

2016

Your Pension – Your Future



Chairman's Welcome

Welcome to the ninth edition of the Construction Workers' Pension Scheme (the Scheme) annual newsletter for members.

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 of almost €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 industry.

The Trustee Board are pleased with the enhancements made to the Scheme in 2015. The Death in Service Benefit was increased from €63,500 to €100,000, the administration charge of 2% was removed from contributions to the Scheme from the end of 2015 and beneficial changes were made to the way members' funds are invested.

The number of sub-funds has increased from eight to thirteen and each age related fund will target better member outcome on retirement.

The value of the overall fund, made up of all the individual member's pots, has grown from €1,043 million at the end of 2010 to a figure in the region of €1,385 million (unaudited) at the end of 2015; an increase of €342 million or 32.8% in past 5 years.

I welcome the legislation passed in 2015 which gives a framework for Sectoral Employment Orders which could lead to a replacement for the REA and urge the Social Partners to address as a priority such Sectoral Employment Orders as they relate to Pension, Sick Pay and Death in Service for all employees in the Construction Sector.

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. The Judging panel's comment stating: "Better outcomes for members is what it is all about and I believe this is clearly identifiable with this Trustee board and fund" sums up in a precise way the focus of the CWPS Board.

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 members who contribute in conjunction with their employers. The Trustee is dedicated to ensuring the Scheme remains 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.

I encourage all members to read this newsletter and the interesting information it contains.


Andy O'Gorman
Chairman

Member Online Services

CWPS offer our members access to their pension account through our CWPS website. All you will need to do is register online at www.cwps.ie. CWPS will then issue you with your own password to use the service.



With Member Online Services you can:

- View your pension contributions paid to CWPS
- View your current up to date fund value
- View any Additional Voluntary Contributions paid to CWPS
- Calculate your future fund values using the pension calculator
- Update your personal details
- Download CWPS Booklets and Forms

For more information on our Member Online Services please call **01 407 1485** to speak to one of the CWPS team or log onto www.cwps.ie and click on the Member Online Services icon.



AVCs The Smart Way to Save for your Retirement

What are Additional Voluntary Contributions?

Additional Voluntary Contributions (AVCs) are a tax-efficient way of saving for your retirement as relief from Income Tax is allowed on AVCs paid to your fund. As a member of CWPS you are already building up valuable benefits for your retirement. However you can, if you wish, save a little more into your pension account through AVCs. This will help you achieve the lifestyle you want in your retirement. All AVCs saved to CWPS are added to the pension contributions that you and your employer pay each week to your Pension Account and the total fund is invested on your behalf.

AVCs saved with CWPS are **commission free** and can help you to:

- **Improve** your lifestyle by increasing your income after you retire
- **Increase** your tax free lump sum at retirement
- **Reduce** the amount of tax you pay when you save AVCs
- **Watch** your savings grow tax free between now and retirement
- **Access** additional retirement options by availing of an Approved Retirement Fund with your AVCs

Why should I save Additional Voluntary Contributions?

There are plenty of reasons why you might want to save AVCs to CWPS. To help you decide you should ask yourself some questions:

- Will the estimated pensions at 65 shown in my CWPS benefit statement be enough for my future income in retirement?
- Will my CWPS pension and the State pension be my only source of Income?
- What expenses will I need to cover from my retirement income?
- Will this income be enough for the expected lifestyle I want in retirement?

Paying AVCs through your salary

If you decide to save your AVCs through your employer as a deduction from your salary, the reduction in take home pay is much less than the amount of the AVC you are saving.

For example, the saving of a regular AVC of €100 would reduce your take home pay in the 2016 tax year as per the example below.

AVC CONTRIBUTED	RATE OF INCOME TAX	REDUCTION IN TAKE HOME PAY
€100.00	20%	€80.00
€100.00	40%	€60.00

To get started please contact the CWPS Team

Phone: 01 497 7663, email: info@cwps.ie

Or write to: Canal House, Canal Road, Dublin 6

CWPS Protects you

Protection for your dependants if you die before Retirement!

Death-in-Service benefit for members currently paying into CWPS is €100,000, plus €3,175 for each eligible child.

This benefit is payable to your next of kin along with the total value of your CWPS Pension Account.

This benefit is subject to CWPS rules, please see our website for more information www.cwps.ie

CWPS protects you during periods of sickness or injury.

Did you know that as an active member of CWPS you are covered for Sick Pay Benefit while you are absent from work due to illness or injury.

- Sick Pay benefit of €190.55 a week is payable to active members up to age 66 subject to qualifying criteria
- Sick Pay benefit is paid for a maximum of 50 days in a year
- Payments are made to you through your bank account
- Sick Pay benefit is payable in addition to illness benefit that may be due from Department of Social Protection
- Sick Pay benefit is included in your CWPS membership and is provided at a very low cost to members of 63c per week
- Sick Pay benefits paid to you can be viewed through your personal CWPS Online Service

Contact us for further information

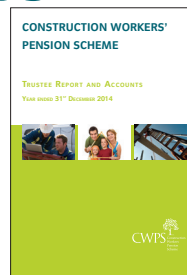
Phone: 01 497 7663

Email: sickpay@cwps.ie

Write to: CWPS – Sick Pay Benefit Department, Canal House, Canal Road, Dublin 6

CWPS – the Highlights

The Construction Workers Pension Scheme is one of the largest pension schemes in Ireland. Here are some of the headline numbers from the Trustee Annual Report & Accounts for year ending 31/12/2014 which was made available to members in August 2015. Copies are available to download at www.cwps.ie/booklets or by request to the CWPS Team at 01 497 7663.



