

TFL Pension Consultative Council (PCC)

Summary of minutes of meeting number 88 held on 12 March 2015

Report of the Trustee Board Meeting held on 5 December 2014

It was reported that Ms Cernoia replaced Mr Weston on Actuarial Valuation Committee, Mr Miller replaced Mr Murphy on the Alternative & Liability Hedging Committee and Mr Murphy replaced Mr Ellaby on the Appeals Committee. The changes would balance the representation between employer nominated and non employer nominated Trustees and would take effect from the first relevant Committee meetings in 2015.

It was reported that the Funding level had fallen slightly from 92.0% to 91.6% in the quarter ended 30 September. Equity and bond managers' performance had been broadly positive, whilst hedge funds were generally negative over the quarter. Overall the Alternatives portfolio had outperformed a weighted average of the managers' benchmarks.

The Trustee Board agreed that no further contributions would be permitted to the "legacy" additional voluntary contributions (AVC) arrangements with both Equitable Life and Clerical Medical. Standard Life is the only AVC provider open to future contributions.

It was reported that the Pension Protection Fund (PPF) levies had increased from 2013/14 to 2014/15 despite the funding level remaining broadly unchanged; this was due to the increase in the absolute size of the Public Sector Section's assets and liabilities.

Penfida was re-appointed to carry out an independent covenant assessment for the Public Sector Section, Tube Lines Ltd and Third Party Sections for the 2015 Valuation, building on their work for the 2012 Valuation.

The Actuarial Valuation Committee had received a detailed presentation on the proposed Pay for Performance arrangements and how these could impact on the 2015 Valuation as regards future salary improvement assumptions.

TfL 2015 Actuarial Valuation Timetable

The timetable was noted

Pensioners' Forum Minutes for Meeting held on 10 February 2015

The minutes were noted.