

PENSIONNEWS

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Notice for the visually impaired

Copies of this newsletter 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

CHAIR'S MESSAGE

Welcome to the 2025 edition of PENSIONEWS.

The last year has been a busy year for the Fund. The Funds' assets have increased to stand at £15.096bn at 31 December 2024.

Investments and the associated risk has been a key area of focus for the Trustees and the ongoing investment strategy. Another area of focus over the last year was the triennial actuarial valuation of the Fund, this was completed in December 2024 and showed the Fund was in surplus by £3,044 million.

27,008
active members
at 31 December
2024

Fund assets
increased to
£15.096bn
at 31 December
2024

In this edition we bring you the latest news on issues currently facing the Fund, including:

- ♦ Annual Members Meeting
- ♦ The Importance of seeking advice
- ♦ Pension Web Portal
- ♦ Sustainability Update
- ♦ Pension Pay Dates
- ♦ PCC Election Results
- ♦ Trustee update

As usual we provide a communications timetable which includes the details of this year's Annual Members' Meeting for your diary.

If you have any comments about this issue of Pensionews or any other Fund publication or the Pension Fund website, we always welcome your feedback and you can let us know by contacting the Fund Office at the address on the back page.

M. Antoniou

Maria Antoniou

Chair of the TfL Pension Fund Trustees





ACTION REQUIRED

EXPRESSION OF WISH FORM

As usual we take this opportunity to remind Active and Deferred members about the importance of having a completed and up to date Expression of Wish Form.

You can complete an Expression of Wish form online through our Pension Web portal or you can download a form from the Fund website.

Please fill out an Expression of Wish form today to make sure we know who you'd want to receive any lump sum if you died.

Download a form from www.tflpensionfund.co.uk or visit the Pension Web Portal <https://pensions.tfl.gov.uk>

ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs)

Many members pay AVCs through the Fund's AVC plan, it is important that you keep your AVCs under review, making sure the funds in which you have invested remain appropriate for you and if you have chosen to pay AVCs through the Lifestyle option that your target retirement age reflects your current plans for retirement.

Our Guide to AVC Investment Options provides you with details of the 'self select' funds available and the lifestyle option. In addition we provide Fund Fact Sheets for each of the self select funds available, these are updated every month.

If you wish to change your investment choice or your target retirement age if you have chosen the lifestyle option, you can do this online through Legal & General's "Manage Your Account" website, or by contacting Legal & General by telephone on **0345 070 8686** or email to employerdedicatedteam@landg.com

PENSION COMMENCEMENT LUMP SUMS

On retirement members can take a tax free cash sum of up to 25% of the value of their benefits subject to a maximum of £268,275. Where members benefits are such that 25% of members benefits exceed £268,275, the Trustees have agreed that members can take a Pension Commencement Excess Lump Sum, this means that members can take their pension in excess of the maximum tax free limit as a taxable lump sum, we are working to update our Pension Web Portal to reflect this change.

PENSIONS DASHBOARD

The Government will be launching a pensions dashboard, this will allow you to search all of your pension benefits not yet in payment in one place, all pension schemes are required to provide data to the pensions dashboard and the TfL Pension Fund is required to make data available from later this year.

In preparation for this we have been validating the data we hold as it is important for our data to be accurate and to this end we would encourage you to ensure we are kept up to date with any changes to your details, in particular if you move. If we lose contact with you we may not be able to trace you when your benefits become due, and for those already receiving a pension from us, if you move and fail to notify us we may have to suspend payment of your pension until you contact us.

You can update your address via our Pension Web Portal, by telephoning us or by writing to us; for current employees we receive address updates from HR so if you move please ensure that your SAP record is updated.



GMP EQUALISATION

Firstly what is a GMP?

Your Guaranteed Minimum Pension (GMP) is part of your pension from the Scheme. It replaces part of the State Pension.

Before April 2016, the State Pension was made up of two parts: the flat-rate Basic State Pension, and a second level of State Pension linked to earnings. This was called the State Second Pension (or 'S2P'), and before that, the State Earnings Related Pension Scheme (or 'SERPS').