Beware of Bad Advice

As you are a valued member of the Construction Workers' Pension Scheme (CWPS) we think it is important that you are aware of the good value that CWPS provides for you in relation your pension and risk benefits.

CWPS is specifically for construction workers:

- It is unique to the industry and was set up specifically to take into account the needs of the Construction Employer and Employee and operates a single pension account for each member over multiple employers in the construction industry during their membership of the Scheme.
- It is one of the largest private sector occupational pension schemes in Ireland with over 19,000 active members supported by over 2,000 active employers and €1.4 billion of assets under management.
- CWPS has been providing pension and death in service to members of the Construction Industry for 50 years.

There are significant benefits for you as a member of CWPS such as:

- A Pension and/or Lump Sum at retirement
- Life Cover (on death in service) of €100,000 plus €3,175 for each eligible child paid to your next of kin with no medical underwriting
- Cover under our Sick Pay Scheme for you if you are unable to work during periods of illness/injury
- Facility to save AVCs at the lowest cost in Irish Market

We're not alone in the pensions market!

We live in a competitive world and we understand that other providers might approach you with an alternative pension product or an AVC product. We welcome this competition as we know that **CWPS will not be beaten on cost!**

To help you make an informed decision if you are approached by another pension provider here are some questions to ask, and we respectfully suggest that you get all of these answers in writing:

How much do they charge on contributions paid into their scheme?

There is **NO** deduction from pension contributions paid into CWPS. This means that 100% of all regular employer and employee contributions, additional employer contributions and AVCs paid to CWPS are allocated to your Pension Account.

What are all of the ongoing charges that will be applied to your pension fund each year?

The only charge in CWPS is a 0.5% deduction from your fund each year. This charge covers set up costs, investment management, Trusteeship, administration, communication material, access to our online portal, pension consultancy together with legal and actuarial fees. There are no hidden charges and this is substantially lower than other pension providers in the market.

Are they promising early access to your pension funds?

No matter what a salesperson tells you, all pension schemes are covered by revenue regulations and so members cannot have early access to their pension lump sum and they cannot receive higher benefits than the Revenue Commissioners allow.

Members

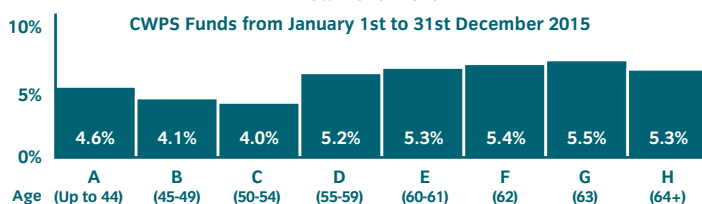
individual member accounts	293,653
active members	19,083
pensioners and dependents being paid by the scheme	7,924
members retired in 2014	1,855

Employers

participating employers	7,104
employers joined the Scheme	112

Scheme Assets	Total net asset value of the Scheme	1,359 million ▶
	Value of the Annuity Fund	235 million
	Increase in scheme's investments assets	125 million
	Collected in contributions in 2013	45.7 million
	Pension payments made	23 million
	Lump Sum Death Benefit payments	2.6 million

All eight CWPS Lifestyle Investment Funds experienced excellent positive returns for 2015



CWPS New Fund Structure

During 2015 the Trustee made changes to the way members' Pension Accounts are invested. The number of sub-funds were increasing from eight to thirteen. For more information on these changes an explanatory leaflet is enclosed with this Newsletter or you can visit our website www.cwps.ie.

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. He 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.

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 €1,385 million at the end of 2015.

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.

Trust Deed & Rules

The Trust Deed & Rules are the legal documents by which the Scheme is governed. They contain details of the Trustees' powers, sets out the provisions for operating the Scheme as a trust and give full details of all the Scheme's benefits. During 2015 there were changes made to the Trust Deed and Rules.

Copies of the Deed are available on request or can be downloaded from our website www.cwps.ie

End to Government Pension Levy

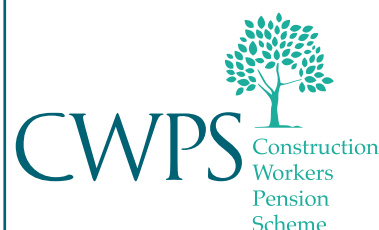
In Budget 2016 the Minister for Finance announced the ending of the Government Pension Levy which has been in place since 2011. This announcement was welcomed by the Trustee Board.



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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 or www.cwps.ie



Construction Workers Pension Scheme

Canal House, Canal Road, Dublin 6