



# **AIRWAYS PENSION SCHEME PART VI HANDBOOK**

This handbook briefly explains how the final salary section of the Airways Pension Scheme (APS) works and the choices available for current members, although it does not cover every detail about the Scheme. The full details can be found in the Trust Deed & Rules, as amended from time to time. This handbook does not confer any rights to membership or benefits. Those rights are conferred solely by the Trust Deed & Rules. If there is any conflict between this handbook and the Trust Deed & Rules, it is the Trust Deed & Rules which will override. If you have any questions or need more information please visit our website at [www.mybapension.com](http://www.mybapension.com), where you can find the latest copy of the Trust Deed & Rules.



# Contents

<i>Jargon explained</i> .....	3
<i>Your future, your choice</i> .....	5
<i>Pension calculation</i> .....	5
<i>How do I increase my pension?</i> .....	7
<i>Can I reduce my future pension build-up?</i> .....	7
<i>Can I transfer other pensions into the Scheme?</i> .....	9
<i>Contributions</i> .....	9
<i>How much will it cost me?</i> .....	9
<i>The Company's SmartPension arrangement</i> .....	9
<i>What does the Company pay?</i> .....	10
<i>Putting more on top of my pension (AVCs)</i> .....	10
<i>Government rules for defined contribution (DC) benefits from 6 April 2015</i> .....	12
<i>Money Purchase Annual Allowance (MPAA) limit</i> .....	13
<i>If you change jobs or your pensionable pay goes down</i> .....	14
<i>What happens if...</i> .....	14
<i>I am temporarily absent?</i> .....	14
<i>I go on maternity, adoption or shared parental leave?</i> .....	14
<i>I change my working hours?</i> .....	14
<i>What happens if I leave before retirement?</i> .....	15
<i>Can I transfer my pension rights to another provider?</i> .....	15
<i>Retirement</i> .....	16
<i>Flexible Retirement</i> .....	17
<i>Can I take a lump sum at Flexible Retirement / final retirement?</i> .....	17
<i>Ill health retirement</i> .....	17
<i>Serious ill health</i> .....	19
<i>At retirement, how is my pension paid?</i> .....	20
<i>Can I take my small deferred pension as a one-off cash lump sum?</i> .....	20
<i>I'm already receiving my pension - can I exchange it for a one-off cash lump sum?</i> .....	20
<i>What happens when I die?</i> .....	22
<i>How much will my dependants receive?</i> .....	23
<i>Keeping an eye on your pension benefits</i> .....	25
<i>Online communications</i> .....	25
<i>The Lifetime Allowance (LTA)</i> .....	25
<i>The Annual Allowance (AA)</i> .....	26
<i>New! Reduced AA for individuals earning £110,000 or more</i> .....	26
<i>No longer want to be an Active Member?</i> .....	28
<i>Legal</i> .....	29
<i>Your personal information</i> .....	29
<i>Corporate Governance</i> .....	30
<i>Resolving disputes</i> .....	30
<i>Keeping in touch</i> .....	31
<i>Online communications on <a href="http://www.mybapension.com">www.mybapension.com</a></i> .....	31
<i>Useful addresses</i> .....	33

# Jargon explained

Some words used in this handbook have specific meanings and we have produced this glossary to help you. Where each of these words is used in the handbook, it will be highlighted. A Simple English Guide is also available on our website.

**Active Member:** A member who is still in **Company** service and has not left the **Scheme**.

**Adult Survivor's pension:** The basic **Scheme** pension package includes a pension for your legal spouse or civil partner (under the civil partnership Act 2004) at date of death, where higher rate contributions have been paid. If you are single when you die, the pension may be payable, at the discretion of the **Trustee**, to a **Pensionable Dependant**.

**APS:** Airways Pension Scheme introduced in 1948.

**Band Earnings:** Your total pay within a band set by the government each year, currently between £5,876 and £40,040.

**BARP:** The British Airways Retirement Plan introduced in 2003. The Plan is administered externally by Towers Watson.

**British Airways Pensions:** is the organisation that looks after the **Scheme** split between administration: British Airways Pension Services Limited (BAPSL), and investments: British Airways Pension Investment Management Limited (BAPIML).

**Cash Equivalent Transfer value (CETV):** The equivalent cash value of the benefits you have built up in a pension scheme that can be transferred to another Registered pension arrangement.

**Company:** British Airways Plc or any other company which participates in the **Scheme**.

**Contracted Out:** An historical option to opt out of the **State Second Pension (S2P)**, formally known as the State Earnings Related Pension Scheme (SERPS). The **Scheme** was contracted-out for all **Active Members** until 5 April 2016.

**Deferred Pensioner:** someone who has left the **Company** and has benefits in the **Scheme** that have not yet come into payment.

**Flexible Retirement:** is an option allowing **Active Members** one opportunity at any time from age 55 to permanently reduce their working hours and at the same time to draw all or part of their pension benefits built up to that date.

**Flying Staff:** Pilots, flight engineers and air cabin crew.

**Guaranteed Minimum Pension (GMP):** For any **Pensionable Service** completed between 6 April 1978 and 5 April 1997, the **Scheme** must pay you at least a minimum amount of pension, called the Guaranteed Minimum Pension (GMP) as a condition of the **Scheme** **contracting out** until 5 April 2016, which is broadly equal to the **State Second Pension** you would have built-up had you not been **contracted-out**. This is included in your **Scheme** pension.

**NAPS:** the New Airways Pension Scheme, introduced in 1984.

**Normal Retirement Age (NRA):** This is the age at which the pension earned is due in full. You may choose to retire before, at or after NRA.

**NRA:** Normal Retirement Age.

**Pensionable Dependant:** is someone who, in the opinion of the **Trustee** is either, at the date of your death: living with you in a relationship resembling marriage and with whom you are financially inter-dependent – such as a common-law spouse or partner; or someone who is financially dependent upon you to a substantial extent for the everyday necessities of life. Where a member's pension commenced after 1 July 2008, an adult child who is over age 23 may only qualify if they are physically or mentally impaired.

**Pensionable Pay:** The **Company** determines the elements of pay that are counted for pension purposes and over what period these will apply. In the case of a **SmartPension** member, **Pensionable Pay** is the **Active Member's** pay before the deduction of **SmartPension** contributions. Annual **Pensionable pay** increases were frozen following the 2009 **Scheme** valuation. General pay increases will not lead to an increase in **Pensionable Pay** but any increments, performance increments and promotions will continue to be pensionable. **Active Members** were offered a one-off option to irreversibly 'unfreeze' **Pensionable Pay** up to the level of inflation. **Active Members** could take up the option by 31 December 2014 in return for a pay deduction, initially 4.5% of Pensionable Pay, to be reviewed as part of each formal triennial actuarial valuation – but will not be more than 4.5%. For GSS staff who participated in the GSS Option, **Pensionable Pay** is increased in accordance with the original agreement made in 2003.

**Pensionable Service:** This is the period in years and days you contribute to the **Scheme** plus any service provided as a result of a transfer of pension from a previous scheme. If you work part-time, your **Pensionable Service** is adjusted in line with the percentage of full-time hours you work. Any non-pensionable breaks will be deducted, such as unpaid maternity leave that you decide not to make pensionable when you return from leave.

**Recognised transfer:** A transfer representing a member's accrued rights under a **Registered Pension Scheme** to another **Registered Pension Scheme** (or, in certain circumstances, to an insurance company) or a **Qualifying Recognised Overseas Pension Scheme (QROPS)**.

**Registered Pension Scheme:** A pension scheme that has been registered by Her Majesty's Revenue & Customs (HMRC), or through acquiring registered status by virtue of being an approved pension scheme on 5 April 2006, it is registered under Chapter 2 of Part 4 of the Finance Act 2004.

**Retiring Pay:** This is generally calculated as the average of the best two years' **Pensionable Pay** in the five years before you leave the **Scheme**, retire or die. **Retiring Pay** always uses the full-time equivalent of **Pensionable Pay** even where part-time hours are worked (it is **Pensionable Service** that is adjusted to any applicable part-time rate).

**Scheme:** the Airways Pension Scheme introduced in 1948.

**SmartPension** is a **Company** salary sacrifice arrangement which changes the way you make normal pension contributions to the **Scheme**. Instead of contributions being deducted from your pay, the **Company** pays them to the **Scheme** and, in return, reduces your pay by exactly the same amount. By reducing your gross pay neither you nor the **Company** pay income tax or National Insurance Contributions (NICs) on **Scheme** contributions. For more information on **SmartPension**, visit the **BA** Intranet.

**SmartAVCs** is the **Company's** salary sacrifice arrangement for Additional Voluntary Contributions (AVCs). Instead of AVCs being deducted from your weekly or monthly pay, British Airways pays the contributions directly to your AVC Plan on your behalf and reduces your pay by exactly the same amount. By reducing your pay, neither you nor the **Company** pay income tax or National Insurance Contributions (NICs) on AVCs. Where AVCs are made via **SmartAVCs**, the **Company** also pays an extra amount, currently equal to 10% of your **SmartAVC** contribution, to your AVC Plan. You can find full details in the **SmartAVC** Factsheet on the **BA** Intranet.

**State Second Pension (S2P):** Formerly known as SERPS, this was the earnings related part of the State pension. The **APS** was contracted out of S2P until 5 April 2016 and members of **APS** did not therefore pay towards, or qualify for, the S2P.

**State Pension Age:** The age at which you become eligible for a State pension. Originally State Pension Age was age 65 for men and age 60 for women. State Pension age is increasing for men and women to age 66 by April 2020 and to age 67 by April 2028. You can find out your actual State Pension Age by using the State Pension Age calculator on the [www.gov.uk](http://www.gov.uk) website.

**Surviving Dependant** – an individual whom a member or pensioner wishes to register to be considered by the **Trustee** for an **Adult Survivor's pension** in the event of the **Active Member** or pensioner dying without leaving a legal spouse or civil partner. Before qualifying for an **Adult Survivor's pension**, the **Trustee** must agree that any **Surviving Dependant** meets the criteria of a **Pensionable Dependant**.

**Trustee:** The Corporate Trustee company (Airways Pension Scheme Trustee Ltd), made up of 12 Trustee Directors, is responsible for managing all aspects of the **Scheme**. The **Trustee** ensures that all payments are received from the **Company** and **Active Members** at the correct rates; that these payments are suitably invested and the correct benefits are paid from the **Scheme**. Pensioners and **Active Members** elect half of the **Trustee Directors** and the **Company** appoints the other half.

