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Notice for the visually impaired

Copies of this newsletter in large type and in a text only format are available from the Fund Office. Please write to TfL Pension Fund, 4th Floor, 200 Buckingham Palace Road, London SW1W 9TJ, or email the Fund Office at helpdesk@tflpensions.co.uk

CHAIR'S MESSAGE

Welcome to the 2022 edition of PENSIONEWS.

The last year has been a busy year for the Fund. The Funds' assets have increased to stand at £14.44bn at 31 March 2022.

For TfL the principal employer, the pandemic has had a major impact with the continued impact of reduced ridership and fares revenues, the consequential impact on finances has been an area of considerable focus for the Trustees who have continually monitored the strength of employer covenant over this period. The Trustees have completed the 2021 triennial valuation on 31 March 2022 ahead of the statutory deadline of 30 June 2022. I am pleased to report that the triennial valuation showed a surplus of assets over liabilities of £179m which is a vast improvement over the 2018 valuation where there was a deficit of £603m.

Another area of focus for the Trustees has been the Pensions Review commissioned by TfL as a condition of Government funding, the Trustees responded to the Call for Evidence having reviewed all the reports issued. The final report was published in March 2022 and at the time of writing there have been no proposals for change from TfL.

**25,659 ACTIVE MEMBERS
AT 31 MARCH 2022**

**FUND ASSETS INCREASED TO
£14.44BN AT 31 MARCH 2022**

In this edition we bring you the latest news on issues currently facing the Fund, including:

- Annual Members Meeting
- Importance of taking advice
- Sustainability Report
- National Fraud Initiative
- PCC Election Results
- Trustee update

As usual we provide a communications timetable for the year ahead which includes the details of this year's Annual Members' Meeting for your diary.

If you have any comments about this issue of **PENSIONEWS** or any other Fund publication, we always welcome your feedback and you can let us know by contacting the Fund Office at the address on the back page.

M. Antoniou

Maria Antoniou
Chair of the TfL Pension Fund Trustees





EXPRESSION OF WISH FORMS AVAILABLE ONLINE

Every year we remind you of the importance of completing an Expression of Wish form and keeping it up to date, so to make it easier for you to do so we added new functionality to the pension web portal so you can complete a form online.

When there is a lump sum death benefit payable from the Fund Trustees always look to take into account a members wishes when deciding who the lump sum should be paid to.

The Trustees take account of your wishes by looking at any Expression of Wish form you may have provided; unfortunately not all members complete one or keep them up to date.

We have had several cases where no Expression of Wish has been received and this can lead to delays in being able to pay the lump sum and there is a risk that the Trustees do not pay the lump sum as the member would have wished.

If you are a current active member or have a deferred pension with the Fund, please take the time to complete an Expression of Wish form, you can either download a form to complete by hand or you can do this online through our Pension Web Portal. If you do this via the portal you will be able to see your completed form online.

Fill out an Expression of Wish form today to make sure we know who you'd want to receive any lump sum if you die.



Download a form from www.tfl.gov.uk/pensions or visit the Pension Web Portal <https://pensions.tfl.gov.uk>



KEEP YOUR DETAILS UP TO DATE

Every year we receive hundreds of items of returned post; this can lead to pensions being suspended or delays to payment of benefits while we track down members' new addresses.

For current employees, please ensure that your address on SAP is up to date as this information is fed through to the pensions team. For pensioners and deferred members you can tell us of a change of address through our Pension Web Portal or by writing to or telephoning us.

CONTACTING THE FUND OFFICE

If you are telephoning the team, all team members have mobile telephones with the office number diverted to them however relying on the mobile network does mean that callers cannot always get through due to signal issues which is something outside of our control, so please bear with us and consider emailing instead. If you are having difficulty contacting us by telephone, we can also be contacted by email to helpdesk@tflpensions.co.uk

The Fund Office team are working on a hybrid basis so we are now able to see visitors in the office, but with fewer people in the office each day we require that you contact us to book an appointment by email or telephone to ensure that a member of the team is available to help you.

KEEP YOUR PASSWORD SAFE

Many of you have registered for our Pension Web Portal, which contains important information about you and your benefits under the Fund, so please keep your password safe, don't share it and try to make sure that it is not something that could be easily guessed. If you think your password has been compromised you should look to reset your password through the portal, our user guide provides a step by step guide of how to do this.



TAX LEGISLATION

The tax legislation impacts pensions in a number of areas:

Members receive tax relief on their contributions and have the option to take part of their benefits on retirement as a tax free cash sum.

