

ENGAGEMENT WITH PENSION SCHEME MEMBERS



PURPOSE OF POLICY:

The purpose of this policy is to outline the current policy of the Trustees of this Scheme with respect to how they plan to engage with members and what information members will receive at different stages on their pension journey to retirement.

The Policy is intended to promote the achievement of the Scheme's goals in a manner consistent with the requirements set out under the terms of Directive (EU) 2016/1341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs).

In particular, this Policy is intended to achieve or contribute towards the following objectives:

- Set out the Scheme's overall approach to how the Trustees plan to communicate and engage with members.
- Set out the objectives of such engagement.
- Outline when such engagement will occur and the frequency of engagement.
- Highlight the different communication methods to be used.

The Policy is not, nor is it intended to be, a legal document with legally binding terms and conditions. The Trustees may at any time, and subject to due regard for any legal, regulatory or other requirements or guidance that may arise from time to time, amend this Policy as they see fit.

INTRODUCTION:

The role of the Trustees of the National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme (the Scheme) is to look after the financial interests of the Scheme members and to ensure that their pension outcome is as favourable as possible. In discharging their duties, the Trustees recognise that meaningful engagement with the Scheme members is a crucial element to the operation of the Scheme.

The Trustees have prepared this Policy to assist in meeting the following objectives through engagement with members:

- Provide members with knowledge and access to information to help them better understand retirement saving.
- Highlight retirement adequacy to help members better achieve their retirement saving goals.
- Make it as easy as possible for members to engage with their pension fund by providing them with online access to their retirement pension account.
- Deliver member communication through a variety of methods to cater for the entire membership.
- Issue members with specific communications at relevant milestones throughout their retirement saving journey.
- Ensure members receive access to pre-retirement support and then individual advice at retirement.
- Ensure members receive information within regulatory timelines.

OVERVIEW OF MEMBER ENGAGEMENT:

Members of the Scheme are provided with information on the Scheme and their benefit entitlements throughout

their membership of the Scheme i.e., from date of joining the Scheme right through to their retirement, with different types of information being provided at different stages of a member's journey to retirement.

Engagement with the Scheme members is achieved in a number of ways, including the following:

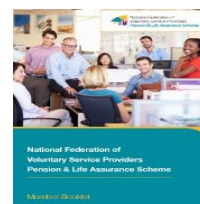
- (a) Production of a range of customized user-friendly member booklets and forms.
- (b) A dedicated Member Engagement Team (group presentations) and Member Advice Team (one to one advice), is available to members throughout their pension journey. Every January an Engagement Programme for the following 12 months will be agreed between Irish Life and the Trustees.
- (c) Communication from the Trustees in the form of Newsletters (2 each year) and a cover letter with the members' Annual Benefit Statements.
- (d) A comprehensive engagement programme from the Irish Life Engagement and Member Advice Team throughout a member's journey to their retirement date, with additional specific engagement for members with 15 years and 5 years left to their normal retirement age.
- (e) The hosting of Retirement Planning Seminars for members and their spouses / partners to help them plan for their retirement.
- (f) The provision of a pension website – www.fedvol.ie where members can access Scheme booklets / forms, the Trustee Annual Report, a range of recorded videos / webinars and other relevant information on the Pension Scheme.
- (g) Access to the Irish Life Online Member Portal where members can review details of their pension fund at any time.

INITIAL ENGAGEMENT WITH MEMBERS:

NEW EMPLOYEE:

Membership of the Scheme is a condition of employment. As part of the recruitment process, employers will engage with employees regarding the Pension Scheme. When an employer is circulating a new employee with their contract of employment for signing, the following booklet and forms are also be provided to them:

- Scheme Member Booklet
- Membership Application form
- Beneficiary / Expression of Wishes Form



The new employee needs to complete a membership application form to be included in the Scheme.

- **Membership Application Form:**

This form will provide information to enable the member's record to be set up by Irish Life and authorisation for deduction of contributions by the employer.

