

**PENSIONS
INVESTMENTS**
LIFE INSURANCE



Irish Life

IRISH LIFE EMPOWER®

YOUR RETIREMENT GUIDE



**EMPOWER
ACCESS**



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SECTION

1

IT'S TIME TO SAVE FOR YOUR FUTURE

One day, you'll retire. You won't have a salary, but you'll still need money to live on and to enjoy yourself. So it pays to save money now while you're earning. Saving for your future is sensible and worthwhile which is why we have designed EMPOWER to help achieve this.

EMPOWER is our defined contribution company pension plan. It is our aim at Irish Life to help people build better futures. We want to take the complexity out of pensions. We believe that doing this will enable you to take full control of your pension savings resulting in a better outcome at retirement.

SO, WHAT IS A DEFINED CONTRIBUTION (DC) PLAN?

A DC pension plan means that the amount you regularly save into your pension fund is defined, e.g. 10% of your salary goes into your pension fund.

With this type of plan, the benefit you receive when you retire is based on the pension fund that you have saved up during your working years. EMPOWER is a company pension plan, so your employer will help you by saving into your pension fund too!

In this guide, we will explain how your EMPOWER plan works:



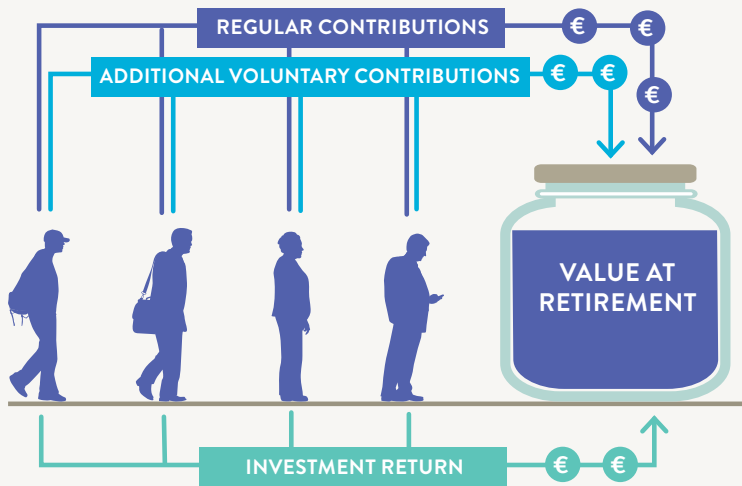


SECTION

2

WHAT MAKES UP YOUR RETIREMENT SAVINGS?

Your fund value at retirement will depend on:



REGULAR CONTRIBUTIONS

As part of a DC company pension plan, your regular contributions are made up of :

1.

Your contributions

2.

Your employer contributions
(your employer makes a contribution on your behalf)

INVESTMENT RETURN

The Government want to encourage everyone to set aside money for retirement. So as a pension saver, you may get three valuable tax breaks:

- Tax relief on what you pay into your pension plan.
- Tax exempt investment returns.
- A tax-free cash sum when you retire. We talk more about this later in Section 5.

TAX RELIEF ON WHAT YOU PAY INTO YOUR PENSION FUND

	40% tax rate	20% tax rate	40% tax rate	20% tax rate
Contribution of	€100	€100	€500	€500
Less tax relief	€40	€20	€200	€100
Net cost to you	€60	€80	€300	€400

So, if you contribute €100 to your retirement savings, it may only cost you €80 if you pay tax at 20%. If you pay tax at 40%, it may only cost you €60. Contributions do not qualify for relief from PRSI and Universal Social Charge. You do not have to pay any tax on any contributions your employer makes.

ADDITIONAL VOLUNTARY CONTRIBUTIONS

If you want to increase the value of your pension fund you can, by making Additional Voluntary Contributions (AVCs) or making a lump sum contribution. The good news is that you may also get tax relief on any of these contributions.

AVCs are the same as your regular pension contributions when it comes to getting your tax relief. Just remember that your company does not match AVCs.

The table below displays the percentage of your income that you may receive tax relief for when contributing to a pension plan. This includes any compulsory contributions to your plan and any AVCs you choose to make.



