

Your Retirement Options

A Guide from Irish Life

Pension products are provided by Irish Life Assurance plc.



COMMITTED TO PLAIN ENGLISH

There is no financial jargon in this booklet and everything you need to know is written in an upfront and honest way.



ABOUT US

AIB has chosen Irish Life, Ireland's leading life and pensions provider, to provide its customers with a range of pension, protection, investments and savings products. Irish Life is part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations. As well as offering advice when you take out a plan, AIB will also help you with any questions about your plans and offer you a financial review every year in return for the fee AIB receive from Irish Life.

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Information correct as of July 2017. For the latest information, please see www.irishlife.ie.



Irish Life

All information including the Terms and Conditions of your plan will be provided in English. The information and figures quoted in this booklet are correct as at July 2017 but may change.

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INTRODUCTION

Retiring can be daunting enough without worrying what to do with your pension fund. You have worked hard to save for your retirement so it's important that you take some time to consider your options.

Irish Life have designed this booklet to help you decide what your next step with your pension fund should be. This booklet will look at the different types of pension plans and the retirement options available to each pension type. It will also compare the advantages and disadvantages of each option to help you with this important decision.

We recommend you get financial advice about your retirement options before you make any decisions.



WHEN CAN I RETIRE?

When you can take your retirement benefits will depend on the type of pension plan you have.

PERSONAL PENSION

If you have a personal pension plan, you can take your retirement benefits at any age between 60 and 75. You do not actually have to retire and stop working. As soon as you reach age 60, you can take your benefits and continue working.

If you do not take retirement benefits before your 75th birthday your personal pension will automatically become a vested Retirement Annuity Contract (RAC). You will have 30 days from your 75th birthday to complete a Benefit Crystallisation Event (BCE) Certificate or else income tax at the higher rate (currently 40%) will be deducted from the fund and paid to the Revenue Commissioners.

If your personal pension becomes a vested RAC you will have no access to your pension benefits. If you want access to your pension fund after age 75 you should speak to your Financial Advisor about your options before your 75th birthday.

There are some circumstances when you can take your benefits before age 60. You can take your benefits if:

- You are seriously ill and due to your ill health you have to permanently give up work;* or
- You work in specific occupations where it is normal to retire before 60. These include professional sportspeople, pilots and fishermen.

PERSONAL RETIREMENT SAVINGS ACCOUNT (PRSA)

If you have a PRSA, you can take your retirement benefits at any age between 60 and 75. You do not actually have to retire and stop working. As soon as you reach age 60, you can take your benefits and continue working.

If you do not take retirement benefits before your 75th birthday your PRSA will automatically become a vested PRSA. You will have 30 days from your 75th birthday to complete a Benefit Crystallisation Event (BCE) Certificate or else income tax at the higher rate (currently 40%) will be deducted from the fund and paid to the Revenue Commissioners.

From age 75 you will have no access to your vested PRSA. If you want access to your vested PRSA after age 75 you should speak to your Financial Advisor about your options before your 75th birthday.

There are some circumstances when you can take your benefits before age 60. You may take your benefits if:

- You are seriously ill and due to your ill health you have to permanently give up work;* or
- You work in specific occupations where it is normal to retire before 60. These include professional sportspeople, pilots and fishermen; or
- If you are an employee, you can take your benefits from the age of 50 if you stop working for that company. This must be verified by a copy of your P45 for that

*Medical evidence will be needed before an ill health retirement claim can be paid.

employment. If you own or control more than 20% of the shares in the company you will also have to sell those shares in order to retire early. This option does not apply if you are self-employed, a sole trader or a partner.

COMPANY PENSION OR PERSONAL RETIREMENT BOND (PRB)

If you are a member of a company pension scheme or have a PRB you can take your retirement benefits at your normal retirement age, this will have been set by the scheme trustees between ages 60 and 70.

There are some circumstances when you can take your benefits before your normal retirement age. You may take your benefits if:

- You are seriously ill and due to your ill health you have to permanently give up work;* or
- You may be able to take early retirement from age 50 if you stop working and the trustees of your pension scheme and your employer agree. If you own or control more than 20% of the shares in the company you will also have to sell those shares in order to retire early.

