

VOA

VOA Income Continuance Plan



Review 2014

Now called the
AHCPS & VOA INCOME CONTINUANCE PLAN

GREAT NEWS! – 36% Reduction in Cost of Membership



Ivan Ahern

Dear Member,

The 2014 review of the VOA Income Continuance Plan brings you great news, as it means better value and more benefits for members. The Plan is reviewed on a regular basis. This gives Cornmarket, as administrators of the Plan, the opportunity to canvass the insurance market to ensure that members are still getting the best deal available.

At this review, both the VOA and the AHCPs (Association of Higher Civil and Public Servants) have decided to combine their Income Continuance Plans. There is now one Plan available and it is called the **AHCPS & VOA Income Continuance Plan**. The main reason for this decision is to increase the group purchasing power of the two Associations and to reduce the cost for members.

Further to consideration of proposals from a number of insurers, it has been agreed that the underwriting of the Plan will remain with New Ireland Assurance at this review.

We are delighted to announce that a **36% reduction** in the cost of Plan membership has been secured (from 0.94% to 0.60% of gross salary), as of 1st October 2014. This is a very welcome development for both the VOA and Plan members alike, and there is the security of knowing that this rate (based on the benefits in place at this review) is secured for the next 5 years until the next Plan review on 1st October 2019.

What's more, the Plan has made provision for the new Public Sector sick pay arrangements which came into effect on 31st March 2014. This means that the Plan will continue to dovetail with employer sick leave arrangements by facilitating the payment of benefits earlier than before, in line with members' needs. A great deal of work has been done to ensure that this extremely important benefit remains for VOA Plan members.

Along with the significant reduction in the contribution rate, a number of very valuable enhancements have been made to the Plan at this review (see page 4 for full details); including improvements to the Career Break option and also to Unpaid Maternity, Parental, Adoptive & Carer's Leave. In addition to this, the 2014 review brings with it the introduction of a new Claimants' Tax Return Service (see page 5 for details).

At a time when membership of the AHCPS & VOA Income Continuance Plan is more vital than ever, it's good to know that the livelihoods of over 1,900* VOA & AHCPS members and their families are protected thanks to the invaluable security that the Plan provides.

Yours sincerely,

Director,
Cornmarket Group Financial Services Ltd.

*Source: Cornmarket, August 2014.

Cornmarket's Role as Administrators



Cornmarket has been administering Income Continuance Plans for over 40 years. The VOA Plan helps to provide valuable protection for members, in the event of a loss of salary through illness. Our role includes:

1. Negotiating with the various insurers to obtain the most competitive rates and to secure the best possible benefits for members
2. Promoting the benefits of the Plan to VOA members nationwide
3. Assisting members who want to make a claim from the Plan, by guiding them through every stage of the claims process and acting as the member's advocate in all dealings with the insurer.

A Claims Service you can trust

Cornmarket has its own in-house, dedicated Income Continuance Claims Team. Our priority is representing you in all dealings with the insurance company, and we pride ourselves on getting valid claims paid for members. Our team is specialised, well-informed and easy to talk to, and will do all they can to help in a member's time of need. They provide a vital 'hand-holding' function from start to finish of the claims process. So should you need to make a claim, you can rest assured that it will be dealt with in the efficient, professional and sensitive manner that you deserve.

Plan Summary



The VOA Income Continuance Plan has developed over the years into a very comprehensive Plan. What makes the Plan unique is the fact that it's tailored specifically for VOA members. Since the establishment of the Plan, the benefits for members have continued to improve, with enhancements made at each Plan review. The Plan provides members with:

DISABILITY BENEFIT

This benefit means invaluable peace of mind that you can continue to pay your regular outgoings (mortgage, groceries, school expenses etc.) while you focus on recovering.

It provides you with an income of up to 75% of salary, less any other income (e.g. Early Retirement Pension, Temporary Rehabilitation Remuneration, State Illness Benefit) to which you may be entitled. The payment of benefits will continue until you recover, go back to work, are deemed fit to return to work, die, or until you reach age 65, if you remain unable to engage in your normal occupation.

DEATH BENEFIT

Should you die, the issue of day-to-day living expenses, credit card bills, loans, etc. will still have to be met by those you have left behind. Members will benefit from Death Benefit in the form of:

1 Accidental Death Benefit

In the event of accidental death, a benefit of €15,000 is payable to your estate. Accidental Death means death resulting from an injury caused by accidental, violent, external and visible means and is in no way linked to sickness, disease or physical disorder of the Life Insured.

