

## Letter from the Secretary to the Trustee issued to APS Members and Pensioners on 31 March 2020

### **The APS Trustee Board is changing**

As reported in our Spring bulletin, following the settlement of the APS discretionary increases litigation we have been reviewing our Trustee Board and committee structures to ensure the APS Trustee is well-placed to meet its long-term objective of reaching full insurance by 2027.

We expect a reduced workload for the APS Trustee following the investment in insurance with Legal & General to protect £4.4 billion of pensioner benefits and approval of the settlement. With the funding level in APS showing a surplus, BA is not currently required to make contributions to APS, so we need to operate more cost efficiently with the assets we hold. We have therefore agreed to reduce the number of Trustee Directors who make up the APS Trustee Board, from 12 to 8 Trustee Directors. There will remain an equal number of employer-appointed Trustee Directors (**ENDs**) and member-nominated Trustee Directors (**MNDs**).

We expect to move to the new board size from July 2020 and we are now taking steps to prepare for the changes. We recognise the importance of discussing this kind of change with any group that seeks to represent the interests of APS members, so we have also taken the opportunity to contact the Association of British Airways Pensioners about this change. This letter sets out the details for the MND election process for the new Trustee Board structure to be implemented in July 2020. Alongside the new Trustee Board structure, the existing MND constituencies will be replaced with a new single constituency of current employee Members and Pensioners.

### **MND vacancies**

In light of these changes, the 6 current MNDs have decided to open all 4 future MND roles to a vote by the APS membership. The APS Trustee is seeking nominations and conducting an election process for 4 APS MNDs to be elected from the new single constituency of current employee Members and Pensioners. This is an opportunity to get involved in helping manage your pension scheme in this challenging and interesting role. The term of office of an MND is between five and five and a half years. If elected, we expect the term of office would start from the end of June 2020 ahead of the new Trustee Board structure being implemented in July 2020.

The 6 current MNDs have indicated they intend to stand for re-election as part of this process. You can find details of all your current Trustee Directors on our member website: [www.mybapension.com/aps/about-us/trustee-directors](http://www.mybapension.com/aps/about-us/trustee-directors).

You can find out more about the role of a Trustee Director on our member website: [www.mybapension.com/aps/about-us/trustees#the-role-of-a-trustee-director](http://www.mybapension.com/aps/about-us/trustees#the-role-of-a-trustee-director).

**Who can apply**

The new constituency from which APS MNDs can be elected is made up of current employee Members and Pensioners. APS Pensioners who are in receipt of their pension and who have previously been employee Members of the Scheme are entitled to seek election to become a Trustee Director and to vote. APS Adult Survivors who are in receipt of a pension, e.g. a widow or widower's pension, cannot seek election but they are entitled to support a nomination and to vote in a ballot. We are writing to all APS Pensioners, both those eligible to stand for election and also those in receipt of an Adult Survivor's pension to make sure all pensioners are aware of the election and able to participate in the nomination process.

**How to apply**

Please contact Monica Gupta at British Airways Pensions, Waterside, on 020 8538 2139 for an application pack if you are interested in the position. Completed applications must be received at British Airways Pensions, Waterside, no later than 5.00 pm on 1 May 2020.

The application process includes:

- preparation of an election statement
- completion of a declaration form
- completion of a nomination form (you will need to obtain the signatures of 10 supporters who are current APS employee Members or Pensioners eligible to vote).

If only 4 applications are received, the nominated persons will be appointed from 2 May 2020. If more than 4 applications are received, then a ballot will take place with the 4 nominees receiving the highest number of votes being appointed from 24 June 2020. If less than 4 nominations are received, we will seek nominations again at least once every three years in respect of any remaining vacancy/ies.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Fraser Smart', with a horizontal line extending to the right.

Fraser Smart  
Secretary to the Trustee