Additional Voluntary Contribution (AVC)

If you are a member of a company pension scheme you may have paid additional voluntary contributions (AVCs). Your company pension scheme and AVCs will be linked and the retirement age for both will be the same.

You must take your benefits from your AVC at the same time as you take your benefits from your company pension.

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

*Medical evidence will be needed before an ill health retirement claim can be paid.

WHAT OPTIONS ARE AVAILABLE WHEN I RETIRE?

There are four options available when you retire. The options available to you will depend on your personal circumstances and the type of pension you have. We have dedicated a section in this booklet to the retirement options available to each pension type. In this section we discuss each option in general.

RETIREMENT LUMP SUM

At retirement everybody has the option of taking a retirement lump sum.

Most people take the maximum amount allowed under this option. The level of retirement lump sum you can take will depend on the type of pension plan you have and your personal circumstances. The level of retirement lump sum which may be available under each type of pension plan is explained in the 'What are my options?' sections.

The current maximum retirement lump sum you can receive tax free from all your pension plans is €200,000. Retirement lump sums between €200,000 and €500,000 will be subject to standard rate income tax (currently 20%). Any retirement lump sums greater than €500,000 will be taxed at your marginal rate, the Universal Social Charge (USC), PRSI (if applicable) and any other taxes or government levies applicable at that time will also be due. Both the €200,000 and €500,000 limits include all retirement lump sums you have received since 7 December 2005.

Your Financial Advisor can give you more information about what you are entitled to.

BUY A PENSION FOR LIFE (ANNUITY)

When you hear people talking about a pension this is what they usually mean. A pension for life also known as an annuity is a regular income paid to you for the rest of your life. Your regular income stops when you die unless you choose an option which continues this payment, more details on these options are outlined below. You will have to pay income tax at your highest rate on withdrawal, USC and any other taxes or government levies due at that time on any pension income you receive.

There are a number of extra options available; your Financial Advisor can help you decide which options best suit your needs;

- A pension paid to you for at least five years or 10 years. This means that if you die during this period, we will continue to pay the pension to your dependants to the end of the five or 10 year period. This is called the guaranteed period.
- A pension which will increase. This means your pension increases each year, to take account of inflation, when it is being paid. Your payments may increase by either 3% or 5%, depending on Revenue limits.
- A pension for your husband or wife, registered civil partner or dependant. This means if you die we will pay a pension to them until they die.
- You may qualify for an enhanced annuity based on information on your lifestyle and medical history (and that of your dependant

if applicable). 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.

- You can arrange for your income to be paid every month, every three months, every six months or every year.

You don't have to make any of these decisions until you actually retire. You should discuss these options with your Financial Advisor. The option you choose will affect the cost of the pension income for life and the level of income you will receive.

In the past, some pension plans offered a Guaranteed Annuity Rate at retirement. This can be a very valuable option. The type of annuity available is generally set and any changes mean you would lose the guarantee. You should check your contract to see if you have this guarantee. If you do, you should compare the guaranteed rate to current annuity rates on the market.

REINVESTING YOUR PENSION FUND

With certain types of pension plans you may be able to reinvest some or all of your pension fund in an Approved Retirement Fund (ARF) and withdraw money as you want, depending on certain restrictions.

If you have a PRSA you can continue investing in your PRSA after you take your retirement lump sum. Your PRSA will become a vested PRSA and will be treated the same as an ARF or Approved Minimum Retirement Fund (AMRF) until age 75.

If you decide to continue investing in the PRSA as a vested PRSA or transfer to an ARF or AMRF, it is important to remember that the value of your fund may be reduced over time if the level of withdrawals is high and the investment return is not high enough to maintain this. When you die, any money left in your fund will pass through your personal representatives to your

estate. Your spouse or registered civil partner may have the option of continuing to invest in a separate ARF.

What is an ARF?