But, there are limits to the amount members can save towards their retirement; the Lifetime Allowance limits the value of pension savings to £1,073,100. While this may sound a lot, your Tfl pension is valued for Lifetime Allowance purposes as 20 x your pension, you then need to add the value of any other pension savings you may have including Additional Voluntary Contributions. Where total pension savings exceed the Lifetime Allowance, the excess is subject to a tax charge at 55%.

On top of the Lifetime Allowance there is an Annual Allowance limiting the amount you may save towards your pension while receiving tax relief. The Annual Allowance is £40,000 but for those with higher incomes (over £200,000) this allowance is reduced and depending on the level of income can be reduced to £4,000. For Annual Allowance purposes the change in the amount of Tfl pension you have built up over the tax year is multiplied by 16, plus any AVCs you have paid are added to that value and if you have made pension savings outside of the Tfl Pension Fund you will need to take those into account.

If your pension savings exceed the Annual Allowance the excess may be subject to tax, so it is important to take advice when making additional pension savings to ensure that you are fully aware of the implications.



THE IMPORTANCE OF TAKING ADVICE

Pensions is a complex area with members having decisions to make at various stages throughout their time as a member. In addition members have to take into account the tax implications of any decisions they are making.

While the Pension Fund Office provide members with information they cannot provide members with advice, so for this reason we recommend that members seek appropriate financial advice when making important decisions about their pension.

TRANSFERRING IN BENEFITS

This is an important decision as once made the decision cannot be reversed. Many members look to transfer their benefits from a former employers pension scheme or from a personal pension arrangement. In return for the payment of a transfer value the TfL Pension Fund offers a service credit; the credit is based on various factors and takes into account assumptions about future investment returns and salary growth. While a service credit may offer some degree of certainty, members should look very carefully at the option and compare the pension they are giving up with the pension being offered by the TfL Pension Fund. Different pension schemes value benefits in different ways depending on the type of scheme and also the schemes assumptions; for this reason it does not always follow that proceeding with a transfer is in the members best interests.

You should seek appropriate independent advice when looking at a transfer as factors such as your overall financial situation and your longer terms plans for retirement also need to be taken into account.

TRANSFERRING BENEFITS OUT

This is the opposite of transferring benefits into the Fund; you need to compare the benefits you are giving up with the benefits that you will receive on transfer. While some arrangements may offer more flexibility in the timing and method of drawing your pension, this flexibility needs to be balanced against the certainty you are giving up. For this reason legislation requires members transferring from a defined benefit pension scheme such as the TfL Pension Fund to a defined contribution arrangement to have sought appropriate independent advice from an FCA registered advisor and we cannot pay a transfer without having received evidence that members have received such advice.

Recent changes to legislation mean that the Fund Office team must undertake a number of additional checks before allowing a transfer to proceed.

LATE RETIREMENT OPTION

Existing Members at age 60 and age 65, and New members at age 65 who are still contributing members of the Fund, have the option to stop paying contributions to the Fund and instead receive a late retirement increase to the pension they have built up. You need to carefully consider whether the option to stop paying contributions is better for you, this will depend on how much pension you have already built up as well as your longer term plans for retirement. Again if you are not sure which is the best option for you, you should seek appropriate independent financial advice.

RETIREMENT OPTIONS

When you reach retirement, you will have various options depending on your age, these may include

- the option to take a tax free cash sum with a lower ongoing pension
- the option to have a higher pension until State Pension Age with a lower pension from State Pension Age

These options have an impact on your long term pension income as well as an impact on limits for the Lifetime Allowance and Annual Allowance, so again if you are not sure which is the best option for you, you should seek appropriate independent financial advice.

NATIONAL FRAUD INITIATIVE (NFI)

The Audit Commission has developed a data matching exercise which detects and helps to prevent fraudulent and erroneous payments from being made from the public purse. The NFI analyses and cross checks electronic data from audited public bodies participating in the exercise, which is run every two years. The Fund has participated since 2004 and submitted data for the 2020 exercise.

As a direct result of our participation in past exercises, overpayments have been identified and further inappropriate payments have been stopped. The Fund Office will identify and pursue any overpayments identified by this exercise.



ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

Members have the option to pay AVCS, this is a way to save more towards your retirement and may give you flexibility as to when you can retire. As your decision to pay AVCS and your AVC investment decisions may have significant financial implications, you should consider obtaining appropriate independent financial advice if you are in any doubt about whether to make AVCS or the approach to investment that may be appropriate to you.

