

STATEMENT OF REASONABLE PROJECTION – ASSUMPTION CHANGES (Changes being implemented to forecast your Pension Benefits at Retirement)

When a member of the National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme initially joins the Scheme, they will receive from New Ireland a Statement of Reasonable Projection i.e. an estimate of the member's pension benefits at retirement. Every year thereafter, the member will receive an Annual Benefit Statement, which will confirm their pension fund value and provide an updated estimate of the member's pension benefits at retirement.

In calculating the member's pension benefits at retirement, New Ireland are obliged to adopt the Society of Actuaries' assumptions on growth rates, inflation rate and interest rates for annuities. The Society of Actuaries have recently made changes to their assumptions to reflect the long-term market outlook.

New Ireland have implemented the Society's changes with immediate effect and therefore the new rates **will be** included in the Annual Benefit Statements which issue to members in respect of the year ended 31st December, 2020.

The main changes implemented include moving the growth rate downwards, as outlined below, which means that the estimated fund value and pension benefits that members can expect at retirement may be lower when compared to any similar statements from last year:

Max Growth Rates PA for Projections more than 5 years to Retirement	Previously Used Growth Rates	New Updated Growth Rates
Cash	1.00%	0.00%
Fixed-Interest	2.50%	1.00%
Property	5.00%	4.50%
Equities	5.00%	4.50%
Alternatives	5.00%	4.50%

Max Growth Rates PA for Projections less than 5 years to Retirement	Previously Used Growth Rates	New Updated Growth Rates
Cash	0.00%	-0.50%
Fixed-Interest	0.25%	0.50%
Property	5.00%	4.50%
Equities	5.00%	4.50%
Alternatives	5.00%	4.50%

The following changes are also being made:

- ⚡ Earnings inflation will be reduced from 2.5% pa to 1.5% pa – this will impact expected future salary growth and the rate used to calculate present values of fund and pension values in today's terms.
- ⚡ Price inflation or escalation rate will be reduced from 1.5% pa to 1.0% pa – this will impact the increase rates used to calculate pension increases in payment, which are often used to calculate annuity rates.
- ⚡ Interest rate for annuities will be reduced from 2.0% pa to 0.5% pa – this will impact the interest rates used to calculate annuity rates.

A dedicated New Ireland Pension Consultant is appointed to each organisation affiliated to the Pension Scheme, as outlined below. Pension Consultants are available by phone / email to discuss member queries, including member's pension retirement options.

New Ireland Pension Consultants:



Brian Deegan



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



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- Ability West
- Blue Teapot Theatre Co.
- National Federation Secretariat
- Peacehaven Trust
- St. Hilda's Service
- Western Care Association
- Ard Aoibhinn
- Cumas New Ross
- North West Parents & Friends
- St. Catherine's Association
- Sunbeam House Service



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

Please note that the New Ireland Pension Consultants can advise members on technical pension matters and on products available from New Ireland. They are not in a position to advise members on products from other insurance companies. Making decisions regarding member's pension benefits and options are important, and the Trustees recommend that members consider engaging an independent financial advisor. The contact details of independent financial advisors available throughout Ireland can be found by logging on to the Brokers Ireland website – www.brokersireland.ie