



RBK

Winning the Race - Enhancing Compensation, Benefits & Financial Well-Being in the Modern Workforce

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Agenda

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| 02. | Preparation? Here's How! |
| 03. | Linking Pay to Performance Management |
| 04. | Financial Well-Being for Credit Unions |
| 05. | Effective Communication - Auto-Enrolment v Pension Plans |
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Pay Transparency

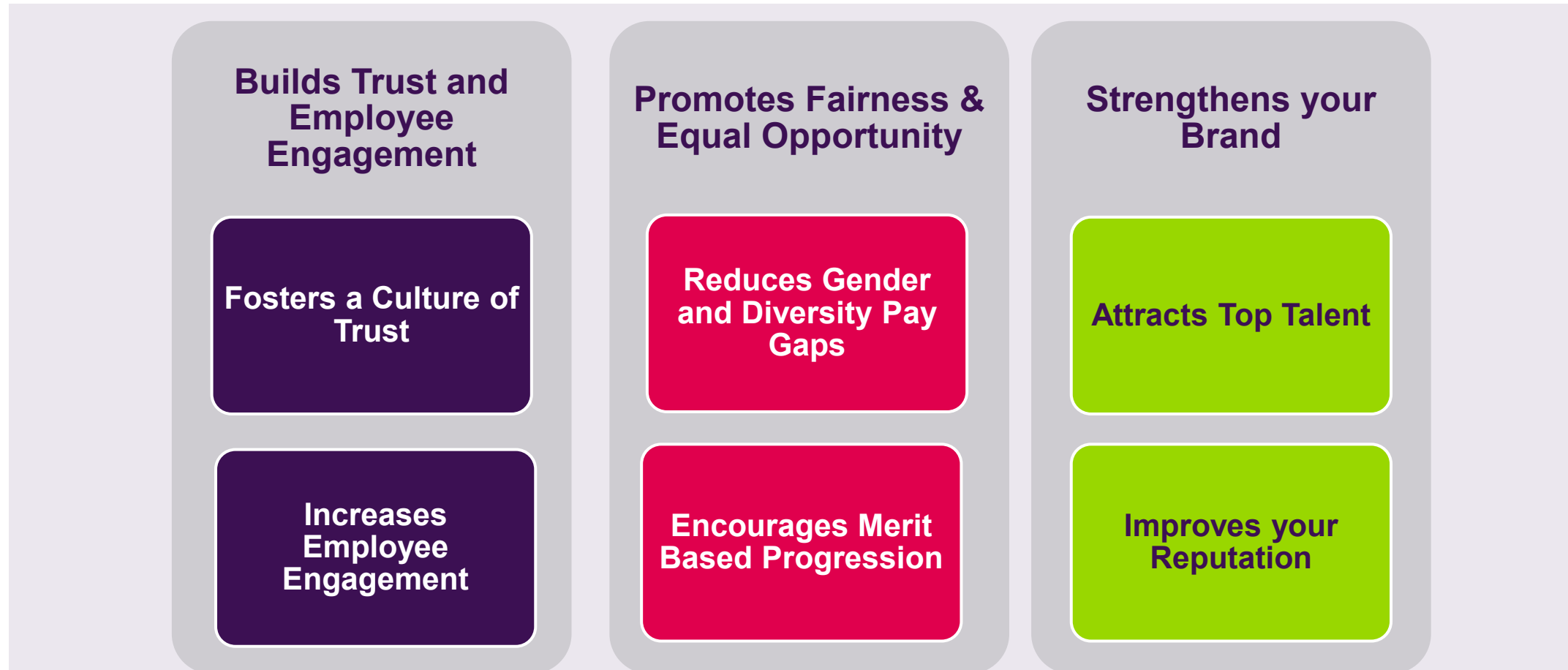
What this means for your
Credit Union

Legislative Requirements

The Pay Transparency Directive



Pay Transparency - The Benefits



Pay Transparency - The Benefits (cont.)





Preparation Here's How!

