

## Time Frame Involved for a Member to Draw Down their Pension Fund at Retirement from the National Federation's Pension & Life Assurance Scheme

Please **do not assume** that when you turn age 65 i.e., Normal Retirement Age (NRA), your pension benefits will automatically be in your bank account.



Once you confirm your intention to retire at age 65, you will receive your retirement options from Irish Life, following which you will need to actively select what way you wish to draw down your pension fund at retirement i.e., it is not an automatic process. The way you can draw down your pension fund will depend on your personal circumstances and other factors, like the amount you have in your pension fund, your salary, and the number of years you have been working. The Trustees recommend you take financial advice before making any decision, from either your Irish Life Advice Team point of contact (free of charge) or you can, if you wish, engage with your own independent financial advisor. Regardless of where you seek your advice, Irish Life are there to help you at every step of the way.

The following is a summary of the retirement handling process you will go through when drawing down your pension fund from the National Federation's Pension Scheme.

1. The Irish Life Administration Team will issue a pre-retirement letter to you **3 months prior** to your Normal Retirement Age (NRA) i.e., age 65, to establish if it is your intention to draw down your pension fund. You can also request your retirement options if you are seeking to retire early i.e., before your 65<sup>th</sup> birthday.
2. If you confirm your intention to retire, Irish Life will:
  - (a) prepare your Retirement Options (can take up to 4 weeks to prepare);
  - (b) refer you to your [Irish Life Advice Team point of contact](#) to discuss your [retirement options](#) in respect of how you can draw down your pension fund at retirement i.e., the possible tax-free cash lump sum payable and how you can draw down your remaining monies, if any, after you take your cash lump sum.
3. It is important you disclose to Irish Life, at the earliest opportunity:
  - (a) if you have any Other Pension Benefits (OPBs), to establish if it will have an impact on drawing down your pension fund from this Scheme. Failure to disclose OPBs will delay the preparation of your retirement options and could also lead to the incorrect options being sent to you, if Irish Life aren't aware of your previous pension benefits.
  - (b) If you had a higher salary / total earnings figure over the last 10 years related to this employment, rather than the salary Irish Life currently have on file for you and outlined on your Member Portal. This information is requested to calculate the maximum tax-free cash lump sum payable to you, which can be based on the length of employment service and salary. Revenue allows Irish Life to



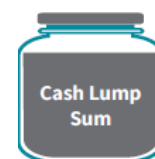
look back at a member's earnings over the last 10 years and use the highest salary / total earnings figure over this period for calculation of lump sum benefit.

4. After your consultation with your Irish Life Advice Team point of contact, you need to decide on what is the best option / route for you to draw down your pension fund i.e., cash lump sum; purchase of an annuity and/or investment in an ARF with any remaining funds.



5. Once you confirm how you wish to draw down your pension fund, the Irish Life Administration Team will then liaise with you to collect all documentation required to process your retirement claim.

6. If you have selected a **tax-free cash lump sum only**, Irish Life will pay the monies to your bank account within 5 working days **after** all your pension contributions have been remitted by your employer to Irish Life; you have submitted all other required documentation, and after the Trustees' approval has been received to process your claim.



7. If you have selected a **tax-free cash lump sum and investment in an Approved Retirement Fund (ARF)**, with the remainder of your pension fund, Irish Life will arrange the payment of the lump sum to your bank account and set up the ARF with Irish Life **after** all your pension contributions have been remitted by your employer to Irish Life and you have submitted all other required documentation.

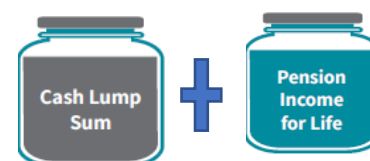


You can buy an ARF with any Life Office or Qualifying Fund Manager, if you wish. If you are not investing in an Irish Life ARF, your independent financial advisor will be required to submit a Willing and Able letter from your chosen ARF provider, which confirms they can set up an ARF for you.

