

TRANSFER OUT INFORMATION PACK

Under the Scheme rules, if you have left active membership of the Scheme by either leaving the company or having [opted-out](#), you are permitted to transfer your earned APS pension and AVC benefits to another provider at any time prior to drawing your pension benefits. If you require a transfer value (CETV) please contact British Airways Pensions. You should ensure that you both read this information pack and provide it to the financial adviser helping you with your considerations.

This pack provides you with information about:

1. The transfer options available
2. Transfer Requirements
3. Transfer Timescales
4. What help, advice and guidance is available and where to find it
5. How to proceed with a transfer to a UK pension arrangement
6. Scheme Information to be provided to an IFA

If you wish to investigate a transfer of your AVCs only, then please refer to the AVC-Only Transfer Pack on the '[Forms](#)' page of our website, www.mybapension.com.

1. Transfer options

A transfer of your earned APS pension and AVC benefits may be made to another registered pension scheme in the UK or to a qualifying overseas pension scheme (known as a QROPS – Qualifying Recognised Overseas Pension Schemes). This pack details the process and requirement for transferring to a UK Registered Pension Arrangement.

Should you wish to transfer to a QROPS please refer to the Transfer Out to QROPS information pack for the process and requirements for transferring to a QROPS.

Transfer Values (CETVs) are automatically provided within retirement packs for the majority of members.

From April 2015 under new government rules, you may be able to access more of your pension benefits as cash from age 55. You will need to transfer your benefits out of APS to a defined contribution (DC) arrangement offering the new flexibilities in order to access them in this way. Please note only a quarter (25%) of any lump sum accessed externally through the flexibility provisions can be taken tax free. You will pay tax on the rest as earned income and it is likely that the external provider will require you to pay charges. If your total benefits are greater than the standard Lifetime Allowance, which is £1.03 million from 6 April 2018, the way in which you access your cash flexibly will be limited. You should discuss this with your IFA.

The four main options offered by external pension providers under the flexible access provisions are annuity, flexi-access drawdown, taking a number of cash sums at different stages or taking the entire pot in one go.

These options have different features, different rates of payment, different charges and different implications. The Pensions Regulator (tPR) has also published some '[Retirement risk warnings](#)' associated with accessing benefits under the new DC flexibility provisions. A copy of these is available by clicking the link above or by visiting the 'Forms' section within the Scheme website, www.mybapension.com. Please ensure that you read and understand the different benefits and risks each option has.

2. Transfer requirements

From 6 April 2015, if the cash equivalent value of your APS pension (also known as 'Defined Benefits (DC)' or 'Safeguarded Benefits') exceeds £30,000, before transferring these benefits to a DC arrangement that offers flexible access under the Government's pension freedom rules, you must first get appropriate independent financial advice, from a Financial Conduct Authority (FCA) authorised adviser to understand the financial and tax implications of the transfer. Your Adviser is required to complete the enclosed FCA-authorized advice form (which you must also sign) to confirm that you have received appropriate advice concerning the possible transfer of your APS pension benefits to another arrangement.

Whilst not a requirement for transfers to a DC arrangement of less than £30,000, the APS Trustee strongly recommends that independent financial advice is taken before making any decisions about your pension benefits including transferring.

If you decide to proceed with a transfer after considering all the options, both you and the receiving scheme will also be required to sign our indemnity form, which you will find later in this information pack.

3. Transfer time scales

Since transferring benefits will require you to obtain independent financial advice, consider options, complete transfer indemnity forms and may require the recalculation of transfer values, it is important to recognise that the process of transferring is likely to take many weeks.

4. Help, advice and guidance available to you

The Pension Regulator, the Financial Conduct Authority (FCA) and the Pensions Advisory Service (TPAS) have jointly produced this letter highlighting the key issues you should consider if you are thinking about transferring your pension out of NAPS, including where to find impartial information to help you to make the right choice. Click [here](#) or on the letter image to read it.



Financial Advice

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

You will need to meet the cost of the financial advice provided.

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](#).

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.

