PENSIONS
INVESTMENTS
LIFE INSURANCE

Irish Life

IRISH LIFE EMPOWER DEFINED CONTRIBUTION

MEMBER GUIDE

EMPOWER ACCESS

ABOUT US

Established in Ireland in 1939, Irish Life is now part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations.

Great-West Lifeco and its subsidiaries, including The Great-West Life Assurance Company, have a record for financial strength, earnings stability and consistently high ratings from the independent rating agencies. The Great-West Life Assurance Company has an AA rating for insurer financial strength from Standard & Poor's.

Information correct as of May 2016. For the latest information, please see **www.irishlifecorporatebusiness.ie.**

IRISH LIFE EMPOWER

EMPOWER ACCESS	Any information, communication, tool/service that is primarily geared towards pension education for the member.
Pension Planet Interactive	Stay up to date with your pension scheme online. Also available for Trustees and employees.
My Pension App	My Pension app is the first app of its kind in Ireland. Check current fund values, estimate values at retirement and much more! It is available to Pension Planet Interactive users.

We provide lots of EMPOWERing tools and services to help you to get the most from your pension scheme.

CONTENTS

SECTION 1

INTRODUCTION

This member guide explains your Irish Life EMPOWER pension plan in short and simple terms.

Congratulations on joining your company pension plan. This means you are now a 'member' of that plan. First thing first, let's look at the basics.

WHAT IS A DEFINED CONTRIBUTION COMPANY PENSION PLAN?

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

This is different to a defined benefit company pension plan, where the amount you receive at retirement is defined.

With a defined contribution plan, the benefit you will receive at retirement will reflect the value of the pension fund that you have saved up during your working years.

This will depend on:

- the amount you and your employer contribute to the pension savings fund and
- the investment performance of the pension savings fund,
- minus any charges applied to the plan.

WHAT IS IRISH LIFE EMPOWER?

Irish Life EMPOWER is our defined contribution company pension plan. With Irish Life EMPOWER we aim to deliver better outcomes for you at retirement. To do that we will regularly keep you up to date with your pension and will give you clear actions to help you secure a better outcome when your retirement arrives.

It is important you keep an eye on your pension. In addition to this member booklet, we will provide you with lots of EMPOWERING tools and services to help you get the most from your pension savings including:

- Your member schedule
- Your annual pension benefit statement

You can also access your company pension plan information online:

- Pension Planet Interactive
- Pension smartphone apps - My Pension and Fund Centre

All of this information will be very important in helping you to understand your pension target for retirement and what you need to do to help you reach your target.

If you have any questions we are happy to help – see section 5 on how to contact us. Or, come meet our Irish Life EMPOWER Member Team the next time we visit your workplace.

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 TO GET THE MOST OUT OF YOUR PENSION

By now, you have made two key decisions in relation to your pension:

- How much to save regularly (or contribute) and
- How to invest.

It is important to regularly check your pension savings against your target for retirement. If you don't have a target in mind, don't worry – we will set one for you based on our experience and will keep you updated on how your pension savings are doing versus that target.

We will now outline the EMPOWERING tools and services we can offer to help you get the most from your pension savings.

MEMBER SCHEDULE

Your Member Schedule is a very important document and should be kept in a safe place, as you will need to refer to it in the future. This schedule also provides you with specific information on any life insurance or ill-health cover on your company pension plan, if relevant. It outlines your company pension plan details and is personal to you.

PENSION BENEFIT STATEMENT

Each year we will send you your pension benefit statement with:

- Information on your pension fund
- Breakdown of all the savings you have paid in
- Total charges deducted
- Current value of your pension fund.

This simplified, personalised, document contains two key messages outlined below and on page 5:

1

Are you saving enough?

There are some options to consider if you are not for example, increasing the amount you regularly save or making Additional Voluntary Contributions (AVCs), see page 6 for more on AVCs.

2

Are you happy with your level of investment risk?

Pension Planet Interactive (see below) has tools to help you with your investment choice.

These documents are important and you should read them to make sure your pension is on track.

