

# Useful information

This insert gives useful information about the Construction Workers' Pension Scheme. As it will be a helpful reference sheet for you, please keep it with the rest of your scheme documents. Each January we put an updated version on our website at [www.cwps.ie](http://www.cwps.ie).

Below are the weekly rates for pension, death-in-service and sick-pay contributions, as agreed by the Construction National Joint Industrial Council, for 2012

## For the building industry

What the contributions are for	Employer's contributions	Employee's contributions
Pension benefit	26.63	17.76 <small>(See notes 1&amp;2 opposite)</small>
Death-in-service benefit	1.11	1.11 <small>(See notes 1&amp;2 opposite)</small>
Sick-pay benefit	1.27	0.63
<b>Subtotal</b>	<b>29.01</b>	<b>19.50</b>

The Scheme facilitates the collection of the remittances set out below on behalf of the social partner entities listed and these can be paid as a combined payment with the Pension, Sick Pay and Death in Service contributions.

Weekly remittances charged by the Benevolent Funds, the Construction Industry Monitoring Agency and the Construction Workers Health Trust.

What the contributions are for	Employer's contributions	Employee's contributions
Workers' Health Trust	0.00	1.00
Employer Benevolent Fund	0.19	0.00
Employee Benevolent Fund	0.00	0.50
Monitoring Agency	0.32	0.32
<b>Subtotal</b>	<b>0.51</b>	<b>1.82</b>
<b>Overall total</b>	<b>29.52</b>	<b>21.32</b>
<b>Total contribution</b>	<b>€50.84</b>	

Below are the weekly rates for pension, death-in-service and sick-pay contributions, as agreed by the National Joint Industrial Council for the electrical contracting industry, for 2012.

## For the electrical industry

What the contributions are for	Employer's contributions	Employee's contributions
Pension benefit	26.63	17.76 <small>(See notes 1&amp;2 opposite)</small>
Death-in-service benefit	1.11	1.11 <small>(See notes 1&amp;2 opposite)</small>
Sick-pay benefit	1.27	0.63
<b>Subtotal</b>	<b>29.01</b>	<b>19.50</b>

The Scheme facilitates the collection of the remittances set out below on behalf of the social partner entities listed and these can be paid as a combined payment with the Pension, Sick Pay and Death in Service contributions.

Weekly remittances charged by the Benevolent Funds, the Construction Workers Health Trust and EPACE.

What the contributions are for	Employer's contributions	Employee's contributions
Workers' Health Trust	0.00	1.00
Employer Benevolent Fund	0.19	0.00
Employee Benevolent Fund	0.00	0.50
EPACE	0.38	0.38
<b>Subtotal</b>	<b>0.57</b>	<b>1.88</b>
<b>Overall total</b>	<b>29.58</b>	<b>21.38</b>
<b>Total contribution</b>	<b>€50.96</b>	

**Note 1:** This contribution includes an administration fee of 2% of the pension contribution to cover the costs of the day-to-day running expenses of the scheme. The employer's fee is 53c and the employee's is 36c. It also includes an investment charge of 0.5% of the value of the assets held by the scheme.

**Note 2:** Contributions for pension benefits and death-in-service benefits are made before PAYE calculations. There is no PRSI relief on these contributions.

## Making contributions

In the first week of each month we send all employers taking part in the scheme a pension payment schedule. This will show the contributions due from the employee and the employer up to the last Friday of the previous month.

To keep to the Pensions Act, 1990, as amended, employers must return the pension payment schedule with any changes, together with the payment, by the 21st of that month.

## Paying contributions

Employers can pay contributions online at [www.cwps.ie](http://www.cwps.ie) or by cheque, bank draft, or electronic direct debit.

For employers not using the Online Payment System they must return the monthly pension payment schedule to us with their payment so we can pay the correct amount to each employee's account.

More information on the pension payment schedule and filling it in is given in 'Your pension toolkit' booklet.

For more information on Online Payment System visit [www.cwps.ie](http://www.cwps.ie) or call 01-407 1488

## Sick pay

Sick pay of €37.51 a day is paid from the fourth day of illness if the member:

- is currently employed by an employer taking part in the scheme; and
- has paid at least 13 contributions in the six months before the start of their illness.

