

## **TFL Pension Consultative Council (PCC)**

### **Summary of minutes of meeting number 92 held on 26 November 2015**

#### **PCC Elections 2015**

It was confirmed that Mr Sean Mobbs had been elected in Section Two, with Mr Murphy and Mr O'Brien both re elected in Section Three. All candidates had been formally advised of the results.

Section One confirmed that they had considered and agreed the nomination from Mr Joel Kosminsky who will to fill one of their casual vacancies.

#### **Report of Trustee Board Meeting held on 25 September 2015**

The Investment Committee was content with the Penfida Covenant Evaluation. Consideration would be given on the impact on TfL following the Comprehensive Spending Review and Mayoral elections.

The Investment's committee's September meeting considered the PCC formal representation about the Fund's investments in fossil fuel companies. The meeting agreed to draft a full response to the PCC.

The total Fund performance was slightly behind benchmark over the quarter and 12 months but marginally ahead of benchmark over longer periods.

Credit Suisse was appointed as the new reinsurance manager.

The Fund Office would be writing to Standard Life AVC members affected by the reduction of funds from 15 to 11 funds updating them on the new arrangements. Members in either Equitable Life or Clerical Medical funds would only be transferred with member consent.

The Actuarial Valuation Committee agreed a range of proposals from Towers Watson including demographic assumptions and discount rates as part of the Triennial Valuation and noted Towers Watson's post code analysis and commentary on longevity risk.

The September meeting reviewed implications arising from the proposal by the Principal Employer to make suspension of transfer in to the Fund permanent. The Board agreed to discuss the proposal in more detail with options presented at a special Board meeting before determining a response to the Principal Employer.

It was reported through the funding update as at 30 June 2015 that the initial results for the Public Sector Session and Tube Lines Ltd (TLL) as at 31 March 2015 had experienced falls in funding levels during the quarter to 86.9% and 87% respectively.

It was reported that there would be a rise in the assessed cost of future accrual, an industry-wide issue, primarily because the real discount rate had fallen from 2.98% for the 2012 Valuation to 2.11% for the 2015 Valuation, broadly in line with the fall in gilt yields. The Investment Adviser long term projection of funding level was now

broadly in line with the Fund's Recovery Plan to be fully funded on a best-estimate basis by 2020.

The Chair confirmed that initial results of the 2015 Valuation had been shared with the Principal Employer and TLL. The next step would be to negotiate the Technical Provisions with the Principal Employer before Christmas and agree the Recovery Plan after Christmas.

The Audit Committee noted that KPMG Scheme Auditor had issued an unqualified auditor's opinion on the Fund's financial statements and an unqualified statement on the contributions.

The Appeals Committee declined two member claims.

### **Annual Members Meeting Feedback**

The PCC reported positive feedback from members who found it constructive, informative and delivered on time. It was noted that the Q & A's, the video of the presentation and slides were now on the Fund's website.

### **TfL Administration Report for the quarter ended 30 June 2015**

The PCC noted the service provider's report to the Trustees of the TfL Pension Fund.

### **Pensioners' Forum Minutes for Meeting held on 16 September 2015, Pensioners' Forum Agenda for Meeting held on 18 November 2015 and Pensioner Liaison Scheme Report**

These were noted.