



CERS

BUILDING FOR YOUR FUTURE

MEMBER **BOOKLET**



CONSTRUCTION EXECUTIVE
RETIREMENT SAVINGS



Building For Your Future

CERS are specialists in pension planning for the construction and related industries.

Contents

01	Definitions	02
02	Constitution	04
03	Eligibility	04
04	Member Contributions	05
05	Company Contributions	05
06	Additional Voluntary Contributions	05
07	Retirement Benefits	06
08	Benefits on Death in Service	08
09	Withdrawal From Service	09
10	Transfers In	10
11	General Notes	10

01 Definitions

THE ADMINISTRATOR

This means the CIF Pension Administration Services Limited (CPAS), the administrator of the Scheme.

THE COMPANY

Is your Employer as detailed on your **enclosed member schedule**.

THE SCHEME

Is the Construction Executive Retirement Savings Scheme (CERS).

THE ARRANGEMENT

Is the pension arrangement established by the Company under the Scheme.

NORMAL RETIREMENT AGE (NRA)

Can be between 60 and 70 and is shown on your **enclosed member schedule**.

SCHEME SALARY

Is salary as reported by the Company to the Trustees for Scheme purposes at each Renewal Date.

RENEWAL DATE

Is shown on your **enclosed member schedule** and is the date when we are advised of your Scheme Salary by the Company and member information is issued based on this Scheme Salary.

FINAL PENSIONABLE SALARY

Unless otherwise shown on your **enclosed member schedule** this is Scheme Salary.

SPOUSE

Your Spouse is the husband or wife to whom you are married or the civil partner with whom you are in a valid civil partnership six months before the time the relevant benefit under the Scheme becomes payable.

DEPENDANT

Is a person who, in the opinion of the Trustees, is or was wholly or partly dependent on you for the ordinary necessities of life and includes your Spouse or child/children.

BENEFICIARY

Includes your Spouse, children, grandchildren, descendants, Dependants and, subject to Revenue requirements, any other body nominated by you in writing to the Trustees.

PENSION ACCOUNT

Your Pension Account at any given time is equal to the total value of the net proceeds which result from investing the following monies:

- (1) The Company's contribution to the Scheme in respect of your membership.
- (2) Member contributions (if any) to the Scheme in respect of your membership.
- (3) The amount credited to the Scheme by the Trustees following receipt of a transfer payment in respect of your benefits under another pension arrangement.
- (4) Any other amounts which relate to your membership of the Scheme.
- (5) Less any administration or insurance charges deducted in accordance with the provisions of the Scheme.
- (6) Plus or minus the investment return on your chosen investment fund.

“ Go to www.cers.ie for up to date Pension information and Online Member Access. Once registered for online access, members can view their contributions, specific fund information and the value of their pension fund on a regular basis. ”

PROPRIETARY DIRECTOR

Is a person who, within three years of retirement or leaving service was the beneficial owner of shares carrying more than 5% of the voting rights in the Company.

You have investment choices in relation to your Pension Account. Details of the current choices are available on our website www.cers.ie/funds or can be obtained from the Administrators.

02 Constitution

The Scheme is established under trust, and its assets, which are held by the Trustees, are totally separate to those of the Company and the Administration. The Trustees are responsible for administering the Scheme for the benefit of the members in accordance with the Trust Deed and Rules dated 14th March 2002.

The Scheme is approved by the Revenue Commissioners under Part 30, Chapter I, of the Taxes Consolidation Act 1997. This approval means (at the time of printing) that: -

- a.** The Company's contribution is not assessed on the member for income tax purposes.
- b.** Employee contributions (up to certain age related limits – see the AVC booklet or website for further details) are currently fully allowable against tax. Please note, however, that relief on the Universal Social Charge is not available.
- c.** Pension benefits are exempt from Capital Gains and Capital Acquisition Taxes. Death benefits, though exempt from Capital Gains Tax, are assessable for Capital Acquisitions Tax for beneficiaries other than spouses.
- d.** Lump sums (up to Revenue limits) on retirement or on death are free of income tax.
- e.** The interest, dividends, rents and capital appreciation derived from the assets of pension schemes are largely free of tax.

