



**Irish Pensions
& Finance**

Remuneration Document

Remuneration Document for Irish Pensions and Finance

Background

Pursuant to provision 4.58A of the Central Bank of Ireland's September 2019 Addendum to the Consumer Protection Code, all intermediaries, must make available in their public offices, or on their website if they have one, a summary of the details of all arrangements for any fee, commission, other reward or remuneration provided to the intermediary which it has agreed with its product producers.

What is commission?

For the purpose of this document, commission is the payment earned by IPF for work undertaken on behalf of both the provider and the consumer. The amount of commission is generally directly related to the quantity or value of the products sold.

There are different types of commission models:

Single commission model:

where payment is made to the intermediary shortly after the sale is completed and is based on a percentage of the premium paid/amount invested/amount borrowed.

Trail/Renewal commission model:

where payment is made to the intermediary shortly after the sale is completed and is based on a percentage of the premium paid/amount invested/amount borrowed.

Indemnity Commission

Indemnity commission is the term used to describe a commission payment made before the commission is deemed to be 'earned'. Indemnity commission may be subject to a clawback (see below) if the consumer lapses or cancels the product before the commission is deemed to be earned.

Other forms of indemnity commission are advances of commission for future sales granted to intermediaries in order to assist with set up costs or business development.

Periodic Assessment

IPF does not provide periodic assessment of the suitability of insurance-based investment products (Regular Savings plans and Lump Sum Investments) but will review a policy at your request.

Clawback

Clawback is an obligation on the intermediary to repay unearned commission. Commission can be paid directly after a contract is concluded but is not deemed to be 'earned' until after a specified period of time. If the consumer cancels or withdraws from the financial product within the specified time, the intermediary must return commission to the product provider.

Profit Share Arrangements

In some cases, the intermediary may be a party to a profit-share arrangement with a product provider and will earn additional commission. Any business arranged with these product providers on a client's behalf will be placed with the product provider because that product provider is at the time of placement, the most suitable to meet the client's requirements, taking all the client's relevant information, demands and needs into account.

Life Assurance/Investments/Pension products

For Life Assurance products commission is divided into initial commission and renewal commission (related to premium), fund based or trail relating to accumulated fund.

Trail commission, bullet commission, fund based or renewal commission are all terms used for ongoing payments. Where an investment fund is being built up through an insurance-based investment product or a pension product, the increments may be based on a percentage of the value of the fund or the annual premium. For a single premium/lump sum product, the increment is generally based on the value of the fund.

Examples of products include Life Protection, Regular Premium Life Assurance Investments, Single Premium (lump sum) Insurance-based Investments, and Single Premium Pensions.

Investments

Investment firms, which fall within the scope of the European Communities (Markets in Financial Instruments) Regulations 2007 (the MiFID Regulations), offer both standard commission and commission models involving initial and trail commission. Increments may be based on a percentage of the investment management fees, or on the value of the fund.

Credit Products/Mortgages

Commission may be earned by intermediaries for arranging credit for consumers, such as mortgages. The single, or standard, commission model is the most common commission model applied to the sale of mortgage products by mortgage credit intermediaries (Mortgage Broker).

Fees

The firm may also be remunerated by fee by the product producer such as policy fee, admin fee, or in the case of investment firms, advisory fees

Other Fees, Administrative Costs/ Non-Monetary Benefits

The firm may also be in receipt of non-monetary benefits such as:

- Attendance at product provider seminars
- Assistance with Advertising/Branding

Product Type		Regular contributions			
Pension Product	Insurer	Initial Commission	Renewal Commission	Notes	Clawback
AVC	New Ireland Assurance	2* Term to a max of 30%	Up to 4%	Initial commission only applies where the client is increasing their contribution above the highest monthly premium paid during the policy period.	Clawback of initial commission applies if the policy funds are transferred or paid-up within the first 12 months.
PRSA	New Ireland Assurance	Max of 20% (Premium led)	Up to 3%	Where a client cancels the policy within the first year and prior to IPF receiving all of the initial commission, a clawback of commission proportionate to the full amount of the initial commission booked will be due.	5 year earnings period
PRSA	AVIVA	1.3%* Term to a max of 12.5% (Premium < €500 pm) 1.3%*Term to a max of 20% (>€500 pm)	Up to 5%		5 year earnings period
PRSA Standard	Zurich Life	Max of 15%			12 month earnings period
PRSA Non-Standard	Zurich Life	Max of 20%	0-3%		12 month earnings period to Max initial 15%. 48 month earnings period if 20%+ Initial
Executive Pensions	New Ireland Assurance	1.5% * Term (Max 15%)		AMC Max 1%	5 year earnings period
Executive Pensions	Zurich Life	Max of 22.5% (1.5% * Term)	0%		

Unit Linked Investments	Insurer	Initial Commission	Trail	Annual Management Charge	Clawback
ARFs & Bonds	All providers	Up to 5%	0%-0.5%	0.5%-1.5%	Where a client cancels the policy within the cooling off period, a clawback of all commission will apply. Where a client cancels the policy within the first year and prior to IPF receiving all of the initial commission, a clawback of commission proportionate to the full amount of the initial commission booked will be due.
Annuity	All providers	up to 3%			

Savings	Insurer	Initial Commission	Renewal Commission	Annual Management Charge	Clawback
Future Save	New Ireland Assurance	Max of 10%		0%-2.5%	
Easy Access	Zurich Life	Max of 15%	0%-1%	1.1-1.75%	48 month earnings period
Section 73 / Savings plan	AVIVA	Max of 15%	Up to 2%	Up to 0.5%	48 month earnings period

Life Product	Insurer	Initial Yr 1	Yr 2	Yr 3-5	Renewal	Clawback
Term & Mortgage (Indexing)	New Ireland Assurance	170%	20%	20%	3%	36 months earnings period
Term & Mortgage	New Ireland Assurance	150%	20%	20%	3%	36 months earnings period
Term & Mortgage	Zurich Life	140%	20%	20%	3%	12 month earnings period
Term & Mortgage	AVIVA	120%	20%	20%	3%	12 month earnings period
Term & Mortgage (Indexing)	Royal London	100%	40%	20%	3%	Applied pro-rata to the unearned portion of indemnity commission in the event of a lapse
Term & Mortgage (Indexing)	Irish Life	100%	40%	40%	6%	12 month earnings period
Permanent Health Insurance	New Ireland Assurance	130%	3%	3%	3%	16 months earnings period
Permanent Health Insurance	Zurich Life	140%	20%	20%	3%	12 month earnings period
Permanent Health Insurance	AVIVA	120%	20%	20%	3%	12 month earnings period
Permanent Health Insurance (Indexing)	Royal London	100%	60%	20%	3%	Applied pro-rata to the unearned portion of indemnity commission in the event of a lapse.
Permanent Health Insurance (Indexing)	Irish Life	120%	30%	30%	6%	12 month earnings period

Product Type		Single Premium Contribution		
Pension Product	Insurer	Initial Commission	Annual Management Charge	Clawback
AVC	New Ireland Assurance	Up to 5%		Clawback of initial commission applies if the policy funds are transferred or paid-up within the first 12 months.
PRSA	New Ireland Assurance	Up to 7%	0.5%-1%	5 year earnings period
PRSA	AVIVA	Up to 5% (Single Premium Injection amount led)	0.30%	5 year earnings period
PRSA Standard	Zurich Life	Up to 5%	1%	3-4 years earnings period
PRSA Non-Standard	Zurich Life	Up to 5%	1%	
Executive Pensions	New Ireland Assurance	Up to 5%		
Executive Pensions	Zurich Life	Up to 5%	1% plus trailer	Up to 4 years earnings period
Savings	Insurer	Single Premium	Annual Management Charge	Clawback
Future Save	New Ireland Assurance	Max of 3.5%		
Smart Funds (SP)	New Ireland Assurance	Max of 4%	0.5%-1%	36 month

Mortgage Insurer	Initial Yr 1
Avant Money	0.80% of Lending Value
Permanent TSB	0.80% of Lending Value
Haven	0.80% of Lending Value

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