From 6 April 1978, pension schemes could 'contract out' of SERPS. This meant that both employers and employees would pay lower National Insurance contributions, and the pension scheme had to provide a certain level of benefit in place of the SERPS pension the employee would be giving up.

For pension schemes like ours, this minimum level is the GMP. The amount of GMP and the way it must be increased in payment is set by legislation.

People stopped building up GMPs from 6 April 1997.

What is GMP Equalisation?

For workplace pension schemes that were contracted out of SERPS (and later the State Second Pension), GMPs remain unequal in some cases.

GMP equalisation is the action all such pension schemes must take to adjust pensions for the effect of unequal GMPs. This is only required in respect of GMPs built up from 17 May 1990.

In the past, State Pensions were paid to men and women at different ages (65 for men and 60 for women), but

were gradually equalised so that by November 2018, men and women had the same State Pension age.

However, GMPs are still payable from age 65 for men and age 60 for women. Also, men and women could build up GMPs at different rates.

In 1990, the European Court of Justice ruled that all UK pension schemes had to treat pensions equally for men and women for benefits built up after 17 May 1990, including the same pension age.

But the rules governing GMPs were set in legislation and as State Pension ages were still different, GMPs did not adjust in line with this ruling. As a result, GMPs remained unequal in some cases.

Following a High Court ruling in October 2018, UK workplace pension schemes must now put this right by adjusting pensions for any unequal GMPs included in the pension.

What is the Fund doing about this?

The Fund is currently reviewing all records to ensure that the GMP data held is accurate, which is done through a reconciliation with HMRC. Once complete, work will be undertaken to identify any records where the GMP needs to be corrected. The work will be undertaken to identify members for whom GMP needs to be equalised, however this is a complex process involving the Scheme Actuary and will take some time. Once complete, any affected members will be contacted.

THE IMPORTANCE OF TAKING ADVICE



Pensions are a complex area with members having decisions to make at various stages throughout their time as a member. In addition members have to take into account the tax implications of any decisions they are making.

While the Pension Fund Office provide members with information they cannot provide members with advice, so for this reason we recommend that members seek appropriate independent financial advice when making important decisions about their pension. Some of the key decisions where you should consider taking appropriate independent financial advice are:

- ◆ Whether to transfer benefits into the Fund
- ◆ Whether to transfer benefits out of the Fund
- ◆ Whether or not to choose the late retirement option
- ◆ What option to choose when you retire
- ◆ Whether to pay AVCs or not

TRANSFERRING IN BENEFITS

This is an important decision as once made the decision cannot be reversed. Many members look to transfer their benefits from a former employer's pension scheme or from a personal pension arrangement. In return for the payment of a transfer value the TfL Pension Fund offers a service credit; the credit is based on various factors and takes into account assumptions about future investment returns and salary growth. While a service credit may offer some degree of certainty, members should look very carefully at the option and compare the pension they are giving up with the pension being offered by the TfL Pension Fund. Different pension schemes value benefits in different ways depending on the type of scheme and also the schemes assumptions; for this reason it does not always follow that proceeding with a transfer is in the member's interests.

You should seek appropriate independent advice when looking at a transfer as factors such as your overall financial situation and your longer terms plans for retirement also need to be taken into account.

TAX LEGISLATION

The tax legislation impacts pensions:

Members receive tax relief on their contributions and have the option to take part of their benefits on retirement as a tax free cash sum.

The Annual Allowance limits the amount you may save towards your pension while receiving tax relief. The Annual Allowance is £60,000 but for those with higher incomes (over £200,000) this allowance is reduced and depending on the level of income can be reduced to £10,000. For Annual Allowance purposes the change in the amount of TfL pension you have built up over the tax year after allowing for inflation is multiplied by 16, plus any AVCs you have paid are added to that value.

In addition there is also the Money Purchase Annual Allowance, this applies if you have flexibly accessed defined contribution benefits, if this applies to you your future defined contribution savings are capped at £10,000 a year, so you need to consider carefully and take appropriate independent financial advice before flexibly accessing any defined contribution savings you may have.