The Company's arrangement under the Scheme is a Defined Contribution Scheme within the meaning of the Pensions Act 1990.

This booklet sets out a summary of the benefits payable under the Company's Arrangement. The Trust Deed and Rules of the Scheme govern the Arrangement and the Scheme and if there is any inconsistency between this booklet and the Trust Deed and Rules, the Trust Deed and Rules will prevail.

03 Eligibility

Eligibility for membership of the Arrangement is at the discretion of the Company. Membership of the Arrangement is not a condition of employment.

04 Member Contributions

Such amount as agreed between you and the Company from time to time and advised to the Trustees in writing, subject to Revenue maxima. Additional Voluntary Contributions may also be made (see below). Please see **enclosed member schedule** for your own specific contribution details.

05 Company Contributions

The Company pays such amount as agreed between you and the Company from time to time and advised to the Trustees in writing, subject to Revenue maxima. Please see **enclosed member schedule** for your own specific contribution details.

06 Additional Voluntary Contributions (AVCs)

The Scheme has the facility to allow you to increase your retirement benefits by paying additional voluntary contributions (AVCs).

Please see the enclosed AVC booklet for current information. Please note legislation is updated frequently. Please see our website, www.cers.ie/avcs, for the most up to date information.

Enquiries regarding AVCs should be directed to the Administrators.

“ Being a member of a Pension Scheme is a way of making sure that you will be **financially secure** in your retirement. ”

07 Retirement Benefits

MEMBER'S PENSION AT NORMAL RETIREMENT AGE

On retiring at Normal Retirement Age (NRA), the value of your Pension Accounts will be used to provide you with a range of options to choose from. Under current legislation, you may take part of your benefit at retirement as a lump sum and part of this lump sum can be currently paid tax free.

The lump sum available is calculated by the Trustees and is subject to maxima imposed by the Revenue and the Scheme Rules. For example, when retiring at NRA you may currently receive a retirement lump sum of up to 1.5 times your annual earnings assuming that you have completed at least 20 years' service with your employer (for service of less than 20 years or retirement before NRA, a lower lump sum is payable). This maximum lump sum is inclusive of any lump sums which you have received from other pension arrangements. For the most up to date information, please visit www.cers.ie

ANNUITY OPTION

Having taken a lump sum, the remaining balance of your Pension Account would then be used to provide a pension (also known as an "annuity") which may be secured within the Scheme or on the open market e.g. with an insurance company. You have considerable flexibility in regard to the type of pension you buy, again subject to the Revenue maxima and the Scheme rules. For example:

1. You may opt for a level pension or a pension which increases in payment.
2. The pension may be guaranteed payable for up to 10 years following your retirement or it may have no guarantee period.
3. You may choose to provide a pension for your Spouse or Dependant(s) in the event of your death.

“ You may take part of your benefit at retirement as a lump sum and part of this lump sum can **currently be paid tax free.** ”

AMRF/ARF OPTION

As an alternative to the benefits already outlined and subject to Revenue restrictions, you have the facility to invest your retirement account in an Approved Retirement Fund (ARF). This means that you are not obliged to buy an annuity on retirement. However, at present you are only able to invest in an ARF if you have a guaranteed pension income for life of 1.5 times the State Retirement Pension.

If at the time of your retirement, you do not satisfy this income requirement, then an amount of 10 times the State Retirement Pension must first be invested in an Approved Minimum Retirement Fund (AMRF) where withdrawal of the capital originally invested is not permitted until age 75. The balance of the fund may then be transferred to an ARF.

Under the ARF option, the lump sum payable is 25% of the total value of your Pension Accounts.

It is important to note that there are substantial differences regarding the tax treatment and payment of annuities and ARFs and the above details are not intended to be a complete explanation. Full details of the options available at retirement can be obtained on request from the Administrators.

