

# Defined Contribution Pensions Members Guide

Irish Life - Company Pension Plans Made Easy



Irish Life Corporate Business

Irish Life



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- your account value
- your transactions
- your fund selection
- fund price history
- risk benefits (as applicable to your plan)
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We also offer a variety of pensions tools such as:

- Pension Phone
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- Pension Prophet

for any pension and investment queries you may have.





# Irish Life Corporate Business

The single largest provider of  
Defined Contribution plans  
in Ireland

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# introduction

# What is a Pension Plan?

A pension plan is a long-term savings plan, where regular amounts and / or once-off lump sums are built up into a fund for retirement. The amounts saved into a pension are called 'contributions'.



A pension plan is one of the most important investments you are likely to make in your lifetime.

## The importance of having a Pension Plan

Have you ever wondered what you might do when you stop working? Let's face it we all have! The reality is that the majority of us will need to save a significant amount just to maintain our existing standard of living in retirement. With advances in modern medicine and improved standards of living, people are generally living longer and can look forward to 20 or 30 years in retirement. This is a long time to enjoy the finer aspects of life. Work priorities can be replaced with relaxing, enjoying new hobbies and spending more time with family and friends. Whatever your goals, one thing is for certain, you will wish to maintain the standard of lifestyle that you enjoyed while you were working.

Nobody wants to feel restricted or impoverished in retirement but this may be the reality for many people if they do not take

the time and make an effort to adequately plan for their retirement.

This means thinking about your pension and saving the right amount into it from an early age.

## The importance of saving the right amount for retirement

You are fortunate enough to be a member of a company pension plan, as not every Irish employer provides this for their employees. When you join the plan, it's important that you take the time to understand it and to calculate how much you realistically need to save into it – so you can afford the lifestyle you are looking forward to when you retire. Many people think that saving a small percentage of their salary into their pension plan will be enough to fund a 25- or 30- year retirement. The reality is that although some expenses may decrease in retirement, others, such as electricity bills, heating bills and medical expenses, may actually increase as you get older. The earlier a pension plan is started, the more time the fund has to accumulate and the better off you will be in retirement.



Only you can decide exactly how much money you will need during retirement. Chances are that you will need more than you think if you want to maintain your current lifestyle.

Ask yourself what percentage of your current salary you would need to live comfortably in retirement?

It is even more important now to provide for your retirement, considering that the legislation governing the age at which you will be entitled to claim your State Pension has been changed.

**State Pension payable:**

From age 66 from 1st January 2014  
From age 67 from 1st January 2021  
From age 68 from 1st January 2028

The savings you make now will provide you with a pension income from the age you retire from the scheme and also bridge any years between your scheme retirement age and the age from when you will receive the State Pension.

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

## Preparing for retirement – means start saving now!

Everyone wants to enjoy a financially secure retirement, so it is important that you begin planning for it now. When you start preparing as early as possible, you'll find it easier to build up a fund that can provide you with the type of lifestyle you are looking forward to enjoying in retirement.

If you are in your 20s or 30s, the easiest way to establish your pension plan is to start small and build your fund gradually. So, whenever you get a pay rise, commit to putting part of the increase into your pension plan, before you get used to spending it.

If you are in your 40s or 50s when you begin saving into your pension plan, you will naturally have more ground to make up, so you should commit yourself to saving a higher amount and you may decide to do this by making Additional Voluntary Contributions towards your retirement (AVCs).

*Further details on saving to your pension plan are explained in Section 5.*

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# company pension plans

# What is a Defined Contribution pension plan?

A Defined Contribution pension plan is one type of company pension plan. Defined Contribution means that the amount paid in (the contributions) are known or defined, e.g. 10% of your salary. The benefit you receive will reflect the value of the pension fund that you have built up during your working years. This will depend on the amount you and your employer have contributed to the plan and the investment performance of the fund, minus any charges applied to the plan.

*Please refer to your Member Schedule (issued with this booklet when you join the company pension plan) which will detail the amount or percentage of salary that both you and your employer have agreed to contribute to your pension plan.*

## How do company pension plans work?

A company pension plan or occupational pension plan, as it is also known, is one that an employer sets up in order to provide retirement benefits for their employees.

