

# FOCUS

THE MAGAZINE FOR BAA PENSION SCHEME MEMBERS

SUMMER 2018



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Investment update



Pensions news



Summary Funding Statement



Transferring your BAA pension



Let's go digital!



Facts and figures

**BAA**   
Pension Scheme

# Chairman's introduction



## Welcome...

...to the Summer 2018 edition of "Focus" where you will find the latest Summary Funding Statement and an update about the Scheme's investments ...plus, much, much more. This year we have included a number of articles designed to help bring you up to date on Scheme matters and general pensions news, plus a piece on the roles of the various Committees that help run the Scheme.

During 2017, the Trustee carried out a strategic review of the Scheme's investments. The outcome of the review resulted in a change to our

strategic benchmark asset allocation which meant moving some of the Scheme's investments and the appointment of several new investment managers.

Due to the nature of the Scheme's investments, it is not possible to switch the relevant Scheme assets all at the same time. Consequently, the Trustee adopted a phased approach which saw assets being moved to the new managers over the course of 2017. More information about these changes can be found on page 7.

Our journey to adopt a digital approach to communications continues to gather pace. Whilst some communications may, for legal reasons, remain in paper format, we very much hope that you will support us in this initiative by choosing to 'Go digital'. If you haven't already done so, you can do this easily by registering your details on the Scheme website.

For now, we will continue to produce this paper version along with the more detailed digital version - 'Digital Focus'. We would really like to hear your thoughts about how we communicate with you. For example why not tell us if you have any suggested topics that you would like us to cover?

You can do this by calling the Pensions Helpline on **0333 207 6549** or by emailing

[baapensions@equiniti.com](mailto:baapensions@equiniti.com)

We trust you will find "Focus" both interesting and informative.

*Phil Wilbraham*

### **Phil Wilbraham**

Chairman

On behalf of the Trustee of the BAA Pension Scheme.

## Your Trustee

The Trustee Board is made up of eight directors. Four are appointed by the Company and the remaining four by the Scheme membership, referred to as Member Nominated Directors or MNDs. Each MND serves for a fixed term.

### **Company-Appointed Trustee Directors**

**Phil Wilbraham**  
(Chairman)

**Anne Hurn**

**Paula Stannett**

**Andrew Macmillan**

(appointed 1 June 2016)

### **Member-Nominated Trustee Directors**

**Steve Chambers**

(reappointed 31 March 2018)

**Terry Mackay**

(appointed 25 April 2018)

**Mike Macgregor**

(Pensioner)

**Derek Proven**

(resigned 31 January 2017)

**Mohammad Riaz**

(appointed from 1 August 2018)

**Paul Williams**

(retired 31 March 2018)

### **Independent Trustee – The Law Debenture (BAA) Pension Trust Corporation (LDPTC)**

Represented by:

