

Annual Meeting Report 2016

The Annual Meeting of the Association of eircom Pensioners will be held on Wednesday April 21, 2016 at 2 o'clock in the eircom Head Office, 1 Heuston South Quarter, St. John's Road, Dublin 8. The usual refreshments will be served before the meeting from 1 o'clock.

You are cordially invited to attend

Agenda for AGM:

Standing order report No. 1

1. Address of welcome by– Seamus Browne, Chairperson
2. Silent Prayer in Honour of deceased members
3. Address by Guest Speaker – Mr Brian McCann, eircom Superannuation Fund Administrator
4. Minutes of Annual Meeting 2015
5. Honorary Secretary's Report
6. Motions

Standing order report No. 2

1. Election of Officers and Committee
2. Open Forum
3. Closing Address by the Chairperson

A large attendance of members is requested

Denis J. Fahey
Honorary Secretary

Important Notes:

All motions for discussion at the Annual Meeting should be given in writing to the Honorary Secretary by Friday April 15, 2016.

Nominations are sought for the committee for the coming year. The expectation is that all committee members will be proactive especially to lead the recruitment campaign in their respective Districts.

From within the nominations an Officer Board of four will be elected: - Chairman, Vice-Chairman, Secretary and Treasurer. The committee of no more than twenty other members is required. Each District is confined to two committee members with the exception of Dublin and in the event of more than two nominations being received from any District only members from that District will be permitted to vote.

District nominations (2) are to be emailed to the Secretary no later than Friday April 15, 2016 for due process.

Transport to 1 Heuston South Quarter:

Take the Luas from Abbey Street Lower to Heuston Station. The eircom Head Office is only 100 metres from the Heuston Station stop.

This is a great opportunity for pensioners to see the new eircom Head Office on what was the historical site of the St. John's Road Factory Depot.

We remember our deceased Colleagues:

Masses in Whitefriar Street Church, Dublin 2 on Tuesday April 26, 2016 @ 11.30 a.m. and Thursday November 3, 2016 @ 11.30 a.m.

1 The Minutes of the Annual Meeting Thursday April 29, 2015.

The meeting commenced at 14.00hrs and was presided over by the Chairman Seamus Browne. Seamus welcomed all present including our Guest Speaker, Mr Jim Foley, Group Pensions Director eircom Limited. The key message emphasised by the Chairman was the building and development of the Association of eircom Pensioners on a District basis mirroring the former District structure of Telecom Eircom. This was welcomed by all present. The Chairman acknowledged that the Association of eircom Pensioners has built very good communications and a strong working relationship with Mercer through Sheila Mullett & her team. Mercer manages the pension payments on behalf of eircom and their Q&A details are published on our website. This has proven to be very helpful to pensioners. He also thanked Emma Lusk & her team in escu for assistance in establishing a smooth operation in taking care of our account and also for availing of the circulation of our report to include the escu advert. This sponsorship is very welcome. Attendance record shows over two hundred members attended. Apologies were noted – six.

2 Silent Prayer in Honour of deceased members:

Prayers were recited and offered for all deceased members who died over the past year. Sadly the total deceased over the twelve months amounted to 122. RIP.

3 Address by Guest Speaker:

Address by Jim Foley, Group Pensions Director eircom Ltd., gave a Power Point Presentation on both Pension Funds as outlined hereunder:-

Total Membership at March 31, 2015 = 17,195		
Main Fund	Main & No. 2 Fund	No. 2 Fund (pre 84 service only)
1,838	14, 955	402

Membership March 31 2015	Main Fund	Main & No. 2 Fund	No. 2 Fund
Active 2,454	511	1,943	0
Deferred 6,455	1,022	5,433	0
Pensioners 8,286	305	7,579	402

Scheme Assets March 31 2015	Main Fund	€4,333m	No. 2 Fund	€443m
Equities	17%		41%	
Property	11%		3%	
VC/Forestry	4%		2%	
Bonds	68%		54%	

Significant de-risking of Main Fund since 2010 Pension Accord

Main fund		No. 2 Fund
Minimum Funding Standard	Satisfied at 30/3/2014	Exempt
	Expected at 30/3/2015	
Triennial Funding Valuation	Surplus at 30/9/2013 Next Valuation 30/9/2016	Ministerial Guarantee

Pension Levy					
Temporary Gov Levy of 0.6% for 4 years 2011 to 2014	Calendar Year	Levy %	Pension Levy		Combined
			Main Fund	No. 2 Fund	Total
Additional levy of 0.15% for 2014 and 2015 €96m cost (actual)	2015	0.15% (estimate)	06,480,000	00,664,200	7,144,200
	2014	0.75% (actual)	25,375,205	03,185,979	28,561,184
	2013	0.60% actual	18,605,618	2,623,336	21,228,954
	2012	0.60% actual	17,099,138	2,718,837	19,817,975
	2011	0.60% actual	15,876,125	3,137,546	19,013,671
	Total		83,436,086	12,329,898	95,765,984

Trustees of Main and No 2 Funds wrote to all members in Dec 2011 indicating that it may be necessary to reduce benefits in the future to recover levy.

Main Fund Trustees in Jan 2014 decided that levy must be recovered either by non application of future increases or direct reduction in future benefit payments, with a preference for the former.

