



Defined Contribution Scheme Review 2014



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Presented by: **David Harney**



The Average Member

Member:	Average Joe
Salary:	€46,000
Contributing to DC Scheme:	6 years
Age:	43
Pension fund:	€45,000

Average Employer Contribution Rate (of salary)	5.7%
Average Employee Contribution Rate	3.4%
Average Additional Voluntary Contribution (AVC) Rate	1.2%
Total Contribution	10.3%

At Retirement: €190,500 projected fund in today's terms
€7,900 projected pension
€19,900 projected pension including state pension



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Contribution Levels by Salary Band



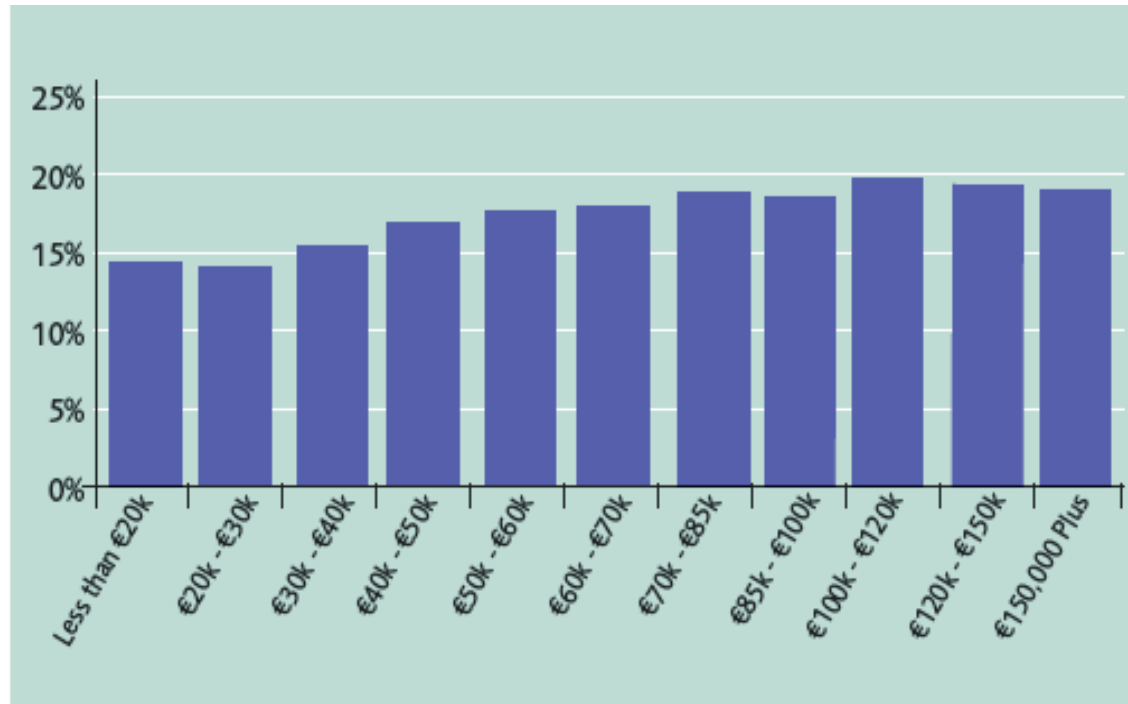
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Projected DC Pension % Salary



