

A GUIDE TO DEFERRING RETIREMENT (Deferred Members)



Notice for the visually impaired

Copies of this guide in large type and in a text-only format are available from the Fund Office. Please write to TfL Pension Fund, 8th Floor, Palestra, 197 Blackfriars Road, London SE1 8NJ, or email the Fund Office at helpdesk@tflpensions.co.uk

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IMPORTANT NOTE

The guide summarises the benefits provided by the Fund as at November 2023. However, it is only a guide. The Fund is established under a Trust and the formal Trust Deed and Rules determine the benefits provided by the Fund, except where they are overridden by legislation. The Trust Deed and Rules are lengthy and technical documents, but they are available on the Fund's website (www.tflpensionfund.co.uk) or on request to the Pension Fund Office of TfL (the Fund Office).

In short, should there be any discrepancies between the information in this guide and the Trust Deed and Rules, the Trust Deed and Rules will always prevail.

If you have any questions about the Fund and the benefits it provides, you should contact the Fund Office. Please see the back cover for details.

USING YOUR GUIDE

Pensions can be complicated. This guide gives an overview of the benefits provided by the TfL Pension Fund (the Fund). It makes things as clear as possible so that you can understand your benefits and options, no matter what you have planned for the future.

This guide is meant for you if:

- ◆ You are a Deferred member
- ◆ You are considering deferring payment of your deferred pension

MY CHECKLIST

- Check you are reading the correct guide
- Read the complete guide
- If you have any questions about the options contact the Fund Office
- Consider whether you need to take appropriate financial advice
- Return your completed option form to the Fund office by the deadline as failure to do so will mean the option lapses.
- If we have asked you to provide age evidence, please remember to provide a copy of your Birth Certificate or passport.

YOUR OPTIONS AT SCHEME PENSION AGE

If you left service with an entitlement to a deferred pension, your pension is payable from Scheme Pension Age. If you left the Fund between 1 April 1989 and 16 May 1990, your Scheme Pension Age may be age 62, if you left the Fund after 16 May 1990, your Scheme Pension Age is 60. We will write to you before you reach Scheme Pension Age to confirm the options available, which are:

- ◆ Draw your pension at Scheme Pension Age
- ◆ Defer payment of your deferred pension

The option to defer payment of a deferred pension is not available to those who left service before 1 April 1989.

Further information regarding the option to draw your pension at Scheme Pension Age is available in our Guide to Retirement (Deferred Members).

Option to defer payment of your Deferred Pension

As an alternative to drawing your pension at Scheme Pension Age you will be offered the option to defer payment and receive a bonus of 2/3 of one per cent for each complete month (8 per cent a year) that your pension remains deferred (provided that it remains deferred for at least six months from Scheme Pension Age).

In addition the accrued pension will also be increased each April in line with the increase in the Retail Prices Index (RPI) capped at 5 percent if you joined the Fund after 1 April 1989.

If you claim your pension within 6 months of opting to defer payment of your deferred pension, no bonus is added. Therefore if you plan to claim your pension less than 6 months after Scheme Pension Age there is no benefit from electing to defer payment.

Note that: If you do not choose this option at the time it is offered, your pension will be paid from Scheme Pension Age and will be backdated even if you do not claim it until later.

This option is not available if you opted out of the Fund but have not left service with your employer.

You are encouraged you to seek suitable independent financial advice before making any decisions relating to your retirement.





THE STATE PENSION

The State Pension is a regular payment from the Government that you can claim when you reach State Pension Age.

To be eligible for it you must have paid or have been credited with a certain level of National Insurance contributions.

The earliest you can receive the State Pension is when you reach State Pension Age. You can claim your State Pension even if you carry on working. However, you have the option to postpone claiming it, which can increase the amount you receive.

You can obtain a detailed forecast of your State Pension online at www.gov.uk/check-state-pension. **We strongly recommend that you obtain a forecast ahead of your State Pension Age to identify whether you have any shortfall in your State Pension.**

The Fund office cannot deal with enquiries about State Pension, and all enquiries should be referred to the DWP.

The Government changed the State Pension from 6 April 2016. If you reach State Pension Age on or after this date you will be entitled to a flat rate State Pension provided you have paid or have been credited with the necessary National Insurance contributions. There will be no SERPS / S2P to top up the flat rate State Pension.

The full flat rate State Pension is £203.85 per week (figure correct as of April 2023).

The exact amount of State Pension you will get when you reach State Pension Age will depend on your National Insurance record. You need 35 qualifying years to receive the full amount. Those previously contracted out of S2P are likely to receive a lower amount.