- **Beneficiary / Expression of Wishes Form:**

This form allows the member to inform the Trustees of the person(s) to whom they wish any lump sum to be paid in the event of their death. The member can also advise the Trustees of their wishes / beneficiary via the Irish Life Online Member Portal.



INCLUSION IN THE SCHEME:

Once a member's personal record and pension fund has been set up by Irish Life, they will forward a "Welcome Pack" directly to the member, within 2 months of their commencement date, which will include the following:

- Confirmation of the Member’s Membership and Benefits.
- Statement of Reasonable Projection i.e., estimate of member’s benefits at retirement.
- Reference to Pension Scheme Member Booklet, Investment Choice Booklet and Fund Switch Form on www.fedvol.ie, enabling the member to make a fund switch, if they wish.
- Invitation to register on the Irish Life Online Member Portal, so members can have access to information regarding their pension fund at any time convenient to them.

MEMBER ENGAGEMENT - INVESTMENT:

Investment performance is a key feature of a Defined Contribution Scheme, and it is vital that members are engaged with to ensure that they are aware and understand:

- (a) The way that the Default Fund operates and how they will be directed over the last six years prior to their retirement into investment funds that match the way they will most likely draw down their pension benefits at retirement.
- (b) The choice of investment funds available to Scheme members and the key characteristics of each fund, including the risk rating of each investment fund.
- (c) The charges applicable to each investment fund, including the Total Expense Ratio (TER) and Annual Management Charge (AMC).

When a member first joins the Pension Scheme, they will be invested in the Default Investment Fund i.e., the EMPOWER Personal Lifestyle Strategy (PLS). When they receive their “Welcome Pack” from Irish Life, they will be invited and have the option to select and invest in any of the other investment funds that are available to them, if they wish. They can do this via their Irish Life Online Member Portal or by completing a Fund Switch Form which is available on www.fedvol.ie (click on pensions tab). If a member does not make a fund switch, they will continue to be invested in the Default Fund (PLS).

Default Investment Fund:

The Trustees recognise that the majority of members, particularly in the early stages of their pension journey, will not make an active investment choice. As a result, the Trustees believe that the Default Investment Fund should, as far as possible, match the needs of all the members of the Scheme.

The PLS will automatically switch members, in the last 6 years before their retirement, into funds which will match the way a member is most likely to draw down their pension benefits at retirement – based on the optimum cash lump sum that the member can take. This will either be 25% of the estimated fund at retirement or, if greater, the lump sum based on salary and service.

Investment Choice:

In addition to the Default Fund, the Trustees provide members with a range of 6 investment funds to select from if they wish. Information in relation to investment choice is provided to members as follows:

a) Investment Choice Member Booklet:

The Trustees have produced an Investment Choice Member Booklet, available on www.fedvol.ie (click on pensions tab), which outlines the range of investment funds into which a member’s pension contributions can be invested. The booklet is intended to help members make a decision in relation to their investment



choice, by outlining the main features of each investment fund and provides an indication of the level of risk associated with each investment fund.



b) Online Member Portal:

The Online Member Portal provides members with access to up to date “live” investment information / fund factsheets. The factsheets illustrate the key features of the different investment funds available to them in the Scheme, including past performance data, together with a summary of what the different funds are invested in and the Annual Management Charge (AMC) and Total Expense Ratio (TER) that applies to each investment fund option.



c) Within 6 years of Retirement:

When a member is within 6 years of their Normal Retirement Date, they will be automatically directed into investment funds that will match how they are likely to take their pension benefits when they retire - based on the optimum lump sum that they can take.

The Trustees recognise that two cohorts of members need additional engagement as follows:

1. Lump sum of 26% - 35% of the accumulated fund

If the lump sum, based on salary & service, is greater than 26% of the accumulated pension fund, the member is invested in a combination of the cash and annuity funds. In practice a member may prefer to take a lower lump sum, i.e., 25% of the accumulated fund which will allow them to invest the balance of their pension fund in an ARF. The Trustees have commenced engaging with members who can take between 26% and 35% of their accumulated pension fund as a lump sum, to establish what lump sum they will take and, as a result, how the balance of their pension fund can be taken.

