

AIRWAYS PENSION SCHEME (APS)

AVC-ONLY TRANSFER OUT INFORMATION PACK

If you hold a BA Additional Voluntary Contribution (AVC) account, you have the option to transfer some or all of your AVCs independently of your main Scheme pension to another approved pension arrangement.

This pack provides you with information about:

1. The transfer options available in respect of AVCs only
2. The AVC benefits and options available in the BA Schemes
3. What help, advice and guidance are available and where to find it
4. How to proceed with an AVC-only transfer
5. A checklist of the items we will need in order to pay out an AVC-only transfer

If you wish to investigate a transfer of your main Scheme pension, including your AVCs, then please refer to Transfer packs on the '[Forms](#)' page of our website, www.mybapension.com.

1. AVC-only transfer options

You have one opportunity to make a transfer of part (or all) of your AVC Account at the time of, or before, drawing your main Scheme pension. You then have a further opportunity to make a transfer of any remaining AVCs, either when taking your main Scheme benefits, or later if you choose to defer payment of your AVC benefits. Active members can continue to save AVCs and change their remaining AVC investments after they have transferred out their AVC balance while they remain active members of the Scheme.

Pensioner members who are in receipt of their Scheme pension but chose to leave their AVCs behind when drawing their Scheme pension, can make a transfer of the AVCs they left behind.

If you are transferring your AVCs to access them as cash from age 55 under the government's defined contribution (DC) flexible access provisions, you will need to transfer your AVCs to an arrangement offering these. It is likely that the external provider will require you to pay charges. A quarter (25%) of any lump sum accessed externally through the flexibility provisions may be taken tax free if you have sufficient Lifetime Allowance remaining. The rest will be taxed as pension income at your marginal rate of tax.

Protection from Lifetime Allowance charges

If you have registered for protection from Lifetime Allowance charges and hold fixed or individual protection, the option to take a lump sum externally under the DC provisions may be available if you have personal Lifetime Allowance available. If you hold primary or enhanced protection, the option to take a lump sum externally under the DC provisions will only be available if you have any standard Lifetime Allowance remaining.

2. The benefits available under the BA Scheme

Remember, if you do not transfer your AVC balance out, in most cases, you can draw all your AVCs as tax-free cash from the Scheme when you take your main scheme benefits, subject to Lifetime Allowance limits. If instead you choose to transfer your AVCs to an external provider, the maximum tax-free lump sum available from the Scheme at your retirement date will be lower than that shown on any retirement quotations you have received before the transfer and by the online pension modeller.

Under Scheme Rules, members who do not want to take their AVCs as part of their tax-free lump sum can use them to:-

- buy an AVC pension, called an 'annuity', either within APS or through an insurance company of their choice, using the 'open market' option.
- defer drawing their AVCs until a later date.
- transfer their AVCs to an external pension arrangement (in isolation from their main Scheme pension).

3. Help, advice and guidance available to you

Pension Wise

You can also make use of the free and impartial guidance available through the Government's 'Pension Wise' campaign which can be accessed online (www.pensionwise.gov.uk), over the telephone (from The Pensions Advisory Service 0300 123 1047) or face-to-face (from various [Citizen's Advice Bureaux](#)). We have included a letter in this pack from the Government explaining what the service offers. Individuals can book a free appointment with a trained guidance specialist, and it is advised that you register your interest early to secure an appointment.

Please note that Pension Wise provides guidance to options available but is **not** a substitute for FCA authorised independent financial advice.

The Pensions Regulator (tPR) has published some '[Retirement risk warnings](#)' associated with accessing benefits under the government's DC flexible access provisions. A copy of these is available by clicking the link above or by visiting the 'Forms' page of our website, www.mybapension.com.

Financial Advice

We recommend that members take independent financial advice from a Financial Conduct Authority (FCA) approved adviser before deciding to transfer their AVCs. The following websites can help you find suitable FCA authorised independent financial advisers in your area:

www.findanadviser.org

www.unbiased.co.uk

www.vouchedfor.co.uk

The Pension Advice Allowance (PAA)

It's important to get financial advice before making decisions about your pension so that you make the right decisions for you and your family. You can now use your APS additional voluntary contributions (AVCs) to pay for retirement financial advice. This is known as the Pension Advice Allowance.

- More information, including how to apply for the allowance, can be found on the '[Financial Advice](#)' page.
- You can use the allowance once in any tax year up to a total of three times overall. With each use, you can draw up to a maximum of £500.
- The allowance must be paid directly by APS to your financial adviser, who must be registered with the FCA we can't pay the allowance directly to you.

For further details about the PAA, or to apply for a PAA payment to be made from your AVCs, download our online [Pension Advice Allowance \(PAA\) pack](#).

Money Purchase Annual Allowance (MPAA) limit

For individuals who choose to access any defined contribution (DC) benefits flexibly, as cash, from an external arrangement (for example to access any AVCs transferred out of APS) an MPAA of [£4,000 a year](#) will apply to all future DC pension savings. If this limit is exceeded, a tax charge will be due on the excess savings over £4,000 and the AA for any defined benefit pension scheme savings will reduce to £36,000 a year for that year.