EARLY RETIREMENT

You may retire, with the Company and the Trustees' consent, at any time after attaining age 50. You may retire at any age prior to NRA if you leave service due to a permanent breakdown in health. Whether you have a permanent breakdown in health will be determined by the Trustees in their absolute discretion.

In this event, you would receive benefits based on the value of your Pension Account at the date of early retirement. However, if you haven't been contributing to your pension plan for long then the fund is likely to be small and the benefits low. Please note that if you are a Proprietary Director of the Company you may need to sever your connections with the Company if you wish to take early retirement before age 60.

LATE RETIREMENT

If you continue to work beyond your NRA, payment of your benefits may with the consent of the Trustees and the Company be deferred until you actually retire from the service of the Company. The benefits then payable are the benefits available from the value of your Pension Account (and your AVC Account, if any) at the date of late retirement.

08 Benefits on Death in Service

LUMP SUM CASH BENEFIT

In the event of your death, as an active member of CERS, the value of your Pension Accounts will become payable to your beneficiaries. Under the Scheme, the Trustees have absolute discretion as to whom a lump sum death benefit is payable.

There may also be additional insured Lump Sum Cash Death Benefits. Please refer to your enclosed member schedule in this regard.

Subject to Revenue limits, part of the benefit (approximately four times your salary) could be payable as a lump sum. The balance (if any) would be payable in the form of pension(s) to your Beneficiaries. You may if you wish, fill out the Expression of Wishes Form (enclosed) to assist the Trustees in exercising this discretion. The Expression of Wishes Form would not however be binding on the Trustees. See the **enclosed member schedule** for your personal information.

SPOUSE'S/DEPENDANT'S PENSION ON DEATH IN SERVICE

Along with the lump sum, a pension may be payable to the spouse of an employee on their death in service. Please refer to your enclosed member schedule in this regard. In lieu of a Spouse's pension, the Trustees in their absolute discretion may determine that a Dependant's pension can be provided from the Scheme.

A children's pension may also be provided on your death in service where there are children under the age of 18 to a max of 23 for children in full time education. Again, please refer to your **enclosed member schedule** in this regard.

Spouse's/Dependant's pensions once in payment continue to be payable for the remainder of the Spouse's or Dependant's lifetime and do not cease in the event of remarriage.

Note: If you are separated, your Spouse may not be entitled to the Spouse's death in service pension (if any). Please contact the Administrators if you require any further details in regard to this.

09 Withdrawal from Service

2 OR MORE YEARS SCHEME SERVICE

On leaving service before Normal Retirement Age with 2 or more years' scheme service you will be notified of the value of your Pension Account at date of leaving. (Please note that if a transfer payment is received from a previous pension arrangement then the service to which this transfer relates will be regarded as service for the purposes of determining leaving service benefits). This amount may remain invested with the Scheme and will continue to earn the investment return which may be positive or negative. You will continue to have investment choices and online access.

If the value of your Pension Account remains invested with the Scheme and you die before you decide to draw down benefits, the value of your Account is then available to provide death benefits. This will be payable to your estate.

As an alternative to leaving your Pension Account invested with the Scheme, the following options are available:

1. A transfer payment of your Pension Account to another arrangement approved by the Revenue Commissioners for this purpose, or
2. Immediate retirement benefits if you are over age 50 at the date of leaving service.

LESS THAN 2 YEARS SCHEME SERVICE

Where applicable if you leave service with less than 2 years service in the pension scheme your entitlement is to the value of your own contributions (if any) including AVCs (if any). You may opt to take a refund of these contributions less tax at the appropriate rate (currently 20%). Please note that if you have less than 2 years scheme service you may not be entitled to the value of the Company's contributions made to the Scheme.

10 Transfers In

In cases where a member joins the Scheme from another approved occupational scheme (including transferred service), the Trustees may at their discretion accept a transfer payment. The transfer payment will be invested in the same manner as your Pension Account. This will then be available to provide additional benefits when you leave, or retire or in the event of your death. If a transfer payment is received, then the service to which this transfer relates will be regarded as service under the Scheme for the purposes of determining leaving service benefits.