Fund Admin will be reviewing systems requirement to implement this for Main Fund (post '84 service) benefits.

Challenges *in the lifetime of the average member of the eircom Defined Benefit Scheme the life expectancy beyond retirement has doubled and the long term investment return has halved.....*

Pensions Landscape remains challenging....

We are in a new era of sustained low levels of investment return.... (reference negative Bond Yields)

Pensions levy is a risk

Capital sum required to buy a pension increased significantly

Scheme is maturing rapidly – only 14% of members are currently employees

Risk of future Pensions levy appears to have receded but we need to deal with the €83m taken from Main Fund

Markets are unpredictable ...

Trustees continue on a de risking journey to secure the fund.....

Jim received a resounding round of applause for an excellent presentation and concluded by responding to a number of questions from the floor.

The Chairman invited Brian McCann Scheme/Fund Administrator to address the members and doing so thanked Brian & his team particularly in facilitating our meetings over the past twelve months.

Brian thanked the Association for the invitation and invited questions from the floor. He expressed concern in the “short comings” in the office in delay in responding to members calls. This was mainly attributable to staffing levels and hopefully going forward will be resolved. He thanked those members for their feedback.

4 Motions:

All ten motions published in the Annual Meeting Report 2015 were passed, having been proposed and explained by Tommy Commons and duly seconded. They were addressed under the following headings:- USC, Health, Pension Levy, Living Alone Increase, Local Property Tax, Household Communication Tax, Household Package and Water Charges, Affiliations and change of Rule 11. All relevant motions were presented to the various Ministers as our pre-budget - October 2015 – submission. A motion emerged from the floor concerning the Contributory State Pension proposed by Tom Lalor and seconded by Josephine Kelly. This was referred to the incoming committee. In summary - change of qualification calculation method for the Contributory State Pension for persons who qualify after 2012, Pension Levy refunds and finally a motion for the restoration of the Group A,B and C Inheritance Tax Free Allowance for the transfer of property to family members following the death of the property owner.

pensions in mid September. We rely on monthly paid pensioners to complete the Standing Order Form that is available in hard copy as well as on-line through our website. The PayPal facility now active on our website is the preferred option. This process is a "one-stop-shop" as it facilitates membership details and payment of annual membership.

Members queried where they can get their pension number? Mercer will provide same and the contact number is on the payslip.

Discussion on possible pension increase followed. Brian McCann will provide a copy of the "accord 2010" to the committee.

Mary Dowling, who was a committee member for over twenty years, wished to record her thanks to the committee for their dedication and wished the incoming committee every success in the future.

7 Conclusions:

The meeting concluded with the Chairman thanking all for their attention and Jim Foley in particular and asked Jim to convey the Association's thanks to his team and also Brian McCann and the Superannuation Staff for all their assistance to all eircom pensioners during the past year.

He assured the meeting that all resolutions will be addressed in the coming weeks and the Secretary will prepare/furnish submissions on same to the relevant Government Ministers.

He concluded by wishing all a safe journey home and thanked all for their attendance.

He thanked the Catering Staff who looked after the hospitality end of the business and closed the meeting at 15:40

8 Hon. Secretary's Report to AGM April 21, 2016

On the 14th August 2014 we had the formal launch of the Association at our Inaugural Meeting in the eircom Head Office Auditorium, 1 Heuston South Quarter, Dublin 8. The attendance of members was approximately twice the annual attendance of the old Eircom Branch of the RCPSA. (200 approx)

We had three manned information stands at our meeting ESCCU, Mercer and eircom. The feedback from all three was very positive particularly the Eircom Communications package.

The use of the eircom Auditorium for our Annual Meeting and Inaugural Meeting of the members is provided by the Company at no cost to the AOEP as is the Board Room of the Superannuation Division for our Committee meetings. A big thank you goes to Brian McCann and his very helpful team for their tolerance throughout the year.

The Committee met in Dublin on eight occasions since our Annual Meeting on April 2015. The meetings are always well attended and are always business-like.

1 Deceased Colleagues:

It is with great sadness that we note the passing of **122** of eircom pensioners since our Annual Meeting in April 29, 2015. May they Rest in Peace.

The Committee acknowledges the monthly notification from the Superannuation Division of deceased members. In that regard we have **given** an undertaking that we will advise the Division of the demise of any eircom pensioner that we are made aware of. This information is to be communicated centrally through the **Association Secretary**. We confirm the specific details on the **www.rip.ie** website before relaying the details. All members are earnestly asked to co-operate with this sensitive initiative.

2 Sub-Committee

A Sub-Committee under the guidance of Seamus Browne, comprises the following members: - Margaret Duggan, Frank Kavanagh, Tommy Commons, Pat Doyle and Denis Fahey convened six meetings over the year and made recommendations to the full committee on various matters arising. The sub-committee meetings were held in Dublin. It also has the effect of cost saving and inconvenience to committee members. Matters deliberated on included pre-budget submission, website design & content, Program for Government paper, recruitment strategy, process of election to the committee.

3 Web Site – www.aoep.ie

A four person group have the task of developing and propagating our website. This group comprises of Peter Kenny, Pat Doyle, Liz Deans and Denis Fahey. It was decided that we embrace the internet as the method to disseminate information to and from members. Bearing in mind the age profile and computer skills of many of our pensioners the Annual Report will continue to be posted to pensioners in the normal way.