## Advantages of company pension plans

As an employee, the main advantages of a company pension plan to you are:

- Your employer organises the pension plan and makes contributions into it on your behalf.
- Your contributions are taken from your salary at source (i.e. before any income tax is deducted)
- You will receive income tax relief on your contributions and any investment returns on your fund can also accumulate tax free. Therefore, it is an extremely worthwhile method of saving.
- Charges are generally lower for group pension plans than for individual policies.
- Your employers contributions are not regarded as Benefit in Kind and are therefore not subject to Benefit in Kind tax.

## Your pension fund at retirement

Regular saving into your pension plan during your working years should mean that you have an adequate fund built up by the time you retire. At that stage, you will have a number of options for what you can do with the accumulated pension fund. These options will include taking part of the fund as a tax-free lump sum, as well as using the fund to provide a pension income for the rest of your life. You will also have the option of taking a dependant's pension that will be paid following your death.

*Further details on these options are explained in Section 5.*

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contributions

## How are my contributions invested?

Contributions that both you and your employer pay into the pension plan are invested in what is called a 'fund'. The purpose of this fund is to ensure that the money has an opportunity to accumulate growth – usually called an investment return. This is similar to the interest that you would earn on a deposit account. The fund when you come to retirement, subject to economic conditions, should therefore be larger than just the sum of the contributions paid into the fund i.e. the fund is then made up of the total amount of contributions plus the investment growth (less any applicable charges).

Depending on the fund chosen, the value of your investment may fall as well as rise.

The advantage of investing in company pension funds is that you have access to a range of stock markets and other investments in Ireland and worldwide, that as a single investor, you may not be permitted to invest in.

## What should I consider when deciding on my investment options?

There are a few essential issues that you should consider when deciding on your investment options:

- How much time do you have to save and invest before retirement?
- How much risk are you comfortable with?
- How much money will you need when you retire?
- What combination of benefits are you going to take when you reach retirement?

*For further details on Pension Benefit Options please see Section 5.*



Over the years you and your employer will hopefully be investing a large amount of money into the Plan; therefore it makes sense to understand what your investment options are and make informed choices which will bring you increased financial benefits when you reach retirement.

# Some of the investment options we offer include:

## A Medium risk

### Personal Lifestyle Strategy

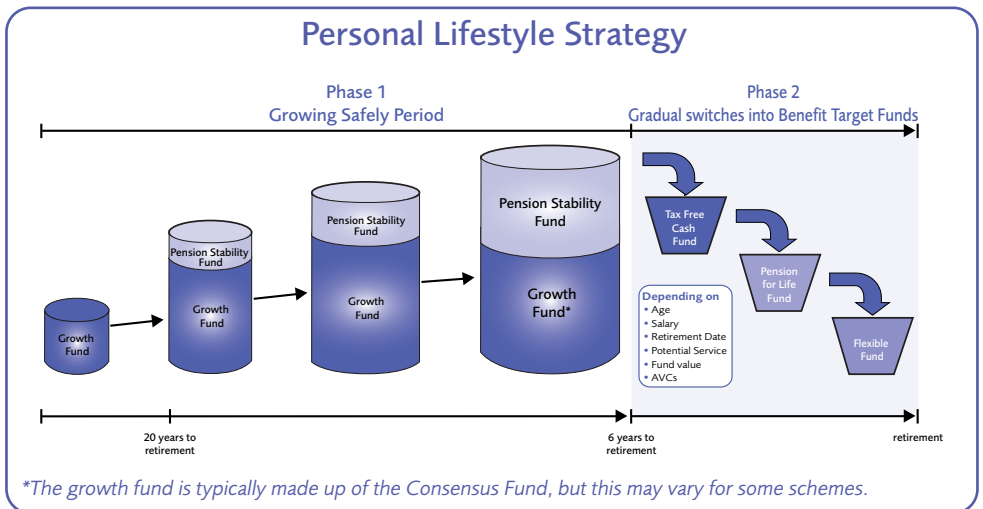
The Personal Lifestyle Strategy is designed to meet two very important needs for pension scheme members: It helps protect your pension fund value against market movements as you get closer to your retirement date and it directs your investment into appropriate funds that best match the benefits that you are likely to take on your retirement.

The Personal Lifestyle Strategy consists of two phases which span the years of your pension savings. It starts from the moment you join the strategy up to your retirement date.

**Phase 1**, the Growing Safely Period, represents the early and middle years of pension saving. Phase 1 invests your pension fund into funds\* suitable to achieve investment growth while at the same time balancing investment risk.

