

ABAP

Caring for BA pensionable people today and tomorrow



President: George Bell

Chairman: Mark Fielder

Vice-Chairman: Captain Mike Post

ASSOCIATION OF BRITISH AIRWAYS PENSIONERS

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www.abaponline.org

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MEMBERSHIP RENEWALS - IMPORTANT NOTICE.

Due to a problem with our address lists some members did not receive either the Newsbrief or Membership Renewal forms. We therefore enclose with this Newsbrief a blank Renewals form for all members. Our apologies for any inconvenience caused.

NOTICE OF 2019 AGM

Enclosed with this Newsbrief is formal notice of the 2019 ABAP AGM, and associated papers.

Notes from the Chair – September 2019

On August 25th, British Airways celebrated its 100th birthday, or to be more precise the 100th anniversary of air travel. The passengers of that era were less troubled with all the modern day impediments and inconveniences of airports and were probably just pleased to become airborne, with the added bonus of actually arriving at their destination.

It's unfortunate that BA has been in the news recently for all the wrong reasons. Hopefully out of all these incidents, lessons will be learnt and improvements made in order that our sponsoring employer can confidently enter its second century.

With regard to the ongoing APS litigation, all that can be said is that work continues intensively in preparation for the anticipated High Court hearing. Indications are that the hearing will take place subsequent to the ABAP AGM.

We are also working intensively within ABAP on updating and improving our "back office" and IT processes.

I'm informed that BA Pensions have difficulties in keeping in touch with deferred members who've changed address after leaving BA. Unless the member notifies BA Pensions directly of the change, BA Pensions will have no way of contacting the member if they are only signed up for postal comms - which is the default. It's also very important to keep your Notice Of Wish updated too.

As we have the forthcoming AGM on 24th October, I will keep these notes brief and simply say that I hope to see many of you there.

Mark Fielder
Chairman

Pensions News

The Former Staff Liaison Council recently had a briefing from Fraser Smart (BA Pensions Scheme Secretary & CEO) and they have generously allowed us to reproduce this below from their newsletter.

Pensions have now completed their relocation from Hounslow to “Orient 1A” at Waterside. The current phone and e mail address remains the same.

Call: 020 8538 2100 or e mail: enquiries@bapensions.com

Written enquiries should now be directed to:

‘British Airways Pensions, PO BOX 2074, Liverpool, L69 2YL’

Consolidation is now being completed apace with a lot of of APS and NAPS equities being disposed of in order for the schemes to remain cost effective.

Michelle McGregor Smith has announced her intention to retire from British Airways Pensions Investment Management Ltd (BAPIM) after over three decades working with the schemes.

She will step down as chief executive on 30 August 2019, 14 years after she took up the position, with the asset management arm.

APS news

The recent buy-in by Legal & General at £44 billion was (at the time), the largest the market had ever seen and Fraser thought BA had secured a good price, as well as securing a good partnership.

Overall, the message from BA pensions was ‘We’re in good shape’ with most investments in private interests and nothing invested in public interests. With regard to Brexit, Fraser felt they were ‘proofed’ in view of the fact that they did not feel the need to generate massive returns in the future. There was some small risk with liquid assets, but not much.

Although there has been much written - and spent - on ‘Discretionary Increase’ litigation and whether RPI was a reliable indicator, the proposed increase is now up to ‘three quarters’ of the gap with full RPI planned from 2021. It was expected this would be fully sustainable from 2027.

NAPS news

Closure to future accrual is now almost complete. Partial transfers from NAPS are still OK at the moment (it’s cheaper than buying out the benefit) and, although this is currently only available to those in NAPS, this will be made available to APS as soon as feasible and this work is expected to form a substantial part of Pensions’ work in the future.

Fraser said that financial advisors vary greatly about offering advice on either scheme at the moment.

NAPS currently has a ‘modest deficit’ and a valuation is to be completed ‘relatively soon’

When asked if NAPS would ever revert back to using RPI he replied that it was ‘very unlikely’.

For those of you who are about to retire much has been said in the press recently about fraudster Financial Advisors. Go to the Financial Conduct Authority website <https://www.fca.org.uk/news/> to seek advice before making any decisions about transferring funds into risky investments.

New figures show cold calls, exotic investments and early access to cash are among the most persuasive tactics used by fraudsters eager to get their hands on your money.

“If it sounds too good to be true it usually is” sound advice.

General

A full update on all BA Pensions work is now available on the BA Pensions website, but, overall, APS funding is ‘extremely secure’, whilst the last NAPS evaluation showed a deficit of £2.5 bn (a funding level of 80%).