

Pension Wise guidance

Did you know you can get free impartial guidance from Pension Wise to help you make decisions about your additional voluntary contributions (AVCs)? For the BA Schemes, this means money held in an SGF, EBF or MPF AVC fund. We encourage you to use this free service and consider taking FCA-regulated financial advice before deciding which option is best for you.

What is Pension Wise?

Pension Wise is a government service that offers free, impartial guidance about your defined contribution pension options, including AVCs. All pension scheme members with defined contribution benefits are encouraged to book a Pension Wise appointment to help them consider their retirement options.

If you don't need any further guidance to proceed with drawing/transferring your benefits, you can opt out of Pension Wise guidance (explained further in this pack).

Action you need to take

1. Arrange a Pension Wise appointment (as below)
2. Fill in and send back the Pension Wise Guidance Confirmation form;
OR
3. If you are exempt from Pension Wise guidance, fill in and send back the Pension Wise Guidance Exemption form;
OR
4. If you wish to opt-out of receiving Pension Wise guidance and advice:
 - ◆ Read the enclosed general risk warnings
 - ◆ Fill in and send back the Pension Wise guidance opt-out form.

How to make an appointment

- 1) Call our Member Services team on **0208 538 2100** between 9am to 1pm, Monday to Friday, and we will book the appointment with you.
- 2) Or you can **book an appointment with Pension Wise directly** at a convenient time that suits you. A specialist will explain your pension options and the next steps during the appointment.

To book an appointment directly, click here to visit the **Moneyhelper** website or enter the following link into an internet browser: www.moneyhelper.org.uk/nudge-public

You can also book directly over the phone by calling **0800 100 166**

If you decide not to book a Pension Wise appointment, you must complete and return the separate Pension Wise Opt-Out form or the Pension Wise Exemption form before proceeding with your retirement options. We strongly recommend that all members with AVCs book a Pension Wise appointment to receive guidance on their retirement options.

Pension Wise Guidance Confirmation form

Please note that we cannot proceed with your retirement or transfer unless you fill in and return the Pension Wise Guidance Confirmation, the Pension Wise Guidance Exemption, or the Pension Wise Guidance Opt-Out form.

Retirement options declaration (Please tick the relevant boxes)	Yes	No
I confirm that I have received guidance from Pension Wise.	<input type="checkbox"/>	<input type="checkbox"/>
I confirm that I have read the general risk warnings in this document. I am happy to proceed with taking my retirement benefits or a transfer to another pension arrangement to access my retirement benefits.	<input type="checkbox"/>	<input type="checkbox"/>

Name:		Pension/staff number:	
Signed:		Date:	

Please return your completed form:

Scan/attach to an email to: post.inbound@bapensions.com

By post to: British Airways Pensions, PO Box 2074, Liverpool. L69 2YL

Pension Wise Guidance Exemption form

Please note that we cannot proceed with your retirement or transfer unless you fill in and return the Pension Wise Guidance Confirmation, the Pension Wise Guidance Exemption, or the Pension Wise Guidance Opt-Out form.

Retirement options declaration (Please tick the relevant box)	Yes	No
I have already received guidance from Pension Wise within the last 12 months.		
I have received retirement advice from an FCA-regulated financial adviser within the last 12 months.		
I have already been referred by the trustees or managers of another pension scheme to appropriate pension guidance.		
I am making a transfer out application and I am under age 50.		
I am making a transfer out application and I have already received the Pension Wise pack with my transfer out quotation.		
I am making a transfer out application, and receiving flexible benefits is not one of the purposes of the transfer application (this may apply if you are transferring to consolidate your pensions).		
I am transferring out my pension to a scheme regulated by the Financial Conduct Authority.		
I will be accessing my pension benefits as a serious ill-health lump sum		

Please confirm you have read the enclosed general risk warnings	Yes	No
I confirm that I have read the general risk warnings in this document. I am happy to proceed with taking my retirement benefits or a transfer to another arrangement to access my retirement benefits.		

Name:		Pension/staff number:	
Signed:		Date:	

Please return your completed form:

Scan/attach to an email to: post.inbound@bapensions.com

By post to: British Airways Pensions, PO Box 2074, Liverpool. L69 2YL

Pension Wise Guidance Opt-Out form

Please note that we cannot proceed with your retirement or transfer unless you fill in and return the Pension Wise Guidance Confirmation, the Pension Wise Guidance Exemption, or the Pension Wise Guidance Opt-Out form.

As a Scheme, we want to provide the best support to our members. If you decide that you do not wish to receive extra guidance from Pension Wise, you can opt out by completing this form.

Retirement options declaration (Please tick the relevant box)	Yes	No
I wish to opt out of receiving guidance from Pension Wise.		
I confirm that I have read the general risk warnings in this document. I am happy to proceed with taking my retirement benefits or a transfer to another arrangement to access my retirement benefits.		

Note: If you have not received the Pension Wise guidance or financial advice from an FCA-regulated financial adviser, we strongly suggest you do this before proceeding.