The Revenue's limits are applied to your total earnings, subject to a maximum of €115,000. Please note that contributions to your company pension plan are a percentage of basic salary, rather than total earnings. The earnings limit is subject to review. There is no maximum payment that can be made, but you may only claim tax relief within Revenue limits. There are also limits on the benefits that may be provided. Under current legislation, the Standard Fund Threshold allowable for tax relief purposes is €2.0 million (this maximum amount

includes any pension benefits already taken together with pension benefits yet to be taken). Any fund in excess of this amount will be liable to a once-off income tax charge at the top rate of tax (currently 40%) when it is drawn down on retirement.

This limit may be adjusted annually in line with an earnings index. The Revenue Commissioners have also placed limits on the total amount that can be contributed by you and your employer to your occupational pension scheme. However, if you are concerned by these limits please consult Irish Life for further details.

Please note that while tax relief may be available on contributions while you are saving for retirement, the benefits you receive when you retire may be subject to Income Tax, PRSI and Universal Social Charge.

THE EARLIER YOU START, THE BETTER



We want to ensure that you have sufficient income in retirement. The above illustrates how the earlier you start, the better. Neither of them ever put in more than the €3,000 per year and both achieve investment returns of 3% per year.

Assumptions:

- Each contributing €3,000 per year
- Assuming a growth rate of 3% after annual management charge of 0.65%

With our pension target tool, you will always be able to keep up to date with how your retirement savings are going. Please see Section 4 for more details.

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



SECTION

3

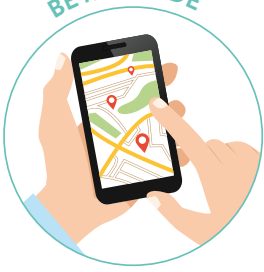
HOW YOUR CONTRIBUTIONS ARE INVESTED

BE MY GUIDE VS. I'LL DECIDE

You have two investment approaches available to you as a member of an EMPOWER company pension plan. These will determine how your regular contributions are invested.

1.

BE MY GUIDE



This is where we will do the work for you. We call this the Irish Life EMPOWER Personal Lifestyle Strategy (EMPOWER PLS).

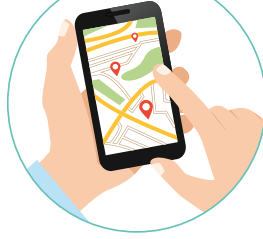
2.

I'LL DECIDE



This option allows you to take control of your investments and where your contributions will be invested.