**Michael Chatterton** or **Mike Jaffe**

### **Secretary to the Trustee**

**Alastair Knowles**

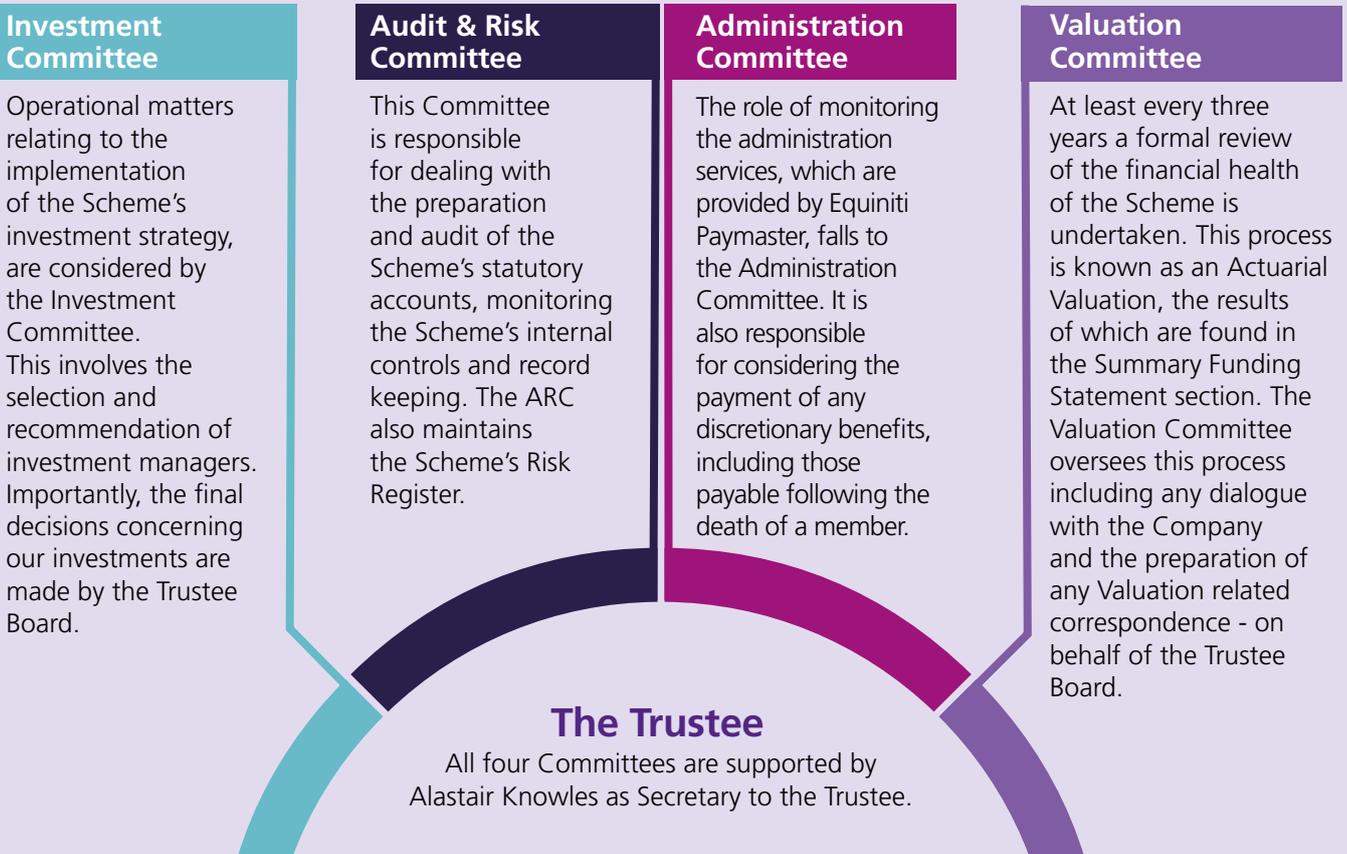
# Your Committees

We often refer to the work undertaken by the Trustee as a whole, but it is equally important to highlight the excellent work undertaken by the four Committees that provide essential support to the Trustee Board. Each Committee is made up of a number of Trustee Directors and focuses on specific issues. By working this way we can use the individual expertise of each Trustee Director more efficiently.

High level descriptions of what each Committee does can be found below, but please go to 'Digital Focus' on the website for a more detailed breakdown.

S Chambers		A Hurn	
M Macgregor		A Macmillan	
M Chatterton / M Jaffe		P Stannett	
P Wilbraham		T MacKay	

## Committee responsibilities



# The Trustee's advisers

## The Trustee is supported by a number of advisers

### Scheme Actuary

Chris Sheppard FIA,  
Mercer Limited

### Investment consultants

Cardano (until 31 March 2017)  
Redington (from 13 February 2017)

### Covenant advisers

PriceWaterhouseCoopers

### Auditors

Crowe Clark Whitehill LLP

### Bankers

Lloyds Bank plc

### Custodian services

J.P. Morgan Chase

### Administrators

Equiniti Paymaster

### Legal advisers

CMS Cameron McKenna Nabarro  
Olswang LLP

### Communication advisers

Concert Consulting UK Limited



# Summary Funding Statement

## What is the Scheme's financial position?

The latest Actuarial Valuation of the Scheme was carried out at 30 September 2015 with the latest Actuarial Report at 30 September 2017. These showed results as follows:

Effective date	30 Sept 2015	30 Sept 2017
The value of the liabilities was	£3,544m	£4,094m
The Scheme's assets were valued at	£3,316m	£3,893m
This means that there was a shortfall of	£228m	£201m

Since 30 September 2017 the shortfall has fallen to around £160m at the end of May 2018.

The next Actuarial Valuation of the Scheme will be conducted at 30 September 2018.

We are required to inform you whether a payment has been made to the employer, as permitted under the Pensions Act 1995, since we last sent you a Summary Funding Statement. We can confirm that no such payment has been made to the employer.

## Why have you sent me this Summary Funding Statement?

We are the Trustee of the BAA Pension Scheme (the "Scheme") and look after the Scheme on behalf of its members. We are sending you this Statement to tell you about the financial security of the Scheme. We recommend that you take some time to read it, since the Scheme's financial security could affect the benefits you will ultimately receive. We will continue to send you a similar Statement each year to keep you up to date.

