

Clear PRSA

# The retirement savings plan that puts you in control







This product is provided by  
Irish Life Assurance plc.

**EBS**

This booklet will give you details of the benefits available on the Clear PRSA plan. It is designed as a guide that allows us to explain the product to you in short and simple terms. There will be more specific details and rules in your terms and conditions booklet which you should read carefully.

Please see the product snapshot below.

## product snapshot

Clear PRSA		
Aim		To build up a fund to help provide for your retirement.
Risk		Low to high depending on option or mix of options chosen.
Time period		Normally between ages 60 and 75.
Funds	27	27 funds to choose from.
Jargon-free		Yes.

**Warning: If you invest in this product you will not have any access to your money until age 60 and/or you retire.**



National Adult Literacy Agency  
An Aisneacht Náisiúnta Litearthachta do Aosairgí

Clear PRSA is provided by Irish Life Assurance plc (Irish Life) at the request of EBS. Irish Life is part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations. Any reference to 'we' or 'us' refers to Irish Life as Irish Life is the provider of this product. As well as offering advice when you take out a plan, EBS will also help you with any questions about your plan(s) and offer you a financial review annually in return for any remuneration we receive. Your EBS Specialist Adviser can answer any questions you might have.

EBS d.a.c. is tied to Irish Life Assurance plc for life insurance products. EBS d.a.c. is regulated by the Central Bank of Ireland. Irish Life Assurance plc is regulated by the Central Bank of Ireland.

All information including the terms and conditions of your plan are provided in English.

For the latest information, please see [www.irishlife.ie](http://www.irishlife.ie).

**The information and figures quoted in this booklet are correct at November 2022 but may change.**

# About Us

This guide will explain the features of the Clear PRSA plan and the option available to you after retirement.

## Our service to you

### Putting you first

At Irish Life, we are committed to providing excellent customer service to you at all times, from the moment you apply right throughout the life of your plan. When you ring us, you will get straight through to our customer service team, based in Ireland, who will be on hand to listen to your queries and help you when you are looking for answers.

### You can change your mind

We want to make sure that you are happy with your decision to take out this plan. If after taking out this plan you feel it is not suitable, you can cancel it within 30 days from the day you receive your Welcome Pack. We will refund any regular contributions you have made. We will return any single contributions or transfers, less any fall in investment values during the 30-day period and in line with Revenue rules.

### Keeping it simple – clear communication

Because financial products can be complicated and difficult to understand, we are committed to using clear and straightforward language on all our communications to you. As a result, we work with the Plain English Campaign to make sure all our customer communications meet the highest standards of clarity, openness and honesty.

### Keeping you up to date

We are committed to keeping you informed about your plan. Because of this, every year we will send you a statement to keep you up to date on your plan details.

### Online services

You can sign up with your email address and you will get a code by text message to add your plan to your account. If you are having any issues, you can contact our Customer Service Team on 01 704 1010.

Our online services helps you keep up to date with your plan. Depending on your plan type you can:

- request updates to your address or direct debit details;
- submit a withdrawal claim;
- make a card payment;
- check on a new proposal;
- view the current value of your plan;
- change your choice of fund;
- view your annual benefit statements; and
- use our information service – view weekly investment market updates, fund information and fund prices.

You can also phone our automated Customer Information Line on 01 704 1111 to get a current value and access our weekly market update.

### How to contact us

If you want to talk to us, just phone our Customer Service Team on 01 704 1010. They can answer questions about your plan.

### Our lines are open:

8am to 8pm Monday to Thursday

10am to 6pm Fridays

9am to 1pm Saturdays.

In the interest of customer service, we will record and monitor calls.

### You can also contact us in the following ways:

Email: [ebs@irishlife.ie](mailto:ebs@irishlife.ie)

Fax: 01 680 3303

Write to: The EBS Team, Irish Life Assurance plc, Irish Life Centre, Lower Abbey Street, Dublin 1.

Website: [www.irishlife.ie](http://www.irishlife.ie)

### Solvency and Financial Condition Report

Our Solvency and Financial Condition Report is available on our website at [www.irishlife.ie](http://www.irishlife.ie).

### Any problems?

If you experience any problems, please call your EBS Specialist Adviser or contact our Customer Service Team. We monitor our complaint process to make sure it is of the highest standard. We hope you never have to complain. However, if for any reason you do, we want to hear from you.

If, having contacted the Customer Service Team, you feel we have not dealt fairly with your query, you can contact the Financial Services and Pensions Ombudsman. For further information please see your terms and conditions.

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# 1 Introduction

## What is a PRSA?

PRSAs are 'personal retirement savings accounts'. They are a contract between you and a PRSA provider, such as us at Irish Life. Whether you are an employee, self-employed or between jobs, PRSAs make it easier to save for retirement because they offer value for money, flexibility and convenience.

## How PRSAs work

### Contributions

You invest regular contributions or one-off contributions, or both. Most people choose regular contributions because it is easier and it smoothes out the cost. With Clear PRSA you can also increase or reduce your contributions at any time. If you are an employee and are not in a pension plan at work, your employer could also contribute to your plan. If you are in a pension plan at work, you can also use your PRSA to add to the pension benefits already available from your job. And if your employment status changes or you move to a new employer, you may be able to bring your PRSA with you.

### Income tax relief

If you're wondering whether it's worth putting money into a pension if you already have a savings plan then the answer is yes. To encourage people to save for retirement, the Government provides significant tax relief on PRSA pension plans, meaning saving for a pension is worth it because you get value for money. For example, putting €100 into a regular savings plan would cost you €100 but putting the same amount into a pension plan could only cost you €80 or €60 depending on what tax rates you are subject to.

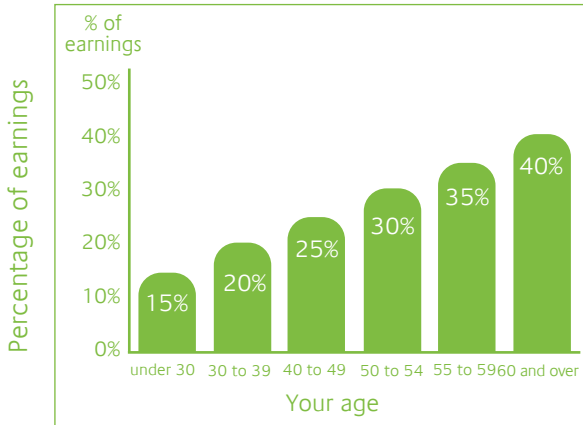
You can claim income tax relief on your contributions, tax-free investment returns and you may be able to take a retirement lump sum, some or all of this may be tax-free. You will have to pay income tax on your pension income as well as the Universal Social Charge (USC), Pay Related Social Insurance (PRSI) (if this applies) and any other taxes or government levies if you make a withdrawal.

You are not guaranteed income tax relief, but you will generally get income tax relief on contributions up to the percentage of net relevant earnings defined in the following graph.

For certain occupations you may get income tax relief of 30% of your earnings no matter how old you are. In general, these tend to be professional sportspeople who earn their income from that occupation.

To be eligible to claim income tax relief, your income must be taxable under Schedule E or Schedule D (case I or II).

This graph shows the maximum contribution you can make, as a percentage of your earnings, for which you can claim income tax relief.



If you are an employee, these limits include any contribution your employer may make. Any employer contributions over these limits will be treated as a benefit-in-kind (a perk that does not take the form of salary) for the employee.

Please talk to your EBS Specialist Adviser for more information on the possible effects this may have on your employer contributions.

If you contribute more than these amounts, or if you contribute during a period when you are unemployed, you can carry forward income tax relief for future years.

Earnings are defined as follows.

- If you are an employee, your earnings are your salary plus any overtime, bonuses and benefits-in-kind.
- If you are self-employed, your earnings are your 'net relevant earnings'. That is, your income during a tax year, less any allowances, losses and certain charges and deductions (such as mortgage interest) you can claim income tax relief on.

Income tax relief is not available on earnings of more than €115,000 and includes contributions to other approved pension arrangements, such as retirement annuity contracts, other PRSAs and employee contributions to company pension schemes (including Additional Voluntary Contributions (AVC)). For more information on tax go to page 36 of this booklet.

## Growth

We invest your contributions (less any contribution charge) in a fund where any growth achieved will not be taxed. Sometimes the fund you have chosen may have to pay tax on some of the assets held outside of Ireland depending on the tax rules of the country.

## Retirement fund

Finally, you'll hopefully have built up a big enough fund for your retirement.

Normally, you can take your benefits between the ages of 60 and 75, but there are certain exceptions which we explain on page 50. At that stage, you'll have a number of choices in terms of what you want to do with that fund.

First of all, you can take a part of your pension fund as a retirement lump sum. You may be able to take some or all of this retirement lump sum tax-free. The amount of this will depend on limits and your job status (whether you are self-employed or an employee and in a company pension scheme or not) at the date you take your benefit.

Depending on your circumstances the balance of the fund can be used for one or more of the following:

- buy a pension for life (otherwise known as an annuity);
- leave the rest of your retirement fund in your PRSA plan and continue as an investment until a later date up to age 75; or
- take as a taxable cash sum.

Income tax, the USC, PRSI (if this applies) and any other taxes or government levies due at the time will be taken from each of these options. We explain your retirement options in more detail in Section 4.

**Warning: If you invest in this product you may lose some or all of the money you invest.**

**Warning: The value of your investment may go down as well as up.**



## ② Clear PRSA

Our Clear PRSA helps you build up a fund for your retirement.

It is an easy-to-understand pension plan which puts you in control while offering you great choice.

### Is this plan suitable for me?

This plan might suit you if you:	This plan might not suit you if you:
<ul style="list-style-type: none"><li>✓ are looking for a long-term investment plan to provide for your retirement;</li></ul>	<ul style="list-style-type: none"><li>✗ do not need a plan to provide for your retirement;</li></ul>
<ul style="list-style-type: none"><li>✓ have at least €300 a year to invest;</li></ul>	<ul style="list-style-type: none"><li>✗ have less than €300 a year to invest;</li></ul>
<ul style="list-style-type: none"><li>✓ don't need access to your investment until you retire (age 60);</li></ul>	<ul style="list-style-type: none"><li>✗ need to get access to your investment before you retire (age 60);</li></ul>
<ul style="list-style-type: none"><li>✓ are happy with the choice of funds available;</li></ul>	<ul style="list-style-type: none"><li>✗ are not happy with the choice of funds available; or</li></ul>
<ul style="list-style-type: none"><li>✓ are happy with the charges set out in this booklet;</li></ul>	<ul style="list-style-type: none"><li>✗ want a plan which offers more funds but may have higher charges as a result;</li></ul>
<ul style="list-style-type: none"><li>✓ would like to take advantage of the income tax relief available on the pension contributions; and understand that when you retire, your pension benefits (after the retirement lump sum) are taxed as income.</li></ul>	<ul style="list-style-type: none"><li>✗ are not currently paying income tax, and cannot take advantage of the income tax relief available on pension contributions.</li></ul>

If you think the Clear PRSA plan could be suitable for you, please talk to your EBS Specialist Adviser. If your personal circumstances change, please contact your EBS Specialist Adviser.