Pension scams

Your pension savings are at risk of being targeted by criminals. Their methods are increasingly sophisticated and have resulted in individuals losing their pension savings or facing severe tax consequences.

The Pensions Regulator (TPR) and the Financial Conduct Authority (FCA) have launched a joint campaign called **ScamSmart**. You should read and consider carefully the "Don't let a scammer enjoy your retirement" leaflet enclosed with this pack before you decide to transfer.

We also recommend you read and consider carefully the following:

- Visit the FCA's ScamSmart website at: www.fca.org.uk/scamsmart
- The FCA's guidance about how to avoid and [protect yourself from scams](#).
- '[Questions](#)' to ask the financial adviser of any increased risks associated with how to access the pension fund.
- The Pension Wise website contains useful information on '[How to avoid a pension scam](#).'

- The Money Advice Service also provides useful information on '[How to spot a pension scam.](#)'
- Check the [FCA Financial Services Register](#) to check if a firm you are using or plan to do business with is authorised by the FCA. If you have any concerns regarding a firm or individual, you can check the FCA list of [Unauthorised firms and individuals](#). Please note this list is not exhaustive and if you have any concerns about a firm or individual you should contact the [FCA consumer helpline](#).

Other Useful addresses

www.thepensionsregulator.gov.uk

www.pensionsadvisoryservice.org.uk/

www.fca.org.uk/

www.moneyandpensionservice.org.uk/

4. How to proceed with an AVC-only transfer

If you are considering transferring your AVCs you can find out the approximate value of your AVC account by looking at any recent retirement quotations, benefit statements or annual AVC statements or, if you do not have any of these documents to hand, by contacting our [Customer Service Team](#) to obtain an up-to-date AVC balance.

If you decide to proceed with an AVC transfer (after receiving guidance from Pension Wise, financial advice and full details of the alternative benefits the external pension arrangement will provide), the following documents must be completed and sent to the BA Pensions team at [BA Pensions](#):

- Indemnity form completed by you, the Scheme member
- Indemnity form completed by the new pension arrangement, including banking details for the receiving arrangement (payment will be made via BACS in all cases)
- A copy of the HMRC approval letter showing the new arrangement's Pension Scheme Tax Reference (PSTR) number

We have provided a checklist below to help with providing the correct documentation to enable an AVC transfer to be completed.

It is not until we receive the completed indemnity forms that we will calculate a final AVC balance. If AVCs are being transferred at the same time as you are drawing your main Scheme benefits, the AVC balance will be calculated at your retirement date and any AVC transfer payment will usually be made within 10 working days after that date.

Don't let a scammer enjoy your retirement



Find out how pension scams work, how to avoid them and what to do if you suspect a scam.



Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.

Scam tactics include:



- contact out of the blue



- promises of high / guaranteed returns



- free pension reviews



- access to your pension before age 55



- pressure to act quickly

If you suspect a scam, report it

- Report to the Financial Conduct Authority (FCA)
by contacting their Consumer Helpline on 0800 111 6768 or using the reporting form at www.fca.org.uk
- Report to Action Fraud
on 0300 123 2040 or at www.actionfraud.police.uk
- If you're in the middle of a transfer, contact your provider immediately and then get in touch with The Pensions Advisory Service (TPAS) at www.thepensionsadvisoryservice.org.uk

www.fca.org.uk/scamsmart

Four simple steps to protect yourself from pension scams

1

Reject unexpected offers

If you're contacted out of the blue about your pension, chances are it's high risk or a scam. Be wary of free pension review offers. A free offer out of the blue from a company you have not dealt with before is probably a scam. Fortunately, research shows that 95% of unexpected pension offers are rejected.*

2

Check who you're dealing with

Check the Financial Services Register (www.register.fca.org.uk) to make sure that anyone offering you advice or other financial services is FCA-authorized.

If you don't use an FCA-authorized firm, you also won't have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. So you're unlikely to get your money back if things go wrong. If the firm is on the FCA Register, you should call the Consumer Helpline on 0800 111 6768 to check the firm is permitted to give pension advice.

Beware of fraudsters pretending to be from a firm authorized by the FCA, as it could be what we call a 'clone firm'. Use the contact details provided on the FCA Register, not the details they give you.

3

Don't be rushed or pressured

Take your time to make all the checks you need – even if this means turning down an 'amazing deal'. Be wary of promised returns that sound too good to be true and don't be rushed or pressured into making a decision.

4

Get impartial information and advice

The Pensions Advisory Service (www.thepensionsadvisoryservice.org.uk) – Provides free independent and impartial information and guidance.

Pension Wise (www.pensionwise.gov.uk) – If you're over 50 and have a defined contribution (DC) pension, Pension Wise offers pre-booked appointments to talk through your retirement options.

Financial advisers – It's important you make the best decision for your own personal circumstances, so you should seriously consider using the services of a financial adviser. If you do opt for an adviser, be sure to use one that is regulated by the FCA and never take investment advice from the company that contacted you or an adviser they suggest, as this may be part of the scam.