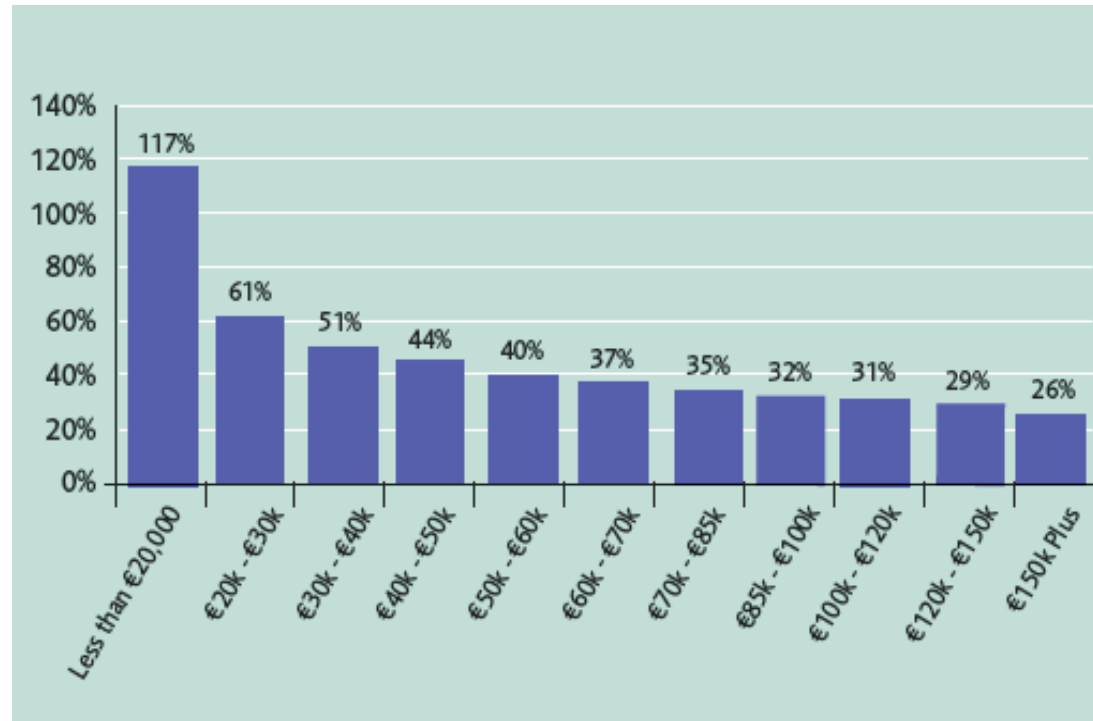
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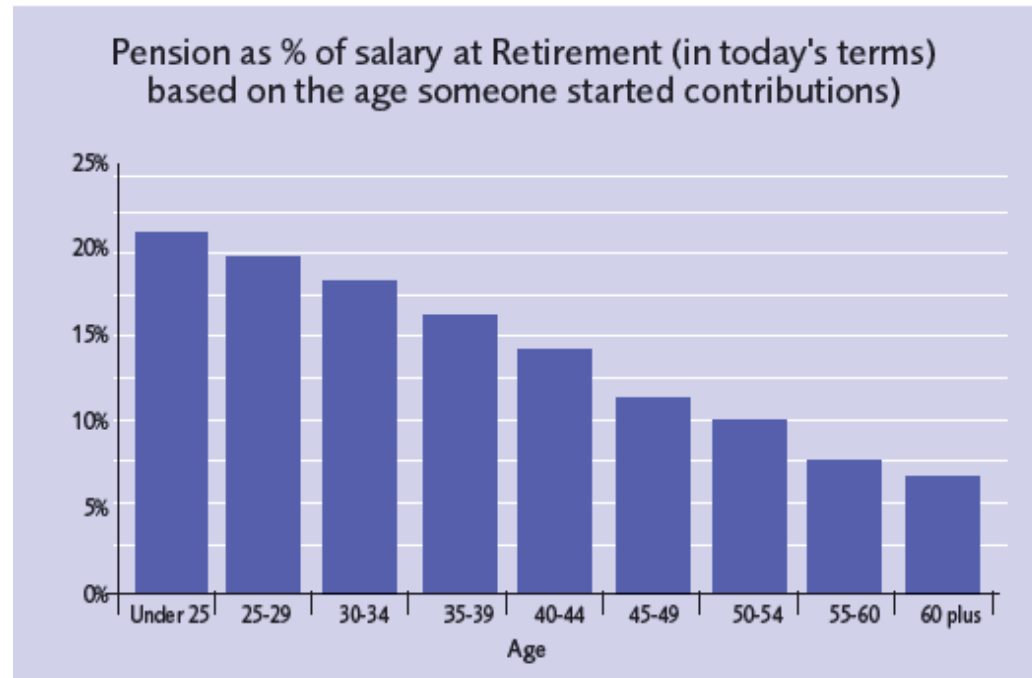


Projected DC Pension % Salary including State Pension





Importance of Starting Early



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Source: Irish Life Corporate Business



