

# National Federation of Voluntary Service Providers'

## Pension & Life Assurance Scheme

Member Booklet



ENTER



This booklet is based on tax and pension law applying at January 2020, which is subject to change in the future.

**National Federation of Voluntary Service Providers'  
Pension & Life Assurance Scheme**

Oranmore Business Park  
Oranmore  
Galway

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# INTRODUCTION

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## Welcome to the National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme

The National Federation of Voluntary Service Providers Supporting People with Intellectual Disability (National Federation) is the national umbrella organisation of voluntary / non-statutory agencies who provide services and supports to people with intellectual disability and autism in Ireland. The National Federation established the National Federation of Voluntary Services Providers' Pension & Life Assurance Scheme (the Scheme) in January 1996 to provide pension and life assurance benefits for employees of participating employers. The Scheme is designed to provide benefits for you and your family, which are in addition to those provided by the State. As a member of the Scheme you and/or your family will be entitled to some or all of the following benefits:

- ▶ A tax free lump sum
- ▶ A pension for you and your dependants
- ▶ An Approved Retirement Fund (ARF)/ Approved Minimum Retirement Fund (AMRF)
- ▶ Taxable cash
- ▶ A lump sum on death in service

This booklet explains in simple terms the benefits of the Scheme. However, it is only a guide and the formal Trust Deed and Rules, which govern the Scheme, will always prevail in the event of conflict between this booklet and the Trust Deed and Rules.

## WHO'S WHO

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### **SCHEME:**

National Federation of Voluntary Service Providers'  
Pension & Life Assurance Scheme

### **TRUSTEES:**

John McHugo, Chairman  
Pauline Brennan  
Francis Coughlan  
Deirdre Herlihy  
James Skehan

### **REGISTERED ADMINISTRATOR:**

New Ireland Assurance Company plc  
5-9 South Frederick Street  
Dublin 2

### **DEATH IN SERVICE UNDERWRITERS:**

Zurich Life  
Temple Road  
Blackrock  
County Dublin

### **INFORMATION:**

Maria McMahan,  
Pension Scheme Manager,  
National Federation of Voluntary Service Providers'  
Pension & Life Assurance Scheme,  
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Oranmore, Galway.

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# NEW IRELAND PENSION CONSULTANTS

## YOUR DEDICATED NEW IRELAND PENSION CONSULTANT IS:



### BRIAN DEEGAN

01 617 2611 Mobile: 086 3851516

[brian.deegan@newireland.ie](mailto:brian.deegan@newireland.ie)

- CoAction West Cork
- St Joseph's Foundation
- Prosper Meath
- Malta Services Drogheda
- Kerry Parents & Friends Association
- St. Christopher's Services



### CUSHLA O'NEILL

01 617 2758 Mobile: 086 6846747

[cushla.oneill@newireland.ie](mailto:cushla.oneill@newireland.ie)

- Ability West
- Ard Aoibhinn
- Western Care
- St. Hilda's Services
- Cumas New Ross
- Secretariat / Head Office
- Peacehaven Trust
- St. Catherine's Association
- Northwest Parents & Friends
- Blue Teapot Theatre Company
- Sunbeam House Services



### CLAIRE PARSONS

01 617 2880 Mobile: 086 9039223

[claire.parsons@newireland.ie](mailto:claire.parsons@newireland.ie)

- SOS Kilkenny
- St. Cronan's Services
- Moorehaven
- Waterford Intellectual Disability Association
- Muiriosa Foundation
- Children's Sunshine Home / LauraLynn
- KARE

Please note that your New Ireland Pension Consultant can advise you on technical pension matters and on products available from New Ireland. They are not in a position to advise you on products from other insurance companies. Making decisions regarding your pension benefits and options are important and we recommend that you consider engaging an independent financial advisor. The contact details of independent financial advisors in your area can be found by logging on to the Brokers Ireland website - [brokersireland.ie](http://brokersireland.ie)



## YOUR SCHEME AT A GLANCE

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A brief overview of the Scheme and the benefits that it provides for you are set out below.

