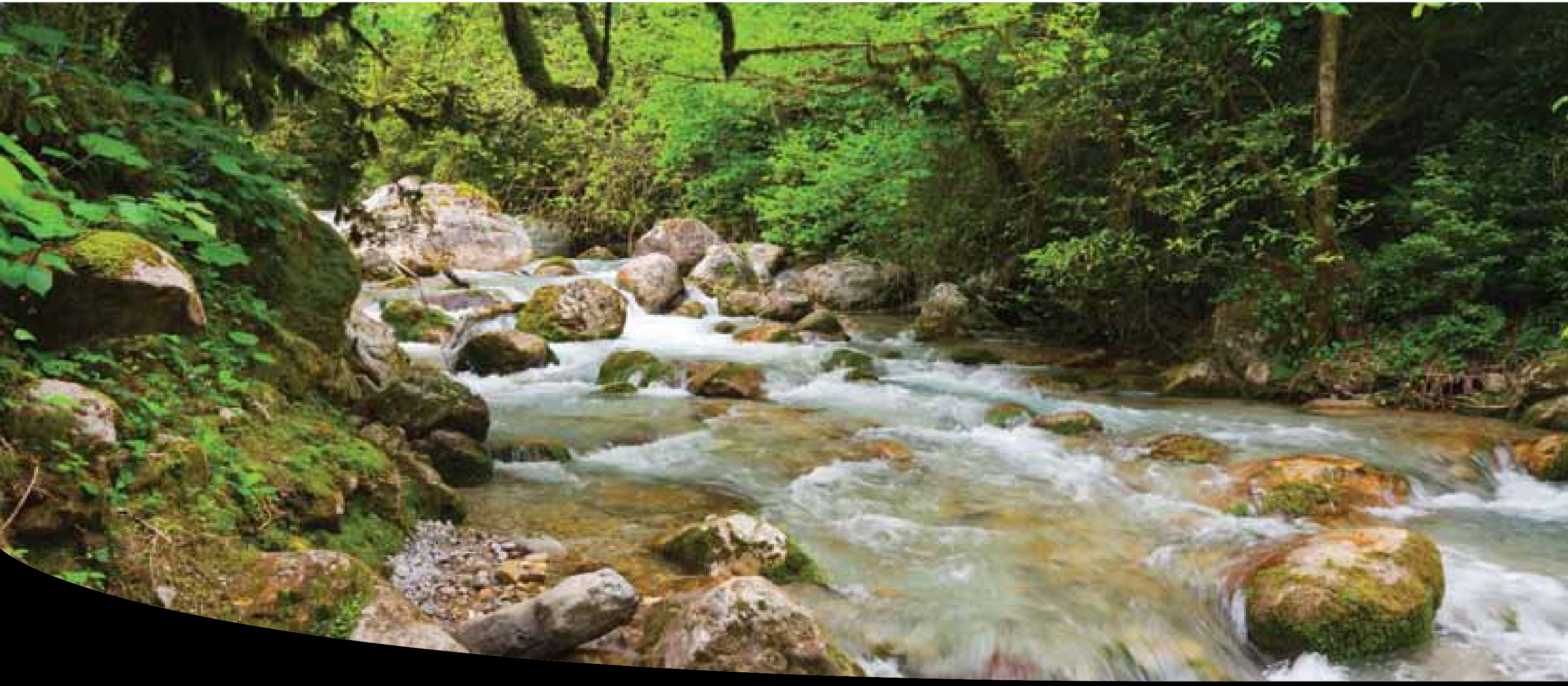
Irish Life



IFG

STEPPING STONES
PERSONAL RETIREMENT BOND

About IFG Private Clients

Your trusted partners in financial planning

In operation for two decades, IFG Private Clients is led by a dynamic team of committed and professional independent financial advisors and highly skilled support team. Our business has grown organically through solid market reputation as our services and product offering evolved to meet the ever changing needs of our clients.