# Your future, your choice

Your pension is one of the most valuable assets you have. A good company scheme such as the one described in this handbook is an essential part of your future, providing security and income for you and your dependants. This handbook is a guide to the **Scheme's** benefits. You will find more details on our website, for most **Active Members**, the ability to view your latest benefit statement and model your expected pension benefits and options at retirement via the online link on the site.

This handbook briefly explains how the **Scheme** works and what choices are available to you although it cannot cover every detail about the **Scheme**. Full details of your benefits can be found on our website and within the Trust Deed and Rules.

**APS** was closed to new members on 1 April 1984.

The **Scheme** must guarantee benefits built up between 6 April 1978 and 5 April 2016 at a certain minimum level equivalent to the benefits that you would have earned from the **State Second Pension (S2P)**. The **Scheme's** requirement to provide the minimum benefits (effectively a minimum level of pension) may restrict the option to exchange part of your pension for a lump sum at retirement. **British Airways Pensions** will always check this requirement for you.

To make the most of the **Scheme**, please take time to understand the benefits to ensure that they remain appropriate to your circumstances. A benefit statement will be automatically provided to most **Active Members** each year in the month following their birthday, and also deferred pensioner in May each year, detailing the level of personal and dependant pension cover that exists. Make sure that you read this document and check anything that you do not understand.

The **Scheme** is administered by **British Airways Pensions**, which strives to provide an excellent service and has agreed service levels for replying to enquiries and processing requests in an accurate and courteous manner. Should you ever have a problem with your **Scheme** benefits please contact **British Airways Pensions**: this handbook also contains details on how disputes are resolved. You will find details of how to contact **British Airways Pensions** within the 'Keeping in touch' section of this handbook and on the 'Contact us' page of this website.



## Pension calculation

The Scheme is a final salary-related occupational pension scheme – often referred to as a defined benefit scheme. This means that all pension benefits are worked out using a defined formula linked to your **Pensionable Service** and the **Pensionable Pay** that you earn. The standard pension calculations are detailed below.

For Ground Staff, the standard pension calculation is:

$$\frac{\text{Retiring Pay}^* \times \text{Pensionable Service}^*}{56 \text{ (build-up rate)}} = \text{Pension payable from Normal Retirement Age (60)}$$

For Flying Staff, the standard pension calculation is:

$$\frac{\text{Retiring Pay}^* \times \text{Pensionable Service}^*}{52 \text{ (build-up rate)}} = \text{Pension payable from Normal Retirement Age (55) }^{**}$$

\* **Retiring Pay**, **Pensionable Service** and **Normal Retirement Age** are all defined within '[Jargon Explained](#)' section.

\*\* Pilots employed prior to 15 July 1973 have a **Normal Retirement Age** of 50.

**Before 1 October 2010** Active Members had the option of increasing their benefits beyond the standard level. Information about those options is explained later.

Where benefits are payable earlier than **NRA**, the pension will be reduced for early payment. Where payment is made later than **NRA**, the pension will be increased for late payment. This is covered under the '[Retirement](#)' section.



# How do I increase my pension?

## Contributions for past service

If you belonged to another part of the **Scheme** before joining Part 6, and had service that was not pensionable, you may be able to pay contributions to have this service included in your current pension **Scheme**. If you had previous **Pensionable Service** in **APS** with a break of less than twelve months from your present **Pensionable Service**, you can ask to have the two periods added so that they will both be based on your **Retiring Pay** when you leave the **Scheme**. If either option applies to you, please contact **British Airways Pensions** for more information.

## Flexible pension build-up

Until 1 October 2010 **Active Members** could increase their pension build-up rate for future service by paying higher contribution levels. Flexible pension build-up is no longer available and any **Active Members** who had elected faster build-up rates reverted to the standard pension build-up (1/56 for ground staff or 1/52 for **Flying Staff**) for **Pensionable Service** from 1 October 2010. The faster build-up rates that were available until 1 October 2010 were:-

### Ground staff:

$$\frac{\text{Pensionable Service} \times \text{Retiring Pay}}{52 \text{ (build-up rate)}} \quad \text{OR} \quad \frac{\text{Pensionable Service} \times \text{Retiring Pay}}{49 \text{ (build-up rate)}}$$

### Flying Staff:

$$\frac{\text{Pensionable Service} \times \text{Retiring Pay}}{48 \text{ (build-up rate)}} \quad \text{OR} \quad \frac{\text{Pensionable Service} \times \text{Retiring Pay}}{45 \text{ (build-up rate)}}$$

## Can I reduce my future pension build-up?

Since 6 April 2016 you can choose a slower build-up rate (1/54 Flying Staff or 1/58 Ground Staff) whilst you are under State Pension Age. If you choose the slower build-up rate, BA then covers the cost of the additional employer's National Insurance Contributions (NICs), currently 3.1% of **Band Earnings**, introduced following the launch of the government's new State Pension arrangements from April 2016.

## Examples:

### 1. Ground staff

**Active Member** since 1 May 1972 retires from the **Company** on 31 December 2015, aged 60. The **Active Member's** total pension could be made up of up to 4 elements if he had elected to pay higher pension contributions to increase the rate at which his pension grows on 1 October 2005, transferred pension benefits from another registered pension scheme, and reverted back to standard build up rate on 1 October 2010 when flexible build up was withdrawn. Let's assume his **Retiring Pay** is £20,000:

The Member's total pension might consist of

Service period	Calculation
1 May 1972 – 30 Sept 2005:	$\frac{33 \text{ years } 5 \text{ months} \times \text{£}20,000}{56} = \text{£ } 11,934.52 \text{ yearly pension}$
Plus	
Transferred-in service from another pension scheme:	$\frac{2 \text{ years } 1 \text{ month} \times \text{£}20,000}{56} = \text{£ } 744.05 \text{ yearly pension}$

Plus	1 Oct 2005– 30 Sept 2010 =	$\frac{5 \text{ years } 0 \text{ months} \times \pounds 20,000}{52} = \pounds 1,923.08$	yearly pension
Plus	1 Oct 2010 – 31 Dec 2015 =	$\frac{5 \text{ years } 3 \text{ months} \times \pounds 20,000}{56} = \pounds 1,875.00$	yearly pension
<b>Total pension due at age 60:</b>			<b>£16,476.65</b> yearly pension

## 2. Flying staff

**Active Member** since 1 May 1979 retires from the **Company** on 31 December 2015, aged 55. The **Active Member's** total pension could be made up of up to 4 elements if he had elected to pay higher pension contributions to increase the rate at which his pension grows on 1 February 2006, transferred pension benefits from another registered pension scheme, and reverted back to standard build up rate on 1 October 2010 when flexible build up was withdrawn. Let's assume his Retiring Pay is £18,000:

The Member's total pension might consist of

	Service period	Calculation	
	1 May 1979 – 31 Jan 2006:	$\frac{26 \text{ years } 9 \text{ months} \times \pounds 18,000}{52} = \pounds 9,259.62$	yearly pension
Plus	Transferred-in Service from another pension scheme:	$\frac{0 \text{ years } 8 \text{ months} \times \pounds 18,000}{52} = \pounds 230.77$	yearly pension
Plus	1 Feb 2006– 30 Sep 2010 =	$\frac{4 \text{ years } 8 \text{ months} \times \pounds 18,000}{48} = \pounds 1,750.00$	yearly pension
Plus	1 Oct 2010 – 31 Dec 2015 =	$\frac{5 \text{ years } 3 \text{ months} \times \pounds 18,000}{52} = \pounds 1,817.31$	yearly pension
<b>Total pension payable from age 55:</b>			<b>£13,027.70</b> yearly pension





# Can I transfer other pensions into the Scheme?

APS is not currently accepting transfers in of any pension benefits from other pension arrangements.

## Contributions

### How much will it cost me?

An **Active Member's** pension contributions are determined by the **Scheme Rules**. The contributions you pay may include up to three separate parts: a percentage of **Pensionable Pay**, a percentage of **Band Earnings** and a salary deduction to unfreeze your **Pensionable Pay**. The table below shows the percentage of **Pensionable Pay** that you are required to contribute.

	Contribution rate (% of Pensionable pay)	
Build-up rate	Flying Staff	Ground Staff
1/52 (standard rate)	8.50%	
1/56 (standard rate)		7.25%
1/54* (lower rate)	8.50%*	
1/58* (lower rate)		7.25%*

\* In addition, members under State Pension Age (SPA) pay an additional contribution of 3.1% of their **Band Earnings**. This was introduced by the Company following the launch of the government's new State Pension arrangements from April 2016. If you are under SPA and select the slower build-up rate (1/54 Flying Staff or 1/58 Ground Staff) you do not pay the additional 3.1% of **Band Earnings** but your pension will build up at a slower rate and will be lower unless you retire later. You usually have opportunities, on 1 April and 1 October each year, to review the build-up rate of your future pension benefits from that date onwards.

Active members were offered a one-off option to irreversibly 'unfreeze' **Pensionable Pay** up to the level of inflation. Active Members could take up the option by 31 December 2014 in return for additional contributions of 4.5% of **Pensionable Pay**. The contribution level will be reviewed at each Scheme triennial valuation – but it is capped at a maximum level of 4.5%.

### Adult Survivor's pension

The standard pension package includes a pension for your spouse, civil partner or partner when you die. If you do not want this cover, you can choose to pay 1.5% less than each of the contribution rates outlined above (i.e. a ground staff **Active Member** who opted out of this cover would pay 5.75%). Should you wish to opt out of paying for this cover, or if you presently do not pay for the cover and wish to do so, you should contact **British Airways Pensions**. As a general rule, you are permitted to opt out and then opt in to paying for this cover once. Opting in to paying for this cover will require you to pass a medical examination. If you decide not to have **Adult Survivor's pension** cover, you may still be entitled to a minimum amount required to be given by legislation.

### How do I make my pension contributions?

Pension contributions not deducted through the **Company's SmartPension** arrangement, are automatically deducted from your regular pay before tax is deducted. You do not pay tax on your contributions (including any Additional Voluntary Contributions) and you receive tax relief at the highest rate appropriate to your pay. Whether or not you make your Scheme contributions using **SmartPension**, the cost of unfreezing your Pensionable Pay is made via **SmartPension**.

