

Remuneration & Other Charges Policy



Remuneration & Other Charges Policy associated with the Scheme

Introduction:

The purpose of this document is to set out the Trustees Remuneration Policy and to outline all:

- Service providers that are engaged with as part of the Scheme, and accordingly to which a payment / fee is paid.
- All charges borne by the Scheme members and the remuneration of all third parties who engage with the members.

The policy will be reviewed on a regular basis and this version has been updated following the publication of the Pensions Authority's Codes of Practice re IORPs II, in November 2021 and the change of Scheme's Registered Administrator to Irish Life with effect from the 1st January 2022.

Objectives and Policies:

The Trustees' objective is to ensure that all charges and fees are reasonable in the context of the service provided, are aligned with the long-term interests of the members and that all charges and fees, borne by the Trustees and / or the members, are reviewed on a regular basis to ensure that value for money is obtained.

The normal practice is for three quotations to be sought for any professional services required, however, where the expected cumulative value of the contract is in excess of €25,000, but lower than the €221,000 threshold for a full European Tender, a National Tender via E-Tenders is required.

PROFESSIONAL FEES & PAYMENTS:

Administration Charge:

An administration charge of 0.22% from each member's salary is deducted from the employer's pension contribution to the Scheme and remitted to the Trustees. This charge is retained in the Trustee Bank Account and used to:

- a) Pay ongoing and ad hoc professional fees as detailed below.
- b) Maintain a reserve of up to 0.5% of the value of the Scheme's assets. When this reserve threshold is exceeded, a one-off payment is made to the Pension Scheme and invested across the scheme membership on a proportionate basis.

National Federation of Voluntary Service Providers' – Administration Fees:

- An annual fee is made payable to the National Federation Secretariat for administration and support to the Pension Scheme / Trustees. This fee comprises of salary costs for the Pension Scheme Manager and Administrative support provided by the National Federation Secretariat to the Pension Scheme /

Trustees. It also includes office costs e.g., rent, light & heat, stationary, printing, telephone, postage, website; equipment etc.

Trustee Fees:

Professional Trustee:

- An annual fee is paid to the appointed Professional Trustee.
- The above fee covers their role as a Professional Trustee and in providing support to the Trustees and the Pension Scheme Manager.
- Fees for other work are agreed in advance with the Trustee Board.

Other Trustees:

- A fee is payable to any Trustee, excluding the Professional Trustee, to cover their costs and personal time for attending Trustees meetings / events in respect of when a Trustee is:
 - (a) not paid by their employer to attend a Trustees meeting; or
 - (b) is not employed by a participating employer of the Pension Scheme.

Travel Costs:

- Trustees are reimbursed for travel expenses incurred by them travelling to Pension Trustees meetings / workshops etc.
- Mileage is paid in line with HSE travel and subsistence rates.
- Travel costs are not paid to the Professional Trustee.

Auditor Fees:

Mazars were appointed as the Scheme's External Auditor in 2023 for an initial period of 3 years.

Key Function Holders:

To comply with IORPs II, Key Function Holders have been appointed for Risk Management and Internal Audit. To further strengthen the overall Scheme oversight and management, it was decided to appoint external experts to the following roles:

- ✚ **Risk Management:** Mr. Frankie Cronin, Grant Thornton, 13-18 City Quay, Dublin 2.
- ✚ **Internal Audit:** Mr. Tom Gilligan, Align Advisory Limited, The Charlemont Exchange, Dublin 2.

The logo consists of the letters 'K', 'F', and 'H' in a bold, blue, serif font, spaced out horizontally.

Trustees Indemnity Cover:

- Marsh Ireland

Membership Subscriptions:

- Irish Association of Pension Funds (IAPF)

Retirement & Life Planning Seminars and Annual Employer Pension Workshops:

- Irish Life have agreed to host and cover the cost of the Retirement & Life Planning Seminars.
- Irish Life have covered the cost of the annual pension / group life workshops for CEOs / Pension Administrators since their appointment in January 2022.

Trustee Training:

- Trustees must undergo Training within 6 months of their appointment and every 2 years thereafter.

- From 2022, it has been agreed that the Trustees will undergo refresher training annually.

Pension Authority Fees:

- With effect from 2022, the annual fee per member of schemes with 1001 plus active members has increased from €4 to €6.
- No annual charge is applied for a deferred member.
- Irish Life have agreed to cover the cost of these fees from 1st January, 2022.

Miscellaneous / Other Payments:

From time to time the Trustees engage the services of professional consultants to advise on specific issues that arise. Examples of these engagements include:

- Trident Consulting were engaged in 2019 to carry out an investment review for the Trustees.
- A&L Goodbody have been selected to review and update the Pension Scheme Trust Deed & Rules.
- Gavin McGirr of Purchasing Solutions advises on public procurement issues when required.
- Lane Clark Peacock (LCP) were selected in April 2021 (from three quotations) to oversee an RFP to identify the most suitable provider for the supply of Administration, Consultancy, and Investment Services.
- Trustee and Pension Support Services have assisted the Trustees in dealing with IORPII requirements and the transition of the Scheme to Irish Life.