With 20 years to retirement we start to gradually move your pension fund into the Pension Stability Fund. This helps to protect your pension fund against volatile markets.

**Phase 2** moves your pension fund into funds that will be most suitable for how you will be likely to use pension savings upon reaching retirement. You might for example take a Lump Sum benefit, purchase a Pension for Life or keep part of your fund for a post retirement investment. Depending on your individual circumstances we will switch your savings into investment funds that target the benefits most suitable to you. With one year to go before your retirement date the fund switches are completed and you have reached your benefit target funds.



## B Low Risk

### Cash Fund

The Cash Fund invests 100% in cash and short-term deposits and aims to give investors a stable and predictable return.

The Cash Fund can be used to protect the value of members' funds against market movements. For members who are close to retirement it is particularly useful for that element of the fund that will be taken as a lump sum.

#### Fund Risk



This is a very low risk fund. While there will be a very low level of volatility in fund returns, there is also only a very low potential for gains. It is suitable for investors who are very close to retirement or have a very low appetite for risk.

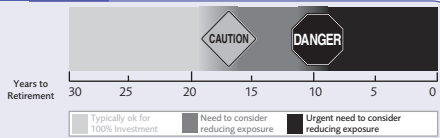
## C High risk

### Indexed 50/50 Equity Fund

The aim of the Indexed 50/50 Equity Fund is to achieve average equity fund returns and eliminate manager selection risk, which is the risk of being with an investment manager who underperforms.

The assets of this fund are fully invested in equities. The allocation in this fund is split into approximately 50% Eurozone assets and approximately 50% assets from the rest of the world. The stock selection within each market is index stock selection, meaning that we replicate the weighting that each stock represents within the relevant market index.

#### Fund Risk



This is a high risk fund which can have a high level of volatility. Therefore it may not be suitable for investors who have less than 10 years to retirement. The fund is most suitable for long term investment.



You should always consult your financial advisor for expert advice before making any decisions which may affect your benefits under the plan or before acting on any of the matters covered in this booklet.

For more details on any of these funds or to get a full list of the funds available from Irish Life visit our website

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

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

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

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

These funds may engage in security lending to earn returns.

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# tax advantages

# Tax advantages of paying into a company pension

Pensions are an extremely tax-efficient method of saving. The Government provides workers with generous tax relief at the highest tax rate as a way to encourage pension saving. In other words, if your income levels categorise you into the higher income tax bracket, then you will receive tax relief at that rate. Likewise, if your income levels categorise you into the lower rate tax-bracket only, then this is the rate at which you receive the tax relief.



The examples shown on the next page illustrate the tax advantages of saving into your pension plan.

## How tax relief works

When you contribute to a pension scheme, the net cost or the 'real' cost to you isn't as high as you would initially think.

\*A €100 contribution to a pension plan actually costs you €80 if you pay tax at 20% and €59 if you pay tax at the top rate of 41%. Also, if your employer makes contributions to your pension plan, you will not have to pay any tax on their contributions.

When you decide how much you need to contribute to your pension to provide you with a comfortable retirement, your payroll area will arrange all the rest.



*Deductions from your salary will be made through the PAYE system.*

What this means is that if you decided to save €100 a month into your pension plan, your payroll department will arrange for that amount to be paid into your pension plan directly from your salary. They will also calculate and apply the tax relief that you are entitled to. Your take-home pay will be reduced by your contributions minus the tax relief and your tax bill will be reduced by the tax relief applied.

\*For example, for every €100 you contribute, your take-home pay will be reduced by €59 (if you pay tax at 41%). This means that should you contribute €300 a month, your take-home pay will only go down by €177. Some examples are shown overleaf.

*\*The figures shown in these examples are based on tax rates as at 1st January 2012.*

# Examples of income tax relief

Contributions invested in your pension plan get full tax relief.

If you pay tax at 41%		If you pay tax at 20%	
€100	Total Investment to your pension	€100	
-€41	Less tax saved	-€20	
€59	Net cost to you	€80	

## Limits on pension saving

It would be great if you could save unlimited amounts into your pension plan and still receive tax relief, but because the tax breaks are so good, the Government have established limits. Although these limits are very generous and are based on your income and age, they are subject to a maximum earnings limit.\*\*

The table below displays the percentage of your income that you can receive tax relief for when contributing to a pension plan. There are also limits on the benefits that may be provided at retirement.

