Amadeus Services Limited Pension & Life Assurance Plan

Member's Booklet

Final Salary Section

November 2018

Amadeus Services Limited Pension & Life Assurance Plan

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Introduction

Financial security is important to all of us and our families. The Amadeus Services Limited Pension and Life Assurance Plan (the Plan) provides you with an income and other benefits when you retire as well as providing financial protection for your family while you are employed by Amadeus IT Services UK Limited (and previously Amadeus Services Limited) (the Company).

The Plan has two sections, a Defined Contribution section and a Final Salary section. The Final Salary section is only for individuals who transferred their employment from British Airways under the TUPE regulations and were previously a member of one of British Airways' final salary pension schemes.

This booklet only gives you a summary of the benefits provided by the Final Salary section of the Plan. You may also have benefits in the Defined Contribution section of the Plan. More details of this section are set out in a separate booklet. The full rules of the Plan are in the Trust Deed and Rules (a copy of which is available on request from the Plan administrators). In the event of any conflict between the content of this booklet and the Trust Deed and Rules, the Trust Deed and Rules will take precedence.

The Plan is registered with Her Majesty's Revenue & Customs (PSTR 00667199RK) which means that both you and the Company benefit from generous tax reliefs in respect of your pension benefits.

If you have any questions about the content of this booklet, or the Plan in general, please contact the Plan administrators.

How the Plan works

Benefits in the Final Salary section of the Plan are based on your length of Pensionable Service with the Company and your salary at the time your Pensionable Service ended.

If you chose to transfer your British Airways pension into the Plan, your Pensionable Service will also include your time as a member of the British Airways scheme. Otherwise it will have started when you joined the Plan.

Your Pensionable Service ended when you left the Company or, if you were still employed with the Company and an active member of the Plan when the Final Salary section closed on 31 March 2011, on that date.

If you were an active member of the Plan when the Final Salary section closed and you continue to work for the Company you are known as an Employed Deferred Member.

There are some special arrangements for Employed Deferred Members and these are highlighted in the booklet. If you stop working for the Company before taking your Final Salary benefits you will no longer be an Employed Deferred Member, and will not benefit from the special arrangements.

Who can join?

Membership of the Final Salary section was only open to individuals who transferred employment from British Airways under the TUPE regulations and who were previously a member of either the Airways Pension Scheme (APS) or the New Airways Pension Scheme (NAPS).

Other employees are eligible for membership of the Defined Contribution section of the Plan.

Contributions

As the Final Salary section of the Plan is now closed, you can no longer make any contributions in respect of your Final Salary benefits, including to your Final Salary AVC Pot.

If you are a member of the Defined Contribution section of the Plan, any contributions you make will be used to provide benefits under that section.

How much did you pay?

The amount of contributions you paid to the Final Salary section of the Plan depended on whether you were previously a member of APS or NAPS.

The normal level of contributions were:

Section	Contribution as percentage of Pensionable Pay*
APS	7.25%
NAPS	5.25%

Alternatively, you may have paid a lower level of contributions, but any period during which you paid this lower rate would not be considered when calculating any spouse's pension.

The lower level of contributions were:

Section	Contribution as percentage of Pensionable Pay*
APS	5.75%
NAPS	3.75%

*Pensionable Pay will be different depending on whether you were previously a member of APS or NAPS.

If you paid Additional Voluntary Contributions

If you paid Additional Voluntary Contributions (AVCs) to your Final Salary AVC Pot you will have built up a pot of money that you can use to provide additional benefits when you retire.

If you are also a member of the Defined Contribution section of the Plan, you may also have paid AVCs as part of that membership (and can continue to do so if you are an active member). Although all of your Additional Voluntary contributions are treated as one pot under the Plan rules, they are recorded separately and you will continue to receive two separate annual statements.

Although you can no longer make additional contributions to your Final Salary AVC Pot, you can still make decisions about where your AVC Pot is invested. The Trustee offers several different Investment Funds for you to choose from, together with an AVC Lifestyle Option.

Appendix A contains a summary of the different Investment Funds you can choose for your AVC Pot. If you would like more information about your investment choices, please refer to the Investment Option Booklet. This can be obtained from the Plan administrators and is also available on the Plan Website.

Your pension at retirement

When can I take my pension?

Your Normal Retirement Age under the Final Salary section of the Plan is age 60 and you would normally expect to receive your retirement benefits at that time.

How much will I receive?

The pension payable from your Normal Retirement Age is calculated as follows;

Pensionable Service X Final Pensionable Pay X 1/56

If your Pensionable Service ended before your Normal Retirement Age this pension will be increased each 1st April from the date your Pensionable Service ended to your Normal Retirement Age in line with the rise in prices (as measured by the increase in the Retail Prices Index in the preceding September). For former members of NAPS, this increase is capped at 5% each year.

Joe left the Company on 30th November 2010 after completing 9 years Pensionable Service. His Final Pensionable Pay was £28,000.

His pension on leaving service was therefore;

9 X £28,000 X 1/56 = £4,500 a year

This pension was increased on 1st April 2011 and on each subsequent 1st April up to 1st April 2016 by the increase in the Retail Prices Index, subject to a maximum of 5% each year.

When he reached his Normal Retirement Age on 31st May 2016, his pension had increased to £5,396 a year.

