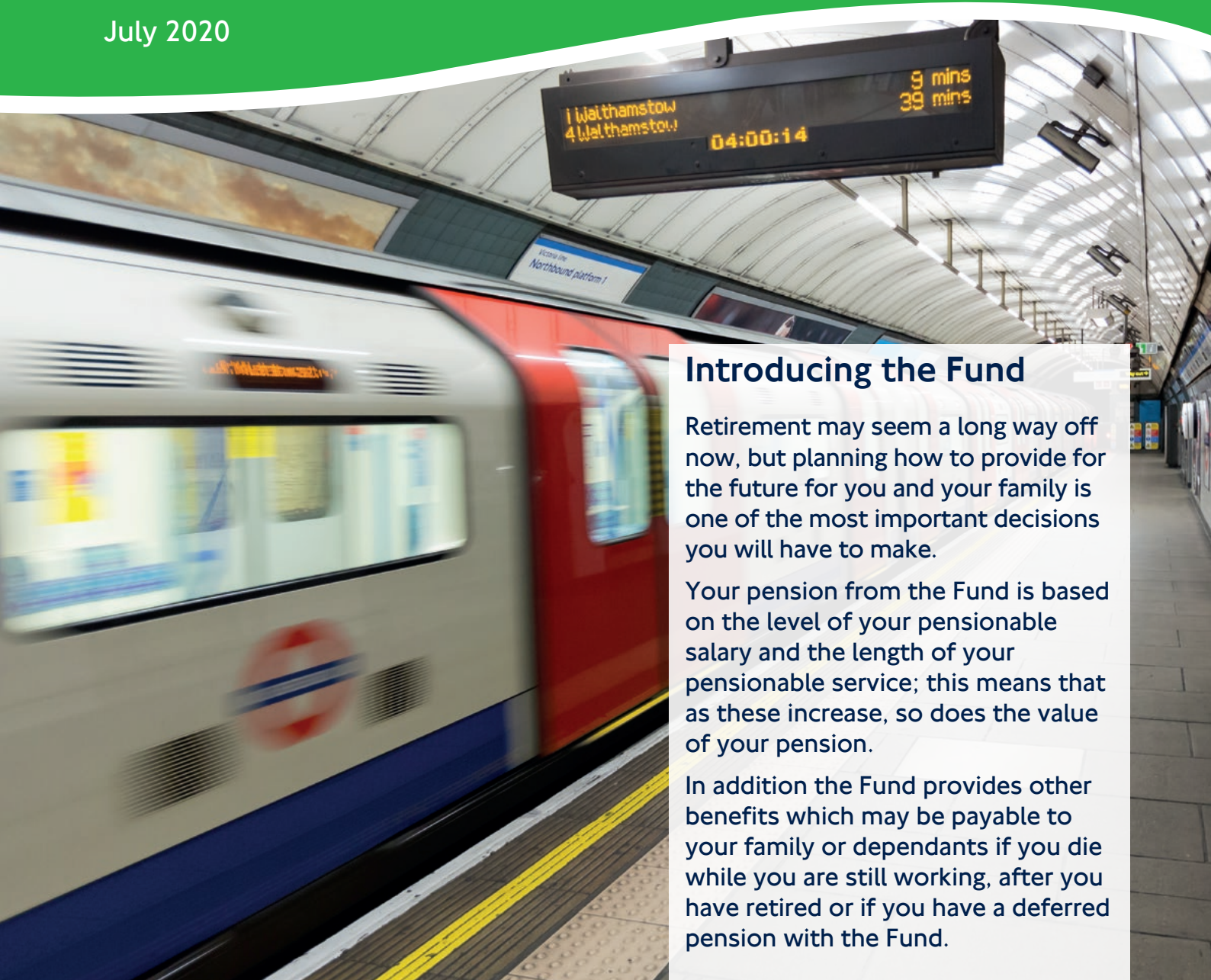


TfL Pension Fund

An introduction for Members

July 2020



Introducing the Fund

Retirement may seem a long way off now, but planning how to provide for the future for you and your family is one of the most important decisions you will have to make.

Your pension from the Fund is based on the level of your pensionable salary and the length of your pensionable service; this means that as these increase, so does the value of your pension.

In addition the Fund provides other benefits which may be payable to your family or dependants if you die while you are still working, after you have retired or if you have a deferred pension with the Fund.