- ▶ The Pension Scheme is a Defined Contribution Scheme. Your future pension benefits are based on pension contributions paid by you and your Employer and your pension fund investment performance.
- ▶ Your Employer currently pays 7% of your Salary to the Scheme, 0.65% of this currently goes to cover the cost of the life cover and the running costs of the Scheme. The balance of 6.35% is invested in your pension fund for your retirement.
- ▶ You pay 5% of Salary, all of which is invested in your pension fund for your retirement.
- ▶ The Normal Retirement Date under the Scheme is your 65th birthday although early retirement is possible from age 50 onwards.
- ▶ When you first join the Pension Scheme, your pension contributions will be invested in the Passive IRIS fund which is the default investment fund for the Scheme.
- ▶ Once your personal record and pension fund have been set up by New Ireland you will receive a 'Welcome Pack' which will include information on a range of funds into which contributions can be invested. You may then select a different fund(s) to invest your pension contributions by completing a switch form.
- ▶ In the unfortunate event of your death before retirement a lump sum of 3 times your Salary at the date of death, plus the value of your pension fund will become payable.

Further details on the Scheme can be found in the following pages of this booklet.

## HOW THE SCHEME IS RUN

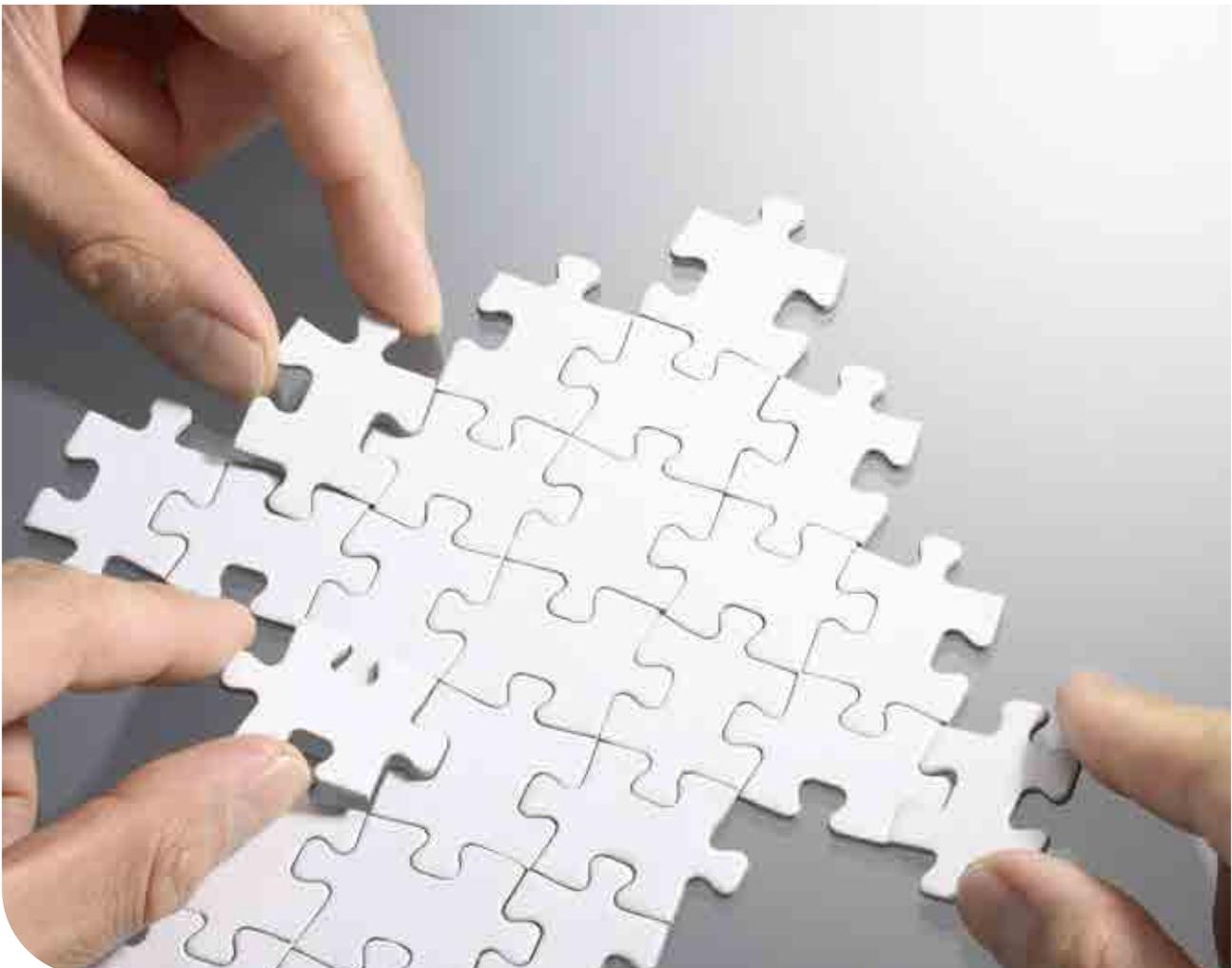
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The Scheme commenced on 1st January, 1996, and is set up under Trust. This means that its investments are completely separate from the National Federation and all employers of the Pension Scheme and may only be used to provide benefits for the individual members of the Pension Scheme.

