

FINANCIAL PLANNING SERVICE

HERE TO HELP YOU



cornmarket
group financial services ltd



Our History

- Over 50 Public Sector Schemes
- Serving the Public Sector for over 40 years
- We have arranged the payment of over €460 million to Income Protection Plan Beneficiaries
- The largest Public Sector financial services company in Ireland

The Local Team

- **Regional Manager – Dermot Ryan**
- **Assistant Manager – Conor Johnston**

12 Full time staff working out of the Galway Office

Office Address: Galway Technology Park,
Parkmore

Key topics of today's presentation

1 **SICK PAY CHANGES AHEAD
BE PREPARED**

2 **CHANGING
PENSION
LANDSCAPE**

3 **MONEY
MANAGEMENT**



**SICK PAY CHANGES AHEAD
BE PREPARED**

WARNING!

**MAJOR CHANGES TO
PUBLIC SECTOR SICK PAY
ENTITLEMENTS**

New sick pay entitlements represent the biggest ever changes to sick pay for all Public Sector employees.

Changes to Paid Sick Leave from 1st September 2014



➔ **13 weeks** (92 days) **FULL** pay in a year, followed by
13 weeks (91 days) **HALF** pay.
MAX 183 DAYS in a rolling 4 year period.

➔ **TWO 'Look Back' Periods** apply:

1 Look back period 1 → Looks back over the last **4 years** and determines if you have **any** sick pay left

2 Look back period 2 → Looks back over the last **12 months** and determines **what rate** it will be paid at

➔ **Paid Sick leave for Critical Illness***

6 months FULL pay + 6 months HALF pay (in a rolling 4 year period)

**not yet defined*

Would you be entitled to SICK PAY, like Mary, if you fall ill after 1st September 2014?

1 SICK PAY CHANGES AHEAD
BE PREPARED



2 MONTHS
(62 days)

No sick
leave



1 MONTH
(28 days)

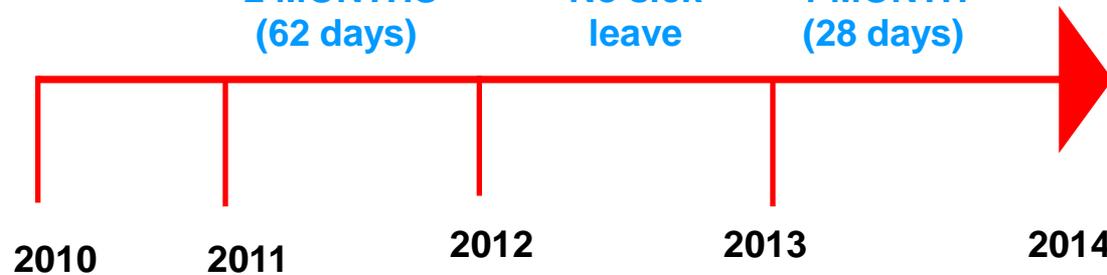
**Total
Used - 90
DAYS**

If Mary falls ill after 1st September **2014**...



Two look back periods:

- 1** She will be entitled to **93 days sick pay** (i.e. $183 - 90 = 93$ days)
- 2** As Mary used 28 days in last 12 months, she will receive:
64 days FULL pay
+ 29 days HALF pay