“ If a transfer payment is received from a **previous pension arrangement** then the service to which this transfer relates will be regarded as service for the purposes of determining leaving service benefits. ”

11 General Notes

1. STATE PENSION

In addition to benefits payable by the Scheme, you will receive any State Pension benefits to which you are entitled once you reach the required age.

2. PAYMENT OF PENSIONS, ANNUITIES AND INCOME TAX

All pensions will generally be paid by monthly instalments. They will be paid subject to the deduction of appropriate taxes, charges and levies on the PAYE basis. Appropriate personal allowances etc., will apply.

3. ASSIGNMENTS

Your Scheme benefits are personal to you. They cannot be assigned or promised to another person, nor can they be used as security for any loan or mortgage.

4. TERMINATION OR AMENDMENT

While the Company currently has no intention of terminating its participation in the Scheme, it has the right to do so. The Trustees can, subject to certain conditions, amend the provisions of the Scheme with the consent of the Construction Industry Federation. The Company can, again subject to certain conditions, amend the benefits provided for its employees.

5. CAPITAL TAXATION

It is possible that the death benefits for which the members are covered under the Scheme, when combined with other assets (family home, life assurance policies, etc.) may give rise to a capital taxation liability in the event of a member's death. Members may wish to consult their taxation advisers in this regard. Currently, no capital taxation liability will apply when a spouse is the main beneficiary.

6. REVENUE REQUIREMENTS

All benefits provided under the Scheme are subject to the maximum benefit limits and other restrictions imposed by the Revenue Commissioners. Benefits will be reduced automatically if necessary in the unlikely event of this being required to comply with the Revenue limits.

7. TEMPORARY ABSENCE AND MATERNITY LEAVE

If you are absent from work without being paid then your contributions, the Company contributions and your life assurance (if any) may cease. You should discuss this aspect with the Company if this should arise.

8. MEDICAL EVIDENCE

The Trustees reserve the right to seek whatever medical or other evidence they require before providing additional death in service benefits specified in the attached member schedule (or any increase in same).

9. PREVIOUS BENEFITS

This handbook supersedes all previous explanatory information issued regarding your pension scheme entitlements.

10. PENSION ADJUSTMENT ORDERS

In the event of a judicial separation or divorce, your spouse may make a Court application for a Pension Adjustment Order concerning the benefits payable under the Scheme. Further information about the operation and impact of Pension Adjustment Orders may be obtained from the Pensions Board. The Pensions Board may be contacted at Verschoyle House, 28/30 Lr. Mount Street, Dublin 2. Telephone (01) 613 1900.

11. SCHEME ASSETS

The assets of the Scheme are vested by the Trustees, who are independent of the Company, and held in trust to pay pensions and other benefits to members and their dependants. The Trustees are responsible for administering the Scheme for the benefit of the members.

12. PENSIONS BOARD REGISTRATION

The Scheme is registered with the Pensions Board and its registration number is PB3538.

13. CLAIMS AND DISPUTES/PENSIONS OMBUDSMAN

You may refer a complaint or dispute in regard to your pension arrangement to the Pensions Ombudsman provided you have first sought redress via the Scheme's "Internal Dispute Resolution Procedure". Details of this procedure are available from the Administrators.

14. CONTACT DETAILS

If you have any queries about the Scheme or your benefits under it, please contact the Administration at the details below.

Find out more

You can find out more information on CERS and what we offer, as well as copies of many of the documents referred to in this booklet by visiting the CERS website: **www.cers.ie**.

If you have any queries about CERS or would like help, you can contact the Administration:

Call: (01) 407 1430 | **Fax:** (01) 507 7490 | **Email:** info@cers.ie

Post: Construction Executive Retirement Savings, Canal House, Canal Road, Dublin 6.



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Retirement Savings / Protection / Investments

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