## How is the Scheme's financial security measured?

The estimated cost of providing the benefits you and other members have earned to date is known as the Scheme's "liabilities". This includes the benefits of members who have left the Company or retired.

We collect money ("contributions") from Active members and from the Company, and invest this to help provide your benefits. The money is held in a communal fund, not in separate funds for each individual. The amount of money we have invested is known as the Scheme's "assets".

To check the Scheme's financial security we look at its financial position and compare the value of its liabilities to its assets. If the Scheme has fewer assets than liabilities, it is said to have a "shortfall". If the assets are more than the liabilities there is said to be a "surplus".

We carry out an in-depth look at the Scheme's finances at least every three years. This is called an Actuarial Valuation. We ask a qualified, independent professional, known as an Actuary, to do this. We also ask the Actuary to review the financial security of the Scheme more regularly. When this is done we receive an Actuarial Report summarising the Actuary's conclusions.

## How has the Scheme's financial position changed since the last Summary Funding Statement?

When we last sent you a Summary Funding Statement we reported that the Scheme was estimated to have a shortfall of £269 million at 30 September 2016.

Between then and the 30 September 2017 Actuarial Report the Scheme's shortfall reduced by £68 million. This reduction in the shortfall was primarily as a result of a fall in the value of the liabilities caused by an increase in long term interest rates and shortfall contributions paid by the Company.

This impact was partially offset by an increase in expectations of future inflation and hence an increase in the rate that future benefits are expected to be paid.

Since 30 September 2017 the shortfall has further fallen as a result of strong asset returns as well as further shortfall contributions paid by the Company.

## Is the shortfall going to be paid off, and if so, how will this be done?

The Company has agreed to make up the shortfall of £228 million at 30 September 2015 by paying £23 million each year until 30 September 2022, when we expect the shortfall to be paid off.

To calculate the amount of the shortfall, assumptions have to be made about what will happen in the future, for example, the rate at which the Scheme's assets will grow. If the assumptions do not all turn out to be exactly in line with what actually happens, it may be necessary to change the level of contributions to the Scheme or the period over which the shortfall is paid off.

Although there was a shortfall at 30 September 2015, all members who have retired are still receiving the full amount of their pension.

## How much money is paid into the Scheme each year?

The Company currently pays contributions to the Scheme at the rate of 23.0% of Pensionable Salaries to cover the cost of Active members accruing pension. Active members pay contributions at a rate of between 5.0% and 8.0% determined by their section of membership. The total contributions equated to £27 million over the year ending 30 September 2017.

The £23 million payable each year by the Company to pay off the shortfall is in addition to these amounts.

## How do the Trustees know what contributions should be paid into the Scheme?

Following each Actuarial Valuation (typically carried out every three years), the Actuary advises us what contributions should be paid into the Scheme so that we can expect to be able to continue to pay people's pensions. We then agree a level of contribution for the Scheme with the Company and record this in a document called the Schedule of Contributions.

We review and update the Schedule of Contributions at least each time the Scheme has an Actuarial Valuation.

The Valuation and Schedule of Contributions follow standards we have set out in a Statement of Funding Principles. This document describes how we will manage the Scheme with the aim of being able to continue to pay people's pensions.

We are required to tell you whether the Pensions Regulator has used its legal powers to make directions as to any of:

- The level of benefits available from the Scheme going forward;
- The method or assumptions used to calculate the liabilities or the length and structure of the recovery plan; and
- The contributions that should be paid under the Schedule of Contributions.

The Regulator has reviewed the 2015 Actuarial Valuation. It confirmed that it does not have any questions in relation to the agreed contributions and decided not to use its powers in relation to the Scheme. Therefore the Scheme is not subject to any directions.

The next Actuarial Valuation will have an effective date of 30 September 2018.

## Is my pension guaranteed?

Our aim is for there to be enough money in the Scheme to pay pensions now and in the future, but this depends on the Company carrying on in business and continuing to pay for the Scheme.

If the Company goes out of business or decides to stop paying for the Scheme, it is expected to pay the Scheme enough money to secure all the benefits built up by members with an insurance company. This is known as the Scheme being "bought-out" and "wound-up".

The comparison of the Scheme's assets to the cost of buying the benefits with an insurance company is known as the "solvency position" (see page 5).