Notice for the visually impaired

Copies of this guide in large type and in a text only format are available from the Fund Office. Please write to TfL Pension Fund, 8th Floor, Palestra, 197 Blackfriars Road, London SE1 8NJ, or email the Fund Office at helpdesk@tflpensions.co.uk



Why contribute to a pension?


A pension is a way of providing a regular income when you finish working. The more pension you build up while you're employed, the better your standard of living when you retire. The Government's Pension Service says that "the state will help but you will need to make your own plans to make sure you are comfortable when you retire in the future".

State Benefits

Membership of the TfL Pension Fund does not impact your entitlement to the State Pension. The Government changed the State Pension from 6 April 2016. If you reach State Pension Age after this date you will be entitled to a flat rate State Pension provided you have paid or have been credited with the necessary National Insurance contributions.

The full flat rate State Pension is £175.20 per week from April 2020.

The exact amount you will get when you reach State Pension Age will depend on your National Insurance contribution record, and will likely be lower for those who have ever contracted out of the State Second Pension.



The more pension that you build up while you are employed, the better your standard of living when you retire.

Becoming a member

As a new employee, you join the Fund automatically as soon as you begin work with us, unless your contract of employment states otherwise. This applies equally to both full-time and part-time employees.

The cost to you

You contribute 5 per cent of contributory pensionable salary; this is assessed on joining and then each year in November to be effective from the start of the next year, it is usually your basic salary less a deduction equal to the Lower Earnings Limit. Your contributions usually remain the same until the next year unless your contracted hours change, in which case they are reassessed at the time your hours change.

While you will contribute 5 per cent of contributory pensionable salary to the Fund, the actual cost to you will be less because you pay less tax. Your employer will contribute the remainder required to meet the payment of your benefits when they become due.

You can also buy extra benefits in the form of Additional Voluntary Contributions (AVCs).

Example

		4 weekly
A Member with a salary of £30,000 a year pays a 5 per cent contribution	=	£92.62
Tax saving	=	£18.52
Net Cost is 4 per cent	=	£74.10

Opting out of membership

You are not required to be a member of the Fund. If you would like to opt out of membership, you will need to complete an opting out form, giving us at least one month's notice, **but you should consider the benefits that you are giving up before opting out.** The opting out form is available from the Fund Office or on the website at www.tfl.gov.uk/pensions

If, after opting out, you want to rejoin the Fund, you may do so by giving notice in writing to the Fund Office. However your eligibility to certain Fund benefits may require the consent of the Trustee and Participating Employer, for which they may require you to provide evidence as to your state of health.

Previous pension arrangements

If you would like to investigate transferring pension benefits you have built up in another pension arrangement to the TfL Pension Fund, you should read the Transferring In Benefits guide which explains the process and what you need to do.

You can download a copy from the Fund website www.tfl.gov.uk/pensions



Benefits

Death in service cover

While you are an active member of the TfL Pension Fund, you will receive protection in the event of your death:

- Life cover, which pays a tax-free cash lump sum of four times your pensionable salary
- Once you have completed two years membership of the Fund, your adult dependants and eligible children could receive a pension on your death

The Fund provides important benefits for your family, offering security and peace of mind for you and your dependants. Where a lump sum is payable following your death, the Trustee has absolute discretion to pay it to one person or more and in any way they decide is appropriate, however the Trustee will take account of your wishes. **It is therefore important that you complete an Expression of Wish form to let the trustee know how you would like this to be paid.**

A Pension on retirement

- A pension based on your pensionable salary and pensionable service

An annual pension is calculated as follows:

$$\frac{1}{60} \times \text{Your pensionable service at retirement} \times \text{Your pensionable salary at retirement} = \text{Your annual pension}$$

- When you retire the pension is paid four weekly and is increased in line with the increase in the Retail Prices Index (up to a maximum of 5 per cent)
- The option to take a tax free lump sum up to the value of 25 per cent of your overall pension, in which case you would receive a lower pension
- A pension could be payable to your adult dependants and eligible children could receive a pension on your death

What happens if I leave before I retire?

Provided that you have completed at least three months Fund membership you have the option of a deferred pension. This is calculated in the same way as the retirement pension, but based on your pensionable service to your date of leaving and pensionable salary at the point you leave.

You also have other options if you leave employment with us before you retire. You can:

- Receive a refund of your contributions if you have less than two years' service
- Defer your benefits, which means you keep them in the Pension Fund until you retire. Your benefits will increase in value until you take them as a pension
- Transfer your benefits to another pension scheme that is able to receive them (although you may be required to take independent advice before you transfer your benefits to another scheme providing defined contribution benefits)

Currently the Fund does not charge you for taking these options. More information about them is available from the Fund Office.