## The Company's **SmartPension** arrangement

Whilst contributions deducted from regular pay attract income tax relief, **Active Members** still pay National Insurance (NI) contributions on this part of their pay. Under **SmartPension**, the **Company** pays your pension contributions for you in return for reducing your basic salary by the exact amount of your pension contribution. As a

result, not only do **Active Members** benefit from paying less tax, but both they and the **Company** pay less NI contributions. The **Company** checks the status of every **Active Member** to ensure that only those who will benefit from *SmartPension* are included. More information about *SmartPension* can be found on the **BA intranet**.

Throughout this handbook, where a reference is made to pension contributions you make to the **Scheme**, or a benefit based on the value of your contributions, this will include any amounts credited by the **Company** on your behalf via *SmartPension*, unless stated otherwise.

## What does the Company pay?

The **Scheme's Trustee**, taking advice from the Actuary, determines what overall contribution is required to meet the liabilities of the **Scheme**. So once the **Active Members'** contributions are taken into account along with investment returns, the **Company** is required to pay the balance, which is the majority of the cost of providing the standard pension benefit.



## Putting more on top of my pension (AVCs)

You can save Additional Voluntary Contributions (AVCs) on top of your normal **Scheme** pension contributions to provide extra retirement pension. AVC forms are held on the 'Forms' page of our website and you can also find more details in the 'AVCs' section of the website and in the '[AVC Plan – Information Leaflet](#)'.

- ◆ AVCs are a tax efficient form of retirement saving. You can save in two ways:- **SmartAVCs** and normal AVCs.
- ◆ Any regular AVC savings you choose to make are automatically treated as **SmartAVCs** if you already participate in BA's **SmartPension** arrangement for your normal **Scheme** contributions. You do not pay National Insurance (NI) on any **SmartAVCs** saved and the **Company** passes its own NI saving (after allowing for costs) to participating members of **APS** in the form of an additional uplift, currently 10% of your **SmartAVC** amount.
- ◆ If you are not in **SmartPension** for your normal **Scheme** contributions, either by choice, due to restrictions for the national minimum wage or because it would affect certain State benefits, any regular AVC savings you choose to make will default to normal AVCs. Normal AVCs do not benefit from the additional **Company** uplift (currently 10% of any **SmartAVC** amount).
- ◆ You can choose to save AVCs of either a fixed monetary amount or a percentage of your gross taxable pay. You can start, change or stop AVCs at any time during the year. You can save one-off lump sum AVCs as well as, or instead of, making regular AVC savings. Lump sums can only be saved through normal AVCs and do not benefit from the additional 10% **SmartAVC** uplift from BA.
- ◆ The BA AVC Plan is limited to contributions of up to 50% of your gross taxable pay. However, you can top up your pension even further by making your own arrangements to invest in other products available on the external market, such as stakeholder pensions, free-standing AVCs and personal pension arrangements.
- ◆ **British Airways Pensions** administers three in-house AVC funds; the SGF, MPF and EBF (see below). You can choose to save into one, two or all three of these funds.
- ◆ Currently, the **Company** pays any charges due in respect of the AVC funds administered by **British Airways Pensions** on behalf of the members.
- ◆ The money you save plus any investment return is used to provide extra lump sum or pension benefits at retirement.
- ◆ Alternatively, you can choose to transfer some or all of your AVCs to a different pension provider (independently of your **Scheme** benefits if you wish) instead of drawing them from the **Scheme**.

## How are the AVC funds invested?

**Short-dated Gilts Fund (SGF):** The SGF is an interest-bearing fund and is a non-money purchase (or 'cash balance') arrangement. The SGF pays yearly interest and has an investment objective to produce returns related to Government fixed interest securities, known as Gilts, with less than five years to run before they mature. Rates of interest vary from year to year but the value of your investment cannot go down.

**Equity Biased Fund (EBF):** The EBF is a non-money purchase (or 'cash balance') arrangement. Interest is calculated monthly. The EBF has an investment objective to produce returns consisting of two parts – a Guarantee Component and a Bonus Component. Rates of interest vary from year to year but the value of your investment cannot go down.

**Mixed Portfolio Fund (MPF):** The MPF is a money purchase arrangement with a mixed fund of investments (mainly stocks and shares). Members' contributions are used to buy units, the value of which depends on the value of the MPF investment fund. The value of the units can go up or down. The investment objective for the MPF is reviewed every three years. It sets the framework for the types of investments the MPF can hold, what percentage of the MPF should be invested in each type of investment and also sets a target for investment returns measured over a five-year period. Full details of the investment objective for the MPF are available on our website in the "[MPF – Fund Investment Objectives](#)" [Click on 'AVCs' in the top menu, 'AVC funds' in the left hand menu, then 'Mixed Portfolio Fund (MPF)'].



## What happens to my AVCs if I leave the Scheme?

If you leave service or opt out of the **Scheme**, you cannot save any more AVCs but your AVC account will continue to receive any investment returns until you draw it or transfer it to a different pension arrangement. You can still choose to switch your AVC account balance between funds.

## What happens to my AVCs if APS ever terminates or winds-up?

Under legislation introduced in July 2014, EBF and SGF accounts (but not MPF accounts) are classed as non-money-purchase or 'cash-balance' arrangements. This is because both EBF and SGF have an element of investment return that is guaranteed. The MPF continues to be classed as a money-purchase arrangement.

If the **Scheme** were ever to terminate or wind up, money-purchase benefits would be paid out as one of the first benefits and so would usually be fully protected. However, if the **Scheme** were ever to wind up without enough funds to pay all of the promised benefits in full, the reclassification of EBF and SGF accounts as non-money-purchase benefits could mean there is a risk that SGF and EBF accounts might be used, in full or in part, to pay other promised **Scheme** benefits. The exact effect would depend on the funding position in the **Scheme** at the time. The option to switch SGF and EBF accounts to the MPF is currently still available.

You can read more about this in the '[Important change to legislation affecting AVCs](#)' article on the 'News' page of our website.

## Your AVCs at retirement

The balance of your AVC account will depend on the amount of AVCs saved and the investment returns achieved over the time your AVCs have been invested. You can normally take your AVCs as part of the maximum tax-free lump sum available when drawing your pension under Flexible Retirement and/or when you retire. Under Flexible Retirement you can continue to save further AVCs up to your final retirement date.

Alternatively, you can use your AVC account to buy an additional AVC pension (called an 'annuity') either within the **Scheme** or from an approved insurance company of your choice – the latter is known as the Open Market Option. If you decide to delay drawing some or all of your AVCs at your retirement, you will normally be able to take 25% of the final fund value as a tax-free lump sum (subject to **Scheme** and [Lifetime Allowance](#) limits).

## Government rules for defined contribution (DC) benefits from 6 April 2015

Individuals with defined contribution (DC) benefits now have greater flexibility on how they access their pension savings from age 55. AVCs you have paid into the **Scheme** are DC benefits for this purpose, but you will have to transfer your AVCs out of the **Scheme** to one or more different pension providers if you want to access them under the Government's flexible access rules.

You can choose to transfer just your AVCs out of the **Scheme** or you may choose to transfer your main **Scheme** pension out as well. Legislation also allows further transfer options, details of which are available on request. Before transferring benefits out of the **Scheme** you should get free guidance from Pension Wise ([www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)) to make sure any new arrangements meet your needs and that you fully understand how this will affect any tax you have to pay.

The full range of DC flexible access options are complex and the suitability of the options depends on the size of an individual's DC pot and retirement income requirements.

### How the rules apply to your Scheme AVC benefits

Although the new flexibilities are not offered by the **Scheme** itself, an option was introduced from April 2015 to allow members to transfer out their AVC accounts independently of their main **Scheme** pension. The option allows members to use any BA AVCs to access the full range of flexibilities outside of the **Scheme** on the open market if they wish to do so.

If you have BA AVCs, you have one opportunity to make a transfer of part (or all) of your AVC account at the time of, or before, drawing your main **Scheme** pension. You then have a further opportunity to make a transfer of any remaining AVCs, either when taking your main **Scheme** benefits, or later if you choose to defer payment of your AVC

benefits. **Active Members** can continue to save AVCs and change their remaining AVC investments after they have transferred out their AVC balance while they remain **Active Members** of the **Scheme**.

Pensioner members who are in receipt of their **Scheme** pension but chose to leave their AVCs behind when drawing their **Scheme** pension, can make a transfer of the AVCs they left behind.

### Drawing DC benefits flexibly can affect your future pension savings

#### Money Purchase Annual Allowance (MPAA) limit

The [Annual Allowance \(AA\)](#) is currently £40,000 and applies to pension savings made in UK registered pension schemes each year. If you choose to draw any DC benefits under the Government's flexibility rules (for example, if you transfer out your AVCs so that you can access them as cash), a Money Purchase Annual Allowance (MPAA) will apply to any future DC pension savings you make. If you go over this limit, you will have to pay a tax charge on any savings over £4,000, and the AA for any defined benefit pension scheme savings will reduce to £36,000 a year.

If you do choose to flexibly access any DC pension savings via an external arrangement whilst you are still an **Active Member** of **APS**, then you must tell us straight away.

#### Help, advice and guidance available to you

If you are thinking about transferring your AVCs, you can download an [AVC-only transfer out information pack](#) from the 'Forms' page of our website, which includes full details of the information and documentation you will need to arrange to be completed should you wish to proceed with a transfer as well as useful information about avoiding pension scams and fraud.

Before transferring AVC benefits out of the **Scheme**, you should make use of the free and impartial guidance available through the Government's 'Pension Wise' campaign which can be accessed online ([www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)), over the telephone (from The Pensions Advisory Service 0300 330 1001) or face-to-face (from various [Citizen's Advice Bureaux](#) - [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)).

The Pensions Regulator (tPR) has also published some '[Retirement risk warnings](#)' associated with accessing benefits under the Government's DC flexible access provisions. A copy of these is available on the 'Forms' page of our website, and you must read these.

## More information

If you need more information regarding AVCs, please refer to the 'AVC Plan – Information Leaflet' held within the '[AVCs](#)' section of our website. Further information on **SmartAVCs** is available in the **SmartAVC** Factsheet on the **BA intranet**.



## If you change jobs or your pensionable pay goes down

At some point in your career, you may face a situation where your **Pensionable Pay** decreases, for example: if you move from **Flying Staff** to **Ground Staff** or vice versa. If you move from **Flying Staff** to **Ground Staff** or vice versa your **NRA**, pension build up rate and pension contribution rate will also change.