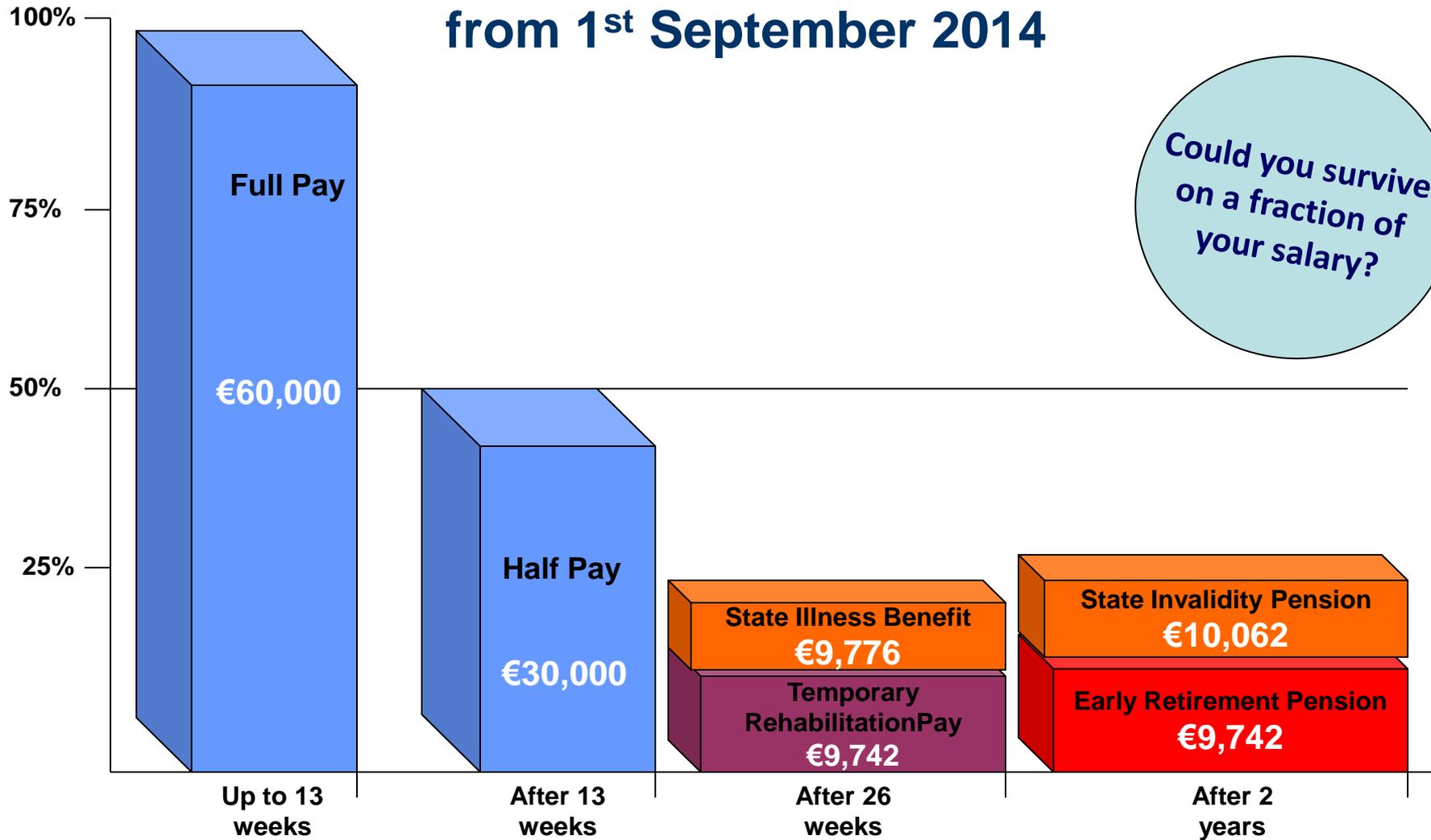
Look back period 1: over 4 YEARS

Look back period 2: over 12 MONTHS

Example:

- Mary was ill for **62 days** in 2011, followed by a second period of illness of **28 days** in 2013. If Mary falls ill in 2014, once the new sick pay arrangements have been put in place, the first 'look back' period is over the past **4 years** to establish if she has exceeded **183 days** (new limit).
- As Mary has only accrued **90 days** paid sick leave she **IS ELIGIBLE** for sick pay.
- To establish what sick pay Mary is entitled to, the second look back period is **12 months**.
- As Mary has used up **28 days** sick leave in the past 12 months, she is entitled to 64 days FULL pay, followed by 29 days HALF pay

Sick Pay Arrangements from 1st September 2014



Could you survive on a fraction of your salary?

The example above is based on a permanent, full-time Public Servant, who is a member of the Superannuation Scheme, with 15 years' service earning €60,000 p.a., paying PRSI at the 'A' rate, who is now unable to work due to a long-term illness or disability. Claim is not for a critical illness. Member had no previous illness before joining the Scheme.

