

The Pension Scheme Trustees are responsible and are tasked with ensuring that the Pension Scheme is run properly, and members' benefits are secure. The current Trustees comprise of:

- Mr. John McHugo, Chairman;
- Ms. Pauline Brennan;
- Mr. Francis Coughlan;
- Ms. Deirdre Herlihy;
- Mr. James Skehan (Professional Trustee).

The Trustees can be contacted by either emailing them at pensionadmin@fedvol.ie or alternatively you can write to them at the following address: *Pension Scheme Trustees, National Federation of Voluntary Service Providers, Oranmore Business Park, Oranmore, Galway, H91 TP2W.*

Scheme Booklets / Forms



All Scheme booklets and forms are available to view or download on www.fedvol.ie (click on **pensions tab**). Members also have access to investment updates and a new suite of videos, which provide clear information on the Pension Scheme.

Feedback / Input:

If members have any item or topic, they would like included in a future edition of these Pension Newsletters, please email pensionadmin@fedvol.ie where we will welcome and consider all comments / suggestions.

If members have a query on their pension fund, they can contact their Irish Life Advice Team Point of Contact (their details are available on www.fedvol.ie click on **pensions tab**).

If **members** have a generic query on any aspect of the Pension Scheme, they should email Maria McMahan, Pension Scheme Manager, who will assist in any way she can, or will direct members to the most appropriate person.

Email: pensionadmin@fedvol.ie

Dear Pension Scheme Member,

Welcome to our 7th National Federation's Pension & Life Assurance Scheme Newsletter, which we hope you will find informative. Previous newsletters are available to read on our website www.fedvol.ie (click on **pensions tab**).



The purpose of this newsletter is to update you on:

- 📌 Budget 2024 – Implications for Pensions.
- 📌 Importance of Members Engaging with the Pension Scheme.
- 📌 Market Update to 30th September, 2023.
- 📌 Countdown to Retirement Online Webinar – 6th December, 2023.
- 📌 Employer Pension Workshop – 21st November, 2023.
- 📌 Trustees' Annual Report & Financial Statements for year ended 31st December, 2022.
- 📌 Outline of how members can make lump sum AVC payments into their pension fund and claim back tax for 2022 before the Revenue deadline of 31st October, 2023.
- 📌 Auto-Enrolment (AE).

BUDGET 2024:

Budget 2024 was announced by the Minister for Finance, Michael McGrath TD, and the Minister for Public Expenditure, Paschal Donohoe TD, on behalf of the Irish government on 10th October, 2023. The only measure relating to Pensions in the budget was the increase of €12 per week in the State pension bringing it to €277.30 (€14,419.60 per annum).

IMPORTANCE OF MEMBERS ENGAGING WITH THE PENSION SCHEME:

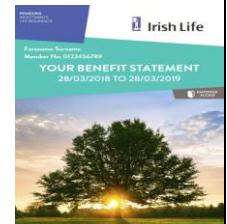
It is critical members continue to educate themselves regarding their pension fund. A member's pension fund is one of the most significant savings fund they will possibly have when they retire and therefore, members need to know what happens to their pension fund during its lifetime.

A member is not expected to know everything about their pension fund, but employers organise presentations for members to attend so they can become familiar about their pension fund, pension terminology and things to do at different stages of their journey to retirement. Irish Life are also available to members to assist them on their retirement journey.

Outlined on the next 2 pages is a brief outline of some of the different information / tools / advice that is available to members throughout their membership in the National Federation's Pension & Life Assurance Scheme. Members should review where they are on their pension journey and see are they accessing all the information and tools available to them. It is important members keep updated on their pension fund; know how they can draw down their pension fund at retirement and what measures they can do to maximise their pension outcome. The following list should help members in outlining how and where they can access information on the Scheme.

