

# 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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## **Newsbrief No. 112 August 2018**

### **STOP PRESS**

On 14 August 2018 the APS Trustee published an update to members in which they announced that they would file an appeal to the Supreme Court. They have until close of play on 16 August to actually submit the appeal paperwork. However, and very oddly, they say that they will be meeting in the first two weeks of September to decide whether or not to **continue** with an appeal. This is an outrageous position for the Trustee Board to take. Why would the Trustee not appeal? It is not at all reassuring that one of the BA-appointed Trustee Directors is described on the My BA Pension website as “Head of [BA] Legal” and that on 20 April 2018 BA published a press release which announced that that same person, “will take up leadership of British Airways’ legal function, reporting to Alex Cruz.” So the person heading up BA’s legal function reporting to BA’s CEO is a Trustee Director being sued by BA. You could not make it up. You can rest assured that the ABAP: Committee is taking all steps necessary to protect APS beneficiaries’ interests in the event that a clearly split APS Trustee Board decides to withdraw from an appeal to the Supreme Court.

### **Full text of APS Trustee announcement**

#### **“Discretionary increase litigation – Appeal to the Supreme Court**

##### **Update to Members**

APS Members will be aware that, in July 2018, the Court of Appeal gave a judgment in favour of British Airways in relation to the APS discretionary increase litigation, but also granted us permission to appeal that judgment.

We agreed at a meeting on 31 July 2018 to instruct our advisors to serve and file a ‘Notice of Appeal’ with the Supreme Court. This is the first procedural step in the process of bringing an appeal before the Supreme Court.

We will meet again on a date to be arranged in the first 2 weeks of September 2018, together with our professional advisers, to make the decision about whether or not to continue with an appeal. We may decide to ask the Court to confirm whether or not our decision is appropriate, including (if we decide to continue with an appeal) whether Scheme assets could be used to fund an appeal and to meet BA’s costs should an appeal be unsuccessful.

We are aware of the strength of feeling about this matter from a number of Members and will keep Members updated on developments as soon as we are able to do so.

**From the Trustee of the Airways Pension Scheme - Date: 14 August 2018”.**

### **APS Members Meeting**

The news from BA Pensions which indicate that the APS Trustee might decide not to appeal to the Supreme Court to attempt to overturn the Court of Appeal’s 2:1 decision in favour of British Airways led to an email message being sent out to members of Mike’s List requesting that they submit requests to the APS Trustee for an APS Members’ Meeting. The required 100 requests were submitted to BA Pensions before noon on 27 July. The APS Trustee is therefore now required to organise an APS Members’ Meeting with a minimum notice of 35 days.

ABAP has to prepare itself for appropriate action if the APS Trustee acts against the best interests of the APS beneficiaries and takes the grave decision not to appeal to the Supreme Court.

### **ABAP response to the allowed BA appeal**

Many of you will have already seen Mark’s response, either in the press or via the ABAP email service. However, a large proportion of our membership is not on-line, and elect to receive communications via mail and in hard copy, so we have repeated it here in the Newsbrief.

After a prolonged and expensive legal battle, members of BA’s Airways Pension Scheme (APS) are bitterly disappointed that BA’s appeal against Mr. Justice Morgan’s 2017 judgement was allowed. This means that yet more BA pensioners will not live to see any benefit from the modest rise proposed by the Scheme’s Trustee in 2013. The Association of British Airways Pensioners (ABAP) hopes that the Trustee will not give up the fight to restore the pensions which were promised to staff in 1984, when half of BA’s staff chose – with full company blessing – to pay higher contributions to remain in APS.

The total costs of this legal action are not yet known but are quite likely to exceed the cost of paying the rise in the first place. BA also benefited from a 14 year pension contribution holiday. The conclusion of this appeal will allow the completion of the 2015 valuation which will confirm that APS is in a position to afford the rise. The decision to pay a rise was not a wilful action taken by the Trustee, it is part of a carefully considered discretionary increase framework taking full account of affordability. It is particularly disappointing when the pension schemes of the UK’s biggest companies in the FTSE 100 are now back in aggregate surplus having run a substantial multi-billion pound deficit since the financial crisis of 2007.

As of 31 March 2017, APS had 431 members still working and contributing, 23,839 members receiving pensions and 1,083 members with deferred pensions. The average pension in payment was £15,416 p.a. However, the typical pension in payment is considerably less than this because a small number of highly paid pensioners in a company like BA can skew the average.