Importance of Investment Return

The Average Member			
Age	43	43	43
Salary	€46,000	€46,000	€46,000
Fund	€45,000	€45,000	€45,000
Total Contribution (as % of Salary)	10.3%	10.3%	10.3%
Time in pension scheme (in years)	6	6	6
Investment Return achieved	2%	4%	6%
Projected Fund at Normal Retirement Age (in today's terms)	€145,000	€191,000	€257,000
Projected Yearly Pension (in today's terms)	€6,000	€7,900	€10,600
Projected Pension as % of Salary	12%	17%	22%



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Gender Divide

Average Outcome by Gender	Males	Females
Age	43	42
Salary	€51,400	€41,000
Fund	€53,250	€34,100
Total Contribution (as % of Salary)	10.6%	10.0%
Years in pension scheme	5.8	5.7
Project Fund at Normal Retirement Age (in today's terms)	€210,900	€162,100
Projected Yearly Pension (in today's terms)	€8,700	€6,700
Projected Pension as % of Salary	17%	16%



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Member Engagement

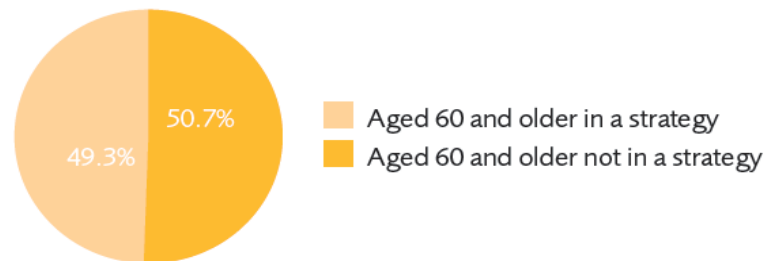
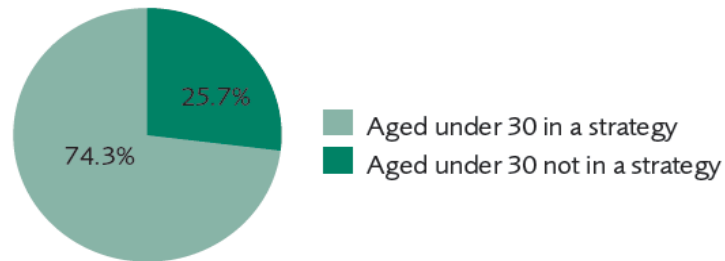
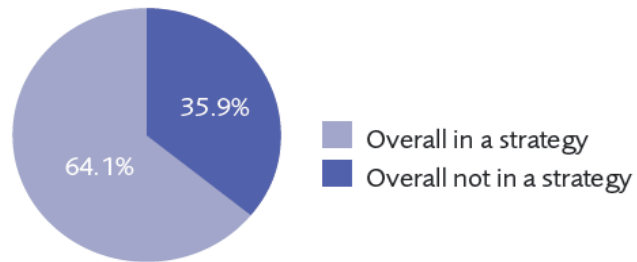
	The Average Member	PPI User	App User
Average Age:	43	44.4	39.8
Average Salary:	€46,000	€63,500	€61,300
Fund:	€45,000	€118,000	€83,500
Total Contribution:	10.3%	16.2%	13.5%
Service (in years):	6	6.2	5.2
Projected Benefits at Retirement:	The Average Member	PPI User	App User
Projected Fund in today's terms:	€190,500	€372,000	€350,000
Projected Yearly pension in today's terms:	€7,900	€15,400	€14,300
Projected Pension as a % of Salary:	17%	24%	23%



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Investment Options



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Appendix

These illustrations assume an investment return before retirement of 4% per year up until retirement and inflation/salary growth of 2%. These rates are for illustration purposes only and are not guaranteed. These figures do not allow for the government pension levy of 0.75% in 2014 and 0.15% in 2015. Actual investment growth will depend on the performance of the underlying investments and may be more or less than illustrated. This illustrated income is assumed to be paid monthly in advance, payable for life (and payable for at least a minimum of 5 years regardless) and increasing by 2% per year during payment. This table is based on annuity rates calculated in line with guidance from the Society of Actuaries in Ireland.

Source Data: Irish Life Defined Contribution Schemes
✓ 1,400 Schemes with 38,000 members