## Relief on your pension contributions

Age	Maximum % of annual salary allowable for tax relief on your pension contributions
Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-59	35%
60 and over	40%

*\*\*The maximum earnings limit from 2011 is €115,000. The earnings limit is subject to review and change each year. 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, Standard Fund Threshold allowable for tax relief purposes is €2.3 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 41%) when it is drawn down on retirement. This limit may be adjusted annually in line with an earnings index. Please note that the Revenue Commissioners have also placed limits on the total amount that can be contributed by you and your employer to your occupational pension plan. However, if you are concerned by these limits please consult your financial advisor for further details.*

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your questions  
answered

## "What happens if . . ."

### I am in a pension plan and I leave the company?

#### Scenario 1: I have been in the plan more than two years.

Should you leave your current employer after more than two years in the pension plan, you will not be permitted to access your pension fund until you retire. However, you do have a number of options in relation to the pension fund which you have built up during your time with the company. These options are as follows:

**A** 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. This is known as a deferred pension.

**B** You may be able to transfer the value of your pension fund to a new employer's pension plan (if your new employer's scheme permits).

**C** If you do not join another company pension plan and you decide to set up a PRSA (Personal Retirement Savings Account) you can, in certain circumstances, transfer the value of your pension fund into it. You can then continue with your pension saving.

**D** You can take the value of your pension fund from your company plan when you leave and invest in what is known as a buy-out bond or Personal Retirement Bond (PRB). This is an individual lump-sum investment pension policy. You cannot make any further contributions to this PRB.



Regardless of which option is chosen, you will not have access to the funds until you retire. The above is subject to agreement by the trustees. For further information, contact the trustees of your plan or your pension plan advisor.

#### Scenario 2: I have been in the plan less than two years.

Should you leave your employment with less than two years service while a member of the plan, you may or may not be entitled to the benefit of your employer's contributions. This will depend on the plan rules.

If you transferred benefits from a previous arrangement to your current employer's pension scheme, the service related to that transfer value will be included in calculating whether you have less than 2 years service. The options as set out above in Scenario 1, apply to whatever benefit has been secured. The plan rules will determine whether the options apply to your own contributions only or whether they apply to your own contribution as well as your employer's

contributions. However, you may also opt to receive the value of your own contributions immediately, less tax. If you opt for this, you forfeit the right to the benefit of your employer's contributions.

## I am unable to work due to ill health?

### Ill-health cover and pension payment

If you are unable to work due to ill health, your employer may provide you with an ill-health benefit, which is also known as Income Protection Benefit. This is an insurance policy designed to replace your income if you are unable to work for a certain period of time due to ill health.



If your employer has made provisions for this type of policy, then you could receive up to 2/3rds, but up to a maximum of 75% of your salary (inclusive of State benefit). As an additional level of cover, the policy may offer what is known as premium protection benefit. This means that the policy will also provide cover to continue the payment of your pension contributions, if you are absent from work due to ill health.

*Please refer to your Member Schedule (issued with this booklet when you join the company pension plan) for specific details on your Plan's Income Protection Benefit (if applicable).*

## I need to retire early due to ill health?

If you are forced to retire early on the grounds of ill health, your pension benefits will be made available to you (if the trustees agree). However, this will mean that your pension will be much lower than if you had continued in employment and continued making contributions up until your normal retirement age, which is usually set at 65.

## I want to retire early?

Subject to agreement from your employer and trustees, it may be possible for you to retire from age 50 onwards. However, this will mean that your pension will be much lower than if you had continued in employment and continued making contributions up until your normal retirement age, which is usually set at 65.

*Please refer to your Member Schedule (issued with this booklet when you join the company pension plan) for specific details on your Plan's Selected Retirement Age.*

## I die before I retire?

Should 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 'death-in-service' benefit and also known as 'life cover'. The benefit for each company pension plan is different and may include one or all of the following:

- A lump sum, often a multiple of your salary or pensionable salary.
- Payment of the value of your personal pension contributions, including any Additional Voluntary Contributions (AVCs).
- A dependant's pension, payable for life.
- A child's or orphan's pension, normally ceasing at age 18 (later if in full-time education), subject to certain limits.



You may complete a Letter of Wishes Form to let the Trustees of the plan know which people you would like considered for payment of the lump sum death benefit. Your wishes will not be legally binding on the Trustees but they will be taken into account.

