



TFL & LUL SPECIAL BULLETIN OCTOBER 2022



TFL STEPS UP PENSION THREAT AGAIN!

DIRECTOR OF PENSIONS REVIEW APPOINTED 2 PACKAGES OF ATTACKS NOW ON THE TABLE

Option 1

Amended Final Salary Scheme

- Still based on your final salary
- Retirement age up to 65 or State Pension Age
- Higher Contribution rates with possibility of tiered rates
- Salary used to calculate “final earnings” inflated by CPI (currently it is RPI)

Option 2

Career Average Salary Scheme

- Based on your average salary over your whole time in the fund
- Retirement age up to 65 or State Pension Age
- Higher Contribution rates with possibility of tiered rates
- Salary used to calculate “final earnings” inflated by CPI

Saving £100m from their pension costs will cost 30% of future pension accruals. That means **YOU** have to pay the £100m through reduced pension benefits in retirement and/or higher pension contributions now.

Fight for your pension

RMT strike action since March 2022 has pushed back the Mayor and TfL from implementing attacks on your pension.

The Barber report was told to come up with an implementation plan for the changes back in March but our action has forced a rethink.

However, the aim of cutting £100m from your pension remains and the government has made pushing ahead with this a condition of the funding accepted by TfL in August of this year.



What about a public sector pension?

There are definite advantages to an unfunded final salary pension that is paid out of government funds and does not rely on the financial markets and investments.

But this could come at a cost to you.

Brendan Barber considered this option and proposed higher contributions from workers as part of it.

The 14th October report uses the Local Government Pension Fund as a basis to compare the costs of a public fund to our current arrangements. That fund has members contribution rates of up to 12.5% and averaging 8%. The TfL fund rate is 5% for everyone. The 2 options include increased contribution rates as well as cuts to future benefits.

RMT is fighting against any detrimental change to our pensions.

How about the rest of the cuts?

TfL has agreed to £960m of cuts in the different funding agreements it has made with TfL.

They claim to have already budgeted for over £400m in cuts but that budget has not been shared with us. Where is the cash to come from?

Some has come by reducing reserves but much of it will have to be delivered over the next two years.

TfL management will not share their plans. 600 job cuts on stations is only the start.

We know they are considering:

- **Job cuts on Fleet maintenance as a result of massive reductions in train safety checks**
- **A “Fit for the Future” style review of train operations**
- **Abolishing vacant posts across LUL maintenance functions**

TfL continue to claim that there are no proposals to change our pension and any change could only come as a result of government legislation.

Yet they have appointed a director and executive team to take charge of the pension review process -Why? TfL is now explicit that they want our fund transferred to the public sector but they do not commit to do this without detrimental changes to the terms of our fund.

TfL has ruled out a defined contribution scheme and they must now rule out ANY detrimental change to our pension. So far, they have failed to do this at every stage. Instead, they protest that nothing is changing while implementing the government's demands to cut £100m from pension costs.

RMT will continue to fight to save Jobs, Pensions and Agreements until we have clear commitments to that effect. RMT reps will meet on 17th October to discuss our next steps.