If this happens you will normally have two choices:

1. Keep aside the pension that has built up for the **Pensionable Service** in the old occupation or up to the date your pensionable pay changed. Then start a separate pension in the new occupation or from the date your **Pensionable Pay** changed. You cannot start a new pension in **APS** but you can choose to join **NAPS** or the British Airways Retirement Plan (**BARP**) for future service.
2. If you have changed occupation - convert your previous **Pensionable Service** to **Pensionable Service** in your new occupation. Your previous **Pensionable Service** will be adjusted to reflect any differences between the build-up rates and **NRA**.

If you change from **Flying Staff** to **Ground Staff** at, or after, **NRA** and you are an **Active Member** you can:

1. Convert your **Flying Staff Pensionable Service** to **Ground Staff Pensionable Service** in the **Scheme**; or
2. Take a pension for your **Flying Staff Pensionable Service** and either draw this straight away or defer it until you finally retire. You can start building up a separate pension in **NAPS** or **BARP** for future **Pensionable Service**.

**British Airways Pensions** will provide full details of the options available to you should you change your occupational category (from **Flying Staff** to **Ground Staff** or vice versa), or if your **Pensionable Pay** drops by more than a certain amount (currently by £1,000 a year but this will be reviewed from time to time).

## What happens if...

### I am temporarily absent?

If you are temporarily absent with the consent of the **Company** (for example because of sickness) you will remain an **Active Member** of the **Scheme** and continue to be covered for both pension and death-in-service benefits. Your pension contributions will be deducted during any period when you are being paid. If you are not being paid, the **Company** will maintain your contributions (but not **SmartAVCs** or normal **AVCs**) and will usually recover them from you when you start to be paid again.

### I go on maternity, adoption or shared parental leave?

While you are on unpaid maternity or adoption leave, you are still covered for death-in-service benefits, but the build-up of your **Pensionable Service** is temporarily frozen. If you return to work, you will be given the option of paying your normal pension contributions for the period of unpaid leave (in which case you will be credited with **Pensionable Service** for that period). If you do not return to work you will be entitled to benefits as if you had left **Pensionable Service** on the last day of your paid maternity or adoption leave.

### I change my working hours?

If at any time whilst you are an **Active Member** of the **Scheme** you work part-time we will still use the normal pension calculation found on page 6 but we will use your full-time **Pensionable Pay** and we will adjust your **Pensionable Service** according to your part-time hours. So, for example if you have worked for 20 years at half hours we will use 10 years **Pensionable Service** in the pension calculation and if your part-time **Pensionable Pay** is £5,000 we will use £10,000 in your **Retiring Pay** calculation.

If you are moving from full-time to part-time or changing your part-time hours, we will use the full-time equivalent of **Pensionable Pay** and adjust **Pensionable Service** according to your part-time hours for each period of **Pensionable Service**.

A worked example of how this works in practice can be found in the 'Scheme information' section of our website in 'changes to my life'

It is important to note that if you work part-time, the death-in-service lump sum benefit of three times your **Pensionable Pay** would be based upon your part-time pay.

## What happens if I leave before retirement?

If you leave the **Company**, you can leave your pension in the **Scheme** for payment when you retire. This is called a deferred pension. A statement of your benefits built up whilst an **Active Member** of the **Scheme** will be provided in writing to your home address shortly after you leave the **Company**. We will update you each year on the current amount of your deferred pension.

### Can I retire early?

The government raised the minimum early retirement age to age 55 from 6 April 2010. However, you have some protection from this change (If you leave the **Company** and draw all of your pension benefits straightaway – including any AVCs and benefits from previous **Company** sponsored schemes – you can continue to retire from age 50 onwards). However, if you have opted out of the **Scheme** whilst remaining in employment with the **Company**, you cannot draw your pension benefits until the earlier of the date your employment with the **Company** ends or your 55<sup>th</sup> birthday, other than retiring on the grounds of Medical Incapacity. You can read more details about this in the 'Ill health retirement' section.

### How does my pension increase after I leave?

**Scheme** (APS Part 6) pensions are protected against the effects of inflation, increasing in line with the rate specified within the Government's yearly Pensions Increase (Review) Orders as a right under the Rules of the **Scheme** up to your **Normal Retirement Age (NRA)**. These Orders currently reflect the increase in the Consumer Prices Index (CPI) but the method of measurement is determined by the Secretary of State and may change from time to time.

The **APS Trustee** has a power to pay increases in addition to those set out in the Pensions Increase (Review) Orders if, after taking professional advice, it agrees this to be appropriate.

Please remember, when you leave employment with the **Company**, it is **your** responsibility to keep your contact details up-to-date, whether you have started to draw your pension or not. If you have registered for Online Communications and you have left employment with the **Company** you can now inform us of address changes online rather than in the post. Simply login and click on 'Change postal address' in the 'My account' panel on the home page of 'Your benefits online'. If you have not registered for online communications you can do so at any time by clicking on 'register' at the top of the screen.

Address changes can also be accepted in writing with a signature (our address is on the [Contact us](#) page). Please quote your pension number (which is the same as your old BA staff number) in all correspondence. For security reasons address changes cannot generally be accepted by email.

## Can I transfer my pension rights to another provider?

As an alternative to leaving your pension within the **Scheme**, you can ask the **Trustee** to transfer the value of your **Scheme** rights to another pension arrangement: a **registered Pension Scheme** in the UK or a **Qualifying Recognised Overseas Pension Scheme (QROPS)** outside of the UK. The **Trustee** has the right to refuse to pay a transfer value to a scheme if it is not satisfied that the new arrangement meets the current HMRC rules governing transfer payments. A transfer cannot be made after you have started to draw your pension.

A pension transfer from a defined benefit (DB) pension scheme (such as **APS**) means giving up your own benefits in the **Scheme** (and any dependants' benefits you have paid towards) in return for a cash value which is invested in another pension scheme of your choice. This value of your benefits is called a '**cash equivalent transfer value**'.

Individuals now have greater flexibility over how they access any defined contribution (DC) pension savings from age 55. The **Scheme** AVCs are DC benefits, but you will have to transfer any AVCs out of the **Scheme** to one or more different pension arrangements if you wish to access them under the Government's flexible access rules. You can transfer part, or all, of your AVC account separately from your main **Scheme** pension. In certain circumstances you may be able to transfer out your main **Scheme** pension independently from any AVC account (to do this you must have at least one year remaining to your **Normal Retirement Age** to have a statutory right to a transfer value). The money advice leaflet 'Your pension: it's time to choose' explains the features of the options available [visit: [www.moneyadvice.service.org.uk/en/articles/free-printed-guides](http://www.moneyadvice.service.org.uk/en/articles/free-printed-guides)]. Before transferring benefits out of the **Scheme** you should get free guidance from Pension Wise ([www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)) to make sure any new arrangements meet your needs and that you fully understand how this will affect any tax you have to pay.

## Requirement to obtain financial advice

You will have to show that you have taken financial advice from an FCA-regulated financial adviser if the amount you want to transfer from your main **Scheme** pension is £30,000 or more. If you decide to transfer your **Scheme** pension to another pension provider, you will lose all other **Scheme** benefits (including pensions for adult survivors and dependent children). You do not need to obtain financial advice if you wish to transfer your AVCs in isolation of your main **Scheme** benefits, but we strongly recommend that you do.

Full details about transferring out **Scheme** AVCs, or your main **Scheme** pension, are available in the [transfer out pack](#) available from the 'Forms' page of our website in the 'transfer out' section. The Pensions Regulator has issued guidance on 'retirement risk warnings' that you should read. A copy this guidance is also available on the 'Forms' page of our website.

By law, the **Trustee** must pay transfer values that are at least as much as the actuarial best estimate of the cost of providing your benefits within the **Scheme**. Transfer values must take account of the **Scheme's** investment strategy and are adjusted each month to reflect changes in investment conditions. The factors that are used to work out **Scheme** options, including transfer values, are reviewed by the **Trustee** and the **Scheme's** Actuary from time to time, usually at least every three years.

Details of the **Scheme's** relevant transfer value basis (including the underlying assumptions) are available on request.

## Retirement

The **Scheme** is registered with HM Revenue & Customs (HMRC), which means that both the **Scheme** and its members receive valuable tax relief on pension contributions and benefits. Due to these tax advantages, HMRC has set a '[Lifetime Allowance](#)' (LTA) for all members of UK-registered pension schemes. You can find out more information about the LTA on page 20 of this Handbook. The LTA covers the 'value' of the total pension benefits you have earned from all sources (apart from State and dependant's pensions). The 'value' of your **Scheme** pension, to be assessed against the LTA when you retire, is worked out as 20 times your annual rate of pension and the face value of any retirement lump sum. A [Lifetime Allowance Charge](#) applies to the value of any pension benefits that exceed the LTA.

### Retiring early

If you retire before your current **NRA**, we use the basic [pension calculation](#) and then reduce the pension by an amount determined by the Actuary in recognition that your pension is being drawn in advance of its planned payment date (your **NRA**). The **Scheme** Rules permit members to draw their pension early from age 50 onwards. However, if an **Active Member** opts out of the **Scheme** whilst remaining in employment with the **Company**, they will only be able to draw their **APS** pension before age 55 if they cease their employment with BA and draw all of their **APS** benefits, including any AVCs, together.

### Retiring after Normal Retirement Age (NRA)

If you continue working beyond your **NRA** you will automatically continue to pay pension contributions. In return you will receive a pension calculated using the basic [pension calculation](#) including any extra service for which you have paid contributions beyond your **NRA**. The calculation will use your **Retiring Pay** at the date you leave the **Scheme**. Alternatively, **Active Members** can choose to stop paying pension contributions at any time from **NRA**. If you stop **Scheme** contributions, your pension will be worked out at the point the contributions cease using your **Pensionable Service** and **Retiring Pay** at that date. This pension will then increase (using rates provided by the **Scheme's** Actuary) in recognition that it is being paid later than your **NRA**.

We will automatically provide you with full details of these options shortly before you reach your **NRA**.





# Flexible Retirement

## What is Flexible Retirement?

Flexible Retirement is an option available to help **Active Members** to ease into retirement. It allows members one opportunity to draw all or part of their pension built up to date before their final retirement and also to continue to build up benefits for future service. Members with crystallised pensions can draw **part** of their pension under Flexible Retirement and will continue to get late retirement increases on their remaining pension until final retirement.