Pension scams

- The Pensions Regulator's (tPR) ['Pensions Predators' awareness campaign](#) warns individuals against transferring pension benefits to arrangements that promise to 'liberate' their pension benefits or offer pension loans or upfront cash.
- You should also visit the FCA's Scamsmart website at: www.fca.org.uk/scamsmart
- 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'](#)

Money Purchase Annual Allowance (MPAA) limit

If you choose to transfer your APS pension benefits to an external arrangement in order to access your benefits flexibly; as soon as benefits are accessed in this way, an MPAA of [£4,000 a year](#) will immediately apply for 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.

Other Useful addresses

www.moneyadviceservice.org.uk/

www.pensionsadvisoryservice.org.uk/

www.thepensionsregulator.gov.uk

www.fca.org.uk/

5. How to proceed with transfer out to a UK pension arrangement

We have provided a checklist below to help with providing the correct documentation to enable the transfer to a pension arrangement in the UK be completed.

Once we receive all the required documentation, and provided it is received within the guarantee period, the guaranteed CETV will be paid. If the guarantee period lapses any subsequent CETV may be higher or lower than that previously quoted. Any transfer payment will usually be made within 10 working days after the date of recalculation.

Transfer Out Indemnity Forms

Please note that discharge forms should be printed, completed by both you and the registered pension scheme under the Finance Act 2004, Part 4 - Chapter 2. If the receiving scheme is a Small Self-Administered Scheme (SSASs) then please provide a copy of the Trust Deed and Scheme Rules, to omit these may result in a delay of the transfer. The forms should be returned to Whitelocke House.

Transfer Out to a UK pension arrangement

The following checklist covers transfers made within the UK

- | | | |
|-----|---|--------------------------|
| 1. | Provide your IFA with: | |
| | Your guaranteed CETV | <input type="checkbox"/> |
| | This transfer out information pack including the Information in section 6 | <input type="checkbox"/> |
| 2. | You have received & understood full details from the new arrangement detailing the alternative benefits to be secured in the new arrangement. | <input type="checkbox"/> |
| 3. | You have read and accessed the financial guidance available from Pension Wise | <input type="checkbox"/> |
| 4. | You have read the letter from tPR, FCA and TPAS | <input type="checkbox"/> |
| 5. | You have read and understood the ' Retirement risk warnings ' | <input type="checkbox"/> |
| 6. | You have read & understood tPRs 'Pensions Predators' guidance | <input type="checkbox"/> |
| 7. | You have received appropriate independent financial advice & both you and your adviser have completed the FCA-authorized advice form (for transfers of £30,000 or more) | <input type="checkbox"/> |
| 8. | Return the completed & signed member indemnity form | <input type="checkbox"/> |
| 9. | Return the completed & signed company indemnity form | <input type="checkbox"/> |
| 10. | Return the completed & signed transfer payment instruction form
(payment will be made via BACS in all cases) | <input type="checkbox"/> |
| 11. | Send us a copy of the new arrangement's HMRC letter showing the Pension Scheme Tax Reference (PSTR) | <input type="checkbox"/> |

6. Airways Pension Scheme (APS) Final Salary Scheme (FSS)

These notes should be provided to your Independent Financial Adviser. They are produced to highlight some of the details regarding your current benefits in APS but should not be considered to represent the full Rules of the Scheme. Further details can be obtained from the Scheme Rules and Handbook or, if queries are of a specific nature, you should contact British Airways Pensions for further guidance.

We do not complete individual indemnity forms regarding the equalisation of pension benefits. We can confirm that normal retirement ages in our Scheme were equalised with effect from 1 December 1989 and the rules of the Scheme provide for equal accrual of benefits for service after 17 May 1990, except contracting-out requirements. The British Airways Pension Schemes have not adopted unisex actuarial factors. We confirm that should there be any inadequate equalisation in respect of service on or after 17 May 1990 (excluding contracting-out benefits) we will make good any deficiency if required to do so by legislation.

The assumptions and methodology used to calculate cash equivalent transfer values (CETVs) must satisfy the requirements of the Occupational Pension Schemes (Transfer Values) Regulations 1996, as subsequently amended. The transfer value basis and underlying assumptions are reviewed from time to time by the Trustee on the advice of the Actuary. CETVs are also dependent upon market conditions at the time of the calculation, which are reviewed monthly. Any CETV quoted previously to you is a valid indication of your pension rights and is guaranteed for a period of three months against changes in market conditions. If the three month window has expired then please contact our office for an up-to-date valuation.