Compensation & Benefits Review

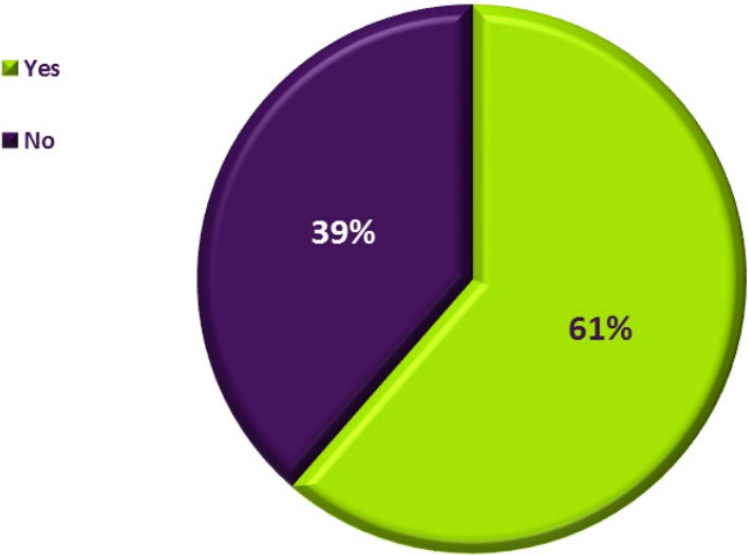


"Compensation is more than a paycheck—it's a reflection of how much we value our people. Investing in benefits and financial wellbeing is investing in our company's future."

Mary Barra, CEO of General Motors

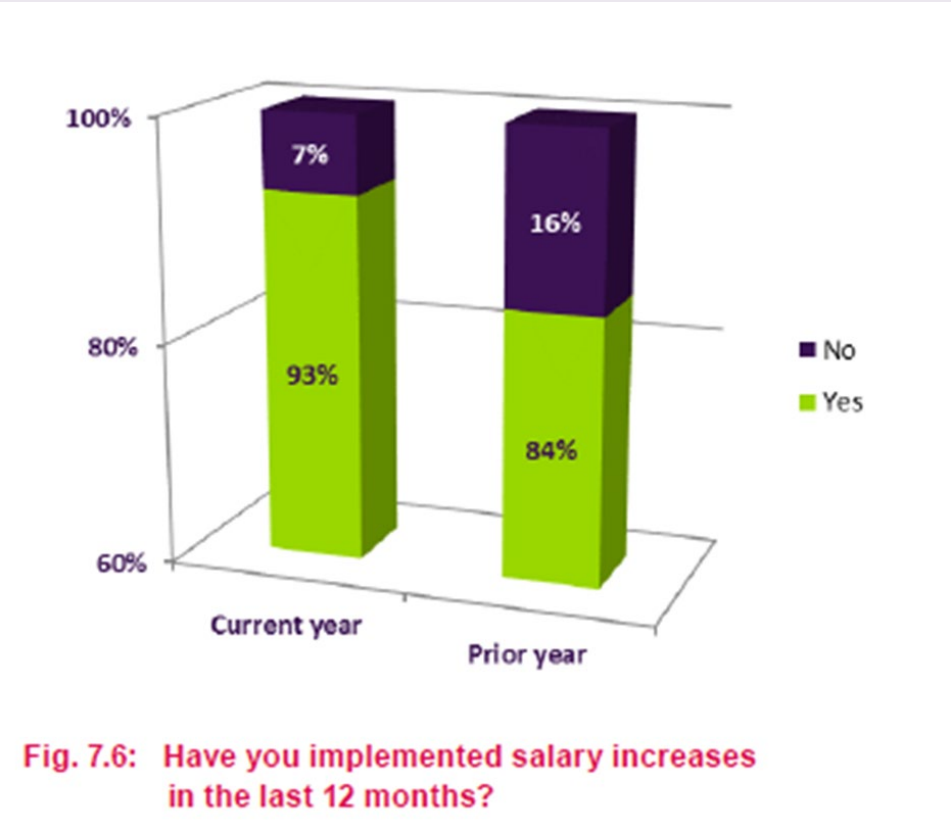
Compensation & Benefits Review

Have you conducted a Compensation & Benefits Review in your CU in the past 12 months?



RBK Credit Union Benchmarking Survey 2025

Compensation & Benefits Review



RBK Credit Union Benchmarking Survey 2025

Compensation & Benefits Review

Compensation & Benefits Programme needs to:

- Ensure market competitiveness to attract & retain talent.
- Promote internal & external equity and fairness.
- Align rewards with performance & business strategy.
- Include both financial and non-financial elements.

