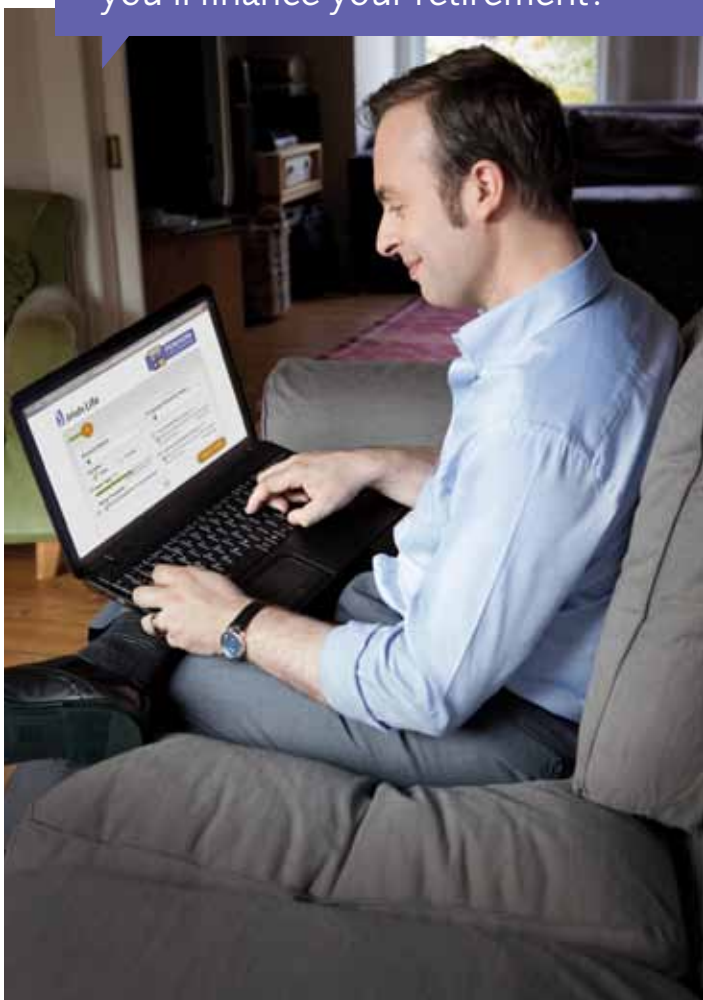




Irish Life

Have you *really* figured out how you'll finance your retirement?



Helping Business Owners turn their business profits into personal wealth

Make plans with Irish Life

Being a director or the owner of a company can be hectic. Too hectic, sometimes, to take the time for retirement planning. When you're so busy coping with the next few weeks, it's hard to think about 20 years from now!

It's important, however, to have a realistic retirement plan in place for your future, especially if you have a good lifestyle to protect. You worked hard for your benefits, and with a little forethought, you can make sure you retain those advantages when you retire.

We're living longer

Let's celebrate the good news for once – as a nation, we're living longer! And not just by a little. For example, a man aged 40 years today will live in retirement twice as long as a person in their 40s in the 1980s (Source: CSO 2012, 2011 Yearbook). Of course, that also means you'll need a bigger pension pot to enjoy it.

Can you *really* use your business as a pension?

- Perhaps you hope to rely on your business as your pension. But will you be able to sell at the 'right' time?
- How can you be sure that when you approach retirement, the firm will be doing as well as it is now?
- Will your fellow family members or directors agree to the sale?

- In addition, you have to be careful that a sale doesn't trigger capital gains tax.
- Or will you want to only step back a little bit from the business and still use its profits to provide you with the income?

Altogether this may not turn out to be the ideal way to provide for your retirement. You might be forced to work for far longer than you intended to wait for the right moment.

You may find that relying on your business to fund your retirement restricts your options for the future. You should really start planning for a more flexible future now.



Tax benefits of a company pension

One of the most attractive and tax efficient ways for business owners to take profits from their company and turn them into personal wealth, is to transfer these profits into a company pension. Unlike salary increases, bonuses or company cars, an employer contribution to an executive pension plan is not normally viewed as income. That means it's tax free – and that could add up to a very significant saving. You also have the option at retirement to take 25% of the fund as a retirement lump sum (up to €200,000 can be taken tax free).

A company director is only eligible to take out a company pension if they are set up as an employee of the company and are in receipt of Schedule E income from the company. Income tax relief is not guaranteed. Pension income in retirement is subject to income tax at your highest rate on withdrawal. Universal Social Charge, PRSI (if applicable) and any other charges or levies (Tax) applicable at that time.

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

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

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

For full information on tax benefits available to companies, talk to your Pension Adviser today.

Setting your pension in trust

For a company pension to be approved by the Revenue Commissioners it will be set up in trust. The main advantage of the trust is to make sure that the benefits of the pension plan are kept separate from the company and are kept for the benefit of you and your family. When you start a pension, it will be set up in trust.

Your Pensions Adviser can provide more information on how straightforward it is to arrange your pension.

About Irish Life

Irish Life is Ireland's leading pensions provider with over €34 billion of funds currently invested. Every year we pay out more pension benefits to Irish people than anyone else, apart from the State. As an Irish company we're focussed on meeting the needs of people in Ireland.

Got a retirement plan?

Review your plan today.
Talk to your Financial Broker
or Adviser today.

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

Information is correct as of September 2012 unless stated otherwise
but can change afterwards.

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