If you are an Employed Deferred Member and you reach your Normal Retirement Age on a date other than 1st April, your pension will be further increased in line with the rise in prices for the part-year from the preceding 1st April to your retirement.

Please note that if you leave the Company between the preceding 1st April and your retirement, this additional increase to your pension will only apply up to the date you leave the Company as you will no longer be an Employed Deferred Member from this date.

For example, Susan became an Employed Deferred Member on 31st March 2011 with a pension of £6,000 a year and retired at her Normal Retirement Age on 31st May 2016. Her pension was increased up to and including 1st April 2016, bringing it up to £6,879 a year. As she was still employed with the Company up to her retirement, her pension was further increased for the 61 days since 1st April 2016 to £6,888 a year.

The Plan administrators will also check that your pension has been increased by the minimum amount required by legislation. For example, to ensure that any Guaranteed Minimum Pension (GMP) that is included in your pension has been increased fully. Please refer to the section on Contracting-out later in this booklet for more information.

Can I take my pension early?

You can ask to take your pension at any time from your 55th birthday or before this if, in the Trustees opinion, you are suffering from Incapacity. If you do take your pension early, it will only be revalued up to the last 1st April prior to your retirement and will be reduced to reflect the fact that it is being paid early. The Trustees may refuse your request for early retirement if the reduced pension that would be payable will not be sufficient to cover your Guaranteed Minimum Pension when you reach age 60 if you are female or age 65 if you are male.

If you retire early as an Employed Deferred Member your starting pension will include revaluation from the last 1st April up to your retirement date.

Can I take my pension late?

You would normally have to take your Final Salary pension when you reach age 60. If you continue working for the Company after age 60 however, you can, with the Company's consent, defer taking your Final Salary pension until you leave service, or you reach age 65, whichever happens first. If you do this, your pension will be increased from age 60, up to the date you take your pension to reflect the late payment. This is known as crystallising your benefits and the amount your pension is increased by is known as the crystallisation uplift. The rate of the crystallisation uplift is determined by the Company and is reviewed on a regular basis. Any changes to the crystallisation factor will only apply from the date of the change.

If you crystallised your benefits after reaching age 60 before 31st March 2011 and you are still employed by the Company slightly different provisions apply. For example, the rate of your crystallisation uplift will have been fixed at the time you crystallised your benefits.

Do I have to take all my benefits at the same time?

You will have to take all your Final Salary pension at the same time. If you also have AVCs you can choose to take these at the same time as your Final Salary pension or you can decide to leave them invested in the Plan and use them to take benefits at any time up to your 75th birthday.

If you are also a member of the Defined Contribution section of the Plan you can choose whether to take your benefits from this section at the same time as taking your benefits from the Final Salary section, or leave your Pension Pot in the Plan and use it to provide benefits, as set out in the Defined Contribution section booklet, at a different date.

The only condition is that if you must use all of your particular type of pot to provide benefits at the same time. For example, you can choose to use your AVC Pot to provide benefits but leave any Pension Pot built up in the Defined Contribution section untouched, but if you want to use your AVC Pot you must use all your AVC Pot.

On his 60th birthday, James chooses to take his Final Salary pension of £12,000 and take his Final Salary AVC Pot of £35,000 as a tax-free lump sum.

He also has a Pension Pot of £85,000 that he built up as a member of the Defined Contribution section of the Plan. He can leave this pot in the Plan until his 65th birthday, so he decides not to use this pot at this time.

Your retirement options

You have a number of choices about how you take your benefits when you reach retirement. The actual options available to you will depend on your personal circumstances. For example, whether you have any AVCs or also have benefits in the Defined Contribution section of the Plan.

Final Salary pension only

If you only have a Final Salary pension, or you do not wish to take any benefits from any AVC pot or the Defined Contribution section of the Plan at this stage, you can choose to give up part of your pension in exchange for a tax-free lump sum. There are some restrictions on the amount of tax-free lump sum you can take and the actual amount will depend on your age and the terms for converting your pension into a lump sum that apply at the time you retire. The Plan administrators will let you know how much tax-free lump sum you can take when they provide you with retirement figures.

Sanjay is a member of the Final Salary section of the Plan and is approaching his 60th birthday, so he asks the Plan administrators for details of how much he might expect to receive.

The Plan administrators advise Sanjay that he can either take his full pension of £15,000, or he could give up some of his pension to provide a tax-free lump sum of £76,800 together with a reduced pension of £11,520 a year.

Final Salary pension and Defined Contribution benefits

If, in addition to your Final Salary pension, you have some Defined Contribution benefits, such as any AVCs or a Pension Pot built up in the Defined Contribution section, there are some additional options available to you.

If your Defined Contribution benefits are no more than one-third of the value of your Final Salary benefits (in this instance, the value of your Final Salary benefits is calculated by multiplying the amount of your pension by 20), your Defined Contribution benefits can be paid as a tax-free lump sum. You may also be able to take an additional amount of tax-free cash lump sum by giving up some of your Final Salary pension.

Julie retired early from the Final Salary section at age 58. Her full Final Salary pension was £8,000 a year. She also had an AVC Pot of £20,000.

As her AVC Pot was less than one-third of the value of her Final Salary pension, she could take the whole of her AVC Pot as a tax-free lump sum and still receive her full pension of £8,000.