The Scheme is designed to ensure that, at all times, it qualifies as an exempt approved Pension Scheme under Chapter 1, Part 30, of the Taxes Consolidation Act 1997. The Revenue Reference Number is: SF7346. The Scheme is registered with the Pensions Authority under Reference: PB67866.

The Trustees act in the best interests of the members of the Pension Scheme. The Trustees engage and are assisted in carrying out their responsibilities to the members of the Scheme by professional advisors, auditors and investment managers.

The Scheme is a Defined Contribution Scheme for the purposes of the Pension Act 1990, as amended. The death in service benefits are covered by an insurance policy currently underwritten by Zurich Life. Pension contributions are invested in a range of funds which are administered by New Ireland Assurance.





# 1. DEFINING KEY TERMS

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## 1.1 NORMAL RETIREMENT DATE

Is your 65th Birthday.

## 1.2 SALARY

Salary is your basic earnings which you receive, together with all recognised premium payments, however (a) overtime paid at a premium rate, (b) travel payments and (c) subsistence payments are excluded.

## 1.3 PENSION FUND

Pension contributions paid by you and your Employer are allocated to your pension fund with New Ireland. Under current rules all investment growth on your Pension Fund is exempt from tax. At retirement the proceeds of your pension fund become available to you and the range of options in respect of how you can take your pension benefits at retirement are outlined in Section 5 of this booklet.



## 2. MEMBERSHIP REQUIREMENTS

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### 2.1 WHEN DO I JOIN THE SCHEME FOR FULL BENEFITS?

Membership of the Pension Scheme is **compulsory** for employees who have attained age 18 and who are under age 65, and whose eligibility is determined by their Employer and Employment Legislation.

The only time membership was voluntary was in respect of existing employees who were employed within your organisation before the date your organisation joined the Pension & Life Assurance Scheme. In respect of any employee that joined your organisation after this date it is compulsory for them to join the Pension Scheme, if they meet the eligibility criteria as outlined above.

### 2.2 WHAT MUST I DO?

Complete the Pension Scheme Application Form which you will find in the Summary Member Booklet. You should also the Expression of Wishes Form in the Summary Member Booklet, or on page 15 of this booklet, and update this form if your circumstances change.





## 3. WHO PAYS FOR THE BENEFITS?

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### 3.1 DO I CONTRIBUTE INTO THE PENSION SCHEME?

Yes, you contribute 5% of your Salary. Your pension contributions are invested in your pension fund.

### 3.2 DOES YOUR EMPLOYER CONTRIBUTE INTO THE PENSION SCHEME?

Yes, your employer will contribute at the rate of 7% of your salary. 6.35% will be invested directly in to your pension fund and the balance of 0.65% will cover the premium for your death in service benefit and the running costs of the Scheme.

### 3.3 MAY I PAY ADDITIONAL PENSION CONTRIBUTIONS?

Yes, you may also pay additional pension contributions known as AVCs (Additional Voluntary Contributions). You can commence paying AVCs at any time during your membership of the Scheme by advising your employer. You can also amend or cease paying AVCs at any time.

### 3.4 WHAT ABOUT TAX RELIEF?

Under current legislation pension contributions that you make, including AVCs, up to the maximum specified in the table below, will be eligible for relief at your marginal income tax rate. As contributions will be deducted directly from your salary before tax, the relief will be credited to you automatically. An earnings cap of €115,000 applies to pension contributions for tax relief purposes. It also may be necessary to restrict your contributions, so as to ensure that your total benefits remain within the limits specified by the Revenue Commissioners.