**INFORMATION / TOOLS / ADVICE AVAILABLE TO MEMBERS
DEPENDING ON THE NUMBER OF YEARS TO THEIR NORMAL RETIREMENT AGE I.E., AGE 65**

<p>Members with more than 15 years to their Normal Retirement Age</p>	<ul style="list-style-type: none"> - Access to a full suite of Pension Scheme information including member booklet, investment booklet, videos, webinars, newsletters, investment updates, scheme updates etc. is available on the National Federation’s website www.fedvol.ie (click on pensions tab). - Annual Pension Benefit Statements. These statements provide members with: <ul style="list-style-type: none"> ✚ Confirmation of contributions that have been paid during the period the statement relates. ✚ Outlines the fund(s), and its value, the member is invested in. ✚ Provides the member with an estimate of the likely benefits that will emerge in respect of the member at their Normal Retirement Date i.e., their 65th birthday. - Online Member Portal – members no longer have to wait for their annual Pension Benefit Statement to know the value of their pension fund, they can now view same at any time via their Member Portal. The Portal outlines: <ul style="list-style-type: none"> ✚ The current value of the member’s fund. ✚ The projected value of their pension fund at retirement. ✚ The estimated gross yearly pension income that the member will receive when they retire. ✚ The target pension that a member should be aiming for. This is calculated as 33% of their current salary, in addition to the State pension. <p>Further details on the Member Portal and a video on how to register is available on www.fedvol.ie (click on pensions tab).</p> - Irish Life Engagement Team are available to come and present to members at their place of work – contact your employer for further details on when presentations are scheduled for your organisation. - Members can contact their Irish Life Advice Team point of contact for one-to-one meetings regarding their pension fund. The Advice Team member assigned to each employer and their relevant contact details is available on www.fedvol.ie (click on pensions tab). It is never too early to start engaging about your pension fund and discuss what benefits you could possibly expect based on your current pension contributions. You could also discuss Additional Voluntary Contributions (AVCs) and what difference it would make to your pension fund if you commenced same. You can also seek independent financial advice if you wish.
<p>Members with less than 15 years to their Normal Retirement Age</p>	<p>In addition to all the above information / tools / advice available to all members, members with 15years to retirement will be:</p> <ul style="list-style-type: none"> - Invited to attend a “Countdown to Retirement” online webinar. Invitations will issue via employers and information will also be available on www.fedvol.ie (click on pensions tab). The next “<i>Countdown to Retirement</i>” online webinar is scheduled to take place on 6th December, 2023 – See page 5 of this Newsletter for further information and how to book your place. - Members will get “nudge” communication via emails or when using the Member Portal to not forget to engage with their Advice Team point of contact; reminders of webinars being organised for them on different themes appropriate to them etc.



Members with less than 5 years to their Normal Retirement Age

Again, in addition to all the above information / tools, members with 5 years to retirement will be:

- Invited to attend a Retirement Seminar. The Seminar is a one-day event and is free of charge for members of the Scheme. Employers are responsible for inviting members to attend from their organisation who are within 5 years from their Normal Retirement Age (NRA) i.e., age between 60-65years. People who are seeking to retire earlier are also invited to attend. An invitation to attend the Seminar is also extended to the member's spouse / partner / friend. Tea / coffee breaks and lunch is provided to delegates attending on the day.



The following topics are addressed in detail and in a practical common-sense way to help members better plan for their retirement:

- ✚ The Mental Adjustments of Retirement
- ✚ Pension Scheme Benefits
- ✚ State Benefits in Retirement
- ✚ Wills and Inheritance
- ✚ Physical & Nutritional Wellbeing in Retirement

If you are interested in attending a Retirement Seminar, please register your interest with your employer. Also details of dates and venues for the Retirement Seminars will be uploaded on www.fedvol.ie (click on pensions tab).

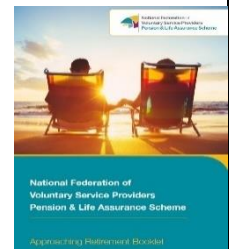
- Issued with a personalised letter from their Irish Life Advice Team point of contact inviting them to engage with them so members have:

- ✚ a clear understanding and expectation of what their pension fund will be at retirement.
- ✚ Understand what way they will draw down their pension fund at retirement.



- On the Federation's website www.fedvol.ie (click on pensions tab) a dedicated "Approaching Retirement" Section has been included. This section provides members with a wealth of information including:

- ✚ Approaching Retirement Video.
- ✚ Approaching Retirement Booklet.
- ✚ Pension Trustees summary document outlining how a member can draw down their pension fund at retirement.
- ✚ Contact details for the Irish life Advice Team point of contacts.
- ✚ Outline of what documentation / information a member will be required to submit to Irish Life to process their retirement claim.
- ✚ Summary of what is an Annuity (pension for life) and an Annual Retirement Fund (ARF), and the advantages and disadvantages of each retirement option.
- ✚ Document on why you need to ensure your salary figure held by Irish life is up to date, especially in your final 5 years to retirement.
- ✚ Timeframe involved for drawing down pension benefits at retirement.