## Communications with BA Pensions.

We received a query from a member regarding the lateness of the notification of the pension increase, so BA Pensions were approached to see if the notification could be earlier. This was the reply we received:

*“Can we notify members of the timing of pension increases prior to April?”*

*Yes, we can advise members of the level of the Pension Increase Review Order (PIRO) order once it has been laid by Parliament, usually early in March each year. In future, we will publish an update on the member website once this has happened and confirm when the increase will be included in their pension payments. Our timings for issuing pension increase letters in April were as follows:*

***Members registered for online communications:*** *We sent email alerts to all pensioners who are registered for online communications on 24 April 2018 so that they received details before the pension payment date. N.B. - There are 22,982 members who have registered for online communications.*

***Members not registered for online communications:*** *Paper statements were despatched on Tuesday 24 April. However, any delays in the postal system, coupled with an earlier than usual pension payment date (Friday 27 April), could have resulted in the increase statement arriving after the pension payment was received in the pensioner’s bank account. N.B. - There are 22,971 members who have registered for paper statements.*

*The process for calculating the precise amount of each member’s increased pension is complex and commences after the March pension payroll has been processed, a few days after the PIRO is confirmed. We have been surveying members about our 2018 pension increase statements ahead of a planned review of the pension increase statement preparation process. We’ll be using the feedback received to improve our pension increase statements for 2019 onwards and whether we might be able to prepare and issue the statements earlier in April in future.”*

We also asked about the status of Member Representative Trustee Directors (i.e. those elected by scheme members) now that NAPS has closed to future accrual. This was the reply:

*“The Trustee arrangements were amended when the scheme closed to future accrual so that the constituencies representing active members have been replaced by a new category of “employed deferred” members. This allows the existing Member Representative Trustee Directors (MRTD) to continue to represent the interests of serving staff who are now deferred members.”*

Members of APS were encouraged to contact BA Pensions, urging the Trustee to appeal to the Supreme Court in respect of the recent appeal outcome on the long-standing legal action over discretionary increases. BA Pensions sent out the following communication:

*“Thank you for your email regarding pursuing an appeal to the Supreme Court in the APS DI litigation. We will bring it to the attention of the APS Trustee Directors.*

*The Court of Appeal has given the APS Trustee permission to appeal its decision. The APS Trustee is analysing the full implications of the judgment with its professional advisers. A meeting will take place soon in order to make a decision about the next steps in relation to an appeal to the Supreme Court.*

*We will provide a further update as soon as we are able to, once the outcome of this meeting is known. We anticipate the outcome will be known by 17 August 2018.*

*We would also like to take this opportunity to remind you that the APSTrustee@bapensions.com email address is available for any further correspondence on this matter.”*

### **Systems update and membership renewals**

In the last Newsbrief we announced that we would be updating our Membership software and processes to comply with the new **General Data Protection Regulation** (GDPR) requirements, and to streamline some rather cumbersome processes. It was our aim to have completed this prior to renewals time (beginning of July), but despite our best intentions, time and other calls on resources have overtaken us, and therefore renewals will be managed using the old system, with the systems change to follow later in the year. It is very gratifying to note that quite a few of you had obviously put the membership renewal date in your diaries, and acted accordingly.

Renewals are available on-line, via the website as previously, and included with this Newsbrief is the hard copy form for those who wish to use mail (an electronic version of the form is available to download in .pdf format on the website too).

Please note that the forms, and the website have been updated to ask questions we have not previously asked about how you wish us to communicate with you, and about what. We are sure that some of you will be wondering why we need to ask - it probably seems self-evident that by taking out (and renewing) ABAP membership you wish to be communicated to - but we do need to demonstrate compliance with the General Data Protection Regulation (GDPR) if we are to carry on independently representing BA pensioners.

Please also note that the address to send membership forms and any remittance to is on the form itself, and is different to our correspondence address printed at the top of this Newsbrief. These are our only two current postal addresses, and it would be very helpful if any of you who may have kept note of and/or be using an older address would remove it from your address books.

### **Outgoing Chair's Message**

At the last ABAP AGM I announced that I would be standing down as Chairman so that I could genuinely devote more time to my family – specifically to my wife, Francesca, whose support has been invaluable for the nineteen years that I have been involved in our pension problems. I therefore decided to step down and hand over to a younger person.

Fortunately, in Mark Fielder who has generously agreed to put himself forward to be ratified as ABAP Chairman at the 2018 AGM, we have an eminently qualified candidate.

Mark joined BA in January 1976 and became a member of APS on his 18th birthday. He spent his whole working life in BA starting as a postal messenger and retiring as a long-serving member of BA's IT Department.

Like many others, he resisted the company's offer to transfer to NAPS in 1984 and remained a member of APS. For the final section of his career, he was a staff rep for the GMB union, specialising in supporting staff at risk of redundancy. He was active in pension matters.

In spring 2014, he became concerned at the action that BA was taking to deny the APS Trustees their entitled legal protection in the ongoing litigation. He volunteered to become the APS Representative Beneficiary in a so-called Beddoe case, to ensure that the Trustees were not put at personal risk of incurring massive legal costs which BA was pressing for. He remains the Representative Beneficiary and intends to remain so until the conclusion of the court case. BA's appeal is due to be heard on 1, 2 and 3 May.

I should like to thank ABAP members for their support over many years. Recently I have been particularly gratified to read several letters of thanks for our efforts sent in by members, and these kind words have reinforced what I have said many times in the past: ABAP is nothing without its members. In handing over the reins to Mark I am confident that ABAP will be well served. I do not intend to stand down completely but will continue to support the Committee and continue to campaign on behalf of BA pensioners.

