

# Pensions Advice Allowance (PAA) pack

## The Pensions Advice Allowance (PAA)

The Pensions Advice Allowance (PAA) is a Government initiative that allows individuals with defined contribution (DC) savings to use some of their pension pot to pay towards retirement financial advice. In APS and NAPS, only AVC funds or BAMPS account savings are classified as DC savings. The financial advice must be retirement financial advice (which means: in respect of your financial position, including your pension arrangements and the use of your pension funds), provided by a financial adviser regulated and authorised by the Financial Conduct Authority to provide such advice.

The PAA enables APS and NAPS members to access up to £500 from their AVC fund (or BAMPS Account) up to three times during their lifetime. It is designed to allow people to obtain advice connected with their pension and retirement savings at different stages in their lives. The allowance can be used at any age, but only once in any tax year.

## Using your AVC funds to pay for financial advice

If you have sufficient AVC funds within the BA AVC plan (or BAMPS Account funds), you can ask your Scheme's Trustee to pay a single payment of any amount (up to a maximum of £500) directly to your FCA-regulated adviser.

Your AVC funds will be reduced at the date you enter into an agreement with the Trustee (if your signed agreement is received before the 20<sup>th</sup> of the month, the PAA amount will be paid and your AVC funds will be reduced on the 1<sup>st</sup> of the following month). You can choose which AVC fund(s) the PAA should be paid from - the Short-dated Gilts Fund (SGF), the Mixed Portfolio Fund (MPF) or the Equity-biased Fund (EBF) - if you do not make a specific election your PAA tax charge amount will be automatically deducted proportionately across all of your AVC funds.

If you do not have sufficient AVC funds to meet the whole PAA amount requested we will pay the available amount of your AVC funds. If you have MPF AVCs, it is possible for the MPF unit price to be lower at the date your PAA amount is paid than the unit price that applied at the date the agreement was entered into.

If you have an AVC account you can log onto [Mybapension online](#) to see your latest AVC statement or you can select the 'Smart Additional Voluntary Contributions' form within "Your e-Forms". Your latest available AVC balance information is displayed within the form.

## What do I do now?

If you would like to proceed with using the Pensions Advice Allowance facility, please complete and return the PAA agreement below. We will acknowledge receipt of your form, usually within three weeks, and confirm the arrangements we have made to pay the amount requested to your financial adviser.

If you have any queries regarding the PAA facility or this form, please do not hesitate to contact the Pensions Team.

## British Airways Pensions

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October 2018

# Pensions Advice Allowance Agreement

## (To be completed by the member)

This is a request for the Scheme’s Trustee (the Trustee of the Airways Pension Scheme (APS), or the Trustee of the New Airways Pension Scheme (NAPS)), to pay a Pensions Advice Allowance (PAA) amount on my behalf and reduce my AVC funds by the PAA amount. We have provided some ‘Pensions Advice Agreement notes’ below to help you with completing this form.

### Personal details

Title:	<input style="width: 80%;" type="text"/>	Full name:	<input style="width: 98%;" type="text"/>										
Staff no:	<input style="width: 98%;" type="text"/>												
NINO:	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 25px; height: 20px;"><input type="text"/></td> <td style="width: 25px; height: 20px;"><input type="text"/></td> <td style="width: 25px; height: 20px;"><input type="text"/></td> <td style="width: 25px; height: 20px;"><input type="text"/></td> <td style="width: 25px; height: 20px;"><input type="text"/></td> <td style="width: 25px; height: 20px;"><input type="text"/></td> <td style="width: 25px; height: 20px;"><input type="text"/></td> <td style="width: 25px; height: 20px;"><input type="text"/></td> <td style="width: 25px; height: 20px;"><input type="text"/></td> <td style="width: 25px; height: 20px;"><input type="text"/></td> </tr> </table>			<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Address:	<input style="width: 98%; height: 40px;" type="text"/>												

### Instruction

I hereby request the Trustee to reduce my AVC funds by the amount(s) shown (maximum £500) to pay toward retirement financial advice:

EBF	Please deduct £ _____
MPF	Please deduct £ _____
SGF	Please deduct £ _____
BAMPS Account	Please deduct £ _____

### Declaration

I confirm that:	(✓)
I have not previously used a PAA more than twice during my lifetime.	<input type="checkbox"/>
I have not previously used a PAA during the current tax-year.	<input type="checkbox"/>
The advice received includes regulated financial advice, provided by a financial adviser regulated and authorised by the Financial Conduct Authority to provide such advice.	<input type="checkbox"/>
Signed: _____ Dated: _____	

# Financial Adviser Confirmation

(To be completed by the financial adviser)

## Member's details

Title:	<input type="text"/>	Full name:	<input type="text"/>
Staff no:	<input type="text"/>		
NINO:	<input type="text"/>		
Address:	<input type="text"/>		

## Financial Adviser and payment details

Name of adviser:	<input type="text"/>		
Adviser's FCA reference number:	<input type="text"/>		
Name of bank:	<input type="text"/>		
Account name:	<input type="text"/>		
Payment reference:	<input type="text"/>		
Sort Code:	<input type="text"/>	<input type="text"/>	<input type="text"/>
Account No:	<input type="text"/>	<input type="text"/>	<input type="text"/>

Signed:

Date:

Name in Capitals:

Position in Company:

Company stamp:

# Pensions Advice Agreement notes

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1. The terms for the Trustee paying a Pensions Advice Allowance (PAA) are in accordance with the terms contained in the Registered Pension Schemes (Authorised Payments) (Amendment) Regulations 2017.
2. The PAA is available to members of any age.
3. Each use of the PAA is limited to a maximum of £500, but you can draw less than this amount.
4. The PAA can only be made available from defined contribution benefits. In relation to the Airways Pension Scheme and the New Airways Pension Scheme, this is AVC funds [or BAMPS Account savings]. Your AVC funds will be reduced immediately following payment of the PAA.
5. The PAA is tax-free provided that you do not use the PAA more than three times during your lifetime and not more than once in any tax-year.
6. The payment of a PAA will not affect any future rights to a tax-free cash sum at retirement – you will still be able to take 25% of your remaining benefits up to a maximum of 25% of the Lifetime Allowance.
7. You will be asked to declare that you have not used the PAA more than as set out in (5) above. If you do, the payment will be treated by HMRC as an ‘unauthorised payment’ and you will be subject to a tax charge of 55% on the amount of PAA paid. The Trustee will not pay a PAA if doing so would knowingly result in it being an ‘unauthorised payment’.
8. Any PAA must be paid to a financial adviser regulated and authorised by the Financial Conduct Authority (FCA) to provide advice under Article 53 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001). The payment cannot be made directly to you.
9. The PAA can only be paid towards FCA-regulated retirement financial advice, but you do not need to proceed with the advice following the payment of a PAA. “Retirement financial advice” means advice in respect of the person’s financial position, including their pension arrangements and the use of their pension funds.
10. Regulated financial advice includes how to draw your benefits and the investment of your personal pension funds. It does not include matters such as advice on inheritance tax. However, if you obtain advice on how to draw your benefits and also inheritance tax, the PAA can be used to pay for the advice.
11. You will be asked to declare that the advice you have received is in respect of, or includes, regulated “retirement financial advice”.
12. For more information regarding the PAA visit: <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm142000>