The web site address is www.aoep.ie

Tenders were sought for the redesign of our website and the site has evolved to the provision of an on-line application form for membership and also an on-line payment system of membership fee for those who have access to and have the acquired computer skills. The hosting Company Register365 also provides a level of statistics that assists in the management process.

Going forward this medium will prove invaluable for promoting social events and related matters. For example today's meeting can be found under "Latest News". The use of "social media" elements is being launched today. We are optimistic as to the effectiveness of this medium in promoting a recruitment drive. The certainty is an increase in the existing "work load" and a level of delegation will be required.

4 Register with Charity Regulator:

The Association has registered with the Charities Regulatory Authority and is also registered with revenue to be fully compliant taxation wise. The four officers constitute the board of trustees – Seamus Browne, Margaret Duggan Denis Fahey and Frank Kavanagh.

It is inevitable that our existing rules will require a number of changes and a constitution for our Association is currently being developed. Expertise in this area would be most welcome. **This will be presented to the membership for endorsement at our Annual Meeting on April 21, 2016.**

5 Recruitment:

Recruitment is an ongoing process - hereunder is a table of potential membership by 2016.

Type of retiree	Totals
Deferred pensioners	6,455
Pensioners post and pre 1984	7,884
Potential membership	14,339
Allow for 50% to affiliate by 2016	7,169
Association of eircom Pensioners -	4,500
Minimum membership	11,669

Organising our membership based on the old Telecom Eireann District structure is facilitating communication with members via email, text and postal service. Therefore it is reasonable to expect a level of co-operation within the membership that will make for a very constructive national organisation. An organisation that will be two pronged - a business element and a social element. The latter element promoted through social interaction – bridge clubs, golf societies, social clubs, policy group, media group etc., etc., over time the membership will drive this agenda by active participation locally and nationally. Arising from our Annual Meeting notification last year it emerged that some of our members had changed their home address and also their financial institution. The latter impacted on the payment of their annual membership fee of €5-00 where their Standing Order was cancelled by default. We appeal to those members to attend to this matter as soon as possible.

9 Motions for Annual Meeting 2016:

Universal Social Charge

1. The Annual Meeting of the Association of eircom Pensioners calls on the Minister for Finance to completely cease the Universal Social Charge over a 4 year period. This charge was originally introduced as a temporary measure.

Health

1. The Association of eircom Pensioners at their Annual Meeting calls on the Minister for Finance and the Minister for Health to restore the full medical-card to all persons over 70 years of age.

Pension Levy

1. The Association of Eircom Pensioners calls on the Minister for Finance to refund the Levy taken from Private Pension Funds over the period 2011 to 2015. This is necessary to assist securing the Funds, many of which are in deficit and in danger of becoming insolvent. Will the State pay the pensioners in the event of any fund becoming insolvent?

Living Alone Increase

1. The Annual Meeting of the Association of eircom Pensioners calls on the Minister for Finance to bring the Living Alone Increase to at least €20 per week.

Local Property Tax

1. The Annual Meeting of the Association of eircom Pensioners calls on the incoming Officers to make representations to the Ministers for the Environment and Finance to exempt Pensioners with incomes less than €70,000 per annum from the Local Property Tax on their main residence.

Water Charges

1. The Association of eircom Pensioners calls on the Minister for the Environment to completely abolish all water charges.

Household Package

1. The Association of eircom Pensioners calls on the Minister for Finance to restore all the original benefits of the household package. (e. g. as telephone allowance, ESB, Gas and TV etc., etc.).

Change of Rules:

1. The Association of Eircom Pensioners seeks that incoming Organising Committee amend its Rules to allow a member of that committee who fails to attend three consecutive committee meetings without an excuse to be replaced by co-option from the same District as the the consecutively absent committee member by the Organising Committee.

Thresholds for Capital Acquisition Tax:

1. The Association of Eircom Pensioners calls on the Minister for Finance to restore the thresholds for Capital Acquisition Tax to the 2008 levels.
Group A - The threshold for Son/Daughter transfer now stands at €280,000 compared to €542,544 in 2008 or 52% of the 2008 level.
Group B – Siblings, Nieces, Nephews, Grandchildren. The Threshold now stands at €30,150 compared to €43,400 in 2008.
Group C – Strangers-in-blood. The Transfers is €15,175 compared to €21,700 in 2008.
Values in excess of the above thresholds are now subject to a punitive tax rate of 33% compared to 25% tax rate in 2008.

Restoration of Christmas Bonus

1. The Association of Eircom Pensioners at their Annual Meeting calls on the Minister for Social Protection to restore the full Christmas Bonus for pensioners on Social Protection Pensions in the October 2016 Budget.

State Pension Contributory:

1. The Association of Eircom Pensioners requests that incoming Committee makes representations to Government to have the qualification standards for a contributory state pension introduced by legislation in 2012 reversed.
- 2.

Representation on Pensions Board:

1. The 2016 AGM of the Association of Eircom Pensioners seeks that incoming Organising Committee make representations to the appropriate body to have two Trustees of the Pension Board appointed from the Membership of AOEP.