If she wanted, she could also give up some of her pension to provide an additional amount of lump sum on top of her AVC Pot. She could receive an additional lump sum of £25,893 (giving a total of £45,893) together with a reduced pension of £6,884 a year.

If your Defined Contribution benefits are more than one-third of the value of your Final Salary benefits only that part of your Defined Contribution benefits that is equal to one-third of the value of your Final Salary pension can be used to provide a tax-free lump sum in respect of that pension. You have a number of other options in respect of the remaining Defined Contribution pot. You can choose to take your remaining benefits in any combination, provided all of the remaining Defined Contribution pot are used.

Take the balance as a lump sum

You can choose to take the balance of your Defined Contribution pot as a lump sum, known as an Uncrystallised Funds Pension Lump Sum (or UFPLS). One-quarter of this will be paid tax-free and the remaining three-quarters will be subject to income tax at your marginal rate.

Amelie has a Final Salary pension of £6,000 a year together with a Pension Pot of £60,000 in the Defined Contribution section of the Plan.

She uses £40,000 of her Pension Pot to provide the maximum tax-free lump sum that can be paid in respect of her Final Salary pension.

She is happy with the amount of guaranteed income she will be receiving in retirement, so she chooses to take the remaining £20,000 in her Pension Pot as a lump sum. £5,000 of this will be paid tax-free and the remaining £15,000 will be subject to income tax at her marginal rate.

Use the balance to buy a pension with an insurance company

You can choose to use the balance of your Defined Contribution pot to buy a guaranteed regular income (also known as an Annuity) from an insurance company of your choice. The amount of income you receive will depend on a number of factors, such as; the size of your pot, the cost of buying a pension at the time and the options you select.

You can choose whether to provide for a pension to be paid to your Spouse or Dependant after your death should they live longer than you; whether your pension will increase each year (and by how much); and whether it is guaranteed to be paid for a fixed amount of time (five years, for example).

There may be some restrictions on this option however, as insurance companies typically only accept pension pots over a certain size.

If you choose this option you may also use one-quarter of your remaining Defined Contribution pot to give you an additional amount of tax-free lump sum with the remaining three-quarters used to buy a pension. This may need to be restricted however, to ensure that your remaining pot, after taking any further tax-free lump sum, is still large enough for an insurance company to accept it.

Gary retired at age 60 with a Final Salary pension of £18,000, a Final Salary AVC Pot of £25,000 and Defined Contribution Pension Pot of £185,000.

The maximum amount of tax-free lump sum Gary can take in respect of his Final Salary pension is £120,000. He uses his Final Salary AVC Pot together with £95,000 of his Pension Pot to provide this lump sum.

Gary also uses one-quarter of the remaining Pension Pot to provide a further tax-free lump sum of £22,500 and the remaining £67,500 is used to buy an additional guaranteed income which increases at 3% a year and will provide for 50% of his income to continue to his partner after he dies with an insurance company of £2,250 a year.

Transfer the balance to another pension arrangement

You may wish to use your remaining Defined Contribution pot to provide benefits that are not offered by the Plan. For example, you may wish to combine your pot with other pensions you might have or use your pot to provide Income Drawdown.

Transferring your remaining pot is not regarded as taking your benefits and you are not allowed to take any additional tax-free lump sum from the Plan if you choose this option. Your new pension arrangement would be able to provide you with a lump sum when you take your benefits from that scheme.

Antonia has several pension pots with different employer's pension schemes including her Amadeus Final Salary pension of £3,000 a year and a Defined Contribution Pension Pot of £48,000.

She uses £20,000 of her Pension Pot to provide the tax-free lump sum alongside her Final Salary pension and decides she would like to combine the remaining £28,000 with her other pension pots so she can use them to provide Income Drawdown. She therefore transfers the remaining part of her Pension Pot to another pension arrangement that offers this facility.

What if I'm still working for Amadeus?

You can still take your benefits from the Final Salary section of the Plan while you are working for the Company. If you are also contributing to the Defined Contribution section of the Plan, you can continue to do so, and you will still benefit from the Company's contribution.

You are not normally able to take any benefits from your Defined Contribution Pension Pot while you are still contributing to it. If, however, you do not have enough AVCs in the Final Salary section to allow you to take the maximum amount of tax-free lump sum without having to give up any of your Final Salary pension, you are able to use some of your Defined Contribution Pension Pot to enable you to do so.

Jose still works for the Company and contributes to the Defined Contribution section of the Plan. He has decided, however, to take his Final Salary pension on his 60th birthday. His Final Salary pension is £15,000 a year and he also has a Final Salary AVC Pot of £56,000.

As his Final Salary AVC Pot is less than one-third of the value of his Final Salary pension, he would normally have to give up some of his pension to enable him to take the maximum amount of tax-free cash. In this instance, however, Jose will be allowed to use £44,000 of his Defined Contribution Pension Pot to enable him to take the maximum amount of tax-free lump sum of £100,000 without having to give up any of his Final Salary pension.

His remaining Pension Pot will continue to be invested in line with his instructions and both Jose and the Company continue to make contributions to the pot.

Transferring your Pension

Transferring your pension to another provider

Before you start drawing your pension you can choose to transfer the value of your Final Salary pension to another registered pension arrangement, for example, a new employer's scheme or a personal pension, providing they are willing to accept the transfer.