## What happens if the Scheme is wound-up and there is not enough money to pay for all my benefits?

If the Scheme winds-up without enough money to buy all the members' benefits with an insurance company then, unless the Company can afford to pay the difference, you are unlikely to receive the full benefits you were expecting. To help members in this situation, the Government set up the Pension Protection Fund (PPF). The PPF pays a legally defined level of benefits to members of eligible UK pension schemes, in certain situations where a scheme does not have enough money to cover the cost of buying this level of benefits for members with an insurance company, and the company is insolvent and so cannot provide extra finance.

If the Scheme were to be wound-up and go into the PPF, the pension you would receive from the PPF may be less than the full benefit you have earned in the Scheme, depending on your age and when your benefits were earned.

Further information and guidance is available on the PPF website at [www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk) or you can write to:

**The Pension Protection Fund**  
Renaissance  
12 Dingwall Road  
Croydon  
Surrey CR0 2NA



Don't forget that you can access 'My Pension', your Secure Member Area, through our Scheme website.

Or use a QR reader and this code to go directly to the website



**[baapensionscheme.com](http://baapensionscheme.com)**



## Is there enough money in the Scheme to provide my full benefits if the Scheme is wound-up?

The Actuarial Valuation at 30 September 2015 showed that the Scheme's assets could not have paid for the full benefits of all members to be provided by an insurance company if the Scheme had wound-up at that date.

The liabilities if the Scheme were to be wound-up were	<b>£4,954m</b>
The Scheme's assets were	<b>£3,316m</b>
This means that there was a shortfall of	<b>£1,638m</b>
The solvency position at the previous Valuation on 30 September 2013 was a shortfall of	<b>£1,547m</b>

The solvency position will be updated as part of the 30 September 2018 Actuarial Valuation. The fact that we have shown the solvency position does not mean that the Company is thinking of winding-up the Scheme. It is just another piece of information we are required, by law, to provide and which we hope will help you understand the financial security of your benefits.

## Can I leave the Scheme before I am due to retire?

If you are an Active member, you can leave the Scheme before you reach retirement and your pension will be based on your service and salary at your date of leaving. Your pension benefits may be left in the Scheme to be paid at retirement or transferred to another pension arrangement.

Similarly, if you have already left the Scheme and have "paid up" benefits you can, if you wish, transfer your benefits to another pension arrangement prior to retirement.

If you are thinking of transferring your benefits out of the Scheme for any reason, you should consult a professional adviser, such as an Independent Financial Adviser, before taking any action. The law prevents us from providing you with financial advice.

## Where can I get more information?

If you have any other questions, or would like any more information, please see our contact details on page 11. Alternatively visit the Scheme website [baapensionscheme.com](http://baapensionscheme.com)

## Additional documents available on request

A list of documents which provide further information is shown below. If you want us to send you a copy of any of these documents please let us know.

### The Statement of Funding Principles

This explains how we (the Trustee) plan to manage the Scheme with the aim of being able to continue to provide the benefits that members have built up.

### The Statement of Investment Principles

This explains how we (the Trustee) invest the money paid into the Scheme.

### The Schedule of Contributions

This shows how much money is being paid into the Scheme by the Company and the contributing members. It also includes a certificate from the Actuary showing that these contributions are sufficient to meet the requirements set out by law.

### The Annual Report and Accounts of the BAA Pension Scheme

This shows the Scheme's income and expenditure in the year ending 30 September 2017.

### The Formal Actuarial Valuation Report at 30 September 2015

This contains the details of the Actuary's check of the Scheme's financial situation at 30 September 2015.

### The Actuarial Reports at 30 September 2016 and 30 September 2017

This contains the details of the Actuary's check of the Scheme's financial situation at 30 September 2016 and 30 September 2017.

### The BAA Pension Scheme Information Booklet

This is the members' handbook for the Scheme. You should have been given a copy when you joined the Scheme, but we can let you have another copy.



# Let's go digital!

We have for some time now been encouraging our members to receive their communications electronically. You will no doubt have received communications over the last year relating to our 'Lets go digital!' campaign.

As I am sure you will appreciate communicating with all the members of a Scheme the size of ours (circa 17,000 members) on a regular basis, can be both time consuming and expensive. We are keen to control these costs but just as importantly, enable you to choose whether digitally-based or paper-based communication is right for you.

It's not too late to make your choice - if you haven't already taken the opportunity to sign up to digital communications, we would urge you to do so, as it means that you will receive Scheme communications more quickly and help us to reduce the amount of wasted paper.

