

# Our Remuneration

We, AEM Financial Planning act as intermediary 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 commission?

For the purpose of this document, 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.

We are remunerated by commission and other payments from product producers. When assessing products, we will consider the different approach taken by product providers in terms of them integrating sustainability risks into their product offering. This will form part of our analysis for choosing a product provider.

## Details of Commission Range

Our firm's commission options are displayed as a range, showing the maximum amount which can be received. The level of commission depends on individual circumstances, based on the following factors:

- The firm's discretion
- Whether the level of commission is negotiable
- Client relationship
- Length / Term of the policy or contract
- Size of the investment
- Commercial decision
- Complexity of the case
- Product constraints / rules set by the product provider

There are different types of remuneration/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.

### **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, 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**

It should be noted that the rates of initial commission stated in this document are maximum rates of commission AEM Financial Planning will charge clients with each respective Provider. However the actual commission charged is decided on a case by case basis, and is fully disclosed to our clients before the transaction is carried out. For example, the maximum level of trail commission charged by our firm is 0.5% per annum but could be less than this depending on the size of the fund and the on-going work and servicing required by the client. This fee will be agreed in writing with the client prior to arranging.

An upfront fee will be charged to clients when arranging or advising on Small Self Administered Pension Schemes, or ARFs with either Newcourt Pensioner Trustees or Wealth Options. This fee will be agreed in writing with the client prior to commencing the work.

### **Preferred Provider Rate**

**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:

AEM Financial Planning may also be in receipt of other fees, administrative costs, or non-monetary benefits such as:

(i) Attendance at product provider educational seminars

(ii) Assistance with advertising/branding

## Maximum Commission Rates

Single Contribution Products	Initial commission	Clawback Period	Trail commission
Single Contribution Pension			
Aviva	5%		0.5% p.a.
Davy Select	1.5%		0.5%
Irish Life	5%		0.5%
New Ireland	5%	5 Years	0.5% p.a.
Newcourt Retirement Fund Managers			0.5%
Standard Life	5%		0.5% p.a.
Wealth Options Limited			0.5%
Zurich Life	5%		0.5% p.a.
Single Contribution PRSA			
Aviva	4%		0.5% p.a.
Davy Select	1.5%		0.5%
Irish Life	5%		0.5%
New Ireland	5%	5 Years	0.5% p.a.
Newcourt Retirement Fund Managers			0.5%
Standard Life	5%		0.5% p.a.
Wealth Options Limited			0.5%
Zurich Life	5%		0.5% p.a.
ARF / AMRF			
Aviva	5%		0.5% p.a.
Davy Select	1.5%		0.5%
Irish Life	5%		0.5%
New Ireland	5%	n/a	0.5% p.a.
Newcourt Retirement Fund Managers			0.5%
Standard Life	4%		0.5% p.a.
Wealth Options Limited			0.5%
Zurich Life	5%		0.5% p.a.
Annuity			
Aviva	3%		n/a
Irish Life	3%		n/a
New Ireland	3%	n/a	n/a
Zurich Life	3%		n/a
Investment Bond			
Aviva	2%		0.5% p.a.
BCP	2.1%		
BlackBee Investments	3%		
Davy Select	1.5%		0.5%
Irish Life	2%		0.5% p.a.

New Ireland	2%	3 Years	0.5% p.a.
Royal London	2%		0.5%
Standard Life	2%		0.5% p.a.
Zurich Life	2%		0.5% p.a.

Regular Contribution Products	Initial commission	Clawback Period	Renewal / Flat Commission	Trail commission
Regular Contribution Pension				
Aviva	15%	4 years	0%	0.5% p.a.
Davy Select	1.5%			0.5%
Irish Life	17.5%	4 years	0%	0.5% p.a.
New Ireland	25%	5 Years	0%	0.5% p.a.
Newcourt Retirement Fund Managers				0.5%
Standard Life	25%	5 years	0%	0.5% p.a.
Wealth Options Limited				0.5%
Zurich Life	20%	4 Years	0%	0.5% p.a.
Regular Contribution PRSA				
Aviva	22.5%	4 years	2%	0.5% p.a.
Davy Select	1.5%			0.5%
Irish Life	17.5%	4 years	2%	0.5% p.a.
New Ireland	15%	5 Years	2%	0.5% p.a.
Newcourt Retirement Fund Managers				0.5%
Standard Life	15%	5 years	2%	0.5% p.a.
Wealth Options Limited				0.5%
Zurich Life	15%	4 Years	2%	0.5% p.a.
Savings				
Aviva	15%	4 years	0%	0.5% p.a.
Irish Life	5.5%	4 years	0%	0.5% p.a.
New Ireland	10%	5 Years	0%	0.5% p.a.
Newcourt Retirement Fund Managers				0.5%
Standard Life	15%	5 Years	n/a	0.5% p.a.
Zurich Life	10%	4 Years	0%	0.5% p.a.

Individual Protection	Yr1	2	3	4	5	6	7	8	9+	Clawback Period
Aviva	120 %	20%	20%	20%	3%	3%	3%	3%	3%	2 Years
Irish Life	100 %	20%	20%	20%	3%	3%	3%	3%	3%	4 years
New Ireland	120 %	20%	20%	20%	3%	3%	3%	3%	3%	5 Years
Royal London	120	20%	20%	20%	20%	3%	3%	3%	3%	5 Years

	%									
Zurich Life	120 %	20%	20%	20%	3%	3%	3%	3%	3%	1 Year

Group Protection	Death in Service	Clawback Period	Permanent Health Insurance	Clawback Period
Aviva	6%	1 Year	12.5%	1 Year
Irish Life	6% p.a.	1 Year	12.5% p.a.	1 Year
New Ireland	15%	1 Year	20%	1 Year
Zurich Life	6%	n/a	12.5%	n/a

Mortgages	Commission	Clawback Period

Other Products

Aaron McCann T/A AEM Financial Planning is Regulated by The Central Bank of Ireland