You can exercise your right to transfer your Final Salary pension at any point up to one year before your Normal Retirement Age. You do not have a right to transfer your Final Salary pension after this date, but the Trustees may consider a request to do so.

You can ask for a statement of your Cash Equivalent (the value of your Final Salary pension available for transfer) once in any 12-month period. The Cash Equivalent is guaranteed for three months from the date of the calculation.

If your Cash Equivalent is £30,000 or more, you will need to provide evidence to the Trustees that you have received appropriate independent advice regarding the transfer before it can proceed. In any event the Trustees recommend that you seek independent financial advice before deciding to transfer your pension benefits.

Transferring your pension overseas

It is possible to transfer your Final Salary pension overseas but you should be aware there are some additional rules about the type of pension scheme you can transfer to. You may also be subject to additional tax charges. More information about transferring your pension overseas is available from the Plan administrators.

Increases to your pension

Once your Final Salary pension is in payment it will be increased each 1st April in line with the rise in prices (as measured by the increase in the Retail Prices Index as at the preceding September). For former members of NAPS, this increase is capped at 5% each year.

If you are over age 60 if you're female, or 65 if you're male, and your pension includes any Guaranteed Minimum Pension then this part of your pension will be increased in line with legislation. Any GMP earned before 6th April 1988 won't receive any increases from the Plan, while any GMP earned between 6th April 1988 and 5th April 1997 will increase in line with prices (this time, as measured by the Consumer Prices Index as at the preceding September) with a maximum increase of 3%.

Your first pension increase will also be based on the number of complete months between your retirement and 1st April. For example, if you retired on 1st October your first increase would be one-half of the full increase as your pension had only been in payment for six months.

Benefits for your Dependants

The Plan also provides valuable benefits to your Dependants in the event of your death.

If you die before you take your benefits

If you are married, or in a civil partnership, and you die before you take your benefits under the Final Salary section, a pension will be payable to your Spouse equal to two-thirds of the Final Salary pension you would have been entitled to had you retired on the day before you died. Any period of service during which you paid the lower rate of contributions however, will be disregarded.

If no Spouse's pension is payable, a lump sum is paid to your beneficiaries equal to the value of your own contributions to the Final Salary section, plus interest.

If you die after you have retired

If you are married, or in a civil partnership, and die after you have started receiving your Final Salary pension, a Spouse's pension will be payable. This pension will be two-thirds of the pension you are receiving but ignoring any reduction for the early payment of your pension and any reduction in your pension to provide a lump sum at retirement. Any pension built up while you paid the lower rate of contributions will also be excluded.

If no Spouse's pension is payable, a lump sum equal to the value of your own contributions to the Final Salary section, plus interest, less any Final Salary benefits that may otherwise have been paid.

If you are not married

If you are not married when you die, the Trustees can decide to pay a Spouse's pension to a person who they regard was either financial dependant on you, living in a relationship with you and was financially interdependent with you, or dependant on you because of physical or mental impairment.

You can let the Trustee know who you would like to be considered for a pension when you die by completing an Expression of Wish form.

Expression of Wish forms can be obtained from the Plan administrator or via the Plan Website.

Dependant's pension option

At any time before your Normal Retirement Age (or before you start drawing your Final Salary pension, if this is earlier) you can choose to give up some of your own pension to provide a pension to a named Dependant. The amounts will depend on both your, and your nominated Dependant's, age at the time of your election. This will be in addition to any Spouse's pension described above and the combined amount of Dependant's and Spouse's pension cannot exceed the amount of your own pension.

If you choose to do this within five years of your Normal Retirement Age you may be required to undergo a medical examination beforehand.

You can cancel or change your decision at any time up to your Normal Retirement Age (or the date you start your pension, if earlier). If your nominated Dependant dies before you start to receive your pension your election will automatically be cancelled, however if they die after you start receiving your pension you cannot cancel the arrangement. You may, however, ask to substitute another named Dependant to receive the pension after you die.

If you have any dependent children

The Plan will pay an allowance to any Children who may be dependent on you when you die. This will be paid to any Eligible Children under the age of 16, or under age 23 if they are in full time education or vocational training or unable to earn a living due to serious and permanent illness or disability. The allowance will continue to be paid until such time that they no longer qualify as an Eligible Child.

If a Spouse's pension is also being paid, the maximum total amount of Children's pension payable is one-third of the amount of your pension that is used to determine the Spouse's pension (as described above), with a maximum of one-sixth payable in respect of each Child.

If no Spouse's pension is payable the maximum total amount of Children's pension increases to 100% of your pension with a maximum of one-half payable in respect of each Child.

For example, if there was no Spouse's pension payable and the Member's base pension was £6,000 a year, then 100% of the Member's base pension would be available to provide a pension to an Eligible Child.

If there was only one Eligible Child, then the pension would be capped at 50% of the Member's base pension, so there is a maximum pension of £3,000 payable.

If there were three Eligible Children, then the Member's base pension would be split three ways, giving a pension of £2,000 to each Child.

	Spouse's pension payable	No Spouse's pension
Base member's pension	£6,000 a year	£6,000 a year
Spouse's pension	£4,000 a year	£0.00 a year
One child	£1,000 a year	£3,000 a year
Two children (each child)	£1,000 a year	£3,000 a year
Three children (each child)	£667 a year	£2,000 a year
Four children (each child)	£500 a year	£1,500 a year

On the death of a Spouse or, if a Child no longer meets the criteria to be an Eligible Child, then the pension will be reallocated between the remaining beneficiaries, subject to the above rule.