An ARF is a separate plan that allows you to continue investing after you retire. With an ARF you manage and control your retirement fund and can invest in a wide range of different investment funds. You can also make withdrawals, as you need them. You also pay income tax at your highest rate, the USC, PRSI (if applicable) and any other taxes or government levies due at the time on all withdrawals. You can leave the rest of the fund to your dependants when you die.

Minimum withdrawal amounts

The Finance Act 2006 introduced an obligation on all qualifying fund managers to deduct tax from ARF funds every year as if you had taken a minimum withdrawal. The Finance Act 2012 extended this tax requirement to vested PRSAs. Each December, we will review any withdrawals you have taken during the year. If you haven't taken any withdrawals, or if the withdrawals you have taken are lower than the minimum withdrawal amount, we will pay you the minimum withdrawal amount less income tax at your highest rate, the USC, PRSI (if applicable) and any other taxes or government levies due at the time. We will only take the minimum withdrawal amount from your ARF and vested PRSA from the year you turn 61 (or 60 if your birthday is 1st January).

The current minimum withdrawal amount is 4% of the value of your fund from the year you turn 61 (or 60 if your birthday is 1st January) and 5% of the value of your fund from the year you turn 71 (or 70 if your birthday is 1st January) at the end of each year. Currently if the total value of your ARFs and vested PRSAs are more than €2,000,000 then you must withdraw at least 6% of the value of your ARFs every year. It is your responsibility to let us know if you have other ARFs and Vested PRSAs with a total value of more than €2,000,000. This could change in the future.

Approved Minimum Retirement Fund (AMRF)

If you do not have a guaranteed pension income for life of at least €12,700 a year when you retire, you must invest €63,500 in an AMRF (or the rest of your fund if it is less than this amount) or buy a pension with the same amount. The main difference between an AMRF and an ARF is that you are not required to make a minimum withdrawal from an AMRF each year. You may make one withdrawal each year from an AMRF of up to a maximum of 4% of the value of your funds at that time. You will have to pay tax on any withdrawal made and the withdrawal may be subject to an early withdrawal penalty.

This 4% restriction applies until one of the following happens (whichever is first).

- You start receiving a guaranteed pension income for life from other sources (currently €12,700 a year), or
- You reach age 75.

It is your responsibility to let us know if your income changes.

Example of how an AMRF and ARF work together	
Your retirement fund	€500,000
Retirement lump sum (for example, 25%)	€125,000
Rest of retirement fund	€375,000
Invest in an AMRF (if you do not have a guaranteed pension income of €12,700 a year)	€63,500
Invest the rest in an ARF	€311,500

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. 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 for life before choosing to draw an income from your vested PRSA or invest in an ARF.

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

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

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

Leave your funds in your PRSA

If you have a PRSA you can take your retirement lump sum and leave the balance in your PRSA as a vested PRSA until age 75. Depending on your circumstances at the time you take your retirement lump sum you may have to keep up to €63,500 in your vested PRSA – this is called your restricted fund. You will not be able to take any withdrawals on the fund below the restricted fund. You will not have to keep a restricted fund if you meet one of the following conditions:

- You receive a guaranteed pension income for life of €12,700 a year; or
- You have invested €63,500 in an AMRF; or
- You have €63,500 in a separate vested PRSA along with any amount you have invested in an AMRF; or
- You have used at least €63,500 to buy a pension for life;

Anything over your restricted fund will be treated in a similar way as an ARF (see above).

Minimum Withdrawal Amount

The minimum withdrawal requirement as described on page 6 will apply to vested PRSAs over the restricted fund in the same way as ARFs.

From age 75 you will no longer be permitted to take withdrawals from your vested PRSA. Irish

Life will be required to deduct income tax and USC from your vested PRSA as if you had taken a minimum withdrawal, however no further payments can be made to you. If you want to continue to access to your pension after 75 your should speak to your Financial Advisor about your options before your 75th birthday.