Mike Post

### **Incoming Chair's message**

When I mentioned to someone that I was taking over from Mike as Chairman of ABAP, they said I would have big shoes to fill. They were not wrong. Mike has ably led ABAP during his chairmanship and we owe him a huge debt of gratitude for his assiduous work in the field of BA pensions. Fortunately, we are not losing Mike, he will still be campaigning on behalf of BA Pensioners, present and future. My aim will be to continue the excellent work done by previous Chairmen and I thank my fellow committee members for their confidence in me.

We are overhauling the Association's admin processes to make them more efficient and to comply with obligations under the General Data Protection Regulations (GDPR) ensuring we hold your data accurately and securely. The method currently used to calculate subscriptions makes it possible to deduce how much pension a member is receiving. To protect your personal information, we intend to move to a system of subscription bands in which your pension will fall. The bands will be carefully calculated to keep subscriptions affordable. Rates for deferred and active members will be unchanged, as will the zero rate for pensions under £4000. It will still be possible to make donations, as before. We intend to report fully on this at the AGM.

As covered elsewhere in this newsletter, there is the disappointing outcome of the appeal. We are actively exploring how we can encourage the Trustee to use its option to appeal to the Supreme Court. A members meeting has been requested and we await its arranging by BA Pensions.

Sadly, there are now no longer any active NAPS members, following the decision by the company to close NAPS to future accrual as of 31st March. We must now look to the company to improve the funding position of NAPS, so that pensions already accrued are secured.

Finally, don't forget to put 25th October into your diaries as the date for our AGM, same venue as last year, Magna Carta School in Egham.

### **Business Efficiency Plan from 1996 to 1999**

ABAP is looking for a full set of documents from anybody who left British Airways under the so-called Business Efficiency Plan (BEP) between 1996 and 1999. If you left under BEP and have a full set of documents recording your departure, please contact the Chairman.

## **How information about you will be used**

Personal information which you supply to us may be used in a number of ways, for example:

- 1 - To assist with any campaigning ABAP may undertake on behalf of the membership in support of pension issues.
- 2 - For statistical analysis in responding to Government consultations.
- 3 - For financial auditing purposes.

We would like to contact you about matters relevant to ABAP by post, telephone, email and SMS text. If you agree to being contacted in this way, please tick the relevant boxes.

- Post
- Email
- Phone
- SMS Text

By submission of this form by post or electronically, you certify that you understand that conditions of membership include acceptance of the ABAP Constitution, agreement to members' personal data being stored on ABAP computers, and use of that data, as stored, as described above.

We will not disclose any information, including contact details, outside of ABAP except to prevent fraud or if required to do so by law.

For further detail on how your information is used, how we maintain the security of your information and your rights to access information we hold on you, please contact:

Association of British Airways Pensioners  
c/o BALPA House  
5 Heathrow Boulevard  
278 Bath Road  
West Drayton  
UB7 0DQ

Email: [gensec@abaponline.org](mailto:gensec@abaponline.org)

Signed.....

Date.....

*Please submit this completed form with your payment (if required) to the address below.  
Please do NOT send to our correspondence address at BALPA, or to any previous addresses you may  
have retained from recent years. Please complete side 2 as well.*



## Association of British Airways Pensioners

**Subscription payment for  
2018/19 due 1st July 2018**

Tick which pension scheme (s), dependent beneficiary, or deferred member status, applies to you

	APS	NAPS	BARP	BAPP	Dependent	Deferred
	<input type="checkbox"/>					

Name		Staff No	Tick if VPO member <input type="checkbox"/>
Postcode	Address		
Address (continued)			
Email	Tel No	Mobile	DOB

Would you be willing to consider joining the ABAP Committee? Please tick box if yes.

<b>Subscription amounts</b>
Free for pensions less than £4000 pa, but please tick box to receive membership card and remain a member <input type="checkbox"/> £1 per £1000 gross pension up to max of £60 or £6 for deferred pensioners or those still working for BA Note: Any donations over and above the annual subscription are most welcome

Please record your payment amount    Subscription £.....    Donation £.....

<b>Payment methods - Please circle which method used below. If paying by direct transfer please use your staff number as a reference.</b>		
<b>By cheque (UK £ only): pay ABAP &amp; post to:</b>	<b>By direct transfer</b>	<b>By the internet</b>
ABAP c/o Asendia Unit E2 Omega Enterprise Park Electron Way Chandler's Ford Eastleigh Hampshire SO53 4SE	Pay ABAP Sort code 20-11-74 Account No 70180769 Overseas payments to: IBAN: GB88 BARC 2011 7470 1807 69 SWIFT/BIC: BARCGB22	Go to our website: <a href="http://www.abaponline.org">www.abaponline.org</a>  Select Membership & Renewals

This year we have added a second side to our renewal forms as we need to ask for your explicit consent to communicate with you and to record your answers thus enabling us to comply with the recent GDPR. Please bear with us!

Many thanks for your continued support, please encourage colleagues who are or will be BA pensioners and who are not yet ABAP members to consider again joining our ranks.

May I please ask you all to use the internet whenever possible, it is faster and costs less than the postal service for everyone, though we are very happy to contact you by any means possible.

**Mark Fielder, Chairman ABAP**