AVC Booklet

CWPS
Construction Workers Pension Scheme

The Smart Way to Save for your Retirement

A guide to Additional Voluntary Contributions (AVCs)



Improve your lifestyle after you retire

- Increase your tax free lump sum at retirement *
- Increase your income in retirement *
- Get tax relief on the amount you save *
- Watch your savings grow tax free
- Access additional retirement options by availing of an Approved Retirement Fund (ARF) with your AVCs

** Subject to Revenue limits*

Additional Voluntary Contributions (AVCs)

What are Additional Voluntary Contributions?

As a member of the Construction Workers Pension Scheme (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 Additional Voluntary Contributions (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 pay 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

** Subject to Revenue limits*

How can I pay Additional Voluntary Contributions?

1. There are no set-up fees or allocation charges for AVCs.
2. You can save AVCs through your employer directly from your pay. If you save this way you will get relief from income tax automatically.
3. If you prefer, you can set up a standing order from your bank account.
4. You can also pay by cheque directly to CWPS.

Getting started

Paying through your payroll

You can save AVCs through your employer directly from your salary. If you pay this way, you will get income tax relief through your salary. Just fill out the application form which is with this booklet and return it to us. We will let your employer know that you want to have deductions made from your salary.

Paying by Standing Order

If you prefer, you can set up a standing order directly from your bank account. To pay this way, fill in the application form, complete Section D and return it to us and we will do the rest.

Paying by Cheque

You can also pay by cheque directly to CWPS, just fill out the application form which is with this booklet and return it to us with your first cheque payment. You can send in cheque payments as often as you like after that.

Remember to quote your name, address and Member ID number in all correspondence.

Additional Voluntary Contributions (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?

How can Additional Voluntary Contributions improve my benefits?

If you save AVCs to your Pension Account, your account will increase and in turn provide extra benefits for you in retirement. For example you can:

- Increase your own pension in retirement.*
- You can maximise the amount of tax-free cash lump sum you can take at retirement.*
- After retirement you can choose to invest your AVC fund in an Approved Retirement Fund (ARF) subject to Revenue requirements.
- You will receive valuable tax relief on AVC amounts you pay, for example, every €100 you invest, it will currently only cost you €60, assuming you pay tax at 40%.*

** Subject to Revenue limits*

There are no allocation charges or commission fees on your AVCs paid to CWPS. 100% of the amount you pay, is invested for you.

Tax Advantages of Paying AVCs

Paying AVCs through your salary

AVCs are a tax-efficient way of saving for your retirement as relief from Income Tax is allowed on AVCs paid to your fund. This means that, if you 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 current tax year as per the schedule below.

AVC contributed	Rate of income tax	Reduction in take home pay
€100.00	20%	€80.00
€100.00	40%	€60.00

Paying AVCs directly to CWPS

If you prefer not to have deductions made through your payroll, you can save amounts directly to CWPS by personal cheque or standing order. The same amount of Income Tax relief will apply however, you must claim your tax relief directly from Revenue at the end of each tax year.

Is there a maximum level of tax relief available on AVCs?

The maximum amount that you can save towards your pension through regular contributions and additional contributions each year and still receive tax relief depends on your age.

Maximum % of total pay that you can pay each year to a pension account

Age	Maximum % of total pay*
Under age 30	15% of total pay
Age 30 to 39	20% of total pay
Age 40 to 49	25% of total pay
Age 50 to 54	30% of total pay
Age 55 to 59	35% of total pay
Age 60 or over	40% of total pay

** Subject to Revenue maximum of €115,000.*

To see how AVCs compare to other types of savings, please see page 8

What happens to my AVCs at my retirement?

Benefit Choices

On retirement the accumulated value of your AVC account will be used to provide you with additional benefits. You can choose what is the best option to suit your own circumstances.

