule 8	Column B CNERF60	Column C CNERF62
62	100%	100%	100%
61	100%	100%	94.6%
60	100%	100%	89.5%
59	98%	94.8%	84.9%
58	96%	89.9%	80.6%
57	94%	85.4%	76.5%
56	92%	81.1%	72.8%
55	90%	77.2%	69.3%
54	87%	73.5%	66%
53	84%	70.1%	62.9%
52	81%	66.8%	60.1%
51	78%	63.8%	57.3%
50	75%	61%	54.8%

NOTES: If you want to claim your benefits to be paid other than on your birthday the factors will be adjusted appropriately.

The factors in Columns B and C may change from time to time. You should ask for an early retirement estimate rather than rely on this table in the future. Also please be aware that all pension benefits (including lump sum) may be affected by early retirement.

11 About your Section

If you joined the Section on or after 1 July 2009, Cost Neutral Pension Age 60 ERFs will apply to your pensionable service from the date you joined, up to and including 31 March 2016.

Non-protected members – changes from 1 April 2016

On 1 April 2016, a new category of membership was introduced with an NRA of 62 and Cost Neutral Pension Age 62 ERFs.

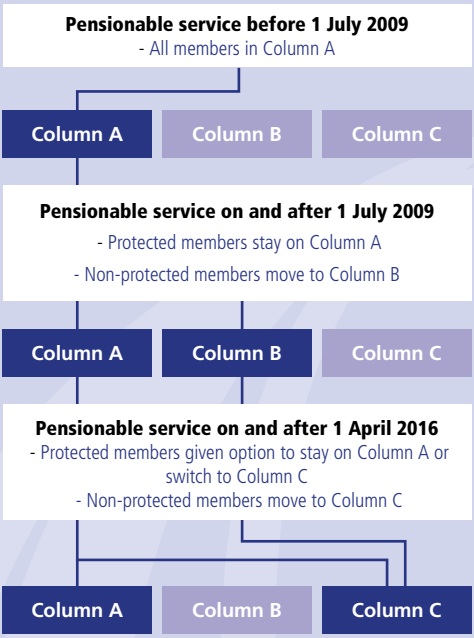
If you were a non-protected member, you were automatically moved to the new category of membership. This means that Cost Neutral Pension Age 62 ERFs will apply to your pensionable service accrued from 1 April 2016 onwards.

Protected members – changes from 1 April 2016

On 1 April 2016, a new category of membership was introduced with an NRA of 62 and Cost Neutral Pension Age 62 ERFs. If you were a Protected member, you were given the opportunity to move to the new category of membership. If you opted to move, Cost Neutral Pension Age 62 ERFs will apply to your pensionable service accrued from the date your Notice of Election became effective.

If you have not moved to the new category of membership, Schedule 8 ERFs will continue to apply to pensionable service accrued from 1 April 2016 onwards.

If you are unsure which category of membership you are in the chart to right side may help you to understand it better.



Column A = Schedule 8
Column B = Cost Neutral 60
Column C = Cost Neutral 62

Retiring from preserved status

Members with preserved benefits may be able to take their benefits early, with the Trustee's agreement. Early payment will normally be subject to Cost Neutral Early Retirement Factors (CNERFs) set out in column B and C (depending on NRA). These columns also apply to members who leave pensionable service but continue working. However the Trustee has the discretion to agree to a higher early retirement pension by applying the Schedule 8 factors.

The Trustee does not expect to agree to requests from members that the more favourable Schedule 8 factors should be used, other than in exceptional circumstances.

Late Retirements

If you remain in employment, you can remain an active member after your NRA date, up to age 75. As an active member no late retirement factors will be applied but you will continue to accrue benefits and retain the other benefits of being an active member until you leave.

However, if you are a deferred member, your benefits will be paid at your NRA (the earliest NRA if you have more than one) unless you choose to defer payment. If you leave pensionable service after your NRA your benefits will become payable immediately unless you choose to defer payment..

Deferring payment is where you op to take your benefits at a later date, which is known as electing for late retirement. To do this, you must inform Railpen within a specific time frame of between three months before and three months after your NRA (the earliest NRA if you have more than one); or between three months before and three months after the date you leave pensionable service if this is after your NRA; and complete the late retirement election process.

What are late retirement factors?

If you elect to defer payment of your benefits beyond your NRA, late retirement factors (LRFs) will be applied. LRFs range from 3% to 5% per year depending on your employer's covenant rating. Because you are taking payment of your benefits later the Scheme will be paying them for a shorter period, your benefits will be increased by late retirement factors. You may wish to seek financial advice before confirming that you want to take this option.

To make sure you are eligible for late retirement, you have to inform Railpen of your wishes, within the specific six-month period outlined above. If you do not complete the process within this time period, your benefits will not be increased by any LRFs available.

Multiple Normal Retirement Ages (NRAs)

If you have more than one NRA, say age 60 and age 62, all benefits have to be taken at the same time. To opt for the LRFs to be applied you must complete the late retirement election process between three months before and three months after your earlier NRA (60 in this instance) or between three months before and three months after the date you leave pensionable service if later. For example:

Question: If I have deferred benefits with two NRAs of 60 and 62 are they paid out automatically at 60 or 62? If paid out at 62 will I get more if I complete the late retirement process within 3 months of my 60th birthday?