You can also access your pension information anytime online through our website www.pensionplanetinteractive.ie

PENSION PLANET INTERACTIVE

www.pensionplanetinteractive.ie

You don't need to wait for your pension benefit statement to arrive in the post. Pension Planet Interactive gives you instant online access to your company pension plan information such as:

- Your projected pension versus your target at retirement
- Retirement planning tool
- Online fund switching
- Your current value
- Your contributions
- Your fund selection and information about investment choices
- Any ill-health cover (as applicable to your plan)
- Correspondence from us like your benefit statements

EMPOWER APPS

Once you register with Pension Planet Interactive, you will automatically get access to our EMPOWER Apps.

My Pension App

My Pension App is the first App of its kind in Ireland. Key features include being able to see your current fund value, interactively estimating your pension fund value at retirement, viewing all of our investment literature and much more.

Fund Centre App

This app provides you with the latest fund details, such as the fund returns and our latest monthly fund factsheets.

- Access fund performance in an overview table
- Check the price charting tool
- Add funds to your favourites in the app for quick access
- Search funds by fund name and fund codes
- See the price history and factsheets for Irish Life Funds and other investment fund managers.

You can download both Apps for free from the App Store or Google Play Store.

MAKING AVCS - PAYING MORE INTO YOUR PENSION FUND

This may be a good option for you if you want to increase the value of your pension fund.

AVCs are treated like normal pension contributions for tax purposes. Therefore, like pension contributions, AVCs qualify for tax relief at your 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.

Please contact your HR area or the pension plan contact person to find out more.

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

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 have access to 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 Personal Retirement Savings Account (PRSA) 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.

Regardless of which option you choose, 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 adviser.

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

Under this scenario you may be obliged 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.

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, for example, 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?

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

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. 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 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).

SECTION 4

WHAT WILL I GET AT RETIREMENT?

After all those years of saving into to your retirement fund, finally the time comes 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 below.

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, in addition to having worked to normal retirement age.*

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 use the proceeds from your AVC to purchase an ARF (Approved Retirement Fund) or an AMRF (Approved Minimum Retirement Fund). Your AVCs can also be used to buy a pension 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
- Purchase an annuity to provide you with a pension income for life.

OR

If you have a guaranteed lifetime income of at least €12,700** 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 May 2016.

CASH LUMP SUM PAYMENTS - TAX TREATMENT

Your cash lump sum will have the following tax treatment.

IS THE VALUE OF THIS CASH LUMP SUM UNDER €200,000?	YES	Then you can take this lump sum tax-free.
NO		
IS THE VALUEOF THIS CASH LUMP SUM BETWEEN €200,000 AND €500,000?	YES	Then the excess above €200,000 can be taken as a cash lump sum, subject to tax at the standard rate, currently 20%.
NO		
IS THE VALUE OF THIS CASH LUMP SUM OVER €500,000	YES	Individuals with a personal fund threshold may take additional cash lump sum benefits above €500,000, up to a total of either 1.5 times salary or 25% of your retirement fund, depending on which option you choose. In this case, any cash lump sum amount taken in excess of €500,000 is taxed at the individual's marginal rate of tax and the Universal Social Charge and PRSI will also apply.

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 will be taxable.

PENSION INCOME FOR LIFE/ ANNUITY

When you retire, some or all of your pension fund may be used to purchase a lifetime retirement pension which is also called an annuity. The purpose of this pension annuity is to provide an income for the rest of your life, no matter how long you live.

An annuity suits those who have a low appetite for risk and demand certainty of income in retirement. Irish Life offers both standard and enhanced annuities. An enhanced annuity provides an income which is tailored to your own lifestyle and health circumstances.

WHAT IS AN ARF?

An Approved Retirement Fund (ARF) is a personal retirement fund where you can keep your money invested after retirement as a lump sum. With an ARF you manage and control your retirement fund and can invest it in a wide range of different investment funds.

You can withdraw from it regularly to give yourself an income, on which you pay income tax, the Universal Social Charge (USC) and PRSI (if you are liable for this). Any money left in fund after your death will pass to your estate

An ARF is available if:

- You have a guaranteed lifetime income of at least €12,700* a year

or

- You have a fund value in excess of €63,500*, the first €63,500 having been invested in an Approved Minimum Retirement Fund, the excess can be invested in an ARF.