10 The Association of Eircom Pensioners is affiliated to the National Federation of Pensioners Associations:

The AOEP became affiliated to the NFPA in the last year. The National Federation of Pensioners Associations was founded in 1976 and currently has twenty Pensioners Associations affiliated to it, who represent in the region of 29,000 pensioners with a broader pensioners reach of 150, 000 people. The Federation represents pensioners from the Public Service, Semi-State Bodies and from Private industry. The Federation is unique in that all of its members are in receipt of occupational pensions. The Federation is a pensioner focused body made up of like-minded Affiliates with much in common. It is an independent voluntary body with a National Executive Committee comprised of pensioners, all of whom, including its officers, serve in an honorary capacity. The Federation is funded by subscriptions from its Affiliated Associations and a small grant from the Department of Health.

Two permanent representatives from the AOEP - Margaret Duggan and Liz Deans attend monthly meetings and report back to our committee after each meeting. The February meeting of the NFPA was held in Cork at which additional AOEP members attended including Seamus Browne, Denis Fahey, Tommy

Commons, Mick Croghan, Dave Lee, Liz Deans, Liam Caldwell and Margaret Duggan. Similar to the AOEP the NFPA makes a pre-budget submission each year, emphasizing the needs of older people in the matters of Health, Finance/Tax, Social Welfare and other concerns that arise. Pensioners Associations affiliated to the NFPA include:- Arco, CIE, Dublin City Council, CIE, ESB, Garda, Guinness, Civil and Public Service, Secondary Teachers, Southern Health, Dublin Fire Brigade, British Rail/Sealink, Eircom, ERVA(Bord Gais) and Irish Aviation Authority

The National Federation like the AOEP will be endeavouring to persuade the Minister for Finance to restore the pension fund back to the sector. It's recommended that a Minister for State if not a full Ministerial position be created to take responsibility for the sector and thereby eliminate the stress and anxiety surrounding future pension entitlements.

11 The eircom No. 2 Pension Fund and the eircom Superannuation Fund

The eircom No. 2 Pension Fund

The return on the Fund's investments for year ending 31/03/2015 was 23% as financial markets continued to improve after the turbulence of recent years.

This Fund was established in December 1999 when the Minister for Finance provided an advance funding contribution of approximately €1.02B in respect of his liability to provide for the pre-vesting day pension payments for staff who transferred from the former Department of Post and Telegraphs to Telecom Eireann on the 1st January 1984. €855.5m in benefits have been paid out of this Fund since it commenced making pension payments in April 2000. Members do not contribute to the Fund and accordingly it will continue to reduce over time. The Telecom Eireann/eircom Superannuation (Amendment) Scheme 1999 provides that the Minister, in addition to the Trustees, will cause periodic investigations of the Fund to be carried out and if the solvency of the Plan is threatened pay any additional contributions recommended by the investigation. In particular it provides that "the Minister for Finance" shall in any event immediately pay to the Trustees any amount which they immediately require in order to discharge the Specified Benefits as they fall due. As this Fund is currently in deficit, the Trustees have been in discussion with the Department of Finance and Public Expenditure and Reform in relation to the future funding of the Fund and agreement in principle has been reached whereby when a particular level of funding has been reached the Departments will move the funding of the scheme benefits to a "pay as you go" arrangement.

An Actuarial valuation of the Fund was carried out as at 1st October 2012 and showed a deficit of €863.3M. The next valuation by the Actuary of the Fund is due as at 1st October 2015

The net assets of the Fund at year ending 31st March 2015 were €440m which is an increase of €16m on year ending 31/03/2014. Withdrawals for the period totalled €71m, the Pension levy €3.2m, and the net return on investments was €90m.

The eircom Superannuation Fund

During the past 12 months a welcome rise in the world financial markets has resulted in the Fund's investments showing a return of 30.2% leaving an increase of €942m in the Fund's net assets since year ending 31/03/2014.

The contribution arrangements agreed between the Fund Actuary, the Trustees and the Company as part of the Defined Benefits Accord, continued until the 31st December 2013, i.e. a Company annual minimum contribution of €20m with active employees contributing 5.3% of pensionable earnings, in addition to their contribution to the Spouses' and Children's Scheme of 1.5% of basic pay. Following the triennial valuation of the Fund as at the end September, 2013 the Fund Actuary recommended a Company Contribution rate of 8.5%. This was agreed by both the Trustees and the Company and commenced with effect from January 2014. The member contribution rate remains unchanged. The last Actuarial Funding Certificate was issued on 30th September 2013 and the Actuary was satisfied that the scheme "satisfies the funding standard". The Actuary has reviewed the financial position of the Plan as at 31st March 2015 and is reasonably satisfied that if he had prepared a Funding Certificate at that date that the Plan satisfied the "Funding Standard". He is also satisfied that the Fund at that date also meets the "Reserve Funding Standard". The next full Actuarial Valuation of the Scheme is due as at 30th September 2016.