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

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

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

TAKE AS A TAXABLE CASH SUM

Depending on the type of plan you have, you may be able to take the rest of your fund, in one go (after the retirement lump sum). You will need to pay income tax at your highest rate, the USC, PRSI (if applicable) and any other taxes or government levies applicable on this lump sum at the time.

See the 'What are my options?' sections which will show if this option is available to you.

YOUR OPEN MARKET OPTION

You can choose to buy a pension for life from a pension provider other than us. This is called an open market option. If you move to another provider, you may get a higher or lower pension income. You may also lose some of the options available to you under your pension plan (such as a guaranteed annuity rate) when you retire. Once you know what type of pension interests you, you can compare the different levels of income on offer. Your Financial Advisor can help you with this and you can also visit the Competition and Consumer Protection Commission at www.consumerhelp.ie. It is also possible to buy an ARF or AMRF product from a qualified fund manager other than us.

Maximum Pension Fund

The maximum pension allowed at retirement from all sources for tax purposes is €2,000,000. This is called the standard fund threshold (SFT). Any pension fund over €2,000,000 will be taxed at the higher rate (currently 40%). This tax is taken from the pension fund before your retirement benefits are paid. If you have pension funds over this amount you should talk to your Financial Advisor.

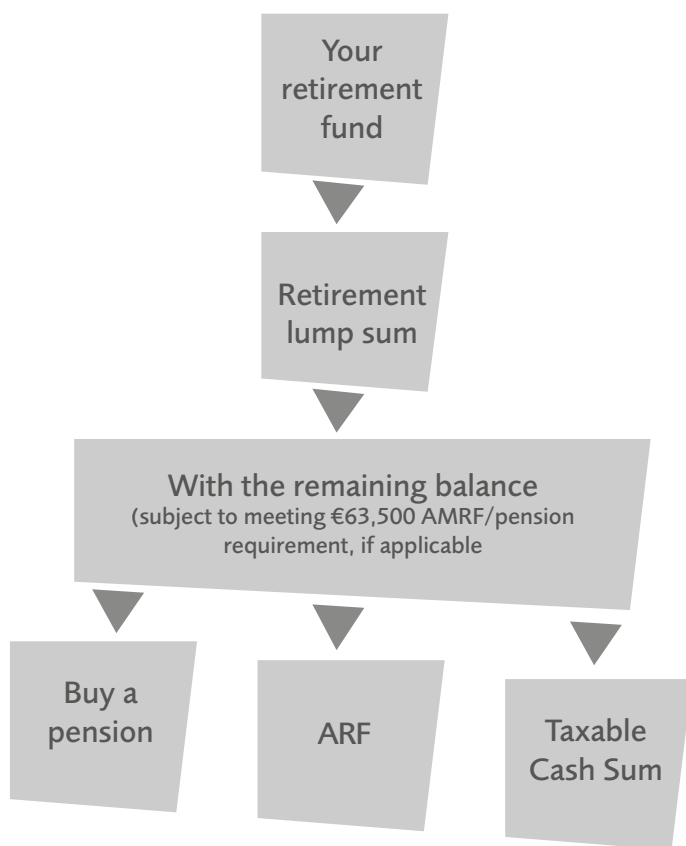
If the value of your pension funds were greater than €2,000,000 on 1 January 2014 or greater than €2,300,000 on 7 December 2010 or €5,000,000 on 7 December 2005 you may have applied for a personal fund threshold (PFT) from the Revenue Commissioners. The Revenue would have issued you with a PFT Certificate which replaces the SFT.

If you did receive a PFT Certificate you will need to send a copy of that certificate to your pension provider when you take your retirement benefits.

All limits set out in this section may change in the future

WHAT ARE MY OPTIONS IF I HAVE A PERSONAL PENSION?

YOUR OPTIONS WHEN YOU RETIRE



RETIREMENT LUMP SUM

With a personal pension you can take a retirement lump sum of up to 25% of your fund.

THE REST OF YOUR FUND

If you have no other pension benefits and the total value of all your pension benefits, after taking your retirement lump sum payment, is less than €20,000, you may be eligible to take the balance of your fund as a once-off taxable payment. This is called the Trivial Option. For more information regarding this option, please speak to your Financial Advisor.

