

# *DCU Pension Benefits Update*



August 2022



**LOCKTON<sup>®</sup>**



## Lockton at a glance



Over 7,500  
associates



Exceptional  
client retention  
rate (97%)



Over \$29 billion  
premiums  
placed



Clients  
in over 125  
countries



Over 52,000  
clients



Over 95+  
offices  
worldwide



10.3% annual  
organic growth  
since 2000



\$1.72 billion  
revenues



90% reinvestment  
due to our private  
ownership

## Introduction

**Lockton Employee Benefits Ireland specialises in all aspects of employee benefit consultancy, broking, and placement for organisations of all sizes.**

Lockton is the worlds largest privately owned global insurance broker. In December 2021 Lockton Ireland acquired IFAT.

Should anyone have any questions after the presentation please feel free to reach out to me directly and I will be happy to help in any way I can.

Mark Ruddy  
Head of Client Management

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Phone: +353 86 8582064



## *Why is the pension scheme changing?*

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- An EU directive called IORP II has forced employers to look at how they provide pension benefits to employees
- Having reviewed the implications of the directive the Board of Directors of DCU Commercial DAC requested that Lockton carry out a full review of the Irish pension market.
- Following on from the review Zurich have been selected as the most suitable pension provider for employees going forward. Contributions to the new plan will commence from the 1<sup>st</sup> of September.



## *What can Lockton help employees with?*

- Lockton are here to provide employees with impartial advice regarding their pension and risk benefits
- We are happy to discuss the DCU pension benefits or any other pension benefits you might have
- Should you have any questions around your investments or the level of risk you are taking
- We can help employees explore paying Additional Voluntary Contribution's (AVC's)
- Discuss how you might draw down your benefits at retirement



# DCU Commercial DAC Pension Scheme Member Update

August 2022

Mark Ruddy, Head of Client Services, Lockton

Leonard Tobin, Customer Relationship Manager, Zurich





- Founded in Switzerland in 1872
- One of the world's largest insurance companies
- Zurich Insurance Company Ltd is rated AA/stable (Standard and Poor's)\*



- 2nd largest pension provider in Ireland
- Funds under management of over €31 billion (at 31/03/2022)
- No.1 for investment provider excellence since 2014\*\*

\*Source: Zurich Life, December 2021. Financial strength ratings are for the Zurich Insurance Group.

\*\*Investment Award: Awarded Investment Excellence by Brokers Ireland in 2014, 2015, 2016, 2017, 2018, 2019, 2021.

# Changes to pension plan

Move to Zurich Master Trust - Background

## Institutions for Occupational Retirement Provision (IORP II) – APRIL 21

- Better governance of pension schemes for greater protection for members
  - Lower Fee's
  - Investment performance
  - Master Trust- Ensures compliance with EU IORP II Directive

**No changes to benefits,  
contributions or scheme design**



# Governance: 360° Overview of the Zurich Master Trust



Members: YOU



Employer: DCU Commercial DAC



Consultant: Lockton Employee Benefits



Trustees: Zurich Trustee Services Ltd.