The draw down of a member's pension fund is not an automatic process, members need to engage with Irish Life and the sooner the engagement commences, the smoother their retirement journey will be. **Members are strongly encouraged to engage with their Advice Team point of contact on an annual basis during their last 5 years to retirement to ensure they are invested in the right investment funds to match the way they will draw down their pension fund at retirement – Don't leave it to your final year!**



MARKET UPDATE TO 30TH SEPTEMBER, 2023

Financial markets have faced numerous headwinds in 2023, ranging from banking crises to continued central bank tightening, but resilient economic data, liquidity support and optimism around the implementation of artificial intelligence have led to gains in asset prices. These gains have been focused mainly within equity markets, and are reflected in positive performances for the funds your retirement savings are invested in year-to-date to the end of September.

Global equity markets have risen 11.4% (in euro terms) year-to date to 30 September, despite headwinds that have caused volatility to remain a market feature. Investor optimism in January for better economic growth and for continued falling inflation from peak 2022 levels gave way to concerns of more persistent inflation and expectations of higher interest rates. In March, concerns over the safety of customer deposits at a small number of mid-sized US banks caused further market stress which then spread to Europe and raised fears over reduced bank lending activity and potential economic recession.

Markets calmed once the US authorities and central bank introduced confidence-boosting measures such as deposit guarantees and an increased money supply available to banks. Worries remain over parts of the US banking sector, but the authorities, central bank and larger US banks have so far shown willingness to bolster market confidence in times of distress and prevent more severe market-wide fears taking hold. One bright spot has been the strong performance of technology stocks, which has lifted the wider market. The development and implementation of artificial intelligence has supported these stocks in recent months as investors believe the technology has the potential to boost productivity and company profit margins significantly in the medium term.



The situation is evolving and, while inflation levels have fallen, they remain elevated at levels higher than central bank targets. This means interest rates, that are still rising (albeit at a slower pace), could remain high for some time, until inflation moves lower. The longer interest rates remain high, the more likely consumer activity, business activity and economic growth are to be negatively affected, thereby impacting financial markets. As a result, markets are likely to remain volatile this year.

We know that when it comes to investing, uncertainty is uncomfortable for most people. Equity market highs and lows can often prompt short-term emotional decision making and actions to buy or sell when perhaps the right thing to do is nothing. That is why we have specifically designed our investment solutions to make the journey smoother. There are two ways we do this.

Diversification

This means spreading investments, so the performance of your fund is not over exposed to any one company, asset class, sector, geography, currency, manager, or strategy. The funds invest in a mix of equities, bonds, property and cash.

Risk Management

Growing retirement savings over time means investing in some higher growth but higher risk assets like equities. Our core competence is managing the risks associated with these assets in a variety of ways to reduce the peaks and troughs you might otherwise experience. These include specialist investment strategies like the Equity Option Strategy or science-based risk management like the Dynamic Share to Cash strategy.

So, whether you are choosing the Scheme's default lifestyle strategy, where Irish Life do the thinking for you, or you are choosing your own funds, take comfort that Irish Life can support you with solutions to help you stay invested and get the pension you deserve. You can discuss your pension fund with your Irish Life Advice Team point of contact, details of which are available on www.fedvol.ie (click on pensions tab). Further investment updates are also available on the Federation website www.fedvol.ie