1. APS Part VI 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 PSO reference number is SF2/42994/N. The Scheme was contracted-out of S2P until 5 April 2016 by reference to the GMP test and the Reference Scheme Test after April 1997.
2. Pension increases are guaranteed under scheme rules and are reviewed annually in accordance with the Pensions Increase (Review) Orders. The increases over the last ten years have been as follows:

2018	3.0%	2014	2.7%	2010	0.0%
2017	1.0%	2013	2.2%	2009	5.0%
2016	0.0%	2012	5.2%	2008	3.9%
2015	1.2%	2011	3.1%	2007	3.6%

Pension increases are applied during deferment and in payment before GMP Age (currently age 60 for women and 65 for men), to the whole pension inclusive of GMP liability. After GMP Age the increase is only applied to the excess pension over the GMP. Post '88 GMPs are increased in accordance with legislation up to 3.0% per annum after GMP Age or before GMP Age for spouse's/civil partner's benefits. Scheme increases are generally applied in April each year and will be apportioned in the first year according to the date of leaving. 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. There is no minimum guarantee period for payment of the pension.

3. At Normal Retirement Age (NRA) the full deferred pension (inclusive of GMP) at leaving plus Scheme increases accrued during deferment, is compared to the revalued GMP and revalued excess pension and the higher benefit will apply. Between NRA and GMP Age (where applicable) GMP increases will be offset against non-statutory scheme increases.
4. APS-FSS increases GMPs up to GMP Age in accordance with S148 Orders (A specific method of revaluing GMPs set by the government). We are able to retain GMPs and Post 97 benefits in isolation from the main benefit but please also see note 15. ECON and SCON numbers are E3800146P and S0301443W.
5. You may request commencement of pension from age 50 years, subject to certain statutory conditions, in which event the total pension would be actuarially reduced to take account of early payment. Early payment may be restricted to allow for coverage of the GMP. Subject to Trustee approval, if you were suffering from "Incapacity" (medical evidence will be required), the pension may be commenced before age 50 years in a reduced amount subject to the entitlement being sufficient to cover both the actuarially reduced pension and any GMP liability. The Scheme does not provide an automatic lump sum at retirement but an option to commute part of the pension in exchange for a cash sum will be available, subject to GMP requirements. No guarantee applies to actuarial factors, which are reviewed periodically and cannot therefore be known in advance.

6. Payment of a deferred pension can be postponed indefinitely up to a maximum age of 75. In such a case the pension would be actuarially increased from NRA to take account of late payment. As mentioned above, actuarial factors are reviewed periodically and are not known in advance. The value of any benefits which exceed your available Lifetime Allowance will be subject to a Lifetime Allowance Charge.
7. In the event of death before or after retirement, the Scheme provides for payment of up to two allowances for dependent children (as clarified in the Scheme Rules). Dependent children automatically qualify for the allowance up to age 16 years and can continue to qualify up to age 23 years if they are in full time education or vocational training. Each allowance is one sixth of your benefit, although the amount is trebled in respect of any period where an Adult Survivor's pension has been paid for but no Adult Survivor's pension becomes payable. If there are more than two dependent children the Trustee has discretion to vary the two available allowances among all qualifying children.
8. The Adult Survivor's pension shown on the Benefits Summary would be payable to your legal spouse (including same sex spouse) or civil partner. If there is no legal spouse or civil partner at the date of death, the Trustee has a discretionary power to pay this benefit to a 'surviving dependant'. A surviving dependant is someone who is, in the opinion of the Trustee, financially dependent on you to a substantial extent at the date of death; or who, to the Trustee's satisfaction, is financially interdependent with you and will need the extra income to sustain the same standard of living that previously depended on the joint income, e.g. someone who lived in a relationship with you that closely resembled marriage.
9. In the event of your death before the pension has commenced and where no Adult Survivor's pension is payable a refund of normal Scheme contributions, plus interest of 3.5% a year (2.5% a year in respect of any period up to 31 March 1974), up to date of death would be payable. If you have an AVC Account the value of the account at the date of death would also be payable as a lump sum. In the event of death after retirement where no Adult Survivor's pension is payable, the refund of Scheme contributions plus interest would be reduced in respect of cash or pension payments you had already received. If you had an AVC Account which was used to purchase a pension annuity at retirement, the benefits payable, if any, would depend on the type of annuity purchased.
10. Where an Adult Survivor's pension is payable but the pension is based only on some of your service (i.e. you paid higher contributions to provide Adult Survivor's cover but only for part of their period of membership), the above mentioned principles would still apply. In this case however, the refund of contributions and interest would only relate to the period of membership where the higher rate contributions had not been paid.
11. The Government introduced the Pension Protection Fund (PPF) in April 2005. The PPF is intended to ensure that pension scheme members receive a minimum proportion of their accrued benefits should their employer's business fail. On a PPF basis, as at 31 March 2015 the Scheme was 114% funded. This means that if the Scheme had ceased at 31 March 2015 it would not have been accepted into the PPF. The PPF funding level can change, for example at 31 March 2012 the Scheme was 124.36% funded, so an exact position would need to be assessed in the event of insolvency. Further information and guidance is available on the PPF website at www.pensionprotectionfund.org.uk