*Please refer to your Member Schedule (issued with this booklet when you join the company pension plan) for specific details on your Plan's Death in Service Benefit (if applicable).*

## How much should I save into my pension?

When you join the company pension plan, you need to make a decision on how much to save into it as the amount that is contributed into your pension plan, combined with the investment growth, will determine the size of the pension fund you will receive in retirement. This in turn will influence your standard of living after you retire.



If you will have no other form of income in retirement apart from your pension, then the general rule of thumb is to aim for a pension that is equal to about half of your current salary. However, the State pension that you should be entitled to at retirement will be paid in addition to your own pension. If you're aiming for a pension income of half your current salary, then the amount you need to save right now will depend on how close you are to retirement.

*Please refer to your Member Schedule (issued with this booklet when you join the company pension plan) which will detail the amount or percentage of salary that both you and your employer have agreed to contribute to your Pension Plan.*

However, it is very important to remember that this may just be the minimum amount that should be paid in. Unless you are very young when you start to contribute, you will need to contribute extra money to your pension plan in order to have a pension income that equals half of your salary when you retire.

Contributing additional monies (over what the employer states that you must pay) into your pension is described as making Additional Voluntary Contributions or AVCs.

The tables overleaf highlight the total percentage of salary that will need to be saved into your pension plan, based on age, in order to achieve a pension which will equal approximately half of your salary when you retire. This percentage can be made up of your contributions as well as your employer's contribution.

*\*The figures used in this example are based on tax rates as at April 2012.*

*For further details on tax relief please see Section 4.*



**For example:**

\*A person aged 35, whose employer is contributing 6% to their pension, will need to save 19% to make up the required 25% total contribution, assuming they retire at age 65. This may seem like a large amount but generous tax relief is available, particularly if they are paying tax at the higher rate.

## Retiring at age 65

Start contributing at age	% contribution per year of salary required for pension of approx. 33% of salary	% contribution per year of pension of approx. 50% of salary
25	12%	17%
30	14%	21%
35	17%	25%
40	21%	32%
45	28%	41%
50	38%	57%
55	60%	90%
60	125%	187%

## Retiring at age 60

Start contributing at age	% contribution per year of salary required for pension of approx. 33% of salary	% contribution per year of pension of approx. 50% of salary
25	16%	24%
30	19%	29%
35	24%	36%
40	31%	47%
45	44%	65%
50	68%	102%
55	141%	212%

**Note:** These illustrations assume an investment return before retirement of 6% per year (after charges) and salary/contribution growth and inflation of 3% per year. These rates are for illustration purposes only and are not guaranteed. These figures also allow for the government pension levy of 0.6%, assuming that contributions start in January 2012. The pension levy will be deducted at the end of June in each of the years 2012, 2013 and 2014. Actual investment growth will depend on the performance of the underlying investments and may be more or less than illustrated. This illustrated income is assumed to be paid monthly in advance, payable for life (and payable for at least a minimum of 5 years regardless) and increasing by 2% per year during payment. This table is based on annuity rates calculated in line with guidance from the Society of Actuaries in Ireland.

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

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

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

# Making AVCs – Paying more into your pension plan

Your Member Schedule will set out the minimum contribution that you have agreed to make, but you also have the option of paying extra contributions. These are known as Additional Voluntary Contributions or AVCs. This may be a good option for you if you want to increase the value of your pension fund.

*Please refer to your Member Schedule (issued with this booklet when you join the company pension plan) which will detail the amount or percentage of salary that both you and your employer have agreed to contribute to your pension.*

AVCs are treated like normal pension contributions for tax purposes. Therefore, like pension contributions, AVCs qualify for tax relief at your highest rate of tax. Also, any investment growth achieved by the retirement fund that you have built up is tax free. AVCs allow you to take control of your financial future and help to build up an adequate fund for when you reach retirement.

The value of these AVCs is added to the value of your main pension fund to make up a total retirement fund. Part of this fund can be taken as a lump sum when you reach

retirement age, with the remainder used to buy an income for life (also known as an annuity).

## What will I get at retirement?

After all those years of contributing to your retirement fund, finally comes the time to choose your retirement benefits. If you retire at the normal retirement age (usually age 65, depending on your plan rules), the pension fund you have built up over the years may provide for all or some of one of the two options summarised overleaf on page 25.

