



IRISH MEDICAL  
ORGANISATION  
Ceardchumann Dochtúirí na hÉireann

IMO AGM 2016

A NEW  
**PRESCRIPTION**  
FOR HEALTH





# IMO Financial Services

- IMO AGM, Clarion Hotel, Co Sligo
  - 1<sup>st</sup> April 2016
- Francis McGrath QFA



# IMO Financial Services

- Established in 1993
- by doctors, for doctors

# Why IMO Financial Services?

- Exclusive to doctors
- Specialist knowledge of doctors' financial circumstances
- Ethos of best advice
- Access to a wide range of product providers
- Save time – we come to you !



# Advice & Products

- Pension (pre and post retirement)
- Protection (income & life cover)
- Investments and savings
- Mortgages
- Inheritance tax
- Group schemes



# New Sick Leave Arrangements



**WARNING!**

Major changes to public  
sector sick pay arrangements

**New sick leave arrangements represent the biggest ever changes to sick pay for public sector employees.**

# New Self-Certified Paid Sick Pay Rules

- From 1<sup>st</sup> January 2014, the maximum number of self-certified sick leave days allowable is 7 days, in a rolling 2 year period
- Previously this was 7 days in a rolling 1 year period
- A maximum of 2 self certified days can be taken at any one time
- On the third day or longer a medical certificate is required.





# Changes to paid sick leave in effect since 31<sup>st</sup> March 2014



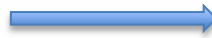
**13 weeks** (92 days) **FULL pay**, followed by  
**13 weeks** (91 days) **HALF pay**,  
**MAX 183 DAYS** in a rolling 4 year period



**TWO 'LOOK BACK' Periods** apply:

1

Look back period 1



Looks back over the last **4 years** and  
determines if you have **any** sick pay left

2

Look back period 2



Looks back over the last **12 months** and  
determines **what rate** it will be paid at



**Paid Sick Leave under Critical Illness Protocol**

6 months FULL pay + 6 months HALF pay  
(max. 365 days in a rolling 4 year period)

# What happens after Paid Sick Leave/Temporary Rehabilitation Remuneration is exhausted?

## 3

## Options



1. Return to work
2. Ill health Early Retirement Pension
3. Extend Temporary Rehabilitation  
Remuneration up to a further 2 years  
(only under Critical illness Protocol)

# Temporary Rehabilitation Remuneration

- TRR is only payable when there is a **realistic prospect of a return to work**
- Payable for up to **18 months** after the 6 months paid sick leave runs out  
(up to **36 months** in the case of extended sick leave under Critical Illness Protocol).
- You must apply for Temporary Rehabilitation Remuneration **before** your sick pay runs out. This will be subject to periodical reviews (usually every 3 months)
- Reviews will be carried out by an Occupational Health Consultant
- Temporary Rehabilitation Remuneration is calculated in a similar manner as Early Pension

# What is Ill-Health Early Retirement Pension?

If you believe that you are permanently medically unfit for work, you have the option to apply for Early Retirement on the grounds of ill-health