When can I retire?

In the Fund, your Scheme Pension Age is 65, however you can retire from age 55 onwards. If you retire before age 60 your pension will be reduced because it would be paid earlier and for a longer time.

What if I am too ill to work?

If you need to leave work because of ill-health, you may be entitled to enhanced benefits from the Fund. This is based on your pensionable service and your pensionable salary. The Trustee will seek medical evidence of your condition to demonstrate that you are eligible to receive an ill-health pension. Additionally the type of benefit you receive will depend on your pensionable service.

Pension Web Portal

To use the system you will need to register for access, you can register at www.pensions.tfl.gov.uk

You will need your e-mail address, Pension Fund Member number and your National Insurance number; you will also need to key in other details about yourself such as your name and date of birth.

Once you have access you will be able to:

- View benefit statements
- Run retirement and leaving service calculations
- Submit and track the progress of general enquiries to the Fund Office
- Update your contact e-mail address

Various documents are also available for you to download in our Pension Web Portal.

All figures quoted are estimates and you should not rely on them when making decisions. Confirmation should always be sought from the Fund Office.



Additional Information

The Fund is a registered scheme which means that it is eligible for tax advantages.

- **Annual Report and Accounts.**

Each year the Trustee of the Fund produces a report on the progress on the Fund together with the Accounts. A copy is available on request from the Fund Office, or you can find it on the website

What if I have a complaint?

If you are not happy with the service that you have received from the Fund Office or a decision relating to the payment of Fund benefits, you should first raise your complaint with the Service Delivery Manager at the Fund Office.

If you are still not satisfied, then the following may be helpful:

- **Internal Dispute Resolution Procedure**

The Fund's own Internal Dispute Resolution Procedure is designed to resolve any dispute between the Trustee and members, prospective members and beneficiaries. A copy of the procedure and an official complaint form can be obtained from the Secretary to the Trustee at the Fund Office or the Fund's website at www.tfl.gov.uk/pensions

- **The Pensions Ombudsman**

You have the right to refer your complaint to The Pensions Ombudsman free of charge. The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:
10 South Colonnade, Canary Wharf, E14 4PU
Tel: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

You can also submit a complaint form online:
www.pensions-ombudsman.org.uk/our-service/make-a-complaint/.

If you have general requests for information or guidance concerning your pension arrangements contact:

The Pensions Advisory Service,
11 Belgrave Road, London, SW1 V 1RB
Telephone: 0800 011 3797
Website: www.pensionsadvisoryservice.org.uk

- **The Pensions Regulator**

The Pensions Regulator supervises occupational pension schemes and intervenes in the running of schemes where trustees, employers or professional advisers have failed in their duties

The Pensions Regulator,
Napier House, Trafalgar Place, Brighton, BN1 4DW
Email: customersupport@thepensionsregulator.gov.uk
Website: www.thepensionsregulator.gov.uk

Further information

The full Guide for Members as well as other guides are available from the Fund Office or can be downloaded from the Fund's website: www.tfl.gov.uk/pensions

If you want to know more about the TfL Pension Fund and membership:

TfL Pension Fund
8th Floor, Palestra
197 Blackfriars Road
London
SE1 8NJ

Email: helpdesk@tflpensions.co.uk

Important note

This leaflet summarises the benefits provided by the Fund as at April 2019. However it is only a guide as the Fund is established under the formal Trust Deed and Rules which determine the benefits provided by the Fund, except where they are overridden by legislation. Therefore should there be any discrepancies between the information in this guide and the Trust Deed and Rules the latter will always prevail.

Personal Data

The Trustees are committed to protecting and processing lawfully and fairly the personal data we gather, hold (either directly or through a third party) and use about you and your family and your dependants. The Trustees need this information so that they can administer the Fund and ensure that benefits are paid correctly and to the right person. The Trustees always ensure that the legal requirements regarding how personal data is looked after are met.

The Trustees have a privacy notice that sets out:

- More detail about the kind of personal data they hold
- How they gather that personal data
- How that data is used
- How long the Trustees hold it for and who the Trustees share it with.

This notice also sets out individuals' rights in connection with the personal data that the Trustees hold and who to contact if an individual wants to exercise those rights, make a complaint or has any questions. This privacy notice can be found online at www.tfl.gov.uk/pensions

Alternatively, if you prefer a hard copy please contact the Fund Office.