It is very simple to do... simply go to the website and click on the 'Stay up-to-date' button (as shown below) to register your details, using your unique reference number, found on

the postcard previously sent to you. If you no longer have a copy of the postcard, we will be writing to you again shortly about this campaign and your unique reference number will be quoted on this letter.

As we have mentioned, you have a choice, whilst we would like as many members as possible to elect to receive communications digitally, we recognise that for some paper is still the preferred format. If you would like to continue to receive communications in a paper-based format, please write to the address below:

**The BAA Pension Scheme  
PO Box 3332  
Bristol  
BS1 9LW**

It is important that you include your unique reference number.



Please remember, all general Scheme communications are available to download from the Scheme website in a printable format. So, even if you choose to receive digital communications you can also print a hardcopy. You can be assured that by registering your details your data will be held securely and not shared with any other parties.

Currently less than 1% of our total membership have requested to continue to receive paper-based communications. Thank you for your support.



Stay up-to-date

Click here to receive real time scheme notifications.



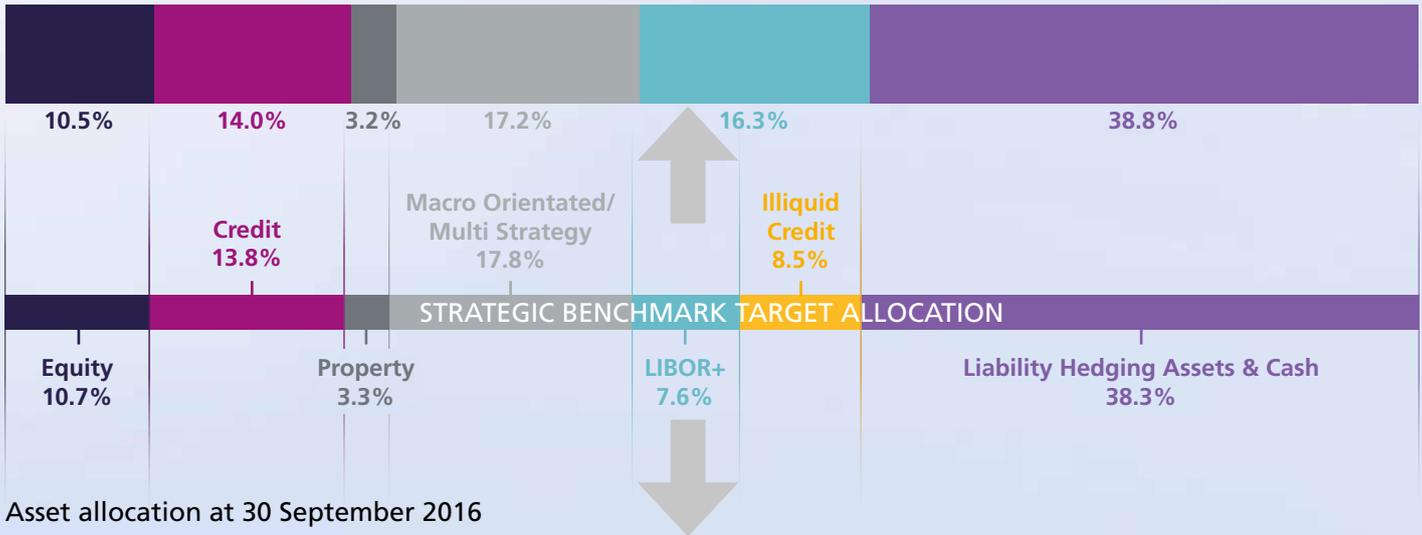
[baapensionscheme.com](http://baapensionscheme.com)

# Investment update

Managing the performance of the Scheme’s investments is a responsibility we take very seriously. As such, we always ensure that the appropriate investment advice is obtained before implementing any decisions.

Our investment objectives and investment strategy are set out clearly in formal documents known as the Statement of Investment Principles (“SIP”) and the Investment Policy Implementation Document (“IPID”). You can view or download a copy of either document from our Scheme website. The graph below compares the Scheme’s actual investment allocation at 30 September 2017 and 30 September 2016 with our strategic benchmark target allocation.

## Asset allocation at 30 September 2017 - The DNA of our investments



## Asset allocation at 30 September 2016

- Managers**
- State Street Global Equity
  - BlackRock Corporate Bonds | BlueBay Global Multi-Asset Credit
  - M&G Long Leases
  - Brevan Howard | Winton | Invesco Perpetual
  - Allianz LIBOR+\* | Wellington LIBOR+
  - BlackRock LDI | JPM Liquidity Fund (cash)

Due to the long-term view we take when making investment decisions, there can be periods when the actual asset allocation differs from our strategic target asset allocation, as outlined above.