# What will I get at retirement?

## 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.\*

AND THEN

2. The balance of your pension fund must be used to buy a pension income for life/annuity.

AND THEN

3. If you have chosen to contribute extra amounts into an AVC fund, you also have the option to convert the AVC fund into an ARF (Approved Retirement Fund) or an AMRF (Approved Minimum Retirement Fund).

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 €119,800\*\* of your pension fund in:
  - An AMRF or
  - Purchase an annuity to provide you with a pension income for life

OR

If you have a guaranteed lifetime income of at least €18,000\*\* a year (including any State benefit applicable), you can

3. Take the balance as a taxable lump sum

OR

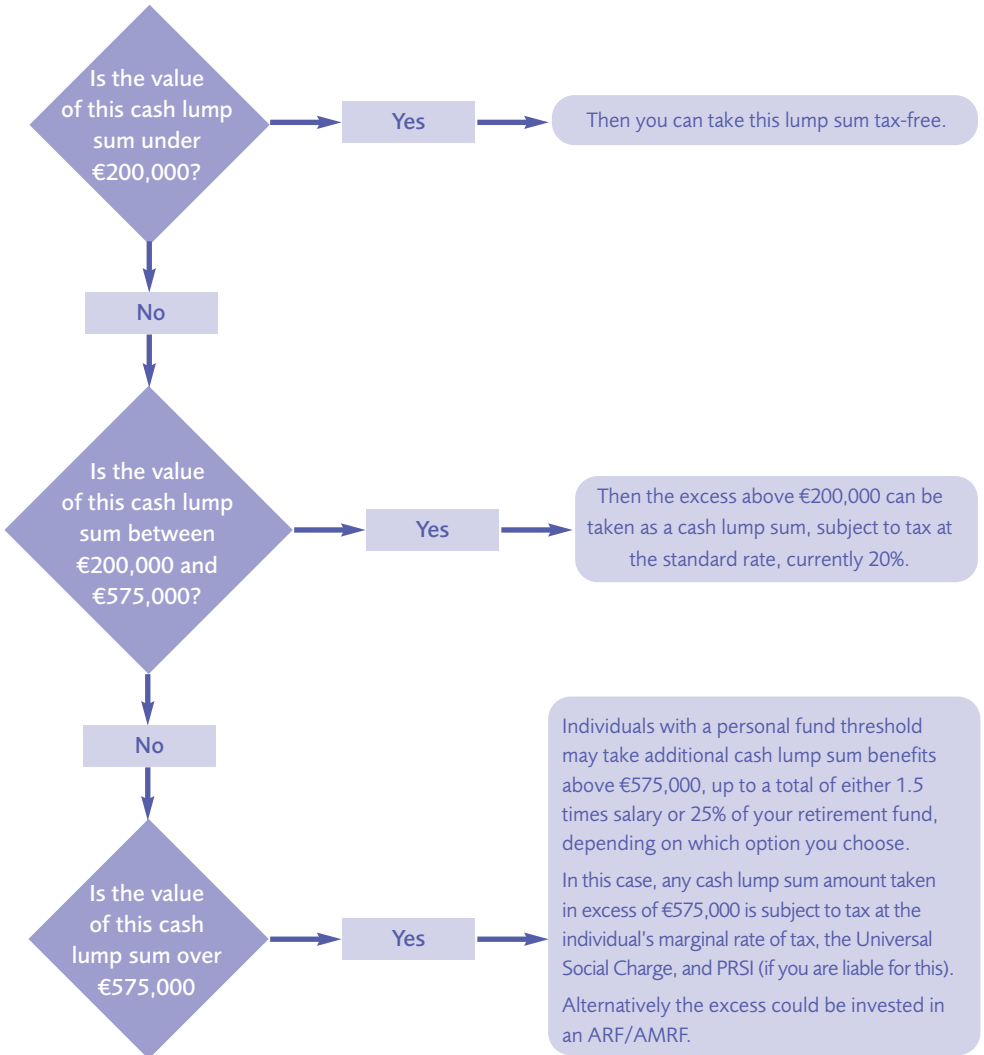
Transfer the balance to an ARF

*\*Please see overleaf for the tax treatment on these lump sums.*

*\*\*These amounts may change (up or down) as specified by the Government. The amounts quoted are correct as at April 2012.*

# Cash lump sum payments - tax treatment

Your cash lump sum will have the following tax treatment.