Due to a revenue requirement the payment of your cash lump sum and investment in an ARF has to be done at the same time i.e., you cannot receive your cash lump sum until your ARF has also been finalised.

The timeframe for processing this option is approximately 4 weeks after confirmation of your retirement option; all pension monies have been remitted from your employer to Irish Life; all other required documentation has been submitted by you to Irish Life (e.g., Photo ID, proof of address, bank details etc) and after the Trustees' approval has been received to process your claim. It will take approximately a further 2 weeks if the ARF is being arranged with another company i.e., not Irish Life.

8. If you have selected a **tax-free cash lump sum and the purchase of an annuity (Pension / Income for Life)** with the remainder of your pension fund, the Trustees have to set-up your annuity.



This is to ensure that you get the most competitive annuity (pension/ income for life) in the market at time of your purchase. This can't be done by Irish Life as they can only offer an Irish Life annuity.

The Trustees engage an independent broker (Moneybutler in Galway) to check the annuity rates from the 4 different companies that offer annuities i.e., Irish Life, Aviva, New Ireland and Zurich. Moneybutler will then arrange for the Trustees to set up the annuity for you with the company offering the best annuity rate.

When MoneyButler have completed their work in checking the annuity rates, the member will be advised of the most competitive rate. If this is Irish Life, the annuity will be processed via them. However, if it is not Irish Life that are offering the most competitive annuity rate at that time, the member will be advised of both the most competitive rate and also the Irish Life's rate. The member can decide at that point if they wish to proceed with the most competitive rate or proceed with Irish Life to expediate the processing time for the purchase of their annuity.

When the annuity is set up, Irish Life will pay your cash lump sum payment to your bank account and your monthly pension will also be set up by your chosen pension provider after all required documentation has been received. Due to a revenue requirement the payment of your cash lump sum and purchase of your annuity has to be done at the same time i.e., Irish Life cannot process your cash lump sum until your Annuity has also been finalised.

The timeframe for processing this option is approximately 6-8 weeks from confirmation of your retirement option; all pension contributions have been remitted from your employer to Irish Life; all other required documentation has been submitted by you to Irish Life (e.g., Photo ID, proof of address, bank details etc) and after the Trustees' approval has been received to process your claim.

**Please also visit [www.fedvol.ie](http://www.fedvol.ie) (click on pensions tab),  
for further information on the Pension Scheme,  
including an Approaching Retirement Booklet and Video.**

# PROCEDURE & TIMEFRAME FOR PROCESSING A RETIREMENT CLAIM

Irish Life issue a pre-retirement letter to the member **3 months prior** to their Normal Retirement Age (NRA) i.e., age 65, to establish if they wish to draw down their pension fund.

If the member confirms they wish to draw down their pension fund Irish Life will:  
**(a)** Prepare their retirement options i.e., outline their fund value and the different ways / options available to the member to draw their pension fund;  
**(b)** Refer member to their **Irish Life Advice Team point of contact** to discuss their retirement options.

**Member Confirms and submits to Irish Life**

What way they wish to draw down their pension fund i.e., tax free lump sum; purchase of annuity and/or investment in an ARF with any remaining funds.

If a member has any Other Pension Benefits (OPB), it is critical to declare them to Irish Life as soon as possible to establish if the OPB will have an impact on drawing down their pension fund from this Pension Scheme.

If a member had a higher salary / total earnings figure over the previous 10-year period this should be declared to Irish Life.

All documentation required to process member's retirement claim e.g., Photo ID, proof of address, bank details etc.

## Member's Retirement Options

**Cash Only Payment**

After Irish Life receive Anti Money Laundering Requirements (proof of address and Photo ID), member's bank details, all pension contributions from employer, Trustees approval, monies will be processed to member's bank account.

**(Timeframe approx. 5 working days from date of final pension contributions being received by Irish Life from member's employer)**

OR

**Cash & Investment in an Approved Retirement Fund (ARF)**

After Irish Life receive Anti Money Laundering Requirements (proof of address and Photo ID), member's bank details, Willing and Able letter (this is required from member's ARF provider to confirm they can set up an ARF for member), Trustees approval, monies will be processed to member's bank account.

