



IDE AWARDS
2014 & 2015 WINNER
Best Pension Fund in Ireland
2014 & 2015 Winner
Best Pension Fund in Ireland



2015 Winner
Best Use of Risk Management



2017 Winner
Pension Trustee Board of the Year

Canal House, Canal Road, Dublin 6

t: (01) 497 7663
f: (01) 496 6611
e: info@cwps.ie
w: www.cwps.ie

AK/AOG

5th February 2019

The Secretary
The Labour Court
Lansdowne House
Lansdowne Road
Dublin 4

Re: Notice of Intention to Conduct an Examination into Terms and Conditions in the Construction Sector (the "Notice")

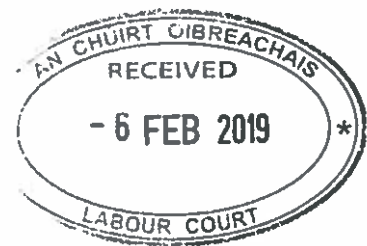
Dear Secretary,

Pursuant to the above mentioned please find enclosed a representation from the Construction Workers' Pension Scheme for your consideration.

We trust that the above is in order and request that if you have any questions or queries relating to any of the above please do not hesitate to contact me.

Yours sincerely

Anne Keogh
Secretary
Construction Workers' Pension Scheme





IPE AWARDS
2013 WINNER
Best Pension Fund in Ireland
2014 & 2015 Winner
Best Pension Fund in Ireland



Canal House, Canal Road, Dublin 6

t: (01) 497 7663
f: (01) 496 6611
e: info@cwps.ie
w: www.cwps.ie

31st January 2019

Notice of Intention to Conduct an Examination into Terms and Conditions in the Construction Sector (the "Notice")

Dear Secretary

We, the Trustee of the Construction Workers Pension Scheme (the "Scheme"), are writing in response to the Notice issued by you on 10th January 2019. We wish to make representations in support of the making of an amended Sectoral Employment Order to include minimum requirements for pension and sick pay benefits in the construction sector.

Background to the Scheme

The Construction Workers Pension Scheme is an industry-wide occupational pension scheme providing for the retirement savings of just under 310,000 members in total, which includes just under 31,000 active members and in excess of 2,000 active employers in construction and related industries. Notwithstanding that the Scheme has seen a significant increase in active membership, following the introduction of Sectoral Employment Orders in the Construction Sector and the Mechanical Engineering Building Services Contracting Sector many of these employers and their employees were participating in the Scheme on a voluntary basis since the ending of the 2006 Registered Employment Agreement ("2006 REA"). The Scheme has been in existence since 1965 providing pensions and death in service protection for construction workers and is tailored to meet the specific needs of a mobile construction sector workforce. The Scheme operates on a not for profit basis providing a low cost service to members.

The Construction Workers Sick Pay Scheme is established separately from the CWPS but is administered in close cooperation and the membership is co-extensive.

Submission

We submit that the current terms of the Sectoral Employment Order in relation to pensions, Death in Service and Sick Pay benefits be continued however we believe that re-establishing the link between the average construction wage for employees and pension and sick pay benefits would be beneficial to the members of the Scheme. This percentage link between the average wage and the pension contribution rate was established following a review of pension arrangements for workers in the construction industry by the Social Partners in 2001 and existed during the period of the subsequent operation of the REA's since then. This will ensure that the pension benefit moves in line with the wage rates set by any future Sectoral Employment Orders.

We submit that the combined employer and employee pension contributions payable to CWPS, as the industry wide pension scheme in the sector under the 2006 REA, equalled 7% of the average wage; split 4.2% paid by the employer and 2.8% paid by the employee. The base figure for the average wage to be used was set annually by a reference to the prevailing rate in the industry on the 30th September of the previous calendar year. Please refer to Appendix 1 for details.



IPE AWARDS
2015 WINNER
Best Pension Fund in Ireland
2014 & 2015 Winner
Best Pension Fund in Ireland



2015 Winner
Best Use of Risk Management



2017 Winner
Pension Trustee Board of the Year

Canal House, Canal Road, Dublin 6

t: (01) 497 7663

f: (01) 496 6611

e: info@cwps.ie

w: www.cwps.ie

In relation to the Sick Pay contribution levels we recommend that the link between the average wage and contribution level be re-established at a joint contribution rate of 0.3%; split 0.2% payable by the employer and 0.1% payable by the employee. Please refer to Appendix 1 for details.

Conclusion

The benefits being proposed in our representation are basic benefits and will ensure that, in the area of pension and sick pay benefits, fair and sustainable contribution rates are payable in the construction sector. They will provide a minimum safety net for workers who fall sick, assisting them to re-enter the workforce, and for workers who retire, providing some level of income in addition to the State pension on their retirement. Continuing an SEO for pension would be in line with Government Policy, which is to increase the numbers participating in pension schemes and so reduce their dependence solely on the state pension.

We would welcome very much the opportunity to appear before the Labour Court in order to answer any questions, which the Court may have in respect of these representations or in respect of the Scheme more generally.

We look forward to your response.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Andy O'Gorman'.

Andy O'Gorman
Chairman Construction Workers' Pension Scheme

Appendix 1

Contribution Rate 2020

Pay Rates in effect on 30/09/2019

Craftsperson	W	Hourly rate
Construction Operative (Average)	$(a+b+c)/3 = X$	Hourly Rate
Y by 39 hours =	Average W and X = Y Z	Hourly Rate Weekly Rate
	Total Pension Contribution per week 7% Z by 7%	Employer 4.2% Z by 4.2% Member 2.8% Z by 2.8%
	Total Sick Pay per week Z by 0.3%	Employer 0.20% Z by 0.3% Member 0.10% Z by 0.3%