Name:		Pension/staff number:	
Signed:		Date:	

Please return your completed form:

Scan/attach to an email to: post.inbound@bapensions.com

By post to: British Airways Pensions, PO Box 2074, Liverpool. L69 2YL

We encourage you to read the risk warnings below which are provided by The Pensions Regulator for all members accessing flexible benefits. Please take time to fully consider your options before deciding to draw or transfer your pension benefits.

You can get a guaranteed income for life

A lifelong, regular income (also known as a lifetime annuity) provides you with a guarantee that the money will last as long as you live. You can also choose a guaranteed income that increases with inflation, continues to provide an income for a dependant, or both. A quarter of your pension pot can be taken tax-free, and any other withdrawals will be taxable.

People who have a medical condition, are in poor health, smoke or are overweight may get a significantly higher income by taking an enhanced annuity. These people should consider opting into health and lifestyle questions – and it's essential to answer these questions honestly.

People considering this option should think about whether to provide an income for a partner or another dependent on death and, therefore, whether to purchase a single-life or joint-life annuity. Compare what, if anything, we offer to spouses or dependants against what's offered by another scheme or provider.

'Level' annuities provide a higher income to start with than annuities that increase, but the payments will then stay the same for life. This means that the purchasing power of the annuity income will reduce over time due to inflation.

You don't have to take an annuity or other pension we may offer – and different providers might pay a higher income. So it's important to shop around. Remember that annuity purchases are a lifetime commitment, so there's no rush to make a final decision.

You can keep your retirement savings where they are

You can delay taking money from your pension pot. Reaching age 55 or the age you agreed with your pension provider to retire is not a deadline to act. Delaying taking your money may give your pension pot a chance to grow, but it could go down in value too.

The following general risk warnings apply if you transfer your pension out to a pension arrangement that offers flexible access:

You can get a flexible retirement income (flexi-access drawdown)

You can leave your money in your pension pot and take an income from it. Any money left in your pension pot remains invested, which may give your pension pot a chance to grow, but it could go down in value too. A quarter of your pension pot can be taken tax-free, and any other withdrawals from your chosen pension arrangement will be taxable.

As with every investment, there's the risk that the value of a pension pot can go up and down. People considering this option should think about how much they take out every year and how long their money needs to last. If too much money is taken too quickly, the available retirement income could fall drastically or even run out, especially if stock markets fall.

Charges can reduce the money received. Check whether there are any charges or other reductions to a pension pot when a lump sum is withdrawn. Providers and schemes may also make ongoing charges on any undrawn money, so it's important to consider the impact of these charges. And if you plan to take the cash to invest somewhere else, check the charges before you cash in your pension.

Different schemes and providers offer different types of flexible retirement income. Check what kind of drawdown is being offered. Some might have products where part of your income is guaranteed,

but charges and conditions will apply. People considering a flexible retirement income should consider shopping around – an FCA-regulated financial adviser will be able to help with this.

You can take your pension pot as several lump sums

You can leave your money in your pension pot and take lump sums from it as and when you need it until your money runs out or you choose another option. You can decide when and how much to take out. Any money left in your pension pot remains invested, which may give your pension pot a chance to grow, but it could go down in value too. Each time you take a lump sum, a quarter of it is tax-free, and the rest will be taxable.

People considering this option should consider their personal tax circumstances and the impact of taking a taxable lump sum on the tax they pay – including the possibility that they may have to pay a higher rate of tax than normal depending on the amount withdrawn. As with every investment, there's the risk that the value of a pension pot can go up and down. People considering this option should think about how much they take out every year and how long their money needs to last.

Charges can reduce the money received. Check whether there are any charges or other reductions to the pension pot when a lump sum is withdrawn. Charges will continue to be taken from any money left in the pension pot, so it's important to consider the impact of these charges. And if you plan to take the cash to invest somewhere else, check the charges before you cash in your pension.

Taking cash withdrawals may have implications for people with debt or who may be entitled to means-tested benefits. People concerned about this aspect can contact the Citizens Advice Bureau or MoneyHelper.

You can take your whole pot as cash in one go

You can take the whole amount as a single lump sum. A quarter of your pension pot can be taken tax-free the rest will be taxable. You do not need to stop working to take this option, but you need to plan how you will provide an income when you stop working.

On average, people aged 55 today will live to their mid-to-late 80s. It's important not to underestimate your life expectancy. People considering this option should think about using the money to provide an income throughout retirement.

There will be tax implications if an entire pension pot is taken as cash in one go. These will depend on an individual's personal circumstances. In most cases, there will be a tax-free amount available (usually 25%). People considering this option should consider their personal tax circumstances and the impact of taking a taxable lump sum on the tax they pay – including the possibility that they may have to pay a higher rate of tax than normal. Some providers and schemes may have charges for taking a pension pot as cash, so check this before committing. And if you plan to take the money to invest somewhere else, check the charges before you cash in your pension.

Taking cash withdrawals may have implications for people with debt or who may be entitled to means-tested benefits. People concerned about this aspect can contact the Citizens Advice Bureau or MoneyHelper.

You can choose more than one option, and you can mix them

You can also choose to take your pension using a combination of some or all of the options over time or over your total pot. If you have more than one pot, you can use the different options for each pot. Some pension providers or advisers can offer you an option that combines a guaranteed income for life with a flexible income.