

Message from the APS Trustee - APS Discretionary Increase Litigation

The case brought by British Airways in relation to APS discretionary increases is now underway in the High Court. The trial is scheduled to end on 2 December 2016 and the outcome of the case is not expected to be known until a number of months after that date. The Trustee will communicate the outcome to members as soon as it is able. In the meantime the press statement which the Trustee intends to provide when press enquiries are received is provided below for your information.

You may be aware that the NAPS Trustee has finalised the NAPS 31 March 2015 Funding Valuation. As explained in the message from the APS Trustees published in July 2016 (which is available here https://www.mybapension.com/resources/news/aps_funding_valuation_31_march_2015.pdf) it will not be possible to conclude the APS 31 March 2015 valuation until the outcome of the litigation is known.

Press Statement from the Trustee of the Airways Pension Scheme

This is an ongoing legal matter between British Airways and the Trustee of the Airways Pension Scheme (APS) that is being heard in the High Court of Justice.

In reaching the decisions that British Airways is challenging, the Trustee took account of detailed professional advice from a range of leading firms. The Trustee maintains that it acted appropriately and within the rules of the Scheme at all times in its decisions to introduce the discretionary increase power in 2011 and then to exercise that power by granting a 0.2% discretionary increase in 2013. Both decisions taken by the Trustee were a consequence of the Government's decision in 2010 to change the index on which the Pension Increase Review Orders are based from RPI to CPI.

The Trustee considers it regrettable that these matters are the subject of Court action. The outcome is expected to be known in early 2017. In the intervening period, given the nature of the proceedings, the Trustee does not currently intend to make further public comment until the judgment is published.

Media enquiries should be directed to: Finsbury, Michael Turner / Sarah Roberts +44 207 251 3801 (For press queries only, member queries should be directed to British Airways Pension Services Limited)