Your AVC account may be used to secure any one or a combination of:

- Additional retirement lump sum
- Additional personal pension
- Additional dependant's pension which would commence on the event of your death

Approved Retirement Fund (ARF)

The exact amount of the benefits you can provide cannot be guaranteed in advance, as it will depend on how much you save in AVCs, what investment return your fund has earned, the rate for turning your AVCs into extra benefits and your age when you retire.

Sample Benefits

The table below gives an estimate of the accumulated fund that you could build up in your AVC account before your retirement at age 65. Suppose you save €100 a month in AVCs from the age shown in the left hand column and assuming an annual rate of investment return of 2.46%* per annum, you could have an AVC fund of the amount in the right hand column.

Age you start saving AVCs:	At age 65, you could have built up an AVC account of:
20	€113,678
30	€71,386
40	€41,859
50	€21,163
60	€6,207

Please note that the above figures are estimates - the actual fund value will depend on:

- *The level of contributions saved; and*
- *The actual investment returns achieved*

** 2.46% is based on a 20 year old and assumed investment returns.*

Remember the value of your fund may fall as well as rise.

How are my AVCs invested?

CWPS Investment Strategy

The CWPS have a ready-made investment strategy that automatically phases your AVC account across a range of **age related** investment funds. When you are younger, your AVCs are invested in a diverse range of growth focused funds including Equities, Property, alternative asset classes like Commodities, Currencies and Hedge Funds, along with some holdings in Bonds and Cash. After age 55 your AVC account is gradually moved to less risky investments to protect the benefits your fund might deliver as you near retirement age.

Fig 1.

At age 55, if a member is projected to have a balance of **more** than €30,000 by age 65 (after payment of their estimated tax free lump sum):

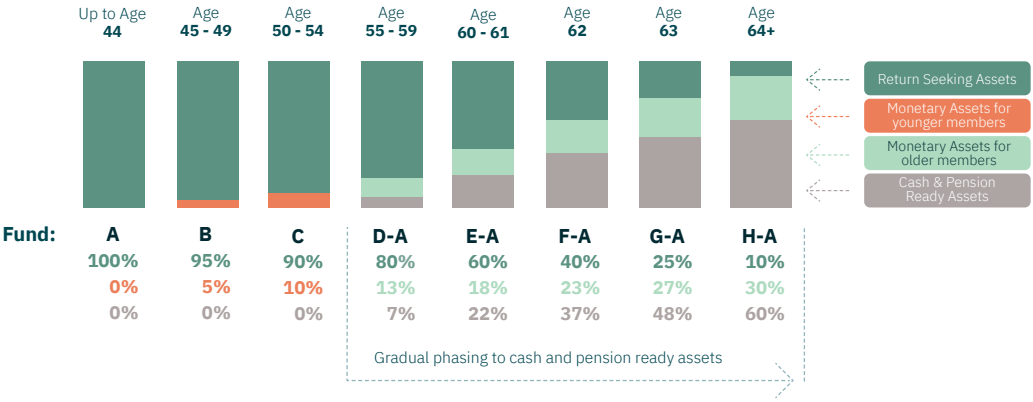
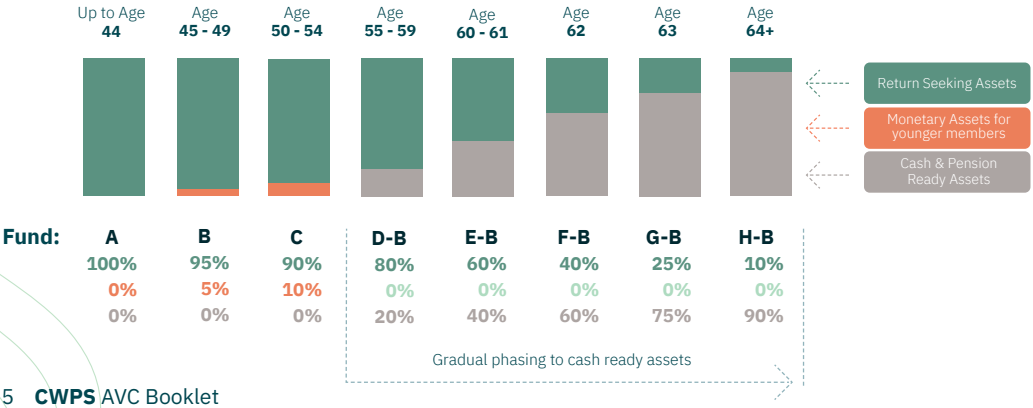


Fig 2.