Tax free lump sums taken on or after 7 December 2005 will count towards using up the new tax-free amount. So if an individual has already taken tax-free retirement lump sums of €200,000 or more since 7 December 2005, any further retirement lump sums paid to the individual on or after 1 January 2011 will be taxable.

## Pension Income for life/annuity

This is a fixed pension income for life, where your income remains the same. The amount of pension income you receive will depend on of the size of the pension fund you have built up. The maximum amount Revenue allows is two-thirds of salary, if you have at least 10 years relevant or pensionable service at retirement age. You will also have the options to purchase a pension income for your spouse/civil partner or to have your pension increase on an annual basis. In either case it will reduce the level of pension you will be able to receive.

## What is an AMRF?

AMRF stands for an Approved Minimum Retirement Fund. It is similar to an ARF in many ways, except for the fact that you cannot make a withdrawal from your AMRF capital in any circumstance before the age of 75. You can however, draw on the accumulated investment growth at any time, as you wish. 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 €18,000.

Money withdrawn from an AMRF is subject to income tax, the universal social charge and PRSI (if applicable).

## What is an ARF?

ARF stands for Approved Retirement Fund. An ARF is a tax-free investment fund held in your own name and managed by a Qualifying Fund Manager. Money can be transferred from one ARF to another if you have more than one.

An ARF can only be taken out if:

- You have a guaranteed lifetime income of at least €18,000\* a year (as at April 2012) or
- Your fund has a value of at least €119,800\* (April 2012).

Money withdrawn from an ARF is subject to income tax, and the Universal Social Charge, and PRSI (if you are liable for this.)

*\*These amounts may change (up or down) as specified by the Government. The amounts quoted are correct as at April 2012.*



Please note the following Revenue regulations:

- If the ARF's asset value is less than €2 million, every year 5% of the ARF's asset value as at 30th November\* is liable to income tax, Universal Social Charge and PRSI, if applicable. The 5% is inclusive of any income you actually take.
- If the ARF's asset value is greater than €2 million or if an individual owns more than one ARF, where the aggregate value of the assets in those ARFs exceeds €2 million, every year 6% of the ARF's asset value as at 30th November\* is liable to income tax, Universal Social Charge and PRSI, if applicable.

The 6% is inclusive of any income you actually take.

This applies when the ARF owner is 60 years or over for the whole of the tax year and where an ARF is set up after 6th April 2000.

\*These amounts and the valuation dates may change as specified by the Government.

The information is correct as at April 2012.

retirement age and retiring earlier than this means that your retirement fund will be less than if contributions were paid up until your normal retirement age.

## What will I get if I retire early?

If your employer and trustees agree, you may retire early once you have reached age 50, or at any age if you cannot carry on working due to ill health. However, the plan is designed to provide benefits at your normal



our service  
to you

# Information on your pension

While you are a member of an Irish Life Corporate Business company pension plan, we will provide you with all the information you need in order to keep up to date on your pension plan's progress and make informed decisions on what choices work best for you.

In addition to this booklet, containing general information on the workings of your company pension plan, Irish Life Corporate Business will provide you with the following various sources of information, allowing you to continually monitor your pension situation:

## Member Schedule

When you join the company pension plan you will be issued with a Member Schedule. This is a schedule of your pension plan details and covers any benefits which relate to your Plan. It also provides you with specific information on any death benefits or ill-health cover if applicable to your pension plan.



This is a very important document and should be kept in a safe place, as you will need to refer to it in the future.

# Pension benefit statement

Issued annually, this statement provides you with information on your individual pension fund, including a breakdown of all contributions paid and total charges deducted, along with the current value of your pension fund. Your benefit statement also provides future projected values, giving you an idea of the type of retirement fund you can expect.

## Online information on your pension plan –

[www.pensionplanetinteractive.ie](http://www.pensionplanetinteractive.ie)



Pension Planet Interactive is an easy to use online tool that gives you access to your pension plan information. It helps you manage your retirement planning more effectively and efficiently.

PPI gives you the following information:

- key pension plan information
- your account value
- your transactions
- your fund selection
- fund price history
- risk benefits (as applicable to your plan)

- documents such as benefit statements and correspondence in the document library
- retirement planning tools and information about investment choices.

## Predicting your pension at retirement with Pension Prophet

Pension Prophet is a pension projection tool that will help you predict what level of retirement income you could have. It also allows you to run hypothetical calculations based upon your personal information, contribution rate, assets and expense assumptions. This will help you to determine your projected retirement fund, income and expenses and to create a plan which will help you to achieve your desired goals.