At IFG Private Clients, our aim is to build, enhance and protect the financial well-being of our valued clients. Our highly skilled team of financial advisors have the in-depth experience and expertise to provide independent, unbiased financial advice to clients, taking into account their life stage, financial goals and priorities.

Our private clients include company directors, senior executives, PAYE individuals and self-employed individuals, who will benefit from our professional, independent services. Our objective is to safeguard the wealth of our clients, whatever their circumstances.

IFG Pensions, Investments & Advisory Services is part of IFG Group plc.

IFG has chosen Irish Life, Ireland's leading life and pensions provider, to provide this Stepping Stones PRB.

A Personal Retirement Bond (PRB) can be taken out by the trustee of a scheme or by you if transferring from an existing PRB. Where we say 'you' we mean the individual and not the trustee of the pension scheme.

Stepping Stones
Personal Retirement Bond

Aim	To build up a fund to help provide for your retirement.
Risk	Low to very high depending on the fund option or mix of options you choose.
Capital protected	No.
Funds available	Your Personal Retirement Bond offers you a range of funds to choose from.
Time period	Can be taken from age 50 (early retirement) to 70.
Jargon-free	Yes.

All information including the Terms and Conditions of your plan will be provided in English.

The information in this booklet is correct in July 2012 but may change.

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

Contents

1 Introduction

This booklet will give you details of the benefits available on your PRB. It is designed as a guide that allows us to explain the PRB to you in short and simple terms. There will be more specific details and rules in your Terms and Conditions booklet which you should read carefully.

This Stepping Stones PRB plan provided by Irish Life will not be available for investment before 15 September 2012 subject to receipt of all relevant information. Should this plan not be available by this date, Irish Life will offer an alternative plan to you.

How to contact IFG

Phone: 01 275 2800

Email: privateclients@ifg.ie

Website: www.ifg.ie

Online services

You can check the details of your plan online by visiting www.myonlineservices.ie. You will need a PIN, which you receive when you start your plan. If you have lost your PIN or need a new one, contact your IFG Private Clients Consultant.

2 Your Personal Retirement Bond

A Personal Retirement Bond (PRB) is a pension plan which receives a single contribution. It aims to provide a fund you can use to buy pension benefits. A PRB is designed to receive a transfer payment from your company pension scheme or another personal retirement bond that you have. Once the PRB is set up, it becomes your own personal plan in your name. PRBs are also known as buy-out bonds.

If the transfer payment comes from your company pension scheme, the trustees of that scheme effectively transfer the funds built up while you were in your company pension scheme into your own personal bond. The company has no further involvement once the bond is set up.

The trustees of your pension scheme will set up the PRB for you if:

1. you leave your job or leave your current pension scheme; or
2. your company's pension scheme is winding up.

Planning for your retirement is one of the biggest investment decisions you'll ever make. It can involve replacing your standard of living for 20 or 30 years, so it's important that you choose a pension plan that exactly fits your needs and can get the best results for you. Your PRB does exactly that, by offering you both choice and control.

Suitability snapshot

A PRB might suit you if:	A PRB might not suit you if:
✓ you are leaving your job; or ✓ you are leaving your current company pension scheme; or ✓ your company's scheme is winding up and you are looking for a long-term investment plan to provide for your retirement; and	✗ you are happy to leave your pension fund in your company's pension scheme to be managed by the trustees of the scheme until you retire; or
✓ you are happy with the charges and choice of funds; or	✗ you are not happy with the charges and choice of funds available; or
✓ you would like to take control of your pension investment choice; or	✗ you are not happy to take control of your pension investment choice; or
✓ you have at least €10,000 to invest.	✗ you do not have at least €10,000 to invest.

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

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

3 Your investment options

The fund that is right for you depends on the amount of risk you are willing to take and how long you have to invest for. Risk means different things to different people, your IFG Private Clients Consultant can help you decide what risk suits you.