The value of the Fund's assets at the 31st March 2015 was €4.321B up €942m from the 31st March 2014. Withdrawals totalled €86m, the Pension levy €25.375m and the net return on investment was €1037m.

eircom Superannuation Funds Y/E 31st March 2011, 2012, 2013, 2014, 2015

Fund	ROI	Benefits	Net Assets
No. 2 Fund	2011 €22m	2011 €66m	2011 €532m
	2012 €15m	2012 €67m	2012 €478m
	2013 €50m	2013 €67m	2013 €458m
	2014 €38m	2014 €69m	2014 €424m
	2015 €90m	2015 €71m	2015 €440m
Superannuation Fund	2011 €81m	2011 €67m	2011 €2655m
	2012 €236m	2012 €69m	2012 €2839m
	2013 €360m	2013 €71m	2013 €3142m
	2014 €307m	2014 €80m	2014 €3378m
	2015 €1037m	2015 €86m	2015 €4321m

Combined eircom Superannuation Funds

31 st March 2011	€ 3.187 B
31 st March 2012	€ 3.317 B
31 st March 2013	€ 3.600 B
31 st March 2014	€ 3.802 B
31 st March 2015	€ 4.761 B

New Risk Reserve Requirements

As part of the Social Welfare and Pensions Bill 2012, a revised funding standard and new risk reserve requirements have been introduced for Defined Benefit Schemes. The New Risk Reserve Requirements are required to be fully introduced by 2016. In a signed statement dated 27th May 2015 the Actuary has said that he is satisfied that if he were to have prepared a "Funding Standard Reserve Certificate" having an effective date 31st March 2015, he could certify that the Plan satisfied the Funding Standard Reserve Requirement on that effective date.

Government Pension Fund Levy

A Government Pension Fund levy was introduced in 2011 under Finance (no.2) Act 2011. The Levy is payable as an annual stamp duty of 0.6% of the market value of the Fund's Assets each year over a four year period. The Finance (no.2) Act 2013 increased the Levy to 0.75% of Assets in 2014 (up from 0.6%) with a reduced levy of 0.15% applying in 2015. The Government Levy amount paid out from the Eircom no.2 Superannuation Fund year ending 31/03/2015 was €3.186m while the Eircom Superannuation Fund paid out €25.375m in the same period. The chart shows the Government Levy amounts paid out during the years 2012, 2013, 2014 and 2015.

Year ending	No. 2 Pension Fund	Superannuation Fund
31 st March 2012	€3.138m	€15.876m
31 st March 2013	€2.719m	€17.099m
31 st March 2014	€2.623m	€18.606m
31 st March 2015	€3.186m	€25.375m
Totals	€11.666m	€76.956m
Combined Totals	€88.622m	

The Effects of the Government Pensions Levy on eircom Pensions Funds and Eircom Pensioners

The eircom no. 2 Superannuation Fund paid out €11.666m during the years ending 31st March 2012, 2013, 2014 and 2015. A reduced levy of 0.15% will apply in 2015. The effect of the Levy payments will be to bring forward the expected date when the Fund falls to a value at which the Minister will be required under the Superannuation Scheme provisions to meet ongoing Fund liabilities arising.

The Trustees have informed the Minister that it is not their intention to pass the cost of the Levy onto the members of the Scheme.

The eircom Superannuation Fund paid out €76.956m during the years ending 31st March 2012, 2013, 2014 and 2015. A reduced levy of 0.15% will apply in 2015. The Trustees have decided to offset the cost of the Levy which for the first four years amounts to €76.956m, against future pension increases.

The Minister for Finance in his budget speech of the 5th Dec 2012 confirmed that the Levy would cease after the four year period. However the Minister for Finance in his budget speech of the 15th October

2013 increased the Levy to 0.75% an increase of 0.15% for 2014 and the new levy of 0.15% will continue to year 2015 with no specific commitment to end it then. The Minister said the new “tax” will provide funds to continue support for the job creation programme. It will also “make provision for the potential state liabilities which may emerge from pre-existing or future pension fund difficulties”.

The Minister in his Budget speech of 13th October 2015 said that “The pension Fund Levy has done its job and is no longer needed to fund the 9% VAT rate (in the hospitality industry) and the additional 0.15% rate introduced in 2014 and 2015 will not apply in 2016. The Levy has raised over €2 billion in the past 5 years.

Over the past two years the Association of Eircom Pensioners has made pre-budget submissions to the Taoiseach and Finance Minister not only to cease the Pension Levy but as the economic position improves to restore approx. €96.8m taken from the eircom Pension Funds over a five year period. We have suggested that this could be done over a five year period at a rate of €20m per annum.

We have no doubt that the imposition of a Levy on Private Pension Funds may cause many funds to reach very low levels where pensions may be seriously reduced or may even collapse. In such cases the Department of Social Protection would then have to pick up the bill.

An obvious case of short term gain for the State could become a long term loss for the State. In the case of the eircom Pension Levy amounting to approx. €96m not alone is this sum lost to the Funds and the pensioners but the Return on Investment that this amount could earn year on year well into the distant future is also lost.

Danger on the Road Ahead

Now that the Government has seen that imposing a Levy on Private Funds is an easy source of revenue there is no guarantee that politicians will not impose similar measures in the future on assuming power only to drop them again in the budget before a General Election.

Trustees Notice to Members

The Trustees of both Funds wrote to all members on 14 Dec 2011 advising that this tax imposed on the Scheme by the legislation has been deducted from the pension funds and may have to be recovered from members by reduction of benefits in the future.