Administration / Investment Manager: Zurich Life Assurance plc



# Defined Contribution Pension Scheme

A savings plan for retirement



Contributions  
Employer/Employee/  
AVC's



Investment Returns  
Make your savings  
work hard for you

# Example of 20% Tax Relief for €32,000 annual salary



Your Employer  
puts in 8.5%  
€226.66 per month



You put in 6.5%  
€173.33 gross  
per month



Tax Relief @ 20%  
€34.66 per month

Total Monthly  
Contribution to  
Your Retirement  
Savings  
**€400**

Deducted  
from your  
take home pay  
**€138.67**

# Example of 40% Tax Relief for €42,000 annual salary



Your Employer  
puts in 8.5%  
€297.50 per month



You put in 6.5%  
€227.50 gross  
per month



Tax Relief @ 40%  
€91 per month

Total Monthly  
Contribution to  
Your Retirement  
Savings  
**€525**

Deducted  
from your  
take home pay  
**€136.50**

# Boosting your potential income in retirement.

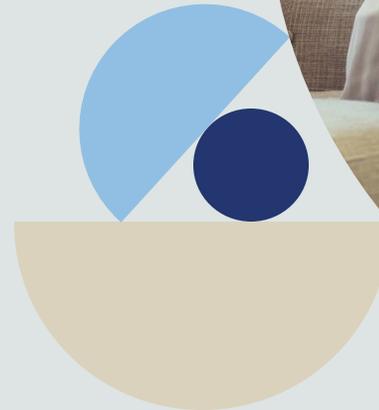
- Additional Voluntary Contributions (AVC's)
  - Can give you control on when you retire and on how you spend your time
  - Tax efficient method of saving
  - Flexible
  - Maximising your bonus
  - Can claim tax relief from previous year

Age At Your Birthday During The Relevant Tax Year	% of Net Relevant Earnings*
Under 30	15%
30 to 39	20%
40 to 49	25%
50 to 54	30%
55 to 59	35%
60 and over	40%

\* Subject to maximum earnings of €115,000 under current legislation.