Amount of risk

- Lower-risk funds aim to protect your investment from large falls in value, but the potential for large gains is lower than if you choose a higher-risk fund.
- Higher-risk funds, such as those investing in company shares, do not aim to protect your investment from large falls in value, but you do have the potential to gain much more, especially over the long term. If you invest in these types of funds, you should realise that, in wanting a higher return, you need to accept that the value of these funds can move up and down, sometimes by large amounts.

  The return any fund can provide is not guaranteed and you could lose some of the value of your investment.

Investment options

You can choose between two investment options:

A. Lifestyling Strategies

OR

B. Own Fund Choice

A. Lifestyling strategies

Long-term pension planning often involves investing in high risk assets (such as equities) to benefit from their high long-term growth potential. However, as you near retirement, the amount of risk you are comfortable accepting will probably reduce. Lifestyling involves a series of automatic switches which gradually move you to a mix of lower risk assets are you move closer to retirement.

There are two Lifestyling Strategies available; Annuity or ARF and three risk levels to choose from depending on your attitude to risk; Cautious, Balanced or Adventurous.

The split of assets in your plan will depend on which Lifestyling Strategy you choose, on the level of risk selected and the term to retirement. The key difference between the strategies is that the ARF Lifestyling Strategy will be de-risked at a slower pace than the Annuity Lifestyling Strategy from 10 years prior to retirement.

You should discuss your investment options with your IFG Private Clients Consultant.

Below is an example to show you how the Annuity Balanced Lifestyling Strategy works depending on how many years are left to retirement.

Years to retirement	10 years+ to retirement	5 years to retirement	Less than one year to retirement
Equities	80%	45%	0%
Fixed Interest Bonds	20%	55%	80%
Cash	0%	0%	20%
Total Asset Allocation	100%	100%	100%

These figures are an indication of the asset split as at July 2012. These splits may change over time.

Please note that the first automatic fund switch will not take place before 30 June 2013, you will not automatically switch to lower risk assets during this period. We will provide you with more information on Lifestyling at this stage.

B. Own fund choice

The funds available to you are listed below. For more fund information please read your Terms and Conditions booklet or speak to your IFG Private Clients Consultant.

Cash	Global Cash Fund
Bonds	NT Euro Government Bond Index
	NT Euro Government Inflation Linked Index Fund
Equities	NT Emerging Markets Index Fund
	NT Europe (ex UK) Equity Index Fund
	NT Japan Equity Index Fund
	NT North America Equity Index Fund
	NT Pacific (ex Japan) Equity Index Fund
	NT UK Equity Index Fund

How long you want to invest for

It is important to consider how long you have left until you retire. If you are many years away from retirement, you may be able to accept more risk than somebody who is quite close to retirement.

Switching investment options

You can switch your investment from one fund to another at any time if you decide you want a lower-risk or higher-risk investment. There is no cost for switching between funds. The full list of funds available on your PRB are across the page.

Please read your Terms and Conditions booklet or talk to your IFG Private Clients Consultant before choosing which funds to invest in. This is because some funds may have a switching delay period or you may have to pay a charge for leaving. The fund charges are also included in your Terms and Conditions booklet.

4 Your plan charges

This section shows the charges applying to your your PRB.

Charges on your contributions

Your investment buys units in a fund. The percentage of your contributions invested will be shown in your PRB schedule which you receive in your welcome pack after you start your plan.

Charge on extra contributions in the future

The charges applying to extra contributions you pay in the future could be different to the charge on your initial contributions. You should check with your IFG Private Clients Consultant or with Irish Life as to what this will be.

Yearly fund charge

This charge is taken as a percentage of your fund value at a given time. It can be different for each fund you are investing in. The charge for each fund is shown in your Terms and Conditions booklet which you should read before you invest. The charge is reflected in the price of the units you have bought.

Yearly plan charge

This charge, if it applies, will be shown on your PRB schedule as a unit deduction. It is taken as a percentage of your fund value and it could be up to 0.45% a year. Units are cancelled every month to pay this charge. If it appears on your schedule, it applies as well as the yearly fund charge above.