Please refer to the latest APS In Focus newsletter for interim updates on funding position, which are found on the Scheme's website: www.mybapension.com/aps/news/in-focus
12. The transfer values quoted and paid by the Scheme are calculated in accordance with recognised actuarial principles and take account of the full benefits of the Scheme.
13. APS Part VI no longer participates in the Public Sector Arrangements (Club); membership of this ceased on 01/09/1989.
14. You may have been granted concessionary travel facilities. These arrangements would need to be considered separately. The Pensions Team at Whitelocke House cannot deal with these enquiries. The email address for British Airways Staff Travel is: former.staff@ba.com.
15. The Scheme does not allow for partial transfers of main Scheme benefits in excess of GMP and Post 97 benefits. All accrued main Scheme benefits must therefore be transferred out at the same time and it is your responsibility to ensure that appropriate receiving arrangements are in place to receive your entire CETV prior to any transfer payment being made.

Dear Saver,

The government is removing the restrictions on what you can do with your pension savings. From April 2015 you will have the freedom to choose the option that's right for you.

To receive free, impartial guidance from the government, go to www.pensionwise.gov.uk

Pension Wise is a new government service that will offer you:

- **tailored guidance** (online, over the telephone or face to face) to explain what options you have and help you think about how to make the best use of your pension savings;
- information about the **tax implications** of different options and other important things you should think about; and
- tips on getting the best deal, including how to **shop around**.

Choosing what to do with your pension savings is an important financial decision; you can often get more for your money by shopping around.

In this pack you'll find important details about your pension. Use them – and Pension Wise – to help you make the decision that's right for you.

Yours faithfully,

The Pension Wise team



Member Name:

Member Staff or Pension Number: Member NINo:

Member Address:

Transferring to a _____ (enter type of arrangement)
 Name of arrangement _____
 Arranged with: _____ (pension provider company name)
 I enclose a copy of the receiving arrangement's HMRC registration/approval

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

Sort Code: - -

Account No:

A summary of the benefits including the CETV to which the former member is entitled in APS has been provided to you and is dated within the three month guarantee window/period.

We understand that if the indemnity forms are returned outside the guarantee period then the CETV will be recalculated and may be higher or lower than previously quoted.

Scheme members transferring 'safeguarded' pension benefits of £30,000 or more who wish to transfer benefits to access their benefits flexibly must first get appropriate independent financial advice, from a Financial Conduct Authority (FCA) authorised financial adviser. We confirm that the individual named above has received appropriate advice.