## How do I qualify for Flexible Retirement?

You can elect to take Flexible Retirement at the end of a month of your choice as long as you are age 55 or over and subject to line manager approval. You will be required by BA to agree to a permanent reduction to your working hours in order to be eligible for Flexible Retirement.

## How will flexible retirement affect my pension benefits?

Pensions drawn before NRA are reduced for early payment. You will be required to reduce your working hours in order to be eligible for Flexible Retirement and therefore the pension you build up for future service will be based on your part-time service (see 'What happens if... [I change my working hours?](#)' for more information).

The total pension you receive when you finally come to retire will be made up of the pension already in payment from Flexible Retirement (including annual pension increases), plus any remaining pension you didn't draw at your Flexible Retirement date, plus the pension amount built up since Flexible Retirement (for members with crystallised pensions, the benefits not drawn under Flexible Retirement will remain in the **Scheme** and continue to receive late retirement increases until final retirement).

Your total pension in payment from **NRA** may be lower than if you had continued to build up benefits within the **Scheme** to **NRA** without reducing your working hours and drawing part of them early under the Flexible Retirement option. However, you should bear in mind that you will have had the benefit of having part of your pension paid early including the opportunity to take a tax-free lump sum and this may suit your circumstances. The final position is also influenced by how you will use the money and also what level of pension increases will be paid in future compared to any future growth in your **Pensionable Pay**.

If you die whilst still in active **Pensionable Service**, a lump sum death benefit of three times your **Pensionable Pay** would be payable. You will still be eligible for this cover once you have drawn part of your pension under Flexible Retirement. However, it is important to note that as you will have reduced your working hours in order to be eligible for Flexible Retirement, the death-in-service lump sum benefit would be based on your part-time **Pensionable Pay**.

If you die before your final retirement having taken some of your pension benefits under Flexible Retirement, the **Adult Survivor's pension** that would be due will be made up of two parts – one part from the pension already in payment and a second part related to the benefits built up in the Scheme that you have not yet drawn.

## Can I take a lump sum at Flexible Retirement / final retirement?

Members can normally take a lump sum of up to 25% of the value of their benefits at the point at which they are drawn – subject to a maximum of 25% of the standard or protected Lifetime Allowance (LTA) – or 25% of their remaining LTA if the member is already drawing other pension benefits. Lump sum payments within this allowance are tax-free. Members who have an AVC account within the **Scheme** can take some or all of their AVCs as part of their lump sum. Currently, in most cases, the whole AVC balance can be taken as a lump sum (up to the limit detailed above).

At Flexible Retirement and/or final retirement, **British Airways Pensions** will provide you with an illustration of the maximum tax-free lump sum available to you and the residual pension that you will be left with. You can choose to take as much or as little of the available lump sum as you want.

Please remember that any lump sum must be taken at the same time that you draw your pension benefits. Taking a lump sum at retirement does not affect any **Adult Survivor's pension** (legal spouse, civil partner or dependant) or the dependent child allowances, which are payable upon your death. More information about Dependant's benefits can be found in the '[How much will my dependents receive?](#)' section.

# Ill health retirement

## Awarding an ill health pension

If you are an **Active Member** who is retired before **NRA** by the **Company** on the grounds of Medical Incapacity, the **Company** may authorise the **Trustee** to pay you an immediate ill health pension, whatever your age, if you are:

- ◆ retired by the **Company** because you are unable to perform your normal duties because of ill health, or
- ◆ a pilot or engineer officer who loses his or her licence due to medical reasons before **NRA**.

## How your ill health pension would be worked out:

- ◆ If you have five or more years of actual **Pensionable Service**, or if infirmity results from an air accident on duty, we calculate your pension as a percentage of your **Pensionable Pay** based on the years and days that you've been a member of the **Scheme** plus half the **Pensionable Service** you would have completed between the date you retire on ill health grounds and your **NRA**. The additional service will be added to your pension already built up, using the standard pension build-up rate of 1/52 (Flying Staff) or 1/58 (Ground Staff). If you are currently building your pension up at the slower rate of 1/54 (Flying Staff) or 1/58 (Ground Staff) this will be calculated using the slower build-up rate.
- ◆ Special arrangements apply to Ground Staff who were in **Pensionable Service** on 1 December 1989. As long as there has been no break in your **Pensionable Service**, when we calculate the ill health pension we will include half your potential **Pensionable Service** to age 63.
- ◆ If you are part-time at the point of retiring on grounds of ill health, the half potential service will be at the part-time rate. For example, a 55 year old Ground Staff member would have a potential service of 8 years to **age 63** and thus half service of 4 years. If that same **Member** was on a 50% contract, the half potential would also be at the 50% rate i.e. 2 years. **Retiring Pay** is always calculated using the full-time equivalent of **Pensionable Pay**.

Because your pension includes half your future potential **Pensionable Service** there is a greater possibility of you incurring an Annual Allowance Charge than with other benefits.

The **Trustee** strongly recommends that members take time to read and understand the provisions of the ill health pension rules, before retiring on ill health grounds. Leaving the **Company** due to Medical Incapacity does not necessarily mean that you qualify for an ill health pension. A copy of the **Scheme Rules** is available on the 'Scheme Documents' page of our website or upon request from BA Pensions.

## Reviewing an ill health pension

The granting of an ill health pension for an **Active Member** is solely within the **Company's** power. The **Trustee** cannot grant an ill health pension for an **Active Member**. Once an **Active Member** starts drawing an ill health pension, it is the **Trustee's** responsibility to periodically review the continued eligibility of the pensioner over the period from retirement until **Normal Retirement Age**. Where appropriate, suggested review dates are passed to the **Trustee** by British Airways Health Services at the time of retirement.

If, during a periodic review, the **Trustee** is advised by its own medical advisers that the pensioner is capable of working but is not doing so, or is capable of working more than is being undertaken, the ill health pension may be reduced or suspended until **Normal Retirement Age**, or stopped completely. Where an ill health pensioner returns to work, the **Trustee** needs to ensure that the total income – ill health pension plus any earnings – does not exceed the earnings received immediately prior to leaving the **Company** on ill health grounds.

Once you have reached your **Normal Retirement Age**, no further reviews will be carried out. Your ill health pension will continue at the full amount or, if the amount being paid has been suspended or reduced, a standard non-ill health pension will be paid if this is a greater amount.

## What if I am re-engaged by the Company?

If having drawn an ill health pension you are re-engaged in employment by the **Company**, your ill health pension must cease immediately and you will be re-instated in the **Scheme**. The pension you built up before commencing your ill health pension will be actuarially adjusted to allow for any tax-free lump sum taken.

## Serious ill health

If you are suffering from a life threatening illness it may be possible to receive your entire pension as a tax-free lump sum (calculated on reduced actuarial terms) whilst continuing to provide a pension for your dependants should you die. HM Revenue and Customs (HMRC) will only allow such payments if you have a short time to live. We will ask you to provide written confirmation from a registered medical practitioner that you have less than 12 months to live. Any lump sum must be paid before age 75, you must have Lifetime Allowance available and you must not have previously drawn any of your **APS** benefits. Please contact us if you wish to learn more about this option.

## Can Deferred Pensioners draw a pension on grounds of ill health?

**Deferred Pensioners** may be able to draw a pension before age 50 on the grounds of ill health but this is at the discretion of the **Trustee**. The amount of pension will be based solely on what the member has built-up to the date they left the **Scheme**, plus statutory increases to the date of early retirement. As with early retirement, the pension will be reduced by an amount determined by the Actuary in recognition that the pension is being drawn earlier than its planned payment date (**NRA**). To be considered for early payment of a pension on grounds of ill health, your GP must provide written confirmation that you are medically incapable (either physically or mentally) of continuing your current occupation as a result of injury, sickness, disease or disability, and as a result of the ill-health you have ceased to carry on that occupation.



## At retirement, how is my pension paid?

**Scheme** pensions are paid monthly, in arrears, into your bank or building society account in the UK. The first payment is made at the end of the month after the month in which you retire. For example, if you retire on 11 August your first pension payment will be made on 30 September (covering the payment due for both part of August and the whole of September).

If you live abroad, your pension can be paid to an overseas account. Payment is dispatched in UK Sterling and converted by the **Scheme's** bankers into the local currency, free of charges, before being paid to your overseas account. Alternatively you can continue to have your pension paid to a UK account.

**British Airways Pensions** is required to deduct UK income tax from your pension under the Pay As You Earn (PAYE) system - unless you are resident abroad and we have been notified by the tax authorities that you are exempt from UK income tax.

We will provide a pension pay slip when your first pension payment is made. Further pay slips will only be provided if the amount of your pension (after the deduction of income tax, if applicable) changes by more than 99 pence.

It is important that all address and bank changes are notified to **British Airways Pensions** as soon as they occur. As a general rule instructions that are received by the 10<sup>th</sup> of a month can be applied to that month's pension payment. Later notifications will be applied to the following month's pension.

If you have registered for Online Communications and you are a pensioner or deferred pensioner you can now inform us of address changes online rather than in the post. Simply login and click on 'Change postal address' in the 'My account' panel on the home page of 'Your benefits online'. If you have not registered for online communications you can do so at any time by clicking on 'register' at the top of the screen.

Address changes can also be accepted in writing with a signature (our address is on the Contact us page). Please quote your pension number (which is the same as your old BA staff number) in all correspondence. For security reasons address changes cannot generally be accepted by email.

## Can I take my small deferred pension as a one-off cash lump sum?

If you have a small pension, currently around £500 a year or less, and you are a man aged at least 65 or a woman aged at least 60, you can elect to exchange your pension for a one-off cash lump sum. If you are under age 65 (men) or age 60 (women) but over age 55 and if you do not have a **GMP** you can still exchange your pension for a one-off cash lump sum. You can find more details about this on our website [click on 'Scheme information' then 'Deferred pensioner' in the left hand menu, then 'Can I take my whole deferred pension as a cash lump sum?'].

## I'm already receiving my pension - can I exchange it for a one-off cash lump sum?

If you have a small pension that is already being paid to you and it is currently around £500 a year or less, you may be able to exchange it for a one-off cash lump sum if you are a man aged at least 65 or a woman aged at least 60. If you are still under age 65 (men) or age 60 (women) but over age 55 and if you do not have a **GMP** you may still be able to exchange your pension for a one-off cash lump sum. You can find more details about this on our website [click on 'Scheme information' then 'Pensioner members' in the left hand menu, then 'Can I exchange my pension for a one-off cash lump sum?'].