Plan fee

This is a monthly contract charge. It is €4.38 every month (July 2012) but will increase every year in line with the consumer price index.

Government levy

Any Government levy due is taken from your fund as required.

5

Your options when you retire

You can use the money you have built up in your PRB in a number of different ways, depending on whether you were a member of a defined-contribution or defined-benefit scheme or if you were a 5% director in the company.

- If your transfer came from a Defined Contribution (DC) pension scheme after 6 February 2011 and the scheme rules allowed you to choose an ARF/ AMRF, you can choose either option 1 or 2.
- If your transfer came from a DC pension scheme after 6 February 2011 and the scheme rules do not allow you to choose an ARF/ AMRF, option 1 applies.
- If your transfer came from a DC pension scheme before 6 February 2011, option 1 applies.
- If your contribution came from a Defined Benefit (DB) pension scheme, option 1 applies.
- If you were a 5% director in the company (contribution from DC or DB), you can choose either option 1 or 2 (this option will not be available for the DB member unless the scheme rules originally made provision for ARF options).

Option 1

1 Take a maximum retirement lump sum of up to 1.5 times your salary

2 Use the rest to buy a pension for life (annuity)

3 If you have an AVC this can be used to transfer to an ARF/AMRF or taken as a taxable Cash Sum

Option 2

1 Retirement lump sum of 25% of your retirement fund

2 Use the amount left (after meeting the AMRF or pension requirement) to buy a pension, ARF, taxable cash sum

All payments made under this plan must be within the Revenue Commissioners limits. The same Revenue Commissioners limits apply to this PRB and to your original scheme.

Option 1

Retirement lump sum

You can take up to 1.5 times your final salary as a retirement lump sum if you have 20 years' service at normal retirement age. If you have less than 20 years' service or left service before normal retirement age, we will reduce the retirement lump sum based on the limits set out by the Revenue Commissioners.

You must use the rest of the fund to buy a pension for life (annuity).

You may be able to take some or all of your retirement lump sum without paying any tax. The maximum tax-free amount you can receive is €200,000. You would have to pay standard rate income tax on retirement lump sums between €200,000 and €575,000 (20% as at July 2012). Any retirement lump sums greater than €575,000 will be taxed at your marginal rate as income, the Universal Social Charge (USC), PRSI (if this applies) and any other charges or levies (tax) will also be taken. Both the €200,000 and €575,000 limits include all retirement lump sums you have received since 7 December 2005.

If you have more than one PRB relating to the same employment it is only possible to take a retirement lump sum from the benefits provided by one of these bonds.

Your IFG Private Clients Consultant can give you more information about what you are entitled to.

Buying a pension for life

With the rest of the fund (if any), you can buy a pension for life (a regular income paid to you for the rest of your life, also known as an annuity). You can choose from a number of different types of pensions, including the following.

- 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 dependents up to the end of the five or 10 year period.
- A pension which will increase. This means your pension increases each year, to take account of inflation, when it is being paid.
- A pension for your husband or wife, registered civil partner or dependent. This means we will pay a pension to them until they die.

The type of pension you choose will affect the amount of income your pension fund can provide.

When you retire, you can decide whether to use your pension fund to buy a pension from Irish Life or another insurance company. Your pension is treated as income so you will have to pay income tax on it and any other tax or levies due at that time.

Your AVC fund can be invested as follows

If you had made Additional Voluntary Contributions (AVCs) into your original company pension scheme, this proportion of your fund can be used to purchase a pension for life, transfer to an ARF/AMRF or take as taxable cash.

An Approved Retirement Fund is a personal investment fund from a qualified manager that you can manage and control during your lifetime, and leave to your family when you die. Depending on your circumstances, you will have the option of taking out an ARF or an AMRF.

Approved retirement fund (ARF)

If you can show that you are receiving a guaranteed pension income for life (from other sources) of at least €18,000 a year, you can reinvest the rest of your pension fund in an Approved Retirement Fund (ARF). An ARF gives you a choice of how you use your fund. You can:

- decide where you want to invest your money choosing from a wide range of investment options;
- make withdrawals from your fund as and when you need them (you will be taxed on all withdrawals from your ARF fund); and
- use your ARF to buy a pension (annuity) at any time.