If your pension savings exceed the Annual Allowance the excess may be subject to tax, so it is important to take advice when making additional pension savings to ensure that you are fully aware of the implications.

TRANSFERRING BENEFITS OUT

This is the opposite of transferring benefits into the Fund; you need to compare the benefits you are giving up with the benefits that you will receive on transfer. While some arrangements may offer more flexibility in the timing and method of drawing your pension, this flexibility needs to be balanced against the certainty you are giving up. For this reason legislation requires members transferring from a defined benefit pension scheme such as the TfL Pension Fund to a defined contribution arrangement to have sought appropriate independent advice from an FCA registered advisor and we cannot pay a transfer without having received evidence that members have received such advice.



ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs)

Members have the option to pay AVCs, this is a way to save more towards your retirement and may give you flexibility as to when you can retire. As your decision to pay AVCs and your AVC investment decisions may have significant financial implications, you should consider obtaining appropriate independent financial advice if you are in any doubt about whether to make AVCs or the approach to investment that may be appropriate to you.

LATE RETIREMENT OPTION

Existing Members at age 60 and age 65, and New Members at age 65 who are still contributing members of the Fund, have the option to stop paying contributions to the Fund and instead receive a late retirement increase to the pension they have built up. You need to carefully consider whether the option to stop paying contribution is better for you, this will depend on how much pension you have already built up as well as your longer term plans for retirement. Again if you are not sure which is the best option for you, you should seek appropriate independent financial advice.

RETIREMENT OPTIONS

When you reach retirement, you will have various options depending on your age, these may include the option to take a tax free cash sum with a lower ongoing pension, and the option to have a higher pension until State Pension Age with a lower pension from State Pension Age.

These options have an impact on your long term pension income as well as an impact on your pension input to be measured against the Annual Allowance, so again if you are not sure which is the best option for you, you should seek appropriate independent financial advice.

PENSION WEB PORTAL

Over 27,000 members have already registered to use the portal, if you have not already done so why not register today? To Register, please visit <https://pensions.tfl.gov.uk> you will need your e-mail address, Pension Fund Member number and your National Insurance number, you will also need to key in other details about yourself such as your name and date of birth.

Once registered you will be able to:

- ◆ View payslips (pensioners only)
- ◆ View P60s (pensioners only)
- ◆ View benefit statements
- ◆ Run retirement calculations (active and deferred members only)
- ◆ Update your address (pensioners and deferred members only)
- ◆ Submit and track the progress of general enquiries to the Fund Office
- ◆ Update your Expression of Wish (coming soon)

SIGN UP TODAY



We have published a Pension Web Portal user guide on the Pension Fund website which includes step by step the process to register.





ANNUAL MEMBERS' MEETING

The Annual Members' Meeting was held on 18 October 2024. The meeting began with an introduction from the Chair of Trustees, Maria Antoniou, and was followed by a review of the year by the Chief Executive and Fund Secretary, Stephen Field. He provided a summary of the growth of the Fund over the year to 31 March 2024, Trustee changes and the key activities over the last year.

There were three guest speakers on the day. Gareth Oxtoby, Scheme Actuary, from Willis Towers Watson, Dave Aleppo, from Willis Towers Watson, the Fund's investment adviser, and David Saunders, from Sackers, the Fund's legal adviser.

The meeting concluded with a question and answer session.



The meeting presentations and a video of the full meeting can be found on the Fund's website



18 OCTOBER 2024

Annual Members' Meeting 2024



[www.tflpensionfund.co.uk/
about-tfl-pension-fund/
annual-meeting](http://www.tflpensionfund.co.uk/about-tfl-pension-fund/annual-meeting)



The **2025 Annual Members' Meeting** will take place on Friday 17 October at 11:00 in the Telford Theatre, One Great George Street. There will once again be

an exhibition in the Great Hall, so if you are unable to attend the meeting, you are welcome to drop in at the exhibition, which will be open from 10:30 to 12:45. Once the meeting has formally concluded in the Telford Theatre, there is an opportunity to meet the Trustees and their advisers. Fund Office Staff will also be present and refreshments will be provided.