# Investments

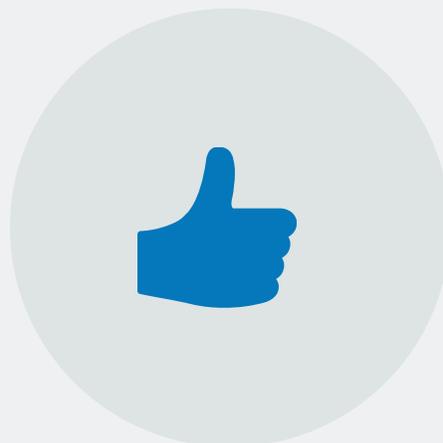
Make your savings work for you



# Your investment options

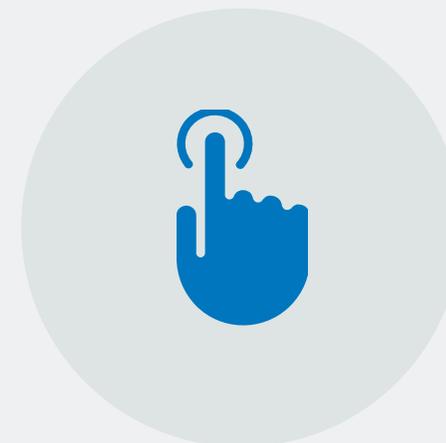


**Focus on  
you**



**Simplify**

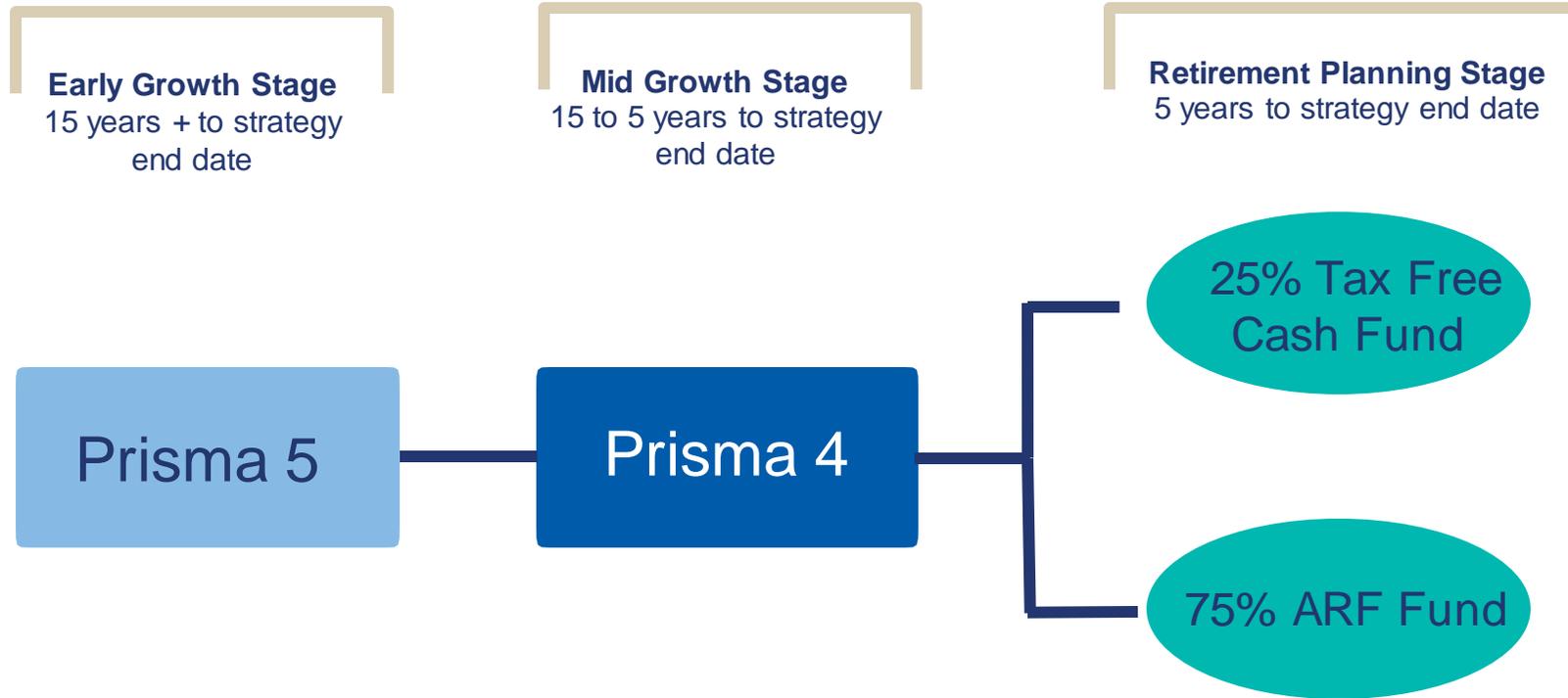
“I’m happy with the default investment option”



**Choice**

“I want to make my own investment decisions”