Sick pay is paid for up to 50 working days in a calendar year.

The Member Service team can provide full details on the rules for sick pay or visit [www.cwps.ie](http://www.cwps.ie).

## Death-in-service benefit

The scheme pays death-in-service benefit of €63,500 to the member's next of kin, and an extra €3,175 for each eligible child. If:

- all contributions due for the member have been paid into the scheme at the time of their death; and
- the member had been paying contributions for at least 26 weeks up to the date of death;
- the value of the members account is also refunded.



## What a member's account might provide

The following example will give an idea of the pension benefits that members might be able to receive from their account when they retire. It is important to remember that this is only an example. Actual benefits will depend on factors such as the value of the account and the rate for converting pension into benefits at the date the member retires, as well as their age and the benefits they choose.

A member retires at 65, their account is worth €50,000 and interest rates are 2.0%. The member chooses one of the four options listed below.

	Option A	Option B	Option C	Option D
A pension for the rest of their life	✓	✓	✓	✓
A pension guaranteed to be paid for at least five years	✓	✓	✓	✓
A pension that increases by 3% a year	×	✓	×	✓
A pension equal to 50% of the member's pension to be paid to the member's husband or wife after the member has died	×	×	✓	✓

The table below shows the pension the member could receive if they took a tax-free cash sum of €12,500 leaving an account balance of €37,500.

	If they chose...			
	Option A	Option B	Option C	Option D
<b>If the member took a pension only:</b>				
They might receive a pension of:	€2,958 a year	€2,059 a year	€2,601 a year	€1,713 a year
<b>If the member took a lump sum of €12,500 and a pension:</b>				
They might receive a pension of:	€2,218 a year (+lump sum)	€1,544 a year (+lump sum)	€1,951 a year (+lump sum)	€1,285 a year (+lump sum)

These amounts are examples only and are based on the financial conditions that applied at January 2012. The actual rates used to convert a member's account into pension will depend on financial conditions and average life expectancies at that time. If the member is married and still living with their husband or wife, they must choose to provide a pension of 50%, after their death for their husband or wife.

## Investment funds

The Trustee is responsible for deciding how the money building up in the scheme is invested.

Day-to-day investment decisions are made by specialist investment managers. The scheme's current investment managers are State Street Global Advisers BNY Mellon, Capital International,

CF Ruffer, Fusion, Irish Life Investment Managers, Principal Global Investors, and Standard Life Investment Managers. The scheme's property managers are Jones Lang LaSalle and CB Richard Ellis Gunne.

The Trustee has taken great care in choosing the investment managers, but the Trustee cannot be responsible for the actual investment performance of any manager. However, the Trustee regularly monitors investment performance and, acting in the best interests of members, will change the investment management arrangements if necessary.

## How investment funds work

When a member is a long way from retirement, their account will be invested mainly in shares and property. This is because, over long periods, these types of investments usually provide good returns that are above the rate of inflation. As a member gets closer to age 65, their account will gradually be moved into investments which are mainly issued by governments and which deliver a fixed rate of interest. This is to protect the value of the account.

The table below shows the current allocations between different types of asset in the age-related sub-funds. In practice, there are ranges within which the Trustee sets these allocations. Therefore, the allocations may change slightly from time to time.

	Shares & Property	Fixed Interest Funds	Cash
Aged up to 44	90%	10%	0%
Aged 45 to 49	80%	20%	0%
Aged 50 to 54	70%	30%	0%
Aged 55 to 59	60%	40%	0%
Aged 60 to 61	45%	55%	0%
Aged 62	30%	60%	10%
Aged 63	20%	65%	15%
Age 64 and above	10%	70%	20%

Each month the Trustee declares an investment return for each of the different investment funds. This return is based on the actual performance of the Scheme's assets and the overall funding level of the Scheme. This return is then applied to the member's account.

You should remember that investments can fall as well as rise, and that providing for retirement is a long-term commitment.

The aim is that if a fund performs badly in any one year, this will not prevent a positive outcome over the course of a member's working life.