This will be a hybrid meeting to allow those not able to attend in person to take part in the meeting by joining online.

Details of how to join the meeting will be published in the Annual Review which will be issued in September. You will be able to view the presentations live and ask questions online which the panel will answer at the end of the meeting, and for those unable to attend a recording of the meeting will be published on the Fund website.

SUSTAINABILITY

The Trustees have published their Annual Report on Sustainable Investing for 2024. This report provides a summary of our activities to date and how this forms part of a long term strategy.

The Trustees take a holistic view in aligning their Sustainable Investing Beliefs towards the Fund's investment activities. There is a clear recognition that each of the three factors: Environmental, Social and Governance (ESG) play an important role in driving the long-term value of the Fund's investment portfolio.

The Trustees believe that as a long-term provider of responsible capital, the Fund should be an agent of positive change, engaging with the companies to help them adopt a transition to best business practices and sustainable business models.

We hope you will gain a greater understanding of the Trustees' approach from this report and learn more about some of the Fund's investment activities.



Both reports are available on the Fund website

www.tflpensionfund.co.uk/news-publications/sustainability-report



PENSIONER EDITION OF ON THE MOVE

Our pensioners are sent the Pensioner edition of On the Move every quarter. If you'd rather go eco-friendly and receive it by email instead, there is now an option to do so.

Just enter your member number, surname and email address at cutt.ly/paperless (you'll also receive the TfL colleague magazine every month too).

You can unsubscribe at any time by emailing otmpe@tfl.gov.uk



PENSION PAY DATES

The pay dates for the 2025/26 scheme year are:

7 April 2025	20 October 2025
6 May 2025*	17 November 2025
2 June 2025	15 December 2025
30 June 2025	12 January 2026
28 July 2025	9 February 2026
26 August 2025*	9 March 2026
22 September 2025	

*payment will be on a Tuesday due to a Bank Holiday

VIEW YOUR P60 OR PAYSLEIPS ONLINE

P60's and payslips are available online through member self service. To view these online you will need to have registered for the new Pensions Web Portal, if you were registered under our old system, you will need to re-register. For further information see page 6 or visit our website www.tflpensionfund.co.uk

2025 PENSION INCREASE

Following feedback from members we will be providing a breakdown of the different elements of your pension and how they were increased. This will be issued with the P60 at the end of April.

COMMUNICATIONS TIMETABLE

April	Annual Payslips and P60s to pensioners. These will show the payment dates for the forthcoming tax year, as well as showing total pension and tax information for 2024/25.
May/June	AVC statements to all members of the AVC plan (for those registered with Legal & General) statements are published to your Legal & General online account.
July	Benefit Statements to all Active members
September	Annual Review – the Trustees' summary of the Report and Accounts incorporating the Summary Funding Statement – how the Fund's invested assets compare with the liabilities to pay benefits Benefit statements to all deferred members
October	Annual Members' Meeting – a forum for all members to meet the Trustees and discuss the Fund – details will be included in the Annual Review
As well as the documents listed above which are issued to various categories of Members, the following documents will also be published on the Fund's website where you can view or download them.	
April	Statement of Investment Principles – this is the Trustee statement of the principles governing investment decisions
September	Annual Report & Accounts at 31 March 2025 – the Annual Review which is issued in September is a summary version of the full Report & Accounts
December	Sustainability Report

TfL PENSION CONSULTATIVE COUNCIL (PCC)

The PCC discusses any issues relating to the operation of the TfL Pension Fund (but not individual entitlements). PCC members are elected from three sections representing pensioners and deferred pensioners, employees of London Underground and TfL employees other than LU. The PCC has a role in nominating Trustees to the Pension Fund to represent these groups. The PCC constitution is on the Fund’s website at www.tflpensionfund.co.uk/about-tfl-pension-fund/pcc

Election results 2024

The longest serving quarter of the TfL Pension Consultative Council (PCC) retired from office on the 30 November 2024. The term of office for the new appointments commenced on the 1 December 2024 and will end on the 30 November 2028.

