



## news

### Chairman's welcome

I have great pleasure in welcoming you to our 2014 CWPS Members newsletter. We are all well aware that the last few years have been extremely challenging for everyone involved in the construction industry, however, we believe that we are now facing into a more positive period for the sector and have reason to be somewhat more optimistic.

We continuously strive for excellence in everything that we do for our CWPS members. Over the past year, we have completed a number of new projects and implemented a number of new initiatives to make sure that our services are of the highest standard and that our product features are amongst the very best in the market. We have extended the Death in Service and Sick Pay benefit cover to age 66 for active members in response to the Government increasing the State Pension age to 66 from January 1<sup>st</sup> this year. In the coming year, we will continue to ensure that you, our members, are at the centre of everything we do.

We are delighted to announce that last year the average increase in value across the CWPS fund (which is made up of eight sub-funds) was in excess of 10%. The Trustees continue to work on your behalf with our advisors to get the best possible fund performance.

2013 was a very challenging year due primarily to the negative impact of the removal of the protection offered by the Registered Employment Agreement in May 2013, and the subsequent decision by some employers to no longer participate in the Scheme on a voluntary basis. As your Chairman and Trustee to your Scheme, I would strongly encourage all employers and employees to continue to avail of the benefits of active membership of CWPS while the industry partners are working extremely hard to address the issue of the REA.

CWPS continues to send cases to the Pensions Authority where contributions are deducted from employees yet not paid over to the Scheme. A number of Prosecutions have been taken and offending employers have been duly fined.

Despite the difficult economic climate for everyone involved in the construction industry, it is really important and highly beneficial to continue to participate in CWPS. You are protecting your future and your family's future by retaining your membership with entitlements such as:

**A pension on Retirement** - This is added to the State Pension on retirement

**Access to a Sick Pay Scheme** - Providing financial assistance in the event of you not being able to work due to illness or injury

**Death in Service cover** - Ensuring security for your family should you be unfortunate enough to die from natural or accidental causes whilst an active member

I would encourage all members to read through this newsletter. You will find out a lot of interesting information about your Scheme and ways that you can enhance the future security for both yourself and your family. If you have any further questions or queries in relation to your particular pension, we would be delighted to answer them and help you in whatever way we can. Please call our dedicated Member Care Team on 01-497 7663 or alternatively you can visit our website [www.cwps.ie](http://www.cwps.ie). You will find lots of frequently asked questions and answers there and some very useful information to help you manage your pension and ensure you have your future covered.

Best wishes to all our members for the year ahead.



Andy O'Gorman  
Chairman

March 2014



Andy O'Gorman, Chairman

### Extended Benefits for 2014

From 1<sup>st</sup> January 2014 Death in Service and Sick Pay benefit cover is extended to age 66 for active members.

# Benefits of being a CWPS member

Membership of CWPS gives you and your family financial security by building up retirement benefits throughout your working life for when you retire. It also provides you with valuable Death in Service and Sick Pay cover at a low cost.

## Flexible retirement age

Normal retirement age is 65 but you can either:

- Retire early from age 60
- Continue in the Scheme until age 70
- Claim ill-health retirement if you have to give up work due to illness

## Options at retirement

You can take up to 25% of your standard fund as a Tax Free Lump Sum (subject to Revenue rules) and choose

- (a) A fixed members pension (non-indexed) with or without a 50% surviving Dependents Benefit attached
- Or
- (b) An indexed members pension (indexed at 3% per year) with or without a 50% surviving Dependents Benefit attached.

## Top up your Pension with AVCs

As a member of CWPS you can pay Additional Voluntary Contributions (AVCs) to top up your pension. There are no charges or commission fees on AVCs paid to CWPS and you'll even get a little help from the Taxman.

So for every €100 you invest, it will currently only cost you €59, assuming you pay tax at 41%.

**€59 + €41 = €100**

**Cost to you      Cost to taxman      Contribution**

Contact our Member Care Team at 01-497 7663 for further information.

