

# Internal Communications

## **Pensions Communication Programme Starting Today**

Colleagues,

It has been a number of weeks since we updated you on progress towards a resolution of pension issues at the Company, but a lot of work has been done through August/early September to deal with the legal and technical issues involved.

We have also been preparing a very detailed communications programme to inform you of the proposals for pension changes at the Company and about how those changes are likely to affect you, assuming they proceed.

I am pleased to say that daa and Aer Lingus, the principal employers in the IASS Pension Scheme, are now in a position to begin this communications programme, commencing, in daa's case, with a letter sent today by our CEO, Kevin Toland.

Given the significant difficulties faced by the IASS Pension Scheme and that it is incapable of being sustained in its present form, communications will focus firstly on the members of the IASS, including nearly 1,400 current daa employees.

The Company's pension proposals, if implemented, will also involve the opening of a new pension scheme for daa staff at our airports. This is planned from January and will include the near 1,200 group employees who are not members of the IASS. We will provide information to those colleagues about the benefits of and eligibility for this new scheme in due course.

The CEO letter is being posted to home addresses and will confirm that the Company has recently reached agreement with the Trustee of the IASS Pension Scheme on comprehensive pension changes. It will also set out the Company's view that the

proposals represent the best way forward for both employees and the Company, given the difficult and complicated circumstances surrounding the IASS.

This is the first in a number of key documents that will be sent to IASS members' homes over the next month.

All employees who are members of the IASS will receive the next document, called ***Proposal Guide: Pension Changes*** in the second half of September.

- This will provide information from the IASS Trustee about its proposals for the IASS Pension Scheme and also represent the beginning of the consultation process, which the IASS Trustee must conduct with members, under pension law.
- The *Proposal Guide* will also provide information about the Company's proposals, involving an upfront investment offer of €72 million for active and deferred members – which will address some of the measures proposed by the IASS Trustee - and its plans to establish new and consistent future pension arrangements for all employees generally.

In early October, all employees who are members of the IASS will be sent, ***Your Pension: Personal Illustration***. This will provide details of the lump-sum top-up payment the Company is prepared to make into a new pension plan, if its proposals proceed, and IASS members' projected pension benefits at Normal Retiring Age, based on their personal and pension details and on certain investment assumptions.

These documents will also provide details about other information channels, such as a dedicated website and telephone and email helplines, to help members understand the changes proposed and to assist in making an informed decision about them. Details about dates and venues for planned presentations to members at airport venues will shortly be outlined.

These documents have been prepared on behalf of the Company, the IASS Trustee and the Irish Congress of Trade Unions (ICTU) and have been reviewed by a Communications Committee representing those parties.

ICTU has informed daa and Aer Lingus that trade unions are likely to hold ballots on each Company's proposals. These ballots are likely to be held in October, after members receive their *Personal Illustration*. Individual trade unions will provide more information in due course.

The process to address the difficulties faced by the IASS and to establish new pension arrangements at the Company, has been long and frustrating for all concerned. Arrangements to deal with all the required legal and technical matters are now in place; so too is a formal agreement with the IASS Trustee about its proposals; and the proposals of the Company are also being set out in full.

The Company believes strongly that the proposals represent the best opportunity to resolve these complex and challenging issues. The Expert Panel, whose recommendations in June have been fully accepted as the basis for the Company's proposals, emphasised its view that these proposals represent the final opportunity to resolve pension issues.

As such, if you are an employee member of the IASS, you have important decisions ahead. Please use all the information material and channels we will provide over the coming weeks to inform yourself as fully as possible and to ask any questions you might have, prior to taking that decision.

John McCormack

Human Resources