In Section One (representing pensioners and deferred pensioners) Paul Kilius-Smith and Chris Miller’s terms ended. As no other nominations were received, Mr Kilius-Smith and Mr Miller were duly re-elected. They have served on the PCC since 2012 and 1997 respectively.

In Section Two (representing TfL and its subsidiaries or contractors, excluding London Underground Limited)

Cathy Oates’s term ended. As no other nominations were received, Ms Oates was duly re-elected. She has served on the PCC since 2020.

In Section Three (representing London Underground Limited and its subsidiaries), Eddie Darroch and Jane Gwynn’s terms ended and both stood for re-election. Three nominations were received and, following a postal ballot, Mr Darroch and Ms Gwynn were duly re-elected. They have served on the PCC since 2011 and 2020 respectively.

For more information about the PCC you can visit the TfL Pension Fund website at www.tflpensionfund.co.uk or contact Qudsiyyah Tahir, PCC Secretary on **020 7126 1298** or email qudsiyyah@tflpensionfund.co.uk

TRUSTEE UPDATE

The Trustee Board decides all policy matters; however the Trustee Board has established six committees to supervise different aspects of the Fund and report back to the full Trustee Board.

The current membership of the committees is shown below:

Committee	TfL Nominated	Non TfL Nominated
Actuarial Valuation Committee	Maria Antoniou (C) Rebecca O’Donnell	Stephen Ellaby Chris Miller
Alternatives and Liability Hedging Committee	Mark Evers (C) Rebecca O’Donnell	Paul Murphy John Timbrell
Appeals Committee	Mercillina Adesida Tricia Ashton (C) Julian Thirlby	Stephen Ellaby Paul Kilius-Smith John Leach
Audit and Risk Committee	Tom Cunnington Chris Reader James Terry	Finn Brennan Lewis Brown (C) David Moore
Investment Committee	Tricia Ashton Mark Evers Rebecca O’Donnell Julian Thirlby	Lewis Brown Paul Kilius-Smith Paul Murphy John Timbrell (C)
Operations Committee	Mercillina Adesida Tom Cunnington Chris Reader James Terry	Finn Brennan Lewis Brown David Moore Paul Murphy (C)

(C) Chair

OTHER FUND MATTERS

Ill-health pensions in payment

If you are in receipt of an ill-health pension, the Fund requires you to tell us if the total of your current earnings (if any) when added to your pension exceeds the greater of 150 per cent of your current pension or £46,100. This latter figure is increased annually by earnings inflation.

Ill Health Retirement

We have published a Guide to ill health retirement which explains the ill health process for contributing members, this can be found on the Fund website, the key things to note are:

- ♦ If there is a likelihood that you may leave due to ill health, you should make an application for an ill health pension allowing at least two months for the medical evidence to be collated and considered
- ♦ Members can submit their own ill health retirement application
- ♦ Making an application does not change the attendance at work process
- ♦ Being granted an ill health pension does not bring the attendance at work process to an earlier conclusion

Pensioner payments

A number of our pensioners change bank account and it is important to remember there can be a delay in your change notification being received by the Fund office, so whether you use the current account switch service where the banks notify us or you make the switch independently, please do not close your old account until you have received confirmation from the Fund Office that we have received and actioned your change request, this will avoid payments being returned to us and the consequent delay in reissuing the payment to you.

After nearly 17 years with TfL and the Fund our Head of Pensions, Tim Handley has decided to retire this summer; Sekani Simpson who joined us in 2023 as Pensions Operation Manager has been appointed as Head of Pensions, with effect from 3rd March 2025, this will allow time for a smooth handover in the period until Tim's retirement.



CONTACTING THE 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 advise you who to contact for the assistance you need.

If you are telephoning, our call handling service is open from 9am to 5pm Monday to Friday. Please have your member number and national insurance number to hand when you call.

If you are having difficulty contacting us by telephone, we can also be contacted by email to **helpdesk@tflpensions.co.uk**

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.

They can be contacted at:

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

Telephone: **01737 235 298**

Email at: **helpdesk@tflpensions.co.uk**

If you have access to the internet, you can access member self-service and find lots of information, including forms and Fund documents, on the Fund's new website at **www.tflpensionfund.co.uk**



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