## Is there a time limit for claiming my entitlement?

Benefits must be claimed within 20 years of the payment date they are due. Claims made outside this limit will not be met.

You cannot give or 'assign' your benefits to anyone else. This includes, for example, trying to use your benefits as security for a loan. If you attempt to assign any part of your benefits, you will lose your benefit rights under **APS**.



# What happens when I die?

## Death whilst in Pensionable Service

If you die whilst still in **Pensionable Service**, the following benefits apply:

- ◆ A lump sum death benefit equal to three times your **Pensionable Pay** at the date of death. In addition, the value of your AVC account will be paid as a lump sum.
- ◆ An **Adult Survivor's pension** of up to two-thirds of your pension (if you have paid the higher contributions for this benefit). If you have not paid higher contributions for this benefit a legal spouse, same sex spouse or civil partner may still be entitled to a minimum amount of pension as required by legislation.
- ◆ Alternatively, if there is no **Adult Survivor's pension** payable because there is no qualifying **Pensionable Dependant** at the date of your death an additional lump sum will be payable equal to your own contributions to the **Scheme**, plus interest at 3.5% a year up to the date of death.
- ◆ Dependent Child Allowances of one-sixth of your pension (where applicable).

## Notice of Wish

Any lump sum death benefits are payable to beneficiaries selected by the **Trustee** and as a consequence this lump sum is not liable to Inheritance Tax. Members should complete a Notice of Wish to let the **Trustee** know how they wish their lump sum to be distributed – the form is available on the 'Forms' page on our website. Whilst not legally binding on the **Trustee**, the Notice of Wish gives the **Trustee** guidance as to how you would like the lump sum to be distributed.

You should keep your Notice of Wish regularly updated and especially if your personal circumstances change. Updating your Notice of Wish is easy – simply log in to [Mybapension online](#) and fill out the online Notice of Wish. If you have not registered for online communications please go to [www.mybapension.com](http://www.mybapension.com) and click on 'Forms' to print off a [Notice of Wish](#) form, complete it, sign it and send it to **British Airways Pensions**.

To find out more about how to register for online communications, please go to the [Keeping in touch](#) page of this handbook.

## Death after you leave Pensionable Service

If you die after leaving **Pensionable Service**, then the following benefits apply:

- ◆ An **Adult Survivor's pension** of up to two-thirds of your pension (if you have paid the higher contributions for this benefit). Your legal spouse or registered civil partner may still be entitled to a minimum amount of pension as required by legislation if you have not paid higher contributions for this benefit.
- ◆ Dependent Child Allowances of one-sixth of your pension (where applicable)
- ◆ If you have an AVC account it will be paid as a lump sum.

There is no three times **Pensionable Pay** lump sum payable. However, if there is no **Adult Survivor's pension** payable, there may be a lump sum payable in respect of the difference between the pension and lump sum benefits you have received, if any, and your **Scheme** contributions plus interest.

## Death between Flexible Retirement and final retirement

If you die before your final retirement having taken some of your pension benefits under Flexible Retirement, the **Adult Survivor's pension** that would be due will be made up of two parts – one part from the pension already in payment and a second part related to the benefits built up in the **Scheme** that you have not yet drawn.

## How much will my dependants receive?

◆ Adult Survivor	2/3 <sup>rd</sup> s of your pension*
◆ One child	1/6 <sup>th</sup> of your pension
◆ Two children	1/6 <sup>th</sup> of your pension each
◆ More than two children	Generally a total of 1/3 <sup>rd</sup> of your pension divided between all eligible children

\* This is the amount of an **Active Member's** pension earned whilst paying the higher contributions towards an **Adult Survivor's pension**.

When calculating the pension benefits payable to your dependants when you die, **British Airways Pensions** will take your basic pension calculation before any reduction applied to your own pension for early payment (i.e. if you took your pension earlier than **Normal Retirement Age**) and before any reduction applied for exchanging part of your pension for a tax-free lump sum. If you die whilst still in **Pensionable Service** and you were paying the higher rate of contributions for **Adult Survivor's pension** cover at the date of your death, **British Airways Pensions** will include half of your potential service from date of death to **Normal Retirement Age** in the basic calculation used to work out the pension benefits for your survivors. This will be based on the standard pension build-up rate of 1/52 (Flying Staff) or 1/56 (Ground Staff), or the lower build up rate of 1/54 (Flying Staff) or 1/58 (Ground Staff) if die while building up pension at the lower rate. If you worked part-time at the time of your death your potential **Pensionable Service** will be adjusted according to the number of hours you worked.

If your Adult Survivor is more than ten years younger than you, the **Adult Survivor's pension** is reduced by 1.25% for each complete year by which the age difference exceeds ten years (e.g. 13 complete years difference = reduction of 3.75%).

The normal Scheme increase arrangements apply to Adult Survivor's pensions and they are payable for life.

Please remember, if you elect not to pay towards an **Adult Survivor's pension** and die leaving a legal spouse, civil partner or **Pensionable Dependant**, they may not receive benefit from this important pension cover. However, a legal spouse or civil partner may still be entitled to a minimum amount of pension required by legislation in respect of Pensionable Service before 6 April 2016.

## Who qualifies?

### Adult Survivor's pension

If you are legally married or in a registered civil partnership at the date of your death a pension will automatically be paid to your legal spouse/civil partner. Where you do not have a legal spouse or civil partner when you die, the **Trustee** can consider paying the pension to another Adult Survivor, where the **Trustee** agrees that person meets the criteria of a **Pensionable Dependant**. This is someone who, at the date of your death and in the opinion of the **Trustee**, is either: living with you in a relationship resembling marriage and with whom you are financially interdependent; or someone who is financially dependent on you to a substantial extent (i.e. for the everyday necessities of life). Where a member's pension commenced after 1 July 2008, an adult child who is over age 23 may only qualify if they are physically or mentally impaired.

### Registering a Pensionable Dependant

If you are not legally married or in a registered civil partnership but think you may have a **Pensionable Dependant**, you can register details of your dependant online. Simply log in to [Mybapension online](#) and fill out the Surviving Dependant Registration. If you have not registered for online communications please go to [www.mybapension.com](http://www.mybapension.com) and click on 'Forms' to print off a Surviving Dependant Registration form, complete it, sign it and send it to **British Airways Pensions**. Whilst not legally binding on the **Trustee**, registering your dependant provides clear information to the **Trustee**. Please ensure you keep the information about your dependants up-to-date.

## Dependent Child Allowances

These can be paid to children up to the age of 16, or up to the age of 23 if in full-time education/vocational training or seriously incapacitated and unable to earn a living. Eligible children are your own children, legally adopted children, step-children and any child for whom, in the opinion of the **Trustee**, you are legally responsible immediately prior to death.

## Additional Optional Dependant's pension

If required, at any time before your pension starts, you can arrange to permanently give up a part of your own pension in order to provide for a pension to be paid to a named dependant on your death in retirement. Before you can take up this option you will need to pass a medical examination. Full details of this option can be obtained from **British Airways Pensions**.





# Keeping an eye on your pension benefits

Most **Active Members** receive an annual statement in the month following their birthday showing the benefits they have built up. **Deferred Pensioners** also receive an annual update of their pension, usually in May each year.

You can also request a benefit statement at any time by contacting **British Airways Pensions**. Members with an AVC account receive a separate statement each year showing the value of their AVC Accounts.

Detailed explanations of your benefits can be found on our website. The website includes an interactive section where most **Active Members** can access the pension modeller. The pension modeller helps you to understand how much pension and tax-free lump sum you will get from your **Scheme** at different retirement ages and how you could benefit from paying additional contributions.

If you are considering retiring soon, you can obtain a quotation of your pension benefits, including details of the tax-free lump sum you could take from the **Scheme** by contacting **British Airways Pensions**.

## Online communications

Signing up for online communications is a good way to keep yourself up to date, if you have not already done so. Many members and pensioners now access their benefit statements, AVC statements, Annual Allowance statements, deferred pensioner statements, pension increase letters, P60s, pension payslips, **Trustee** letters and newsletters securely via the member website [www.mybapension.com](http://www.mybapension.com) rather than by post. Modernising our communications in this way is secure, convenient, kinder to the environment, and saves the Scheme money.

To find out more or to register for online communications, please go to the [Keeping in touch](#) page of this handbook.

## The Lifetime Allowance (LTA)

The UK tax rules do not limit the amount of pension you can have. However, you will need to pay a special tax charge on the value of any pension benefits which are over your Lifetime Allowance (LTA). The LTA is set by HM Revenue & Customs and is £1.03 million from April 2018. The combined 'value' of your pension and lump sum entitlements from all UK-registered pension arrangements you belong to must be compared against the LTA applicable when you draw them

For most people the value of their total pension benefits will fit within their LTA. If your **Scheme** pension (or the combined value of your **Scheme** pension, pensions that are already being paid to you and retirement lump sums received from other UK-registered schemes) exceeds your available LTA, then the excess benefits will incur a Lifetime Allowance Charge. The value of your **Scheme** pension is generally worked out as 20 times your annual rate of pension plus the cash value of any retirement lump sum and the cash value of any AVCs held.

For any pension benefits earned above the LTA, the tax charge would be either:

- ◆ 25% of the value of your excess yearly pension when it starts (you will also pay income tax on the regular pension payments);

OR

- ◆ 55% of any excess lump sum taken (this is similar in value to a 25% tax charge on top of 40% income tax).

It is your responsibility to check the total value of your pension benefits from all UK-registered pension schemes (excluding any State, widow/er's, civil partner's or dependant's pensions you receive) against the LTA. We will automatically confirm the amount of your LTA that has been used up by your **Scheme** pension when you draw it.

### If the value of your benefits is more than your lifetime allowance

Generally, you will have to pay a lifetime allowance charge if the value of any benefits you earn is over your available LTA unless you have some form of lifetime allowance protection in place. There are several types of lifetime allowance protection, including 'primary protection', 'enhanced protection', 'fixed protection 12', 'fixed protection 14', 'fixed protection 16', 'individual protection 14' and 'individual protection 16'. You can read more about the Lifetime Allowance on the HMRC website. Visit: [www.hmrc.gov.uk/pensionschemes/pension-savings-la.htm](http://www.hmrc.gov.uk/pensionschemes/pension-savings-la.htm).