Benefits play a key role in attracting talent, reflecting Credit Union's core values



6 Steps to Conducting Your Review



Conducting Your Review



1. Assess Organisational Objectives & Workforce Needs

- Align review goals with the Credit Unions strategic plan.
- Understand employee demographics, roles, and expectations.
- Identify key talent segments and critical skills.

Conducting Your Review

2. Conduct Internal Data Analysis

- Audit current pay structures, benefits, and reward practices.
- Analyse workforce demographics, turnover rates, and performance data.
- Assess internal equity and pay gaps (e.g. gender or role-based differences).

Conducting Your Review

3. Market Benchmarking

- Use up-to-date salary and benefits surveys.
- Compare compensation across similar roles in the industry and region.
- Consider evolving trends like well-being benefits.

Conducting Your Review

4. Evaluate Total Rewards Strategy

- Look beyond salary: pensions, health insurance, wellness, flexibility etc.
- Align benefits with employee preferences and life stages.
- Balance cost-effectiveness with competitiveness.

Conducting Your Review

5. Develop & Prioritise Action Plan

- Identify gaps and high-impact changes.
- Propose adjustments to salary bands, incentive schemes, or benefits offerings.
- Set measurable goals and timelines.
- Communicate the plan transparently and openly.

Conducting Your Review

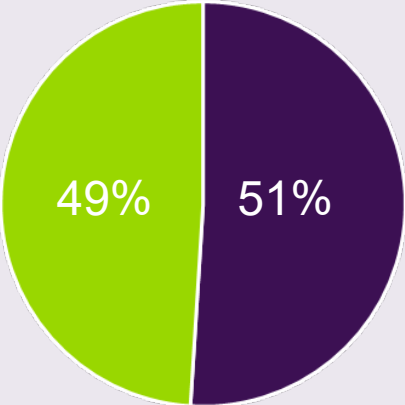
6. Monitor, Evaluate & Review Regularly

- Establish KPIs for compensation and benefits effectiveness.
- Schedule regular reviews.
- Adjust strategies based on feedback and market movement.

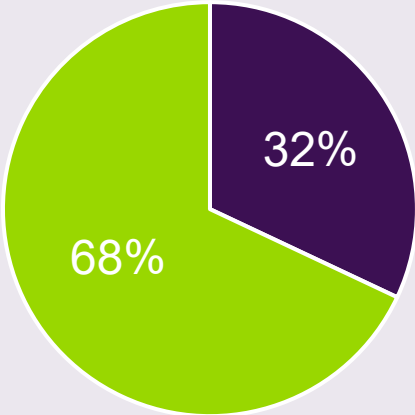


Linking Pay to Performance Management

Linking Pay & Performance Management



51% of Credit Unions said employee objectives / KPIs were aligned to their Strategic Plan



32% said salary progression was contingent on performance measured against objectives and KPIs

RBK Credit Union Benchmarking Survey 2025

Linking Pay & Performance Management

Setting Clear Pay Expectations

- Communicate salary bands and progression criteria.
- Explain how pay is determined.
- Reduce ambiguity and increase trust in decisions regarding pay.

Linking KPIs to Rewards

- Align individual KPIs with organisational goals.
- Make performance metrics visible and measurable.
- Ensure employees understand how achievements impact pay and bonuses.



Linking Pay & Performance Management (Cont.)

Transparent Performance Management

- Provide regular, constructive feedback.
- Hold structured performance reviews tied to goals and outcomes.
- Create a culture of accountability and development.

Encouraging Employee Engagement & Retention

- Employees who understand pay processes feel more valued.
- Open communication builds confidence in fairness and leadership.
- Transparency supports motivation, loyalty, and retention.





Financial Well-Being for Credit Unions

Financial Well-Being for Credit Unions

Employer-Supported Initiatives - Credit Union's can promote financial well-being through:

- **Education & Training:**
 - Workshops/webinars on budgeting, saving, retirement planning.
- **Benefits & Perks:**
 - Pension or retirement schemes.
 - Emergency loans or savings schemes.
 - Flexible pay (e.g., earned wage access).