# Zurich default investment strategy - Personalised GuidePath (PGP)



Risk targeted



Flexibility



Active oversight



Diversified

# Prisma Funds Comparison

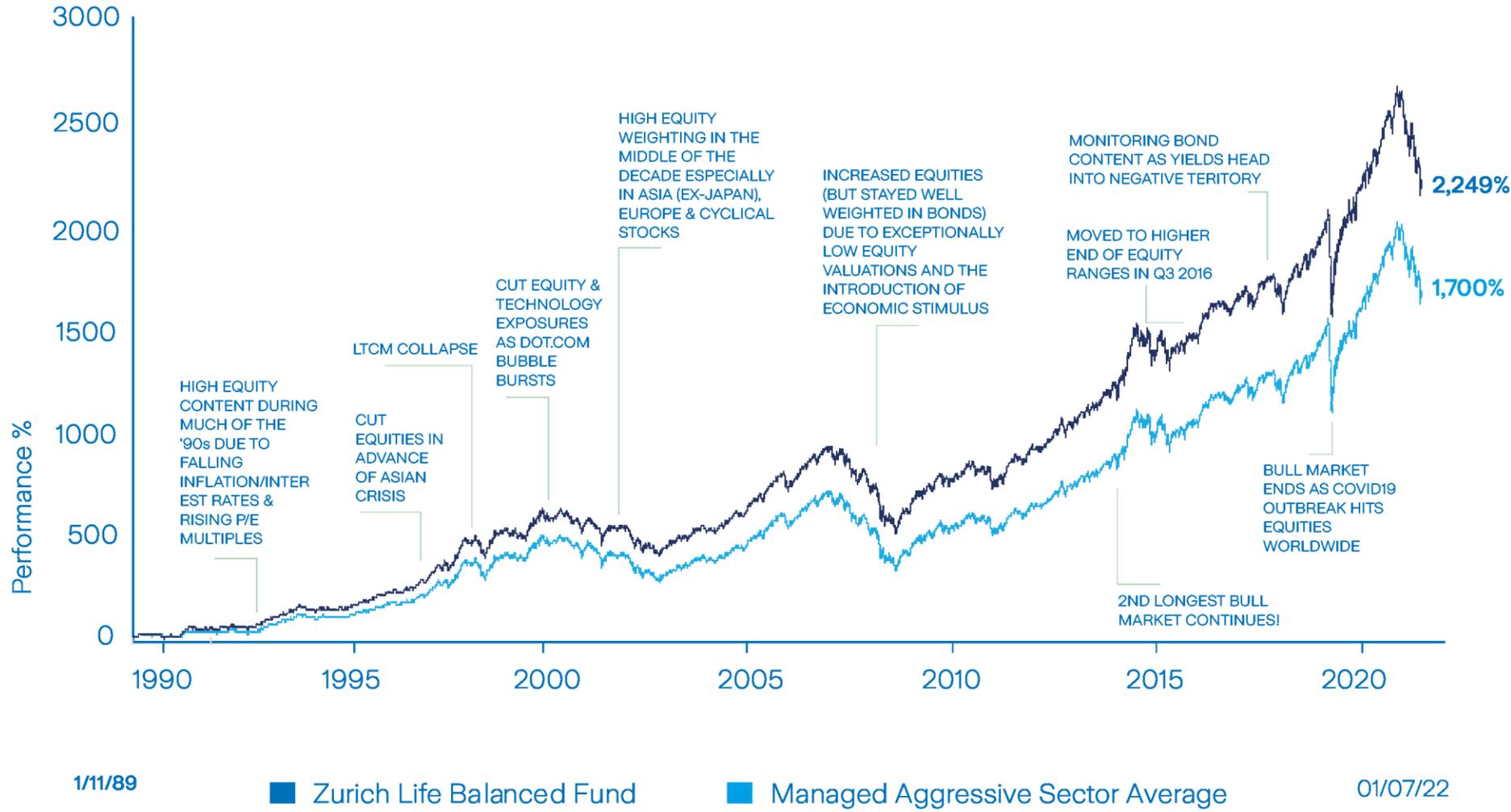
Performance (Annualised%) to end July 2022



	1 Month	3 Month	YTD	1 Year	3 Years	5 Years	7 Years
<b>Prisma 5</b>	9.0%	0.5%	-8.4%	-1.4%	10.9%	10.1%	8.3%
<b>Average</b>	6.3%	-0.1%	-6.6%	-0.4%	7.0%	6.8%	6.1%
<b>Prisma 4</b>	6.6%	0.1%	-6.4%	-1.4%	7.5%	7.0%	6.0%
<b>Average</b>	4.8%	-0.5%	-6.4%	-2.2%	4.4%	4.7%	4.2%
<b>Prisma 3</b>	3.6%	0.1%	-4.2%	-1.8%	3.3%	3.2%	2.8%
<b>Average</b>	3.1%	-0.5%	-5.5%	-3.9%	1.5%	2.1%	2.0%

Performance figures are provided gross of AMC by Moneymate. Performance figures for all fund managers are based on close of markets prices 31/07/2022, based on best available information.

# Over 30 years of multi-asset fund performance

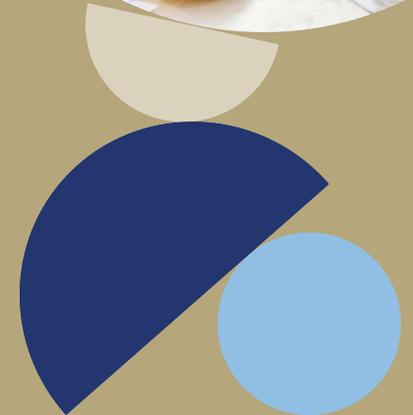


No.1 for Investment Excellence  
2014, 2015, 2016, 2017,  
2018, 2019, 2021

Source: Zurich and MoneyMate, July 2022. Performance figures quoted are from fund inception date of 1/11/1989 until 01/07/2022. Annual management fees apply; the fund growth shown above is gross of any annual management charge. Returns are based on offer to offer performance and do not represent the return achieved by individual policies linked to the fund.

