

## **APS Information for Financial Advisers**

The information provided on this page is designed to provide financial advisers with relevant information required in conjunction with the provision of independent advice to members of the Airways Pension Scheme (APS).

The information is subject to the provisions of the Scheme's Trust Deed and Rules. If there is a difference between the Trust Deed and Rules for the Scheme and the information provided on this page, the Trust Deed and Rules will prevail.

### **General Information**

- ◆ The Airways Pension Scheme (APS) is an occupational final salary scheme. The Scheme is a Registered Pension Scheme approved under Chapter 2 of the Finance Act 2004. The PSTR number is 00302323RH.
- ◆ The Scheme was contracted-out of S2P by the GMP test until April 1997 and subsequently under the Reference Scheme Test until 5 April 2016. ECON and SCON numbers are E3800146P and S0301443W.
- ◆ The Scheme is closed to new entrants but is currently open to further accrual.
- ◆ The standard build-up rate for active members is 1/52 (Flying Staff) or 1/56 (Ground Staff). Active members currently under State Pension Age (SPA) can choose to build a pension at a slower rate of 1/54 (Flying Staff) or 1/58 (Ground Staff) for future service
- ◆ The Normal Retirement Age (NRA) is 55 for Flying Staff and 60 for Ground Staff.
- ◆ There is no money purchase underpin.
- ◆ APS is in surplus. Refer to the Scheme's Funding Summary statement for the latest position.
- ◆ GMPs have been equalised for APS.

### **Members with an entitlement to a deferred pension**

- ◆ When a member leaves British Airways or opts out of the Scheme, they will usually be entitled to a deferred pension due to be paid from their NRA.
- ◆ Once members leave the Scheme, they cannot re-join. However, while still employed by BA they have the option to join the British Airways Pension Plan (BAPP) which is a defined contribution arrangement, administered by Aviva Life & Pensions UK Limited.
- ◆ APS deferred pensions increase as a right under the Rules of the Scheme up to NRA. The increase is in line with that specified in the Government's yearly Pensions Increase (Review) Orders. 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.
- ◆ APS increases Guaranteed Minimum Pensions (GMPs) up to GMP Age (age 60 for women and 65 for men) in line with S148 Orders.
- ◆ The Scheme complies with current anti-franking legislation.
- ◆ We have special provisions for instances of ill health or serious ill-health. Please contact us immediately if such circumstances apply. We will provide further information upon request.

### **Transfer information**

- ◆ The Scheme currently allows for partial transfers in respect of the Pre 1997 tranche only (inclusive of any GMP) and subject to certain qualifying conditions. However, members can transfer out their AVCs independently to their main Scheme benefit, subject to certain statutory conditions being met.
- ◆ APS is not a member of the transfer club.
- ◆ Members have an option to transfer all or part of their AVCs independently from their main scheme pension. If a partial transfer is requested, an AVC transfer out form will also be required if AVCs are to be included with the partial transfer of main scheme benefits.

- ◆ Members are entitled to a maximum of four Cash Equivalent Transfer Value (CETV) quotations per year. CETVs in respect of deferred pension entitlements are guaranteed for three months. Further CETV quotations will not be provided during the guarantee period.
- ◆ If a transfer out is to be made, all required CETV forms must be completed and returned within the three-month guarantee period. No discretion will be allowed in respect of CETV forms returned late. Please ensure the member reads the transfer pack carefully as it contains useful links and guidance from The Pensions Regulator about transferring benefits to another pension arrangement.

#### Retirement information

- ◆ APS members who have left BA employment can draw their pension at any time from age 50 up to a maximum age of 75. All their pension benefits must be drawn, including any AVCs and Scheme benefits from previous BA Schemes. This does not apply for those who have opted out of the pension scheme and remain in employment with British Airways, the earliest that pension benefits can be drawn is the earlier of a) the date employment with British Airways ends or, b) the member's 55th birthday.
- ◆ At retirement, members normally have the option of a one-off tax-free lump sum up to 25% of the value of their benefits. Lump sums are payable by exchanging pension (commutation) for cash.
- ◆ We do not provide pension projections beyond NRA. Equally, we cannot provide future lump sum projections as commutation factors are regularly reviewed by the Scheme's Actuaries and may be subject to change.
- ◆ The Scheme does not offer a bridging pension option at retirement.
- ◆ Any element of the member's deferred pension paid earlier than NRA will be actuarially reduced or actuarially increased if paid after NRA. The current APS Part VI Scheme factors are below. These factors are regularly reviewed and may therefore change at any time.

#### Current Scheme Factors

The current APS factors are shown below. These factors are regularly reviewed and may change at any time.

Male and Female factors (unisex)			
Age	Factors (NRA 55)	Factors (NRA 60)	Commutation factors
55	1.000	0.875 (E)	22.619
56	1.073 (L)	0.897 (E)	22.193
57	1.151 (L)	0.92 (E)	21.758
58	1.236 (L)	0.945 (E)	21.314
59	1.328 (L)	0.972 (E)	20.860
60	1.428 (L)	1.000	20.396
61	1.537 (L)	1.077 (L)	19.922
62	1.655 (L)	1.161 (L)	19.438
63	1.784 (L)	1.252 (L)	18.946
64	1.924 (L)	1.352 (L)	18.446
65	2.077 (L)	1.461 (L)	17.940
66	2.244 (L)	1.581 (L)	17.429
67	2.428 (L)	1.713 (L)	16.914
68	2.629 (L)	1.858 (L)	16.395
69	2.850 (L)	2.017 (L)	15.872
70	3.091 (L)	2.193 (L)	15.344
71	3.357 (L)	2.387 (L)	14.810
72	3.648 (L)	2.600 (L)	14.269

73	3.968 (L)	2.837 (L)	13.721
74	4.319 (L)	3.098 (L)	13.165
75	4.706 (L)	3.387 (L)	12.604

**(E) = Early retirement reduction**

**(L) = Late retirement uplift**

#### **Pension Increases in Payment**

- ◆ **Pension increases are a right under Scheme rules and are in line with the Government's Pensions Increase (Review) Orders. The increases over the last five years are shown below:**

<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
1.70%	6.70%	10.10%	3.10%	0.50%

- ◆ **APS Discretionary Increases**

<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
1%	2.20%	2.50%	1.80%	0.60%

- ◆ Pension increases are applied to the whole pension inclusive of GMP liability before GMP Age (age 60 for women and 65 for men). After GMP Age the increase is only applied to the excess pension over the GMP. Post '88 GMPs are increased in line with legislation up to a maximum of 3% in any year after GMP Age or before GMP Age for spouse's/civil partner's benefits. Scheme increases are generally applied in April each year. The Rules do provide for Discretionary Increases. There is no minimum guarantee period for payment of the pension. There is no bridging/supplementary pension provided.