

December 2015



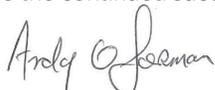
Welcome to the Construction Workers' Pension Scheme (the Scheme) newsletter for employers. 2015 was a milestone year for the Scheme as it celebrated 50 years providing retirement lump sums and pensions to employees of the construction industry.

Founded in 1965, the Scheme has evolved and grown over the years into a fund that now exceeds €1.4 Billion, providing members with a secure saving vehicle for their retirement, cover for valuable risk benefits and paying pensions to our members who have retired from a career working in the construction industry.

To mark that 50th anniversary, the Scheme co-sponsored the Annual CIF Conference, which was held in Dublin in September last, and this gave us the opportunity to reach out to even more employers in the construction sector. The Trustee Board are pleased with some of the enhancements it was able to make to the Scheme in 2015. The Death in Service Benefit was increased from €63,500 to €100,000 and beneficial changes were made to the way members' funds are invested.

The year ended on a high note as the Scheme was awarded "Best Pension Fund in Ireland" at the IPE European Pension Fund Awards held in Barcelona at the end of November. I am delighted that this is the second consecutive year that the Scheme has won this prestigious award. To follow that, within a week, at the Irish Pension Awards, with the Best Use of Risk Management Award, was a solid external endorsement of how well the Scheme is managed. I would like to congratulate everyone involved in the running of the Scheme including the CPAS administration team, all the Scheme advisors and the Trustee Board.

I would also like to take this opportunity to thank you for your support over the years as the Scheme would not be the success it is today without the backing and cooperation of all the employers who contribute to it in conjunction with their employees. The Trustee is dedicated to making the Scheme one that the industry can continue to be proud of and I look forward to your ongoing involvement and to the continued success of the Scheme in the years to come.


Andy O'Gorman
Chairman



END TO GOVERNMENT PENSION LEVY

In Budget 2016 the Minister for Finance announced the ending of the Government Pension Levy which has been in place since 2011. This announcement was welcomed by the Trustee Board.

CWPS at the Annual CIF Conference celebrating 50 years of providing pension and death in service benefits to members.

Andy O'Gorman (right),
Chairman CWPS
Trustee Board,
with Minister for Public
Expenditure & Reform
Brendan Howlin, T.D.,
and CIF Director General
Tom Parlon at the recent
Annual CIF Conference



INVESTING THE FUND FOR MEMBERS

The Construction Workers' Pension Scheme (the Scheme) has a single investment strategy, which phases members' Pension Accounts across a range of age-related investment funds, this is called a Lifestyle Strategy. When a member is many years from retirement, their Pension Account is invested in growth focused funds and then as they near retirement their Pension Account is gradually invested in protection focused funds. This is done to protect the value of members' funds as they approach retirement.

Recent Trustee review

The Trustee carries out regular reviews to make sure that the Scheme continues to meet the needs of members and that it is run in line with current best practices. As part of a recent review, the Trustee looked at the way in which member's Pension Accounts were invested across the range of age related investment funds within the Scheme. Following this review, and having taken advice from the Scheme investment consultants and pension advisors, the Trustee has now improved the way in which members' Pension accounts will be invested to better provide for the benefits members might expect from the Scheme at retirement.

The Trustee has introduced a new fund design that will be used to protect members' Pension Accounts depending on the expected final value of their pension account at retirement. Under Revenue rules, members with a fund value of less than €26,700 can choose to take 25% of their fund as a tax free lump sum and the remainder of the fund as a taxable lump sum. In cases where a member has a projected fund value of less than €26,700 at retirement, there is a possibility that at retirement the member may want to draw this amount as a lump sum, so from age 55 the investment of these Pension Accounts will be phased towards 100% cash ready assets at retirement.

The new strategy that the Trustee has adopted for members has been recognised by the pensions industry and in November 2015 the Scheme was honoured at the Irish Pension Awards as winners in the category "Best use of Risk Management".

For more information on how the fund is invested and fund performance you can visit our website at www.cwps.ie

CELEBRATING 50 YEARS CWPS 1965-2015

This year sees a milestone anniversary for the Construction Workers' Pension Scheme (the Scheme), as we celebrate 50 years of providing pension and death in service benefits to members of the construction industry. The Scheme spans the entire construction sector and was established initially to facilitate the provision of a pension for construction workers.