Age	Maximum Pension Tax Deductible Limits. (% of Earnings that you can contribute to your pension and obtain tax relief)*
Under 30 years	15%
30 to 39 years	20%
40 to 49 years	25%
50 to 54 years	30%
55 to 59 years	35%
60 and over	40%

\*limits are inclusive of your employee contribution of 5% of salary but exclusive of the employer contribution

## 4. INVESTMENT OF FUNDS

### 4.1 INVESTMENT OF PENSION CONTRIBUTIONS

The Trustees have decided to offer Scheme members a range of different investment funds into which pension contributions can be invested. These funds are listed below.

<b>Lifestyling Funds:</b>	
▶ Passive IRIS Fund* – Default Fund <sup>1</sup>	
<b>Very Low Risk Funds</b>	
▶ Pension Cash Fund <sup>2</sup>	
<b>Low to Medium Risk Funds</b>	
▶ Elements Fund <sup>3</sup>	
<b>Medium Risk Funds</b>	
▶ LGIM Diversified Fund <sup>4</sup>	
<b>Medium to High Risk Funds</b>	
▶ Pension Ethical Managed Fund <sup>4</sup>	
<b>High Risk Funds</b>	
▶ PRIME Equities <sup>4</sup>	

<sup>1</sup>A fund related charge of 0.525% per annum applies to this fund.

<sup>2</sup>A fund related charge of 0.15% per annum applies to this fund.

<sup>3</sup>A fund related charge of 0.725% per annum applies to this fund.

<sup>4</sup>A fund related charge of 0.625% per annum applies to this fund.

\*Additional Passive IRIS options aimed at individuals who want to purchase an annuity or take a cash lump sum are also available.

### 4.2 DEFAULT FUND

When you first join the Scheme you will be invested in the Default Fund – **Passive IRIS**.

Once your personal record and pension fund have been set up by New Ireland, you will then have the opportunity to switch to one or more of the funds listed above by completing a Switch Form. If you do not make a switch you will continue to be invested in the Default Fund.

## FURTHER INFORMATION

Details of each fund are outlined in a separate [Investment Choice Member Booklet](#) which you should study before you make your decision. This booklet is available to download on [www.fedvol.ie](http://www.fedvol.ie).

### IMPORTANT

The Trustees have no liability in respect of the investment fund(s) in which your pension contributions are invested or the performance of those funds.

**Warning: These funds may be affected by changes in currency exchange rates.**

**Warning: The value of your investment may go down as well as up.**

**Warning: If you invest in these funds you may lose some or all of the money you invest.**



## 5. BENEFITS ON RETIREMENT

### 5.1 WHEN DO I NORMALLY RETIRE FOR PENSION PURPOSES?

On your Normal Retirement Date, which is your 65th Birthday.

### 5.2 WHAT ARE MY OPTIONS AT RETIREMENT?

At your Normal Retirement Date, you can use your pension fund to provide retirement benefits subject to Revenue limits.

At retirement you can decide on the type of benefits you wish to receive – based on your own particular circumstances – from the following options:

#### A. LUMP SUM AND PENSION (ANNUITY)

##### Lump Sum\*

You can take all or part of your pension fund as a lump sum at retirement, however, the maximum lump sum you can take is 1.5 times your Final Salary, provided you have 20 years service completed with your employer by your Normal Retirement Date. If you have less than 20 years completed or if you retire early, or if you have received or are entitled to a lump sum from another pension, a lower lump sum will be paid.

Lump Sum Amount*	Rate of Tax
Up to €200,000	Tax free
Next €300,000	Standard rate (currently 20%) no reliefs, credits allowed
€500,001 and over	Marginal rate – taxed under PAYE system, plus PRSI and USC

\* Any retirement lump sums taken on or after the 7th of December 2005 will count towards this limit.

##### Pension

The balance of the fund must then be used to purchase an income for life (a pension) for you and your Dependants, subject to Revenue limits.

If you have paid any AVC's into the Scheme, then the fund accumulated by those AVCs can avail of the Approved Retirement Fund (ARF) option outlined below (subject to certain revenue requirements).

#### OR

#### B. LUMP SUM AND APPROVED RETIREMENT FUND (ARF)

##### Lump Sum

You can take up to 25% of your pension fund as a retirement lump sum. The maximum lump sum you can take tax-free is subject to a lifetime limit of €200,000. Please see table above for further information.