The Trustee appointed three additional managers after the Scheme year end – Bridgewater Associates, Man Group and KKR. These managers were appointed to further diversify the Macro Orientated/Multi Strategy and Illiquid Credit portfolios.

In addition, the Trustee agreed a buy-in with Legal & General in respect of some of the liabilities relating to pensions in payment. For more information regarding the buy-in please see the article within the ‘Pensions news’ section of this magazine.

\*Rogge Global Partners were recently acquired by Allianz Global Investors

The Scheme’s investment portfolio is broadly split into the following categories:

- Liability Driven Investments (“LDI”)**  
 These are investments that move in line with the Scheme’s liabilities in response to changes in interest rates and inflation - protecting the Scheme’s funding level against these movements.
- Return Seeking Investments**  
 These are usually made up of UK and overseas equities (stocks and shares), but we also have holdings in such things as UK and overseas government and non-government stocks and property. The purpose of these investments is to deliver positive returns, but in a risk-controlled manner.

We have continued to make further changes to the Scheme’s investment strategy – these changes are anticipated to increase the investment returns of the Scheme’s return-seeking assets in a risk-managed way. In addition to those changes we shared with you previously, the following adjustments have now also been made:

- A change has been implemented to the Rogge mandate to make it easier for the manager to achieve the target return and reduce fees.
- An increase to the target return for the Wellington mandate has been authorised from LIBOR+ 1-1.5% to LIBOR+ 3-4% without increasing base fees.
- We can announce the appointment of three new managers – Man Group and Bridgewater Associates – in a new asset class called Diversified Risk Premia and also KKR in their Private Credit Opportunities Fund. These changes took place after the end of the Scheme year and are therefore not reflected in the 30 September 2017 allocation shown opposite.
- Finally, we have completed the transition of the BlueBay mandate from a pooled investment (alongside other investors) to a segregated mandate (containing only the Scheme’s funds). We will benefit from a preferential fee structure and reduced operational costs. This change took place during March and April of 2018.

Further details can be found in the Investment Report which forms part of the Scheme’s Trustee Report & Accounts. A copy of the latest audited Report & Accounts (at 30 September 2017) can be found on the Scheme website.

The table below shows the Scheme’s investment performance over 1, 3 and 5 years to 30 September 2017:

Effective date	1 Year	3 Years (p.a.)	5 Years (p.a.)
Change in value of assets	-2.1%	9.6%	9.7%
Change in value of liabilities*	-3.1%	11.6%	11.0%

\* Change in liabilities has been calculated on a Gilts basis by the Actuary and the asset return uses performance data estimated by Cardano and Redington.

# Transferring your BAA pension

The Trustee encourages all members who may be thinking about transferring their BAA Pension to another pension arrangement to get independent financial advice. Legislation requires that you must demonstrate that you have received the appropriate advice if your transfer value is equal to, or more than, £30,000. The Trustee cannot release the transfer payment without evidence that you have received this advice. You can find details of authorised financial advisers near to you at [www.unbiased.co.uk](http://www.unbiased.co.uk)

Transferring your BAA pension may allow you to take advantage of the pension flexibilities that became available from April 2015. However, some offers to access your pension early (or obtain cash from your pension savings) could be nothing more than a scam. You could lose all of your pension benefits, or become liable for an unwelcome tax bill! An authorised financial adviser will help you to avoid this potential danger.

For more information about pension scams please see our recent news article on the Scheme website [www.baapensionscheme.com](http://www.baapensionscheme.com)

You can report any offer you think may be a scam to Action Fraud on **0300 123 2040** or seek guidance from the Pensions Advisory Service on **0800 011 3797**.

For more information on pension scams fraud please visit [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk) or [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)



