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18 June 2014

Dear Steve

TfL Pension Fund: Extraordinary General Meeting

As you are aware an Extraordinary General Meeting (EGM) of the TfL Pension Fund took place on Friday 25 April dealing with two requisitions which had been received by the Fund Secretary and which had the support of more than 200 members of the Fund.

The first requisition concerned eligibility for membership of TfL Pension Fund in particular for those previously/currently employed by Tube Lines and Metronet who are currently prevented from joining the Fund through the provision of another pension arrangement. The second requisition concerned the Trustee Board's decision to suspend transfers into the Fund following the request of the Principal Employer.

With respect to eligibility to membership of TfL Pension Fund, the response given to those present at the EGM was that membership is a contractual matter, so that their representations should be directed to the employer, as the Trustee could not grant the eligibility being sought without the Principal Employer's consent via the contract of employment.

On the suspension of transfers-in to which the Trustee Board agreed to following the request of the Principal Employer and which is currently due to expire on 31 March 2016, the view of the meeting was that it should be reconsidered and lifted.

I enclose a summary of the EGM for your further reference and from which you will be able to appreciate the strong feelings of those present, albeit only 132 out of 83,000 members of the Fund were present. This summary will be posted onto the Funds website together with an additional note stating that following discussion at a Trustee Board meeting a formal letter was issued to the Principal Employer on the two requisitions.

On behalf of the Trustee I have been asked to request that the Principal Employer notes the issues raised at the EGM and provides its considered response to both requisitions.

Yours sincerely

PP
Maria Antoniou
Chairman of Trustees

TfL Trustee Company Limited
trading as TfL Pension Fund
whose registered office is
55 Broadway, London SW1H 0BD

Registered in England and Wales
Company number 2338675

VAT number 503 3634 80

TfL Trustee Company Limited is
a company controlled by a local
authority within the meaning of
Part V Local Government and
Housing Act 1989. The controlling
Authority is Transport for London



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14 July 2014

Dear Maria

TfL Pension Fund: Extraordinary General Meeting

Thank you for your letter of 18 June and the enclosed summary of the TfL Pension Fund ("the Fund") Extraordinary General Meeting ("EGM") which is noted.

With respect to the first requisition, the Principal Employer's view is that membership of the Fund must remain a contractual issue between the employer and employee.

As the sponsoring employers are required to cover a shortfall in the scheme funding, good corporate governance would determine that they need to exercise some level of control over the liabilities they take on. So the financial impact of any change in membership eligibility has to be carefully considered. In 2012 the Principal Employer did agree to the Fund's age eligibility criteria being extended to allow new entrants under age 18 and above age 63 to join the Fund.

Specific mention was made at the EGM to Metronet and Tube Lines. In the case of Metronet an opportunity was given to these employees to join the TfL Pension Fund at the time of the transfer to London Underground in 2008. Even those who did not take advantage of the offer at that time can still join TfL Pension Fund, if they sign a TfL / LUL contract because they are appointed into a new role (i.e. different to the one that they currently occupy) are offered

membership of the Fund.

For Tube Lines employees, there are ongoing discussions which would permit membership of the Fund, subject to an agreement with the recognised trade unions that the additional cost will be covered through achieved savings. In the meantime those who take up a TfL / LUL contract because they are appointed into a new role (i.e. different to the one that they currently occupy) are offered membership of the Fund.

I should add that TfL has an established and recognised forum for addressing employee representations on pension issues through the Pensions Working Group which meets three times a year under the chairmanship of the TfL HR Director.

With respect to the second requisition, the Principal Employer's opinion is that the existing agreement for a suspension of transfers in was entered into in good faith with the Trustee and should continue until its expiry on 31 March 2016. At that time the current arrangement can be reviewed by the Trustee and the Principal Employer based on known events at that time.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Steve Allen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Steve Allen
Managing Director Finance