Our Appreciation

The eircom pensioners appreciate the efforts and achievements of the eircom Company, the Fund Administrator, eircom Superannuation Division, the Boards of Trustees and all concerned in maintaining the Funds in such a strong state in a very difficult financial climate.

12 eServices and Communications Credit Union Ltd:

The dedicated Credit Union for Eircom Staff and Pensioners and their families held their Annual General Meeting on Tuesday 8th December 2015.

There was a fine turnout of members at this year’s meeting and the Board of Directors were delighted to report that after a very good year they were pleased to recommend a dividend of 2.9%.

This represents a very strong dividend for the Credit Union and it shows that ESCCU is performing very well.

A rebate of 10% was agreed on Interest paid on loans for the year 2014/2015.

Again we would recommend that all members ensure that the Nominee on their account is up to date and that the Credit Union has up to date information on members accounts in the form of photo identification and proof of address.

We are delighted to announce that the Credit Union now has a dedicated phone app which can be downloaded to smart phones. This is another great addition to our services and more information can be found about this and all our other services on www.esccu.ie.

We encourage all our members to register for on line access on www.esccu.ie.

Members can also follow us on our FaceBook page or should you wish to contact the office by phone you can reach us at 01 679 2344.

13 Thanks:

It would be remiss of me not to acknowledge the support and co-operation that I received from my fellow Officers and Committee and Sub-committees during this past year.

I also acknowledge the wonderful encouragement that I received from members and potential members

throughout the length & breadth of the country during the year. I will be relying on this same encouragement when we progress with the continued formation of the District structures, which are already established.

I acknowledge the work of Brian McCann, Fund Administrator and his team in the Superannuation Division in accommodating **our** meetings and his tolerance in dealing with our short-comings during the year in perusing our activities on behalf of the Association of eircom Pensioners. This is very much appreciated.

14 Association of eircom Pensioners – Outgoing Committee 2015:

Hereunder are the contact details for the current committee.

Position	Name	Address	Phone	Mobile
Hon Chair	Seamus Browne	Drumraney, Athlone, Co. Westmeath	0906485182	0872393355
Hon V. Chair	Margaret Duggan	68 Grace Park Meadows, D9	018319297	0851744742
Hon Sec	Denis Fahey	Farrenwick, Curranstown, Clonmel, Co Tipperary	0526135130	0872793290
Hon Treasurer	Frank Kavanagh	172 Balally Drive, Dundrum, D16	012956279	0872571276
Committee	Jim McNicholas	32 The Crescent, Mill Brook Lawns D24		0872558784
Dublin	Liam Caldwell	26 Broadford Avenue, Ballinteer D16		0872595963
	Frank Coghlan	92 Grange Park Road, Raheny DN 5		0852426949
	Terry O’Friel	Milverton, Skerries, Co Dublin	018491299	0873110912
	Elizabeth Deans			
Provinces	Tommy Commons	Rockmarshall, Jenkinstown, Dundalk	0429376136	0872444376
	Pat O’Shaughnessy	15 Ashleigh Heights, Drogheda	0419836089	0872562650
	Tony McGee	Lorandel, Tonaphubble, Sligo	0719145678	0872382129
	John A O’Malley	Church Road, Ballina, Co Mayo	09670757	0872865577
	Denis K O’Brien	23 Mulcarie Road, Raheen Heights, Limerick City	061229359	0872663613
	Tony Brohan	Cahercallamore, Ennis, Co Clare	0656824315	0851740660
	Peter Kenny	13 Lough Atalia Ave, Renmore Galway	091755747	0876816101
	Gerry P. Lavelle	Coarse Pk Hse. Dereenmish, Castlebar, Co. Mayo	0949024356	0860211803
	Pat Doyle	Hanover Cross, Blackbog, Carlow	0599132233	0872459950
	John P Wallace	54 Cluain Fia, Clara, Co. Offaly	0579330110	0851741957
	Sean O’Callaghan	Allolee, 56 Park Court, Ballyvolone, Cork	0214504721	0879934029
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15 Rules of the Association of eircom Pensioners: Approved April 2014

1. The Association shall be called “The Association of Eircom Pensioners”. (AOEP)
2. The objectives of the Association shall be to advise and assist members on matters of concern to them on Eircom and State pension issues, social protection, taxation, security etc. The Association will also make representations at Ministerial and Government level and make pre-budget submissions on behalf of our members.
3. Membership of the Association shall be open to all persons who have retired from the Eircom Company and will include pensioners and deferred pensioners
4. The Annual subscription shall be €5 per annum. This shall be payable to the Honorary Treasurer of the Association in February each year by deduction from pension under arrangement with the eircom Superannuation Division or alternatively by Financial Institution Standing Order at the time of joining the Association and at the same time in subsequent years.
5. The Association shall be managed by a Chairman, Honorary Secretary, Honorary Treasurer and a Committee of at least 10 other members and no more than twenty other members. All Officers and Committee members shall be paid up members. The Association Committee may appoint Officers to fill vacancies should they arise during the year and may co-opt members to the Committee in addition to those elected at the Annual Meeting. The quorum for Committee meetings shall be eight, one of whom shall be an Officer.