## What are the charges?

Clear PRSA offers you great value for money, giving you a straightforward pension solution with competitive charges.

### Contribution charges

Table 1 – contribution charge on regular contributions

Regular contribution each year	Contribution charge	Percentage of contribution invested	Reduced contribution charge after five years (see note)	Percentage of contribution invested
Less than €9,000	5%	95%	4.5%	95.5%
€9,000 to €11,999.99	4.25%	95.75%	3.75%	96.25%
€12,000 or more	3.5%	96.5%	3%	97%

Note: Reduced contribution charge after five years

As shown in table 1 above, after your PRSA has been in place for five years, we will reduce the contribution charge by 0.5%.

Table 2 – contribution charge on one-off contributions

One-off Contribution	Contribution charge	Percentage of contribution invested
Less than €12,500	5%	95%
€12,500 to €24,999.99	4.25%	95.75%
€25,000 or more	3.5%	96.5%

### Contribution charge on transfer contributions

There is no contribution charge on funds transferred into your PRSA from approved pension schemes, so we will invest 100% of the contribution.

### If your regular contributions change in the future

If you change your regular contributions in the future, this may change the contribution charge you pay.

### Increased regular contribution

If you increase your regular contribution, and this results in your regular contribution going into a higher band (as shown in table 1 above), the contribution charge for the higher band will apply, which will result in a lower contribution charge for you.

For example, if your regular contribution is €8,000 a year, the contribution charge is 5%. If you increased your regular contribution to €10,000, it would go up into the higher band and the contribution charge would be 4.25% on €10,000.

### Reduced regular contribution

If you reduce your regular contribution, and this results in your regular contribution going into a lower band (as shown in table 1 on page 8), the contribution charge for the lower band will apply which will result in a higher contribution charge for you.

For example, if your regular contribution is €10,000 a year, the contribution charge is 4.25%. If you reduce your contribution to €8,000, it would go down into the lower band and the contribution charge would be 5% on €8,000.

### Contribution limits for regular contributions

There is no maximum limit on the total amount that can be paid into this plan. However, the highest regular contribution you can pay is:

- €5,000 a month;
- €7,500 every three months;
- €15,000 every six months; and
- €30,000 a year.

You can pay any contribution over these amounts as a one-off contribution. The charges for one-off contributions are shown in table 2 on page 8.

### Yearly fund charge

Over the term of your plan, we take a monthly charge from the value of your retirement fund. This charge is equal to 1% a year.

Please see your Preliminary Disclosure Certificate which shows you how the yearly fund charge affects a typical PRSA.

### Government levies

We will take any Government levies due and pass them direct to the Revenue Commissioners. We will take these levies from your fund.

## What funds are available?

The following funds are available. We explain these in detail in the Fund Guide section.

### Recommended portfolio funds

Pension Portfolio Fund 2 ▲  
Pension Portfolio Fund 3 ▲  
Pension Portfolio Fund 4 ▲  
Pension Portfolio Fund 5 ▲  
Pension Portfolio Fund 6 ▲

We recommend you use the pension portfolio funds with our Lifestyle Options. See pages 11 to 14.

### Funds only available with Lifestyle Options and Default Investment Strategies

Annuity Fund  
ARF Fund  
Stability Fund

### Other funds

Global Cash Fund  
Pension Protection Fund  
Indexed Euro Corporate Bond Fund  
Consensus Cautious Fund ▲  
Consensus Fund ▲  
Consensus Equity Fund  
Indexed Irish Equity Fund  
Indexed European Equity Fund  
Indexed Japanese Equity Fund  
Indexed North American Equity Fund  
Indexed Pacific Equity Fund  
Indexed UK Equity Fund  
Indexed Global REIT Fund  
Managed Portfolio Fund 1 (Foundation)  
Managed Portfolio Fund 2 (Base) ▲  
Managed Portfolio Fund 3 (Core) ▲  
Managed Portfolio Fund 4 (Intermediate) ▲  
Managed Portfolio Fund 5 (Dynamic) ▲  
Managed Portfolio Fund 6 (Aggressive) ▲

## What investment strategies are available?

We will invest your pension contributions in a fund or funds as explained above so it's beneficial for you to choose funds which are right for you. Investment strategies are a way of managing the funds you are invested in to help reduce risk as you draw closer to retirement. We have four investment strategies for you to choose from – the Annuity Lifestyle Option, the ARF Lifestyle Option, the Default Investment Strategy (Annuity) and the Default Investment Strategy (ARF). **If you don't choose an investment strategy when you take out your PRSA, we will automatically put you into the Default Investment Strategy (Annuity).** We also have a number of funds for you to choose from if you don't want to invest in any investment strategy.

### 1. Lifestyle Option Strategies

Our lifestyle options strategies involve gradually moving your investment into a mix of low and medium-risk funds as you move closer to retirement.

Before choosing either strategy you should be aware that the funds which they invest in can fall and rise in value and have different levels of risk. This is explained in the description of each fund.

It is generally recommended that the pension portfolio funds form part of the lifestyle option, but you can choose your own funds if you prefer. The percentage invested in each fund at any one time depends on how long you have left to your retirement date.

#### The Annuity Lifestyle Option

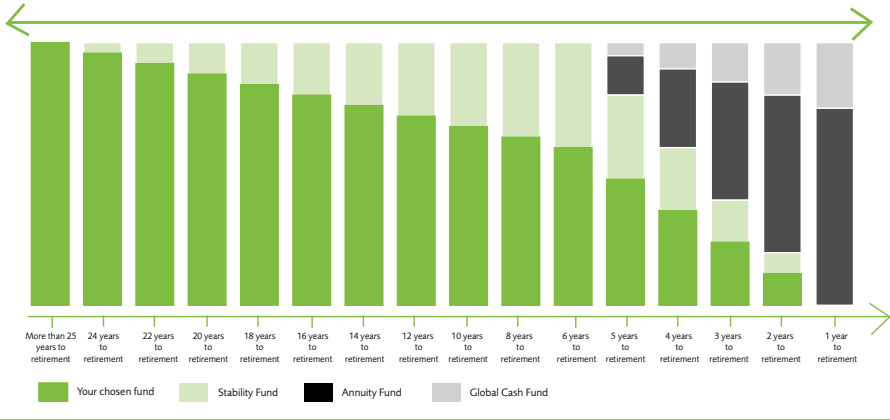
If you are more than 25 years from your chosen retirement date, we fully invest your contributions in the pension portfolio funds or the funds of your choice. Between 25 years to six years before you retire, we will switch 2% of your fund into the Stability Fund every year.

When you are six years before retirement, 60% of your fund is invested in your fund choice and 40% in the Stability Fund. At that date, we gradually switch the total fund and future contributions into the Global Cash Fund and the Annuity Fund until one year before your retirement. For the last year your fund is entirely in the Global Cash Fund (25%) and Annuity Fund (75%). We explain these funds in more detail on pages 29 and 30.

This strategy will suit you if you aim to buy an annuity with your retirement fund.

The table on the next page shows how your investment is automatically switched between funds in the Annuity Lifestyle Option. If, for example, you take out a Clear PRSA and you have 18 years to retirement, we will at first invest 84% of your contributions in your own choice of funds and 16% in the Stability Fund.

## Annuity Lifestyle Option



## The ARF Lifestyle Option

If you want to invest your retirement fund in an approved retirement fund (ARF) when you retire, you can choose our ARF Lifestyle Option. This is identical to our Annuity Lifestyle Option except that instead of switching into the Annuity Fund, you will switch into the ARF Fund. As with the Annuity Lifestyle Option, you can invest in the pension portfolio funds or choose your own funds.

We do not recommend the lifestyle option strategies if you want to invest in low-risk funds. This is because with those strategies your investment is gradually moved into a mix of low-risk and medium-risk funds.

We explain the current risk and volatility levels associated with your chosen funds and the other funds in the lifestyle options are on page 19 in this booklet. You should ensure that you are happy with the risk and volatility levels of the funds you will be invested in throughout the lifetime of your plan. All funds can rise and fall in value.

You can switch out of a lifestyle option strategy at any time.

The percentage invested in each fund at any one time depends on the time you have left until your retirement date. If your retirement fund is automatically moved into less risky funds, such as bonds, and stock markets rise in the years leading up to your retirement, this could lead to your retirement fund being less than it could have been.

**Please note** that the lifestyling switching process is automated and will start once you have chosen lifestyling and are less than 25 years to retirement. This could take up to 5 working days to start from the start date of your plan.

## 2. Default investment strategies

The default investment strategies include funds we have chosen. You cannot choose your own funds. We will gradually switch your investment to certain low and medium-risk funds as you get closer to retirement. We have designed these strategies to meet the needs of typical investors who are planning to buy an annuity or invest in an ARF when they retire. They invest through unit-linked funds. The assets which are invested in these funds will spread risk, can be cashed in quickly, and are valued often.

### Default Investment Strategy (Annuity)

If you are more than 25 years from your chosen retirement date, your contributions are fully invested in the Managed Portfolio Fund 4 (Intermediate). Between 25 years and six years before you retire, each year we will switch 2% of your retirement fund and future contributions into the Stability Fund. When you are six years from retiring, 60% of your retirement fund will be invested in the Managed Portfolio Fund 4 (Intermediate) and 40% in the Stability Fund.

At that date, we gradually switch your retirement fund and future contributions into the Global Cash Fund and the Annuity Fund until one year before you retire.

For the last year, 25% of your retirement fund is invested in the Global Cash Fund, and the other 75% is invested in the Annuity Fund. We explain these funds in more detail on pages 29 and 30.

### Default Investment Strategy (ARF)

The Default Investment Strategy (ARF) is suitable if you plan to invest your retirement fund in an approved retirement fund when you retire.

Our Default Investment Strategy (ARF) is identical to our Default Investment Strategy (Annuity), except we switch your investment into our ARF Fund rather than our Annuity Fund.

If you choose a default investment strategy, you should know that the funds we have chosen could fall in value, some more than others, during the term of your plan. The default investment strategies try to make sure that the value of your pension fund does not change dramatically as you get nearer your chosen retirement date.