Contracting-out

While you were contributing to the Final Salary section of the Plan you were contracted-out of the State Second Pension. As a result of this both you and the Company paid lower rates of National Insurance Contributions, but you would not receive this additional pension benefit from the State in respect of this period. In return, however, the Plan must provide a minimum level of benefits.

If you transferred your British Airways pension into the Plan, you would also have been contracted-out during your British Airways service. If this included any period prior to 6th April 1997, the minimum amount of pension that the Plan must provide from your GMP Age (age 60, if you are female, and age 65, if you are male) in respect of service up to this date is known as your Guaranteed Minimum Pension (GMP).

Your GMP will have been calculated at the date you stopped earning benefits in the Final Salary section, and is increased at your GMP Age by a fixed rate for each complete tax year that has elapsed since your pensionable service ended. For those members who were still active members of the Final Salary section at 31st March 2011, the fixed rate is 4% a year.

After GMP Age any GMP earned after 5th April 1988 will be increased by the Plan each April in line with the rise in prices (as measured by the Consumer Prices Index) with a maximum of 3% each year, however any GMP earned before 6th April 1988 will not receive any increases from the Plan.

Sophie is a member of the NAPS section of the Plan and stopped earning any new Final Salary benefits on 31st March 2011 when the section closed. At the time, her Final Salary pension was £500 a year. Included in this was her GMP of £200 a year, all of which was earned after 5th April 1988.

She retired at age 60 on 1st April 2018.

Under the Plan rules, her pension had been increased on each 1st April in line with the increase in the Retail Prices Index. Her pension had therefore increased to £608 a year.

As she was also at her GMP Age, the Plan administrators carried out a check to make sure her pension met the statutory minimum.

Her GMP had increased by 4% for each full tax year between 31st March 2011 and 1st April 2018, bringing her GMP up to £253 a year. In addition to this, the remaining £300 of her pension as at 31st March 2011 is also increased in line with the statutory minimum. This increased the remaining pension to £348 a year. The total statutory minimum pension is therefore £253 + £348 = £601 a year.

As the pension payable under the Plan rules is higher than the statutory minimum, Sophie will receive a pension of £608 a year.

Going forwards, as all of her GMP was earned after 5th April 1988, £253 of her pension will increase in line with prices (as measured by the Consumer Prices Index) with a maximum of 3% a year, while the remaining £355 will increase in line with prices (as measured by the Retail Prices Index) with a maximum of 5% a year.

The position for male members who retire on or after age 60, but before age 65, is a little different as the check to ensure they are receiving the minimum amount in respect of their GMP is not carried out when they retire, but when they reach age 65.

Paul is a member of the NAPS section of the Plan and left the Company on 1st April 2006 with a deferred Final Salary pension of £800 a year. Of this, £600 was earned before 6th April 1997 and includes £150 of GMP earned before 6th April 1988 and £200 of GMP earned after 5th April 1988.

He took his benefits when he reached his Normal Retirement Age of 60 on 1st April 2013. By this time his pension had increased under the Plan rules to £1,019 a year. As he was still under his GMP Age of 65, it is not necessary to carry out any GMP checks at this time.

Each 1st April, Paul's pension is increased in line with the Plan rules and by his 65th birthday, on 1st April 2018, it had increased to £1,149 a year, of which £862 was in respect of his Pensionable Service before 6th April 1997.

As he has now reached his GMP Age, the Plan administrators carry out a check to make sure he is receiving the minimum required by legislation.

As he left Pensionable Service on 1st April 2006, his GMP is increased by 4.5% for each full tax year up to his GMP Age on 1st April 2018. His GMP at age 65 is therefore £568 a year (£243 earned before 6th April 1988 and £325 earned thereafter).

His statutory minimum pension in excess of his GMP, that was earned before 6th April 1997, is increased in line with legislation to his Normal Retirement Age. This increased pension is £309.

The minimum pension he must receive at age 65 is therefore the sum of his statutory minimum excess pension earned before 6th April 1997 of £309, plus his GMP revalued to GMP Age of £568, plus the current amount of his pension earned after 5th April 1997, which is £287. This gives a total minimum pension of £1,164 a year. As this is higher than £1,149 a year, Paul will receive an additional increase of £15.

Going forwards Paul will receive a pension of £1,164 a year, which will be increased as follows;

£243 in respect of his GMP earned before 6th April 1988 will not increase in payment

£325 in respect of his GMP earned after 5th April 1988 will increase each year in line with prices (as measured by the Consumer Prices Index) with a maximum of 3%

£596 representing the remainder of his pension will continue to increase each year in line with prices (as measured by the Retail Prices Index) with a maximum of 5%.

This is summarised in the table below.