GROUP LIFE SCHEME:

Members of the Pension Scheme are covered for a lump sum death benefit of three times salary, and this is provided by an insurance policy. The Trustees have appointed Cornmarket as broker and they in turn undertake a market review every 3-4 years to identify the most competitive insurance company.

The rate is then deducted from the employer's pension contribution of 7% of salary and remitted to the selected insurer via Cornmarket. The unit rate includes a commission payment to Cornmarket.

Underwriters:	Aviva (appointed on 1 st February, 2024)
Next Renewal Date:	1 st February, 2028
Unit Rate:	0.43%

PENSION SCHEME:

Members are included in a Defined Contribution Pension Scheme which is administered by Irish Life from 1st January, 2022. The pension contributions (6.35% employer and 5% employee) are remitted monthly to Irish Life for investment in each member's pension fund.

Irish Life provide administration, consultancy and investment services to the Scheme and the cost of this is covered by an Annual Management Charge (AMC) applied to the value of each member's fund. Over the years the Trustees have engaged with the then Registered Administrator on a regular basis to negotiate a gradual reduction in the Scheme charges as the assets grew in size.

As part of an ongoing review, the Trustees initiated a market review in 2020 which secured a significant reduction in the AMC for each of the investment funds, apart from the Cash Fund, with effect from the 1st January 2021. The AMC for the default fund, where the majority of the members are invested (99%), was reduced from 0.525% to 0.33%.

The market review was concluded in 2021 with Irish Life being appointed Registered Administrator from 1st January, 2022 and a further saving was secured in the AMC reducing to 0.29% for the majority of the funds, including the new default fund, the EMPOWER Personal Lifestyle Strategy (PLS).

Charges on Pension Scheme:

The Annual Management Charge (AMC) is deducted from each member's individual pension fund. The total cumulative AMC is recorded in the Quarterly Administration Report provided to the Trustees from Irish Life and in the annual Trustee Annual Report (TAR) and Financial Statements. The charge in each case is dependent on the investment fund selected by the member.

Fund/Strategy Name	Annual Management Charge (AMC) percentage per annum	Total Expense Ratio (TER) percentage per annum
EMPOWER Personal Lifestyle Strategy	0.29%	0.31%
Sustainable Equity (ESG) Fund	0.23%	0.25%
EMPOWER High Growth Fund	0.29%	0.31%
EMPOWER Moderate Growth Fund	0.29%	0.31%
EMPOWER Cautious Growth Fund	0.29%	0.31%
EMPOWER Stability Fund	0.29%	0.31%
EMPOWER Cash Fund	0.15%	0.15%

Personal Retirement Bonds (PRBs):

- Following the reduction in the Annual Management Charge (AMC) from 1st January, 2022 it is unlikely that a deferred member will be able to obtain the same AMC as applies to a member of the National Federation's Pension Scheme. Irish Life have confirmed that their advisors will not recommend a transfer to a PRB where the AMC will be higher. There may be other factors that will influence a member taking a transfer from the Scheme.
- For PRBs arranged through another financial advisor, the charges, commission, and the service provided is a matter for the member and the financial advisor. However, the Professional Trustee will seek confirmation from the advisor that the member has been made aware of the difference in charges between the National Federation's Pension Scheme and the proposed PRB.

Annuities:

- Where a member opts to take an annuity, a market review is undertaken by an independent broker on behalf of the Trustees to identify the most competitive annuity rate allowing for the standard industry commission of 2% of the purchase price.
- A review is undertaken with the member to establish if they would qualify for an enhanced annuity.
- For annuities arranged through another financial advisor the Trustees will obtain written confirmation that the most competitive annuity rate has been secured for the member.

Approved Retirement Funds (ARFs):

Where a member has decided to invest in an ARF, charges, commission and the service provided is agreed between the member and the advisor.

Member Engagement:

The service provided by Irish Life includes a Member Advice Team who will engage with members on a one-to-one basis. The Trustees have reviewed the remuneration structure of the Member Advice Team and are satisfied that the advice procedures are subject to stringent quality controls and oversight to ensure that individual members receive unbiased professional advice. In particular, it is noted that the Member Advice Team are not remunerated by way of commission. The Member Advice Team can only offer advice in relation to Irish Life products and members are advised to seek independent advice if they so wish.

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 Francis Coughlan Pension Scheme Trustee, National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme
Date approved:	5 th December, 2024
Next review date	5 th December, 2027
Previous versions	18 th April, 2024; 27 th January, 2022; 15 th June, 2021



Signed: _____

**John McHugo,
Chairman.**

Date: 5th December, 2024



Signed: _____

**Francis Coughlan,
Pension Trustee.**

Date: 5th December, 2024