

APS legal proceedings – pension increases

In March 2011 the Trustees amended the APS rules to introduce a power which requires them, on at least an annual basis, to consider whether they are able to pay a pension increase over and above the increase specified in the Pensions Increase (Review) Order published each year by the Government. In 2013, the Trustees decided to award a 0.2% discretionary increase under this new power. BA has brought legal proceedings challenging both the introduction of the new power and the 2013 decision to award an additional 0.2% increase.

The Trustees have previously reported to you that the trial date was set for February 2016, with a time estimate of 25 days. However, on 18 September 2015 the court agreed to an application from BA for the trial date to be put back, primarily to accommodate the preparation of expert evidence. The trial date is now set for October 2016.

Following an appeal by BA, the court agreed in July 2015 that BA should be allowed to present expert actuarial evidence in the case. The new timetable affords extended periods for BA to prepare its expert evidence, and for the Trustees to respond with the evidence of their expert.

As you will be aware, after five and a half years in office, Paul Spencer will cease to be the Chairman of the APS Trustees on 30 September 2015. Although he will no longer be a serving Trustee, Paul has kindly agreed to continue to assist the APS Trustees in the litigation as required. The Trustees once again wish to recognise Paul's enormous contribution as Chairman over the past five and a half years and would like to thank Paul in advance for his continued assistance on this matter.