At age 55, if a member is projected to have a balance of **less** than €30,000 by age 65 (after payment of their estimated tax free lump sum):



Investment Fund choices for your AVCs

Investment Fund choices for your AVCs

As well as the CWPS Lifestyling Investment Strategy the Trustee now offer more choice and flexibility to members who feel comfortable having more control and involvement in their AVC investments and have introduced 2 additional fund choices: the Growth fund and the Cash fund.

Choice 1 – Growth Fund	Choice 2 – Cash Fund
How it works	**How it works**
The Growth Fund invests in a diverse range of assets including Equities, Property, alternative asset classes like Commodities, Currencies and Hedge Funds, along with some holdings in Bonds and Cash with the aim of growing your savings above inflation. There will however be volatility and values can rise and fall over the period of investment.	The Cash Fund aims to protect the value of your AVC account by investing mainly in cash and similar assets to generate a low but stable return. There is a small proportion allocated to growth assets which may generate some asset growth over time.
Suitable for you if you	**Suitable for you if you**
> Are early in your career and have a long time to grow your fund > Can accept movements in value both up and down which may include short term losses in exchange for potential higher long term returns > Are willing to monitor and review your investments on a regular basis > Are potentially planning to use your AVC account to invest in an Approved Retirement Fund (ARF) which is a long term investment after retirement	> Are late in your career and have a short time to invest your account before retirement > Are likely to take your AVC account as a cash lump sum at retirement > Do not have the appetite for short term losses on your AVC account > Wish to protect the value of your AVC account at a particular point in time

You can choose to invest your AVC fund in any one of the three funds, the Growth fund, Cash fund or your age related Lifestyle fund or even split your investment over these 3 funds.

The fund that is right for you depends on the level of investment risk you are comfortable with, the length of time you have until retirement and the amount of control you want to take over managing your investments. **All funds have different levels of potential risk and return and can fall as well as rise.**

The CWPS Trustee recommends that members consider seeking advice when reviewing their investment choices. The CWPS Trustee's preferred independent financial adviser is Milestone Advisory DAC. You can contact them or your own independent financial adviser to review your investment choices. You can contact Milestone Advisory DAC at info@milestoneadvisory.ie or call them at 01 4068020.

What happens to my AVCs if the following happens:

Death in service

If you die before retirement, the full value of your pension account and the full value of your AVC account will be used to provide benefits for your next of kin and will normally be added to the lump sum Death in Service benefit payable from CWPS.

Leaving Employer

If you change jobs and your new employer is registered with CWPS, just ask them to deduct the regular CWPS amount and Additional Voluntary Contributions from your wages – the amount will be paid into your original fund and there will be no charges.

Leaving Construction

If you leave the construction industry, you can leave your AVCs invested in CWPS with your main pension fund. Your fund will continue to move in line with investment returns until your retirement benefits become payable. It can then be used to provide benefits as described on Page 4.

Alternatively, you can opt to transfer the value of your pension scheme benefits to either a Revenue approved scheme operated by a new employer or to a Personal Retirement Bond or Personal Retirement Savings Account operated by an insurance company.

You cannot continue to save AVCs once you have left CWPS. However, you can continue to save until the end of that particular Scheme year if you wish.

How are my AVCs invested?

Your Pension Account will build up through your own and your employer's contributions as well as your AVCs saved. The total contribution is then invested in a Lifestyle Fund. This means that at various stages of your life your fund is invested in a range of funds that are appropriate to the length of time to your retirement. In other words – when you are many years from retirement, your Pension Account will be invested in growth focused funds and then as you near retirement your Pension Account is gradually invested in protection focused funds. As well as the CWPS Lifestyling Investment Strategy members who feel comfortable having more control and involvement in their AVC investments can choose to invest their AVC fund in the Growth fund, the Cash fund or split their investment over these 3 funds as outlined on page 6.