Amadeus Services Limited Pension & Life Assurance Plan

	Pension at 1st April 2006	Pension at 1st April 2013 (age 60)	Pension at 1st April 2018 (age 65)	Adjusted Pension at 1st April 2018	Increases after 1st April 2018
Total pension earned before 6th April 1997	-	£764	£862	-	
Non-GMP pension earned before 6th April 1997	£250	-	-	£309	In line with Plan increases
Pre 1988 GMP	£150	-	-	£243	No increases
Post 1988 GMP	£200	-	-	£325	In line with CPI up to 3%
Pension earned after 5th April 1997	£200	£255	£287	£287	In line with Plan increases
Total Pension	£800	£1,019	£1,149	£1,164	

The rules governing the calculation and payment of GMPs are set out in legislation and are very detailed and complex. This booklet can only provide a brief summary of the provisions to give an illustration of the general effects it may have on your benefits.

State Pension

In addition to your benefits from the Plan, you may also be entitled to additional pension benefits from the State. The level of benefit you receive will depend on how many years you have paid, or been credited with, National Insurance Contributions and whether you have been contracted-out of the old State Second Pension.

The state pension is payable from your State Pension Age, which is currently 65 for both males and females, although this is increasing gradually to 68 over the period from 2019 to 2046. You can check out your own State Pension Age at https://www.gov.uk/state-pension-age.

For those individuals reaching State Pension Age after 5 April 2016, the full state pension is £164.35 a week for 2018/19. You can get a forecast of your own state pension at https://www.gov.uk/check-state-pension.

Taxation

Although the government gives registered pension schemes, and their members, generous tax advantages there are some restrictions in place.

The two main restrictions are the Annual Allowance and the Lifetime Allowance.

Annual Allowance

Although there are generally no restrictions on how much you can pay into a pension scheme, there is a limit on the amount of contributions on which you can receive tax relief. This is known as the Annual Allowance.

For the 2018/19 tax year this limit is £40,000, which is the maximum amount of contributions that can be paid into any pension arrangements you may have. This applies to any contributions you make and any made by your employer.

Any contributions over and above the Annual Allowance will be liable to a tax charge known as the Annual Allowance Charge and will be calculated using your highest marginal rate of income tax.

It is your responsibility to account for any Annual Allowance Charge, which will normally be via the self-assessment process with Her Majesty's Revenue and Customs. If the total Contributions to the Plan during a tax year exceed the Annual Allowance however, the Plan administrators will write to you to tell you and, depending on the amount of tax due, you may be able to ask the Trustees to deduct the tax charge from your Pension Pot.

If you do exceed the Annual Allowance for a particular tax year, you may be able to use any unused allowance in the previous three tax years to reduce or extinguish any tax charge.

Higher earners

If you earn over £150,000 (including any pension contributions) your Annual Allowance will reduce by £1 for every £2 of income between £150,000 and £210,000. Anyone earning over £210,000 (including pension contributions) will therefore have a reduced Annual Allowance of £10,000.

If you've previously taken pension benefits flexibly

If you have taken any pension benefits (from the Plan, or any other pension scheme) flexibly; that is, either as a one-off lump sum (Uncrystallised Funds Pension Lump Sum) or allocated a Pension Pot to provide flexible drawdown (buying a pension with an insurance company or receiving a tax-free lump sum do not count as taking your benefits flexibly), you will have a reduced Annual Allowance for contributions made to a defined contribution scheme of £4,000. This is known as the Money Purchase Annual Allowance.

Lifetime Allowance

The government places a limit on the total value of pension benefits you can receive in a tax efficient manner. If the value of your benefits exceed this limit, known as the Lifetime Allowance, you will be liable for an additional tax charge.

The standard Lifetime Allowance for 2018/19 is £1,030,000 and increases in line with prices as measured by the Consumer Prices Index each April.

You use up some of your Lifetime Allowance every time you use your Pension Pot to provide benefits such as when you take some of your pot as a lump sum, use it to buy a pension with an insurance company or allocate it to provide income drawdown. For example, if you use £103,000 of your pot to buy a pension with an insurance company you will use 10% of your standard Lifetime Allowance. The value of your Final Salary pension for this purpose is 20 times your starting pension, so if your starting pension was £3,000 a year it will use up is £3,000 x 20 = £60,000, or 5.82%, of your standard Lifetime Allowance.

When you take any benefits from the Plan, the Plan administrators will ask you to confirm how much of your Lifetime Allowance you have already used up in any other pension schemes. They will then work out whether you will exceed your Lifetime Allowance and, if necessary, deduct any additional tax charge due.

You will receive a statement of the amount of your Lifetime Allowance that you have used up in the Plan from the Plan administrators shortly after taking your benefits.

Protection from the Lifetime Allowance charge

You may have some form of protection against the effect of the Lifetime Allowance charge granted to you by Her Majesty's Revenue & Customs. This may be because you already had significant pension savings when the current (or a previous) Lifetime Allowance was set.

If you have Primary, Enhanced, Individual or Fixed Protection it is important that you provide evidence of this to the Plan administrators when you take your benefits so that they can make sure that the correct amount of tax is paid.

Further information

Plan administrators

For more information about the Plan or if you have any questions about the rules, please contact the Plan administrators, First Actuarial LLP, at;

Email: Peterborough.admin@firstactuarial.co.uk

Telephone: 01733 447663

Address: First Actuarial LLP, First House, Minerva Business Park, Lynch Wood, Peterborough. PE2 6FY

Plan Website

The Plan administrator provides a dedicated website for members of the Plan. It provides other useful information about the Plan and access to various forms.