2. Transfer Values

If a member has transferred the value of a previous pension fund into the Scheme, the effect will be to increase the accumulated fund at retirement. This in turn will move the optimum retirement lump sum closer to 25% of the accumulated fund – without taking the members previous years of service into account. The Trustees have agreed to start work over the coming months to ensure members are reviewed to establish which lump sum option is the higher and to “match” the investment funds they are mapped into accordingly.

The Trustees strongly encourage members to engage with their Irish Life Advice Team point of contact to review their retirement options (contact details for the Advice Team are available on www.fedvol.ie then click on the pensions tab). Members are also advised they can obtain their own independent financial advice.

ONGOING MEMBER ENGAGEMENT:

Irish Life Engagement and Member Advice Teams:

A dedicated Member Engagement and Member Advice point of contact is appointed to each participating employer of the Pension Scheme.

The Member Engagement Team will liaise with each employer to establish how best to engage with their scheme members and will facilitate group presentations, both online and within members place of work.

Group presentations are designed to ensure that members are informed re:

- The structure and benefits of the Pension Scheme.
- The progression of their pension fund and whether they are on track to meet their retirement goals.
- The option to increase the level of their pension contributions and how this can be achieved.
- The costs and charges applied to their pension fund – particularly the difference in the Annual Management Charges (AMC) and Total Expense Ratios (TER) that apply to the different investment fund choices.
- The awareness of the different ways a member can draw down their pension fund at retirement.



The Member Engagement Team will also facilitate online webinars on different topics of interest to members throughout the year. Recordings of the webinars will be uploaded on www.fedvol.ie (click on pensions tab).



The Member Advice Team are available to engage with individual members on a one-to-one basis to:

- Help with any technical queries a member has regarding the Pension Scheme e.g., AVCs; transfers (in and out) etc.
- Outline the range of different investment funds into which pensions contributions can be invested; and
- Provide information on the different options that are available to members at retirement.



Leaving Service Options:

Members who leave service have a number of options available to them and it is important that the relative merits of each option are communicated to them. The importance of this engagement has been increased following the significant reduction in the Annual Management Charge (AMC) that the Trustees secured with effect from the 1st January, 2021 and 2022. While a number of factors need to be taken into account, such as investment manager / investment funds, the AMC that applies to a member of this Scheme will be difficult to match if their fund value is transferred out.

Pension Benefit Statements:

Irish Life will issue all members of the Scheme (both active and deferred members) with a Pension Benefit Statement (PBS), previously referred to as an Annual Benefit Statement, directly to their home address, which provides members with valuable information in relation to their pension fund, in particular:



- Confirms contributions that have been paid during the preceding 12-month period broken down between employer, employee and any Additional Voluntary Contributions a member has paid.
- Outlines the fund(s) the member is invested in, the value of their pension fund based on unit prices as of 31st December of the year to which the statement relates and how this has changed over the preceding 12-month period.
- 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.

Under new Pension Regulations introduced, there is now a requirement to include in the member’s projections a “Best Estimate Scenario” and an “Unfavourable Scenario” in a member’s Pension Benefit Statement. Both scenarios provide the member with:

- An estimate of the likely pension fund that will accrue on the member’s Normal Retirement Date i.e., their 65th birthday.
- Projected monthly pension for life (annuity) if the member does not take any lump sum and just a monthly pension for life (annuity).
- Present day value of the estimated fund and pension income. Present day value means the figure is shown separately and reduced to allow for the effect of inflation between the date of quotation and the retirement date.

All active and deferred members of the Pension Scheme are required to receive a Pension Benefit Statement (PBS) within 6 months after the Scheme’s year end i.e., in respect of this Pension Scheme, members will receive a copy by not later than 30th June as the Scheme’s year end is 31st December. However, it is the Trustees objective to have PBS circulated to members annually well in advance of the 30th June deadline.