BE MY GUIDE



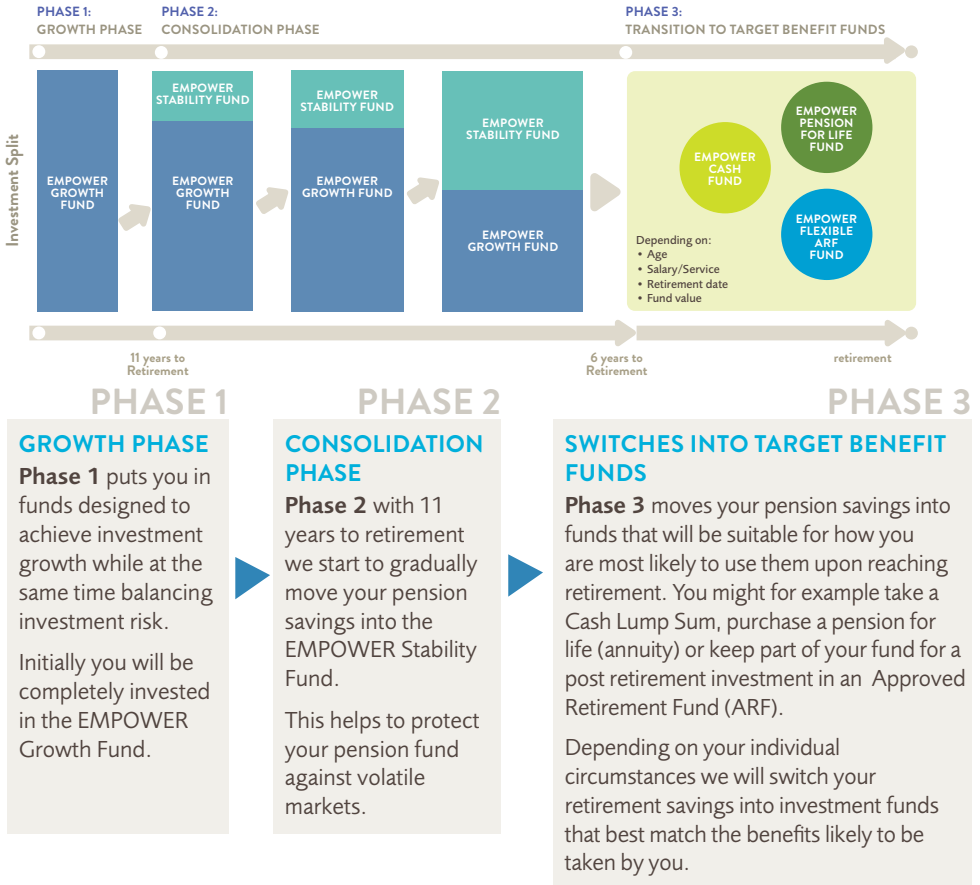
EMPOWER PLS

- This is where your pension investments are managed for you. It is the only investment strategy in the market to take into account your individual personal circumstances to provide a truly personalised approach.
- Our unique lifestyle strategy delivers a solution that not only takes into account your personal circumstances but intuitively matches your accumulated retirement savings into a mix of investment funds best suited to match your likely retirement options.



HOW DOES EMPOWER PLS WORK?

EMPOWER PLS has three phases which span the years of your pension savings. It starts from the moment you join the strategy and runs right up to your retirement date.



If your investment is in the EMPOWER PLS then all of your pension contributions must be invested in this strategy, you cannot select other funds and have the EMPOWER PLS features outlined here.



For more information on EMPOWER PLS, please log onto www.pensionplanetinteractive.ie

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

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

Warning: These funds may be affected by changes in currency exchange rates.

Warning: If you invest in this product you will not have ANY access to your money until you retire.

Securities Lending: The assets in these funds (except the EMPOWER Cash 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.

I'LL DECIDE



- This option gives you full control so you can decide everything for yourself. Choose the fund, or the mix of funds you want, and change them whenever you like.
- With this option your investment savings don't automatically move to lower-risk investments as you get closer to retiring. So in other words, if you want to move your savings to protect what you've earned up to that point, you'll have to make that change yourself!
- We would suggest you take financial advice about what you want your investments to achieve and then ensure that these objectives are being met on an ongoing basis.
- Typically your fund choice may include:
 - Cash
 - Bonds
 - Shares (also called equities)
 - Property

Our investment funds are categorised by the level of risk involved by investing in them. We have a risk rating system from 1 to 7, with 1 being the lowest and 7 the highest risk level.



Please log on to www.pensionplanetinteractive.ie for specific details of your fund options.



SECTION

4

BETTER OUTCOMES AT RETIREMENT

HOW EMPOWER HELPS YOU

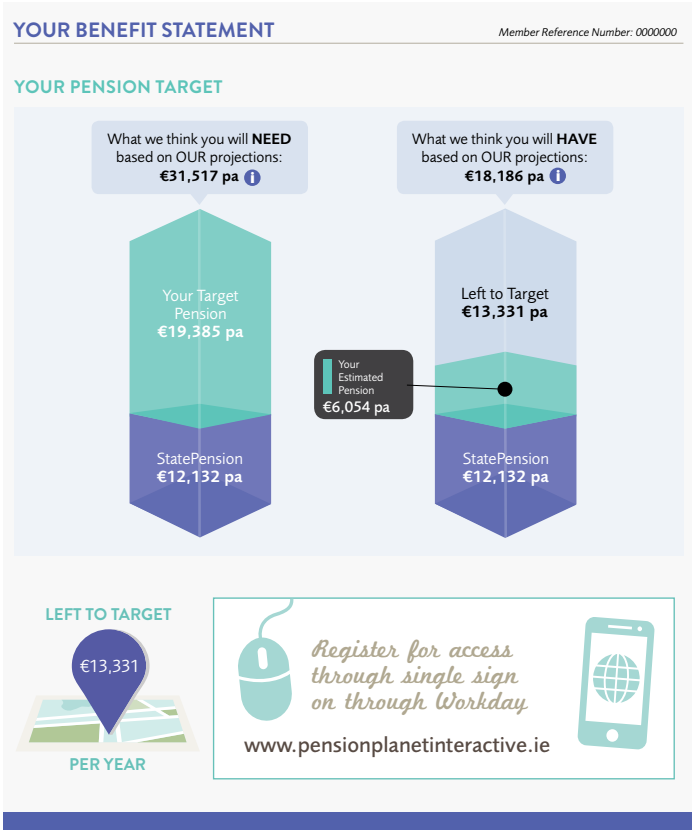
Our aim with EMPOWER is to create a better outcome for you in retirement. We will regularly keep you up to date with your personalised pension information.