2 Children's Death Benefit

In the event that a member's child (under age 21) dies, a Death Benefit of €4,000 will be paid to the member.

IMPORTANT: You must remain a VOA or AHCPs member to remain an eligible member of the Income Continuance Plan. If you leave the Association you must inform Cornmarket in writing, as you can no longer stay in the Plan, and you will not be able to claim from it.



36% reduction in cost of membership!

We are delighted to announce that a sizeable reduction in the cost of membership has been secured at this review – from **0.94% down to 0.60%** of gross salary. This is a very welcome announcement for all VOA Plan members – especially given the current economic environment.

Several factors have influenced the positive outcome of this review, such as the small number of claims since the last review and also the average age of Plan members which has remained unchanged due to the efforts of the VOA and Cornmarket in recruiting new, young members into the Plan.

The reduced contribution rate will show in your payslip from October 2014. What's more, there is the peace of mind that the new rate (based on the benefits in place at this review) is in place for the next 5 years; until the next review of the Plan in October 2019.

As well as the reduction in cost, the enhancements made to the Plan at this review are significant (see page 4 for full details). These help to ensure that the Plan is now more beneficial than ever for members... all at a reduced cost.

Example of the reduction in cost

| SALARY | WAS | | NOW | |
|---------|----------------|--------------|----------------|--------------|
| | Weekly (gross) | Weekly (net) | Weekly (gross) | Weekly (net) |
| €60,000 | €10.81 | €6.38 | €6.90 | €4.07* |
| €70,000 | €12.61 | €7.44 | €8.05 | €4.75* |
| €80,000 | €14.41 | €8.50 | €9.20 | €5.43* |

* Real contribution rate of 0.35% paying income tax @ 41%.

Did you know?

You are eligible for tax relief on the contribution that you pay, so the cost to you is less than the amount you see on your payslip. On your payslip the gross amount appears. However, the net cost to you is only 0.35% (see example above) after tax relief is applied at source (assuming income tax at 41%).



The VOA Income Continuance Plan already provides very comprehensive cover for members, as significant enhancements have been made at each Plan review in the past. This review is no different, with the following enhancements made to the Plan and all at a reduced cost to members.

THE ENHANCEMENTS BELOW WILL COME INTO EFFECT FROM 1st OCTOBER 2014.

1 DOVETAILING WITH NEW SICK PAY ARRANGEMENTS

With the new sick pay arrangements in effect since 31st March 2014, Public Sector paid sick leave was significantly reduced. The Plan recognises this fact and, as a result of this review, will dovetail with the new arrangements. Effectively this means that the Plan will facilitate the payment of benefits earlier than before, in line with members' needs. As this is such an important benefit for members, a great deal of work has been done to ensure that this element of the Plan remains.

2 CAREER BREAKS

New Ireland has agreed that members who wish to go on a career break can waive their contribution to the Plan and reactivate the Plan after their career break (maximum 5 years) without medical underwriting.

This is provided that the member notifies Cornmarket in advance of their career break. Previously, members would have had to pay a medical immunity contribution in order to avail of this option.

Members who fall ill during their career break will be allowed to commence a deferred period at the end of the career break. This is conditional on New Ireland being advised of the expected return to work date within 4 months of the start date of the career break.

Should the member be unable to return to work on this date, due to illness or injury, the deferred period will start on this date.

3 UNPAID MATERNITY, PARENTAL, ADOPTIVE & CARER'S LEAVE

Currently if a member takes unpaid leave under **one** of the following categories: unpaid maternity, parental, adoptive or carer's leave; then premiums are waived for up to 18 weeks in a 12 month period.

Following this review, if the unpaid leave is longer New Ireland offers members an option similar to the new career break option. New Ireland has agreed that where a member takes unpaid leave under **more than one** of the above categories (e.g. unpaid maternity leave followed by a period of unpaid parental leave), they will now allow the member to take up to 30 weeks in a 12 month period, without having to pay a premium.

Terms & conditions apply.

4 AN EXTRA THREE MONTHS' BENEFIT PAID AFTER THE DEATH OF A CLAIMANT

If you are a claimant and in receipt of benefit from the Plan at the date of your death, the Plan will provide a Death Benefit in the form of an extra three months' benefit paid to your estate after you die. This benefit can mean essential financial support for your loved ones at what is already a difficult time.

New Service for Claimants in receipt of Benefit



CLAIMANTS' TAX RETURN SERVICE

This service has been developed and incorporated into the VOA Income Continuance Plan, in response to previous requests from Cornmarket claimants for help with their tax affairs.