The other options available to you depend on whether you have a guaranteed pension income for life of at least €12,700 a year.

Will you have a guaranteed pension income for life of €12,700 when you retire?

NO

Buy a pension for life

Or

Invest the first €63,500 in an AMRF or use to buy a pension for life and invest the rest in an ARF, taking withdrawals as you want

Or

Invest the first €63,500 in an AMRF or use to buy a pension for life and take the rest as taxable cash

YES

Buy a pension for life

Or

Invest in an ARF
(taking withdrawals as you want)

Or

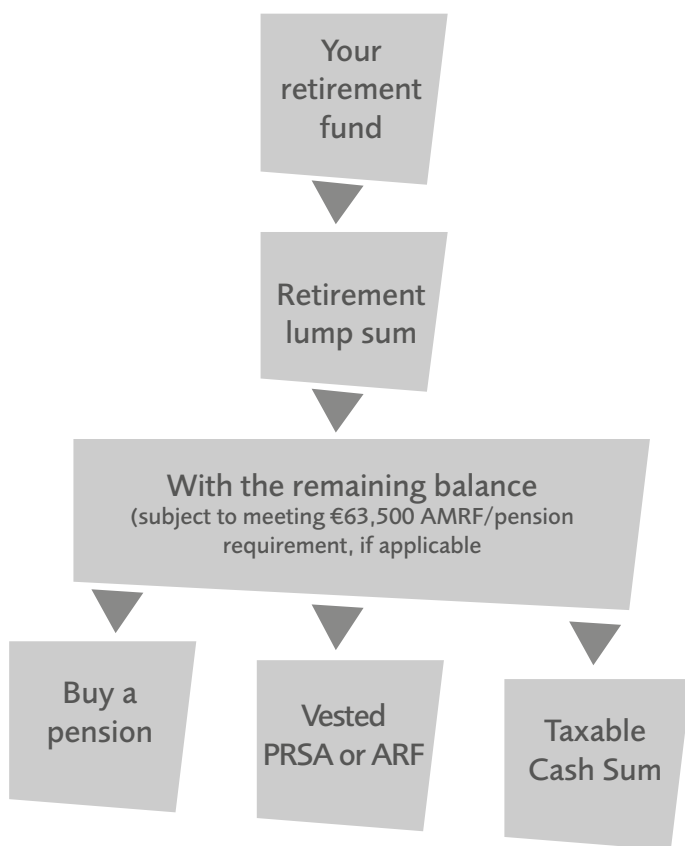
Take as a taxable cash sum

You will have to pay income tax at your highest rate, USC, PRSI (if applicable) and any taxes or government levies on any pension income you receive or withdrawals from an ARF or AMRF.

These limits may change in the future.

WHAT ARE MY OPTIONS IF I HAVE A PRSA?

YOUR OPTIONS WHEN YOU RETIRE



If you have a PRSA AVC please see Sections 6 and 7 for your retirement options.

RETIREMENT LUMP SUM

With a PRSA you can take a retirement lump sum of up to 25% of your fund.

THE REST OF YOUR FUND

If you have no other pension benefits and the total value of all your pension benefits, after taking your retirement lump sum payment, is less than €20,000, you may be eligible to take the balance of your fund as a once-off taxable payment. This is called the Trivial Option. For more information regarding this option, please speak to your Financial Advisor.

The other options available to you depend on whether you have a guaranteed pension income for life of at least €12,700 a year.

Will you have a guaranteed pension income for life of €12,700 when you retire?

NO

Buy a pension for life

Or

Leave up to €63,500 in your vested PRSA as a restricted fund or buy an annuity with that amount. You can then leave the rest of your fund in the vested PRSA and take withdrawals as you want until age 75.

Or

Invest the first €63,500 in an AMRF or buy an annuity with that amount. You can then invest the rest in a separate ARF and take withdrawals as you want.

Or

Leave €63,500 in your vested PRSA as a restricted fund, invest that amount in an AMRF or use buy an annuity. You can then take the rest of your fund as taxable cash.