A short history

The Scheme was originally set up in 1965 as part of the settlement agreement of the National Building strike and was called the "Builders Federation Pension Scheme". The Scheme was established to provide a non-contributory pension for building industry operatives and in 1984 the Scheme became known as the "Construction Federation Operatives Pension Scheme". In 2006, following a major review of the Scheme it evolved into the current scheme known as "Construction Workers' Pension Scheme".

The Scheme officially commenced on 1 March 1965. At a meeting of the Trustees on 9 November 1965 the Board unanimously agreed to assume liability for a Death in Service benefit to scheme members of £500 (€635).

According to the minutes of a Trustee meeting on 18 December 1969, the fund value of the Scheme stood at £728,980 (€925,614). Throughout the years the value of the Fund has continued to grow with the total asset value of the overall fund now standing at €1,349 million at the end of 2014, this has increased from €946 million at end of 2009, an increase of €403 million in 5 years.

When the Scheme was established in 1965, contributions were payable by employers only, however in March 1976 there was a change in the Scheme Rules which saw the introduction of a member contribution and the joint member/employer contribution remains today. One of the more recent improvements to the Scheme benefits came on 1st May 2015 with the increase in the Death in Service benefit from €63,500 to €100,000.

Pensions

The Scheme is quite unique as it has an industry wide structure. With thousands of participating employers in the construction sector, the mobility of the workforce is facilitated as it allows members to move from one employer to another and retain their retirement benefits with the one provider. Currently the Scheme pays monthly pensions to just under 8,000 pensioners with some pensioners or surviving spouses in receipt of pensions for over 30 years. The Scheme offers low cost annuities rates and this means that at retirement members can convert their retirement savings into a pension payable for life at very favourable pension conversion terms, in the region of 8% better than the open market annuity rates.

The Trustee of CWPS, in conjunction with the staff of the Scheme's Administrator, CPAS, continue to strive to provide an excellent customer service for all our members, a valuable Death in Service benefit for the active contributing members and the best possible retirement benefit outcome for members from their individual retirement savings.

CWPS AWARD WINS



CWPS wins "Best Pension Fund in Ireland" Award for the second consecutive year at the recent IPE Awards held in Barcelona and were winners of the "Best Use of Risk Management" Award at the Irish Pensions Awards held in the Shelbourne Hotel on 25th November 2015. CPWS were also shortlisted for Best Communication Strategy



CWPS Chairman Andy O'Gorman At Irish Pension Awards

Commenting on their win, Mr Andy O'Gorman, Chairman of CWPS said he was "delighted that the Pension Fund had won such a prestigious award for the second year in a row.

To follow that, within a week, at the Irish Pensions Awards with the Best Use of Risk Management Award was a solid endorsement from external sources of how well the Scheme is being managed. I would like to congratulate everyone involved in the running of the Scheme including the CPAS administration team, all the Scheme advisors and the Trustee Board."



ONLINE PAYMENT FACILITY FOR EMPLOYERS

CWPS offers a secure online facility to our registered employers to submit and pay monthly pension schedules and also register new employees in CWPS. We use sophisticated security to safeguard information entered by you and data is stored and processed in strict compliance with Irish data protection laws.

For more information

www.cwps.ie

01 407 1488



CPAS Insights

CPAS Insights is a client newsletter sent by email every two months providing tips and tricks to manage your money better, updates on pension developments and legislation that might impact you and articles on a wide range of other personal finance topics.

If you would like to receive a copy, please sign up at www.cpas.ie/signup



Death-in-Service Benefit - Currently €100,000 in addition to the value of the deceased member's Pension Account. An additional €3,175 for each eligible child is also payable.

Sick Pay Benefit - currently paid for a maximum of 50 working days in a calendar year.

Daily amount €38.11 - Weekly amount €190.55

Death in Service Benefit and Sick Pay Benefit cover is extended to age 66 for active members.

If you have any questions or queries in relation to the Scheme, please call our dedicated Team on 01 497 7663; or visit website www.cwps.ie.