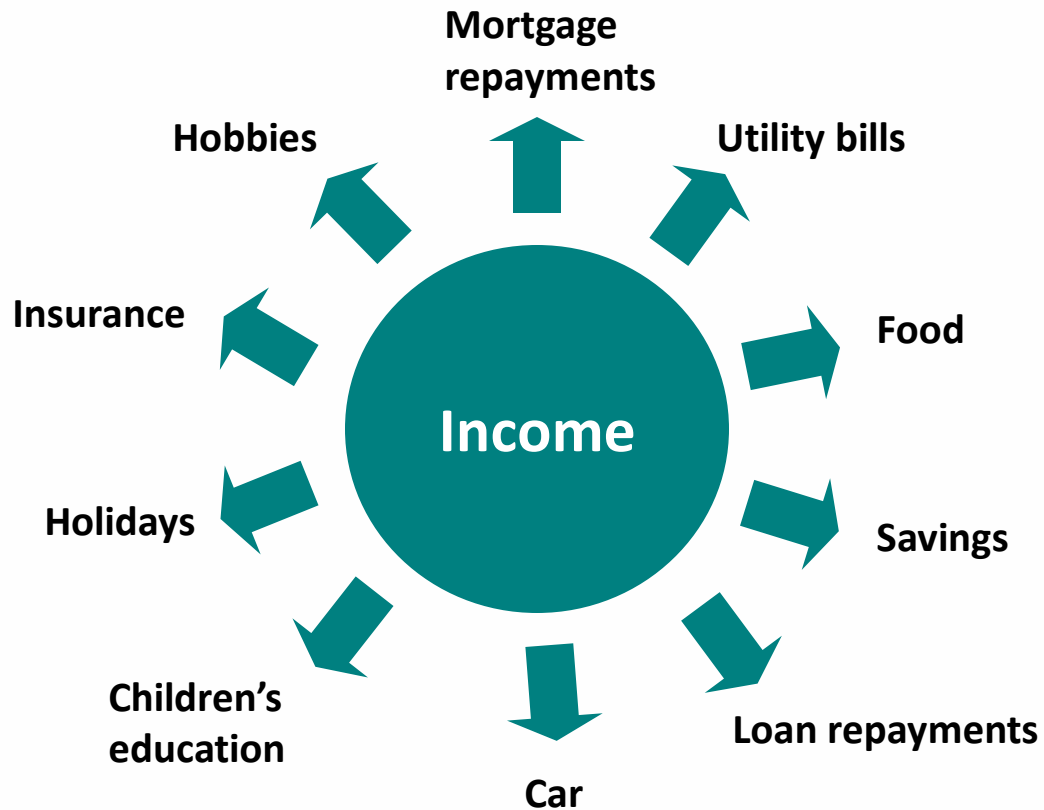
You must have medical evidence to support your case



# How to Protect your Salary



# What expenses could you afford to cut out?





# Income Protection

Income protection pays out a replacement income in the event that the life assured is **not able to work** due to an accident, injury or illness.

# What does it mean for you?

Example: **WITHOUT** Income Protection



Example: **WITH** Income Protection



Example above is based on a Public Servant, who is a member of the Superannuation Scheme, with 15 years' service earning €50,000 p.a., paying PRSI at the 'A' rate, who is now unable to work due to a long-term illness or disability. Standard sick leave is assumed. Member had no previous illness before joining the Scheme. The example above assumes that Temporary Rehabilitation Remuneration and State Illness Benefit is paid for up to a maximum of two years and, thereafter, the member is granted an early retirement pension and state invalidity pension.





## IMO Group Income Protection-features

- Protect up to 75% of earnings
- Can also cover overtime, private income
- Tax deductible
- Dovetails with Public sector sick pay



# Dovetailing

- IMO Income Protection “dovetails” with the new sick pay arrangements.
- For public sector employees the IMO IP plan will commence payment from the day you no longer receive full sick pay from your employer
- This feature will apply for Doctors employed in public health service and also GPs
- All members currently in the plan will now have this feature available to them