YES

Buy a pension for life

Or

Leave the fund in your vested PRSA as an ARF (taking withdrawals as you want) until age 75.

Or

Invest in an ARF
(taking withdrawals as you want)

Or

Take as a taxable cash sum

You will have to pay income tax at your highest rate, USC, PRSI (if applicable) and any taxes or government levies on any pension income you receive or withdrawals from a vested PRSA, ARF or AMRF.

You will have no access to your vested PRSA after age 75. Irish Life will be required to deduct income tax and USC from your vested PRSA as if you had taken a minimum withdrawal, however no further payments can be made to you.

These limits may change in the future.

WHAT ARE MY OPTIONS IF I HAVE A COMPANY PENSION?

The options you have for your pension fund from a company pension will depend on whether you have a defined contribution or defined benefit company pension scheme.

DEFINED CONTRIBUTION COMPANY PENSION

Almost everyone in a defined contribution company pension scheme will have the option to choose from either Option A or Option B (explained in this section). The trustees of your company pension scheme will tell you what options are available to you.

DEFINED BENEFIT COMPANY PENSION SCHEME

The options available will depend on the rules of your company pension scheme. Typically you must take your retirement benefits under Option A. The trustees of your company pension scheme will tell you what options are available to you.

Option A



Retirement lump sum of up to 1.5 x final salary



Buy a pension for life

Retirement lump sum

The retirement lump sum available under a company pension plan will depend on your circumstances and how long you have been working for the company.

The maximum retirement lump sum allowed is 1.5 times (150%) your final earnings. To be able to take the maximum allowed, you will need to have worked with your current employer for between 20 and 40 years depending on your circumstances and any other pension benefits you may have.

The trustees of your company pension scheme will tell you the maximum retirement lump sum you can take based on your salary and service.

The rest of your fund

The balance of your pension must be used to buy a pension for life.

You will have to pay income tax at your highest rate and USC and any other taxes or government levies applicable at that time on any pension income you receive.

If you paid AVCs into your company pension scheme or into a separate AVC scheme or PRSA AVC you will have further options with your AVC funds, please see section 7.

Option B



Retirement lump sum

You can take a retirement lump sum of up to 25% of your company pension and AVC fund.



The rest of your fund

The other options available to you depend on whether you have a guaranteed pension income for life of at least €12,700 a year.

Will you have a guaranteed pension income for life of €12,700 a year when you retire?

NO

Buy a pension for life

Or

Invest the first €63,500 in an AMRF or use to buy a pension for life and invest the rest in an ARF, taking withdrawals as you want

Or

Invest the first €63,500 in an AMRF or use to buy a pension for life and take the rest as a taxable sum

YES

Buy a pension for life

Or

Invest in an ARF, taking withdrawals as you want

Or

Take as a taxable cash sum

You will have to pay income tax at your highest rate, USC, PRSI (if applicable) and any taxes or government levies on any pension income you receive or withdrawals from a vested PRSA, ARF or AMRF.

If you paid AVCs into your company pension scheme or into a separate AVC scheme or PRSA AVC you will have further options with your AVC funds, please see section 7.

These limits may change in the future.

WHAT ARE MY OPTIONS IF I HAVE PAID ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)?

You may have paid AVCs into your main scheme, a separate AVC plan or into your PRSA. The AVC fund will help to make up the shortfall between the maximum benefits you are allowed under your main scheme and what your main scheme actually provides. AVC benefits must be claimed at the same time you are claiming benefits from the main company pension scheme

RETIREMENT LUMP SUM

The amount you can take as a retirement lump sum under your AVC will depend on the rules of your company pension plan. This will depend on your circumstances and how long you have been working for the company.

If you took a retirement lump sum based on your salary and service the maximum retirement lump sum allowed is 1.5 times (150%) your final earnings.

The trustees of your company pension scheme will tell you the maximum retirement lump sum you can take based on your salary and service.

For example, if you are allowed 150% of your final earnings as a retirement lump sum and your company pension gives you 100%, you can use your AVC to make up the other 50%.