Guard against Sick Pay Changes

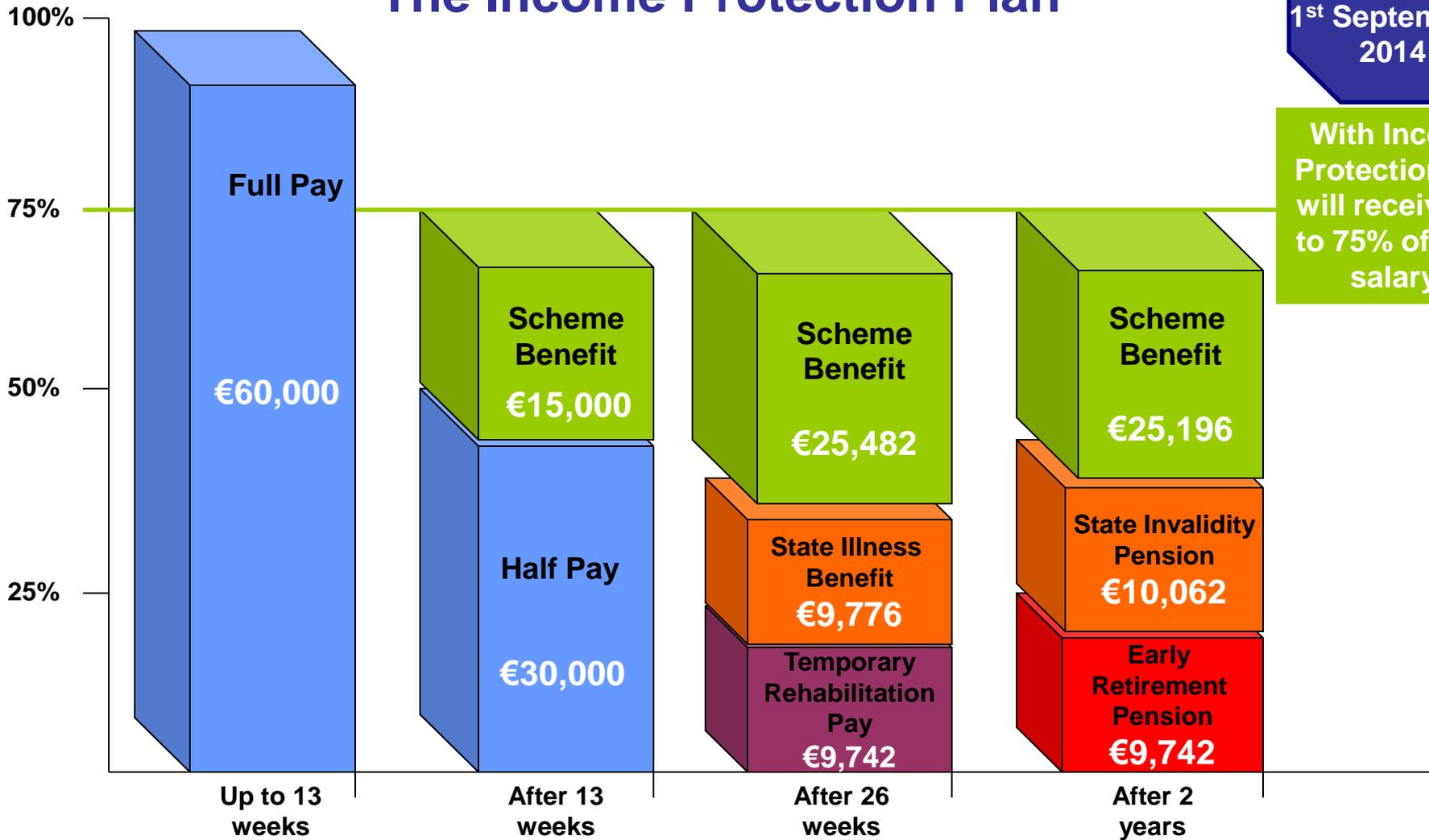
With the NUIG Income Protection Plan



OÉ Gaillimh
NUI Galway

**Post
1st September
2014**

The Income Protection Plan



With Income Protection you will receive up to 75% of your salary*

*Less any Temporary Rehabilitation Pay, Early Retirement Pension and/or State Illness Benefit to which you are entitled. The example above is based on a permanent, full-time Public Servant, who is a member of the Superannuation Scheme, with 15 years' service earning €60,000 p.a., paying PRSI at the 'A' rate, who is now unable to work due to a long-term illness or disability. Claim is not for a critical illness. Member had no previous illness before joining the Scheme.

What does it mean for you?

Example: **WITHOUT** Income Protection



Example: **WITH** Income Protection



Example above is based on a Public Servant, who is a member of the Superannuation Scheme, with 15 years' service earning €60,000 p.a., paying PRSI at the 'A' rate, who is now unable to work due to a long-term illness or disability. Standard sick leave is assumed. Member had no previous illness before joining the Scheme. The example above assumes that Temporary Rehabilitation Pay and State Illness Benefit is paid for up to a maximum of 2 years and, thereafter, the member is granted an Early Retirement Pension and State Invalidity Pension.