A cover letter from the Trustees is also circulated with the Annual Benefit Statement advising members of the key data that is contained in the statement, other relevant information that has taken place since the issue of the last statement, together with information on the life assurance cover that is provided to Scheme members.

Newsletters:

The Trustees produce 2 newsletters each year and issue to employers for onward circulation to members of the Scheme which consists of the following:

- Operational Overview – This newsletter issues early every year outlining the Trustees’ workplan for the coming year and also reports on the activity undertaken by the Trustees in respect of the previous year.
- Financial Overview – This newsletter issues following the adoption of the year-end financial statements i.e., approx. August / September, and provides a financial overview of the Pension Scheme and also includes other updates / information on the Scheme being undertaken by the Trustees at that time.



These newsletters are also available on www.fedvol.ie (click on the pensions tab).

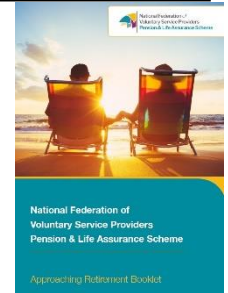
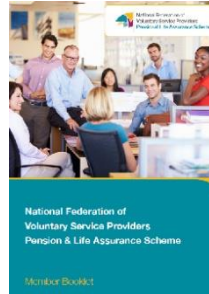
Pension Website:

A full range of all member booklets, forms, videos, webinar recordings, and other pension material, including the following, are available on the National Federation’s website www.fedvol.ie (click on the Pensions Tab):



Booklets:

- Pension Scheme Booklet
- Investment Choice Member Booklet
- Approaching Retirement Member Booklet



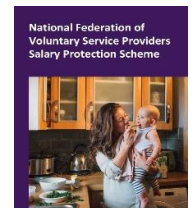
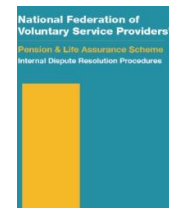
Forms:

- Member Application Form
- Beneficiary / Expression of Wishes Form
- Investment Fund Switch Form



Other Booklets / Updates:

- Investment Updates
- Trustees Annual Report & Financial Statements
- Statement of Investment Policy Principles
- Trust Deed & Rules
- Group Life Policy Document
- Death in Service – FAQs doc
- Internal Dispute Resolution Procedure
- Data Protection Notice
- Pension Scheme Newsletters



Videos:

- Scheme Information Video
- How to get access to your Irish Life Member Portal
- What is the Personal Lifestyle Strategy (PLS) and how does it work?
- Additional Voluntary Contributions (AVCs)
- What fees (Annual Management Charge) are applied to your pension fund and how are they calculated?
- Approaching Retirement Video
- Deferred Members Guidance Video
- Environmental, Social and Governance (ESG) video - outlines how Irish Life are committed to growing your money and doing it responsibly.
- Nature of long-term investing.



The website also contains a range of policies that the Trustees have published to comply with the provision of IORPII.

Online Member Portal:

A member can access their pension fund details through Irish Life's Online Member Portal. This provides members with a range of useful information in relation to their pension fund including:

- ✚ The current value of a member's fund.
- ✚ The projected value of the pension fund at retirement. This depends on the overall contributions paid into the pension fund and the investment growth (net of the annual management charge) that is achieved.
- ✚ The estimated gross yearly pension income that will be received at retirement.
- ✚ The target pension that members should be aiming for. This is calculated as 33% of current salary, in addition to the State pension.



The Online Member Portal also allows a member to:

- ✚ Change their contact details.
- ✚ Make a fund switch.
- ✚ Update their beneficiaries in respect of their death in service benefits.