## The Annual Allowance (AA)

There is no limit on the contributions that can be made to a UK-registered pension scheme but there is a limit on the amount of your pension savings that can benefit from tax relief. The AA is set by HM Revenue & Customs, and is currently £40,000. Members whose **Scheme** pension value increases by more than the AA in any Pension Input Period (the **Scheme's** Pension Input Period for AA purposes from April 2016 is 6 April to the following 5 April) could pay an additional tax charge at their marginal tax rate. A factor of 16 is used when calculating the value of pension to compare to the AA so this would currently be equivalent to a growth in pension of £2,500 p.a. or Additional Voluntary Contribution (AVC) savings of £40,000 or a combination of the two up to the £40,000 limit. Any pension savings a member may have outside of the BA schemes which increase in excess of the Consumer Price Index (CPI), must also be included in any AA assessment. Any unused AA can be carried forward from the previous three years and used to offset any AA tax charge due. Full details can be found on the HMRC website. Visit: [www.hmrc.gov.uk/pensionschemes/understanding-aa.htm](http://www.hmrc.gov.uk/pensionschemes/understanding-aa.htm)

### What types of pension build up count towards the AA?

Generally, all pensions that you build up within the BA Scheme must be included in any AA assessment. Any AVCs you save and savings to other UK-registered pension arrangements must also be included.

### If you have crystallised your pension

If you crystallised your BA pension at or after your NRA, the late retirement uplifts that are added to your pension whilst it remains crystallised are only included in any AA assessment if you have saved AVCs during the Annual Allowance year.

### How will I know if I have exceeded the AA?

You are responsible for working out any liability for an AA tax charge and for reporting it directly to HMRC via your self-assessment tax return. We will issue formal statements automatically by October each year to individuals who exceed the AA and may therefore be liable for a tax charge. If you have drawn any defined contribution (DC) benefits flexibly since 6 April 2015 you may have a reduced [Money Purchase Annual Allowance \(MPAA\)](#) for your pension savings instead of the standard AA.

You can find out more information on the AA at [www.gov.uk/tax-on-your-private-pension/annual-allowance](http://www.gov.uk/tax-on-your-private-pension/annual-allowance)

### Reduced AA for individuals earning £110,000 or more

From 6 April 2016 a 'Tapered AA' applies which may affect active members who have earnings (defined by HMRC as Threshold Earnings) of £110,000 or more.

We understand that HMRC will hold members responsible for calculating any tapering of the AA as the pension scheme does not hold income information. Even if you do not receive an AA statement from us for the 2016/17 tax year (due to be issued in summer 2017) onwards you may still be affected if your Threshold Earnings exceed £110,000.

For 2015/16, pension growth between 1 April 2015 to 8 July 2015 and between 9 July 2015 to 5 April 2016 was tested in a different way. An £80,000 AA was available for the first period and none for the second – but up to £40,000 of any unused AA from the first period could be carried through to the second period together with any unused AA from the previous three years. More information and examples can be found on the 'What do I get?'> 'tax allowances'> 'annual allowance' page of [www.mybapension.com](http://www.mybapension.com).

### Must I pay an Annual Allowance (AA) charge myself?

If the increase in the value of your **APS** pension and AVCs in any AA Pension Input Period is higher than the AA for that period and you have a total AA tax charge of £2,000 or more (this can include pension input outside of the **Scheme**), you can ask the **Trustee** to pay the part of your tax charge relating to your **APS** benefits for you.

You can choose to have the charge paid straight from your BA pension in return for a reduction in pension benefits when you leave the **Scheme**, a deduction from your AVC account, or a combination of the two. If you

want to use this facility you must enter into a 'Scheme Pays' agreement with the **Trustee** before you take all of your pension benefits. Once you have entered into this agreement with the **Trustee**, you cannot change your mind. Please contact **British Airways Pensions** if you would like more details.

The Scheme Pays option is only available if the increase in the value of your **APS** pension plus any **AVCs** exceeds the standard **AA** for that period. It cannot be used if your defined contribution (DC) pension savings exceed the £4,000 **MPAA** but you have not exceeded the £40,000 **AA**.



## No longer want to be an Active Member?

If you no longer wish to be an **Active Member** of the **Scheme**, you can opt out of the **Scheme** on the first of a month by giving a calendar months' notice in writing. Before making a decision to opt out, you should consider the benefits that you will be losing.

### Future pension scheme membership

If you decide to opt out of **APS**, while you remain a BA employee you cannot rejoin **APS** at any time and can only join **NAPS** in special circumstances (see below) but you can continue to save for your retirement by applying to join the British Airways Retirement Plan (**BARP**) – the Company's defined contribution pension scheme – for future service. Visit the BA intranet for full details of **BARP** and how to apply for membership.

### Important note about auto-enrolment

If you opt out of **APS** and do not choose to join **BARP**, you may be automatically enrolled into **BARP** under new government rules. British Airways' auto-enrolment date occurs every three years starting 1 January 2013. You may be automatically enrolled into **BARP** if you have been opted out of **APS** for more than 12 months on any future auto-enrolment date. If you do not wish to remain in **BARP** once you have been automatically enrolled (for example, if you have Fixed Protection and do not wish to invalidate this protection by building up further benefits) you should complete the **BARP** opt-out notice on the **BARP** website, usually within one month of being notified that you have been automatically enrolled. Advance notice of your wish to opt out of **BARP** cannot be accepted. Please do not contact BA Pensions about **BARP** as it is administered by a separate company, Willis Towers Watson.

### What you give up by opting out of APS

It is important that you fully consider the implications of opting out before giving any formal notice in writing. We recommend you seek independent financial advice before proceeding as, once you have opted out, you cannot rejoin **APS**. The **Company** has agreed special circumstances where an **APS** member may join **NAPS** for future service, such as if you are changing job category from ground to **Flying Staff**, or vice versa, and will suffer a drop in **Pensionable Pay** as a result or if you are **Flying Staff** and, upon reaching your **NRA**, remain in employment as ground staff and postpone receipt of your **Flying Staff** pension.

### Key facts about opting out

If you opt out:

- You will no longer be covered for death in service benefits within **APS**.
- You will no longer be covered for **APS** ill health benefits.
- You will not be able to continue saving AVCs in **APS**.
- You will not be able to draw part of your **APS** pension under the Flexible Retirement option.
- You will not be permitted to rejoin **APS** but you will be able to join **BARP** from the 1<sup>st</sup> of any future month (there are some important death benefit considerations about joining **BARP** if you do not apply to join immediately on opting out of **APS** – see the BA Intranet for full details about **BARP**).

### Options in respect of your APS membership after opting out

After opting out you can leave your pension benefits in **APS**, where you can draw them at any time after age 55 (your pension payments will be reduced if you draw your pension before your current **NRA**) or you can transfer them to a different pension arrangement. You can transfer out any AVCs you have saved separately from your **Scheme** pension if you wish.

If you are thinking about transferring your benefits out we strongly advise that you discuss this with a financial adviser first. If the cash equivalent transfer value of your **APS** benefits is £30,000 or more you will have to show that you have taken financial advice from an FCA-authorized financial adviser before any transfer value can be paid. You do not have to take financial advice if you are transferring your AVCs in isolation of your main **Scheme** benefits but we strongly recommend that you do.

If you wish to investigate a transfer please request the administrator of your new pension arrangement to contact us with your written authorisation to release the required details.



# Legal

## The Scheme

The **Scheme** is a final salary, occupational pension scheme (sometimes referred to as a defined benefit scheme) and was **contracted-out** of the **State Second Pension** (S2P – formerly known as SERPS) until 5 April 2016. The **Scheme** satisfies the criteria required of a qualifying scheme for the purposes of auto-enrolment, which the **Company** has needed to comply with since January 2013, in respect of current employees employed before 1 April 2003 who have not elected to crystallise their NAPS pension at or after their NRA (i.e. chosen to stop pension contributions and freeze their pension). Members who have crystallised their NAPS pension will be automatically enrolled into **BARP**.

## The Trustee Directors – who are they and what are their responsibilities?

APS is managed by a Corporate Trustee (Airways Pension Scheme Trustee Ltd), made up of 12 Trustee Directors: six appointed by the **Company**, one by **Active Members** and five by the **Scheme's** pensioners. If there are no nominations from the Active Members, the position is opened up to pensioners. The **Trustee Directors** are responsible for the administration of the **Scheme**, which is carried out by **British Airways Pensions** in accordance with the **Scheme's** Trust Deed & Rules and current UK legislation. The investment of the **Scheme's** assets is undertaken by British Airways Pension Investment Management Limited (BAPIML). The **Trustee Directors** also look after the assets of the **Scheme** for the sole benefit of members and their dependants. The assets are held completely separately from the assets of the **Company**. Details of the current **Trustee Directors** and how they operate are held on the '[About us](#)' page on our website.

## Scheme's governing documents

The Trust Deed & Rules are the main governing document of the **Scheme**. They describe the constitution and give full details of the benefits. Some Scheme options are discretionary options provided by the **Company**, which may be changed or withdrawn at the **Company's** discretion (e.g. the 1/54 and 1/58 pension build-up rates). Further options are set out within 'Operating rules', which describe how certain processes operate, such as Scheme pays and Flexible Retirement.

The **Scheme** is a **Registered Pension Scheme** under Chapter 2 of Part 4 of the Finance Act 2004 with a pension scheme tax reference number (PSTR) of 00302323RH.

This handbook does not confer any rights to membership or benefits. Those rights are conferred solely by the Trust Deed & Rules. If there is any conflict between this handbook and the Trust Deed & Rules, it is the Trust Deed & Rules which will override.

The **Scheme's** formal documents are also available on the '[Scheme Documents](#)' page on our website. These include the:

- ◆ Trust Deed and Rules;
- ◆ The **Trustee's** Annual Report and Financial Statements
- ◆ Operating Rules; and
- ◆ The **Trustee's** Statement of Investment Principles.

## Your personal information

Your personal information is collected and used by the Trustee and British Airways Pensions in order to calculate and pay your pension benefits and administer the Scheme as a whole. The Trustee and British Airways Pensions are required to keep your personal information secure in accordance with the Data Protection Act 1998. The Trustee and British Airways Pensions may share your personal information with certain third parties in order to administer the Scheme, but we do not share your personal information with third parties for marketing purposes. The Trustee and British Airways Pensions may also share your personal information to help prevent fraud or to the extent that it is required to do so by law. If you would like to find out more about how your personal information is used and secured or your right of access to your personal information, please read our full [Data Protection Statement](#).