*The Government have indicated that these limits may be reviewed in future Finance Acts.

Please note the following Revenue regulations:

- From the year you turn 61, tax is payable on a minimum withdrawal on the 30th November each year of 4% of the value of the fund at that date. This withdrawal is liable to income tax, Universal Social charge and PRSI, if applicable. From the year you turn 71 the minimum withdrawal is increased to 5%.

- Where the fund value is greater than €2 million the minimum withdrawal will be 6%. If you have more than one Approved Retirement Fund (ARF) and these are with different managers then you must appoint a nominee Qualified Fund Manager (QFM) who will be responsible for ensuring a withdrawal of 6% is taken from the total value of your ARF's. It is your responsibility to let your ARF providers know if you have other Approved Retirement Funds and Vested Personal Retirement Savings Accounts with a total value of greater than €2 million.

Continued on page 13.

Revenue regulations continued:

- Where a greater withdrawal is made during the year, tax will be paid on the greater withdrawal amount. The minimum withdrawal rate is set in line with the required imputed distribution amount which may be altered to reflect changes in legislation. You can choose to take a higher withdrawal amount if you wish.

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 tax year and where an ARF is set up after the 6 July 2000.

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

The information is correct as at May 2016.

IRISH LIFE ARFS

Due to the imputed distribution requirements introduced by the Finance Act 2006, Irish Life will deduct a minimum withdrawal of 4% of the value of the ARF during December each year. This is automatically deducted from your ARF and paid to you net of income tax, PRSI (if applicable), Universal Social Charge (USC) and any other charges or levies (tax) due at the time on the withdrawals you make. This applies from the year you turn 61. Where the total value of your ARFs and vested PRSAs exceed €2 million then a withdrawal of 6% from your ARF must be made each year. It is your responsibility to let us know if you have other ARFs and vested PRSAs with a total value greater than €2 million. For more information please speak to your financial adviser.

*The Government have indicated that these limits may be reviewed in future Finance Acts.

WHAT IS AN AMRF?

AMRF stands for an Approved Minimum Retirement Fund. It 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 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).

SECTION 5

TAX ADVANTAGES OF SAVING INTO YOUR PENSION

Pensions are an extremely tax-efficient method of saving. The Government provides workers with 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 €60 if you pay tax at the top rate of 40%. 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 €60 (if you pay tax at 40%). This means that should you contribute €300 a month, your take-home pay will only go down by €180. Some examples are shown overleaf.

*The figures shown in these examples are based on tax rates as at January 2015.

EXAMPLES OF INCOME TAX RELIEF

Contributions invested in your pension plan may get full tax relief.

If you pay tax at 40%		If you pay tax at 20%
€100	Total Investment to your pension	€100
-€40	Less tax saved	-€20
€60	**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.**

The table below displays the percentage of your income that you can receive tax relief for when contributing to a pension plan. This includes any compulsory contributions to your main scheme and any Additional Voluntary Contributions you choose to make.

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 & over	40%

**The maximum earnings limit from 2015 is €115,000. 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. 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 adviser for further details.

SECTION 6

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 Authority,
Verschoyle House,
28/30 Lower Mount Street,
Dublin 2.

Phone: (01) 613 19 00

Lo-call: 1890 65 65 65

Email: info@pensionsauthority.ie

Website: www.pensionsauthority.ie

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:

The Office of the Pensions Ombudsman,

4th Floor, Lincoln House,
Lincoln Place, Dublin 2

Phone: 01 676 6002

Fax: 01 661 8776

Email: info@pensionsombudsman.ie

Website: www.pensionsombudsman.ie

The Financial Services Ombudsman can be contacted at:

The Financial Services Ombudsman
3rd Floor, Lincoln House,
Lincoln Place, Dublin 2.

Lo-call: 1890 88 20 90

Fax: 01 662 0890

Email: enquiries@financialombudsman.ie

Website: www.financialombudsman.ie

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 May 2016.
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.

PENSIONS
INVESTMENTS
LIFE INSURANCE

Irish Life

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In the interest of customer service we will monitor calls.

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