If your retirement fund is automatically moved into less risky funds, such as bonds, and stock markets rise in the years leading up to your retirement, this could lead your retirement fund being worth less than it could have been.

You can switch out of a default investment strategy at any time. However, once you have switched out of a default investment strategy, you cannot switch back in. There is no charge for any of the switches made within the Default Investment Strategy.

Please note that the lifestyling switching process is automated and will start once you have chosen lifestyling and are less than 25 years to retirement. This could take up to five working days to start from the start date of your plan. This applies to all four strategies explained in this section. You will be fully invested in your own choice of funds until this switch happens.

### 3. Other investment options

If you do not choose to invest in any of these strategies, you can choose any one, or a combination, of the other funds available (up to 10 funds) that we describe in the Fund guide section.

If you choose your own funds, we will not automatically switch your funds into more secure funds as you get nearer retirement. However, at any stage over the term of your contract, you can ask to switch funds into more secure funds, or in to one of our strategies described in this section. Fund switching is free.

**Warning: The value of your investment may go down as well as up.**

**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.**



# ③ European Sustainable Finance Disclosure Regulation (SFDR)

## 1. Our approach to the integration sustainability risk in investment decisions

Irish Life Investment Managers Ltd. (ILIM) and Setanta Asset Management Ltd. (Setanta) manage most of the funds we offer on our products. ILIM and Setanta are related companies, within the same group as Irish Life Assurance plc (Irish Life). We also offer customers a range of funds managed by other investment managers.

Irish Life relies on its investment managers, and ILIM and Setanta in particular, to consider sustainability risks, where appropriate, when making investment decisions. ILIM and Setanta have policies to consider sustainability risks as part of their investment processes. ILIM and Setanta believe that considering sustainability risk is in the best interest of their clients. Both firms have a Responsible Investment Committee overseeing this area. Information on how other investment managers approach sustainability risks is available on their websites details of which have been included below.

Depending on the relationship with an individual investment manager we also agree the approach and criteria used to make investment decisions. The approach to managing sustainability risk will be different depending on the asset class and the investment strategy. Where appropriate we have given our investment managers the authority to use voting rights and to engage with investee companies on sustainability issues. This helps them to manage sustainability risk and deliver more sustainable long-term outcomes. We regularly engage with our investment managers to ensure their investment approach continues to meet our needs.

### Investment Manager websites

**ILIM:** [www.ilim.com/responsible-investing](http://www.ilim.com/responsible-investing)

**Setanta:** <https://www.setanta-asset.com/responsible-investing/>

**Amundi:** [www.amundi.com/int/ESG](http://www.amundi.com/int/ESG)

**Fidelity Worldwide Investment:** <https://www.fidelityinstitutional.com/en-gb/sustainable-investing/sustainable-investing>

**Davy:** [www.davy.ie/legal/disclosures/sustainable-finance.html](http://www.davy.ie/legal/disclosures/sustainable-finance.html)

## 2. What is the likely impact of sustainability risks on the returns of investment products available from Irish Life?

The impacts of a sustainability risk vary depending on the specific risk and asset class. A sustainability risk may impact a specific investment fund, it may also impact an economic sector or geographical region and so impact underlying investments of the fund. If a sustainability risk occurs, there may be a sudden negative impact on the value of an investment. In extreme circumstances, the value of the full investment may be lost. Considering sustainability risks as part of investment decisions, as explained in section 1 above, helps minimise the risk of this happening.

## 3. Environmental, Social and Governance (ESG) fund options

ESG funds are funds that are categorised as meeting the disclosure provisions set out in Article 8 or Article 9 of the SFDR. This categorisation applies to funds which promote environmental and / or social characteristics or which have sustainable investments as their objective.

Our plans promote environmental or social characteristics by offering ESG fund options for you to choose from. Whether a plan attains these characteristics depends on whether you choose to invest in one or more of these ESG funds during the recommended holding period.

The ESG fund options available under your plan are identified in this booklet by ▲ for article 8 and ▲ for article 9

Pre-contractual disclosures for these funds, which are produced by the fund manager in accordance with SFDR, provide further detail on how the sustainability related ambitions of each of these funds are met. This includes information on how these ESG funds consider and/or monitor the principal adverse impacts ('PAI') investment decisions have on sustainability factors with further detail contained in the periodic report for each fund. All of the up-to-date important information you need for these ESG funds can be found by following this link <https://www.irishlife.ie/sfdr>

Funds that are available on your plan and that fall within the scope of SFDR can change over time. You can speak to your financial adviser if you need more information.



### **Environmental**

How the company interacts with the environment

- Climate change
- Pollution and waste
- Energy use
- Natural resources



### **Social**

How the company interacts with society

- Working conditions
- Health and safety
- Employee relations
- Data protection



### **Governance**

How the company is run

- Ethics
- Executive pay
- Bribery
- Risk management

# 4 Fund guide

Through Clear PRSA we offer a choice of top-quality funds to meet your needs.

All the funds are managed by Irish Life Investment Managers (ILIM). They currently take care of over €100 billion of assets (May 2022) for thousands of people across Ireland, including private investors and leading Irish and international companies. Their ability to consistently deliver excellent performance has seen them at the top of investment tables and win many awards.

The wide range of funds gives you access to different options including low-risk funds, share funds, property share funds and portfolio funds, which include a mixture of different types of investments.



The fund that is right for you depends on:

## The amount of risk you are willing to take

- **Lower-risk funds** aim to protect your investment from large falls in value, but the potential for large gains is lower than if you choose a higher-risk fund.
- **Higher-risk funds**, such as those investing in company shares, do not aim to protect your investment from large falls in value, but you do have the potential to gain much more, especially over the long term. If you invest in these types of funds, you should realise that, in wanting a higher return, you need to accept that the value of these funds can move up and down, sometimes by large amounts and you could lose some or all of the value of your investment.

## How long you want to invest for

If you are investing in a pension plan it is important to consider how long you have left until you retire. If you are many years away from retirement you may be able to accept more risk than somebody who is quite close to retirement.

## Volatility scale and risk levels

To help you choose between funds, we rate the possible level of 'volatility' of each fund on a scale of IL1 to IL7. Volatility refers to the potential ups and downs that a fund may experience over time.

A fund with a risk level of IL1 is very low-risk and a risk level of IL7 is very high-risk. You should remember that risk and potential return are closely linked. In other words, investments which are higher risk tend to have higher returns over the long term, but can also experience higher falls.

Our volatility scale assumes that all investments are held on a long-term basis. If an investment is held for a short term, it will usually have a greater level of risk than the volatility scale shows.

You can usually reduce the level of risk attached to an investment by diversifying (splitting the investment 'eggs' between different 'baskets') and leaving the investment where it is for a longer period of time. In other words, the longer you hold volatile investments for, the less volatile the returns become.

A fund's risk rating can change. Because of this, the risk ratings in this booklet may not be the most up-to-date ratings. Please visit our website [www.irishlife.ie](http://www.irishlife.ie) to see the most up-to-date risk rating of each of our funds. You should monitor your investment on an ongoing basis to make sure that you are still comfortable that the fund volatility is right for you depending on the amount of risk you are willing to take. If you are in any doubt, you should contact your EBS Specialist Adviser.

Think about how you feel about the risks associated with investing. Everyone's situation is different, and everyone handles risk differently. Together with your EBS Specialist Adviser during your Financial Review you can decide which level of risk you are open to.

Below we have set out the full range of investment funds available. We divided these into low-risk funds with the potential for lower returns, medium-risk funds with the possibility of medium returns, and high-risk funds with higher potential for returns.

volatility

IL1

Global Cash Fund

volatility

IL2

ARF Fund

Pension Portfolio Fund 2 ▲

Stability Fund

volatility

IL3

Consensus Cautious Fund

Indexed Euro Corporate Bond Fund

Managed Portfolio Fund 1 (Foundation)

Pension Portfolio Fund 3 ▲

volatility

IL4

Annuity Fund

Managed Portfolio Fund 2 (Base) ▲

Managed Portfolio Fund 3 (Core) ▲

Pension Portfolio Fund 4 ▲

Pension Protection Fund

volatility

IL5

Consensus Fund ▲

Managed Portfolio Fund 4 (Intermediate) ▲

Managed Portfolio Fund 5 (Dynamic) ▲

Pension Portfolio Fund 5 ▲

volatility

IL6

Consensus Equity Fund ▲

Indexed European Equity Fund

Indexed Global REIT Fund

Indexed Japanese Equity Fund

Indexed North American Equity Fund

Indexed UK Equity Fund

Managed Portfolio Fund 6 (Aggressive) ▲

Pension Portfolio Fund 6 ▲

volatility

IL7

Indexed Irish Equity Fund

Indexed Pacific Equity Fund

You can choose any combination of up to 10 funds. The next section will give you an overview of how the funds work and a description of each of the funds available to you.

# Pension Portfolio Funds

We developed our pension portfolio funds bearing in mind the needs of our customers and their attitude to risk. There are five pension portfolio funds, each targeting a different level of risk. Irish Life Investment Managers monitor, review and manage each of the five funds to this risk level.

If you are a low-risk or high-risk investor, there is a fund that may suit you.

- The funds invest in a wide range of assets, including cash, shares, property and bonds.
- The funds are expertly managed by Irish Life Investment Managers (ILIM).
- All five funds benefit from a wide range of risk-management strategies.

**Warning: Past performance is not a reliable guide to future performance.**

## Pension Portfolio Funds using ILIM’s Dynamic Share to Cash™ Model

### Range of funds from low risk to high risk



These range from lower risk, where there is a large portion of the fund in cash and bonds, to higher risk where most of the fund can be invested in shares. So if you are a low-risk or high-risk investor, there is a fund that may suit you.

The pension portfolio funds are designed to provide peace of mind for you as an investor.

Based on your attitude to risk, you will have a risk rating between IL1 (safety first) and IL7 (very adventurous). Each of our pension portfolio funds is designed for a specific risk rating.

ILIM will manage these funds to this strategic risk rating. This means that Pension Portfolio Fund 3 will be monitored and managed to a risk rating of IL3 over time.

**Warning: The value of your investment may go down as well as up.**

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# Range of Assets

## Range of funds from low to high risk

Pension portfolio funds invest in a wide range of assets. Investing in a range of assets increases the ‘diversification’ of each pension portfolio fund. We recommend that you spread out your investment across different asset classes by not putting all your ‘eggs in one basket’ and these funds allow you to do just that. Investing in a wide range of assets and asset classes helps to reduce the volatility of the fund, which is a measure of the extent to which the fund moves up and down.

