

# PERSONAL RETIREMENT BONDS



This document is intended for financial advisers and market professionals and is not a customer document.

A Personal Retirement Bond (PRB), which is also known as a Buy-Out-Bond, is used by the trustees of a pension plan to buy retirement benefits for former members of their pension plan. A PRB is a personal policy in the policyholder's name. The value of their fund when they leave their pension plan is invested in the bond. When they retire, they can then use the proceeds of the PRB to provide retirement benefits.

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

Irish Life Corporate Business has long established itself as a first-class provider of PRBs. We offer an extensive range of investment options supported by online tools and a dedicated administration area. This is why Irish Life has become the company of choice in the PRB market.

## WHY CHOOSE AN IRISH LIFE PRB?

- We offer competitive terms, in particular where a number of bonds are purchased together.
- The policyholder will receive a detailed information pack on joining and ongoing informative annual communications.
- The policyholder can check their value at any time by using our internet offering, Pension Planet Interactive.
- The policyholder can choose from a wide range of investment options to meet their needs. Funds have no bid-offer charge to help to simplify investments.
- There are no monthly contract charges levied on policyholders.

# WHEN CAN A PRB BE USED?

- When leaving employment
- When leaving a pension scheme or
- For large-scale withdrawals, such as a scheme winding up

# INVESTMENT OPTIONS

The unit-linked Personal Retirement Bond invests in one or more of our range of unit-linked funds. We invest each unit fund differently so that the choice of funds gives access to a wide range of different assets (for example, Irish and foreign company shares, fixed-interest bonds, property and cash). As a result, there is exposure to a range of different degrees of risk. The funds chosen should depend on the amount of risk desired.

The range of available unit funds can be divided into four main types:

## A. EMPOWER PERSONAL LIFESTYLE STRATEGY (EMPOWER PLS)

EMPOWER PLS is an exciting and innovative solution for PRB holders. This strategy helps to take the worry out of managing the PRB holder's own pension fund investment. Investing a PRB into EMPOWER PLS has two main benefits:



### MANAGING INVESTMENT RISK

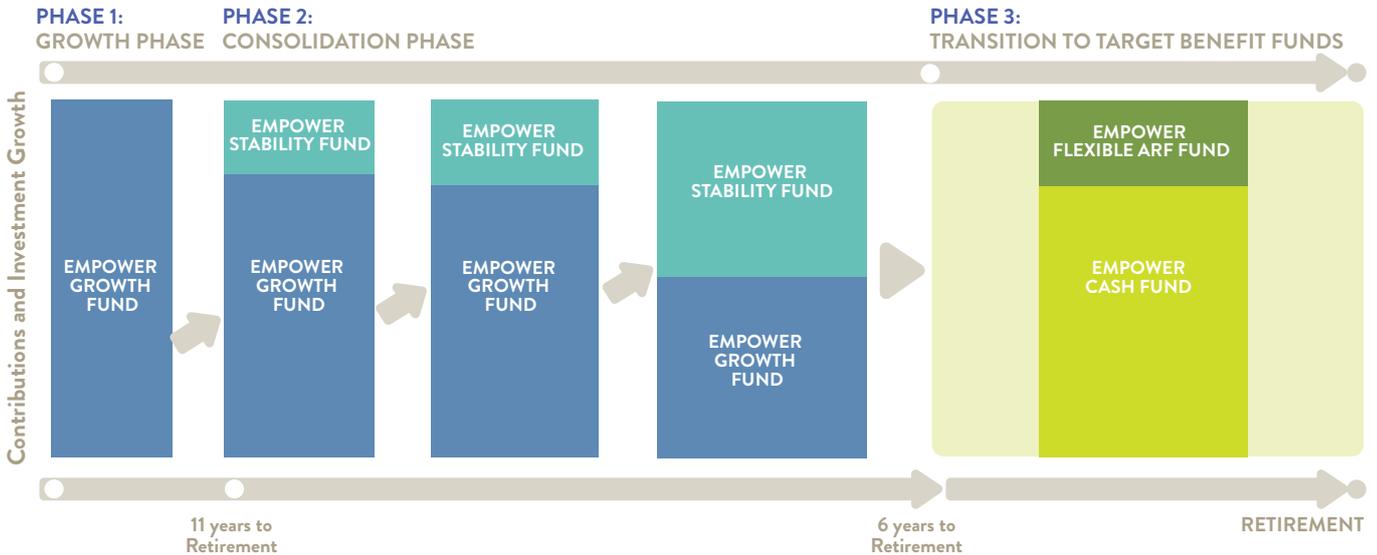
EMPOWER PLS helps protect the pension fund value against market fluctuations by switching the PRB holder into lower risk funds as they get closer to their retirement date.