# Corporate Governance

British Airways Pensions Investment Management Ltd (BAPIML) has been instructed by the **Trustee** to exercise voting and other rights attaching to the **Scheme's** investments at meetings of UK and overseas listed companies wherever practicable. Where relevant rights are exercised, this will be based on the framework formulated by the National Association of Pension Funds.

The **Trustee** has also agreed to the incorporation of the principles set out in the Institutional Shareholders' Committee Statement of Principles on the responsibilities of Institutional Shareholders and Agents into their Corporate Governance arrangements.

The primary objective of these Corporate Governance arrangements is to protect the economic interests of the **Scheme**. Details of the exercise of voting rights are reported to the **Trustee** at least quarterly and a summary of this information along with data summarising the **Scheme's** larger investments are available on the '[Corporate Governance](#)' page on our website, together with a list of the **Scheme's** 100 largest holdings.

## Socially Responsible Investment

The overriding objective of the **Trustee** is not to cause BAPIML to take any action (whether by purchasing, holding or selling any investment) which could be reasonably expected to diminish the financial returns on the **Scheme's** investments as a whole.

Subject to this objective, the **Trustee** requires BAPIML to incorporate as part of its investment process a systematic approach to the maintenance of ongoing dialogue with the management of those companies in which it retains, or proposes to make, significant equity investments and, where appropriate, other forms of investment. The specific purpose of such dialogue - called 'responsibility discussion overlay', or RDO - is to establish a framework within which BAPIML may, on behalf of the **Trustee**, raise issues concerning the social, environmental or ethical aspects of the operations of the company being invested in. BAPIML has been requested to report to the **Trustee** once in each calendar year on its activities under RDO and the **Trustee** uses this report as a focus for issuing further guidance to BAPIML (in consultation with the **Company** where appropriate) if required.

## Resolving disputes

If you have a problem regarding your membership of the **Scheme**, please contact the **British Airways Pensions** team in the first instance. If they are not able to resolve the issue, there is a formal dispute procedure in place – the [Internal Disputes Resolution Procedure](#) (IDRP). A copy of the procedure, which sets out how to make a formal complaint, can be requested from **British Airways Pensions**.

This information is also available on our website [click on '[Our service standards](#)']. The Pensions Advisory Service (TPAS) can also assist members and beneficiaries of the **Scheme** with any query. Please see the '[Useful addresses](#)' section for TPAS contact details.



# Keeping in touch

Whilst you are an **Active Member** of the **Scheme**, your contact details contained on the **Company's** records will automatically be transferred to your **Scheme** record. Once you leave **Pensionable Service**, you will need to provide written confirmation to **British Airways Pensions** of any change in contact or personal details (if you remain a current employee of BA or IAG after leaving **Pensionable Service** you should also inform BA of any change to your contact details).

## Online communications on [www.mybapension.com](http://www.mybapension.com)

**Active Members, Deferred Pensioners** and **Pensioners** who have registered for online communications can view and print personal statements by logging into 'mybapension online', rather than receiving them by post. An email is sent to you if you have registered your email address whenever a new statement or news item is available to view on the website. The following statements are currently available via [www.mybapension.com](http://www.mybapension.com) for most members and pensioners:-

**Active Members** – yearly personal benefit statements, AVC statements

**Deferred pensioners** – yearly personal benefit statements, AVC statements

**Pensioners** – pension payslips, yearly pension increase statements, P60 certificates, AVC statements

**Active Members, deferred Pensioners** and **Pensioners** can register for online communications at any time by visiting the [www.mybapension.com](http://www.mybapension.com) website and clicking the 'Register' button, then following the on-screen instructions. Members and pensioners who change their mind later can opt to receive future communications by post by writing to BA Pensions.

## New! Online forms

As well as accessing many communications online a range of online forms, that submit your request directly to the Pensions team, are available within the secure area of [www.mybapension.com](http://www.mybapension.com), providing members and pensioners with a faster and more convenient way to update their address and account details, select Scheme options and to register details of their dependants. The forms currently available online are:-

### Online Notice of Wish

A Notice of Wish lets the Trustee know who you would wish to receive any lump sum benefits that are due if you die. Lump sum death benefits mainly apply in respect of Active Members and Deferred pensioners (but can occasionally apply in respect of a Pensioner if no adult survivor's pension is payable and the sum of pension payments is less than contributions paid with interest added). **You can update your preferred beneficiaries for lump sum benefits at any time by submitting a new Notice of Wish.**

### Online change of address

Pensioners and deferred pensioners (but not active members) can inform us of address changes online rather than in the post. Active members must still change their address via British Airways who hold their employment records rather than by contacting the Pension Scheme.

### Online Surviving Dependant Registration

If you have paid higher contributions to the Scheme to build up an Adult Survivor's pension, this will be paid to your legal spouse or civil partner automatically if you die. If you are not married or in a civil partnership when you die, the Trustee can decide to pay the Adult Survivor's pension to a 'surviving dependant'. This could be a common-law spouse, partner, or someone else who meets the requirements under the Rules of the Scheme and who is financially dependent on you to a substantial extent. If you have someone who you would like the Trustee to consider for this pension in the event of your death, you can update the Trustee at any time by submitting a Surviving Dependant Registration.

Each **Scheme** year, the **Trustee** is required to prepare an annual report in relation to the **Scheme**. Additionally, the **Trustee** periodically publishes the *In Focus* newsletter, which gives a summary of the **Scheme's** annual funding statement, report and financial statements, points of interest and any changes to the **Scheme** or legislation that might affect you. Quarterly newsletters from the **Trustee** are published on our website, which provide updates on what the **Trustee Directors** are working on as well as information on issues affecting your **Scheme**.

Copies of the annual report and financial statements, *In Focus* and quarterly newsletters from the **Trustee** are available on the '[News](#)' page of our website.

If you have any questions about the **Scheme**, please contact the **Scheme's** administrators:

British Airways Pension Services Limited  
PO Box 2074  
Liverpool  
L69 2YL

E-mail: [enquiries@bapensions.com](mailto:enquiries@bapensions.com)

Telephone: 020 8538 2100

Fax: 020 8538 2190

Website: [www.mybapension.com](http://www.mybapension.com)





# Useful addresses

## Independent financial advice

If you need help in making financial decisions, you should contact a Financial Conduct Authority (FCA) approved independent financial adviser (IFA) to seek their advice. You will find some names and numbers in the phone book. Alternatively, the following websites can help you to find financial advisers in your area:

[www.findanadviser.org](http://www.findanadviser.org)

[www.unbiased.co.uk](http://www.unbiased.co.uk)

[www.vouchedfor.co.uk](http://www.vouchedfor.co.uk)

Please bear in mind that:

- ◆ the **Company**,
- ◆ the **Trustee**,
- ◆ **British Airways Pensions** nor
- ◆ any of their respective employees

is authorised to give you advice about your pension options.

## TPAS (The Pensions Advisory Service)

TPAS is available at any time to assist members and beneficiaries of the **Scheme** in connection with any pension query they may have.

The Pensions Advisory Service  
11 Belgrave Road  
London.  
SW1V 1RB.

Phone: 0300 123 1047

Website: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

## The Pensions Ombudsman

The Pensions Ombudsman is able to investigate or determine any complaints of mal-administration or dispute of fact or law in relation to any occupational pension scheme including the **Scheme**. The Pensions Ombudsman will not investigate your complaint until you have been through the **Scheme's** [Internal Disputes Resolution Procedure](#).

Pensions Ombudsman Service  
10 South Colonnade  
Canary Wharf.  
E14 4PU.

Phone: 0800 917 4487

Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)



## The Pensions Regulator

The Pensions Regulator is the regulator for occupational pension schemes in the United Kingdom. It makes sure that the people who run occupational pension schemes follow a wide range of rules. It will act if and when irregularities are brought to its attention. It has the power to impose penalties. The Pension Regulator may be contacted at:

The Pensions Regulator  
Napier House  
Trafalgar Place  
Brighton  
BN1 4DW

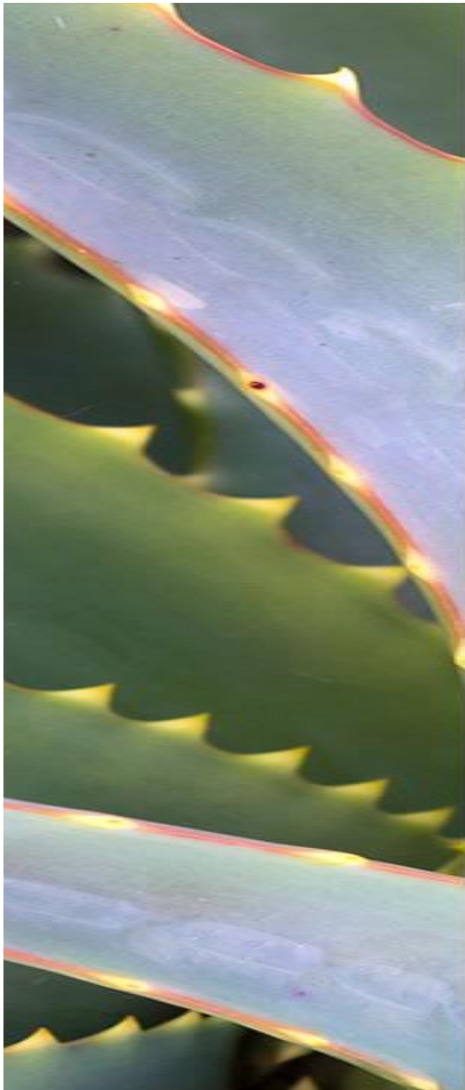
Phone: 0845 6000707

Email: [customersupport@tpr.gov.uk](mailto:customersupport@tpr.gov.uk)

Website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

## Pension Tracing Service

If you think you may have an old pension, but are not sure of the details, the Pension Tracing Service can usually help by tracing it for you. The Pension Tracing Service is part of the Department for Work and Pensions and has access to a database of over 200,000 occupational and personal pension schemes and can be used, free of charge, to search for a scheme. You can contact the Pension Tracing Service at:



Pension Tracing Service  
The Pension Service 9  
Mail Handling Site A  
Wolverhampton  
WV98 1LU

Phone: 0845 6002 537

Textphone: 0845 3000 169

Website: [www.gov.uk](http://www.gov.uk) (click on 'Working, jobs and pensions')