If you took 25% of your company pension plan as a retirement lump sum then you can also take 25% of your AVC funds as a retirement lump sum.

THE REST OF YOUR FUND

Your options with the rest of your AVC fund depend on whether you contributed your AVCs to your main scheme, to a separate AVC or to a PRSA AVC plan.

OPTION 1

If you contributed AVCs into your main scheme or a separate AVC plan

You will have a different set of options depending on whether you have a guaranteed pension income for life of €12,700 a year.

Will you have a guaranteed pension income for life of €12,700 a year when you retire?

NO

Buy a pension for life

Or

Invest first €63,500 in an AMRF or use to buy a pension for life and invest the rest in an ARF, taking withdrawals as you want.

Or

Invest the first €63,500 in an AMRF or use to buy a pension for life and take the rest as a taxable cash lump sum.

YES

Buy a pension for life

Or

Invest in an ARF, taking withdrawals as you want.

Or

Take as a taxable cash sum

OPTION 2

If you contributed AVCs into a PRSA plan

You will have a different set of options depending on whether you have a guaranteed pension income for life of €12,700 a year.

Will you have a guaranteed pension income for life of €12,700 a year when you retire?

NO

Buy a pension for life

Or

Leave up to €63,500 in your vested PRSA as a restricted fund or buy an annuity with that amount. You can then leave the rest of your fund in the vested PRSA and take withdrawals as you want until age 75.

Or

Invest the first €63,500 in an AMRF or buy an annuity with that amount. You can then invest the rest in a separate ARF and take withdrawals as you want.

Or

Leave €63,500 in your vested PRSA as a restricted fund, invest that amount in an AMRF or use buy an annuity. You can then take the rest of your fund as taxable cash.

YES

Buy a pension for life

Or

Leave the fund in your vested PRSA as an ARF, taking withdrawals as you want until age 75.

Or

Invest in an ARF, taking withdrawals as you want.

Or

Take the rest as a taxable cash sum.

You will have to pay income tax at your highest rate, USC, PRSI (if applicable) and any taxes or government levies on any pension income you receive or withdrawals from a vested PRSA, ARF or AMRF.

You will have no access to your vested PRSA after age 75. Irish Life will be required to deduct income tax and USC from your vested PRSA as if you had taken a minimum withdrawal, however no further payments can be made to you.

These limits may change in the future.

WHAT ARE MY OPTIONS IF I HAVE A PERSONAL RETIREMENT BOND (PRB) / BUY OUT BOND?

Personal Retirement Bonds (PRBs) also known as Buy Out Bonds are taken out by trustees of company pension schemes when an employee leaves service or when the pension scheme is wound up. They are personal contracts taken out in the employee's own name and provide retirement benefits in line with the original company pension scheme.

With the money you have built up in your PRB you will be able to choose from either Option A or Option B.

Option A



Retirement lump sum of up to 1.5 x final salary



Buy a pension for life

OPTION A

Retirement lump sum

The retirement lump sum available under a Personal Retirement Bond will depend on your circumstances and how long you were working for the company.

The maximum retirement lump sum allowed is 1.5 times (150%) your final earnings. To be able to take the maximum allowed, you will need to have worked with your employer for a minimum of 20 years when claiming your benefits at normal retirement age. This maximum 1.5 times final earnings must take into account other pension benefits you may have.

Your pension provider will tell you the maximum retirement lump sum you can take based on your salary and service.

The rest of your fund

The rest of your pension must be used to buy a pension for life.

You will have to pay income tax at your highest rate and USC and any taxes or government levies applicable at the time on any pension income you receive.

If you paid AVCs into your company pension scheme or into a separate AVC scheme or PRSA AVC you will have further options with your AVC funds, please see section 7.

Option B



Retirement lump sum

You can take a retirement lump sum of up to 25% of your Personal Retirement Bond and AVC fund.



The rest of your fund

The other options available to you depend on whether you have a guaranteed pension of at least €12,700 a year.