Tools & Resources:

- Financial planning apps, employee assistance programs (EAP's).

Fair Pay & Transparency:

- Ensuring employees feel adequately and fairly compensated.

Mental and Emotional Impact:

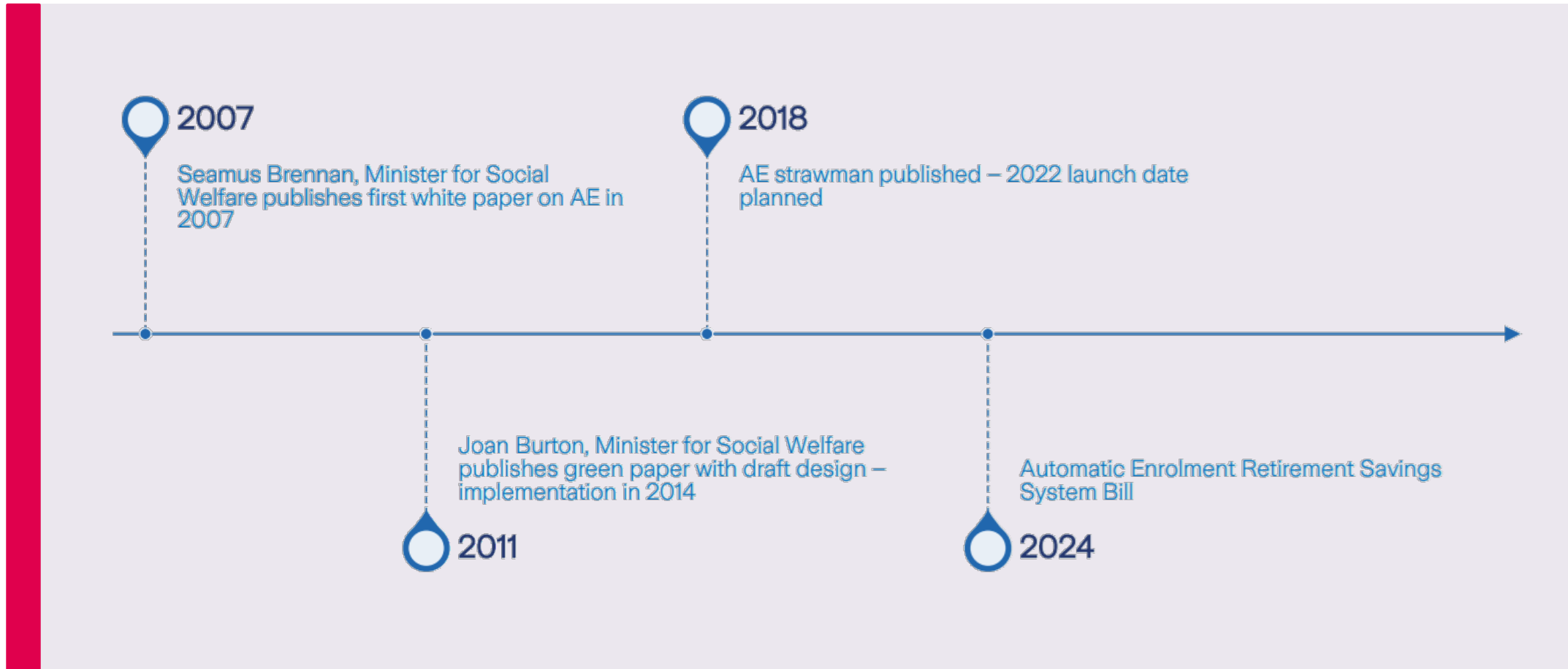
- Financial stress affects mental health, productivity, and engagement.
- Supporting financial well-being can reduce absenteeism and improve retention.





