

Coronavirus (COVID-19)

The Trustees of the Airbus pension scheme have been working with their providers and administrators to ensure that pension schemes continue to be administered on a timely basis.

A key priority is to ensure all our pensioners continue to receive their pension payments as and when they fall due and measures have been put in place to ensure this can be achieved. We would also prioritise retirement processing and bereavement services.

For Schedule 4 members, members of Schedule 1 (Retirement Account section) and members who pay AVCs, we recognise the increase in market volatility due to the coronavirus may be causing you some concern. We appreciate that members may have seen their pension value fall as a result of recent events. But when markets experience volatility due to major global events like this, they tend to recover over time. We are also focusing on ensuring that your scheme contributions continue to be received and invested on a timely basis.

FAQs

I am concerned about the impact on my pension from the fall in the value of the Lifestyle Fund

If you are more than 10 years away from your expected retirement date your funds will currently be affected by the falls in the value of stock markets in which the Lifestyle fund is invested. Historically markets do recover over time and investors who patiently hold onto their investments are more likely to reap the rewards. If you are under 10 years away from retirement some of your investments will have been automatically switching to more cautious investment funds which are not all affected by stock market falls.

As I have chosen my own investment funds, can I switch to different funds to protect the value of my investments?

If you are considering taking action as a result of what is happening in the markets you should take financial advice. There is likely to be a cost for this. Remember if you sell your investments you may be locking in losses and you could potentially have less money than someone who kept their money invested.

Will the investment crisis affect my defined benefit pension (Schedules 1 (core pension) 2 and 3)?

The calculation of the defined benefit pension is not affected by investment markets, as the Scheme rules promise to pay you a pension calculated by reference to your earnings and service and a formula under the relevant section of the Scheme that you belong to. The funding level of the Scheme will be impacted and the Trustees along with the employers will assess the status of the Scheme as normal when they look at the Scheme's actuarial valuation.

I have money invested in the Legal & General Property Fund

Legal & General have temporarily suspended buying and selling of units in the Property Fund due to the extreme market uncertainty. This will not affect any payments being made to members if they are retiring at normal retirement age, or because of ill-health, or settlement of any death in service claims.

For any member that was paying regular monthly contributions. L&G will be diverting these into the Plan's Cash Fund. L&G will ring-fence these assets so that once the property fund becomes unsuspended they can transfer across the past contributions.

The L&G Helpline telephone number is currently suspended

COVID-19 (coronavirus) has impacted L&G's ability to keep their helpline open, and they have taken the difficult decision to close the helpline from 25 March 2020. Members are encouraged to use email contact or access generic information on their website. They will need to be registered for Manage Your Account to send L&G an email. To help any members who may contact us, Kay Gardiner has access to a list of employee policy numbers should a member want to find this to enable them to register for MYA

Legal & General information on COVID-19

<https://www.legalandgeneral.com/workplace/campaigns/covid-19/>

What does the Airbus announcement regarding suspension of voluntary top up pension mean?

The UK has regulatory requirements to fund its pension provisions and in accordance with agreements in place with Trustees who are responsible for the UK pension Schemes.

The Airbus public message about suspension of top up pension funding relates to the German pension scheme and does not affect the current pension UK funding arrangements in the UK.

Pensions Team contacts

As always any person who wants further information on how their pension may be affected they should contact the Pensions Team here: ukpension@airbus.com

Increased activity on pension scams

Sadly there is an increase in the number of pension scams seeking to prey on the vulnerability of individuals during the current financial uncertainty. We should advise our members to be extra vigilant. The enclosed leaflet is a helpful source:

https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/16423_pensions_consumer_leaflet_screen.ashx