If you also have Defined Contribution benefits in the Plan, such as Final Salary AVCs or as a member of the Defined Contribution section of the Plan, the Plan Website also gives you the latest information about Contributions paid to the Plan and the up to date value of your Pot.

The website can be found at www.aslpensions.co.uk. You will need to register on the site before you can access your own details.

Regular communication

You will receive regular information about the Plan, such as an annual update on the Plan's funding position. This will also include details of the inflation rate used to calculate increase in your pension.

If you also have any Defined Contribution benefits in the Plan, you will also receive a benefit statement telling you about the current value of your Pension Pot and the Contributions that have been paid in during the year. It will also give you an idea of the amount of pension you might expect to receive when you retire.

You can also ask for copies of the annual Trustees Report and Accounts and the Trust Deed and Rules of the Plan.

If you have a dispute

If you do have a problem with the Plan, you should contact the Plan administrators in the first instance. In the event that your problem cannot be resolved, the Trustees have an Internal Disputes Resolution Policy (IDRP) in place under which you can ask the Trustees to consider your dispute. Copies of the IDRP can be obtained from the Plan administrators and via the Plan Website.

The Pensions Advisory Service (TPAS)

This service is available at any time to assist members and Beneficiaries of the Plan in connection with any pension query they have, or with any difficulties which they have failed to resolve with the Trustee. The Pensions Advisory Service may be contacted at:

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB

Email: enquiries@pensionsadvisoryservice.org.uk

The Pensions Ombudsman

The Pensions Ombudsman appointed under Section 145(2) of the Pension Schemes Act 1993 may investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme made or referred in accordance with the Pensions Schemes Act 1993. The Pensions Ombudsman can be contacted at:

The Office of the Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB

Email: enquiries@pensions-ombudsman.org.uk

The Pensions Regulator

The Pensions Regulator is able to intervene in the running of pension schemes where trustees, employers or professional advisers have failed in their duties. The Pensions Regulator can be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

Email: customersupport@tpr.gov.uk

Pension Schemes Registry

Information regarding the Plan has been given to the Pension Schemes Registry. If you need to contact somebody regarding the Plan, or any other pension scheme, and do not know how to do so, you can use the following website, https://www.gov.uk/find-pension-contact-details, or you can contact the Pension Tracing Service at:

The Pensions Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU

Glossary of terms

Additional Voluntary Contributions (AVCs) are additional contributions you pay to the Plan to provide you with additional benefits at retirement.

Annual Allowance means the amount of new pension savings you can have in a tax year without incurring a tax charge.

Annual Management Charge is a charge deducted from the Investment Funds by the Investment Manager to cover their fees and expenses for managing the fund.

Annuity means an insurance policy provided by an insurance company that you buy using your Pension Pot which provides you with a guaranteed income for the rest of your life.

APS means the Airways Pension Scheme.

AVC Lifestyle Option is an investment option under which the Trustees will invest your AVCs on your behalf and automatically move your AVC Pot into less volatile Investment Funds as you approach retirement.

AVC Pot means that part of your Pension Pot in respect of your AVCs.

Basic Pay excludes and bonuses, overtime payments, shift pay and any other variable payments that do not form part of your Basic Pay.

Beneficiaries mean individuals or organisations that you have nominated to receive lump sum death benefits from the Plan on your death.

Cash Equivalent means the actuarial value of your Final Salary benefits that is available for transfer to another pension arrangement.

Children (or Child) is a child of the deceased member, including an adopted child an posthumous child an illegitimate child and a step-child who is financially dependent on the deceased member.

Company means Amadeus IT Services UK Limited (formerly Amadeus Services Limited).

Contributions are what you and the Company pay into the Plan.

Defined Contribution means a type of pension arrangement where the benefits you receive are based on the contributions paid into your Pension Pot and the investment returns your pot receives.

Dependant means your Spouse or any other individual who, in the opinion of the Trustees, was financially interdependent on you.

Eligible Children are children under the age of 16, or are over 16 but under age 23 and are either in full time education or vocational training or unable to earn a living due to serious and permanent illness or disability.

Employed Deferred Member means a member who was an active member of the Plan at the time the Final Salary section closed on 31st March 2011 and has continued to work for the Company.

Final Pensionable Pay means your average Pensionable Pay in the best two years during your last five years of active membership of the Final Salary section.

Final Salary means a type of pension where the benefits you receive are based on your length of Pensionable Service and your Pensionable Pay when you leave service.

Guaranteed Minimum Pension (GMP) means the minimum amount of pension the Plan must provide in respect of your Pensionable Service up to 5th April 1997 because you were contracted-out of the State Additional Pension.

GMP Age is the age from which a Guarantee Minimum Pension becomes payable. This is age 60 for a female and age 65 for a male.

Incapacity means, provided that it was not due to your own wilful misconduct, such ill health or incapacity which, according to a registered medical practitioner, prevents (and will continue to prevent) you from carrying out your normal occupation.

Income Drawdown means the process of drawing an income direct from your Pension Pot while leaving the rest of the pot invested.

Intended Retirement Date means the date that you have told the Plan administrators that you intend taking your benefits on.

Investment Fund is a fund, managed by an investment manager, in which your contributions are invested.

Lifetime Allowance means the total value of all the retirement benefits you can take without being subject to an additional tax charge.