We outline and explain the assets that are available in these funds below. The split across each of the asset classes affects the risk rating of your fund.

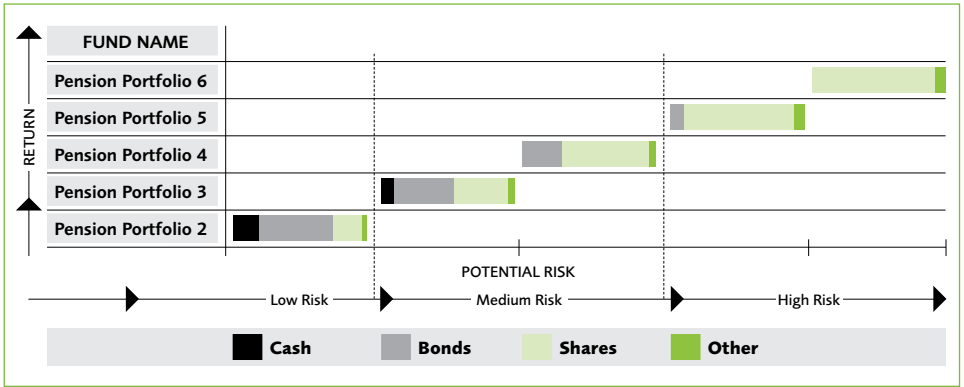
ILIM will continually monitor and review these assets and may change them over time. Each of the five funds will invest in different mixes of the range of assets described below. For the actual Pension Portfolio fund mix, see the latest factsheets at [www.irishlife.ie](http://www.irishlife.ie)

Cash & bonds	Shares	Other assets
<ul style="list-style-type: none"><li>• Cash</li><li>• Government bonds</li><li>• Corporate bonds</li></ul>	<ul style="list-style-type: none"><li>• Global Shares</li><li>• Low Volatility Global Shares</li></ul>	Each of the pension portfolio funds has some investment in property funds. As markets change and new opportunities arise, ILIM may invest in other assets.



## The Pension Portfolio Fund Splits

As mentioned, there are five pension portfolio funds available to suit different attitudes to risk. The graph below, which is a guide only, shows the broad asset mix of each of the five funds. As you can see the lower-risk fund Pension Portfolio Fund 2 has a very high percentage in bonds and cash which are traditionally less volatile than other assets. The higher-risk fund Pension Portfolio Fund 6 is mainly invested in shares, which are traditionally more volatile than bonds or cash but, in the past, have given better long-term returns.



For the actual Pension Portfolio Fund mix, see the latest factsheets at [www.irishlife.ie](http://www.irishlife.ie)

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## Expertly Managed by Ireland's Number 1 Investment Manager

Irish Life Investment Managers (ILIM) are world class investment managers. ILIM currently manage over €100 billion of assets (May 2022). ILIM have designed the Pension Portfolio Funds and the Dynamic Share to Cash (DSC) model, so you are getting the benefit of their expertise.

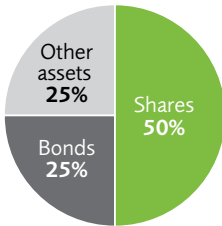
ILIM will monitor and review the asset splits and the DSC on a regular basis to ensure that each Pension Portfolio Fund is managed to its original risk rating. ILIM will also rebalance each of the Pension Portfolio Funds every quarter.

## Regular Reviews

ILIM regularly review Pension Portfolio Funds, evaluating the current assets and managers to make sure they continue to represent the best of ILIM thinking and capability with respect to achieving their long-term risk and performance objectives. The process takes into account the short, medium and long-term expected outlook for investment markets with a view to creating the best fund mix. Typically in these reviews, ILIM are looking for opportunities to either refine the way they manage risk or increase the expected fund returns. This process involves reviewing investment opportunities such as choosing new managers, asset classes, strategies, geographies, developments in research and analysing how best to include any prospective changes into the existing funds.

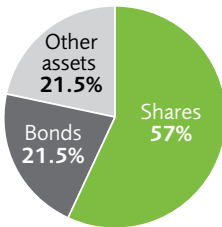
## Rebalancing

One of the most important risk management tools used by ILIM is rebalancing each Irish Life Pension Portfolio fund every three months. The example below shows why rebalancing is important and what could happen without it.



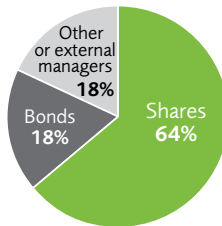
### Start year 1:

We start with this pie chart, which shows a fund with 50% in shares, 25% in bonds and 25% in other assets or external managers in cash.



### Start year 2:

If, over the course of a year, shares grew in value by 20%, while bonds and other assets or external managers both fell in value by 10%, without rebalancing, the second pie chart shows the new split of the fund. Here 57% of the fund is now invested in shares.



### Start year 3:

If the same thing happened again, we would end up with nearly two-thirds of the fund invested in shares. This fund mix may no longer be suitable for someone who originally chose an allocation with 50% in shares, 25% in bonds and 25% in cash.

Every three months ILIM will change the split of assets in the fund so that the funds are rebalanced back to the intended split. This means that you don't have to worry about a fund becoming a higher risk rating than the one you originally invested in over the longer term.

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**Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.**

## Dynamic Share to Cash (DSC) Model

ILIM use their DSC model on all five pension portfolio funds. ILIM developed the DSC model and is a market first in Ireland. It uses many factors to identify long-term stock-market trends and movements.

The advantage of having the DSC is that, where used the strategy identifies greater potential for falls in the stock market, it aims to reduce the amount invested in global shares and increase the amount in cash. And importantly, when the DSC identifies greater potential for stock-market recovery, it will move back out of cash and into global shares.

It is important to note that the DSC looks at long-term movements and trends in the market and is not designed to react to one-off or short-term jumps or shocks. Currently DSC only applies to global shares, ILIM will continually review this and, in the future, a similar process may apply to other assets.

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## IMPORTANT:

### This applies to all Pension Portfolio listed below:

Funds that are managed by external asset managers are subject to incentive fees.  
Part of this fund may borrow money to invest in property.

44% of the funds available on this plan are categorised as ESG funds meeting the disclosure provisions in Article 8 of SFDR as at November 2022.

0% of the funds available on this plan are categorised as ESG funds meeting the disclosure provisions in Article 9 of SFDR as at November 2022.

These categorisations can change, please check [irishlife.ie](http://irishlife.ie) for the most up to date categorisation.

### PENSION PORTFOLIO FUND 2 (Volatility IL2) ▲

This fund is a mix of assets such as bonds, shares, property and cash. It also features several risk management strategies including those with a focus on sustainability.

This is a low risk fund which aims to have a small allocation to higher risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time.

For the current asset mix of the fund, please see [www.irishlife.ie](http://www.irishlife.ie)

### PENSION PORTFOLIO FUND 3 (Volatility IL3) ▲

This fund is a mix of assets such as bonds, shares, property and cash. It also features several risk management strategies including those with a focus on sustainability.

This is a low to medium risk fund, which aims to have a mix of lower risk assets such as cash and bonds and higher risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time.

For the current asset mix of the fund, please see [www.irishlife.ie](http://www.irishlife.ie)

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#### **PENSION PORTFOLIO FUND 4 (Volatility IL4) ▲**

This fund is a mix of assets such as bonds, shares and property. It features several risk management strategies including those with a focus on sustainability and may invest in cash from time to time.

This is a medium risk fund, which aims to have a moderate allocation to high risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time.

For the current asset mix of the fund, please see [www.irishlife.ie](http://www.irishlife.ie)

#### **PENSION PORTFOLIO FUND 5 (Volatility IL5) ▲**

This fund is a mix of assets such as bonds, shares and property. It features several risk management strategies including those with a focus on sustainability and may invest in cash from time to time.

This is a medium to high risk fund, which aims to have a relatively high exposure to high risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time.

For the current asset mix of the fund, please see [www.irishlife.ie](http://www.irishlife.ie)

#### **PENSION PORTFOLIO FUND 6 (Volatility IL6) ▲**

This fund is a mix of assets such as shares and property. It features several risk management strategies including those with a focus on sustainability and may invest in cash from time to time.

This is a high risk fund, which aims to have a high allocation to high risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time.

For the current asset mix of the fund, please see [www.irishlife.ie](http://www.irishlife.ie)

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## Funds to be used only with Lifestyle Options and Default Investment Strategy

The following funds are specifically designed to be used with the Pension Portfolio Funds above as part of our lifestyle option investment strategies.

### **ARF Fund (Volatility IL2)**

This fund is largely made up of bonds and cash with the rest in shares and potentially derivatives. The fund may use derivatives to achieve its investment objective, reduce risk or to manage the fund more efficiently and may also feature several risk management strategies.

### **Stability Fund (Volatility IL2)**

The Stability Fund invests mostly in bonds and cash with a small amount in shares and potentially derivatives. The fund may use derivatives to achieve its investment objective, reduce risk or to manage the fund more efficiently and may also feature several risk management strategies. This fund aims to provide moderate returns with low levels of ups and downs.

### **Annuity Fund (Volatility IL4)**

This fund invests in long-term eurozone government bonds. The aim of the investment is to pay for an annuity when you retire.

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## Other available funds

We also have other funds from which you can build your own mix of funds to be used with or without the lifestyle option investment strategies.

### Global Cash Fund (Volatility IL1)

This fund invests in bank deposits and short-term investments on international and domestic money markets. It is intended to be a low-risk investment, but you should be aware that this fund could fall in value. This could happen if, for example, a bank the fund has a deposit with cannot repay that deposit, or if the fund charge is greater than the growth rate of the assets in the fund.

### Consensus Cautious Fund (Volatility IL3)

The Consensus Cautious Fund aims to divide its assets where 65% of the assets are currently invested in the Consensus Fund and 35% track the performance of short-term eurozone government bonds. For more details on the Consensus Fund, please see page 31. The Consensus Cautious Fund aims to give midrange levels of return with lower levels of ups and downs.

The assets in this fund may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.

### Indexed Euro Corporate Bond Fund (Volatility IL3)

This fund invests in investment-grade euro corporate bonds which become due for payment at different times. By providing access to a wide range of companies who issue bonds, the fund aims to provide long-term returns which are greater than can be achieved by investing in cash or government bonds. The fund aims to track the performance of the Merrill Lynch EMU Large Cap Corporate Bond Index.

The assets in this fund may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.

