

TfL Pension Fund

Recovery Plan

May 2013



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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 2013 after obtaining the advice of Richard Williams, the scheme actuary to the Fund.

Funding shortfall

The actuarial valuation of the Section as at 31 March 2012 revealed a funding shortfall (technical provisions minus value of assets) of £699 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) contributions to meet the shortfall will be paid to the Section by the employers as follows:

- Contributions from 1 April 2013 until 31 March 2020 equal to 10.60% 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 2020.

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 2013;
- 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 2013.

Progress towards meeting the Statutory Funding Objective

It is expected that 50% of the above additional contributions due after 31 March 2013 will be paid within 4 years, which is by 31 March 2017.

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

Date of recovery plan (for reference purposes): 1 May 2013

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Signed

Print name M Antoniou

Print name SD Allen

Position Chairman

Position Managing Director, Finance

Date

09/05/2013

Date

07/05/2013

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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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