Effective Communication - Auto Enrolment v Pension Plans

Auto-Enrolment Has Been Discussed For Decades



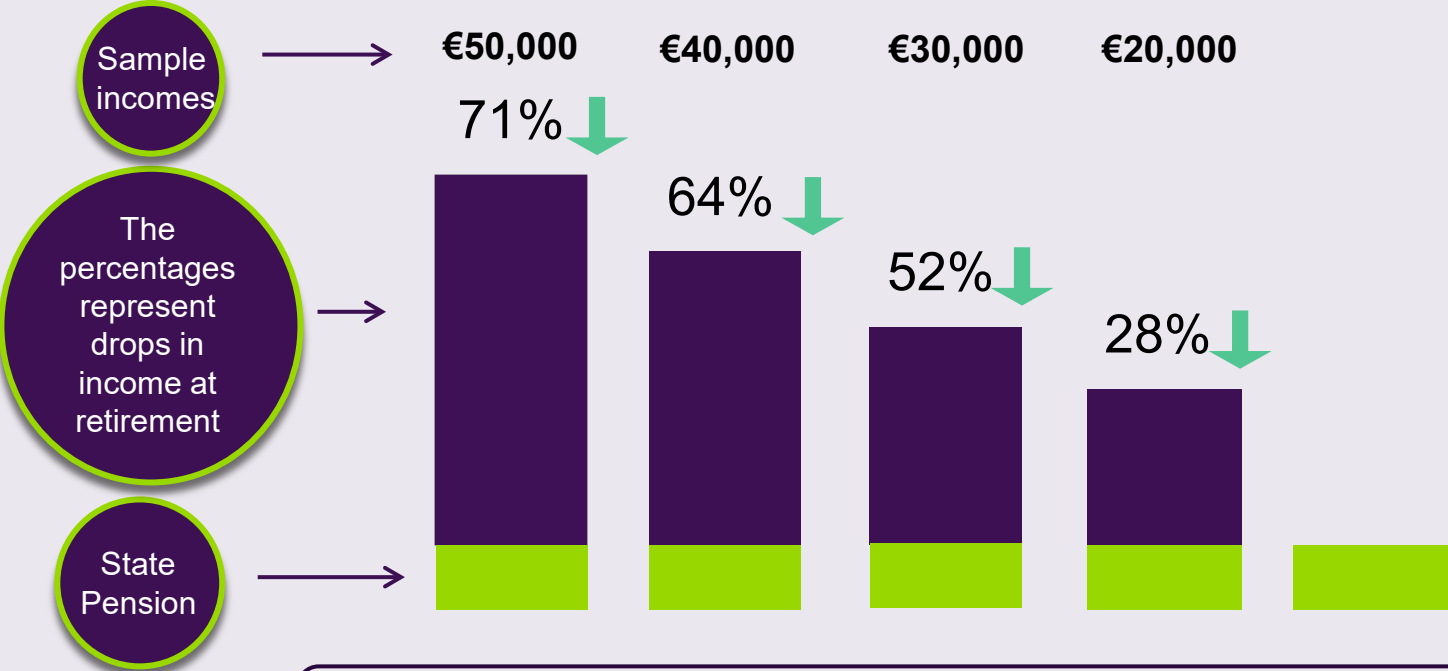
Why Does Ireland Need Auto-Enrolment?

- **Personal Retirement Savings Accounts launched in 2002**
 - Hoped to encourage more people to take-out a private pension.
 - As they are voluntary, there has been a low rate of coverage.
- **Today, there are approximately 800,000 people without a private pension**
 - Ireland has an ageing population.
 - Too many relying solely on the state pension.
 - Will lead to retirement poverty for many.
 - Inertia prevents people from saving for retirement.



Why Does Ireland Need Auto-Enrolment?

The Gap in Income at Retirement



If retiring tomorrow with no Retirement Savings, your income will be €277.30 per week (personal rate State Pension (Contributory) in 2024).

Auto-Enrolment – Which Employees Does it Apply To?

- Understanding the term “Eligible Employees”

All employees, between the ages of 23 and 60 and earning €20,000 or more will be included in the AE Scheme **unless**:

- They are already in a pension scheme or making a pension contribution through payroll.
- Employees under age 23 or over 60 can opt-in if they wish.



There Is An Opt-Out Facility For Employees

Opt-Out Facility:

- Employees who are included must remain in the scheme for the first 6 months after which they can opt out in months 7 or 8 if they so wish.
- Employees will also be able to opt out after each contribution rate increase.
- Employees will also be able to pause or suspend their contributions at any stage after the first 6 months of the scheme.
- Employees will automatically re-enroll after 2-years.

In all cases where an employee opts out or pauses/ suspends contributions they will be automatically enrolled back into the scheme after two years.