FURTHER INFORMATION AND SUPPORT

- ◆ **The Fund's website.** If you have access to the internet, you can find plenty of information at www.tflpensionfund.co.uk
- ◆ **The Fund's Pension Web Portal.** Allows you to run your own retirement quotations online at <https://pensions.tfl.gov.uk>
- ◆ **Annual Review.** The Annual Review is a summary of the Trustees' Annual Report and Accounts and is sent to all members. It is also available on the website
- ◆ **Fund documents.** You can obtain a copy of the Trust Deed and Rules of the Fund and Statement of Investment Principles. These documents are available on request or on the Fund's website
- ◆ **Member guides.** These are available to download from the Fund website and contain details of the benefits payable under the TfL Pension Fund
- ◆ **Benefit statements.** Details of your benefit entitlement under the Fund and Additional Voluntary Contributions plan will be sent to you once a year
- ◆ **Pension Fund Office.** The team in the Fund Office will be pleased to answer any queries you may have. They cannot give financial advice or deal with tax matters but will be able to advise you who to contact for the assistance you need
- ◆ **AVC provider websites.** The Fund currently has three AVC providers; Standard Life and Clerical Medical are closed to new contributions. Their websites contain details of the Funds available and the investment performance of those funds
 - Legal & General
www.legalandgeneral.com/mya
 - Clerical Medical
www.clericalmedical.co.uk
 - Standard Life
www.standardlife.co.uk/1/site/employeezone/login
- ◆ **Government websites.** The Government have set up services to provide free, impartial money advice to everyone across the UK – online, over the phone and face-to-face. The website contains further details about the services provided and how to access them:
 - Money helper
www.moneyhelper.org.uk



Four simple steps to protect yourself from pension scams

Reject unexpected offers

1

If you're contacted out of the blue about your pension, chances are it's high risk or a scam. Be wary of free pension review offers. A free offer out of the blue from a company you have not dealt with before is probably a scam. Fortunately, research shows that 95% of unexpected pension offers are rejected.*

Check who you're dealing with

2

Check the Financial Services Register (<https://register.fca.org.uk/s/>) to make sure that anyone offering you advice or other financial services is FCA-authorized.

If you don't use an FCA-authorized firm, you also won't have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. So you're unlikely to get your money back if things go wrong. If the firm is on the FCA Register, you should call the Consumer Helpline on 0800 111 6768 to check the firm is permitted to give pension advice.

Beware of fraudsters pretending to be from a firm authorized by the FCA, as it could be what we call a 'clone firm'. Use the contact details provided on the FCA Register, not the details they give you.

Don't be rushed or pressured

3

Take your time to make all the checks you need – even if this means turning down an 'amazing deal'. Be wary of promised returns that sound too good to be true and don't be rushed or pressured into making a decision.

Get impartial information and advice

4

MoneyHelper (www.moneyhelper.org.uk) – Provides free independent and impartial information and guidance.

Pension Wise, is a service from MoneyHelper, backed by government (www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise) – If you're over 50 and have a defined contribution (DC) pension, Pension Wise offers pre-booked appointments to talk through your retirement options.

Financial advisers – It's important you make the best decision for your own personal circumstances, so you should seriously consider using the services of a financial adviser. If you do opt for an adviser, be sure to use one that is regulated by the FCA and never take investment advice from the company that contacted you or an adviser they suggest, as this may be part of the scam.

Be ScamSmart with your pension. Check who you are dealing with.

www.fca.org.uk/scamsmart

*FCA Financial Lives

FCA FINANCIAL
CONDUCT
AUTHORITY

PERSONAL DATA

The Trustee is committed to protecting and processing lawfully and fairly the personal data that it gathers, holds (either directly or through a third party) and uses about you and your family and your dependants. The Trustee needs this information so that they can administer the Fund and ensure that benefits are paid correctly and to the right person. The Trustee always ensures legal requirements governing the protection of personal data are met.

The Trustee has a privacy notice that sets out, amongst other things:

- ◆ More detail about the kind of personal data it holds
- ◆ How it gathers that personal data
- ◆ How that data is used
- ◆ How long the Trustee holds the data for and who it is shared with

This notice also sets out individuals' rights in connection with the personal data that the Trustee holds and who to contact if an individual wants to exercise those rights, make a complaint or has any questions. This privacy notice can be found online at www.tflpensionfund.co.uk

Alternatively, if you prefer a hard copy, please contact the Fund Office.

THE TFL PENSION FUND OFFICE

The staff in the Fund Office will be pleased to answer any queries you may have. They cannot give financial advice or deal with tax matters but will be able to point you to who to contact for the assistance you need.

They can be contacted at:

TfL Pension Fund
8th Floor, Palestra
197 Blackfriars Road
London SE1 8NJ

Email at: helpdesk@tflpensions.co.uk

If you are telephoning the team, you can reach the call centre on **01737 235 298**. Please have your Member number and National Insurance number to hand when you call.

Fund Office appointments

The Fund Office team are working on a hybrid basis so we are now able to see visitors in the office, but with fewer people in the office each day we require that you contact us to book an appointment by email or telephone to ensure that a member of the team is available to help you.

If you have access to the internet, you can access our Pension Web Portal and find lots of information, including forms and Fund documents, on the Fund's website at www.tflpensionfund.co.uk