

RPS Options: Promotions within Bands

Promotions within a band capped by default!

Our Area Reps and Pensions Champions recently attended an in depth briefing by the Network Rail pensions team on the impact of recent changes and the options for members. During a Q&A session, Network Rail explained that members in management grades who are promoted **within a band**, for example from salary group 4A to 4B or 4C, will be **subject to the RPI pensionable pay cap** unless they opt to pay the additional pension contributions. Details are set out in our previous newsletter: <http://bit.ly/RPSclock>.

Aren't promotional increases pensionable for future service..?

Many members have seen company literature that describes how “non-promotional increases” are capped at RPI unless members opt to pay higher contributions, and inferred that promotional pay increases are all fully pensionable for future service. This is not the case.

Our agreement with the company and subsequent communications set out that pay increases resulting from “promotions within a band or grade” are subject to the same capping arrangements as negotiated salary increases that do not involve promotion. **Only promotions involving a change in grade or band will be fully pensionable above RPI for future service by default.** The following online NR guide sets out definitions of pensionable pay, the impact of salary increases and decreases on pension contributions and benefits:

<http://www.mynrpension.co.uk/media/5666/2015-06-17-summary-of-change-in-pen-pay.pdf>

RPS RPI is not Pay RPI!

National pay negotiations often compare the Retail Prices Index (RPI) with salary increases. As Bands 1-4 have a pay anniversary date of 1 July, other grades have a 1 January anniversary, members often look out for the RPI figures published before their pay anniversary. These figures are not relevant for the pensionable pay cap.

If you do not opt out, the RPI figure for the pensionable pay cap will be “the published figure for **the previous September**”. A future salary increase may be described as “above RPI” in pay talks, but if the percentage increase is lower than the previous September RPI figure, pensionable pay will not be capped. If the September RPI is lower, you could potentially have a “below RPI” pay deal but still have your pensionable pay capped.

For full terms and conditions and to opt to pay higher contributions, visit: <http://www.mynrpension.co.uk/media/5696/rps-extra-contributions-2016-notice-final-v3.pdf>

Extra contributions option closes 30 June!

If you wish to pay higher contributions you must complete the form via the link above and post or email **to reach RPMI by 1700 on 30 June**. NR have indicated that members who wish to change their mind can do so before this deadline.

For further information on terms and independent financial advice, see <http://bit.ly/RPSclock>.

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