## New Service Launched in 2013

A range of additional services exclusively for those employed within the Construction Sector was launched late last year by CPAS Broker Services, a preferred provider of CWPS for independent insurance advice. This means that members of CWPS now have access to a full suite advisory service that includes pre & post retirement planning, protection, savings and investments. The introduction of these additional services will help you to build future financial security for you and your family.

As part of the new services available, we can assist and advise you on the following:

- Life assurance & Income Protection
- PRSAs & Personal Retirement Bonds
- Approved Retirement Funds (ARFs)/Approved Minimum Retirement Funds (AMRFs)
- Investments and regular savings

Whether you are making provision for a specific event or just ensuring peace of mind for the future, it pays to be organised and with access to an independent advisory service dedicated to the Construction Sector, you can ensure that your needs are met in a way that reflects your own personal profile.

For further information please contact: CPAS Broker Services at 01-406 8020

CPAS Broker Services Limited t/a CPAS Broker Services is regulated by the Central Bank of Ireland.

## Valuable Death in Service Cover

- €63,500 Death in Service Cover
- Plus an additional €3,175 for each eligible child
- Plus the value of your fund
- Cover now extended to age 66 for active members

## Sick Pay benefit cover

- Daily rate of €38.11
- Weekly rate €190.55
- Payable for a maximum of 50 working days in a calendar year
- Sick Pay benefit is paid in addition to any payments due from the Department of Social Protection
- Cover now extended to age 66 for active members

## Excellent Value for Money

- 0.5% Investment charge on the fund value
- 2% Administration charge on pension contributions
- No Administration charge on AVCs paid
- No charges on Transfers in or out of the Scheme
- Cheaper than competitors

## Online Access 24/7

- Members can view their pension contributions
- View their up-to-date fund values
- View any AVC payments paid to CWPS
- Update their personal details
- Download booklets and forms
- Employers can also update and pay pension contributions for their employees online monthly

**The 2012 Trustee Annual Report & Accounts was made available to members in August 2013. Copies are available to download at [www.cwps.ie/booklets](http://www.cwps.ie/booklets) or by request to the Member Care Team at 01 497 7663.**



**Here are some of the highlights from the Report for year end 31/12/2012  
During the 12 months to 31<sup>st</sup> December 2012:**

CWPS made pension and lump sum payments totalling €27,360,293

Lump sum Death benefit payments totalling €3,691,412

2253 members retired

375 employers joined the Scheme and 259 ceased to be active employers or were suspended from Scheme membership

The total net asset value of the Scheme's assets amounted €1.14 billion.

The Scheme's investment income amounted to €5,442,157

The Scheme's assets increased in value by €93,603,664

**As at 31<sup>st</sup> December 2012:**

There were 305,983 individual member accounts in the Scheme;

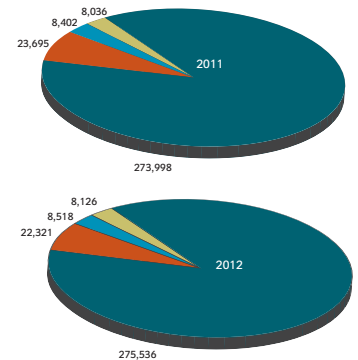
22,321 contributing members

8,126 pensioners and dependants

275,536 deferred members

8,518 employers were members of the Scheme

- Participating employers
- Pensioners and dependants
- Former members with benefits in the scheme
- Active members



**A report from the Scheme's Investment Advisors**



**How the Members' funds are invested**

Members' funds are invested in a mix of Return Seeking Assets and Low Risk Assets. The Return Seeking Assets are the growth engine of the fund and where the highest returns are expected to come from over the long term. The Low Risk Assets are investments like cash and bonds and offer members protection during volatile markets. Younger members have the majority of their funds invested in the Return Seeking Assets as they provide the best growth over a long period. Older members are predominately invested in the safer Low Risk Assets as they are closer to retirement and need to emphasise capital protection over growth.

