

# Frequently asked questions (FAQs) on the COVID-19 (Coronavirus) outbreak

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**Last updated: 20 March 2020 at 14:00 GMT**

Understandably and inevitably, the ongoing global uncertainty around the Coronavirus pandemic has led to plenty of questions and concerns about pensions. We have done our best below to answer and clarify some of the queries we have received from our members.

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## Contact us:

### **If you need to ask for a quotation or ask a question about your pension**

Please use the '[Contact us](#)' form on [www.mybapension.com/aps](http://www.mybapension.com/aps). We have closed our telephone service temporarily while we prioritise our essential member services. This is to ensure we can continue to process our existing pension payments on time, manage new retirements and any payments due following the death of members or pensioners.

### **If you need to report the death of a pensioner**

Please download, fill in and send the '[Death notification form](#)', available on the 'Forms' page of our website [www.mybapension.com/aps](http://www.mybapension.com/aps).

### **If you need to write to us**

Our postal address is British Airways Pensions, PO Box 2074, Liverpool, L69 2YL

## Stay up to date:

Please visit the '[Latest news](#)' page of our website to keep up to date.

## Use our website: [www.mybapension/aps](http://www.mybapension/aps)

Log into [Mybapension Online](#) to access our range of online tools.

<b>Update your Notice of Wish</b>	If you have pension benefits that are not yet being paid to you.
<b>Register a Surviving Dependant</b>	If you are not married or in a civil partnership and your pension includes an adult survivor's pension.
<b>Change your email address or password</b>	Click on 'My Account' in the menu at the top of the screen.
<b>Change your postal address</b>	Select 'Change of address' under 'Your e-Forms'.
<b>Change your AVC investment choices</b>	Select 'Smart Additional Voluntary Contributions (AVCs)' under 'Your e-Forms'.

### **I've forgotten my password**

Resetting your password is straightforward and you can do this yourself. Simply visit [www.mybapension.com/users/sign\\_in](http://www.mybapension.com/users/sign_in), click on 'Forgotten your password' and follow the on-screen instructions. You'll receive an email at your registered email address with a link to reset your password. If you need any help with this, you can watch our helpful video on the '[Videos](#)' page.

### **I've changed my email address and forgotten my password**

If you have forgotten your password and cannot access the email account you registered with, you will not be able to reset your password yourself. Please use the online '[Contact us](#)' form to get in touch with us about this.

## Active and deferred members

### **I am being made redundant, can I draw my pension?**

If you are over age 50, you can usually draw your pension immediately. If you are under your Normal Retirement Age (NRA) and you have registered to manage your pension online, you can use our retirement modeller to model your pension and lump sum options at different retirement ages.

### **I might need to draw my pension, how do I get a retirement quote?**

If you are considering retiring within the next 3-4 months, please use the '[Contact us](#)' form on our website to request a quotation. Please bear in mind that our response times are likely to be longer during the Coronavirus outbreak.

### **I have returned my retirement election forms and I am retiring soon. Will I get my pension and lump sum on time?**

We are prioritising our work to ensure that we can pay out our new retirements on their due date. If you are taking a tax-free lump sum, we will pay this to your nominated bank account within five working days of your retirement date. If you have AVCs, we may pay your lump sum in two parts: the first part on your retirement date and the second part, relating to your AVCs, as soon as possible after the end of the month in which your retirement occurs. We will write to tell you as soon as we have set up your pension payments.

## Pensioners

### **Will my pension continue to be paid if the BA Pensions Team's office has to close?**

Yes. We have a contingency plan in place to make sure that the Team can continue to operate our critical systems and processes remotely. The plan also ensures that we can continue to provide our primary services to our members (such as our pension payroll, urgent new retirement cases and pensioner death cases).

### **I live abroad and I've heard that my country's financial system is struggling to cope. Will I still receive my pension payments?**

If your pension payments are paid outside of the UK, they are automatically converted into local currency. So far, the financial system is working as usual and we're not aware of any particular problems with our pension payments being received. However, if you have any concerns about your future pension payments, you can update your bank details at any time. Visit the '[Forms](#)' page of our website and click on '[Pension payment instruction forms](#)' to download the particular form for your country.

Note: Changes usually need to be received by the Pensions Team by the 15<sup>th</sup> day of a month to apply to the payment made at the end of that month.

### **Where can I find the latest information?**

The best way to stay up to date on matters affecting your BA pension is to visit the '[Latest news](#)' page of our website regularly. If you have registered to manage your pension online, you can access your information 24/7. We'll also send you an email alert as soon as a new statement or news update is available on our website.

### **How can I contact the Pensions Team?**

Please use the '[Contact us](#)' form on our website to get in touch. Please bear in mind that our response times for less urgent enquiries may be much longer than usual while we prioritise our essential services. Alternatively you can write to us at: British Airways Pensions, PO Box 2074, Liverpool, L69 2YL.

**Note: We have temporarily closed our telephone service from 14:00 GMT on Tuesday 17 March 2020 until further notice and our Waterside office is closed to all visitors.**

## Additional Voluntary Contributions (AVCs)

### **I am concerned about how the fall in world stock markets will affect my AVCs**

If you have an AVC account that you have not yet drawn, our '[AVC Plan - information leaflet](#)' provides details of our three funds (you can find this on the '[AVC funds](#)' page of our website). The leaflet explains how AVCs are invested and how you can switch between the funds.