Pension Mobile App:

This is an easy-to-use smartphone and iPad Irish Life EMPOWER app designed to help members with their retirement planning. iPhone users can go to the Apple Store to download the app. Android users can download the app from the Google Play Store. The EMPOWER app allows access to a wealth of information, on the go, including:

- ✚ Scheme and investment details.
- ✚ Current values and contribution rates.
- ✚ Estimated fund value at retirement, and
- ✚ Investment literature relevant to the Scheme.



ENGAGEMENT WITH MEMBERS WITH LESS THAN 15 YEARS TO THEIR NORMAL RETIREMENT AGE:

In addition to all the above information / tools / advice available to all Scheme members, members with 15 years to retirement will be:

- ✚ Invited to attend a "Countdown to Retirement" online webinar. Invitations will issue via employers and information will also be available on the Retirement Planning Seminars section of www.fedvol.ie. A recording of the "Countdown to Retirement" online webinar is also available to download on the website.
- ✚ 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.



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

Invited to attend a Retirement Seminar.

The Pension Trustees organise Retirement Planning Seminars annually to support and provide valuable information to Scheme members as they approach retirement. These seminars are a one-day event and are free of charge for members and their spouse / partner to attend. Tea / coffee breaks and lunch is provided to delegates attending on the day. The number of participants who can attend the Retirement Planning Seminars is limited to approx.

25 members, plus partners, to facilitate one to one engagement and also to ensure participant's maximum value of time and information at these events.



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

- THE MENTAL ADJUSTMENTS OF RETIREMENT

Research shows that most of us get our mental stimulation from the work we do. When work is no more where will a member get this challenge? In this session we discuss how to maintain mental wellbeing and embrace new experiences etc.

- STATE BENEFITS IN RETIREMENT

This session will provide members with information on the State Pension and who is entitled to claim; How, when and where to make a claim. Information on other State Benefits that members may be entitled to will also be discussed and explained.



- YOUR ORGANISATION'S PENSION SCHEME

This session will outline how members can draw down their pension fund at retirement. What to consider prior to retirement e.g., should a member make any Additional Voluntary Contributions (AVCs); how a member can review their investment fund decisions; when should a member start engaging with Irish Life about their retirement fund: who will advise them on the best way to draw down their pension fund at retirement? what documentation do members need to give Irish Life to finalise their retirement claim?



- WILLS AND INHERITANCE

This session will outline why it is important to make a Will and advice on how to go about making one. Inheritance tax rates will be explained, which are measured by the value of the inheritance and the relationship between a Pension Scheme member and the person they wish to leave their inheritance to.



- PHYSICAL & NUTRITIONAL WELLBEING IN RETIREMENT

This session will discuss the requirements in each of the areas above so that the chance of a long healthy and enjoyable retirement is improved.



- **HOW TO BOOK A ONE-TO-ONE MEETING WITH AN IRISH LIFE ADVICE TEAM POINT OF CONTACT**

This session will outline who the Irish Life Advice Team are and how a member can make an appointment to meet their dedicated Advice Team member.



✚ 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 a dedicated "[Approaching Retirement](#)" Section has been included. This section provides members with a wealth of information for members approaching retirement 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](#).



✚ Members will be written to 3 months before their Normal Retirement Date (NRD) to establish:

- If it is the member's intention to draw down their pension fund at age 65?
- If the member has any other pension benefits?

In some cases, members may have decided, in agreement with their employer, to remain working beyond their 65th birthday but currently (May 2024) pension contributions and life cover will cease at age 65.