Be ScamSmart with your pension. Check who you are dealing with.

www.fca.org.uk/scamsmart

*FCA Financial Lives



Dear Sir or Madam,

Have you had your **free** appointment with Pension Wise?

Pension Wise is a free and impartial government service to help you understand what you can do with your pension money.

We offer telephone or face-to-face appointments with our highly-trained professionals to anyone aged over 50 with a defined contribution (personal or workplace) pension. You can also explore your pension options on our website.

You'll get:

- guidance on how to make the best use of your money
- information about tax when taking money from your pension
- tips on getting the best deal, including how to compare products, get financial advice and avoid scams

9 out of 10 people who have had a Pension Wise appointment would recommend it to friends and family, so book yours now. We're looking forward to hearing from you.

Yours faithfully



Jamey Johnson
Chief Officer, Pension Wise

Get your free appointment now

It's easy to book your appointment; just choose one of the following:

 0800 280 8880

 www.pensionwise.gov.uk

5. AVC-only transfer checklist

- | | | |
|----|---|--------------------------|
| 1. | The indemnity form completed by the Scheme member | <input type="checkbox"/> |
| 2. | The indemnity form completed by the new pension arrangement | <input type="checkbox"/> |
| 3. | The completed AVC transfer only payment instruction form | <input type="checkbox"/> |
| 4. | A copy of the new arrangement's HMRC letter showing the Pension Scheme Tax Reference (PSTR) | <input type="checkbox"/> |
| 5. | Member has read and accessed the financial advice available from Pension Wise | <input type="checkbox"/> |

**AIRWAYS PENSION SCHEME (APS)
AVC-ONLY TRANSFER INDEMNITY FORM**

This form should be completed by the receiving arrangement.

Member name:

Member Staff or pension number: Member NINo:

Member's address:

TRANSFERRING TO A _____ (enter type of arrangement)

NAME OF ARRANGEMENT _____

ARRANGED WITH _____ (insurance company name)

I enclose a copy of the arrangement's HMRC registration/approval letter showing the Pension Scheme Tax Reference (PSTR)

Bank details of the receiving arrangement (all payments are made via BACS):

Sort Code: --

Account No:

Receiving Arrangement Account Name: _____

Bank Name: _____

We agree to the above, duly authorised for and on behalf of:

Signed _____ Date _____

Name In capitals _____

Position in company _____

Company stamp:

This form can be returned by post to British Airways Pensions, PO Box 2074, Liverpool, L69 2YL or by fax to 0208 538 2190

AIRWAYS PENSION SCHEME (APS)

AVC-ONLY TRANSFER INDEMNITY FORM

This form should be completed by the Scheme member.

Member name:

Member Staff or pension number: Member NINo:

Member's address:

Having considered the financial advice and guidance available to me, I confirm that I have reviewed the alternative pension benefits to be provided by my new pension provider(s) and that I wish to surrender the amount of my AVCs shown below and transfer them to the external arrangement named below.

Transfer whole of AVC balance

I confirm that I wish to transfer the whole of my AVC balance *

OR

Transfer part of your AVC balance

	Please transfer (enter amount) * <i>If you wish to transfer only a specified amount, enter the amount you wish to transfer.</i>	OR	Please transfer (enter %) * <i>If you wish to transfer the whole of a particular AVC fund enter 100 in the percentage box.</i>
EBF	£		%
MPF	£		%
SGF	£		%

* The final AVC balance will be calculated upon receipt of the indemnity forms or, if you are drawing your main Scheme pension benefits at the same time, the balance will be calculated at the date on which your Scheme benefits are being drawn. Please note that if you are an active member of the Scheme and you specify an amount of AVCs to be transferred out, rather than your whole AVC fund balance, further AVC contributions may be received after the date we receive your indemnity forms which will not be transferred out.

Transfer to an external pension arrangement

I understand and agree that the benefits to be secured by means of the transfer to the external pension arrangement run by _____ may be different in amount and form from those provided by APS.

Declaration:

- I request the APS Trustee to transfer the specified amount of my AVCs to the above-named receiving scheme.
- I am aware of pension scams and I have read the information contained on www.pensionwise.gov.uk
- I understand the risks set out in the Pension Regulator's '[Retirement risk warnings](#)' associated with accessing benefits under the new DC flexibility provisions
- I have been provided with details of the alternative benefits that will be secured in the receiving scheme.
- I accept that, once the transfer value has been paid, I cannot transfer my AVC fund back to the transferring Scheme.
- I understand that once the AVC benefits have been transferred neither I nor anyone claiming through me will have any entitlement to those AVC benefits under the Scheme. I therefore waive all rights I have, or may have, under the Scheme in relation to AVCs that I have transferred out and I release the Trustee from all liability to provide benefits under the Scheme for, and in respect of, those AVCs. I agree to indemnify the Trustee of the Scheme and keep it indemnified in respect of any claims relating to the AVCs transferred.

My daytime contact details are: Daytime phone: _____ Email: _____

I have read and agree to the declarations above.

Signature: _____ Date: _____

This form can be returned by post to British Airways Pensions, PO Box 2074, Liverpool, L69 2YL or by fax to 0208 538 2190