6. The Association Committee shall normally meet in Dublin every two months or more frequently if the Chairman decides that this is warranted.
7. The Association shall hold an Annual Meeting in Dublin in March or April each year to which all members of the Association will be invited and given 10 days' notice. All Officers and Committee members shall retire at the Annual Meeting and shall be eligible for election if they so desire. Candidates for election must be willing to serve and must be proposed and seconded.
8. The Committee shall be empowered to pay the expenses incurred by Committee members in conducting the business of the Association and to fix and pay honoraria as appropriate.
9. Motions including motions involving changes of rules must be submitted to the Honorary Secretary in writing before the 1st March for discussion at the Annual Meeting. Motions other than motions requiring a change of rules may be passed by a simple majority. Motions calling for a change of rules may only be passed by a two thirds majority of members present and voting at the Annual Meeting.
10. The Association will be non political and non sectarian.
11. The Association shall endeavour to set up Organisational Centres based on former Telecom Districts where we have a predominance of members with Centres in Waterford, Cork, Limerick, Galway, Sligo, Portlaoise, Drogheda, with four Centres in Dublin based on former work areas of Operator Services, Telephone Contracts, Engineering and Clerical. The main functions of all Centres should be to recruit new members and to keep members informed of developments. The Centres should also have a social function.

Recruitment Message to all members

At the Inaugural Meeting of the Association of Eircom Pensioners on August 14th 2014 in Eircom Head Office the Chairman of the Association Seamus Browne advised that one of the key priorities of the Association is "**Recruitment**" of new members.

A recruitment campaign was launched immediately in all former Eircom Districts and was led by committee members with support from existing members throughout the country. Significant numbers were recruited bringing the total membership to 4,500 at present and rising.

I'd like to take this opportunity to express my thanks and appreciation to those who were involved in the recruitment drive thus far. However this is only the start and recruitment will be continuous. We can all assist in increasing our membership. You may well ask yourself how I can assist with recruitment. The challenge is for each existing member to recruit one new member in the current year. While this may seem daunting it is not unachievable.

New members can join on-line at www.aoep.ie or any member of the National Committee will be very willing to assist with the recruitment process.

Proposed Defined Benefit Pension Accord

1. Introduction

Following the agreement of the Stage 1 Cost Recovery measures in 2009, the Company and the eircom Trade Union Alliance {the parties} have conducted further discussions in relation to the eircom Main Superannuation Scheme {the Defined Benefit or DB pension scheme} with the following agreed objectives;

- Protect and sustain the future viability of the Pension Scheme
 - » Protect the financial stability of the Company
- Remediate the pension fund deficit
- Reduce long term risk for the Fund and the Company
 - » Contain Company annual cash funding costs to approx €20m pa

A series of discussions have been held between the Company and the Trade Unions, and separately between the Company and the Trustees of the Main Superannuation Fund exploring a range of options.

These discussions acknowledge and respect the separate roles of these three entities in relation to the agreement of a package of measures designed to achieve the above objectives.

This document records the understandings reached between the Company and the Trade Unions in

relation to proposals to sustain the provision of pension benefits, to address the deficit, risks and costs of the Fund and to support the future viability of the Fund and the Company. The provisions of this document will supersede all prior agreements, understandings, arrangements, customs and practices, to the extent of any inconsistency.

The parties recognise the impact on employees of the Company's voluntary pay-cut initiative, the agreed reductions in certain expense allowances and the elimination of performance bonuses, as well as recent changes in government taxation. Accordingly the parties agreed to seek pension remediation measures that avoid further reducing the take-home pay of employees.

As part of this accord there are no proposals to increase member contributions or to increase the normal retirement age under the Scheme.

2. Closure of DB Scheme to new members

The parties have agreed, subject to the consent of the Trustees, that the Main Superannuation (DB) Scheme will be formally closed to new membership. As part of this accord the scheme will remain open to future accrual of service for existing members.

3. Employer Contribution Rate

The employer contribution rate is agreed between the Company and the Trustees, based on the Scheme Actuary's recommendation at each triennial review. The next review will have an effective date no later than Sept 2010.

In advance of the Sept 2010 funding review and agreement with the Trustees, the Company commits to a minimum employer contribution rate of 8.5% of pensionable pay (and pensionable allowances), with a cash floor of €20m per annum, for the three years ending 31 December 2013.-

4. Future Pensionable Pay Increases

In order to protect and sustain the future viability of the Scheme, it has been agreed that

4.1 There will be a freeze in pensionable pay and allowances until 31 December 2013 with no retrospection thereafter. Increases in employee remuneration, if any, granted by the Company in this period will be implemented by means of a special allowance that will be non-pensionable.