Our pension target tool provides an easy way for you to find out if you are on track for retirement. It clearly illustrates:

- Your pension targets that you can set in the tool
- Your pension gap
- How to reach your pension target



YOUR BENEFIT STATEMENT



You will receive a benefit statement from us every year. We want to ensure that you are adequately prepared for your retirement.

Your benefit statement will clearly illustrate your:

- Pension target as one third of your projected final salary
- Contribution and valuations summary
- Investment information
- Statement of reasonable projection



- If you prefer checking your retirement savings online, download the Irish Life EMPOWER App.
- The app also shows if you are on track with your pension savings.
- And... because it's interactive, you can see the impact of adjusting your savings to meet your retirement target!

ONLINE FUND SWITCHING

Your Company Pension Plan

Details	Investments	Modify Contributions	Recent Transactions	Document Library
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My Investments > Switch Funds

1 Select Approach 2 Switch 3 Review 4 Confirmation

Please select an Investment Approach below

i You should consult with trustees(s) of the scheme or your Financial Advisor before requesting a change to your Investment Approach

Be My Guide

This approach allows you to select an Investment Strategy that initially invests in riskier asset classes with good potential growth. As you approach retirement, the strategy automatically switches your fund into safer assets to help protect your pension as you approach retirement.

Be My Guide ✓

I'll Decide

A number of funds have been made available to you by the Trustee(s) of your scheme. This approach allows you to make active decisions about where you want your money invested.

I'll Decide

Proceed to Step 2: Switch Proceed to Step 2

As discussed in Section 3, you have two investment approaches available to you. You can make fund switch requests online and they will be acted upon.



HAPPY TO HELP

We are available to answer any questions you may have on your retirement savings. Feel free to email happytohelp@irishlife.ie or phone 01 704 2000 and we will be happy to help!

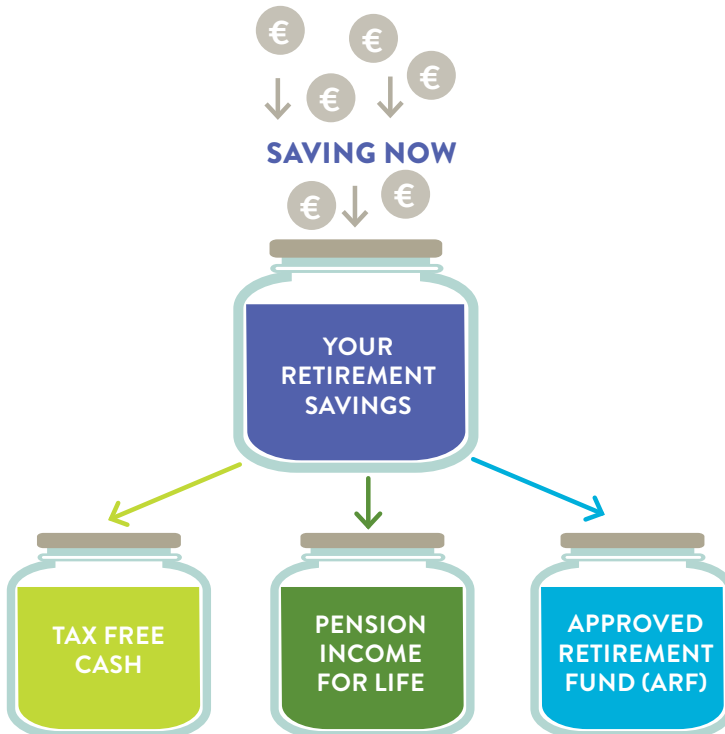
SECTION

5

WHAT YOU GET WHEN YOU RETIRE


You might not be approaching retirement, and if not, check back to this section at a later date! For those of you who are, let's talk about taking your retirement benefits.