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### **Managed Portfolio Fund 1 (Foundation) (Volatility IL3)**

This is a passively managed fund, where 65% of the assets are invested in the Consensus Fund and 35% track the performance of shorter term eurozone government gilts. The Consensus Fund invests in the same assets as the main Irish pension investment managers, i.e. it mirrors their choice of equities, bonds, property and cash. The European fixed interest securities are eurozone bonds that typically have less than five years to maturity. This fund is suitable for those who are looking for less volatility than traditional managed funds and will accept less potential growth.

### **Managed Portfolio Fund 2 (Base) (Volatility IL4) ▲**

This is a passively managed fund that invests in a mix of equities, bonds, property and cash. The fund is invested approximately 70% in the Cautious Consensus Fund and 30% in the Consensus Fund but this may change over time.

### **Managed Portfolio Fund 3 (Core) (Volatility IL4) ▲**

This is a passively managed fund that invests in a mix of equities, bonds, property and cash. The fund is invested approximately 70% in the Consensus Fund and 30% in the Cautious Consensus Fund but this may change over time.

### **Pension Protection Fund (Volatility IL4)**

This fund aims to track the price of annuities i.e. if long-term interest rates fall, the value of this fund will increase to roughly compensate for the rise annuity prices as it invests in long dated bonds. This fund invests entirely in long-dated Euro-denominated government securities. These securities are effectively loans to governments with repayment dates of ten years or more. The returns on these assets come from a combination of the interest paid and any capital appreciation or depreciation on the value of the securities.

### **Consensus Fund (Volatility IL5) ▲**

The fund aims to match the investments made by the main managed funds in Ireland and provide performance that is in line with the average of all pension managed funds in the Irish market. The fund may invest in shares, property, bonds and cash.

The assets in this fund may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.

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### **Managed Portfolio Fund 4 (Intermediate) (Volatility IL5) ▲**

This is a passively managed fund that invests in a mix of equities, bonds, property and cash. The fund is invested approximately 80% in the Consensus Fund and 20% in the Consensus Equity Fund but this may change over time.

### **Managed Portfolio Fund 5 (Dynamic) (Volatility IL5) ▲**

This is a passive fund that invests substantially in global equities with the balance invested in bonds, property and cash. The fund is invested approximately 70% in the Consensus Equity Fund and 20% in the Consensus Fund and 10% in the Indexed Pacific Equity Fund but this may change over time.

### **Consensus Equity Fund (Volatility IL6) ▲**

The fund aims to achieve growth by investing in Irish and international shares based on the average investment made by Irish investment managers. The Consensus Equity Fund aims to provide performance that is in line with the average of all pension managed funds in the Irish market.

The assets in this fund may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.

### **Indexed European Equity Fund (Volatility IL6)**

This fund invests in European shares. The fund's aim is to match the average return of all shares that make up the MSCI Europe Ex UK Index.

The assets in this fund may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.

### **Indexed Japanese Equity Fund (Volatility IL6)**

This fund invests in Japanese shares. The fund's aim is to match the average return of all the shares that make up the MSCI Japan Index. A one-day delay applies to switches due to significant trading and settlement time differences in Asian markets.

The assets in this fund may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.

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### **Indexed North American Equity Fund (Volatility IL6)**

This fund invests in North American shares. The fund's aim is to match the average return of all the shares that make up the MSCI North America Index.

The assets in this fund may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.

### **Indexed Global REIT Fund (Volatility IL6)**

The Indexed Global REIT Fund aims to achieve returns in line with the MSCI World IMI Core Real Estate Index. The MSCI World IMI Core Real Estate Index consists of large, mid and small cap stocks engaged in the ownership, development and management of specific core property type real estate. The index excludes companies, such as real estate services and real estate financing companies, that do not own properties.

The Fund invests in a limited number of market sectors. Compared to investments which spread investment risk through investing in a variety of sectors, share price movements may have a greater effect on the overall value of this fund. The fund will invest outside the eurozone which involves currency risk. ILM may change the fund mix and risk management strategies over time. In certain circumstances we may delay exits and switches out of this fund. The delay period will be no longer than 18 months from the time we receive your request. Delayed exits and switches from this fund will be based on the value of the units at the end of the delay period.

### **Indexed UK Equity Fund (Volatility IL6)**

This fund invests in UK shares. The fund's aim is to match the average return of all the shares that make up the MSCI UK Index.

The assets in this fund may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.

### **Managed Portfolio Fund 6 (Aggressive) (Volatility IL6) ▲**

This is a passively managed global equity fund invested in the same equities as the Consensus Fund with an extra allocation to Pacific equities. The fund is invested approximately 85% in the Consensus Fund mix of equities and 15% in the Indexed Pacific Equity Fund but this may change over time.

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### **Indexed Irish Equity Fund (Volatility IL7)**

This fund invests in Irish shares. The fund aims to match the average return of all the shares that make up the ISEQ Index. There is a significant level of risk in this investment.

The assets in this fund may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.

### **Indexed Pacific Equity Fund (Volatility IL7)**

This fund invests in Pacific shares, which includes countries such as Singapore, South Korea and Australia. The fund's aim is to match the average return of all the shares that make up the MSCI Pacific Ex Japan Index. A one-day delay applies to switches due to significant trading and settlement time differences in Asian markets.

The assets in this fund may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.

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## Important information about available funds

This section gives you important information about investing in our funds.

### Delay periods

In certain circumstances we may need to delay switches, withdrawals or transfers out of a fund.

The circumstances in which we may delay a switch, withdrawal or transfer can include the following.

- If a large number of customers want to take money out of the same fund at the same time.
- If there are practical problems selling the assets in which the fund invested.
- The fund manager imposes a delay.
- If you invest in markets or funds with assets with significant time differences including trading or settlement time differences. An example of this is Asian markets.

Delayed transactions will be based on the value of the units at the end of the notice period. Delay periods can be significant depending on the nature of the underlying assets.

### Reducing the value of the fund

When there are more customers moving out of a fund than making new investments in it, we may reduce the value of the units in the fund. This is to reflect the percentage of the costs associated with buying and selling the assets of the fund. The reduction in the value of the affected assets will be different for each fund. It is likely to be significant for the percentage of any fund invested in property.

### Currency

#### Funds investing outside the eurozone

Funds that invest outside of the eurozone carry a risk related to currency. This is because the funds are priced in euro but the assets which the fund invests are valued in their local currency. This can increase or reduce your returns depending upon how those local currencies are performing compared with the euro.

For example, the Indexed UK Equity fund aims to track the performance of the MSCI UK index of shares of UK companies. Since the shares are priced in pounds sterling, the value of the Indexed UK Equity Fund will be affected by how the shares of the companies perform and any movements in the euro and sterling exchange rate. If, for example, there has been no change in the value of shares in sterling, but sterling falls in value against the euro, the Indexed UK Equity Fund would fall in value. Obviously, in the same circumstances, a rise in

the value of sterling would result in an increase in the value of the Indexed UK Equity Fund.

Some funds which invest in assets outside of the eurozone may try to manage the risk related to movements in exchange rates. The cost of trying to protect against currency movements will be charged to the fund on an ongoing basis. Changes in exchange rates during the investment term in funds which are not protected against currency movements may have a negative effect on the value of these funds and the expected investment returns. Equally, some fund managers will not try to manage the risk related to movements in exchange rates and the value of your investment will be fully exposed to exchange rate movements.

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### Tax

We explain the personal income tax relief you may be entitled to on page 4.

Under current Irish tax rules, the growth of all pension funds, including PRSAs, is not taxed until the benefits are taken. However, if your chosen fund invests in assets outside Ireland, the fund may have to pay tax on these investments.

We will take tax on income or profits if this is necessary under the tax rules of the country the assets are held in. In some instances, withholding tax or other taxes may apply, depending on the tax rules of the country. We will take any tax due from the fund, and this is reflected in the returns of the fund.

You have to pay income tax, USC, PRSI (if this applies) and any other taxes or government levies on the income you get from a pension. If Irish tax law and practice change during the term of your plan, we will change the fund value and how your fund is taxed as a result.

This information is based on current Irish tax law, which could change in the future.

### General Information

If you have chosen to invest in a fund that invests in shares or bonds, the assets in that fund may be used for the purpose of securities lending to earn an additional return for the fund. While securities lending increases the level of risk within a fund, it provides an opportunity to increase the investment return. The fund manager may keep some or all of the revenue from securities lending for themselves.

At any stage we can change the range of fund options that are available. We may decide to stop giving you access to certain funds entirely. In this case you can switch out of these funds into any other funds that are open at the time. We can also restrict the option to switch into, or invest top-up

contributions in any funds.

We may also change the manager who manages a particular fund in the future. In various fund descriptions, we explain the asset split that currently applies. The fund manager can change this asset split at any stage in the future. You can contact us for up-to-date information on your funds at any time or visit our website [www.irishlife.ie](http://www.irishlife.ie).

## Property

This section is applicable if you are invested in a property fund or a fund with a high percentage invested in property assets.

### The property cycle – selling costs and delays

The property market reacts more slowly than stock-markets and tends to follow more of a cycle. It can rise or fall for longer periods in a more consistent way than the stock-market does. This is partly because it takes more time and costs more to buy and sell properties than it does to buy or sell other assets like shares. As a result, if there are more investors who want to cash in their investments than there are new investors, we may need to make the following changes so that all investors pay their fair share of the costs that the funds have to pay.

### Reducing the value of the fund

When there are more customers moving out of a fund than making new investments in it, we may reduce the value of the units in the fund to reflect the percentage of the costs associated with buying and selling the assets of the fund. The reduction is likely to be most significant for the percentage of any fund invested in property.

For those funds invested in property, the actual reduction will depend on the percentage of property in the fund and the actual costs involved in having to sell properties within that fund. If a reduction in value were to apply today, we estimate this rate could possibly be in the region of 10%, assuming that the fund has a high percentage invested in property. To arrive at this rate, we have estimated the selling costs that might apply. It is possible that the reduction in value could be higher or lower in the future and could take place in stages.

Funds with a lower property asset mix will have a lower reduction rate. The reduction for any part of a fund invested with fund managers may happen at a different time to the reduction for the rest of the fund.

### Using borrowings

In the description of funds, we have shown the funds which are likely to include borrowing as part of their investment strategy. The amount borrowed will vary and you should contact us to find out the current

amount borrowed within the fund you are interested in. This will help you assess the level of risk, which increases as borrowing increases.

Funds which invest in the European property markets are invested in indirect property investments through other fund managers. This means that rather than buying properties directly, we invest your money with other fund managers. For example, we may invest in a fund which itself invests directly in property. These managers may use money invested in their funds to borrow extra money. As a result, the amount of property in these funds can increase which, in turn, increases the possibility for growth.