##### Approved Retirement Fund (ARF)

The balance of your fund may then be invested in an Approved Retirement Fund (ARF). An ARF is a retirement investment fund which allows you to choose between various investment options and gives you flexibility over when and how you draw down funds.



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### 5.3 MAY I RETIRE EARLY?

You may retire early once you have attained age 50. The benefits payable on early retirement will be less than if you continued to work until Normal Retirement Date as less pension contributions from you and your employer will have been invested in your pension fund, and if you decide to purchase a pension it will cost more as it is commencing earlier. You may retire on the grounds of incapacity due to ill health at any time. Such an application will have to be supported by medical evidence.

### 5.4 MAY I CONTINUE IN EMPLOYMENT AFTER MY NORMAL RETIREMENT DATE?

You may remain in service after your Normal Retirement Date only with the written consent of your Employer. In this situation no further pension contributions will be made to the Scheme and your death in service benefit will also cease at age 65. A member can liaise with their New Ireland Pension Consultant to make arrangements to set up a PRSA or a Personal Pension policy if they want to continue saving for their retirement. You may also seek your own independent financial advice.

### 5.5 WILL I RECEIVE BENEFITS FROM THE STATE?

In addition to the pension benefits you will receive from this Scheme at retirement you may be entitled to a State Pension, subject to you meeting certain qualifying conditions (based on the PRSI contributions you pay during your career).

### 5.6 WHAT PENSION BENEFITS ARE PAYABLE ON DEATH AFTER RETIREMENT?

The benefit payable on your death after retirement will depend on the options that you chose at retirement.

## FURTHER INFORMATION

Further information on the different options available to you when you retire, including eligibility and qualifying conditions, are contained in the [Approaching Retirement Booklet](#). This booklet is available to download at [www.fedvol.ie](http://www.fedvol.ie).



## 6. BENEFITS ON DEATH IN SERVICE

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### 6.1 WHAT BENEFITS ARE PAYABLE ON DEATH IN SERVICE?

If you die while in service before your Normal Retirement Date the following benefits are payable:

**A.** A lump sum of three times your Salary at the date of your death.

**&**

**B.** The value of your pension fund at date of death.

### 6.2 TO WHOM ARE THE LUMP SUM BENEFITS PAYABLE?

The Trustees have discretion to pay the death benefits to your spouse, to your partner if in a recognised civil partnership, to certain relatives, to a dependant, to your personal representatives or to a person nominated by you. The Trustees can best exercise this discretion if they know your wishes. Therefore, you are advised to complete the Expression of Wishes form at the end of this booklet when you join the Scheme, and to keep it up-to-date. The Expression of Wishes form is not binding on the Trustees but will be taken into consideration by them.

### 6.3 IS THERE A LIMIT ON THE AMOUNT OF LUMP SUM PAYABLE ON DEATH IN SERVICE?

Yes. Under current legislation the lump sum may not exceed four times your Final Salary (including overtime payments etc) plus the value of your pension fund attributable to your pension contributions and AVCs. Any balance available on your death will be used to provide a pension payable to your Dependant(s), as the Trustees decide.





## 7. BENEFITS ON LEAVING SERVICE

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### 7.1 WHAT HAPPENS IF I LEAVE SERVICE BEFORE NORMAL RETIREMENT AGE?

If you leave service, all pension contributions to the Scheme will cease.

Your options on leaving will depend on whether or not you have completed more than 2 years Qualifying Service\*.

If you have completed less than 2 years Qualifying Service you have the following options:

1. Request a refund of the value of any pension contributions (including AVCs) paid by you to the Scheme - less tax currently 20%. Should you request a refund, you are not entitled to the value of the employer contributions.
2. Leave the value of your pension fund, comprising of both your pension contributions (including AVCs) and your employer's pension contributions, invested in the Scheme until Normal Retirement Age.
3. Transfer the value of your pension fund, comprising of both your pension contributions (including AVCs) and your employer's pension contributions to a new employer's pension scheme, an approved retirement bond or a Personal Retirement Savings Account (PRSA), subject to certain conditions, in your own name.
4. Transfer the value of your pension fund, comprising of both your pension contributions (including AVCs) and your employer's contributions to a different country provided the transfer is being made to a pension arrangement that is acceptable to the Irish Revenue and has been approved by the appropriate regulatory authority in the country concerned.
5. If you are aged 50 or over you may avail of early retirement options under the Scheme.