We have broken down all the options available to you:




OPTION 1



1.  Take a maximum cash lump sum of up to 1.5 times salary, subject to 20 years of relevant or pensionable service, if you have remained working with the same employer until normal retirement age. The figure will be lower if you have left service before then.**


AND THEN



2.  The balance of your retirement savings (excluding any AVC value) must be used to buy a pension income for life/annuity

AND THEN




3.  If you have chosen to contribute extra amounts as AVCs, you also have the option to use the proceeds from your AVC to purchase an Approved Retirement Fund (ARF) or an Approved Minimum Retirement Fund (AMRF). Your AVCs can also be used to buy a pension income for life/annuity.

OR

OPTION 2



1.  Take a maximum immediate cash lump sum of up to 25% of your retirement fund.*

AND THEN



2. Invest the next €63,500** of your pension fund in:



- An AMRF or



- a guaranteed lifetime income of at least €12,700 a year (including any State benefit applicable) .

AND THEN



- Take the balance as a taxable lump sum.

OR

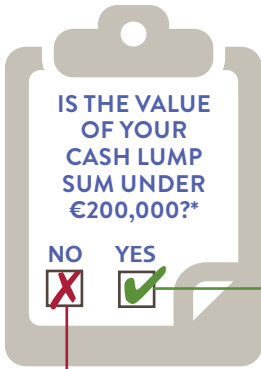


- Transfer the balance to an ARF

*Please see the next page for the tax treatments on these lump sums.

**These amounts may change (up or down) as specified by the Government. The amounts quoted are correct as at September 2019.

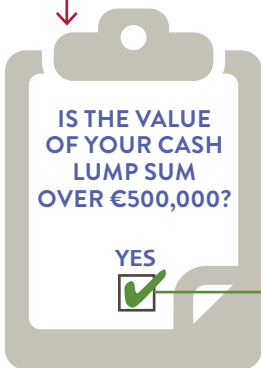
TAX TREATMENT OF YOUR CASH LUMP SUM



Then you can take this lump sum tax-free.



Then the excess above €200,000 can be taken as a cash lump sum, subject to tax at the standard rate, currently 20%.



If you have a Personal Treshold (an amount approved by the Revenue Commissioners which is greater than €2.0 million) you may take additional cash lump sum benefits above €500,000.

In this case, any cash lump sum amount taken in excess of €500,000 is taxed at your marginal rate of tax and the Universal Social Charge and PRSI will also apply.

Under current legislation, the Standard Fund Threshold allowable for tax relief purposes is €2.0 million (this maximum amount includes any pension benefits already taken together with pension benefits yet to be taken). This limit is in respect of all pension benefits held for an individual.

*Tax free lump sums taken on or after 7 December 2005 will count towards using up the tax free amount. So if you have already taken tax free cash totalling €200,000 or more since December 2005, any further retirement lump sums paid to you will be taxable.





SECTION

6

QUESTIONS PEOPLE OFTEN ASK

SET OUT BELOW ARE SOME OF THE TYPICAL QUESTIONS THAT PEOPLE OFTEN ASK ABOUT THEIR RETIREMENT SAVINGS.

What if I change jobs?

If you leave your current employer **after** more than two years in the pension plan, you will not have access to your pension fund until you retire. However, you do have a number of options in relation to the retirement savings you have built up during your time with the company. These options include:

1. Deferred pension - You can usually leave the value of your pension fund in your previous employer's pension plan until you retire and then use it to get a retirement benefit.
2. You may be able to transfer the value of your retirement savings to a new employer's pension plan (if your new employer's plan allows).
3. If you do not join another company pension plan and you decide to set up a Personal Retirement Savings Account (PRSA) you can, in certain circumstances, transfer the value of your retirement savings into it.
4. You can take the value of your retirement savings from your current employer's plan when you leave and invest in what is known as a Buy-Out-Bond or a Personal Retirement Bond (PRB). This is an individual lump-sum investment.

Should you leave your current employer **within** two years of being in the pension plan, you may be required to take a refund of the value of your own contributions less tax. Some plans may allow you to leave your contributions in the plan, even though they are not required to do so by law.

What if I want to retire early?

If your employer and the trustees agree, you may retire early once you have reached age 50. However, the plan is designed to provide benefits at your normal retirement age (NRA) and retiring earlier than this means that your retirement savings will be less than if contributions were paid up until your NRA.