Money Purchase Annual Allowance means the amount of new pension savings you can make into a money purchase pension arrangement in a tax year, after accessing some of your pension benefits flexibly, without incurring an additional tax charge.

NAPS means the New Airways Pension Scheme.

Normal Retirement Age means age 60 for benefits in the Final Salary section.

Pension Pot means the value of the Contributions paid into the Plan by you and the Company, together with any growth in your pot from the investment returns in the Investment Funds that your pot is invested in. Your Pension Pot is used to provide you with benefits at retirement.

Pensionable Pay means, for APS members, your basic pay, and for NAPS members, your Basic Pay less 1.5 times the Lower Earnings Limit. For NAPS2 members your Pensionable Pay cannot be lower than 85% of your basic pay.

Pensionable Service is the length of time in which you earned Final Salary benefits in the Plan. It is measured in the number of complete years and days from the date your Pensionable Service started to the date it ended.

Plan means the Amadeus Services Limited Pension & Life Assurance Plan.

Plan administrators are First Actuarial LLP.

Plan Website means www.aslpensions.co.uk.

Spouse means your legal wife, husband, or civil partner.

State Pension Age is the age at which your state pension becomes payable.

Trust Deed and Rules means the governing documentation setting out the how the Plan operates.

Trustee means the Amadeus Pension and Life Plan Trustee Limited, which is the Trustee Company responsible for running the Plan.

Trustees means the directors of the Trustee.

TUPE Regulations mean the legal framework under which workers' rights are protected when their job is transferred from one employer to another.

Uncrystallised Funds Pension Lump Sum (UFPLS) means a lump sum you receive from your Pension Pot. One-quarter of the lump sum is paid tax free and the remainder is subject to income tax at your highest marginal rate.

Appendix A – Your AVC investment options

Lifestyle option

AVC Lifestyle Option	
This option automatically invests your AVC pot in a combination of the Global Equity Fixed Weight (60:40) and the Cash Fund. The actual mix depends on how far away from your Intended Retirement Date you are.	
Annual Management Charge	0.16% up to 8 years before retirement, reducing to 0.10% at retirement

Growth funds

Dynamic Diversified Fund	
This is a new type of fund, sometimes known as a Diversified Growth Fund. This fund invests in a very broad range of different assets and is managed with the aim of achieving capital growth, but with lower expected risk and volatility compared to a traditional equity portfolio. The fund is actively managed, which means that portfolio allocations are regularly refined based on the fund manager's research work and also investment techniques which are not suitable for 'index-tracking' portfolios can be used. These features serve to increase costs relative to some other investment options but they are expected to be worthwhile in terms of the behaviour of the investment portfolio over time.	
Annual Management Charge	0.51% a year

UK Equity Index Fund	
This fund is invested in stocks and shares in the UK and is designed to match the performance of all the companies quoted on the UK stock market. It is intended to mirror the performance of the FTSE All-Share Total Return Index.	
Annual Management Charge	0.10% a year

Global Equity ex UK Fixed Weight Index Fund	
This fund is invested in stocks and shares of companies outside of the UK. It is designed to mirror the performance of the major international stock exchanges, excluding the UK. It invests 40% in Europe, 30% in the US, 15% in Japan and 15% in the remainder of the Pacific region.	
Annual Management Charge	0.20% a year

Global Equity Fixed Weight (60:40) Index Fund	
This fund is invested in stocks and shares in the UK and around the world. It is designed to mirror the performance of the UK stock exchange and other major world markets. It invests 60% in the UK, 14% in the rest of Europe, 14% in North America, 7% in Japan and 5% in the Asia Pacific region excluding Japan.	
Annual Management Charge	0.16% a year

Ethical UK Equity Fund	
This fund is invested only in UK companies that are listed in the FTSE4Good Index, which means they have passed the ethical standards set out by that index. It aims to track the performance of the FTSE4Good UK Equity Index to within +/- 0.5% a year for two years out of three.	
Annual Management Charge	0.20% a year

Bond funds

Over 5 Year Index-Linked Index Fund	
This fund invests in Index-linked gilts issued by the UK Government which pay an inflation linked rate of interest. It is designed to mirror the FTSE Actuaries Gilt-Edged Index-Linked (stocks over 5 years) Total Return Index.	
Annual Management Charge	0.10% a year

Over 15 Year Gilts Index Fund	
This fund invests in gilts issued by the UK Government which pay a fixed rate of interest. It is designed to mirror the FTSE Actuaries Gilt-Edged (stocks over 15 years) Total Return Index.	
Annual Management Charge	0.10% a year

AAA-AA-A Corporate Bond All Stocks Index Fund	
This fund invests in bonds issued by companies that pay a fixed rate of interest. It only invests in bonds issued by companies with a credit rating of AAA, AA or A; the three highest ratings for corporate bonds. It is designed to track the performance of the iBoxx £ Non Gilts (ex-BBB) Index to within + / - 0.5% a year for two out of three years.	
Annual Management Charge	0.15% a year

Cash funds

Cash Fund	
This fund invests in deposit style investments and is intended to protect the capital value of your pension pot rather than generate investment returns.	
Annual Management Charge	0.10% a year

Liquidity Fund	
This fund invests in a selection of cash style investments with the objective of providing capital stability, liquidity and diversification while providing a competitive level of return.	
Annual Management Charge	0.125% a year