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, Whitelocke House, 2/4 Lampton Road, Hounslow, Middlesex, TW3 1HU*
- Scanned & emailed to: *enquiries@bapensions.co.uk*
- By fax to: *0208 538 2190*

Name: _____ Staff or Pension Number: _____

I confirm I wish to proceed with a transfer of my BA pension scheme benefits to a registered pension arrangement in the UK run by _____

The receiving scheme is an: **occupational pension scheme / personal pension** *(Please delete as appropriate)***For transfers to occupational pension schemes:**I confirm that the benefits to be provided with the receiving pension scheme comply with the conditions under the Occupational Pension Schemes (Contracting-out and Modification of Schemes) (Amendment) Regulations 2012.

OR

*(Please confirm as appropriate)***For transfers personal pension arrangements:**I confirm that the receiving pension arrangement is approved under Chapter IV Part XIV of the Income & Corporation Taxes Act 1988. *Please tick to confirm each item:***For all transfers:**I understand that future benefits payable may not be equal to, or in the same form as those that I or my dependents would otherwise have become entitled to from my BA pension scheme. It is my responsibility to ensure that the future benefits purchased by the transfer value are appropriate to my own circumstances; I confirm that I have considered how transferring my benefits will impact any HMRC protection I may have. I understand that, on transferring my benefits out of APS, I will not be able to draw them before age 55. I have received details of my entitlement under my BA pension scheme arrangement administered by British Airways Pension Services Ltd and a statement from my new pension provider showing the alternative benefits available and I have confirmed my acceptance of the terms offered by the receiving pension arrangement; I understand that once the benefits have been transferred neither I nor anyone claiming through me will have any entitlement to benefits under my BA pension scheme. I therefore waive all rights I have, or may have, under my BA pension scheme; release the Trustee from all liability to provide benefits under the Scheme for, and in respect of, me; and agree to indemnify the Trustee of the BA pension scheme and keep it indemnified in respect of any claims relating to my membership of, or my benefits under, the Scheme. I will protect the Trustee of my BA pension scheme from any scheme sanction charge or other expenses that may arise as a result of making an 'unauthorised payment' if it later transpires that the receiving scheme does not meet the conditions required to be a registered pension scheme for UK tax purposes. If the guarantee period lapses any subsequent CETV may be higher or lower than that previously quoted. I have read and understood the letter from tPR, FCA and TPAS I have read & understood the financial guidance from Pension Wise. I have read & understood the 'Retirement risk warnings'. I have read & understood tPR's 'Pensions Predators' guidance. I have received appropriate independent financial advice (for transfers of £30,000 or more) from a FCA-
authorised adviser. My adviser and I have completed and signed the enclosed FCA-
authorised advice certificate. **My daytime contact details are:** Daytime phone: _____ Email: _____**Member's signature:** _____ **Dated:** _____*This form can be returned:-*

- *By Post to:* British Airways Pensions, Whitelocke House, 2/4 Lampton Road, Hounslow, Middlesex, TW3 1HU
- *Scanned & emailed to:* enquiries@bapensions.co.uk
- *By fax to:* 0208 538 2190

Name: _____ Staff or Pension Number: _____

Confirmation of receipt of appropriate independent advice

If a Cash Equivalent Transfer Value is in excess of £30,000, this form must be completed by an FCA authorised independent adviser and signed by the member to acknowledge that they have received appropriate independent advice. Please return this form to British Airways Pensions, Whitelocke House, 2-4 Lampton Road, Hounslow, TW3 1HU.

- I have permission to carry on the regulated activity in article 53E of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, including advising the member on making a transfer payment in respect of safeguarded benefits.
- My FCA reference number is:
- The name and FCA firm reference number of my company is:
- I have provided the member with advice which is specific to the type of transaction proposed by the member - making a transfer payment in respect of the member's safeguarded benefits under the Airways Pension Scheme to acquire flexible benefits.

To be completed by the ADVISER:

Print Name (Adviser): _____ Signature: _____

Date: _____

To be completed by the MEMBER:

I confirm that I have received the appropriate independent advice above in respect of the transaction proposed by me.

Member Signature: _____ Staff Number: _____

Date: _____

Notes: Failure to correctly complete and sign this form will prevent payment of the member's transfer value.

Terms used in this form which are not defined here have the meaning given to them in the Pension Schemes Act 2015 (Transitional Provisions and Appropriate Independent Advice) Regulations 2015.