

# Our Remuneration

*We, framework financial act as intermediary (Broker) between you, the consumer, and the product provider with whom we place your business.*

## The 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 Remuneration?

Remuneration is the payment earned by the intermediary for work undertaken on behalf of both the provider and the consumer. The amount of remuneration is generally directly related to the value of the products sold.

## What is Commission?

Commission is payment that may be earned by an intermediary for work undertaken for both provider and consumer.

There are different types of remuneration and different 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:** Further payments at intervals are paid throughout the life span of the product.

## 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.

## 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, flat commission 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.

Life Assurance products fall into either individual or group protection policies and Investment/Pension products would be either single or regular contribution policies. 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.

### **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 producer.

### **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.

Our Planning clients have the option to pay for the professional services we provide by way of a combination of commission and fees which we will discuss and agree in advance of all transactions.

### **Other Fees, Administrative Costs/ Non-Monetary Benefits**

The firm may also be in receipt of other fees, administrative costs, or non-monetary benefits such as:

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

However, for some time now Joe McGuinness & Co Ltd t/a Framework Financial has operated on a preference for lower initial commissions and regular sustainable commission on an ongoing basis. This assists us in avoiding any provider bias and in almost all circumstances we do not take the highest initial commission rate available. Specifics of the actual commission payable for an individual policy are provided in the disclosure documentation at policy issue.

Below is a list of the providers that our firm deals with details of the commissions available for products they provide.

## Maximum Commission Rates

Single Contribution Products	Initial commission	Clawback Period	Renewal/Flat Commission	Trail commission Maximum
<b>Single Contribution Pension</b>				
Aviva Life	5%			Up to 1% p.a.
Aviva (formerly Friends)	5%			Up to 0.75% p.a.
Davy	3%			Up to 0.75% p.a.
Irish Life	5%			Up to 0.75% p.a.
Newcourt	0%			Up to 0.50% p.a.
New Ireland	5%	5 Years		Up to 1% p.a.
Quilter	3%			Up to 0.50%
Standard Life	5%			Up to 1% p.a.
Zurich Life	5.50%			Up to 0.5% p.a.
<b>Single Contribution PRSA</b>				
Aviva Life	4%			Up to 0.5% p.a.
Aviva (formerly Friends)	7.50%			Up to 0.25% p.a.
Davy	0.50%			Up to 0.75% p.a.
Irish Life	5%			Up to 0.75% p.a.
Newcourt	0%			Up to 0.75% p.a.
New Ireland	7%	5 Years		Up to 0.5% p.a.
Standard Life	5%			Up to 0.5% p.a.
Zurich Life	5.50%			Up to 0% p.a.

<b>ARF / AMRF</b>				
Aviva Life	5%			Up to 1.00% p.a.
Aviva (formerly Friends)	5%			Up to 0.75% p.a.
Davy	3%			Up to 0.75% p.a.
Irish Life	5%			Up to 0.75% p.a.
Newcourt	0.50%			Up to 0.50% p.a.
New Ireland	5%	n/a		Up to 1.00% p.a.
Quilter	3%			Up to 0.50% p.a.
Standard Life	4%			Up to 1.00% p.a.
Zurich Life	5%			Up to 0.75% p.a.
<b>Annuity</b>				
Aviva Life	3%			n/a
Aviva (formerly Friends)	3%			n/a
Irish Life	3%			n/a
New Ireland	3%			n/a
Standard Life	2%			n/a
Zurich Life	3%			n/a
<b>Lump Sum Investment</b>				
Aviva Life	5%			Up to 1.00% p.a.
Aviva (formerly Friends)	4%			Up to 0.75% p.a.
Davy	3%			Up to 0.75% p.a.
Irish Life	3%			Up to 0.75% p.a.
Newcourt	0.0%			Up to 0.50% p.a.
New Ireland	4%	3 Years		Up to 1.00% p.a.
Quilter	3%			Up to 0.50% p.a.
Standard Life	4%			Up to 1.00% p.a.
Zurich Life	5%			Up to 0.75% p.a.

<b>Regular Contributory Products</b>	<b>Initial Commission</b>	<b>Clawback Period</b>	<b>Renewal/Flat Commission</b>	<b>Trail Commission</b>
<b>Regular Contribution Pension</b>				
Aviva Life	15%			Up to 1% p.a.
Aviva (formerly Friends)	25%			Up to 0.75% p.a.
Irish Life	17.50%		5%	Up to 0.5% p.a.
New Ireland	25%	5 years	8%	Up to 1% p.a.
Standard Life	25%	5 years	5%	Up to 1% p.a.
Zurich Life	20%	4 years	3%	Up to 0.5% p.a.
<b>Regular Contribution PRSA</b>				
Aviva Life	22.50%			Up to 0.5% p.a.
Aviva (formerly Friends)	17.50%			Up to 0.25% p.a.
Irish Life	17.50%		5%	Up to 0.5% p.a.
New Ireland	25%	5 years	6%	Up to 0.5% p.a.
Standard Life	5%		5%	Up to 0.5% p.a.
Zurich Life	5%	4 years	5%	Up to 0% p.a.
<b>Regular Savings Plans</b>				
Aviva Life	15%			Up to 1% p.a.
Aviva (formerly Friends)	10%			Up to 0.75% p.a.
Irish Life	5.50%		5.50%	Up to 0.5% p.a.
New Ireland	10%	5 years	2.50%	Up to 0.5% p.a.
Standard Life	15%	5 years	n/a	Up to 1% p.a.
Zurich Life	10%	4 years	1%	Up to 0.5% p.a.

Individual Protection	Year 1	2	3	4	5	6	7	8	9+	Clawback Period
Aviva Life	200%	30%	30%	30%	30%	30%	30%	30%	30%	2 years
Irish Life	120%	28%	30%	28%	25%	30%	28%	28%	28%	
New Ireland	225%	50%	20%	20%	20%	12.50%	12.50%	12.50%	12.50%	5 years
Royal London	225%	0%	0%	0%	0%	3%	3%	3%	3%	5 years
Zurich Life	100%	12%	12%	12%	12%	12%	12%	12%	12%	1 year

Group Protection	Death In Service	Clawback Period	Income Protection	Clawback Period
Aviva Life	6% p.a.	1 year	12.5% p.a.	1 year
Irish Life	6% p.a.	1 year	12.5% p.a.	1 year
New Ireland	6% p.a.	1 year	12.5% p.a.	1 year
Zurich Life	6% p.a.	1 year	12.5% p.a.	1 year