Answer: Under the Rules, if your benefits are preserved in the scheme and you do not complete the late retirement election process, then all benefits will be put into payment at the earlier NRA (in this case, age 60) and two years worth of early retirement factors would be deducted from your NRA 62 benefits.

However, if you complete the late retirement process within the timeframe above, your NRA 60 benefits will be increased by the late retirement factors until your chosen retirement date as will your NRA 62 benefits if you choose to take your benefits after age 62.

Death benefits for active members

If you die whilst you are an active member up to the age of 75, your dependants' benefits normally include:

- A lump sum of four times the total of your Final Salary and Final Restructuring

Premiums (if applicable).

- An eligible spouse's pension worth half the pension you would have received if you had retired through ill health on the date of death. The eligible spouse gets a pension for life. If your eligible spouse is over 10 years younger and the marriage or civil partnership happened less than five years before your death, the pension will be reduced.
- If there is no eligible spouse, a pension is provided for your legal spouse and eligible dependants (if any). See the section headed 'Benefits for dependants' for definitions.
- Eligible dependants would receive the amount payable to an eligible spouse, minus the amount being paid to the legal spouse (if any). An eligible dependant's pension is usually paid for 10 years, but may be paid for longer if the Trustee agrees.
- Children's pensions are payable to each of the two youngest children who qualify. The youngest child would receive half the eligible spouse/dependant's pension, and the second youngest would receive a quarter of the eligible spouse/dependant's pension. If there is no eligible spouse/dependant's pension to pay, the children's pensions would be doubled.

Death benefits for 'non-active' members

If you die after your benefits have started, or you are a preserved member, your dependants' benefits normally include:

- A lump sum equal to the lesser of:
  1. five times your yearly basic pension; and
  2. four times your Final Average Pay and Final Average Restructuring Premiums (if applicable).

  This lump sum is reduced by any pension and lump sum payments already received.
- An eligible spouse's pension of half your basic Scheme pension at the date of retirement (see 'How your pension is worked out') increased to your date of death. This pension is payable for life. If your eligible spouse is over 10 years younger and the marriage or civil partnership happened less than five years before your death, the pension will be reduced.
- If there is no eligible spouse, a pension is provided for your legal spouse and eligible dependants (if any). See the section headed 'Benefits for dependants' for definitions.
- Eligible dependants receive the amount payable to an eligible spouse, minus the amount being paid to the legal spouse (if any). An eligible dependant's pension is usually paid for 10 years, but may be paid for longer if the Trustee agrees.
- Children's pensions for each of the two youngest children who qualify. The youngest child would receive half the eligible spouse/dependant's pension, and the second youngest would receive a quarter of the eligible spouse/dependant's pension. If there is no eligible spouse/dependant's pension to pay, the children's pensions would double.

Important notes

Rules and reports

This booklet and any literature associated with the Railways Pension Scheme are for guidance only. The Rules associated with the Section and the management of the Scheme are described in detail in the Pension Trust and Section Rules. In cases where there is a discrepancy between the Pension Trust and the Section Rules and the information contained in the booklet, leaflets or other communications with members, the Pension Trust and Section Rules will prevail.

Copies of the Section's Rules and Pension Trust are available at railwayspensions.co.uk. Copies of the valuation are available on request.

Each year, you will receive a summary of the Annual Report and Accounts. You will also receive Summary Funding Statements which provide information each time an actuarial valuation or funding update of the Section is performed.

You can request your Section's full annual report and accounts by writing to:

Customer Services Team
Railpen
PO Box 300
Darlington
DL3 6YJ

Email: csu@railpen.com

Please have your pension reference number handy when you contact Railpen.

If you have a complaint or disagreement

If you have a complaint or disagreement please write to the address below and we will aim to provide a full response within 10 working days. This may take longer if the issue is complicated and needs detailed investigation or information from other sources. We will keep in contact with you throughout the process.

Director of Rail Administration
Railpen
PO Box 300
Darlington
DL3 6YJ

If you are not happy with our response at this stage, you can ask for your complaint to be considered under the Scheme's two-stage Internal Disputes Resolution Procedure (IDRP).

Under Stage 1 of the IDRP, we will acknowledge your request and send a full response to you within two months.

If you're not satisfied with the response under Stage 1, you can ask us to refer your complaint under Stage 2 of the IDRP where the Scheme's Trustee, or its representative will consider your complaint.

Your complaint will be discussed at the next available Committee meeting, and a response will be sent to you within 10 working days after that meeting.

12 Important notes

Moneyhelper

MoneyHelper brings together the support and services of three government-backed financial guidance providers: Money Advice Service, The Pensions Advisory Service and Pension Wise.