If you want to know more about the funds your Pension Account and AVC account is invested in, see **www.cwps.ie** where you will see comprehensive detail on the Investment Strategy of the Scheme and the performance of the various funds.

Tax free investment growth

AVCs vs other types of savings

This table compares some of the benefits of investing in CWPS AVCs rather than in a PRSA or Life Assurance savings policy.

	CWPS AVC Fund	PRSA	Life Assurance Savings
Tax relief	Yes	Yes	No
Interest earned is tax-free	Yes	Yes	No
Commission free	Yes	No	No
Management and investment charges	Yes	Yes	Yes
Can be taken as regular pension payments	Yes	Yes	No

Please note that this booklet is based on our understanding of current legislation and Revenue practice as at September 2026. This booklet is of a general nature and aims to keep things simple. It should not be relied on in relation to a specific issue without taking financial or other professional advice. If any conflict arises between this booklet and the Scheme Trust Deed and Rules, the Trust Deed and Rules will apply.

Notes

Application to pay Additional Voluntary Contributions (AVCs)

Section A: Personal Details (Please complete in BLOCK capitals).

Name: _____

Address: _____

Date of birth: ____ / ____ / ____ Member ID: _____

Tel: _____ Email address: _____

Employer name: _____

Salary/wages: € _____ a week/month* (*delete as appropriate)

Section B: Deduction Details

I would like to pay AVCs of: € _____ a week/month* (*delete as appropriate)

From: ____ / ____ / ____ insert date you want first payment to start

I would like to pay (tick box):

☐ by deduction from my salary ☐ direct to the Scheme by cheque ☐ by standing order

Please complete either section C OR section D below

Section C: Authority to deduct from salary.

(To be completed if you wish deductions for AVCs to be made through your salary by your employer).
I authorise my employer to deduct the AVCs amount above from my wages until further notice.

Signed: _____ Date: ____ / ____ / ____

Please use BLOCK capitals

Bank name: _____ Bank address: _____

Section D: Bank Details

To be completed if you want to save AVC's by Standing Order or EFT to CWPS. The bank account details provided must be a current account in your own name or joint account held in your name. The proof of the bank account ownership must be provided stating the bank account holder and bank account details.

Bank account name: _____

IBAN No: _____

BIC No: _____

Please charge to my/our account the amount stated below at the specified intervals. My / our account will contain sufficient funds at all times to enable the payment shown below, to be made on the due date.

Amount: € _____ Frequency: Monthly ____ Weekly ____

First payment starting on: ____ / ____ / ____

Signed: _____ Name: _____

Home address: _____

Date: ____ / ____ / ____

Important notice to Bank

Please ensure that this number is quoted on our Bank Statements. Failure to do so could result in monies not being allocated correctly.

CWPS member ID:

Pay to:

Construction Workers' Pension Scheme No 1 Account
IBAN: IE90 AIBK 9310 1288 8880 47
SWIFT/BIC: AIBKIE2D

Bank address:

Allied Irish Bank
1/3 Lower Baggot Street
Dublin 2

Key features

- **No hassle** - your employer can deduct your AVCs directly from your wages or you can pay directly to CWPS
- **Commission free** - 100% of your contribution is credited to your Pension Account
- **Tax effective** - you get full PAYE relief on your AVCs
- **Totally flexible** - stop, start or change your AVCs at any time
- **Every bit helps** - whether you save a little or a lot, AVCs really make a difference to your benefits in the long term.
- **Online Access** - You can register for Member Online Access at **www.cwps.ie** and view your pension contributions and fund value and keep your personal details up to date.

  You can also use our Pension Calculator to get an up to date projection of your estimated fund value and expected pension at retirement.

Contact us and START SAVING TODAY.

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