

TfL Pension Fund – Public Sector Section

Schedule of Contributions

This schedule of contributions 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 after obtaining the advice of Richard Williams, the scheme actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to 31 March 2017

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By the employers participating in the Section (the “Employers”):

- In respect of the future accrual of benefits, non-investment expenses and levies (including those payable to the Pension Protection Fund):
4.35 times the contributions payable by Members of the Section.
- In respect of the shortfall in funding in accordance with the recovery plan dated 12 July 2007:
1.85 times the contributions payable by Members of the Section until 31 March 2010 and 0.15 times the contributions payable by Members of the Section thereafter.

In accordance with Fund rule 13(3), Members’ contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member’s wages or salary was made. Under the Pensions Act 1995, Members’ contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members’ pay. The Employer undertakes to pay Members’ contributions to the Section in accordance with the Fund rules. However, Members’ contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The Employers’ contributions that are expressed as a multiple of the Members’ contributions are due to be paid on or before the same date as the Members’ contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members’ contributions.

Notwithstanding the contribution due dates set out above, the Employers may pay contributions totalling only 6.10 times the contributions payable by Members of the Section during the period up to 31 August 2007 and will make a payment of £157 million on or before 31 August 2007 to meet the underpayment up to that date (as against the contributions set out in the foregoing paragraphs) and as advance payment of the Employers’ contributions falling due for a period after that date. This period will be determined as the period starting on 1 September 2007 in respect of which the total Employers’ contributions due in accordance with the foregoing paragraphs total £157 million less the aforementioned underpayment. No Employers’ contributions will be required during this period in recognition of the aforementioned advance payment.

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Signed

Name S. R. CRITCHLEY

Name H. E. CARTER

Position CHAIRMAN

Position General Counsel

Date 20 July 2007

Date 19 July 2007

Date of schedule (for reference purposes): 12 July 2007

Actuary's certification of schedule of contributions

Name of section: **TfL Pension Fund – Public Sector Section**

Adequacy of rates of contributions

- 1 I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to be met by the end of the period specified in the recovery plan dated 12 July 2007.

Adherence to statement of funding principles

- 2 I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 12 July 2007.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 23 July 2007

Watson House
London Road
Reigate
Surrey
RH2 9PQ