

TfL Pension Fund

Recovery Plan

April 2016



Notice for the visually impaired

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TfL Pension Fund – Public Sector Section

Recovery Plan

This recovery plan relates to the Public Sector Section (the "Section") of the TfL Pension Fund (the "Fund"). It has been prepared by the Trustee of the Fund on 1 May 2016 after obtaining the advice of Gareth Oxtoby, the scheme actuary to the Fund.

Funding shortfall

The actuarial valuation of the Section as at 31 March 2015 revealed a funding shortfall (technical provisions minus value of assets) of £395 million. (The total funding shortfall after allowing for the funding deficit in the Tube Lines Limited Section when assessed on the same assumptions was £396 million).

Steps to be taken to ensure that the statutory funding objective is met

To eliminate this funding shortfall, the Trustee and Transport for London ("TfL"), the Principal Employer, have agreed that (after making due allowance for contributions, benefit accruals, expenses and interest since the valuation date, and for the merger into the Section of the Tube Lines Limited Section which took place on 30 March 2016) contributions to meet the shortfall will be paid to the Section by the employers as follows:

- Contributions from 1 April 2016 until 31 March 2022 equal to 5.45% of the total of the relevant pay definition (as set out in Fund rule 13 for the purpose of calculating Members' contributions) for all Members of the Section, and payable on the same dates as the Members' contributions are due to be remitted to the Section; plus
- on or before 31 March 2018 a lump sum of £37.8 million increased in line with the increase in the RPI between September 2008 and September 2017.

Period within which the statutory funding objective is expected to be met

The funding shortfall is expected to be eliminated by 31 March 2022.

This expectation is based on the following assumptions:

- technical provisions calculated according to the method and assumptions set out in the statement of funding principles dated 1 May 2016;
- the investment return on existing assets and on new contributions during the period being as described in the statement of funding principles dated 1 May 2016.

Progress towards meeting the Statutory Funding Objective

It is expected that 50% of the above additional contributions due after 31 March 2016 will be paid within 2 years and 10 months, which is by 31 January 2019.

This recovery plan has been agreed by the Trustee and TfL.

Date of recovery plan (for reference purposes): 1 May 2016

Signed on behalf of the Trustee of the TfL Pension Fund

Signed

Print name M Antoniou

Position Chairman

Date 22/4/16

Signed on behalf of Transport for London

Signed

Print name I Nunn

Position Chief Finance Officer

Date 22/4/16

For further help or information

Please contact the Fund Office if you have any questions about this document.
Contact details are shown below.

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