Contribution Rates – Rising Over 10 Years

■ Employee, Employer, and the State

- Contributions include employee and employer contribution, with a government top-up equal to 1/3rd of the employee contribution.
- Contributions increase every 3 years over the first 10 years of the scheme.
- Salary ceiling of **€80,000 p.a.**

Year	Employer Contribution	Employee Contribution	Government Top-Up	Total Contribution
1-3	1.5%	1.5%	0.5%	3.5%
4-6	3.0%	3.0%	1.0%	7.0%
7-9	4.5%	4.5%	1.5%	10.5%
10 onwards	6.0%	6.0%	2.0%	14.0%

Auto-Enrolment – More Detail

■ Government Top-up

- Contributions to AE are not subject to tax relief.
- Therefore the same level of contribution will have an effect on net pay.

€100 Contribution	Traditional Pension 40% Taxpayer	Traditional Pension 20% Taxpayer	Automatic Enrolment
Employee pays	€100	€100	€100
Tax Relief	€40	€20	€0
Net effect on payslip	€60	€80	€100

Auto-Enrolment – More Detail

Administration:

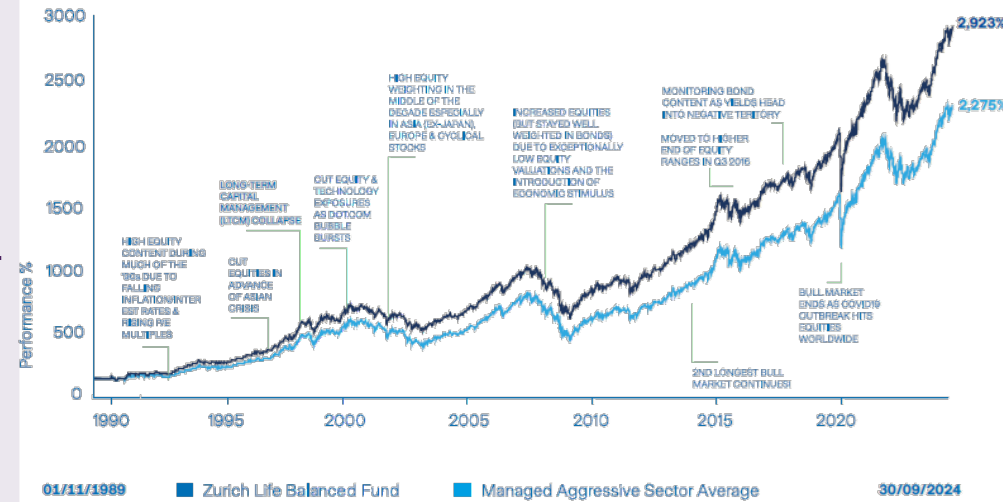
A new body - the National Automatic Enrolment Retirement Savings Authority (**NAERSA**) will administer the scheme:

- Collect employer and employee contributions.
- Invest the contributions in line with the decisions taken by employees.
- Pay out benefits at retirement.

Investing:

- Authority to appoint four investment management providers.
- Each will provide three types of risk levels.
- Employees will be free to choose risk levels, but not provider.
- If no choice made - automatically enrolled in a default life-styling fund.

Active Management in action – 1989 to 2024



Source: Zurich and MoneyMate, October 2024. Performance figures quoted are from fund inception date of 01/11/1989 until 01/10/2024. Annual management fees apply; the fund growth shown above is gross of any annual management charge. Returns are based on offer to offer performance and do not represent the return achieved by individual policies linked to the fund.

Warning: The value of your investment may go down as well as up.
Warning: Past performance is not a reliable guide to future performance.
Warning: This product may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all of the money you invest.

Auto-Enrolment Implementation

What will you have to do?

- Contributions to the NAERSA will be via payroll deduction.
- Organisation's will have to match the member's contributions up to an eventual maximum of 6% (initially limited to 1.5% of the member's earnings to a ceiling of €80,000, increasing at 1.5% every three years to a maximum of 6% from year 10).
- Employer contributions will continue to be deductible for corporation tax purposes.