The NUI Galway Plan ...

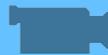
- Replacement income of up to 75%* of salary
- Benefit is paid until:
 - You are deemed fit to return to work
 - Up until your 65th birthday if you are permanently disabled
 - Death

*less any other income (Early Retirement Pension, Temporary Rehabilitation Pay, State Illness Benefit) to which you may be entitled.



Mary's Story

Income Protection Claimant



New Auto Enrolment facility for NUIG Employees Actively At Work on the 1st April 2014

- Auto Enrolment means no medical underwriting is required.
- There is an Opt Out facility available up to 4 months from the 1st April 2014
 - contact Triona Lydon by email: [pensions @nuigalway.ie](mailto:pensions@nuigalway.ie) or call: 091 492145 Ext 2145



IMPORTANT NOTE: If you do decide to opt out and decide at a later stage you would like to re-join the Plan you will need to undergo medical underwriting

What does Actively At Work mean?

- ✓ You are working your normal contracted number of hours.
- ✓ You have not received medical advice to refrain from work.
- ✓ You are not restricted from fully performing the normal duties associated with your occupation.
- ✓ Those on paid and unpaid maternity leave are considered actively at work.



Continued on next slide

Actively At Work...continued

- ✓ Employees on paid leave/holidays are considered to be present at their place of work but must still meet the other requirements for 'Actively at Work'
- ✓ Staff who do not satisfy the above criteria on the appointed date can still apply to join the Plan at a later date on completion of application form which will contain medical questions



Review 2014

NEW Enhancements

- Special arrangements for unpaid Maternity, Parental, Adoptive & Carer's Leave
- Career Breaks – contributions can be waived for up to 5 years
- Temporary Contracts - A claim in respect of a member on a temporary contract will now be treated in the same manner as that of a permanent member of staff.
- For members joining the Plan on the 1st April, sick leave taken prior to becoming a member of the Plan is counted towards your entitlements.



A Helping **Hand** from the Revenue

Your premium is conveniently **deducted at source** by your employer.

Tax relief is applied conveniently at source.



Reduction of over 25% to the contribution rate

From the 1st April the cost of the Plan has reduced from 1.16% to 0.86%.

Weekly Rate:

	WAS		NOW		
	Premium was 1.16% Gross		New Premium 0.86% Gross		
	Weekly (gross)	Weekly (net)	Weekly (gross)	Weekly (net)	
€20,000	€4.45	€3.56	€3.30	€2.64	*
€35,000	€7.78	€6.22	€5.77	€4.62	*
€40,000	€8.89	€5.25	€6.59	€3.89	**
€50,000	€11.12	€6.56	€8.24	€4.86	**
€75,000	€16.67	€9.84	€12.36	€7.29	**

*Assumes paying income tax @ 20%

**Assumes paying income tax @ 41%

Reduction of over 25% to the contribution rate

From the 1st April the cost of the Plan has reduced from 1.16% to 0.86%.

Monthly Rate:

WAS			NOW		
Premium was 1.16% Gross			New Premium 0.86% Gross		
	Monthly (gross)	Monthly (net)	Monthly (gross)	Monthly (net)	
€20,000	€19.33	€15.47	€14.33	€11.47	*
€35,000	€33.83	€27.07	€25.08	€20.07	*
€40,000	€38.67	€22.81	€28.67	€16.91	**
€50,000	€48.33	€28.52	€35.83	€21.14	**
€75,000	€72.50	€42.78	€53.75	€31.71	**

*Assumes paying income tax @ 20%

**Assumes paying income tax @ 41%

As part of your membership of the Plan you will have the option to avail of Pink and Blue Power

What is Pink Power?

Will offer all NUI Galway Income Protection Plan members a Free Breast Health Awareness Programme



What is Blue Power?

Prostate & Testicular Health Awareness Programme available to all male members of the NUI Galway Income Protection Plan



2
**CHANGING
PENSION
LANDSCAPE**

The future of pensions

**What does
this mean for
pensions?**

Year retired	Number working	Number retired
		
1970		
2010		
2050		

Source: The Economist – 07.04.11

Pension Entitlements

Currently different Pension Schemes exist in the Public Sector:

Pre 2004	Category 1.	Pre 1995	Category 2.	Age	1995 to 2004	Service	Pension
€83,811	60	2004 to 2009 / 2010 to 2012	33 yrs	1st January 2013	€34,572		



Post 2004

- Single New Pension Scheme

- OAP now moving from age 65 -> 68
- Tax relief on pensions still available @ 41%*
- Once-off option to withdraw up to (maximum) 30% of the value of your AVC Fund, subject to tax

Retirement

What are your options? ...NSP, AVCs/PRSAs etc.