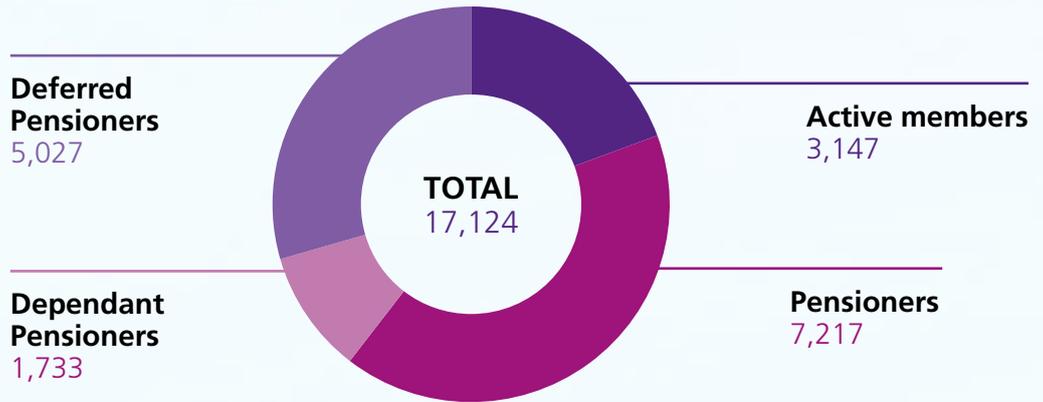


# Facts and figures

The following section provides the facts and figures about our Scheme. It includes the latest membership figures and the income and expenditure, for the year to 30 September 2017, as taken from the Annual Report and Accounts.

If you would like to see a copy of the full Annual Report and Accounts, please call our Administrators, Equiniti Paymaster, on [0333 207 6549](tel:03332076549).

## Scheme membership



## Arrivals

To 30 September 2017

	£'000
Contributions from members	5,196
Contributions from the Company	51,075
Transfers in	244
Investment income	78,882
<b>Total</b>	<b>135,397</b>

## Departures

	£'000
Benefits payable	95,951
Payments to and on account of leavers	22,036
Administrative expenses and fees	9,423
<b>Total</b>	<b>127,410</b>

## What it's all worth

	£'000
Value of Scheme assets at 30 September 2016	4,063,556
Income - expenditure	7,987
Change in the market value of Scheme assets	(152,865)
<b>Value of Scheme assets at 30 September 2017</b>	<b>3,918,678</b>

# Pensions news

## Member Nominated Directors



There have been changes to the constituencies and the terms of office for both Paul Williams and Steve Chambers which have ended. This has resulted in a number of changes to the Trustee Board.

The Trustee held two elections for MNDs to represent the Active membership of the Scheme. In the first election, Terry MacKay was elected and joined the Trustee Board on 25 April 2018.

A second was undertaken in April/May 2018. Steve Chambers, who's term as an MND expired on 31 March 2018 was re-elected and remained on the Trustee Board. Mohammad Riaz was also successful in his candidacy and will join the Trustee Board with effect from 1 August 2018.

The final MND is Mike McGregor who represents the Pensioner members of the Scheme.

The Trustee would like to pay special thanks to Paul Williams for all his help and support whilst he was an MND.

## The General Data Protection Regulation ("GDPR")



The law relating to data protection changed in the UK and European Union on 25 May 2018. All members of the Scheme were issued with a copy of the Scheme's Privacy Notice. You can also see a copy by going to this website address [baapensionscheme.com/privacy-notice](http://baapensionscheme.com/privacy-notice)

## Legal & General pensioner buy-in



This year saw the completion of a pensioner 'buy-in' with an insurance company - Legal & General. The Trustees and the Company agreed to purchase an insurance contract (using some of the Scheme assets to cover the cost) in return for a guaranteed regular income to the Scheme. The income received from the insurance contract is designed to broadly support a proportion of the Scheme's pensions currently in payment.

This type of investment transaction is very popular because buy-in contracts provide a relatively simple means of reducing the key risks typically faced by pension schemes, for example - longevity, interest and inflation risks.

After the buy-in was completed, the contract itself became an asset of the Scheme. The Trustees retain the same level of assets and liabilities as they did before the buy-in, but with less risk. The buy-in contract effectively becomes a new 'asset class' in terms of the Scheme's investments.

If you are a member, it is important to note that the 'buy-in' will not affect how your pension is paid or the amount of pension you are currently receiving or will receive in the future. The 'buy-in' merely provides a guaranteed income to the Scheme which helps to reduce risk without compromising the security of the Scheme assets.

## Changes to the pension transfer advice process



The Financial Conduct Authority (FCA) recently announced changes to the pension transfer advice process. The changes are designed to improve the quality of the advice provided and help individuals to make informed decisions based on their own personal circumstances.

The changes include:

- Transfer advice to be provided as a personal recommendation that takes account of the member's individual circumstances;
- To replace the current transfer value analysis with a requirement to undertake a personalised analysis of the member's options; and
- A requirement to provide a comparison which shows the value of the benefits being given up.

In addition, the FCA is also considering further changes in relation to the fee structures currently used by advisers as well as the need for advisers who provide pension transfer advice to have the same qualifications as investment advisers.