Warning: Past performance is not a reliable guide to future performance.  
Warning: Benefits may be affected by changes in currency exchange rates.  
Warning: The value of your investment may go down as well as up.  
Warning: If you invest in this product you may lose some or all of the money you invest.

# Communication



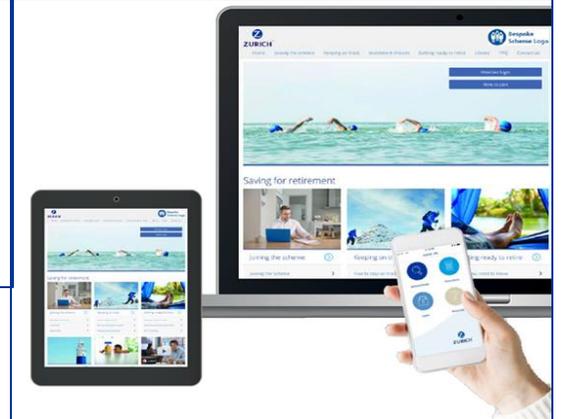
# Online Resources

Enabling Employees to make informed decisions



## Zurich Connect

- Helpful videos
- Interactive tools and calculators
- Investment choices
- Retirement guides
- Documentation library
- Scheme contact details



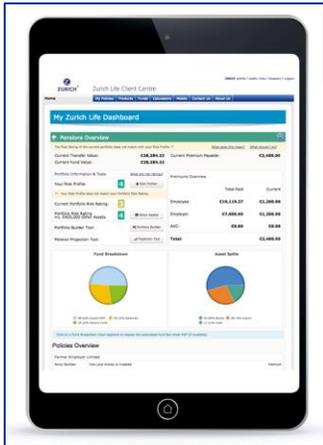
## New Starters Journey

- Educational videos and infographics
- Contribution calculator
- Scheme contact details



## Member Secure Dashboard

- Personal account details
- Projection tools
- Historic statements & documentation
- Update personal details



## Personalised Guidepath

- Strategy guides
- Tools & prompts



↑ MY PENSIONS

CURRENT FUND VALUE:  
**€ 266,368 .06**

CURRENT TRANSFER VALUE:  
**€ 266,368 .06**

TOTAL PREMIUMS PAID:  
**€ 131,446 .83**

ME	€131,446.83
EMPLOYER	€0.00
AVC	€0.00

CURRENT PREMIUM PAYABLE:  
**€ 7,295 .76**

ME	€7,295.76
EMPLOYER	€0.00
AVC	€0.00

**MY RISK** ⓘ

My Risk Level 4

My Portfolio Risk Level 4

REASSESS MY RISK PROFILE

EXPLORE OTHER FUND OPTIONS

ADD ASSETS

PENSION PROJECTION TOOL

HISTORY
FUND BREAKDOWN
ASSET MIX

**MY POLICIES**

**Personal Pension**

POLICY NUMBER	INVESTMENT TYPE	PREMIUM (Annualised)
10005891	<u>Self-Selected Funds</u>	€7,295.76

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PENSION PROJECTION

How do I increase my contribution?

>

What happens when my pension matures?

>

## Projected Fund Values



# Next Steps?

Joining the Defined Contribution Scheme



# What happens next? - No action needed by you!



- Step 1
  - September 2022 payroll contribution sent to Zurich.
  - October 2022 - Zurich issue to your home:
    - Policy document for monthly contributions
    - Statement of Reasonable Projection (SORP) for monthly contributions ONLY
    - Login for Client Centre
- Step 2
  - Expected October 2022 – Irish Life will transfer existing benefit to Zurich
  - November 2022 Zurich issue to your home
    - Policy document for transfer value
    - SORP for full pension value.



# Thank you

## Contact Details:

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