

Provision of transfer values for NAPS active members suspended

British Airways Pensions (BA Pensions) has temporarily suspended the provision of transfer values to active members of the Scheme unless these are being requested for divorce purposes.

This decision has been taken by BA Pensions solely to protect the service levels we provide to all of our membership during BA's consultation on future pension provision within NAPS, including during any subsequent implementation phase. This suspension also applies to APS.

If the outcome of BA's consultation is closure of NAPS to future accrual, you will be provided with a statement showing your NAPS pension at date of closure and the transfer value of this pension. The transfer value will be guaranteed against changes in market conditions for a period of three months. We will aim to provide the statement within two months of the date of any closure, once the necessary payroll data has been received from BA.

Transferring your benefits to another registered provider is a serious undertaking and it is recommended that members take independent financial advice before reaching a decision. Where transfer values exceed £30,000 it is a requirement that members demonstrate that independent financial advice has been obtained before the transfer can proceed.

What is a transfer value?

Your entitlement in the Scheme is a pension payable for life and this usually includes pensions for your dependants, unless you have chosen not to pay towards dependant's cover. You can choose to take part of your pension as a tax-free lump sum at retirement.

A transfer value is the value of your NAPS pension benefits converted to a cash sum for the purposes of securing pension benefits in another registered pension scheme or arrangement. We cannot pay the transfer value directly to you. It must be paid directly to an approved pension provider once you have given us the authority to do so.

I have been told I have a right to a transfer value

Under law, members of a defined benefit scheme, such as NAPS, become entitled to a transfer value only if they have ceased pensionable service. Currently, this means you would need to opt out of NAPS to be legally entitled to a transfer value. For your NAPS pension other than AVCs, this legal right no longer applies once you are within a year of your normal retirement age.

There is no requirement to provide a transfer value to members who are still building up benefits in the Scheme, although we have, until now, provided these to all active members on request. The decision to suspend the provision of transfer values is driven solely by the desire to maintain service levels across all categories of the membership during an exceptionally busy period.

Why might a transfer value NOT be useful now?

While you are still building up benefits in the Scheme, the transfer value will change on a monthly basis and cannot be guaranteed. A transfer value can only be guaranteed against changes in market conditions once you have left the Scheme.

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