This is one of the main attractions of these indirect property funds. You will have the chance to get higher returns if the value of the property paid for by the loans is higher than the cost of repaying the loans.

However, borrowing in this way also increases the possible risks for the fund. It can mean greater losses if the property falls in value.

The value of indirect property investments will reflect the total value of the properties in the fund but with the value of the loans and the interest due taken off. The following example shows how a property fund works if it usually invests in a mix of direct and indirect properties.

Amount of investment	€100,000
Amount invested directly in property	€75,000
Amount indirectly invested in property	€25,000
Amount borrowed by indirect funds	€75,000
Amount invested in indirect property with borrowings	€100,000
Total amount invested in property including borrowings	€175,000

In this example:

- 25% of the investment is invested indirectly in property;
  - for every €1 invested indirectly in property, €3 is borrowed.
- Please note that the level of borrowing will vary from fund to fund.

When referring to funds with borrowing, the term 'loan-to-value ratio' is often used. This is the loan amount divided by the value of the property, and in the above example is 75%. The loan to value ratio changes, based on the value of the indirect properties at any given time so this percentage will vary regularly.



### What happens if property falls in value?

That part of the fund linked to indirect property investments will fall in value by a greater amount because of the level of borrowing.

The following are examples:

- If the value of the indirect properties fall by 10%, and the indirect fund borrowed €3 for every €1 invested, the actual fall in value of the indirect part of the investment would be 40%.
- If the value of the indirect properties fall by 10%, and the indirect fund borrowed €2 for every €1 invested, the actual fall in value of the indirect part of the investment would be 30%.
- If the value of the indirect properties fall by 10%, and the indirect fund borrowed €1 for every €1 invested, the actual fall in value of the indirect part of the investment would be 20%.

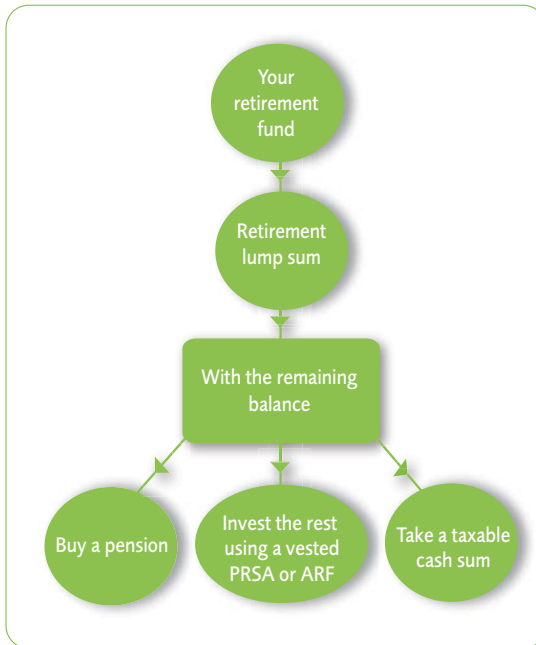
For any particular fund the amount invested indirectly in property by the external fund manager may be higher or lower than shown above.

The level of borrowing within the part of the fund invested indirectly in property will also change over time. The higher the amount of the loan compared with the amount invested in property, the greater the potential returns. However, the level of risk will be higher.

# 5 Your options when you retire



One of the benefits of Clear PRSA is that you will have a number of options when you retire, including taking part of your pension fund as a retirement lump sum. You don't need to decide now what you're going to do, you can make your decisions closer to retirement when you have a better idea of how you'd like to spend the money you've built up.



## Retirement lump sum

You can take part of your pension fund as a retirement lump sum. You may be able to take some or all of this retirement lump sum tax-free.

The amount you can take as a retirement lump sum will depend on whether or not you are a member of an occupational pension scheme.

- If you are self-employed, or an employee but not a member of an occupational pension scheme, you can take 25% of the fund as a retirement lump sum.
- If you are a member of an occupational pension scheme and have contributed AVCs, your PRSA will be a PRSA AVC and the retirement lump sum from your PRSA AVC will depend on how you take your retirement lump sum from your occupational pension scheme.

If you take 25% of your occupational pension scheme as a retirement lump sum, you can also take 25% from your PRSA AVC as a retirement lump sum.

Your other option is to take a maximum retirement lump sum between your occupational pension scheme and PRSA AVC of up to 150% of your final salary. However, this depends on the length of time you have actually been employed. If this is less than 20 years, the retirement lump sum will be reduced.

### Let's take an example:

If your employer's scheme provides you with 100% of your final salary as a retirement lump sum, you can use your PRSA AVC to provide the other 50%, as long as you have the number of years of service to allow this.

The maximum tax free retirement lump sum you can receive is €200,000. Retirement lump sums between €200,000 and €500,000 will be taxed at the standard rate income tax (currently 20%). Any retirement lump sum greater than €500,000 will be taxed as income at your marginal rate. As required, we will deduct the USC, PRSI (if it applies) and any other taxes or government levies due at that time. Both the €200,000 and €500,000 limits include all retirement lump sums you have received since 7 December 2005.

After you've taken your retirement lump sum, you have three options:

- A You can buy a pension for life (otherwise known as an annuity).
- B You can invest the rest of your fund.
- C You can take a taxable cash sum.

We discuss these options as follows.

## A. Buying a pension for life

You can use the rest of the fund (if any) to buy a pension (in other words, a regular income which will be paid for the rest of your life, otherwise known as an annuity).

This means that you pay your pension fund over to us (or another insurance company if you'd prefer) and we'll guarantee to pay you a regular amount every month while you're still alive.

The amount you will receive every month will depend on the rate you bought your annuity at. Annuity rates may change which means your income for the rest of your life will depend on annuity rates available to you at the time of buying the annuity. Your EBS Specialist Adviser will be able to give you an idea of what an annuity income would look like. You can also choose other options, for example having the income increase each year, or having part of it paid to your husband, wife, civil partner or dependant after you've died. You don't have to make any of these decisions until you actually retire.

You may qualify for an enhanced annuity based on information on your lifestyle and medical history (and that of your dependant if this applies). Enhanced annuities offer a higher income than standard annuities - this is because they work on the basis that, if you have a medical condition then you'll have a shorter life expectancy than somebody in a better state of health.

When you retire, if you do decide to buy an annuity, the pension is treated as normal income so you will have to pay income tax and any other taxes due at that time. Also, because it is a pension for you, you cannot cash it in, change it to a lump sum, or transfer it to someone else in the future.

If you are a member of an occupational pension scheme and you have paid AVCs into a PRSA, there may be limits on the maximum pension allowed. For more information please read our 'Additional Voluntary Contributions and your Personal Retirement Savings Account' booklet.

## B. You can invest the rest of your fund

After taking your retirement lump sum, you can continue to invest the rest of your pension in a fund that you can manage and control during your lifetime, and then leave to your family when you die. Depending on your circumstances, you will have two options for investing your pension fund:

## Option 1

### Leave your funds in your Clear PRSA

If you leave the remaining fund in your Clear PRSA, your plan is called a vested PRSA. This will be treated in a similar way to an ARF until age 75.

### Vested PRSAs after age 75

When you turn age 75, you will not be able to make further withdrawals from your vested PRSA. As required, we will deduct income tax and Universal Social Charge from your vested PRSA as if you had made a minimum withdrawal. However, we will not be allowed to make any payments to you. See the minimum withdrawal amount section for more information. If you want to continue to access your pension fund after age 75 you should speak to your EBS Specialist Adviser about your options (before your 75th birthday).

### Minimum withdrawal amount

From the year you turn 61 (or 60 if your birthday is 1 January) we are required to take tax from your vested PRSA or ARF (or both) as if you had taken a minimum withdrawal. Each December, we will review any regular withdrawals you have taken during the year. If you haven't taken any regular withdrawals, or if the withdrawals you have taken are lower than the minimum withdrawal amount, we will pay you the permitted minimum withdrawal amount allowed less any income tax, PRSI (if this applies), the USC and any other taxes or government levies due at that time.

The current minimum withdrawal amount is 4% of the value of your funds at the end of each year from the year you turn 61 (or 60 if your birthday is 1 January). This increases to 5% of the value of your funds at the end of each year from the year you turn 71 (or 70 if your birthday is 1 January). You will have to appoint a nominee qualified fund manager (QFM) if the total value of your ARFs and vested PRSAs is more than €2,000,000. The nominee QFM is responsible for making sure a withdrawal of 6% is taken from the total value of your vested PRSAs and ARFs. We will pay you a minimum withdrawal of 4% or 5% as outlined above. **It is your responsibility to tell us if you have other ARFs and vested PRSAs with a total value of more than €2,000,000.**

**Warning: The income you get from this investment may go down as well as up.**

From age 75 you will no longer be permitted to take withdrawals from your vested PRSA. We are required to continue deducting tax as if you had taken a minimum withdrawal, however no further payments can be made to you.

## Option 2

### Invest in an Approved Retirement Fund (ARF)

Instead of leaving your fund invested in your PRSA, you can invest the rest of it in an ARF of your choice. Then you can make withdrawals from your ARF when you need them. However, you will have to pay tax on any withdrawals you make. You can use your fund at any time to buy a pension for life. From the year you turn 61 (or 60 if your birthday is 1 January), you will have to take a minimum regular income from your ARF. See the minimum withdrawal amount section above for more information.

**Whether you decide to take money from the fund within the vested PRSA or transfer to an ARF, it is important to remember that the value of your fund may be reduced over time if the level of income is high and the investment return is not high enough to maintain this.**

Making regular withdrawals may reduce the value of your fund, especially if investment returns are poor or you choose a high rate of withdrawal (or both). It is possible that your fund could run out before you die. The higher the level of regular withdrawal you make, the higher the chances are that you will use up your fund in your lifetime. What is most important is that you make sure you have a reasonable fund when you retire so you can make these choices. If you do not have a guaranteed pension income that will maintain your current standard of living during retirement, we recommend that you think about buying a pension before choosing to draw an income from your vested PRSA or invest in an ARF.

All of these options and limits are based on current laws and regulations, which could change in the future.

## C. Taking your pension as a taxable cash sum

After taking your maximum retirement lump sum, you may be able to take the rest of the fund as a cash sum. You will have to pay income tax at your highest rate on the cash lump sum along with any other taxes and levies due at that time. The limits above may change in the future.



When you are taking your retirement benefits, you will need to give us all relevant information about your existing pension arrangements and income.