**(Timeframe is approx. 4 weeks from date of final pension contributions being received by Irish Life from member's employer)**

OR

**Cash & Purchase of an Annuity (Pension / Income for Life)**

After Irish Life receive Anti Money Laundering Requirements (proof of address and Photo ID), member's bank details, Willing and Able letter (this is required from member's Annuity provider to confirm they can purchase an Annuity for the member), Trustees approval, monies will be processed to member's bank account.

**(Timeframe is approx. 6-8 weeks from date of final pension contributions being received by Irish Life from member's employer).**

The above timelines are dependent on:

- ✚ All members pension contributions being remitted to Irish Life from employer. If a member is working right up to their retirement date e.g., 12<sup>th</sup> July, the member will be entitled to a salary up to this date, however, the employer has until 10<sup>th</sup> of the following month i.e., 10<sup>th</sup> August to remit the member's pension contributions to Irish Life. It is not until after these monies have been invested with Irish Life that they can issue the member with their final Option Selection Form.
- ✚ Irish Life Option Selection Form (confirmation of what way a member wishes to draw down their pension fund). This form can't be sent to the member until all their pension contributions have been remitted by employer and invested with Irish Life.
- ✚ Other Pension Benefits Declaration – this is confirmation from the member regarding if they have or have not any other pension benefits either paid or to be paid to them.
- ✚ Anti-Money Laundering (AML) Requirements which comprises of:
  - A photocopy of an acceptable (unexpired) photographic ID e.g., passport or driving licence;
  - A photocopy of an acceptable proof of address document e.g., utility bill or bank statement (recently dated within the last 6 months on headed paper).
- ✚ Member's Bank details i.e., copy of bank statement, dated in last 6 months with member's name and address and bank details displayed. Bank account balances can be blocked out.
- ✚ If a member has selected the annuity option and they have chosen a Dependent's (Spouse's / Civil Partner) pension, they will need to provide:
  - a copy of photo ID for the member's Dependent (Spouse's / Civil Partner); and
  - a copy of the member's marriage certificate.
- ✚ Willing and Able letter – this letter is required for members who either purchase an annuity or invest in an Approved Retirement Fund. This letter verifies that a bank or financial institution is prepared and will be able to proceed on behalf of a member for a specified financial transaction i.e., purchase of an annuity or establishment of an Approved Retirement Fund.

#### **Example of Timeframe for Processing Retirement Claim:**

- Retirement Date = 65<sup>th</sup> Birthday is 12<sup>th</sup> July
- If the member works right up to their retirement date i.e., 12<sup>th</sup> July, their employer has until 10<sup>th</sup> August to remit their pension contributions to Irish Life. It is not until after this date that final pension fund figures can be advised to member.
- If the member has selected the **cash lump sum option only**, and has submitted all documentation to Irish Life to process claim, monies could be paid out by approx. 15<sup>th</sup> August i.e., 5 working days after receipt of all pension contributions received on **10<sup>th</sup> August**.
- If member has selected **cash lump sum option and investment in an ARF**, and has submitted all documentation to Irish Life to process claim, monies could be paid out in approx. 4 weeks after 10<sup>th</sup> August date when all pension contributions for the member was received i.e., cash and ARF processed by approx. **10<sup>th</sup> September**.
- If member has selected **cash lump sum option and the purchase of an annuity**, and has submitted all documentation to Irish Life to process claim, monies could be paid out within 6-8 weeks after 10<sup>th</sup> August date when all pension contributions for the member was received i.e., cash and Annuity purchased by **late September – early October**.

***Please also note members paid fortnightly or monthly in arrears, their final pension monies may take longer than outlined above.***

**It is essential members engage well in advance of their retirement date with Irish Life to ensure they know what way they will draw down their pension fund to suit their personal circumstances and to ensure all documentation required to process their claim has been submitted to Irish Life.**