You will have to pay income tax at your highest rate, USC, PRSI (if applicable) and any taxes or government levies on any pension income you receive or withdrawals from a vested PRSA, ARF or AMRF.

If you paid AVCs into your company pension scheme or into a separate AVC scheme or PRSA AVC you will have further options with your AVC funds, please see section 7.

These limits may change in the future.

Will you have a guaranteed pension income for life of €12,700 a year when you retire?

NO

Buy a pension for life

Or

Invest first €63,500 in an AMRF or use to buy a pension for life and invest the rest in an ARF, taking withdrawals as you want.

Or

Invest the first €63,500 in an AMRF or use to buy a pension for life and take the rest as a taxable cash sum.

YES

Buy a pension for life

Or

Invest in an ARF, taking withdrawals as you want.

Or

Take the rest as a taxable cash sum.

YOUR OPTIONS – THE ADVANTAGES AND DISADVANTAGES

Option	Main advantages	Main disadvantages
Retirement lump sum	<p>You do not have to pay tax on your retirement lump sum up to a limit of €200,000. You will pay standard rate income tax on any retirement lump sum between €200,000 and €500,000. These are lifetime limits.</p> <p>You can use a lump sum straight away for something you've always wanted.</p> <p>You can reinvest your lump sum to provide you with further income throughout your retirement.</p>	<p>You will have less funds available to buy a pension for life or re-invest if you take a retirement lump sum.</p>
Pension for life	<p>You have the security of a pension income for life.</p> <p>You can choose to pay your income to your spouse, registered civil partner or dependants if you die.</p> <p>You are not at risk from changes in investment markets as if you'd reinvested your fund. This income is set for life.</p> <p>You may be eligible for an enhanced annuity depending on your health.</p>	<p>Once you have bought a pension for life you cannot change your mind. Your income is fixed and you cannot change it.</p> <p>Once you die your pension for life dies with you, unless you buy (a) a guaranteed payment period or (b) a pension for your spouse, registered civil partner or dependants.</p>
Leaving your funds in your vested PRSA	<p>You do not need to take a new plan out so there are no new charges.</p> <p>You can continue to have flexibility and control over your fund throughout your retirement.</p> <p>You can withdraw money as you want up to age 75 as long as you have provided for a guaranteed pension income for life or an AMRF. Otherwise you will have to keep up to €63,500 in a restricted fund.</p> <p>You can pass your PRSA fund on to your estate if you die after you retire.</p>	<p>You can only choose from the range of funds available under the original PRSA.</p> <p>You will not have a pension for life, the withdrawals you make from your PRSA will reduce your retirement fund. This is particularly the case if your fund grows at a slower rate than you are withdrawing from it.</p> <p>As you are continuing to invest, your fund may be open to ups and downs in the markets.</p> <p>No withdrawals can be made from your vested PRSA after age 75. Income tax and USC will be deducted from your vested PRSA as if you had taken a minimum withdrawal, however no further payments can be made to you. If you want to continue making withdrawals after age 75 you will need to transfer the balance of your fund to an ARF or use it to buy a pension for life.</p>

Option	Main advantages	Main disadvantages
ARF/AMRF	<p>You have flexibility and control over your fund throughout your retirement .</p> <p>You can choose what funds you want to invest in and many companies allow you to change funds at any time.</p> <p>You can withdraw money from an ARF at any time. You can pass your ARF or AMRF on to your estate when you die.</p>	<p>Your income is not guaranteed, you could use up all your fund.</p> <p>If your fund grows at a slower rate than you're withdrawing from it, your fund will run out.</p> <p>As you are continuing to invest, your fund may be open to ups and downs in the markets.</p>
Taxable cash sum	You have direct access to a lump sum as soon as you retire.	Unless you have another source of income, you have no money to fund you throughout your retirement.

For ARF/AMRF/vested PRSA products please note:

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

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

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

For AMRF products:

Please Note: If you invest in an AMRF you will have limited access to your investment until age 75. You can only make one withdrawal each year of up to 4% of the value of the AMRF.

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