The FCA has further agreed to currently maintain its view that an adviser should start from the assumption that a transfer from a defined benefit (DB) scheme is likely to be unsuitable. However, this should not stop an adviser from recommending a transfer from a DB scheme where it is deemed the transfer would be suitable.

The FCA's Executive Director of Strategy and Competition, Christopher Woolard, said "defined benefit pensions are valuable so most people will be best advised to keep them. However, where people are considering a transfer, it is vital that they get good advice to enable them to make an informed decision".



## New phone number for TPAS

The Pensions Advisory Service (TPAS) provides free independent and impartial guidance to the public. Anyone can use this service and speak with a pension specialist without the need to book a prior appointment.

You can phone them on **0800 011 3797** - this call will be free from most UK mobiles and landlines. The new number replaces their existing local rate number which remains available for the time being.

TPAS also offer a live webchat facility which is available weekdays between 9am and 6:20pm (and 7-9pm on Tuesday evenings) at [www.pensionsadvisoryservice.org.uk/chat](http://www.pensionsadvisoryservice.org.uk/chat)

Alternatively, you can continue to contact TPAS by writing to:

**The Pensions Advisory Service (TPAS)  
11 Belgrave Road, London SW1V 1RB**



## 'Take Five' to stop fraud

The threat of being scammed out of your pensions savings is real and therefore you should take steps to help protect yourself. Financial Fraud Action UK (FFA) in conjunction with HM Government have launched a campaign called "Take Five – To Stop Fraud," to try and tackle the threat.

'Take Five' is a national campaign that offers straight-forward and impartial advice to help everyone protect themselves from preventable financial fraud. A website [www.takefive-stopfraud.org.uk](http://www.takefive-stopfraud.org.uk) has been set up where you will find lots of useful tips, guidance, information and videos designed to help you stay safe. Why not take five minutes and have a look?

The Trustee would encourage you to do the 'TOO SMART TO BE SCAMMED' quiz as it has plenty of examples which we are sure you will be able to relate to.

Finally, remember - never give your PIN or passwords details to anyone else. You are the only person who ever needs to know these.



## Pension schemes offer a tax efficient form of investment



Understanding the benefits of saving for a pension is important because your State Pension (whilst it will provide a regular steady income) is unlikely to be enough for you to live on during retirement.

It is reported that more than half of the people in the UK are not saving enough to give them the standard of living they are hoping for when they retire. Consequently, individuals are often having to make a choice to either:

- Adjust their financial expectations for when they retire;
- Defer their retirement to a later date; or
- Simply save more whilst they are working.

Any contributions paid into a pension scheme will benefit from tax relief and are not subject to tax while they are invested. Consequently, for those who choose to save more whilst they are working, pensions are often seen as a tax-efficient form of investment.

Even when you retire there are further tax advantages of being invested in a pension scheme. Whether you are invested in a defined benefit or defined contribution scheme any Pension Commencement Lump Sum you elect to receive will generally be free of tax. Also, any pension or annuity income you receive (whilst it will be subject to tax at your marginal rate) will not be subject to National Insurance contributions.

Could you therefore be saving more into your pension and so take advantage of this tax efficient form of investment?

### Overriding effect of scheme governing documentation and legislation

Please note that 'Focus' is intended to be a general guide and not a legally binding document. If there is any conflict between the information set out in this Magazine and relevant legislation or the Scheme's governing documentation (as amended from time to time) as it applies to you, the legislation and governing documentation will prevail.

Please note that neither the Trustee nor the Company can provide you with advice on your benefits within the Scheme. As such, we recommend that you obtain independent financial advice before making any decisions regarding your entitlements under the Scheme.

## Contact us

✉ By letter to  
**BAA Pension Scheme  
Equiniti Paymaster  
Sutherland House  
Crawley  
West Sussex  
RH10 1UH**

☎ By telephone on  
**0333 207 6549**

@ By email on  
**baapensions@equiniti.com**

🌐 Our website at  
**www.baapensionscheme.com**

### How you can help when you contact us

To help our Scheme administrators, Equiniti, deal quickly and efficiently with your enquiry please give as much information as possible about yourself at the time you make your enquiry. The main method of identification is by your National Insurance (NI) number, so the best way to ensure we find your record without delay is to include this in any letter or email, or to have it available if you telephone or visit us. If you are not able to give us your NI number, please give as much detail as possible about your employment and include your full name, date of birth and any previous names you may have had.

Please remember that we need your written and signed authority to discuss or release your personal or financial information to a third party.

# EQUINITI