If you wish to view your latest fund value, change your investment choice or, if your AVCS are invested under the Lifestyle option your retirement target age, you can do this online through Legal & General's online portal "Manage Your Account" www.legalandgeneral.com/mya

Legal & General can also be contacted by calling their helpline on **0345 070 8686** or email to employerdedicatedteam@landg.com

PENSION WEB PORTAL

Over 21,000 members have already registered to use the portal, if you have not already done so why not register today? To Register, please visit <https://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 registered you will be able to:

- View payslips (pensioners only)
- View P60s (pensioners only)
- View benefit statements
- Run retirement calculations (active and deferred members only)
- Update your address (pensioners and deferred members only)
- Submit and track the progress of general enquiries to the Fund Office
- Update your Expression of Wish

We have published a Pension Web Portal user guide on the Pension Fund website which includes step by step the process to register.



ANNUAL MEMBERS' MEETING

The Annual Members' Meeting was held virtually on October 2021. The meeting began with an introduction from the Chair of Trustees, Maria Antoniou, and was followed by a review of the year by the Fund Secretary, Stephen Field. He provided a summary of the growth of the Fund over the year to 31 March 2021, Trustee changes and the key activities over the last year.

There were three guest speakers on the day. Gareth Oxtoby, Scheme Actuary, from Willis Towers Watson, presented an overview on preparation for the 2021 valuation, regulatory developments and an analysis of the Fund's mortality experience. Ed Wilson, from Willis Towers Watson, the Fund's investment adviser, then provided an investment update which included market environmental, social and governance developments and an update on the Funds performance. Finally, Pauline Sibbitt, from Sackers, the Fund's legal adviser, presented an update on the new powers of the Pensions Regulator, transfer scams and the change to normal minimum pension age.

The meeting concluded with a question and answer session.

The meeting presentations and a video of the full meeting can be found on the Fund's website at www.tfl.gov.uk/pensions

The 2022 Annual Members' Meeting will take place on Friday 7 October at 11:00 in the Telford Theatre, One Great George Street. There will once again be an exhibition in the Great Hall, so if you are unable to attend the meeting, you are welcome to drop in at the exhibition, which will be open from 10:30 to 12:45. Once the meeting has formally concluded in the Telford Theatre, there is an opportunity to meet the Trustees and their advisers. Fund Office Staff will also be present and refreshments will be provided.

This will be a hybrid meeting to allow those not able to attend in person to take part in the meeting by joining online.

Details of how to join the meeting will be published in the Annual Review. You will be able to view the presentations live and ask questions online which the panel will answer at the end of the meeting, and for those unable to attend a recording of the meeting will be published on the Fund website.

2021 SUSTAINABILITY REPORT

The Fund Trustee takes a holistic view in aligning their Sustainable Investing Beliefs towards the Fund's investment activities. There is a clear recognition that each of the three factors: Environmental, Social and Governance (ESG) play an important role in driving the long-term value of the Fund's investment portfolio. The Fund Trustee believes that as a long-term provider of responsible capital, the Fund should be an agent of positive change, engaging with the companies to help them adopt and transition to best business practices and sustainable business models.

The Trustees Sustainability Report captures the on-going efforts and evolving activities the Fund has undertaken as it continues along its important journey to integrate ESG considerations across all of its investments. ESG issues have never been as important than they are right now, especially following the devastating social and economic havoc wreaked by the COVID-19 pandemic.

The Fund continues to work in partnership with its managers to source investment opportunities that not only offer attractive rates of return, but equally are aligned to the United Nations Sustainable Development Goals ("SDGs"). The report showcases some of these exciting investment opportunities that the Trustees are proud to be part of.

To gain a greater understanding of the Fund's approach from this report and learn more about some of the Fund's investment activities, please find the full report on our website.

<https://tfl.gov.uk/cdn/static/cms/documents/2021-report-on-sustainable-investing-full-version.pdf>

NET ZERO BY 2045: TFL PENSION FUND IS ON TRACK

The Trustees of the TfL Pension Fund have committed to an ambitious Net Zero Plan which would see the Fund achieve a 55% reduction in its carbon emissions by 2030 at the latest and a 100% reduction no later than 2045 vs the 2016 baseline.

This net zero carbon strategy is without doubt the single most important development in the Fund's sustainability agenda to date. The Trustees set the wheels in motion for the new strategy following the 2015 Paris Agreement, an international treaty on climate change.