The strong performance of Return Seeking Assets and the flat performance of Low Risk Assets in 2013 meant that all members enjoyed positive returns, with younger members achieving a higher return due to the higher level of Return Seeking Assets within their funds.

**CWPS Innovation**

The Construction Workers Pension Scheme Trustee, along with their advisors, spend time each year looking at members objectives, and seeing if the Scheme is set up to help members meet their retirement goals. Over the past 12 months the focus has been on the Low Risk Assets which members hold. After much research and discussion it was decided that members of different ages needed different types of protection for their funds and these differences needed to be facilitated within the Construction Workers Pension Scheme. The Scheme will continue to evolve and introduce new ideas and innovations as they are deemed appropriate.

**Investment Markets 2013**

2013 was a very strong year for equities. Many markets such as Japan, the US, and many European countries returned over 20%. This was quite surprising to many as there were quite a few big risks looming over the year such as the US tapering announcement (when the US central bank announced that they were going to scale back the amount of money which they had been lending at cheap rates to markets) and the European crisis, which peaked over the summer when depositors in Cyprus were hit with a substantial tax on their savings. Over the full year Return Seeking Assets returned just over 11% while Low Risk Assets returned +1% for younger members and -1% for older members.

**NEW IN 2013/14**

**Changes to the Trust Deed**

The Trust Deed and Rules were amended in 2013.

Copies of the amended Deed are available on request or can be downloaded from our website [www.cwps.ie](http://www.cwps.ie).

**Extension of Death in Service and Sick Pay benefit cover**

In response to the Government increasing the State Pension age to 66 from January 1<sup>st</sup> this year the Trustee have extended the Death in Service and Sick Pay benefit cover to age 66 for active members.

**Government Pension Levy**

The Minister for Finance announced that he is introducing a new levy on pension funds of 0.15%. While the existing levy (of 0.6%) will be abolished after 2014, this new levy will result in an increase in the overall pensions levy for 2014 from 0.6% to 0.75%.

The new levy will be continued into 2015 at a rate of 0.15%.

Please note that the impact of the levy on the value of your fund for the year 2011 was nil (the Trustee paid this levy on your behalf) and for each year 2012 and 2013 was 0.6%.

# Making the most of your benefit statement

You may find your benefit statement useful to help plan for your retirement. Take a look at the projected benefits in Tables 1 and 2 on your statement and ask yourself a few questions:

**Will the estimated pension shown be enough to give you the retirement income you hope for?**

Although your outgoings may be less in retirement, for example, if you have a mortgage this may be paid off, you will still have to pay bills and meet all your usual household running expenses.

**Do you intend to work until age 65?**

You can claim your retirement benefit from CWPS between the ages of 60 and 70. If you think you may retire before age 65, you will have fewer working years to build up the value of your account, so the pension benefits that can be provided with your account are likely to be less. As your pension would be paid for a longer period of time should you retire early it will be lower than that payable at your normal retirement age.

**Does your partner have a pension or will you both be relying on your income alone in retirement?**

If both you and your partner are working you will be used to having two incomes. If your partner does not have a pension, your income in retirement could drop significantly. Depending on your answers, now might be a good time to think about providing extra pension benefits in retirement. One way of doing this tax-efficiently may be to pay Additional Voluntary Contributions (AVCs). If you are interested in making Additional Voluntary Contributions, please contact the Member Care Team for more information or email them at [info@cwps.ie](mailto:info@cwps.ie).

## About your benefit statement

**Pension Adjustment Order** (Applicable only for Divorced or Separated Members) If the Scheme has received a Pension Adjustment Order relating to your Scheme benefits, you can find out what this means for your benefits by contacting the Member Care Team.

**Is the Scheme registered with the Pensions Authority?**

Yes the Scheme is registered with the Pensions Authority. The registration number is 43742.