# ⑥ Your questions answered

## Am I eligible to take out this plan?

You can take out this plan if:

- you are a resident (you live permanently) in Ireland and you are between the ages of 18 and 75; and
- you are self-employed or in a job which is non-pensionable; or
- you are a member of an occupational pension scheme and want to pay AVCs into a PRSA to boost your retirement benefits (see note below);  
or
- you are unemployed.



**Note:** If you plan to pay AVCs into your Clear PRSA, we recommend you also read our guide called 'AVCs and your PRSA - A guide for members of Occupational Pension Schemes'. Certain restrictions apply and we outline these in the guide. You cannot pay AVCs into your Clear PRSA if you are a member of a defined benefit occupational pension scheme.

## What payment options do I have?

You can choose between making regular contributions, adding a one-off lump sum at any stage or paying contributions separately. Most people tend to pay regularly. You can pay:

- regular contributions by direct debit (every month, every three months, every six months or every year);
- one-off contributions by cheque; and
- if you are an employee, by having your contributions taken from your salary. If you are not in an occupational scheme at work, any employer contributions will be added to your personal contributions.

Please note: If you start your PRSA by paying one-off contributions, you will not be able to pay regular contributions into that PRSA.

If you are a member of an occupational pension scheme at work, it is not possible for your employer to contribute to your PRSA as contributions can only be paid by you as AVCs.

## Can my employer take contributions from my salary?

Yes. Your employer can take contributions from your salary whenever you are paid. This could be every week, two weeks or month. We will then take this contribution from your employer's bank account. Your plan will be a monthly plan and we will collect contributions from your employer every month.

For example, if you are paid weekly and decide to make a regular contribution of €60, we multiply €60 by 52 (weeks in a year) and divide it by 12 (months in a year). We will then set up your plan for €260 every month. We will collect this from your employer's bank account every month by direct debit. So, at certain times, the amounts taken from your payroll may be held in your employer's bank account for a short period before they are sent to us and invested in your plan. We invest contributions on the day we receive them.

## What is the minimum amount I can contribute?

The minimum amount you can contribute by direct debit is €300 a year.

## What is the maximum amount I can contribute?

You can contribute regularly into your plan up to the following limits:

- €5,000 if you pay it each month;
- €7,500 if you pay it every three months;
- €15,000 if you pay every six months; or
- €30,000 if you pay it each year.

You can pay more than these amounts and they will be treated as one-off contributions each year. One-off contribution charges are shown on page 8. Please read pages 4 to 6 to find out about income tax relief and limits.



## Can I change the amount I pay, or even stop paying for a while?

If you want to, you can increase your contributions, reduce your contributions or take a break from making contributions at any time. Reducing and increasing your contribution could change the contribution charge relating to your regular contribution.

However, the estimated value of your pension fund, which will be in the 'statement of reasonable projection' of your Welcome Pack, is based on the contribution level that you agreed to pay when you started the plan.

So remember that reducing (or stopping) your contributions will reduce the value of your pension when you retire. If you are going to miss any contributions, you should contact your EBS Specialist Adviser or our Customer Service Team.

## Can I transfer my existing pension funds into Clear PRSA?

You can transfer any existing pension funds from approved retirement annuity contracts, PRSAs and occupational pension schemes into your PRSA. You can also transfer funds from pension arrangements overseas. We will not add a contribution charge to that transfer contribution. You should think carefully about transferring funds from one plan to another. Some restrictions apply to transfers from occupational pension schemes and arrangements from overseas. Please speak to your EBS Specialist Adviser for more details.

## Do my contributions increase with inflation?

When you take out your plan, you can choose to have your contributions increase with inflation. If, like most people, you choose this option, your contribution will increase each year in line with the Consumer Price Index (a measurement of inflation), or by 5% if this is higher. If your employer takes your contributions from your salary, this option is not available.

## How do I get income tax relief on my Clear PRSA contributions?

If we take your personal contributions from your bank account, you can apply to your inspector of taxes to have your tax credits adjusted to reflect your pension contributions. If your contributions are paid from your salary, you will receive immediate income tax relief. Any employer contributions will receive corporation tax relief in the year the contribution was made. If you are self-employed, you must include your pension contribution in your self-assessment tax returns to get income tax relief.

Income tax relief is not available on earnings (i.e. from employment) of more than €115,000 including contributions to other approved pension arrangements.

For certain occupations you may get income tax relief of 30% of your earnings, no matter how old you are. In general, these tend to be professional sportspeople who earn their income from that occupation.

## Can I cancel my plan?

If, after taking out this plan, you feel that it is not suitable, you may cancel it by writing to us at: Irish Life Assurance plc, Irish Life Centre, Lower Abbey Street, Dublin 1.

If you do this within 30 days of the date you receive your statement of reasonable projection, we will cancel the plan. We will refund any regular contributions you have made. We will refund any one-off contribution or transfers received after taking off any fall in value due to market conditions and in line with Revenue rules. After the 30 days are over, you do not have the option to cancel your plan and get a refund if the plan is not suitable. You can stop contributing to your plan at any time, but you will not usually be able to take the benefits from your plan before you reach age 60.

## What is the minimum term

There is no minimum term on this Clear PRSA plan.

## Can I stop paying into my plan?

If you decide to stop making contributions, your pension fund stays invested and continues to grow tax-free. Obviously, the value of your fund when you retire will be lower at retirement than if you had continued paying. Before stopping contributions, you should be sure that you have made other arrangements for your retirement. You should contact your EBS Specialist Adviser for more details.

## Is there any limit on the size of my pension fund or my tax-free cash?

For tax purposes, the current maximum pension fund you can have is currently €2,000,000 from all sources but this may change in the future. This is called the standard fund threshold (SFT). If you have pension funds over this amount, you will be taxed at the higher rate for income tax. This tax is taken from the pension fund before your retirement benefits are due to be paid. You should contact your EBS Specialist Adviser for more details.

You will have to pay standard rate income tax on any retirement lump sum between €200,000 and €500,000. Any amounts over €500,000 will be taxed at your marginal income tax rate, the USC, PRSI (if it applies) and any other taxes or government levies will be taken.

## What is a Personal Fund Threshold?

If you have a personal fund threshold certificate issued from the Revenue, your maximum pension fund at retirement may be more than €2,000,000. You should contact your EBS Specialist Adviser or Irish Life for more details.

## Do I have to pay tax on my pension?

We must pay benefits under this plan in line with current Irish tax law. We will collect any government taxes or government levies and pass them directly to the Revenue Commissioners. Under current Irish law, when you retire you can take some of the fund as a retirement lump sum tax free. We explain how much of a retirement lump sum you can take tax-free in Section 4. You will have a number of options as to how you can use the rest of your pension fund. The tax you pay will vary depending on which one you choose.

If you choose to buy a pension for life, your income will be taxed as income in the normal way.

If you invest in an ARF or continue to invest in your PRSA as a vested PRSA, you will have to pay tax on any withdrawals that you make.

## When is the earliest I can take my pension and do I have to retire?

If you are self-employed, you can take your benefits from age 60. You do not have to retire to take your pension benefits. Some occupations, such as a pilot, fisherman, jockey, professional rugby player and so on, allow you to take the benefits earlier.

If you are an employee and you are not a member of an occupational pension scheme, you can take your benefits at any time after your 50th birthday. If you do this between age 50 and 60, you must retire from your job. If you take benefits from age 60, you do not have to retire and you can continue to work while enjoying the benefits from your PRSA.

If you are a member of an occupational pension scheme at work and have paid AVCs into a PRSA, your retirement age must be the same as the retirement age under your pension scheme at work. We will pay benefits in line with your main scheme. You will need the permission of the trustees of your work scheme to take your benefits. This may mean that you will need to retire so you can take benefits before the scheme's normal retirement age.

If a transfer is paid into this plan and was granted to you under a pension adjustment order, the earliest retirement date will not be based on your date of birth, but will be based on your former husband's, wife's, registered civil partner or qualified cohabitant's (see the glossary) date of birth and their employment status at the time of transfer.

If you are sick, it is possible to take benefits earlier than shown above. See further on for more details.

## When is the latest I can take my pension?

You must take your pension before your 75th birthday. If you do not then your PRSA will automatically become a vested PRSA. If that happens you will have no access to the pension. No retirement lump sum will be available, no withdrawals are allowed from the plan and you will not be able to transfer to an ARF or use the fund to buy a pension income for life.

If you have not taken your pension before age 75 you will have 30 days to complete a Benefit Crystallisation Event (BCE) Certificate or else income tax at the higher rate (currently 40%) will be deducted from your pension fund and paid to the Revenue Commissioners.

If your PRSA becomes a vested PRSA at 75 you will have no access to your pension benefits.

We will be required to deduct income tax and Universal Social Charge from your vested PRSA as if a minimum withdrawal had been taken.

## What happens if I stop working?

If you stop working but do not plan to begin taking benefits, you can either:

- stop contributing to the plan (perhaps until you start working again); or
- continue to contribute to the plan. If you continue to contribute, income tax relief on the contributions may have to be carried forward to when you have earnings in the future.

## What happens if I have to retire early because of ill health?

If you have to retire early because of ill health, you can take your pension benefits immediately. However, your pension may be low because your contributions are stopping at an earlier age and the pension will have to last longer as you will be retiring earlier. If you retire early because of ill health, you must give us medical evidence to support this.

The definition of ill health in Section 787k of the Taxes Consolidation Act 1997 is you are “permanently incapable through infirmity of mind or body of carrying out his or her own occupation or any occupation of a similar nature for which he or she is trained or fitted”.

## What happens if I leave employment?

If you are self-employed and paying into a Clear PRSA and then move into a job which has a pension scheme, your contributions into your Clear PRSA should either stop or become AVCs linked to your main scheme. The way you make your contributions could change (in other words, from direct debit to your employer taking them from the payroll) and you should contact your EBS Specialist Adviser or Irish Life.

If you are employed in a job which does not have a pension scheme and then you become self-employed, you can continue your contributions as normal. If you move into a job which has a pension scheme, your contributions into your Clear PRSA should either stop or become AVCs linked to your main scheme. The way you make your contributions could change (for example, from direct debit to your employer taking them from the payroll) and you should let your EBS Specialist Adviser or us know.

If you are a member of an occupational pension scheme and are paying AVCs into PRSAs but leave that job, your contributions can continue but they will become ‘ordinary’ contributions unless you join another job with a pension scheme. This may mean changing how your contributions are made from a payroll deduction to direct debit from your personal account.

If you move from a job which has an occupational pension scheme to another job with an occupational pension scheme, the payroll system may change from your old employer to a new employer. We can only do this if you let us know immediately.