Following the treaty, the Trustees took the decision to measure the Fund's carbon footprint, leading to a significant change in direction in terms of investment focus. Climate change was recognised not only as a long-term financial risk, but also as an opportunity to invest in more sustainable products which produce less carbon or use less energy.

THE NET ZERO PLAN

The introduction of the Net Zero Plan directly builds on the above actions and plays an important role in driving the long-term value of the Fund's investment portfolio. This comprehensive and industry-leading plan encompasses all of the Fund's assets, covering public and private markets across equities, bonds, credit, infrastructure and real estate.

The plan maximises the Fund's real-life impact on the planet. It ensures that the fund continues to source investment opportunities that not only offer attractive rates of return, but which are also aligned to the United Nation's Sustainable Development Goals. These Sustainable Development Goals, combined with ESG Scores and Carbon Footprints will be used by the Trustees to track the Fund's progress over time.

The Trustees are quick to concede that there may be quarters or years when the Fund's emissions could go up for reasons beyond their control. After

all, the climate challenge is an ongoing issue, and as such there will always exist a degree of uncertainty around the exact timing and costs of critical breakthroughs, but by keeping an open mind, staying agile and most importantly learning and reacting as better information becomes available the Trustees will look to minimise uncertainty. However, the objective is clear – to align the investment portfolio with industries, products, services and business models that are compatible with a sustainable planet, while securing stable and sustainable financial returns for the members.

To be net zero by 2045 is clearly an ambitious target, however the Trustees firmly believe that the Net Zero Journey Plan is entirely consistent with their fiduciary responsibility to earn returns needed for the long-term financial health of the Fund.



PENSIONER EDITION OF ON THE MOVE

Our pensioners are sent the Pensioner edition of On the Move every quarter. If you'd rather go eco-friendly and receive it by email instead, there is now an option to do so.

To opt out of a paper version of the magazine, saving money on printing and distribution costs, please email otmsubscription@tflpensions.co.uk quoting your name and member number.

You can find your pensioner membership number on any individual correspondence from the Pension Fund, or on your annual payslip. You can re-subscribe to the paper version at any time.

PAY DATES

The pay dates for the remainder of 2022 and for the beginning of 2023 scheme year are:

26 September 2022	13 March 2023
24 October 2022	11 April 2023
21 November 2022	8 May 2023
19 December 2022	5 June 2023
16 January 2023	3 July 2023
13 February 2023	31 July 2023

VIEW YOUR P60 OR PAYSLIPS ONLINE

P60's and payslips are available online through member self service. To view these online you will need to have registered for the Pensions Web Portal, if you were registered under our old system, you will need to re-register. For further information see page 7 or visit our website www.tfl.gov.uk/pensions



COMMUNICATIONS TIMETABLE

September	Annual Review – the Trustees' summary of the Report and Accounts incorporating the Summary Funding Statement – how the Fund's invested assets compare with the liabilities to pay benefits Benefit statements to all deferred members
October	Annual Members' Meeting – a forum for all members to meet the Trustees and discuss the Fund – details will be included in the Annual Review
April	Annual payslips and P60s issued to pensioners
June	Annual Benefit Statements for Active members

As well as the documents listed above which are issued to various categories of Members, the following documents will also be published on the Fund's website where you can view or download them.

September	Annual Report & Accounts at 31 March 2022 – the Annual Review which is issued in September is a summary version of the full Report & Accounts
December	ESG Report
April	Statement of Investment Principles

TRUSTEE UPDATE

The Trustee Board decides all policy matters; however the Trustee Board has established six committees to supervise different aspects of the Fund and report back to the full Trustee Board.

The current membership of the committees is shown below:

Committee	TfL Nominated	Non TfL Nominated
Actuarial Valuation Committee	Maria Antoniou (C) Rebecca O'Donnell	Stephen Ellaby Chris Miller (VC)
Alternatives and Liability Hedging Committee	Mark Evers Nigel Pickup (VC)	Paul Murphy John Timbrell (C)
Appeals Committee	Mercillina Adesida Tricia Ashton (C) Julian Thirlby	Sonja Folarin Stephen Ellaby Paul Kilius-Smith (VC)
Audit and Risk Committee	Tom Cunnington Rebecca O'Donnell (VC) Chris Reader	Lewis Brown (C) Finn Brennan John Leach
Investment Committee	Mark Evers Rebecca O'Donnell Nigel Pickup (VC) Julian Thirlby	Lewis Brown Paul Kilius-Smith Paul Murphy John Timbrell (C)
Operations Committee	Mercillina Adesida Tricia Ashton (VC) Tom Cunnington Chris Reader	Lewis Brown Finn Brennan Sonja Folarin Paul Murphy (C)