It is a graphic, easy-to-use projection tool which quickly displays the benefit of additional pension savings and the cost of delaying that saving. It also has a clever retirement income calculator which outlines typical day-to-day expenditure on different items and allows you to assess the amount of income that you may need in retirement.

 Pension Prophet can be accessed via Pension Planet Interactive or via our website [www.irishlife.ie/corporatebusiness/](http://www.irishlife.ie/corporatebusiness/)



## Pension Phone

Telephone: 1850 258 258

As an Irish Life pension scheme member, Pension Phone allows you to check your pension fund value by phone. If you have a touch-tone phone, you can call Pension Phone at any time between 8am and 10pm, 7 days a week.

When you join the pension plan, you will be issued with a PIN number which allows you to access your account by Pension Phone. For extra security, you may also change your Pension Phone PIN number at anytime.



Please note prior to joining your pension plan, it may take a number of weeks for the Pension Phone service to apply.



## My Pension App

My Pension App is the first App of its kind in Ireland. It gives you the opportunity to check your current fund value, interactively estimate the value at retirement or view all investment literature on your smartphone.

Download the App for free through the below website:

[www.mypensionapp.ie](http://www.mypensionapp.ie)

# AIM Pension education

## Work-site presentations

At Irish Life Corporate Business, we are aware that you need as much information on your pension plan as you can get, in order for you to fully understand your plan details and what level of contribution you need to carry on making in order to maintain your current standard of living in retirement. To address this need, we have developed the AIM initiative for pension education and awareness.

Our team of trained professionals (called the AIM team) will visit your workplace and give a presentation on your company pension plan. They will focus on helping you to understand how the pension plan works, the most efficient way to make pension savings and what kind of pension you should expect at retirement.

## Pension funding letters

Once your pension plan is up and running, we can provide pension funding information in the form of 'traffic light' letters. This is a really useful part of the AIM service as it informs you what kind of pension you should expect at retirement age if you continue your current level of saving.

If you get a green letter, then you should expect an adequate pension in retirement (50% of salary or more). An amber letter (expected pension between 35% and 50%) means that your retirement saving has room for improvement, while a red letter means that if you continue your current level of saving, your pension level will be low in retirement (less than 35% of salary).



Traffic-light letters are normally issued in conjunction with an AIM work-site visit. Talk to your HR department about arranging for the AIM team to visit your workplace for an AIM Pension Health Check.

## Investment updates

Irish Life Corporate Business can provide you with investment fund information each month on how all our funds are performing. These can also be found on our website: [www.irishlife.ie/corporatebusiness/](http://www.irishlife.ie/corporatebusiness/)



It is like a health check for your pension – as it let's you know what kind of shape your pension is in.



# contact information

Every company pension appoints trustees to run the pension and ensure that your interests are protected at all times. If you have any queries you should talk to your HR area or the plan contact person, who acts on behalf of the trustees.

The name and contact details of your pension plan contact and the trustees are listed in your Member Schedule (issued with this booklet when you join the company pension plan).

## Contact information for complaints

If 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. If you wish, you may refer the matter to the

**Pensions Board** at:

**Verschoye House**

**28/30 Lower Mount Street**

**Dublin 2**

**Tel (01) 613 1900**

If you are not satisfied with the outcome of your complaint you may refer the matter to the appropriate Ombudsman who will decide if the matter falls within their terms of reference. Depending on your type of plan, the appropriate Ombudsman may be the Pensions Ombudsman, or certain cases may be dealt with by the Financial Services Ombudsman.

The Pensions Ombudsman can be contacted at:

**Pensions Ombudsman**

**36 Upper Mount Street**

**Dublin 2**

**Tel (01) 647 1650**

The Financial Services Ombudsman can be contacted at:

**Financial Services Ombudsman's Bureau,**

**3rd Floor**

**Lincoln House**

**Lincoln Place**

**Dublin 2.**

**Tel: 1890 8820 90**

*The contribution and benefit limits, tax relief and other details set out in this booklet are based on our understanding of the law as at April 2012. When reading this booklet you should consider that the law can change at any time. This booklet is a general guide to these matters only; therefore you should always get expert advice when you make any decisions which may affect your benefits under the plan.*



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**Irish Life** Corporate Business



Irish Life Assurance plc is regulated by the Central Bank of Ireland.

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