### PERSONALISED FUND SWITCHES

EMPOWER PLS directs investment into appropriate funds that best match the benefits that the PRB holder is likely to take on their retirement.

EMPOWER PLS consists of three phases which span the years of your PRB investment. It starts from the moment the PRB holder joins the strategy up to their retirement date.



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

## PHASE 1

### GROWTH PHASE

**Phase 1** puts you in funds suitable to achieve investment growth while at the same time balancing investment risk.

Initially you will be completely invested in the EMPOWER Growth Fund



## PHASE 2

### CONSOLIDATION PHASE

**Phase 2** with 11 years to retirement we start to gradually move your fund into the EMPOWER Stability Fund.

This helps to protect your pension fund against volatile markets.



## PHASE 3

### SWITCHES INTO BENEFIT TARGET FUNDS

**Phase 3** moves your pension fund into funds that will be most suitable for how you are most likely to use your PRB savings upon reaching retirement.

Typically a PRB holder will use 80% of their fund for a tax free lump sum with the remainder used to purchase a post retirement investment account (i.e. Approved Retirement Fund [ARF] or Approved Minimum Retirement Fund [AMRF]).

With 1 year to retirement you will be 80% invested in the EMPOWER Cash Fund and 20% in the EMPOWER Flexible ARF Fund.

If a PRB holder invests in EMPOWER PLS then all of their pension contributions must be invested in this strategy, they cannot select other funds and have the EMPOWER PLS features outlined here.

## B. INDEX FUNDS (PASSIVE FUNDS)

This is where the investment manager invests in line with the whole market or a particular section of it. This is called the index. For example, the Indexed North American Equity Fund invests in the Financial Times North American Index. The fund manager does not aim to choose any particular stocks or sector, but invests in line with the whole index.

## C. ACTIVE MANAGED FUNDS

The assets an active managed fund invests in are chosen by the fund manager based on their expectations of future performance. This introduces an extra source of risk compared to indexed funds as there is a risk that the fund manager may make poor decisions.

We offer funds managed by a range of active managers including Irish Life Investment Managers, Davy and Fidelity Investments.

## D. SPECIALIST FUNDS

Our range of specialist funds gives access to many other types of investment such as low-risk funds and fixed-interest bonds.

It is possible to switch between investment funds. Please note that restrictions may apply to certain fund switches.

Contact your Irish Life Account Manager for further details. To view our full range of funds available please visit [www.irishlifecorporatebusiness.ie](http://www.irishlifecorporatebusiness.ie)

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

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

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.

## ALLOCATION RATES AND PRICING

The percentage of the transfer payment we invest in the PRB depends on the amount of the transfer made and the term to go to retirement. See table below for examples\*.

AMOUNT €	HOW MUCH WE INVEST*
€3,000 to €49,999	102%
€50,000 to €99,999	103%
€100,000 +	104%

\*Any commission payable will reduce the allocation rate.

These rates apply to people who have more than 5 years to their retirement date. For policyholders with less than 5 years to retirement the allocation rate will be 100% with no early surrender charge. However, in all other cases, there will be a charge on any transfers or surrenders in the first 5 years. These are outlined below.

ALLOCATION RATE	YEAR 1 CHARGES	YEAR 2 CHARGES	YEAR 3 CHARGES	YEAR 4 CHARGES	YEAR 5 CHARGES
102%	2%	2%	1%		
103%	3%	3%	2%	1%	
104%	4%	4%	3%	2%	1%

These charges will be applied to the value of the PRB at the date of transfer. They will not apply in the case of death.

We may offer more favourable rates for bulk cases, which are assessed on a case by case basis. Please contact your Irish Life Corporate Business Account Manager for a quote.



## CHARGES

No bid/offer charge applies. Annual fund management charges vary between 0.75% and 1.5% depending on the fund chosen. No monthly contract charges apply. If you have any queries please contact your Irish Life Account Manager.

**Warning: This product may be affected by changes in currency exchange rates.**

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## CONTACT US

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

In the interest of customer service we may record and monitor calls. Irish Life Assurance plc, Registered in Ireland number 152576, Vat number 9F55923G.

For more up-to-date information, see [www.irishlifecorporatebusiness.ie](http://www.irishlifecorporatebusiness.ie).

Information correct as at January 2020.

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