What happens if I die before I retire?

If you die before you reach retirement age, your pension plan rules will determine what benefits will be made available to your dependants. This is known as a 'death in service' benefit. The benefit for each company pension plan is different so please check your member schedule for specific details.

Are there any other additional benefits as part of this plan?

Your employer may also provide you with important benefits such as Life Cover and/or Income Protection while employed with them. These benefits may be included as part of this plan, if so details will be provided to you on joining. If these benefits are included in a separate plan, your plan contact will provide you with the details.



What is an annuity?

It is an income for life. And you can choose either a level pension or one that starts lower, but increases by a set amount each year, to help offset the effects of inflation. You can also choose what will happen to your pension when you die. For example, it can stop immediately – or it can continue to be paid (in full or at a reduced rate) to your widow/er or civil partner/partner.

What is an approved retirement fund (ARF)?

It is an ongoing investment fund. It still has the potential to earn investment returns, but nothing is guaranteed. If you choose this option, instead of receiving a regular pension, you can simply withdraw the money you need (subject to specific conditions), as and when required. On your death, the balance in the fund (less tax) will be paid to your chosen dependants.

What is an approved minimum retirement fund (AMRF)?

An AMRF is similar to an ARF in many ways. Every year AMRF holders will be able to withdraw up to 4% of the AMRF asset value as at 1 February in that year. You can only have one AMRF at any time. An AMRF becomes an ARF when you reach 75 or on earlier death or should your circumstances change and you are in receipt of a specified income of €12,700. Money withdrawn from an AMRF is subject to income tax, the Universal Social Charge and PRSI (if applicable).

What happens if I move abroad?

Your retirement savings will always be yours and you will be able to use them when you decide to retire. There may be restrictions on transfers depending on the country you wish to transfer your benefits to. We deal with transfers abroad on an individual basis so please email happytohelp@irishlife.ie or phone 01 704 2000 and we will be happy to talk through this with you.





SECTION

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CONTACT INFORMATION

We are here to help! Our member service team are happy to answer any questions you may have on your retirement savings so feel free to email happytohelp@irishlife.ie or call us on 01 704 2000.

WHAT TO DO IF YOU HAVE A COMPLAINT

Should you have a complaint concerning the plan, you should contact the trustees. The trustees will follow an internal disputes resolution procedure. You are not bound by the trustees' decision.

WHAT IF YOU ARE NOT SATISFIED WITH THE OUTCOME?

If you are not satisfied with the outcome of your complaint you may refer the matter to the Financial Services and Pensions Ombudsman who will decide if the matter falls within their terms of reference. They can be contacted at:

Financial Services and Pensions Ombudsman,

Lincoln House,
Lincoln Place,
Dublin 2,
D02 VH29.

Phone: 01 567 7000

Email: info@fspo.ie

Website: www.fspo.ie

Notes....

Irish Experience. Global Strength.



Irish Life is one of Ireland's leading financial services companies with over 1 million customers. For over 75 years, we've been helping people in Ireland look after their pensions, investments and life insurance. So when we say 'We know Irish life. We are Irish Life', we mean it.

And because we look after more than 4,700 company pension plans, we know Irish businesses too.*

- Irish Life Investment Managers have €69.0 billion of assets under management.*
- Of the 10 largest Irish Companies, we currently manage Pension Schemes for 8 of them.*
- Of the 10 largest U.S. Companies operating in Ireland, we currently manage Pension Schemes for 8 of them.*



Irish Life is part of Great-West Lifeco group of companies, a global leader in financial services. This means we have access to experience and expertise on a global scale, to bring you the best mix of local knowledge and international experience.

*Source: Irish Life Investment Managers, 2018

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SOLVENCY AND FINANCIAL CONDITION REPORT

Irish Life's current Solvency and Financial Condition Report is available on our website at <http://www.irishlifecorporatebusiness.ie/about-us>



CONTACT US

PHONE: 01 704 20 00
FAX: 01 704 19 05
EMAIL: happytohelp@irishlife.ie
WEBSITE: www.irishlifecorporatebusiness.ie
WRITE TO: Irish Life Corporate Business, Irish Life Centre, Lower Abbey Street, Dublin 1.

In the interest of customer service we will monitor calls.

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