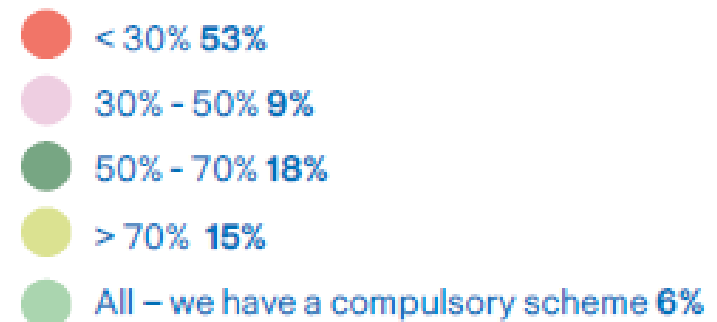
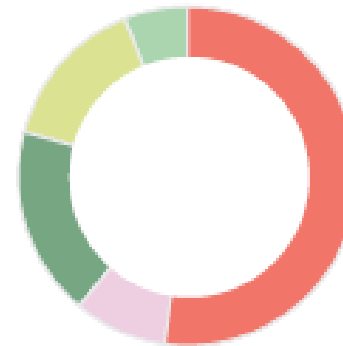


What About Your Existing Pension Scheme?

Potential Challenges:

- Is it Voluntary?
- Are there Vesting Periods?
- Are there Probationary Periods?
- Standards and Exemptions:
 - All Exempt in a salary deduction scheme initially.
 - Over time standards will be set (2032).
- Hybrid v Integration

What percentage of your workforce is already in your company's pension scheme?



Source: Zurich Life

HR Considerations

Compliance, Legal and Administration Readiness

- Non-compliance with auto-enrolment requirements could lead to penalties and reputational damage.

Employee Engagement and Communication

- Employees may have questions about contributions, fund management, and opting out. Poor communication could lead to dissatisfaction or mistrust.

Talent Attraction and Retention

- Competitive pension offerings are a vital part of employer branding.

Monitoring and Evaluation

- Ongoing compliance requires robust monitoring systems to ensure timely enrolment and contributions.



Payroll Considerations

Auto Enrolment is going to be driven by your payroll

- It is important that all your payroll data is:
 - Accurate.
 - That it is reviewed regularly.
 - That you have the correct systems in place.

Additional Risk for Employers

- Manually entering payroll information on ROS is a huge risk.
- Incorrect information may result in:
 - Employees being enrolled when they shouldn't be.
 - The wrong contribution being deducted.





**Effective Communication
is Key**

Effective Communication Is Key

Remember your Goal

- That all employees are aware that this is happening:
 - They are aware of why its happening.
 - That they know how it is going to effect them.
 - They know why it is good for them.

Be ahead of the curve

- Let them know well in advance.
- Focus on the positives while informing about the negatives.

Remind them again

- We have short memories, don't let them forget.



Effective Communication Is Key

Strategies that haven't worked:

- I had to think about this one and eventually one came to mind...

Irish Independent 

Home (<https://www.independent.ie/>) / Irish News (<https://www.independent.ie/irish-news>)

€ 78m deficit in credit union pension fund has potential to destabilise sector

- Huge deficit has emerged in the pension fund covering thousands of credit union staff
- Big bailout will be needed to protect staff benefits



Charlie Weston

Fri 28 Jan 2022 at 06:30

Effective Communication Is Key

Strategies that have worked:

- **Explaining why the old scheme couldn't continue in plain English:**
 - It was getting very expensive and will get even more so.
 - Its using up resources that could be better deployed.
- **Showing the difference between different schemes, and the advantages of both:**
 - What are your options when you retire, how they interact with each other.
 - It gives you more options at retirement.
- **Using the advantages of both schemes to enhance the end result:**
 - Regular income from DB scheme.
 - Up to 1.5 times salary as a lump sum from DC Scheme.

Key Takeaways

Implementation of the Directive is due by **June 2026 – Start Preparation Now**

Conduct regular pay reviews - equitable pay **attracts talent** and boosts **retention**

Review Recruitment Strategies and associated policies

Fair reward drives **engagement, loyalty**, and long-term **stability**

Auto-Enrolment – its coming, be prepared

Effective Communication – makes a big difference

If you need any **assistance**, please reach out to us



**Please Put
Questions In
Menti-Meter for
Panel Discussion**



Thank you



We're by your side

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