The service offers claimants, who are in receipt of payment from the Plan (for a continuous period of greater than 3 months), an additional benefit in the form of a PAYE tax return for each year that a claim is in payment.

Our tax consultants will prepare and file your tax return and act on your behalf with Revenue, to ensure that you do not pay a cent more of tax than is necessary. They will also reclaim any overpayments of tax which may have been made by you during the period of your claim.

The service includes PAYE returns and up to two rental properties, where relevant. Additional properties or returns for non-PAYE income may attract extra charges, and/or may not be offered within this service.

Who will benefit? All claimants in the Plan, new and existing, will be contacted once their claim is accepted (and is deemed to be for a duration of greater than 3 months). Other Terms and Conditions apply, please contact us for more information.

This service is provided by Midas. Midas is a tax based service and not a regulated financial product. Cornmarket Retail Trading Ltd is a wholly-owned subsidiary of Cornmarket Group Financial Services Ltd. Telephone calls may be recorded for quality control and training purposes.

WHY WOULD I NEED TO DO A TAX RETURN IF I AM NOT WORKING?

When claiming from the Plan, you may have income from multiple sources e.g. Social Welfare, your employer, Income Continuance Benefit etc. This often results in incorrect tax being paid.

- The service reviews the allocation of your standard rate bands and tax credits to reflect your amended situation
- The service reviews your medical expenses and tax paid to date to assess if there is scope to claim back tax.

Should you have any queries, please call our team on (01) 408 4106.

IMPORTANT: NOTIFICATION OF CLAIMS

Cornmarket is not automatically notified of your absence from work through illness. This means as soon as you become aware that, due to illness or injury, your salary is likely to reduce to half pay or cease altogether, please let us know. Ideally, we should be informed about **8-9 weeks in advance of a reduction in salary** to enable New Ireland to assess your claim and gather the relevant medical and employer information. As we understand that this may not always be possible, New Ireland may not be able to pay your benefit at the time that your salary reduces or ceases. In such cases the benefit may be backdated to the date when your salary reduced to half pay or stopped altogether, where the claim is subsequently admitted.

Short-term claims:

As a result of the changes to Public Sector sick leave arrangements this year, there is a likelihood of an increase in short-term claims. With some short-term claims, the medical evidence required may not be as detailed as that required for a long-term claim.

Late Notification of Claims:

It is not often possible to retrospectively assess the validity of a claim in cases where a significant period of time (for example 3 months) has elapsed since your salary reduced or ceased. For this reason, it is vital that you register your claim promptly in line with the guidelines given (8-9 weeks before your salary reduces to half pay or ceases altogether). In the case of late notification of a claim, cases will be assessed on individual merit and the insurer reserves the right to decline to assess the claim.

We're here to help you.

If you need to talk to a member of our team about a query or a claim, please contact us:

- **Income Continuance Queries: (01) 408 4195 or email: spsadmin@cornmarket.ie**
- **Income Continuance Claims: (01) 408 4018 or email: spsclaims@cornmarket.ie**



Independent research carried out by Behaviour & Attitudes, Ireland's largest Market Research Company, on claimants from Cornmarket's various Income Continuance Plans revealed some very interesting and positive results. It reaffirmed that the protection and peace of mind that Income Continuance provides is more important than ever.



Note: Questions marked * below were multiple choice questions. The answers noted were the most common responses from survey participants.

How has Income Continuance made your life different?

82%: I would not have been able to cope without it

Income Continuance enabled me to: *

91%: Pay my household bills.

82%: Maintain my standard of living.

72%: Pay my medical expenses.

Why was dealing with the Claims Team so positive? *

90%: Availability of the Claims Team to take phone calls as and when you need them.

86%: Their ability to listen and understand members' individual circumstances.

81%: The way they handle claims with empathy and care.

Would you recommend Cornmarket to others?

81% of respondents would recommend Cornmarket to others, because the service delivered is:

- Helpful and informative.
- Straightforward and easy to deal with.
- Prompt and efficient.

This research was conducted in June 2013 and entailed vigorous methodology by the team at Behaviour & Attitudes. The sample size used was 200.

THIS REVIEW IS DESIGNED AS A QUICK REFERENCE ONLY TO THE MAIN ENHANCEMENTS ARISING FROM THE 2014 PLAN REVIEW. PLEASE REFER TO THE POLICY DOCUMENT WHICH IS DEFINITIVE IN ALL MATTERS OF INTERPRETATION AND ENTITLEMENTS TO BENEFITS.

The information herein is based upon our current understanding of Revenue law and practice as at August 2014.