It offers free support on a wide range of financial matters, online and over the phone. This includes:

- Everyday money
- **Pensions and retirement**
- Savings
- Money troubles
- Benefits
- Family and care
- Work
- Homes

For more information visit www.moneyhelper.org.uk/

The Pensions Ombudsman

If you are still not satisfied after going fully through our complaint process, you can ask the Pensions Ombudsman to investigate. The Ombudsman is independent and can investigate any complaint, or legal dispute, relating to your pension scheme membership.

The Pensions Ombudsman also provides an early resolution if you need help raising your concerns or to discuss a potential complaint.

You can contact the Ombudsman using the following details:

T: 0800 917 4487

E: helpline@pensions-ombudsman.org.uk

Pensions Ombudsman
10 South Colonnade
Canary Wharf, London
E14 4PU

W: pensions-ombudsman.org.uk

The Pensions Regulator

The Pensions Regulator's principal aim is to prevent problems from developing and to provide support and advice where potential problems are identified. The Regulator has a wide range of powers to help put Scheme matters right if problems arise. In extreme cases, the Regulator is able to fine trustees and employers and remove trustees from a scheme. You can contact the Pensions Regulator using the following details:

Napier House
Trafalgar Place
Brighton
BN1 4DW

W: thepensionsregulator.gov.uk

Railways Pension Scheme registration number: 10203279

Data protection

Railpen and the Trustee Company use your personal details to work out and pay your benefits. From time to time, they may need to give your information to other organisations, including your current or any previous employer. These organisations may use your information for business purposes.

Unless Railpen holds and processes this information, it cannot deal with and pay your benefits. If you have any objections to them using your information in the way described above, please write to the Data Protection Officer at Railpen. You have the right to see the information Railpen holds about you.

For further information about how and why we will use your personal information please refer to our 'data protection notification' leaflet which is available in the resource area of railwayspensions.co.uk.

Glossary

Employer covenant
This is an assessment of your employer's legal obligation and financial ability to support your defined benefit (DB) scheme now and in the future.

Final Average Basic State Pension
The single person's basic State Pension averaged over the 12 months before you: take your benefits; leave your Section of the Scheme; or die – whichever is earlier.

Final Average Pay
The greater of your Pay or Pensionable Pay averaged over the 12 months before you: take your benefits; leave your Section of the Scheme; or die – whichever is earlier.

Normal Retirement Age (NRA)
If you are a Protected Person your NRA is 60.

If you are a member who has an Indefeasible Right your NRA is 60.

If you are a member who has waived protection to NRA 60 or opted for a lower contribution rate you may wish to contact Railpen to confirm your NRA.

If you are a Non-protected person your NRA is 62.

Pay
Your basic pay less any part which your employer decides does not qualify for pension, plus any allowances that your employer has agreed will qualify for pension.

Pension Age
This is your Normal Retirement Age (NRA).

Pensionable Pay
Your yearly rate of Pay on each 1 April.

Pensionable Restructuring Premium (PRP)
Your yearly rate of Restructuring Premium on each 1 April. This is mainly used to work out your contributions (see the definition of Section Pay). If you have more than one restructuring premium, you will have more than one Pensionable Restructuring Premium.

Pensions (Increase) Act 1971
The Rules of the Railways Pension Scheme provide for pensions to be increased in line with Orders announced under the Pensions (Increase) Act 1971.

13 Glossary

Pension Trust
The Scheme's trust is known as the 'Pension Trust' and is a legal document. Trustees hold the assets 'in trust' for the members and beneficiaries who are entitled to benefit from them. (The Railways Pension Trustee Company Limited is the Trustee of the Railways Pension Scheme).

Preserved member
If you leave the Section and don't take or transfer your pension, the pension benefits are preserved until you come to take your benefits. Your preserved benefits will increase inline with the Pensions (Increase) Act 1971.

Protected Pension Age (PPA50 and PPA55)

PPA50
If you were a member of this Section or any other section of the Railways Pension Scheme on 5 April 2006, you may be able to apply for your pension benefits from age 50 if you apply for immediate payment on leaving employment.

PPA55
If you were a member of this Section or any other Section of the Railways Pension Scheme after 5 April 2006 but before 4 November 2021 and were born before 6 April 1973, the earliest you can claim your pension is 55 (PPA55). If you joined as a new entrant on and after 4 November 2021 and were born after 5 April 1973, the earliest you can claim your pension is 57.

You can check your pension age status with Railpen.

Protected Person and Indefeasible Right
Please see the 'Guide to your protected rights' Read as You Need on railwayspensions.co.uk for all information regarding these terms.

Restructuring premiums
An element of your pay which is pensionable for future service from the date that your pay was restructured (or another agreed date). This is used to work out your benefits. You may have more than one restructuring premium with different dates.

Rules
A legal document which sets out in detail what benefits are provided by the Section.

Section Pay
Pensionable Pay plus all Pensionable Restructuring Premiums, if applicable, less one and a half times the single person's basic State Pension.

Your Section Pay will never be less than half of your Pensionable Pay plus all Pensionable Restructuring Premiums.

The Scheme
The Railways Pension Scheme (RPS).

The Section
The South Western Railway Section of the Railways Pension Scheme.

Trustee Company
The Railways Pension Trustee Company Limited.

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