If you leave your pension benefits in the Scheme, they will continue to be invested in the investment funds you selected. Your benefits under the Scheme will depend on the investment performance of your fund(s) and any charges deducted.

If you have completed 2 or more years Qualifying Service\* you no longer have the option of taking a refund of the value of your own pension contributions (including AVCs). However, the rest of the options listed above apply.

\* Qualifying Service is service while a member of the Scheme for pension benefits, including any similar service transferred in from another occupational pension scheme.

### 7.2 WHAT HAPPENS ON DEATH AFTER LEAVING SERVICE?

If you die after leaving service but before your pension benefits become payable, the then value of your pension fund is paid to your estate. If your benefits have been transferred out of the Scheme, no further benefits are payable.

## 8. OTHER IMPORTANT INFORMATION

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### 8.1 WHAT HAPPENS IF I GET SEPARATED OR DIVORCED?

If you are married or in a civil partnership, in the event of judicial separation or divorce, a Court application for a Pension Adjustment Order in respect of your retirement or death in service benefits may be made, by your spouse/civil partner. Further information about Pension Adjustment Orders may be obtained from the Pensions Authority website - [www.pensionsauthority.ie](http://www.pensionsauthority.ie)

### 8.2 CAN THE NATIONAL FEDERATION AMEND OR TERMINATE THE SCHEME?

While it is the National Federation's intention to maintain the Scheme, it must reserve its right, in accordance with the Trust Deed and Rules, to amend or terminate the Scheme at any time. Should this occur, the benefits secured by pension contributions paid prior to the date of amendment or termination of the Scheme will not be affected.

### 8.3 CAN MY BENEFITS UNDER THE SCHEME BE USED TO OBTAIN A LOAN?

No, you can neither use your benefits for this purpose nor assign them to a third party.

### 8.4 WHAT HAPPENS IN THE EVENT OF ANY DISPUTE/ COMPLAINT?

If you have a complaint (IDR) about the Scheme, you should follow the steps set out in the Scheme's [Internal Dispute Resolution Procedure](#) document (a copy of the Schemes IDR is available on [www.fedvol.ie](http://www.fedvol.ie)).

The Trustees will try to resolve your complaint to your satisfaction through the Internal Dispute Resolution (IDR) Procedure, subject to legislation and to the Scheme's Trust Deed and Rules.

If you are unhappy with the resolution proposed by the Trustees you may refer your complaint to the Financial Services and Pensions Ombudsman.

**Address:** Lincoln House, Lincoln Place,  
Dublin 2, D02 VH29

**Telephone:** 01 567 7000

**Email:** [info@fspo.ie](mailto:info@fspo.ie)





# EXPRESSION OF WISHES FORM

Employee Name: .....  
(Block Capitals)

Date of Birth: .....

Employer Name: .....  
(Block Capitals)

In the event of my death, I wish the Trustees to exercise their discretion under the Scheme Rules so that any Lump Sum Benefit, which comprises of both (a) the value of my pension fund at time of death and (b) a death benefit of three times my salary, will be applied for the benefit of the person(s) named below. I understand that while my wishes will be taken into account they are not binding on the Trustees. In respect of the person(s) named below e.g. spouse, partner or child etc., I confirm that I have ensured that:

- a) They are aware that the Trustees have been given their personal data and that the Trustees are using their information for the purpose of administering any benefits that may arise under the above Scheme.
- b) I have obtained any necessary consent for their personal data to be used for this purpose.

Name 1: ..... Name 2: .....

Relationship: ..... Relationship: .....

Proportion of Benefit: ..... Proportion of Benefit: .....

Name 3: ..... Name 4: .....

Relationship: ..... Relationship: .....

Proportion of Benefit: ..... Proportion of Benefit: .....



Date: 

D	D	M	M	Y	Y	Y	Y

- Notes:
1. The completed form should be handed to your employer in a sealed envelope with the name of your employer and your own name on the outside of the envelope. Your employer will forward the form to the Trustees for safe keeping.
  2. It is your responsibility to ensure that any alteration in your wishes is made known to the Trustees of the Scheme by submitting an amended Expression of Wishes Form if your personal circumstances change and you wish to alter the names outlined above.

- Please tick appropriate box:**
- This is my first time to complete an Expression of Wishes Form
  - This is an updated / revised Expression of Wishes Form

