

RNIB Pension – Questions & Answers

This Q&A document should not be construed as offering personal financial advice to members, members should always seek advice from a qualified financial adviser and at least visit the Government's Money Helper website at www.moneyhelper.org.uk to access impartial and useful information about any financial matters and particularly for pensions click through to the Pension Wise pages.

Can you explain the design of the RNIB Retirement Benefits Scheme?

Answer:

In the RNIB pension scheme, if you joined the Charity and the pension scheme prior to 1 April 2019, you have membership of two separate sections of the scheme. If you joined the Charity and the pension scheme after 1 April 2019, you will be a member of just one section of the Scheme.

The original section of the Scheme is for employment service prior to 1 April 2019 and is known as the salary related (defined benefit) section. This section of the Scheme calculates a pension benefit based on your salary up to a salary cap of £23,250 and your length of service.

Employees who joined the scheme prior to 1 April 2006, did not have a salary cap imposed on their benefits.

With this type of pension an employee will not have an investment fund, instead the employee is due a pension to be paid from the Scheme retirement date which for most employees will be 65.

It is the role of the RNIB working with the pension Trustees to ensure that there are sufficient funds invested in the Scheme to meet all these pension payments to members when they retire.

The second and current section of the Scheme is an investment-related (defined contribution) section. In this section the employee and RNIB make contributions, as a percentage of monthly salary to an investment fund, which is administered and invested by Legal and General.

For most employees, pension contributions are paid through a process known as Salary Sacrifice, whereby employee pension contributions are deducted from employees' gross monthly pay before tax is deducted. This is the most tax-efficient contribution method for most members.

This section of the Scheme does not provide a fixed pension, the value of the member's pension pot will be based on the amount of contributions paid and the performance of the investment funds into which those contributions are invested.

There is a default investment choice for members not choosing their own funds, which is a mix of equities which are stocks and shares in companies across the globe, bonds which are loan notes offered by central banks and global companies, commercial property and cash investments. The performance and structure of the default investment choice is regularly reviewed by the Trustees and their advisers to ensure it is meeting expectations and performing well for members.

What is the salary cap?

Answer:

The salary cap was imposed for members joining Scheme after 1 April 2006 to limit the cost of funding the salary-related section of the scheme. RNIB is a charity after all and the cost of providing fixed pensions, based on salaries and service is a very generous benefit. We are all living longer in retirement and this was a way to make the cost of the Scheme affordable for RNIB to support.

The salary-related section of the Scheme pays out pensions of over £500,000 every month and that is set to continue rising for the next 10 years as more members reach retirement age.

How will an employee know which section of the Scheme they are in?

Answer:

Firstly, check your payslip to see where your pension contributions are being paid. You will see a reference to Legal and General Sacrifice if you are a current contributing member to the RNIB scheme.

When contributing to the salary related section, prior to April 2019, you will have seen a reference shown as Pensions-Plus.

You might see reference to NEST AE which means that you are making contributions to a separate scheme, run by NEST, which is the National Employee Savings Trust, and you should have access to the NEST member portal to see details of your fund and the options available. There are some Sight Life employees who are members of NEST.

For those members who have been a member of NEST before joining the RNIB Scheme, they have the option to transfer their NEST funds to the RNIB Scheme if they so wish.

The Scheme changed in April 2019, can you explain what those changes were?

Answer:

The pensionable service periods for all members in the salary-related section of the scheme was frozen as at 31 March 2019 and benefits were calculated based on salary at 31 March 2019. but if under the salary cap.

A new section of the Scheme was launched from 1 April 2019, the investment related section, which is open to all RNIB employees to join. Employees can choose the level of contributions to be paid out of their salaries and RNIB will make an increasing contribution too.

New eligible employees are auto enrolled into this section of the scheme immediately upon joining RNIB.

Any members earning over the salary cap whilst a member of the salary-related section of the Scheme made contributions to Legal and General, along with contributions from RNIB to create a top up pension pot. This pension pot is held alongside a member's current fund with Legal and General, so they have two funds or policies under the investment-related section.

