



# MAKING PAYMENTS BY AUTOMATIC SEPA (SINGLE EUROPEAN PAYMENT AREA) DIRECT DEBIT

**MARCH 2015**

## WHAT IS AUTOMATIC DIRECT DEBIT?

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With automatic direct debit your pension contribution is collected from your account each month.

## HOW DO I KNOW IF AUTOMATIC DIRECT DEBIT IS A SUITABLE PAYMENT OPTION FOR MY SCHEME?

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Automatic direct debit is a suitable payment option for your scheme if:

- There are 10 or less active members in the scheme.
- There is a low volume of activity on the scheme (i.e. there are no new entrants or leavers expected each year).
- You expect the monthly amount being collected each month to remain the same from the start of the renewal year to the end.
- You only want to make changes to the scheme at the scheme renewal date each year (i.e. salary changes).
- The trustees require contributions to be taken from one bank account only.

## WHAT SHOULD I DO TO SET UP AN AUTOMATIC DIRECT DEBIT?

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- Complete a direct debit mandate and return the form to Irish Life Corporate Business.
- Confirm the salary and contribution rates (employer, employee and Additional Voluntary Contribution (AVC) for each member of the scheme.

## HOW WILL IRISH LIFE CORPORATE BUSINESS COLLECT THE PENSION CONTRIBUTIONS FROM OUR BANK ACCOUNT?

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- At the setup of the automatic direct debit and at each scheme renewal, you will receive a schedule confirming the amount due to be collected from your bank account each month and the dates the payments will be deducted.
- We then collect automatic direct debits on the last working day of the month.

Please note this is subject to change during the month of December, where deductions may be taken earlier to facilitate the banks' opening hours during the Christmas period.



- The first direct debit presentation under SEPA regulations will take 6 working days for your bank to process and deduct from your account.
- Once the initial automatic direct debit is collected all subsequent automatic direct debits will take 3 working days for your bank to process and deduct from your account.
- The automatic direct debit will collect each month with no change until the next renewal date for the scheme.
- Under SEPA regulations a new consumer right was introduced that a refund of a direct debit is allowed up to 8 weeks after it was deducted on a no-questions-asked basis.

## MY PENSION SCHEME IS CURRENTLY BEING SET UP, HOW WILL IRISH LIFE CORPORATE BUSINESS DEDUCT THE RISK COSTS FROM OUR BANK ACCOUNT?

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The first deduction from your bank account for risk costs:

- will represent the proportion of the equivalent annual cost that is due from the date your scheme started and
- up to the end of the month in which the mandate is activated.

After that, the amount deducted will reflect that true monthly cost of the benefits provided under your scheme. We will deduct the risk costs for your scheme by direct debit during the 1st week of each month.

Notification of the amounts to be deducted will be issued in respect of each subsequent renewal year and/or when renewal premium calculations are formally completed in respect of any given renewal year. These are the amounts that will be deducted by us unless you advise us of any alterations required.

The first direct debit presentation under SEPA regulations will take 6 working days for your bank to process and deduct from your account.

Once the initial direct debit is collected all subsequent direct debits will take 3 working days for your bank to process and deduct from your account.

## WHEN CAN I MAKE CHANGES TO THE AUTOMATIC DIRECT DEBIT?

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You should only make changes to the automatic direct debit at the scheme renewal date.

- Renewal data must be received at least 10 working days before the first automatic direct debit for the new renewal year is due to be collected from your bank account.
- The renewal data will be used to calculate the new amount to be collected by automatic direct debit for the new renewal year.
- You will receive notification of the amount due to be collected from your bank account each month and the dates the payments will be deducted.
- If the renewal data has not been completed fully we will make contact with you and request the missing data. We will not process changes until the completed data has been received.
- If the renewal data is submitted late it must be accompanied by a schedule of arrears due for each member and an instruction to collect these arrears by direct debit from your account.

## WHAT SHOULD I DO IF A MEMBER LEAVES THE PENSION SCHEME?

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- If an employee leaves the company you must notify us before an overpayment of contributions is collected (example: if the last contribution is due in January we must receive notification 10 working days before the February direct debit collects to avoid an overpayment arising).
- If an overpayment arises, we will refund the overpayments for the leaver separately to any claim on the member's fund.
- When notifying us of a leaver it should always be stated on the correspondence that the scheme is automatic direct debit to ensure adjustments are made for any over or underpayments.
- With effect from their retirement date members who reach normal retirement age (NRA) will automatically be opted out of the automatic direct debit. If a member is not ceasing contributions at normal retirement age we must receive details of the member's new retirement date.

## WHAT SHOULD I DO IF I WANT TO ADD A NEW MEMBER TO THE PENSION SCHEME?

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- A new entrant application form must be received for all new scheme members. You should state on the correspondence that the scheme is automatic direct debit.
- The application form must be received at least 10 working days before the automatic direct debit is due to be collected (example: if a member is joining in January, the form must be submitted as least 10 working days before the January automatic direct debit is due to be collected so that we can make adjustments to the automatic direct debit).
- There are no restrictions on the amount of new entrants you can have to the scheme, but if active membership exceeds 10 members the scheme will be deemed unsuitable for automatic direct debit.
- If the application form is submitted after the member's first contribution is due to be collected, the form must be accompanied by an arrears schedule and an instruction to collect these arrears by direct debit from your account.

## HOW CAN I PAY ARREARS DUE ON THE PENSION SCHEME?

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- If arrears are due as a result of a late submission of data, an arrears schedule and an instruction to collect these arrears by direct debit from your account must be submitted. Irish Life will not calculate arrears due.
- If arrears are due on any more than two occasions during the scheme year, the scheme will no longer be deemed suitable for automatic direct debit.
- The investment date for arrears will be the date the completed arrears schedule is received together with an instruction to collect these arrears by direct debit from your account.
- Arrears must be collected by direct debit or submitted by electronic fund transfer. Irish Life will not accept payment by cheque.

## OUR OVERPAYMENTS POLICY

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- If we have to refund money on more than one occasion in the scheme year, the scheme will no longer be deemed suitable for automatic direct debit.
- If we have to refund more than three months overpayments, the scheme will no longer be deemed suitable for automatic direct debit.
- Overpayments cannot be offset against arrears due.

## TAKING YOUR SCHEME OFF AUTOMATIC DIRECT DEBIT

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All schemes will be reviewed at the scheme renewal to ensure they are still suitable for automatic direct debit. If we decide that a scheme is no longer suitable for automatic direct debit we will contact you with details of alternative payment options. The scheme will be removed from automatic direct debit three months after the notification is issued.

**PENSIONS**  
INVESTMENTS  
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Irish Life Assurance is regulated by the Central Bank of Ireland.

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