FUND PERFORMANCES & VALUATION – 30TH SEPTEMBER 2023

The National Federation of Voluntary Service Providers Pension & Life Assurance Scheme							
Fund Name	Market Value 30/09/2023 €312,997,198	3 Months	Year to Date	1 Year	3 Years per annum	5 Years per annum	7 Years per annum
*EMPOWER High Growth Fund	€141,852,786	-1.4%	5.5%	6.9%	5.5%	3.3%	5.1%
Cash Deposit Rate + 4.5%		2.0%	5.6%	7.1%	5.1%	4.7%	4.5%
*EMPOWER Moderate Growth Fund	€106,957,089	-1.1%	4.7%	6.7%	4.5%	2.9%	4.3%
Cash Deposit Rate + 4%		1.9%	5.2%	6.6%	4.6%	4.2%	4.0%
*EMPOWER Stability Fund	€25,598,189	-0.3%	2.2%	3.4%	0.1%	0.6%	1.4%
Cash Deposit Rate + 2%		1.4%	3.7%	4.6%	2.5%	2.2%	2.0%
**EMPOWER Cash Fund (Lifestyle)	€17,292,057	0.9%	1.9%	2.1%	0.2%	-0.2%	-0.3%
3-Month EURIBID Rate		0.9%	2.4%	2.8%	0.6%	0.1%	0.0%
**EMPOWER Annuity Objective Fund	€9,011,783	-7.4%	-4.4%	-6.2%	-14.5%	-5.4%	-4.7%
Composite Benchmark		-6.9%	-4.0%	-5.7%	-14.2%	-5.2%	-4.5%
**EMPOWER ARF Matching Fund	€6,008,448	-0.7%	3.3%	4.9%	2.2%	1.8%	2.9%
Cash Deposit Rate + 3%		1.6%	4.5%	5.6%	3.5%	3.2%	3.0%
EMPOWER Cash Fund	€5,707,073	0.8%	2.0%	2.1%	0.3%	0.0%	-0.2%
3-Month EURIBID Rate		0.9%	2.4%	2.8%	0.6%	0.1%	0.0%
Sustainable (ESG) Equity Fund	€504,054	-0.8%	10.9%	11.6%	◆	◆	◆
ILIM Sustainable Global Markets Index		-0.8%	11.0%	11.6%	◆	◆	◆
EMPOWER Cautious Growth Fund	€65,719	-0.7%	3.3%	4.9%	2.2%	1.8%	2.9%
Cash Deposit Rate + 3%		1.6%	4.5%	5.6%	3.5%	3.2%	3.0%

* Available individually and also used as part of the Personal Lifestyle Strategy.

** Available only as part of the Personal Lifestyle Strategy

◆ Historic information unavailable

COUNTDOWN TO RETIREMENT ONLINE WEBINAR:

Irish Life are hosting 2 online webinars entitled **“Countdown to Retirement”** on:

Date: Wednesday, 6th December, 2023

Time: 2 time options are available i.e., either 11am or 2pm (webinar will last approx. 1 hour, including a questions and answers session)

The **Countdown to Retirement** webinar is suitable to any age group, but will be especially beneficial to members over age 50. The webinar will address the topics members need to consider as part of their countdown to retirement, including:

- ✚ How tax relief works.
- ✚ Additional Voluntary Contributions (AVCs).
- ✚ The Scheme’s Default Personal Lifestyle Strategy and the Scheme’s other investment fund options.
- ✚ How to register and utilise the tools within your online Member Portal.
- ✚ Signpost to other great supports available to Scheme members e.g., engagement with Advice Team and National Federation’s website www.fedvol.ie (click on pensions tab).



To register for the **“Countdown to Retirement”** online webinar, [click here](#) or alternatively visit www.fedvol.ie for further information and link to register.

PENSION WORKSHOP FOR EMPLOYERS:

A Pension Workshop for participating employers of the National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme, will take place as follows:

Date: Tuesday, 21st November, 2023
Venue: Tullamore Court Hotel
Time: 10.30am to approx. 2pm (lunch will be provided)



All participating employers are requested to attend this workshop, both at CEO / Management level and operational level to ensure employers are fully aware of what their obligations are in respect of the National Federation's Pension & Life Assurance Scheme and how to support members on their pension journey to retirement. If you have not already confirmed your place, please email pensionadmin@fedvol.ie and confirm your name, job title and organisation name.

TRUSTEES ANNUAL REPORT & FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER, 2022

The National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme's Trustee Annual Report & Financial Statements for year ended 31st December, 2022, are now available to download on the National Federation's website www.fedvol.ie (click on pension tab). Also available to download on the website is a Scheme Activity report for the year ended 31st December, 2022.



The Scheme has grown significantly since its establishment in 1996. The Scheme now comprises of 25 participating employers; 8,066 members (5,558 Active members and 2,508 deferred members)



The Scheme's fund value under management is approx. €313m as of 30th September, 2023. For further information on investment performance update, please visit www.fedvol.ie (click on pensions tab).



Most members, approx. 99%, in the Pension Scheme are currently invested in the Default Investment Strategy i.e., Personal Lifestyle Strategy (PLS).



Approximately €9.7m was paid out to Scheme members during 2022 on retirement claims.