The two funds are kept separate deliberately, so that the L&G fund built up prior to 1 April 2019 can be used to provide your tax-free lump sum from the salary-related section upon retirement. This is beneficial to members as it means their salary-related pension benefit is not reduced to allow for the tax-free cash sum.

L&G offer Scheme members access to an online member portal – known as Manage Your Account at <https://myaccount.landg.com/>. If you haven't already registered, you really should. Manage Your Account enables you to see details of your L&G fund, to nominate your beneficiaries in the event of your death and update your personal details, it is available 24 hours a day for 7 days a week.

If I was a member of the pension scheme before April 2019, what has happened to my benefits in the old pension?

For employment service prior to 1 April 2019, you were a member of the salary related (defined benefit) section of the Scheme, your pension benefit was calculated as 31 March 2019 based on your salary up to a salary cap of £23,250 and your length of service to that date.

If a member still earns less than the salary cap, their benefit in that section of the scheme will still increase whilst the member's salary changes until they reach the salary cap.

Members' benefits are now deferred in that section until they reach normal retirement age or decide to retire. Members still retain a benefit in that section of the Scheme and is in addition to the benefits available from the investment-related section.

Members should have received annual statements from JLT Mercer, the previous administrators either by email or in the post in their chosen formats. The last statements were issued in November 2020.

This section of the Scheme is now administered by XPS. XPS will be issuing benefit statements for the salary-related section of the Scheme in the coming months.

What options do members have to access their pensions?

Firstly, I am not allowed to give personal financial advice to members, members should always seek advice from a qualified financial adviser and at least visit the Government's Money Helper website at www.moneyhelper.org.uk to access impartial and useful information

about any financial matters and particularly for pensions click through to the Pension Wise pages.

What I can say is that members can access their pensions from age 55, or earlier if in serious ill-health.

In the salary-related section the normal retirement age is 65, for most employees. If a member chooses to receive their pension from that section before age 65, their benefits will be reduced for early payment. Once in payment, members' pensions are increased each year in relation to the rate of inflation.

Members of the salary-related section of the scheme may choose to receive their pension from that section and continue to contribute to the investment-related section of the scheme.

Please remember though that after having considered whether to receive an initial tax-free lump sum on retirement, any pension payable will be treated as taxable income and if paid in addition to salary or other sources of income, may increase a member's rate of income tax payable.

In the investment-related section, a member may have access to their pensions pot from age 55 either as a lump sum payment, 25 per cent of which will be treated as a tax-free lump sum, the remainder will be treated as taxable income in the year of receipt, or a member can make use of more flexible access to their pension pot, but to do so the member will have to transfer their pot away from the RNIB scheme to a personal pension or other suitable and qualifying pension plan.

Please do take advice before considering any of these options and please be aware of pension scams – they do exist and pension savers have lost money – please see The Pension Regulator's webpage for more information or visit [Don't let a scammer enjoy your retirement \(thepensionsregulator.gov.uk\)](https://www.thepensionsregulator.gov.uk).

How can members contact the administrators of the pension scheme?

Both Legal and General and XPS operate a member helpline, please see below for the relevant contact details.

Salary-related section – XPS Administration

XPS is currently designing a new member portal for the RNIB pension scheme, which will be available to you all in the coming months. In the meantime, please contact:

01738 231767 or RNIB@xpsgroup.com

RNIB
XPS Administration
Saltire House
3 Whitefriars Crescent
Perth
PH2 0PA

Please include your date of birth and National Insurance number with all correspondence.

Investment-related section – Legal and General

You can contact Legal and General through the Secure Message Centre (SMC) available in Manage Your Account or by email at employerdedicatedteam@landg.com.

Legal and General operate an online member portal known as - Manage Your Account at <https://myaccount.landg.com/>.

If you haven't already registered, you really should. All you need is a valid customer reference number starting with 2. This number is included in the e-certificate that L&G sent to your RNIB email address soon after you joined the defined contribution section of the pension scheme.

If you don't have your login details to hand, please call the Legal and General Member Support Helpline: 0345 070 8686. You will need to know your National Insurance number when you call for security purposes.

Document ends.