



Your Airways Pension Scheme (APS) Spring bulletin - 2018

From the Trustee of the APS Scheme

Welcome to our first Spring bulletin for you, our APS ("the Scheme") members. This bulletin brings you up to date with information about the Scheme and what we, your Trustee, have been doing for you over the last quarter.

We've made some changes to the way we share our updates with you. We've renamed the Trustee Quarterly Newsletters, which are now seasonal bulletins, and made it easier for you to see all of our updates on one page so you don't have to click through to a separate document.

We hope you'll find your bulletins informative and full of the news you want to hear about your APS pension.

If you'd like to provide any feedback about the bulletin, [please get in touch](#)

BA appeal update

You might remember that the High Court found our decisions to introduce a discretionary increase power, and then to exercise that power, by granting a 0.2% increase to pensions in December 2013, were valid.

BA appealed the decision and was also granted an injunction which stops us paying the 0.2% increase until we know the result of the appeal. The appeal hearing took place over two days, on 1 and 2 May, and the outcome is expected to be known in the Summer.

If the appeal is dismissed and BA does not take its case to the Supreme Court and apply for another injunction, the injunction will be lifted and the 2013 increase will be paid. We'll also be able to review our position on discretionary increases for 2014 and subsequent years.

We'll keep you up-to-date with developments through the [other news](#) pages and our bulletins.

APS valuation

Once we know the appeal decision, we'll work with BA to complete the 2015 actuarial valuation – the three-yearly health check all pension schemes undertake. Work will then immediately start on the 2018 valuation.

Trustee meeting minutes

We've reviewed our policy of publishing the minutes of Trustee meetings on request. To help protect confidential and sensitive information we'll no longer be disclosing these.

The decision follows legal advice where we considered aspects such as the time needed to redact confidential information and the risks of such information being inadvertently shared.

There isn't a legal requirement to share minutes and, for the most part, pension schemes don't disclose them.

You can stay up-to-date with our activities on these new bulletin pages.

We want to be open and transparent so we're refreshing how we share news and updates more quickly and in a format that's easy to read.

Our long-term vision and objectives

It's our role to make sure your BA pension scheme is managed in the best way for you, our members.

Our vision and strategy are key to this and we wanted to share them with you.

We want to pay the right benefits to the right people at the right time, and we've been developing objectives to help deliver this:

- secure members' benefits at an acceptable level of risk in the context of the funding position of the Scheme
- maintain an integrated risk management framework that balances covenant, investment and funding
- build and maintain the confidence of beneficiaries and other stakeholders through effective and timely communication
- ensure sound financial and administrative management and that all Scheme activities are undertaken in a manner which delivers value for money for beneficiaries, the Trustee and the sponsor
- maintain the highest standards of governance proportionate to the activities of the Scheme and to regularly evaluate these
- protect Scheme assets and member data (including protection against cyber threats)
- drive efficiencies through adopting technology and seeking out innovation
- establish and maintain a list of values and behaviours which the Trustees, our Executive team at BA Pensions and colleagues will respect

Improving our online tools for you

If your feedback is anything to go by, you like using our convenient online member self-service. It's a place our members – whether you're active, deferred or already retired - can go to make changes.

We want to make it even better for you, so we've been looking at ways to improve our online service and grow the range of self-service options. This means our service to you will improve. It will also help to lower costs of administering the Scheme so is a win-win for you in the short and long term. We'll keep you updated on these new options in the coming months.

Members with AVCs: Financial advice – there's an allowance for that

You might remember from our [December 2017 newsletter](#) that if you have AVCs you can use an allowance to pay for financial advice.

It's called the Pensions Advice Allowance and it's available to use now – it means you can 'release' part of your defined contribution pension benefits early to help pay towards pensions and retirement financial advice.

Fast facts:

- You can use up to £500 of your APS AVCs in any tax year
- You can only use it once in the tax year
- You can use it up to three times overall
- We have to pay the allowance direct to the financial adviser
- the adviser must be registered with the Financial Conduct Authority (FCA)

To apply, download a [Pensions Advice Allowance pack](#), fill it in, ask your adviser to complete their section and then send it back to the [BA Pensions team](#).

Active members: Transfer values latest

In November last year, we stopped providing transfer values to active members of the Scheme unless it was needed as part of a divorce settlement.

This was necessary because of the extra work our administration team took on because of BA's consultation on future pension provision for the New Airways Pension Scheme (NAPS).

Much of this extra work has been completed and we're able to provide active members with details of their transfer value on request.

If you're no longer an active member, then you're legally entitled to request a transfer value, and you can do so at any time.

There's been a lot of news recently about pension scams and poor-quality financial advice when it comes to transfers. So, if you're thinking about transferring, we'd advise you to speak to an FCA registered financial adviser. If your transfer value is more than £30,000 you must, legally, take financial advice.

There's more information about this in your latest [In Focus](#). You can also download the [FCA's report](#) about poor financial advice.

BA Pensions is moving

After 25 years, your BA Pensions team is moving from Whitelocke House to Waterside.

We're making the move in the Autumn, purely because our lease expires this year and our landlord has planning permission to develop the site.

The good news is we'll be closer to many of you, our members.

Does this mean you'll be part of BA?

No. British Airways Pension Services Ltd will continue to be an entirely separate company to BA. We're not owned by British Airways Plc and we don't form part of the BA group.

We'll also have independent security for our exclusive office space at Waterside so your personal data is protected.

Will this move affect the service you provide?

Needless to say, moving office is not an easy task so we're planning to make sure we continue to provide the high levels of service you've come to expect from us, both during and after the move.

I prefer to discuss my pension benefits face-to-face - will that still be possible?

The move means we'll be closer to many of our members and you'll still be able to make an appointment to visit and speak to us in person. We'll give you more details about how to do this in the coming months.

Keeping your pension secure - latest

We've previously written about the risk of the Scheme having to pay pension benefits for longer than expected because people are living longer.

In the last newsletter, we told you that to reduce this risk, we've been switching some of the Scheme's investments into lower-risk assets like gilts and bonds. In December, we switched some more – reducing the amount held by the Scheme from 2.5% to 1.5%, adding that 1% to bonds.

Our actuarial adviser review is complete

After reviewing the Scheme's actuarial adviser – a routine review as part of our governance - we agreed to retain Michael Pardoe of Willis Towers Watson (WTW) as Scheme Actuary.

Data protection laws have changed

A new data protection law came into force in May.

It's called the General Data Protection Legislation (GDPR), and helps protect people's privacy by regulating the use of personal data – that means anything that can identify you such as your name, a photo, bank details, and more. It's designed to make the law consistent across Europe and keep up with advances in technology.

This legislation gives people new rights to move, or delete, personal data and requires companies to collect and use it in line with key principles.

We've therefore agreed a new [Privacy Statement](#).

NAPS has now closed to future pension build-up

We can confirm that your benefit entitlements under the APS Trust Deed and Rules are not impacted by the closure of NAPS to future build-up.