

## **TFL Pension Consultative Council (PCC)**

### **Summary of minutes of meeting number 81 held on 21 November 2013**

#### **PCC Elections 2013**

The Chair confirmed that Peter Amos and Linda Arwood were elected in Section One and Carole Davies and Steve Poole were elected in Section Two. It was reconfirmed that Section Three had two nominations for its two vacancies, of which, both Mark Harding and Roy Carey have been formally advised of their successful appointment.

Section one to confirm whether Ms Arwood continued to represent Section One as their Trustee.

#### **Report of Trustee Board Meeting held on 25 September 2013**

Ms Emanuela Cernoia had been nominated by TfL to replace Stuart Munro and that Clare Kavanagh had left TfL and a replacement was being sought. It was confirmed that Mr Pollins would step down from the Investment Committee and Alternatives and Liability Hedging Committee (ALHC) and join the Operations and Audit Committee and that Ms Cernoia would sit on the Investment Committee, ALHC and Actuarial Valuation Committee.

Following a review, the decision was reached to reduce the number of funds available for Additional Voluntary Contributions (AVCs)

Funding level had fallen from 91% to 90% for the quarter ended June 30 due to weak performance of bonds. Most other asset classes had also fallen ahead of the expected US tapering of quantitative easing. Equities flat-lined during the quarter. Overall however the Total Fund outperformed its market benchmark by 0.3%. The benchmark would continue to be updated as the Fund portfolio changed.

FundWatch quarterly report review confirmed satisfaction with the performance of the Fund's investments.

The Fund was moving closer to its objective of achieving a total allocation of 25% investments in alternatives.

Monitoring of investment managers continued to ensure that they remained appropriate to the Fund's needs.

The amount of service credit received for the limited number of members currently able to exercise transfers-in would reduce following the 2012 Valuation.

The suspension of transfers-in is due to be lifted in March 2016 unless there is a change in the Fund rules to make it permanent was noted.

A change in the administrator for overseas pension payments from Royal Bank of Scotland to Western Union was underway for efficiency and cost reasons.

Arrangements for the approval and finalisation of the Deed of Variation to be applied to members who had elected to exercise the Variable Pension Option were agreed.

It was reported that Customer Satisfaction Survey member feedback on service received from the Fund Office had been positive.

The Human Resources Business Partners and their PMA's received ill health presentations that explained the Fund Office processes to determine the outcomes of ill health pension claims in line with its Rules and statutory requirements i.e. Finance Act 2004. Further ill health process presentations may take place as and when changes occurred to the process, TfL Pension Rules/ ill health guidelines or legislation.

The decision of the Appeals Committee to decline an ill-health appeal in another case as not meeting the requirements of the Finance Act 2004 has been upheld by the Pensions Ombudsman and reinforced that the Trustees' processes in considering a member's claim were robust.

The Finance Act 2004 applied to members under their minimum pension age whose condition was deemed to be 'continuing' in nature. The legal advice from Sackers has confirmed that the term 'continue' requires a degree of permanency which is until a member's Scheme Pension Age.

### **Equitable Life AVC Update**

The Council noted the recent update by Atos that over half of those eligible for compensation had now been paid with the remaining pending further checks.

### **AMM Feedback**

The PCC reported positive feedback from members who found it constructive, informative and delivered on time. It was noted that the Q & A's were now on the Fund's website.

### **TfL Administration Report for the quarter ended 30 June 2013**

The PCC noted the service provider's report to the Trustees of the TfL Pension Fund.

### **Pensioners' Forum Summary for meetings held 22 August 2013 and Pensioner Liaison Manager's Report**

These were noted.