Essential equipment for the future

Useful information

This insert gives useful information about the Construction Workers' Pension Scheme and will be updated each year. As it will be a helpful reference sheet for you, please keep it with the rest of your Scheme documents.

Weekly contribution rates for the 2007 Scheme year

For the building industry

Contributions for	Employer contributions	Member contributions
Pension benefits	€26.88*	€17.92*
Death-in-service benefits	€1.11	€1.11
Sick pay	€1.28	€0.64
Health Trust	-	€1.00
Benevolent Fund	€0.19	€0.50
Monitoring Agency	€0.32	€0.32
Total contributions	€29.78	€21.49
Total weekly contributions payable to the Scheme	€51.27	

For the electrical industry

Contributions for	Employer contributions	Member contributions
Pension benefits	€26.88*	€17.92*
Death-in-service benefits	€1.11	€1.11
Sick pay	€1.28	€0.64
Health Trust	-	€1.00
Benevolent Fund	€0.19	€0.50
EPACE	€0.38	€0.38
Total contributions	€29.84	€21.55
Total weekly contributions payable to the Scheme	€51.39	

** This includes an administration fee of 2% of the pension contribution to cover costs regarding the day-to-day running expenses of the Scheme: the employer fee is 54¢ and the member fee is 36¢. There is also an investment charge of 0.5% of the value of the assets held.*

You receive full tax relief on the contributions you make for pension and death-in-service cover, as an employer or a member.

Making contributions

We send all participating employers an assessment invoice in the first week of each month; this will reflect contributions due by the member and the employer up to the last Friday of the previous month. We will also include a payment schedule which the employer should amend to reflect any changes.

To comply with the Pensions (Amendment) Act 2002 employers should return the invoice and payment schedule, together with payment, to the Scheme by the 21st of that month.

Paying contributions

Employers can pay contributions by cheque, bank draft, variable direct debit, electronic banking or, where possible and by arrangement with the Scheme, through the internet.

Regardless of the payment method used, the employer must still return the monthly invoice to us (showing any amendments). This enables us to correctly allocate the monies paid to the member's pension accounts.

More information on invoicing, such as how to complete an invoice and amending the payment schedule can be found in the employer's administration manual, 'your pension toolkit'.

Sick pay benefit

A sick pay benefit of €34.38 a day is payable from the 4th day of illness, provided the member is currently employed with a participating employer and has 13 contributions paid to the Scheme in the six months before the onset of illness. Sick pay benefit is paid for a maximum of 50 working days in a calendar year.

Full details on the Rules and benefits of the Sick Pay Scheme can be obtained by contacting the Scheme.

Death-in-service benefit

A death-in-service benefit of €63,500 and an additional €3,175 for each eligible child, plus the value of the member's account is payable provided the member was a contributing member and had been contributing for at least 26 weeks at the time of death.

CWPS Construction Workers Pension Scheme

What a member's account might provide

The following example will give an idea of the pension benefits that members might be able to provide with their account at retirement. It is important to remember that this is only an illustration. Actual benefits will depend on factors such as the value of the member's 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.

Suppose a member retires at age 65, their account is worth €50,000 and interest rates are 3.75% after they retire. The member chooses one of the four options listed below:

	Option A	Option B	Option C	Option D
A pension for the rest of the member's life	✓	✓	✓	✓
A pension guaranteed to be paid for at least 5 years	✓	✓	✓	✓
Annual increases to the member's pension of 3% a year	✗	✓	✗	✓
A pension for the member's spouse on their death of 50% of the value of the member's pension	✗	✗	✓	✓

The table below shows the pension that the member could expect to receive, based on today's rate of converting their account into pension. The table also shows the pension that the member could receive if they took a tax-free cash sum of €12,500, leaving an account balance of €37,500.

	If you chose...			
	Option A	Option B	Option C	Option D
If the member took a pension only:				
They might receive an annual amount of pension of:	€3,719	€2,694	€3,217	€2,190
If the member took a lump sum of €12,500 and a pension				
They might receive an annual amount of pension of:	€2,789 *(plus the lump sum)*	€2,021 *(plus the the lump sum)*	€2,412 *(plus the lump sum)*	€1,642 *(plus the lump sum)*

These amounts are for illustrative purposes only and are based on financial conditions applying at January 2007. The actual rates used to convert a member's account into pension at retirement will depend on financial conditions and life expectancy at that time. If the member is married and still living with their spouse, they must select a pension which will provide a spouse's pension on their death of 50% of their own pension.

Investment funds

The Trustee is responsible for deciding how the money building up in the Scheme is invested. Actual day-to-day investment decisions are delegated to specialist investment managers. The Scheme's current investment managers are Bank of Ireland Investment Managers, Irish Life Investment Managers, KBC Asset Management, Credit Agricole Asset Management and Standard Life Investments. The Scheme's property managers are Jones Lang LaSalle and C B Richard Ellis Gunne.

While the Trustee has taken great care in selecting the investment managers, you should remember that the Trustee cannot be responsible for the actual investment performance of any manager. However, the Trustee does monitor investment performance on a regular basis and, as part of its duty to act in the best interests of members at all times, will revise 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 have historically provided good returns ahead of inflation. As a member gets closer to age 65, their account will gradually be moved into investments which are mainly issued by governments which deliver a fixed-rate of interest. This is because the returns achieved by fixed interest funds more closely match the cost of providing a pension for you.

	Shares and property	Fixed interest funds and cash
Aged up to 44	90%	10%
Aged 45 to 54	75%	25%
Aged 55 to 59	50%	50%
Aged 60 and above	25%	75%

Each year, an investment return will be declared by the Trustee which will reflect how the Scheme's investment funds have performed. 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 poor fund performance in any one year will not prevent a positive outcome over the course of a member's working life.