

TfL Pension Fund

Schedule of Contributions

March 2019



Notice for the visually impaired

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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 “Scheme”). It has been prepared by the Trustee of the Scheme after obtaining the advice of Gareth Oxtoby, the Scheme actuary.

Contributions to be paid towards the Section with effect from 1 April 2019 to 31 May 2026

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Rule 13 of the Scheme Rules.

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):
26.9% of the total of the relevant pay definition (as set out in Rule 13 of the Scheme Rules for the purpose of calculating Members’ contributions) for all Members of the Section who are in Contributory Membership.
- In respect of the shortfall in funding in accordance with the recovery plan dated 22 March 2019:
 - Nil from 1 April 2019 to 31 March 2020
 - 6.4% of the total of the relevant pay definition (as set out in Rule 13 of the Scheme Rules for the purpose of calculating Members’ contributions) for all Members of the Section who are in Contributory Membership, payable from 1 April 2020 to 31 May 2026 or such other equivalent payment or payments as TfL may agree with the Trustee to pay to the Scheme from time to time.

If the deficit contributions referred to above that have been paid by the end of each Scheme Year are less than £70 million (increased at the start of each Scheme Year commencing with effect from 1 April 2020 by the Agreed Index), TfL shall pay a top-up deficit contribution to the Scheme by no later than 30 April immediately following the end of the Scheme Year to bring the total amount of deficit reduction contributions payable in the preceding Scheme Year to £70 million (increased at the start of each Scheme Year commencing with effect from 1 April 2020 by the Agreed Index) (“Top-up Deficit Contribution”).

If the deficit reduction contributions that have been paid by the end of each Scheme Year are more than £70 million (increased at the start of each Scheme Year commencing with effect from 1 April 2020 by the Agreed Index), TfL shall not reclaim any overpaid deficit reduction contribution but the excess over £70 million (increased at the start of each Scheme Year commencing with effect from 1 April 2020 by the Agreed Index) shall be set off from any future Top-up Deficit Contributions that are required to be paid by TfL in any subsequent Scheme Years in accordance with this schedule of contributions.

As long as together they are no less than the amounts of the Employers’ contributions and Members’ contributions payable under this schedule in respect of the future accrual of benefits, the Employers’ contributions and Members’ contributions in respect of the future accrual of benefits may vary provided that this is in accordance with the Scheme Rules.

In accordance with Rule 13(3) of the Scheme Rules, 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 Employers undertake to pay Members’ contributions to the Section in accordance with the Scheme 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 contributions payable by the Employers as set out in this schedule satisfy the requirements of Rule 16(5) of the Scheme Rules (minimum levels of contributions payable by the Employers compared to the contributions payable by Members).

The Employers' contributions that are expressed as a percentage of the relevant pay definition 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.

For the avoidance of doubt, the contents of this schedule supersede the future service contributions and deficit reduction contributions set out in the recovery plan and schedule of contributions made between TfL and the Trustee dated 26 April 2016.

Defined terms that apply in the Scheme Rules apply equally to this schedule unless defined below. In this schedule, unless the context otherwise requires, the words and expressions set out below shall have the following meanings:

Agreed Index	the increase in the Retail Prices Index between December 2018 and the December prior to the Scheme Year to which the contributions relate plus 0.25%. The value of the Agreed Index is taken to be 1.00 at 1 April 2019 and is determined at each subsequent 1 April as follows: <i>Agreed Index at 1 April in year (t + 1) =</i> <i>Agreed Index at 1 April in year (t) x $\left(\frac{RPI \text{ for December in year (t)}}{RPI \text{ for December in year (t-1)}} + 0.0025\right)$</i> The Agreed Index shall never be less than 1
Scheme Rules	means the Deed of Variation adopting the Consolidated Trust Deed and Rules dated 19 December 2008 made between Transport for London and TfL Trustee Company Limited (as amended)
Scheme Year	means the period from 1 April to 31 March of each year
2021 valuation	means the actuarial valuation of the Scheme scheduled to take place as at 31 March 2021.

Signed on behalf of TfL Trustee Company Limited acting as the Trustee of the Scheme	Signed for and on behalf of Transport for London
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Signed	Signed
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Print name M Antoniou	Print name S Kilonback
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Position Chair	Position Chief Finance Officer
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Date <u>22 March 2019</u>	Date <u>22 March 2019</u>
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Date of schedule (for reference purposes): 22 March 2019

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 2018 to be met by the end of the period specified in the recovery plan dated 22 March 2019.

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 22 March 2019.

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.

G M Oxtoby
Fellow of the Institute and Faculty of Actuaries

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Date 22 MARCH 2019

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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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