(C) Chair (VC) Vice Chair



TFL PENSIONS CONSULTATIVE COUNCIL

The PCC discusses any issues relating to the operation of the TfL Pension Fund (but not individual entitlements). PCC members are elected from three sections representing pensioners and deferred pensioners, employees of London Underground and TfL employees other than LU. The PCC has a role in nominating Trustees to the Pension Fund to represent these groups. The PCC constitution is on the Fund's website at www.tfl.gov.uk/pensions

The longest serving quarter of the TfL Pension Consultative Council (PCC) retired from office on the 30 November 2021. The term of office for the new appointments commenced on the 1 December 2021 and will end on the 30 November 2025.

In Section One (representing pensioners and deferred pensioners), Alexandra Barnes and Luke Howard retired. Three nominations were received and, following a postal ballot, both Ms Barnes and Mr Howard were duly re-elected. Ms Barnes and Mr Howard have both served on the PCC since 2020 and 2018 respectively.

In Section Two (representing TfL and its subsidiaries or contractors, excluding London Underground Limited), Sonja Folarin retired. This Section received three



nominations and, following a postal ballot, Ms Folarin was re-elected. Ms Folarin has served on the PCC since 2017.

In Section Three (representing London Underground Limited and its subsidiaries), Tony DeWet and Mark Harding retired. Four nominations were received and, following a postal ballot, Mr Harding and Mr Jason Moriarty were both elected. Mr Harding has served on the PCC since 2001.

For more information about the PCC you can visit the TfL Pension Fund website at www.tfl.gov.uk/pensions or contact Julian Collins, PCC Secretary **020 7126 1162** or email juliancollins@tflpensionfund.co.uk

OTHER FUND MATTERS

Ill-health pensions in payment

If you are in receipt of an ill-health pension, the Fund requires you to tell us if the total of your current earnings (if any) when added to your pension exceeds the greater of 150 per cent of your current pension or £38,300. This latter figure is increased annually by earnings inflation.

Ill Health Retirement

We have published a helpsheet which explains the ill health process for contributing members, this can be found on the Fund website homepage, the key things to note are:

- If there is a likelihood that you may leave due to ill health, you should make an application for an ill health pension allowing at least two months for the medical evidence to be collated and considered
- Members can submit their own ill health retirement application
- Making an application does not change the attendance at work process
- Being granted an ill health pension does not bring the attendance at work process to an earlier conclusion

Pensioner payments

A number of our pensioners change account and it is important to remember there can be a delay in your change notification being received by the Fund office, so whether you use the current account switch service where the banks notify us or you make the switch independently, please do not close your old account until you have received confirmation from the Fund Office that we have received and actioned your change request, this will avoid payments being returned to us and the consequent delay in reissuing the payment to you.

CONTACTING US

The staff in the Fund Office will be pleased to answer any queries you may have. They cannot give financial advice or deal with tax matters but will be able to advise you who to contact for the assistance you need.

They can be contacted at:

TfL Pension Fund, 4th Floor
200 Buckingham Palace Road
London SW1W 9TJ

Email at: helpdesk@tflpensions.co.uk

If you have access to the internet, you can access member self-service and find lots of information, including forms and Fund documents, on the Fund's website at www.tfl.gov.uk/pensions

FUND OFFICE APPOINTMENTS

Please arrange an appointment before travelling to the Fund Office to ensure that we have a member of the team available to help you.

Your surname begins with	Telephone Number	Your surname begins with	Telephone Number
A	020 7126 1625	N	020 7126 1451
B	020 7126 1751	O	020 7126 1890
C	020 7126 1860	P	020 7126 1835
D	020 7126 1625 / 1751	Q	020 7126 1856
E	020 7126 1835	R	020 7126 1411
F	020 7126 1625	S	020 7126 1329
G	020 7126 1485	T	020 7126 1451
H	020 7126 1485 / 1490	U	020 7126 1329
I	020 7126 1425	V	020 7126 1625
J	020 7126 1451	W	020 7126 1890
K	020 7126 1451	X	020 7126 1856
L	020 7126 1490	Y	020 7126 1411
M	020 7126 1425	Z	020 7126 1860

If you are calling internally, the auto number is the last 5 digits of the telephone number above

You can also access Member self-service and find lots of information, including forms and Fund documents, on our website at www.tfl.gov.uk/pensions

