



ABC Company Pension Scheme (defined benefit)

Your annual benefit statement at 31 December 2014

1. Your personal details

Name	Scheme number
Address	Date you joined the scheme
Date of birth	Normal retirement age
Civil/marital status	Scheme service to date
Gender	Scheme service at retirement
Pensions Authority ref number	Current pensionable salary*
Member ref number	Pension adjustment order (PAO) ¹

If any of these details are incorrect please contact [insert name].

2. Your projected benefits* if you retire at normal retirement age²

A pension at normal retirement age of	€26,000 a year
or	
a tax free lump sum of	€58,000
and a reduced pension of	€19,500 a year

It is possible to opt for a lower lump sum in favour of a higher yearly pension.
If you die after retirement, your survivor will receive a pension of €13,000 a year.

3. Increasing your benefits³

4. Your benefits* had you left service on 31 December 2014²

A pension at normal retirement age of	€13,333 a year
or	
A tax free lump sum of	€30,000
and a reduced pension of	€10,000 a year

It is possible to opt for a lower lump sum in favour of a higher yearly pension.
If you die after retirement, your survivor will receive a pension of €6,667 a year.

5. Benefits payable in the event of death in service

If you die while still in service the following benefits will be payable:

A lump sum of two times your salary	€80,000
The value of additional voluntary contributions (AVCs) you have paid to date	€2,000
A survivor's pension of 50% of your pension	€13,000 a year

* See important notes section for details on how these figures are calculated.

6. Your contributions

This is a summary of the contributions paid by you during the scheme year to 31 December 2013.

Your contributions	AVCs ⁴	Transfers ⁴	Total
€4,000	€400	€1,400	€5,800

If you are concerned that any contributions have not been paid in accordance with the rules of the scheme, you should contact [insert name] in the first instance, then if necessary you should contact the trustees, your employer and finally, the Pensions Authority.

7. Important notes

A. Calculation methods:

Pensionable salary

Your scheme provides an integrated pension. This means that it takes account of the State pension by deducting 1.5 times the maximum single rate of State pension (contributory) from your salary to get your pensionable salary. The deduction is therefore approximately €18,000 (i.e. State pension X 1.5).

Benefits at normal retirement age

- ▶ Your pension at normal retirement age is calculated as $1/60^{\text{th}}$ of your pensionable salary multiplied by your scheme service at retirement, i.e. $1/60 \times €40,000 \times 39$ years.
- ▶ Your tax-free lump sum is calculated as $3/80^{\text{ths}}$ of your pensionable salary multiplied by your scheme service at retirement, i.e. $3/80^{\text{ths}} \times €40,000 \times 39$ years.
- ▶ Your reduced pension is calculated as your retirement fund less the lump sum paid, divided by a commutation factor (a number used to calculate the amount of annual pension you give up in return for a lump sum benefit) of 9, i.e. $€26,000 - (€58,000/9)$. Remember it is also possible to opt for a lower lump sum in favour of a higher yearly pension.
- ▶ Your survivor's pension is calculated as 50% of your pension entitlement.

Benefits if you left service on 31 December 2013

- ▶ Your pension at normal retirement age is calculated as $1/60^{\text{th}}$ of your pensionable salary multiplied by your scheme service, i.e. $1/60 \times €40,000 \times 20$ years.
- ▶ Your tax-free lump sum is calculated as $3/80^{\text{ths}}$ of your pensionable salary multiplied by your scheme service, i.e. $3/80^{\text{ths}} \times €40,000 \times 20$ years.
- ▶ Your reduced pension is calculated as your full pension amount, less the lump sum paid, divided by a commutation factor of 9, i.e. $€13,333 - (€30,000/9)$. Remember it is also possible to opt for a lower lump sum in favour of a higher yearly pension.
- ▶ Your survivor's pension is calculated as 50% of your pension entitlement.

B. Your contributions:

- ▶ The method of calculating contributions is set out in the rules of the scheme and in the explanatory booklet, both of which are available on request from [insert name]. Please see scheme contacts below.
- ▶ This information is issued on behalf of the trustees, who are required under section 59(1)(a) of the Pensions Act, 1990 to ensure, insofar as is reasonable, that the contributions payable by the employer and/or the members of the scheme, where appropriate, are received.

C. State pension:

You may also be entitled to receive the State Pension (contributory) if you meet the qualifying conditions. The current maximum rate for a single person is €230.30 per week (€11,975.60 a year). Further information can be obtained from the Department of Social Protection, College Road, Sligo or on LoCall 1890 500 000.

D. Risk statement:⁵

This scheme is funded by contributions paid by the employer and by scheme members. Actuarial advice will have been obtained when setting those contributions. However, there is no guarantee that the scheme will have sufficient funds to pay the benefits promised. It is therefore possible that the benefits payable under the scheme may have to be reduced. If the scheme is wound up and there is a deficit, the employer may not be under an obligation to fund the deficit or, even if the employer is under such an obligation, they may not be in a position to fund the deficit.

Further information in relation to this risk statement may be obtained from the trustees.

E. Scheme contacts:

If you have any queries about your pension scheme you should contact [insert name, address and other contact details].

	Name	Address	Telephone	Email
Scheme contact				
Scheme trustees				
The Pensions Authority		28/30 Lower Mount St, Dublin 2	01 6131900	info@pensionsauthority.ie

¹ If a PAO has been received in respect of a member's benefits this must be stated and, if so, either a statement of the effect of the PAO or details as to where further information relating to the effect and operation of the PAO on the benefits to or in respect of the member may be obtained.

² Where additional benefits have been secured on a DB basis through AVCs, transfer or a PAO, the amount should be included in these benefit figures (with a statement to this effect) or else shown separately.

³ If the member has an option to purchase additional benefits on a DB basis by way of AVCs or to acquire rights to additional benefits on a DB basis in exchange for any transfer from another scheme or PRSA, you must state (a) the amount of the additional benefits or an explanation of how they will be calculated, and (b) how the option is exercised **or** if this information was previously supplied under Article 11 of the Disclosure Regulations (Disclosure of information in relation to a scheme – basic information about a scheme), where this information can be found. There is no requirement to mention a facility to make AVCs or to transfer in on a DC basis, however, trustees may want to include a note on this as good practice.

⁴ These refer to AVCs paid to the DB scheme and transfers which are treated on a DB basis only.

⁵ This risk statement may be modified if the trustees are of the reasonable opinion that any part of the statement could not apply to the scheme or that the modifications will better explain the nature and effect of the matters referred to in the statement.