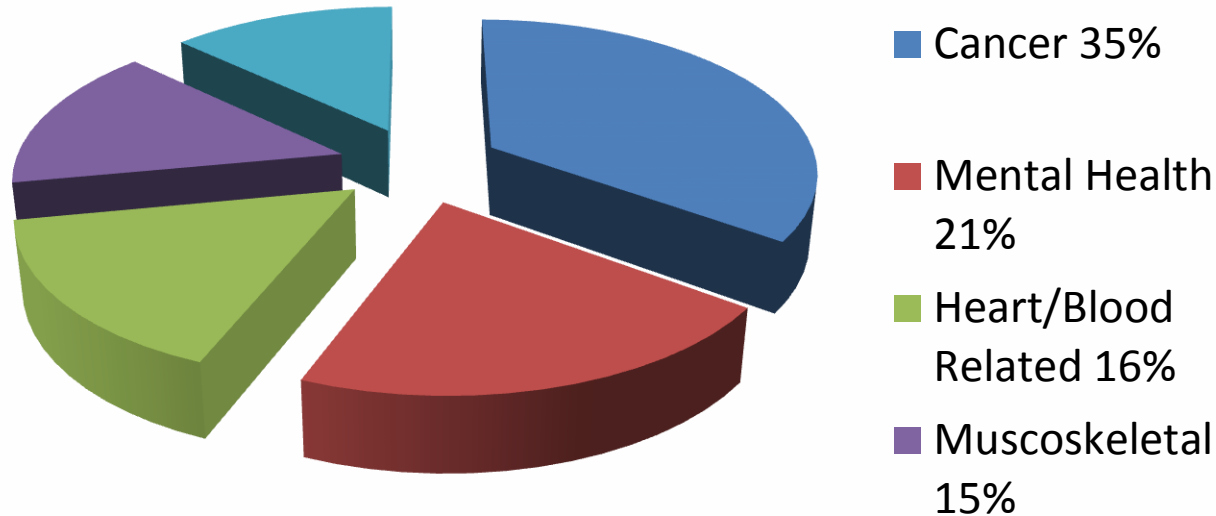
# IMO Group Income Protection

- Dovetailing
- Cover can continue if you decide to work abroad
- Cover can be increased without having to give further medical evidence
- Reduced medical underwriting depending on age
- New features available to existing members

# Helping Members- The numbers speak for themselves !

- IMO Group schemes have paid out €27m in benefits
- IMO Group IP has paid out over €10m in regular incomes,  
and still paying
- 98% of claims are paid (Much higher than industry average)

# IMO Group Income Protection Claims



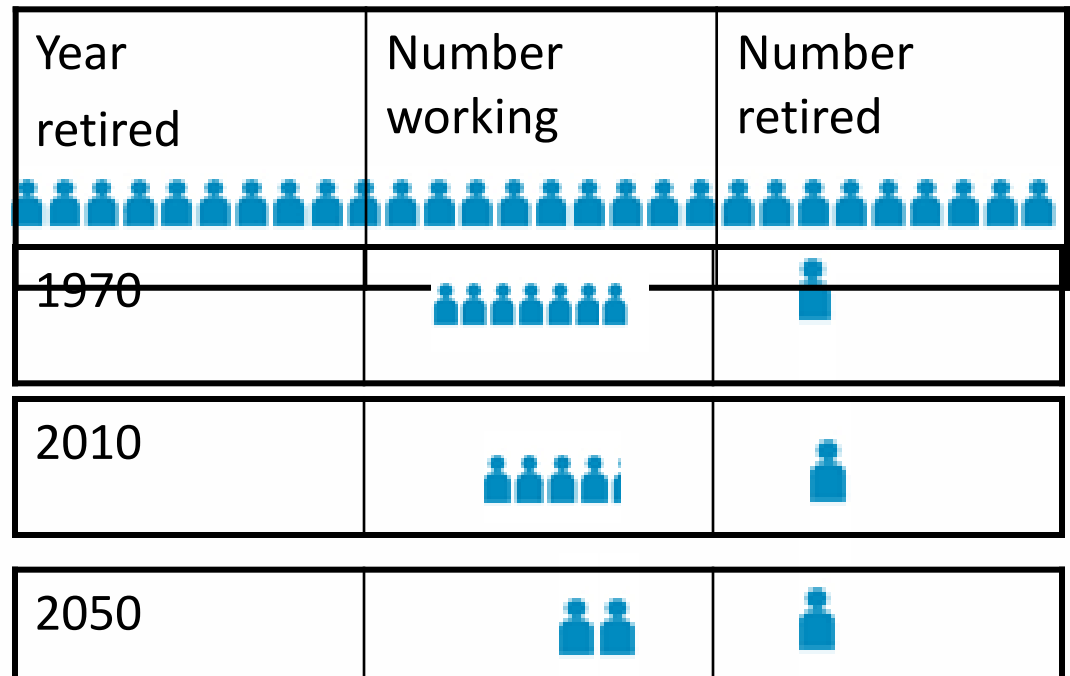
# Cover is more affordable than you think!