The value of your ARF may reduce if the level of income you take is high and the investment return is not high enough to maintain this, or is lower than expected. When you die, any money left in your ARF will pass to your estate. Under the Finance Act 2006, the qualifying fund manager must take tax from the ARF based on you taking a certain income each year.

Approved minimum retirement fund (AMRF)

If you do not have a guaranteed pension income for life of at least €18,000 a year, you must invest €119,800 (or the rest of the fund, whichever is lower), in an AMRF, or buy a pension with the same amount. You can use your AMRF to buy a pension at any time. You can only make withdrawals from any growth made on the fund. Once your AMRF becomes an ARF, you can then make withdrawals from the original amount invested. You will be taxed on all withdrawals from your AMRF and ARF.

Your AMRF will become an ARF when one of the following happens (whichever happens first).

- You start receiving a guaranteed pension income for life of €18,000 a year from other sources.
- You reach age 75.

It is your responsibility to tell us if your income changes.

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

Taxable cash sum

After taking your maximum retirement lump sum, you may be able to take the rest of the fund as cash. There are certain legal restrictions on taking up this option. If you can show that you are guaranteed to receive a pension income for life (from other sources) of at least €18,000 a year, you may take the rest of your pension fund as cash. You will have to pay tax on this at your highest rate of income tax and any other tax or levies due at that time.

If you are not guaranteed a pension income for life of at least €18,000, you must invest €119,800 (or the rest of the fund, whichever is lower) in an AMRF, or buy a pension with the same amount as outlined above. You can take any fund left as cash, which you will pay tax on.

The guaranteed pension income for life and AMRF limits are linked to the State Pension (Contributory) rate available at the time you first invest in an ARF, AMRF or vested PRSA. Currently these limits are €18,000 guaranteed pension income for life and €119,800 for an AMRF as at July 2012. If the State Pension (Contributory) rate changes then these limits will also change.

Option 2

Retirement lump sum

You can take 25% of the fund as a retirement lump sum.

If you have more than one PRB from the same employment you must take your benefits from these at the same time.

With the balance you can choose from the following.

- **Buying a pension for life**
  As described on page 12. As well as the options described on page 12 you can also choose the investment protection annuity. This means that any remaining money not paid to you when you die can be paid to your spouse, registered civil partner or dependent.
- **Approved retirement fund (ARF)**
- **Approved minimum retirement fund (AMRF)**
- **Taxable cash sum**
  All of the above are described on pages 12 and 13.

Maximum pension fund

The maximum pension fund applies to option 1 and 2. From the 7 December 2010, the maximum pension fund allowed at retirement from all sources for tax purposes is €2,300,000. This is called the standard fund threshold (SFT). Any fund more than €2,300,000 will be taxed at the higher rate for income tax (41% as at July 2012). This tax is taken from the pension fund before you receive your retirement benefits. This applies no matter what retirement option you choose.

6 Your questions answered

What is the minimum contribution?

The minimum contribution is €10,000.

Can I use my PRB benefits if I retire early?

You can usually take benefits from a PRB from age 50 if you are retiring early. If you are a 20% director you must also sell your shareholding.

You should remember that if you retire early the value of your PRB could be less than if you had stayed invested until your normal retirement age. You should speak to your IFG Private Clients Consultant before you make any decisions.

What are my options if I want to continue working after my normal retirement age?

If you continue working after normal retirement age, your options are:

- delay taking your PRB until you retire, this can't be later than your 70th birthday; or
- take your PRB benefits at normal retirement age.

If you don't continue working after normal retirement age, you must take your PRB benefits at this time.

Can I top-up my PRB?

You can only add to your PRB if the money comes from a company pension scheme for the same employment as the original investment amount. This does not mean your employer can simply add an extra amount from their own funds.