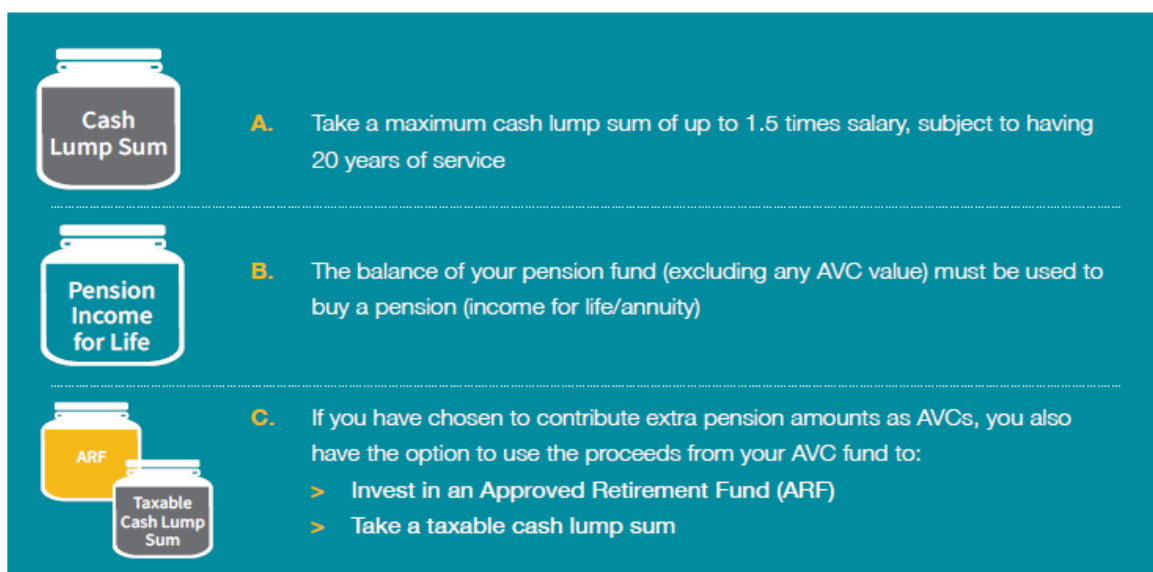
If it is the member's intention to retire at age 65, it is important for them to engage with Irish Life so a detailed Retirement Option Statement can be issued to the member. The statement confirms details in respect of member's pension fund i.e.,

- the possible tax-free cash lump sum payable; and
- the value of any monies remaining after you take your cash lump sum and how you can draw this remaining amount down.



The Trustees have tasked the Irish Life Member Advice Team to engage with members regarding their retirement options. The team will engage with the members to explain the various retirement options available to them, including:

Option 1



Cash Lump Sum

A. Take a maximum cash lump sum of up to 1.5 times salary, subject to having 20 years of service

Pension Income for Life

B. The balance of your pension fund (excluding any AVC value) must be used to buy a pension (income for life/annuity)

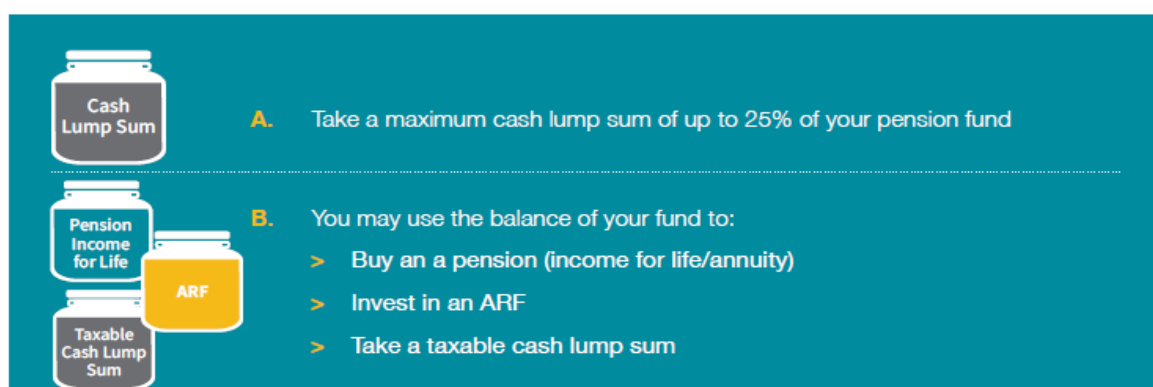
ARF and **Taxable Cash Lump Sum**

C. If you have chosen to contribute extra pension amounts as AVCs, you also have the option to use the proceeds from your AVC fund to:

- > Invest in an Approved Retirement Fund (ARF)
- > Take a taxable cash lump sum

Option 2

Or



Cash Lump Sum

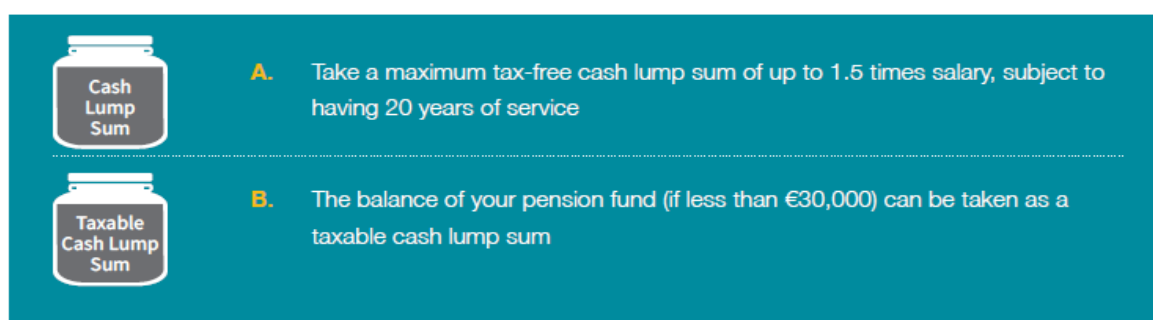
A. Take a maximum cash lump sum of up to 25% of your pension fund

Pension Income for Life and **Taxable Cash Lump Sum**

B. You may use the balance of your fund to:

- > Buy an a pension (income for life/annuity)
- > Invest in an ARF
- > Take a taxable cash lump sum

Small Pension Fund



Cash Lump Sum

A. Take a maximum tax-free cash lump sum of up to 1.5 times salary, subject to having 20 years of service

Taxable Cash Lump Sum

B. The balance of your pension fund (if less than €30,000) can be taken as a taxable cash lump sum

Approved Retirement Fund (ARF) Option:

If the member decides to invest in an ARF, they are free to arrange this with Irish Life or they can arrange their ARF through their own independent advisor, either with Irish Life or another ARF provider.

Lump Sum and Annuity (Pension / Income for Life) Option:

Where a member has decided to take a lump sum based on salary and service, the Trustees are required to ensure that the member obtains the most competitive annuity rate in the market. To this end, the Trustees have arranged

a facility whereby, a market review is carried out by Moneybutler in Galway to identify the most competitive annuity rate available at that time and to arrange the purchase of the annuity on behalf of the members / Trustees. This engagement from Moneybutler will also establish if the member can qualify for an enhanced annuity. Confirmation of the process and the outcome will be obtained from Moneybutler.

REVIEW OF ANNUAL MEMBER COMMUNICATION:

The Trustees will review the annual communication plan each year with Irish Life and look to amend this for the coming year in line with changing member needs and monitoring the effectiveness of the communication plan in the prior year.

As part of the annual review of the communication plan, the Trustees will assess the impact of communication methods used during the year to evaluate how successful these methods were in driving member engagement and delivering the key aims outlined in this policy.

APPROVAL AND NEXT REVIEW DATE OF THIS POLICY:

This document was approved and came into effect as follows:

Document Control	
Approved By:	Mr. John McHugo, Pension Scheme Chairman, National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme
Approved by:	Mr. James Skehan, Professional Trustee & Vice Chairman, National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme
Date approved	May 2024
Next review date	May 2027
Previous versions	January 2021, July 2022



Signed:

Date: 22nd May, 2024


**John McHugo,
Chairman.**





Signed:

Date: 22nd May, 2024

**James Skehan,
Professional Trustee / Vice Chairman.**

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Pension Authority No: PB67866

Revenue Approval No: SF7346

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