**Can I get a breakdown of my contributions?**

Yes you can view the details of each contribution (including Additional Voluntary Contributions) paid into the Scheme on your behalf through the Member Access section of our website. For more information on registering please visit [www.cwps.ie](http://www.cwps.ie), contact our Member Care Team on 01-407 1485 or email [info@cwps.ie](mailto:info@cwps.ie).

**What if I don't think that the correct contributions have been paid to my account?**

The Trustee is required to ensure that contributions are received in a timely manner. If you are concerned that contributions payable on your behalf during the Scheme year have not been paid to your account, you should contact your employer, the Member Care Team or the Scheme Trustee and then, if necessary, the Pensions Authority, in that order. The method of calculating your contributions is set out in the Scheme Rules and Member Booklet, which is available on request from the Scheme office or via the Scheme's website [www.cwps.ie](http://www.cwps.ie).

The Scheme is funded by contributions which are paid by the employers and members into individual accounts for each member within the Scheme. At retirement, members may use their fund to provide a lump sum benefit and a pension from the Scheme. The pension payable is provided out of the Annuity Fund, a reserve held within the Scheme. The Trustee monitors the level of reserve funds and the investment return achieved by the Scheme's assets in determining the return adjustments to be allocated to members' accounts from time to time. The return adjustments may be negative as well as positive. If the Scheme is wound up with a deficit, the employers are not under an obligation to fund the deficit; in this event there is no guarantee that the Scheme will have sufficient funds to pay the benefits promised.

Further information in relation to this Risk Statement may be obtained from the Trustee or from the Member Care Team on 01-497 7663 or email [info@cwps.ie](mailto:info@cwps.ie).



Here is a selection of the most frequently asked questions we receive - these may help you if you have a query.

**Q. I worked for a full year but my benefit statement only shows 48 pension contributions. Why is this?**

A. Your statement shows contributions received and updated to your account from 1<sup>st</sup> January to 31<sup>st</sup> December 2013 **only**. Your employer may not have paid in your final contributions until January 2014 (or later) and therefore these are not shown in this statement.

**Any contributions received after 31<sup>st</sup> December 2013 will be shown in your next benefit statement.**

**Q. At what age can I claim my pension?**

A. The normal retirement age is 65, however, once you have reached age 60 and you are no longer employed by an employer who is registered with CWPS you may claim your pension.

**Q. Do I have to claim my pension at age 65 or can I continue to work?**

A. No you don't have to claim your pension at age 65. If you continue working past age 65, you and your employer may continue to pay into the Scheme. Full Pension, Death in Service and Sick Pay contributions may be maintained until age 66. After age 66 your contributions will consist of the pension portion only, you will not be covered for Death in Service or Sick Pay benefit. Contributions to the Scheme will stop when you reach age 70.

**Q. I'm no longer contributing to the Scheme. Can I get a refund of my pension contributions?**

A. No. A refund of contributions is not available to you under the rules of the Scheme. Your retirement account can only be used to provide benefits on retirement or earlier death.

**Q. Can I transfer my fund to another scheme?**

A. Yes, if you are contributing to another pension scheme you can ask for the value of your retirement account to be transferred to your other pension scheme. Please read the important note below on Death in Service cover if you are thinking of transferring out of CWPS.

**Q. Can I continue to pay into the Scheme even if I am no longer working?**

A. No, it is only possible to pay contributions to the Scheme when you are employed by an employer who is registered in the Scheme.

**Q. What happens if I die while I'm still paying contributions into CWPS?**

A. A Death in Service benefit of €63,500 plus an additional €3,175 for each eligible child is payable provided all membership and contribution criteria have been satisfied. A refund of your retirement account is also payable to your next of kin.

## Important Note on Death in Service cover

If you decide to leave your fund in CWPS and, at some time in the future, you contribute to the Scheme again with another employer in the Construction or Related Industry, there will be continuity of your Death in Service eligibility with CWPS.

However, if you decide to transfer your fund value to another pension provider and, at some time in the future you contribute to CWPS with another employer in the Construction or Related Industry, there will be **no continuity** of your Death in Service eligibility and you must build up the relevant qualifying weeks again.