It is important to let us know about any change of your employment so we can pay out the correct benefit to you when you retire. Changing your job does not mean that you have to stop paying into your Clear PRSA. It just means that you may have to change the way you pay your contributions and you should let us know as soon as possible if you change your job.

There may be restrictions on paying AVCs into some occupational pension schemes. These are outlined in the Irish Life Guide on AVCs.

## What happens if I die before starting to take my benefits?

We will pay the value of your Clear PRSA to your estate. Your dependants may have to pay inheritance tax depending on who inherits the fund. Irish tax law changes over time and you should get independent tax advice on this.

## What happens if I die after starting to take my benefits or after age 75?"

At age 75 your PRSA will automatically become a vested PRSA.

If you have taken your retirement lump sum, and decide to continue investing through your Clear PRSA, your plan will become a vested PRSA. Your Clear PRSA will also become a vested PRSA at age 75 whether you have taken your retirement lump sum or not.

We will pay the value of your vested PRSA to your estate when you die. Your dependants may have to pay tax depending on who inherits the funds.

If you leave the funds to your husband, wife or registered civil partner, they can transfer the funds to an ARF in their own name. In all other cases, we pass the funds to your estate. If your estate has to pay income tax, we must take this off before paying the proceeds to your estate.

Generally the amount that is left is treated as income for the year of your death.

There are a number of exceptions to this rule.

Income tax is not due if:

- the funds are transferred to an ARF in your husband's, wife's or registered civil partner's name. (however, PAYE is due on any future withdrawals); or
- the funds are transferred for the benefit of your children who are under 21 on the day you die.

Income tax will be due at a rate of 30% if the value of your vested PRSA is transferred for the benefit of any of your children who are over 21 on the day you die.

As well as income tax, if your vested PRSA is not paid to your husband, wife or registered civil partner, or to any of your children over age 21, there may also be capital acquisitions tax (CAT) due on the value of your plan. The beneficiaries are responsible for paying this tax. Irish tax law changes over time and you should get independent tax advice on this.

## Can I take money out of my Clear PRSA?

In most cases you will only be able to access your PRSA between ages 60 and 75, or due to early retirement.

If you are a member of an occupational pension scheme at work and are paying AVCs into your PRSA, you have to take benefits at the same time.

It may be possible to cash in the value of your plan if it is €650 or less and you have not paid contributions into your Clear PRSA in the two years before you ask to cash in. If the value of your fund is €650 or less and you do not pay any more contributions into it for two years, we can ask you to transfer your fund to another approved pension scheme or start to pay contributions again. We will write and tell you about this. If we don't hear back from you within three months of this request, we could decide to automatically refund the value to you.

## Can I move my money to another provider?

You can transfer your plan to another approved PRSA provider at any stage. You can also transfer your assets to an approved occupational pension scheme if you are a member of that scheme and the trustees are willing to allow this. You may also be able to make a transfer to an approved pension arrangement outside the state. Some restrictions apply to transfers to pension arrangements overseas.

We do not charge you for transferring out of the PRSA unless you are in a fund which restricts you from leaving before an agreed date. We may also set a notice period before a transfer can take place. You will have to pay income tax, Universal Social Charge and PRSI (if it applies) on transfers to an overseas pension schemes. You should check with your EBS Specialist

Adviser if this applies to your chosen fund. Please also see the relevant fund description in this booklet and your terms and conditions document. These give you an idea of whether these restrictions could apply.

## Family law and pensions

If you are involved in a judicial separation or divorce or dissolution of a civil partnership or ending of a relationship with a qualified cohabitant, a pension adjustment order may be granted by the court. There is no option to set up an independent benefit within this plan. A pension adjustment order issued by the court will override the terms and conditions of this plan. This will direct us to pay all or part of the benefits under this plan when you retire or die, to any person named in the pension adjustment order.

You can get more information on how a pension adjustment order works from the Pensions Authority at the address below:

### **The Pensions Authority**

Verschoyle House  
28/30 Lower Mount Street  
Dublin 2

**Phone:** 01 613 1900

**Email:** [info@pensionsauthority.ie](mailto:info@pensionsauthority.ie)

**Web:** [www.pensionsauthority.ie](http://www.pensionsauthority.ie)

## Who should I talk to if I have any questions?

You should talk to your EBS Specialist Adviser or contact our Customer Service Team on 01 704 1090.

## Who should I talk to if I have a complaint?

If you believe that you have suffered a financial loss as a result of your Clear PRSA being poorly managed or if there is a dispute, you should contact our Customer Service Team. As a PRSA provider, we must set up an internal disputes resolution procedure. You can ask us for a copy of this at any time. After writing to us with your complaint, we will make a decision on it and let you know. If you are unhappy with this decision, under the Financial Services Ombudsman and Pensions Ombudsman Act 2017, you can take your complaint to the Financial Services and Pensions Ombudsman at the following address.

### **Financial Services and Pensions Ombudsman**

Lincoln House, Lincoln Place  
Dublin 2, D02 VH29

**Phone:** 01 567 7000

**Email:** [info@fspoi.ie](mailto:info@fspoi.ie)

**Website:** [www.fspoi.ie](http://www.fspoi.ie)



The Financial Services and Pensions Ombudsman will investigate the matter for you. Both you and we can appeal against their decision to the High Court. For more information on your rights, please contact the Ombudsman's office. If you have any other type of complaint, please contact our Customer Service Team. We will review your complaint and let you know the outcome. If you are not satisfied with this, we will let you know where you can go to take your complaint further.

The Financial Services and Pensions Ombudsman does not investigate every customer complaint. They will tell you if your complaint is one that another office needs to deal with. The other body who may deal with your complaint is the Pensions Authority.

## Who is my Clear PRSA contract provided by?

Your contract is in the form of a plan and is provided by Irish Life Assurance plc. It sets out the details of your contract with us. This booklet is only meant to be a guide to help you understand your PRSA and does not give all the details of your plan. These details will be in your plan schedule. We will include more specific details and rules in your terms and conditions booklet, which you should also read carefully.

Your application form and plan will be your legal contract with us. The contract will be governed by Irish law. The Irish courts are the only courts that are entitled to hear disagreements. The information in this booklet is based on our understanding of current law, tax and Revenue practice. Irish Life's PRSAs are approved by the Pensions Authority and the Revenue Commissioners. The approval number of your PRSA is APP/K/640/S.

## European Communities (Distance Marketing of Consumer Financial Services) Regulations 2004

If a financial service or product is provided on a 'distance basis' (in other words, with no face to- face contact), we have to give you certain information. We have included this information under various headings in this booklet and the terms and conditions. All information (including the terms and conditions of your plan) will be in English.

# 7 Glossary

In this section we explain the terms that are often used when talking about PRSAs. You may be familiar with some of these terms already.

## Additional voluntary contributions (AVCs)

Extra contributions you can pay into your PRSA to add to the pension benefits already available from your company pension scheme.

## Annuity or pension for life

When you retire you can use your retirement fund to buy an annuity. This is a guaranteed income from your pension fund after you retire. This income is paid on a regular basis for the rest of your life.

## Approved retirement fund (ARF)

When you retire you can invest your retirement fund into a personal investment account called an approved retirement fund. You can withdraw money from the account when you need it.

## Bonds

A bond is a type of loan given to a company or a government. Say for example a government wants to raise money, they can issue a bond. If you loan money to a government you get your money back after the set timeframe and you will also receive a fixed interest rate.

## Chosen retirement date

The date you want to retire and take your pension benefits. Your chosen retirement age must be between age 60 and 75.

## Commodities

Raw materials or basic agricultural products that can be bought and sold in recognised markets. Examples of commodities include oil, gas, gold, wheat and cattle.

## Consumer Price Index (CPI)

A measure that examines the change of prices of particular consumer goods and services bought by households, such as transport, food and medical care.

## Diversification

A technique used in risk-management which mixes a variety of investments within a portfolio.

### Equities or shares

Investing in equities means investing in companies on the stock market, and the investor becomes a shareholder.

For the purpose of the funds that invest in shares, as described in this booklet, we are the investor and so the shareholder. How those companies perform affects whether the price of units in the fund rises or falls.

### Government bonds

Bonds issued by governments. These bonds regularly pay a fixed rate of interest for a set period of time, after which the initial investment is returned.

### Index-linked fund

A fund that is index-linked, means it tracks the performance of a particular stock-market index, rather than investing directly in specific assets that the manager believes will do better.

### Inflation

The rate at which the general level of prices for goods and services increases, and as a result, the buying power of money falls.

### Investment-grade

When a bond is rated investment grade, the government that issued it (the bond issuer) is considered to be able to meet its obligations, exposing investors to a reduced level of risk. The grade a bond is rated as is based on a number of criteria, including the likelihood that the bond issuer will be able to pay interest and repay the amount you originally invested, in full and on time.

### One-off contributions

These are also known as single contributions, as these contributions are not paid into your PRSA plan on a regular basis and can often be different amounts of money.

### Personal retirement savings account (PRSA)

Personal retirement savings accounts are a type of pension plan introduced in 2002. PRSAs are available to everybody up to the age of 75, whether they are employed, self-employed, work at home or on a temporary career break. They are convenient, flexible pension plans that you can take with you if you move jobs.

### Regular Contributions

Contributions you pay into your PRSA on a regular basis (for example, every month or every three months). These regular contributions are usually a set amount of money for a set period of time.

### Return

Return means the money or the profit you make on an investment. However, if markets do not perform well, your return could be less than the amount you invested. In other words, return means the profit or loss you make on your investment over a period of time.

### Securities Lending

When an investment manager lends securities owned by its clients to a third party.

### Unit-Linked Fund

A unit-linked fund combines your money with money from other investors and buys units in a fund. The number of units you get depends on how much you invest and the price of the units at the time you buy.

### Qualified Cohabitant

One of two adults who live together as a couple and are not related to each other. A qualified cohabitant must have been living with their partner for at least five years if there are no dependent children, and two years if there are dependent children.

### Vested PRSA

A Vested PRSA is

- a PRSA where the PRSA customer has taken their retirement lump sum and left the rest of their fund invested in the PRSA; or
- a PRSA where benefits have been paid from the main scheme (in the case of a PRSA where Additional Voluntary Contributions (AVCs) have been paid); or
- a PRSA where the customer has reached age 75.

### Volatility

The potential ups and downs that a fund may experience. The more volatile a fund is, the more likely it is to experience ups and downs that could have a significant effect on the value of your retirement fund.







# Need to ask us anything?

Simply contact your local EBS office to arrange to speak with your Financial Adviser

Call us on 1850 654 321  
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