The value of AVCs invested in the Short-dated Gilts Fund(SGF), or Equity-Biased Fund (EBF) cannot go down. However, money held in the Mixed-Portfolio Fund (MPF) can rise and fall according to market movements. If you have AVCs, you do not have to draw them when you take your Scheme pension. You can delay drawing them up to age 75. You can also transfer your AVCs to another pension arrangement independently of your Scheme pension.

If you wish to change your existing AVC saving amounts or the investment choices for your AVCs, you can use the [online SmartAVC form](#) to change your AVC investments (changes submitted by the 20<sup>th</sup> of the month will take effect from the first day of the following month).

**You should always seek independent financial advice before making important decisions about your pension benefits.**

### **What unit price applies if I switch into, or out of, the MPF?**

You can change your AVC investment choices from the first day of any future month. Your instructions must reach us by the 20<sup>th</sup> of the previous month, and the effective date of any change will be the 1<sup>st</sup> day of the following month. The MPF unit price is always declared in arrears. The unit price for February 2020 was £203.43. The March 2020 unit price will be announced in early April and will apply to all money switched into or out of the MPF on 1 April 2020. The unit price in the coming months could be higher or lower than any unit price declared in earlier months.

## Pension benefits if you die

### What benefits would be paid if I die?

#### Active members

If you die while still working at BA (unless you have opted out of the Scheme):

A lump sum which is broadly three times your pay at the time of your death (before any adjustment for SmartPension amounts) plus the value of your Additional Voluntary Contributions (AVCs), if you have AVCs. The lump sum is free of inheritance tax.

PLUS

An adult survivor's pension (if you have paid contributions towards this cover)

OR

If no Adult Survivor's pension is payable, your contributions (including your SmartPension contributions if these apply), with interest at 3.5% per year up to the date of death.

#### Deferred members

A pension of two-thirds of the pension you earned while paying the higher contributions towards an Adult Survivor's pension

OR

If you die before you draw your deferred pension and there is no Adult Survivor's pension to pay (either because you have not paid for the Adult Survivor's pension cover or because there is no-one we can pay the Adult Survivor's pension to) we will pay a lump sum of the value of your contributions with interest. The lump sum is free of inheritance tax.

#### Pensioner members

A pension of two-thirds of the pension you earned while paying the higher contributions towards an Adult Survivor's pension (before any adjustments to your pension such as taking a tax-free lump sum or any early retirement reduction) will automatically be paid to your husband, wife or civil partner. The normal Scheme increase arrangements apply to Adult Survivor's pensions, and they are payable for life. You can check your latest pension statement to find the amount of your Adult Survivor's pension if you have paid for this.

## APS' Funding and the security of the Scheme

### Where can I find the latest information on the Scheme's funding?

On our [Scheme Documents](#) page, you can find:

- the latest summary funding statement for APS as at 31 March 2019
- the most recent APS valuation report as at 31 March 2018
- the Scheme's Annual Report and Financial Statements as at 31 March 2019

### How safe is the money in the pension scheme?

The pension scheme monies are held in trust. The trust for APS is entirely separate from British Airways and is managed by the APS Trustee. BA has no control over the funds.

### What happens if BA becomes insolvent?

If BA becomes insolvent, then insolvency practitioners would likely be appointed to see if BA can be rescued so it can continue trading as a going concern. The insolvency practitioners would trigger an assessment period by the Pension Protection Fund (PPF) to check if APS would be eligible for the PPF. However, the APS' funding position is substantially strong enough to more than meet the level of compensation provided by the PPF, so it's highly likely that APS would not be eligible for entry into the PPF as it would instead be able to continue as a closed scheme, paying Scheme benefits which members are entitled to as they fall due.

### What is the Pension Protection Fund (PPF)?

The PPF is a government-backed insurance scheme. It was introduced to protect members and pensioners of defined benefit pension schemes that are in deficit in scenarios where the employer responsible for funding the Scheme becomes insolvent (i.e. goes bust). If a scheme doesn't have enough funds to pay the pension it promised, the PPF will provide compensation to members. The PPF will only take on schemes that cannot afford to pay the same amount of benefits provided by the PPF.

### Do pension schemes automatically enter the PPF if their employer goes bust?

If a scheme has enough funds to pay at least the level of benefits provided by the PPF, it is unlikely that it would be accepted into the PPF. The PPF Board would decide what action would be appropriate; whether the Scheme should be wound up (i.e. the benefits should be secured via insurance companies) or continue to run on as a closed scheme.

As mentioned above, even if BA were to become insolvent, the funding level of APS is expected to be sufficient such that benefits well above PPF levels are affordable. So it is very unlikely that the Scheme would need the support of the PPF.

### Who pays for the PPF?

All occupational defined benefit pension schemes pay a levy to the PPF as a form of insurance premium. The levy is made up of two parts: a scheme-based levy payable by all schemes, worked out according to the size of the Scheme, and a risk-based levy worked out according to

the Scheme's funding level and investment risks. It is the APS Trustee's responsibility to make sure the levy is paid each year.

**Where can I find more information about the PPF?**

Further information and guidance is available on the PPF website at [www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk) or write to the PPF at The Pension Protection Fund, Renaissance, 12 Dingwall Road, Croydon, Surrey. CR0 2NA.