- €2,500pm Income cover for a 30 year old will cost €22pm
- €5,000pm Income cover for a 38 year old will cost €45pm
- €5,000pm Income cover for a 50 year old will cost €87pm

Above figures are Net of 40% tax relief

# The future of pensions

What does this  
mean for  
pensions?



# Your Pension Scheme - Superannuation

## Which one applies to me?

1. Pre 1995
2. 1995 – 2004
3. 2004 – 2012
4. 2013 +

## What is important when working out my pension?

- Starting dates and re-entry dates
- Service history
- Final salary (except for 2013 + scheme)
- Relevance of Social Welfare in your pension



How can we help you?

Health Services

Health A-Z

Staff & Careers

[Home](#) > [Benefits & Services](#) > [Pension Management](#) > Pension Estimator



> GP Visit Card for children under 6



> Taking antibiotics for colds and flu? There's no point.



- > Career Breaks 2013
- > Cycle to Work Scheme
- > Health Services Staffs Credit Union
- > Mediation Service
- > Pay
- > **Pension Management**
  - > [Frequently Asked Questions](#)
  - > [Current Employees' / Pension Scheme Members](#)

## Pension Estimator

The [Pension Estimator](#) allows staff to calculate an estimate of pension benefits by entering retirement date and work pattern from now to retirement. See [Instructions for Using the Scheme for Early Retirement](#).

In addition to the Pension Estimator, the following are also available:

- > Frequently Asked Questions ( [FAQs](#)): answers to questions about your pension scheme
- > [Useful Documents](#): Recent circulars and key documents on Public Service Pensions
- > [Useful Links](#): links to non - HSE sites associated with Pensions.

The [FAQs](#) and [Pension Estimator](#) do not attempt to cover all aspects of the Pensions Scheme main benefits of your scheme. If you are a scheme member and require further information contact the Pension Management (Superannuation) Department which can help with any detailed questions.