4.2 The rate of growth of DB liabilities will be capped by limiting the annual rate of increase in pensionable pay and pensionable allowances for serving staff in each year after 31 December 2013 to the lowest of

- a) The % increase in actual pay awarded in the year
 - or
 - b) The % rate of annual increases in consumer prices in the year as measured by the Consumer Price Index (CPI) published by the CSO for the prior year to 31 December
 - or
 - b) A specified maximum annual increase as follows
 - 4.00% in each of 2014, 2015, 2016 and 2017
 - 3.25% in each of 2018, 2019 and 2020
 - 2.50% in each year thereafter
- Pay increases, if any, awarded after 31 December 2013 to staff (who are members of the DB Scheme), in excess of the cap under 4.2, will qualify for an option to have this excess treated as pensionable under the new DC Scheme, as set out in section 6 below, once a minimum individual threshold of €1,500 excess has been reached.
 - The pensionable pay freeze in 4.1, and the capping mechanism in 4.2, will not apply to increments within the graded pay scales, awarded to staff under the company's collectively bargained graded structure
 - The pensionable pay freeze in 4.1 will not apply to the progression element (i.e. increases in excess of the amount of band movement) awarded to staff on Personal Contracts or Service Agreements with defined pay range maxima in the following groups - CTM, FLM, SOM & IT People Platforms levels 1 to 4 - where these staff have not reached the top of their bands.

4.6 No new pensionable allowances will be granted

5. Discretionary Increases in Pensions

Section 10 of the Main Scheme details the discretionary power to grant increases to pensions in payment and to preserved pensions as follows;

"The Company may grant such increases in such pensions and preserved pensions under the Scheme as may be authorised from time to time by the Minister with the concurrence of the Minister for Finance."

The Company has clarified to the Trade Union Alliance its intent to consider the exercise of this discretion in the future in the following manner:

The Company reserves the right to exercise its discretion in relation to the award of future increases in pensions in payment and deferred pensions in accordance with the discretionary powers contained in the Scheme, having due regard to the financial position of the fund in relation to risk, sustainability and affordability, as well as to the Company's ability to fund any such increases.

In particular the Company expects to limit the target funding for such future increases in pensions in payment and deferred pensions to nil in the period to 31 December 2013, and in each year after 31 December 2013 to the lowest of

- a) The % increase in actual pay awarded in the year to serving staff; **or**
- b) The % rate of annual increases in consumer prices in the year as measured by the Consumer Price Index (CPI) published by the CSO for the prior year to 31 December; **or**
- c) A specified maximum annual increase as follows
 - o 4.00% in each of 2014, 2015, 2016 and 2017
 - o 3.25% in each of 2018, 2019 and 2020
 - o 2.50% in each year thereafter

6. New Defined Contribution Scheme

The existing Group Defined Contribution Scheme will be replaced with a new Defined Contribution Scheme for all new members on the following basis;

- * Mandatory membership for all new employees
- * New sliding scale of employee & employer contributions at 2 levels, at the option of the member:

	Employee	Employer
Standard Level	4.0%	6.0%
Upper Level	6.0%	9.0%

Members of the both the existing DC Scheme and the existing DB Scheme will be given a voluntary option to transfer to this new DC Scheme, if they wish to opt out of their existing schemes.

7. Review

The parties are committed to ongoing dialogue and regular reviews with regard to the long term position of the Scheme and the Company

There will be ongoing exchange of information, to fast-track any further measures that may be required and to provide monitoring of the implementation of the agreed measures based on the outputs of the following;

- * Minimum Funding Standard - on an annual basis related to timing of Trustee Annual Report
- * IAS 19 - annually or as financial reporting requirements necessitate
- * Ongoing Funding - at each triennial review with the Trustees

If further measures are required, arising from sustained positive or negative developments in the viability of the Fund or the Company, they will be the subject of further consultation between the parties.

Summary DB Pensions Proposals 22 Feb 2010

1. Closure of eircom Main DB Scheme to new members.

2. eircom Main DB Scheme remains open to future accrual for active members.
3. No increase in member contributions. Employer contribution to DB Scheme increased to a minimum rate of 8.5% for 3 years to 31 Dec 2013, with Company commitment to a floor of 620m pa in same period.
4. No change under this agreement to current Normal Retirement Age of 60 to 65.
5. DB Pensionable pay freeze to 31 Dec 2013. Any increase in remuneration in period from 1 July 2011 to 31 Dec 2013 to be paid by way special allowance that will be non-pensionable.
6. Cap on growth in pensionable pay and allowances for DB Scheme in each year after 31 Dec 2013 limited to the lowest of

or The % increase in actual pay awarded in the year

or The % rate of annual increases in consumer prices in the year as measured by the Consumer Price Index (CPI) published by the CSO for the prior year to 31 December

Scenarios to illustrate operation of cap

Pay award	2%	4%	6%	5%	2.5% -
CPI	3%	3%	4%	4%	3%
Annual Cap	4%	4%	3.25%	2.5%	2.5%
Increase in DB Pensionable Pay	2%	3%	3.25%	2.5%	2.5%
Special Allowance	0%	1%	2.75%	2.5%	0%

Increases in remuneration, if any, awarded in excess of pension cap after 31, December 2013 will be non-pensionable under DB Scheme but will qualify for option of participation in new DC Scheme once a minimum individual threshold of €1,500 excess has been reached.

No change to discretionary treatment of increases in pensions in payment.

New DC plan for new entrants: Standard contribution rates for new members of 4% Employee and 6% Employer. Optional higher rate of 6% Employee & 9% Employer, with option for existing DB & DC members to switch on voluntary basis.

Regular reviews will take place with regard to the ongoing long-term position of Scheme and the Company

A maximum annual increase of 4% in each of 2014, 2015, 2016 & 2017, 3.25% in each of 2018, 2019 & 2020 and 2.5% in each year thereafter



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