TOP UP YOUR PENSION FUND BY MAKING A LUMP SUM ADDITIONAL VOLUNTARY CONTRIBUTION (AVC) AND CLAIM BACK TAX FOR 2022 BEFORE REVENUE DEADLINE OF 31ST OCTOBER, 2023

Irish Life are helping pension scheme members to make lump sum AVC payments into their pension fund and claim back tax for 2022 before the Revenue deadline of **31st October, 2023** (or a later date to be confirmed by Revenue if members file their tax returns through ROS).



Irish Life have compiled a comprehensive suite of resources to give members the know-how and support to make the process as easy as possible:

- ✚ Top Up your Pension Savings and Claim Tax Back Flyer – available on www.fedvol.ie
- ✚ Top Up your Pension Savings and Claim Tax Back Video – available on www.fedvol.ie



Once Irish Life receive and process your application form and lump sum payment, they will then send you a tax certificate. Members will need to keep the tax certificate for their records.



Members should contact their Irish Life Advice Team point of contact if they wish to discuss if this is the right decision for them. Details of members Advice Team point of contact are available on www.fedvol.ie (click on pensions tab).

PENSION AUTO-ENROLMENT (AE):

What is Auto-Enrolment?

Auto-enrolment (AE) is a pension investment scheme for employees, which involve their employer matching their contributions of a set percentage of their gross income with a top-up from State funds. An estimated 750,000 employees (not including the self-employed) earning more than €20,000 per annum and aged between 23 and 60, and who are not already enrolled in an occupational pension scheme, will be automatically enrolled in the new AE scheme. The accumulated funds, plus investment returns, will be paid to members upon their retirement, in addition to the State pension, and drawdown will be linked to the State pension age, which is currently 66.

How Auto-Enrolment will Work?

All employees, both current and new, who fit the eligibility criteria and **who are not already enrolled in a workplace pension scheme** will be automatically enrolled in the new AE scheme.

Eligibility

Employees aged between 23 and 60 earning more €20,000 per annum will be eligible to participate in the new scheme. Those earning below the income threshold or aged outside of the parameters will be able to opt-in to the system if they wish. Members of an existing occupational pension scheme won't be automatically enrolled for that employment.

Employer/Employee contributions

Initial contributions will be 1.5% of gross income. This amount will be increased on a phased basis over 10 years with 1.5% added every 3 years until a total of 6% is reached (see table below). Employers will match their employees' contributions and the pension will also be topped up by the State at 33%, with employer and State contributions capped at €80,000 of earnings. For each €1 saved by an employee, €2.33 would be credited to their pension savings account comprising their €1 personal contribution, plus €1 from their employer, plus €0.33 from the State. So, for every €3 an employee contributes, they will receive a further €4 into their pension pot.

	Employee	Employer	State
Years 1 - 3	1.5%	1.5%	0.5%
Year 4 - 6	3%	3%	1%
Years 7 - 9	4.5%	4.5%	1.5%
Years 10+	6%	6%	2%

Opt In / Out:

All eligible employees will be automatically enrolled in the scheme. However, participation is optional and operates on an opt-out basis. Employees who have been automatically enrolled can choose to opt out or suspend their participation after six months. Those who opt out will be auto enrolled after two years have elapsed and they can opt out again after another six months. If an employee opts out, they'll receive a refund of their (employee) contributions, but employer and state contributions will remain in their pot. Members will be able to pause their contributions after 6 months of saving, suspending their contributions for a maximum of two years. They won't receive a refund on what they've saved so far and can restart their saving at any time before the auto-restart.

Choice of funds:

Employees will have a choice of four retirement savings funds to choose from, depending on the level of risk they prefer. Three of these funds will have differing risk/return profiles comprising a conservative fund, a moderate risk fund and a higher risk fund. The fourth option – a 'lifestyle/life-cycle' investment profile – will be the default fund provided if the employee doesn't express a preference.

When will the auto-enrolment scheme begin?

Legislation and processes will be implemented from now, with the launch of the scheme and paid contributions planned to start from September 2024.

What happens if I'm already part of a workplace / company pension Scheme?

The intention is that existing pension schemes will continue as before and should not be impacted by Auto Enrolment.

**** Employers of the National Federation's Pension Scheme need to ensure that all employees eligible to join our Pension Scheme are included from their first day of employment.**