# Benefits payable from your Superannuation Scheme

## Contribution level of 6.5%

Pension  
Benefit

**Taxed &  
Paid for life**

Lump Sum

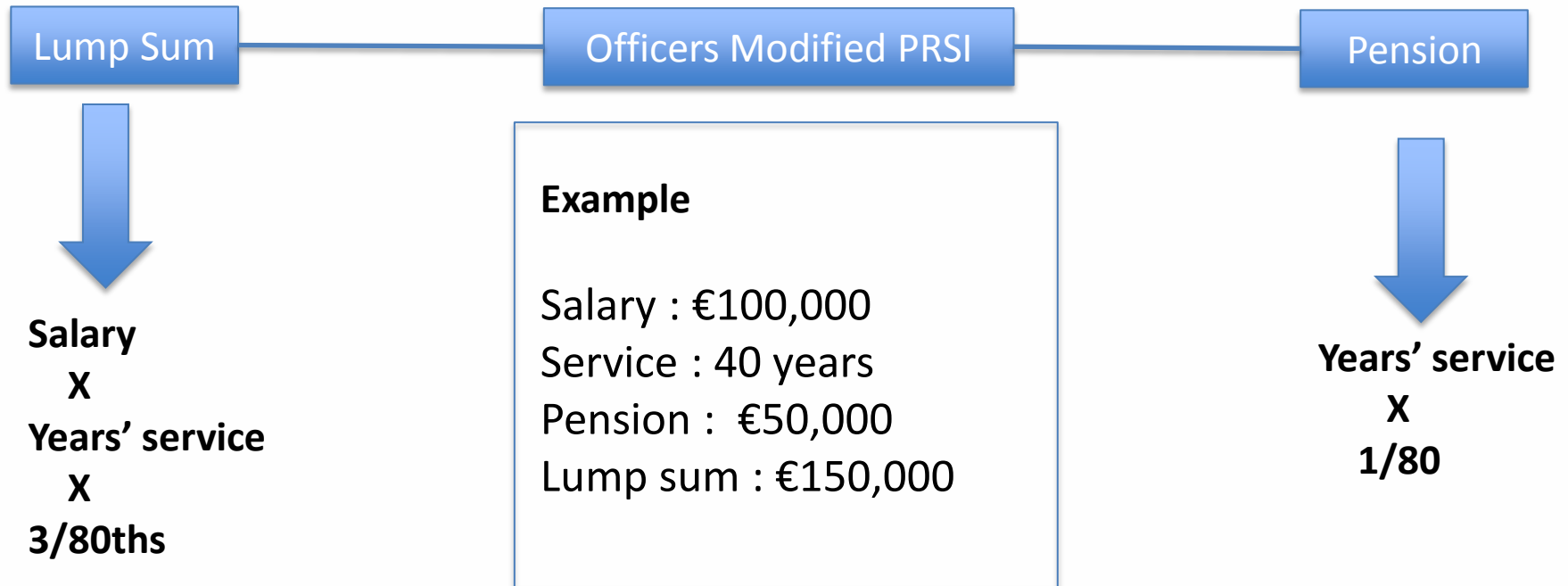
**Tax-free &  
Paid once**

Spouse &  
Child

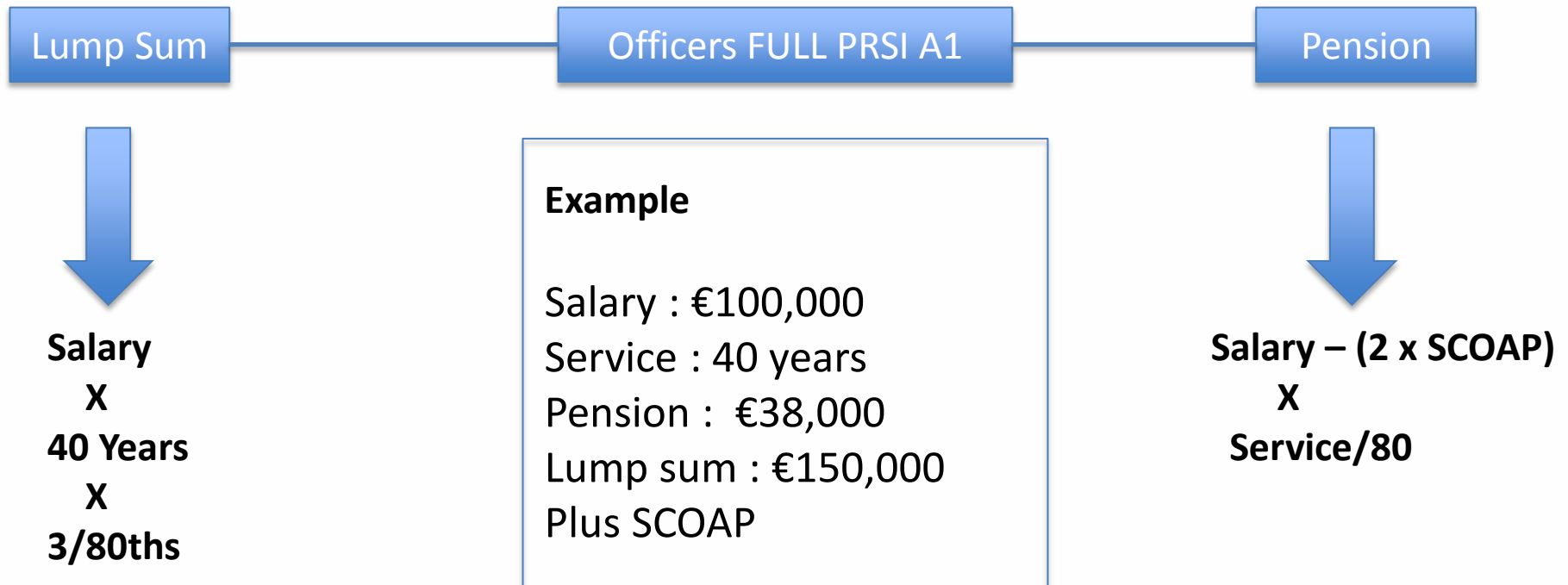
**Payable on death**

# How do I calculate my pensionable entitlements?

## Pre 1995



# How do I calculate my pensionable entitlements? '95 – '04 & Post 04



# New Pension Scheme for 2013

- 1. New single public service pension scheme  
(Career average earnings)**
- 2. Retirement in line with state pension age: 66 to 68**
  - ✓ Minimum pension age of 66
  - ✓ To 67 in 2021
  - ✓ To 68 in 2028
  - ✓ Pensions being linked to life expectancy
  - ✓ From 65 to 66 in 2014



## How will it work?

- Referable amounts will accrue for each year service
- Accrual rates of 0.58% on first €45K and 1.25% on balance
- Lump sum accrual rate of 3.75%
- Annual increase in referable amounts in line with CPI

# Type of Retirement

Scheme	Normal Retirement Age	Compulsory Retirement Age	Cost Neutral
1995	60	65	50-59
1995-2004	60	65	50-59
2004-2012	65	n/a	55-64
2013	State Pension Age	State Pension Age	55-64

## Cost Neutral Retirement

### If your normal retirement age is **60**

Age last birthday retirement	Pension will be reduced to	Gratuity will be reduced to
50	62.4%	82.2%
51	65.1%	83.9%
52	67.9%	85.5%
53	71.0%	87.2%
54	74.3%	88.9%
55	77.8%	90.7%
56	81.6%	92.4%
58	85.7%	94.3%

### If your normal retirement age is **65**

Age last birthday retirement	Pension will be reduced to	Gratuity will be reduced to
55	58.2%	82.4%
56	61.1%	84.0%
57	64.1%	85.6%
58	67.4%	87.3%
59	71.0%	89.0%
60	74.8%	90.7%
61	79.0%	92.5%
62	83.6%	94.3%