*subject to paying the higher rate of tax

Benefits payable from your Superannuation Scheme

Pension

**Taxed &
Paid for Life**

Lump Sum

**Tax-Free &
Paid Once**

**Spouse &
Children's
Benefit**

Payable on Death

What's important when working out my pension?

- Starting dates & re-entry dates
- Service history
- Final salary (except for 2013 Scheme)
- Relevance of Social Welfare in your pension



3
MONEY
MANAGEMENT

Tax Relief and Allowances

How many people here do tax returns? Examples of where you can claim

- ✓ Expenses not claimed
Did you know that 82% of PAYE employees overpay taxes?*
- ✓ Married couples not sharing credits and cut off points
You can claim back tax returns
- ✓ Medical for a period of up to 4 years
Osteopath/prescriptions etc. **average refund was**

In 2013, Midas prepared over 1,000 self-assessed tax returns for our members. Not only did this ensure these members were tax compliant, we even secured tax refunds for 53% of them.*

*Midas statistics 2013

**Average tax refund for PAYE Midas customers', 2013.

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Life Cover



How much do you need?

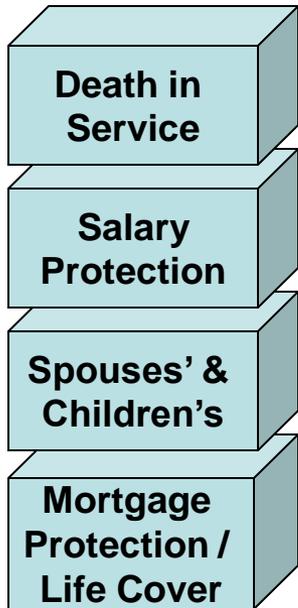
**Are you over insured /
underinsured?**

Is your family protected?

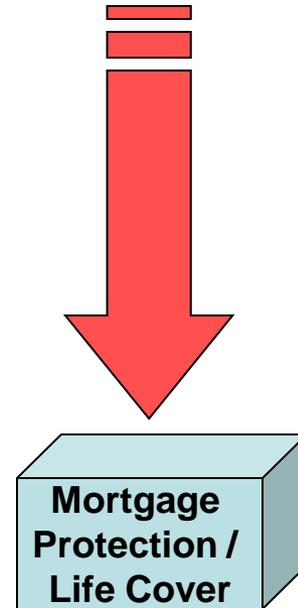
Life Cover

Typical Example:

Public Sector Employee



Private Sector Employee



Maximising your savings

❑ Deposit rates very low so it's vital to get your money working for you.

❑ Tailored savings plans for public sector employees

- ❑ Educational Saving
- ❑ House Deposit
- ❑ New Car



Drive home a better deal



Get a great price and first class benefits
on your **Car** and **Home** Insurance



Health Insurance

Largest Health Insurance broker in Ireland

Unique comparison tool covering all four insurers

No obligation to accept our advice

No fees or charges

**FREE
HEALTH
INSURANCE
COMPARISON
SERVICE**

We compare all four
health insurance providers



GloHealth



Building your Budget

Complete a full Financial Health Check:

- ✓ Track your expenses
- ✓ Figure out the amount of money you are spending
- ✓ What do you have to spend?
- ✓ What are you spending that is not a necessity?



Expert Advice Available

- Consultation at your home
- Full Financial Review
- Spouse/Partner recommended if applicable

We are *here to help you* design your own personal financial plan for your future.

Our Consultants are experts in the field of Public Sector finance and they can assist you in any financial or technical queries you may have. However, if you feel you could benefit from having a third-party present at your meeting (such as a family member or a friend) to assist you in any decisions you need to make, then they are more than welcome to attend.

HERE TO HELP YOU

Thank you for your attention

Questions?

Awards



for our partnership with



Excellence in Business Awards 2013
Award Winner
Cornmarket

European Pensions Irish Awards
Shortlist

Cornmarket has been
shortlisted for AVC
Investment Strategy
Award.



Irish
Pensions
AWARDS
2012



for our Breast Cancer Initiative