# Options available to increase retirement benefits

- **Buy Superannuation service** for years spent working but not paying into superannuation
  - **Buy Superannuation credit for missed years of service** –  
Notional Service Purchase Scheme (NSP)
  - **Fund additional benefits** for your retirement
    - Additional Voluntary Contribution Scheme (**AVCs**)
- or
- Personal Retirement Savings Account (**PRSA**)

# Notional Service Purchase Scheme (NSP)

- Need 9 years actual reckonable service at retirement/resignation date i.e. 60/65 years
- Your service at retirement would not be sufficient to qualify for maximum benefits (i.e. 40 years equivalent)
- You can exercise an option to join the scheme at any time
- You can purchase shortfalls in service with an expected retirement age of 60/65
- New entrants (post 2004) can only purchase shortfalls in service to age 65

# AVC and PRSAs

**Provide you with a way to make**

**A**dditional

**V**oluntary

**C**ontributions

**towards your retirement benefits**

# Reasons why an AVC/PRSA might make sense

- Early retirement
- Shortfall in service
- Service in excess of 40 years service
- Non pensionable earnings (overtime)
- Revenue maximum pension

# CSO Population projections

	2011	2021	2031	2041
Over 65	535,716	769,484	1,060,496	1,396,585
% of population	11.4%	14.1%	18.0%	22.5%
Over 80	130,5987	189,051	311,312	457,962



# Summary....

- 1-When looking for Financial Advice-think IMO FS
- 2-Be aware of your sick pay entitlements
- 3-Know how to protect yourself and your family
- 4-Key changes to IMO Group Income Protection
- 5-State superannuation-which one are you
- 6-How to enhance pension benefits

# Questions



## Contact Details:



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