Can I transfer a PRB into another PRB?

Yes. You can usually transfer an existing PRB into another PRB if they are both from the same employment.

Can I transfer my PRB into a pension scheme?

Yes. You can transfer your PRB into a pension scheme of another employer or another PRB, once it is approved by the Revenue Commissioners and it is before you retire.

Can I transfer my PRB into a PRSA?

No. Current legislation does not allow you to transfer your PRB to a PRSA.

Can I have more than one PRB?

Yes, you can have more than one PRB. If you have two or more PRBs that relate to the same company pension scheme, you must take the retirement benefits from these at the same time. If your retirement lump sum is based on your salary and service with the relevant employer then one of these PRBs must be chosen to pay your retirement lump sum.

A transfer contribution from a company pension scheme to a PRB must be for all your benefits in that scheme. You can join another company pension scheme, either with the same employer or with another employer, at a later stage. If you have a PRB and a company pension relating to the same employer's scheme, you must take the retirement benefits from both at the same time.

Can I use my pension plan as security for a loan?

No. You cannot transfer the rights to your pension plan to a lending agent because pension plans cannot legally be assigned (transferred).

Do I have to pay tax on my pension?

Under current law, when you retire you can take some of the fund as a retirement lump sum. You will have to pay standard rate income tax (20% as at July 2012) on any retirement lump sums between €200,000 and €575,000. Any amounts over €575,000 will be taxed at your marginal rate as income, the Universal Social Charge, PRSI (if this applies) and any other charges or levies (tax) will also be taken. You will have a number of options as to how you can use the rest of your pension fund. And, how you are taxed will depend on which one you choose.

- If you choose to buy a pension for life (annuity), your income will be taxed as income in the normal way and will include any tax due at that time.
- If you have the option to invest in an approved retirement fund, or approved minimum retirement fund, you will have to pay tax on any withdrawals that you make.

Under current law, the maximum pension fund allowed for tax purposes is €2,300,000 (July 2012). The relevant maximum will apply to the total of all pension funds you may hold. You will pay tax on any amount over this as a one-off income tax charge at the 41% rate when you take it when you retire. (The 41% figure is current in July 2012 but may change).

What happens if I have to retire early because of ill health?

If you have to retire early because of ill health (that is, due to a mental or physical illness you are permanently incapable of carrying out your own occupation), you can take your pension benefits immediately. If you retire early because of ill health, you must give us medical evidence to support this.

What happens if I die before I retire?

If you die before you retire, the value of your PRB (on the date we are told of your death) is available to your estate. Your dependants may have to pay tax, depending on who inherits the funds.

Who is my plan provided by?

Your plan is provided by Irish Life Assurance plc, Lower Abbey Street, Dublin 1. VAT number 9F55923G. Your terms and conditions will set out the details of your contract with Irish Life. This booklet tells you about your personal retirement bond and answers the questions that you may have. It is only meant to be a guide to help you understand your plan and does not give all the details of your plan. These details will be in your plan schedule. Irish Life will include more specific details and rules in your plan terms and conditions, which you should also read carefully.

Your application form, fund guide, Terms and Conditions booklet, schedule, specific fund guide (if applicable) and switch letter (if you switch funds in the future you will receive a letter confirm the switch details) will be your legal contract with Irish Life. The contract will be governed by Irish law. The Irish courts are the only courts that are entitled to hear disputes.

Who should I talk to if I have any questions or complaints?

If you have any questions about your pension, you should talk to your IFG Private Clients Consultant.

Phone: 01 275 2800
Email: privateclients@ifg.ie

If you have a complaint about advice received, you should contact IFG. For all other complaints, contact Irish Life.

Phone: 01 704 1010
Write to: Irish Life Assurance plc, Lower Abbey Street, Dublin 1.
Email: customerservice@irishlife.ie

We will do our best to sort out any complaint you may have. If you are not satisfied after complaining to us, you can take your complaint to the Financial Services Ombudsman. You can get more information from:

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

Lo-call: 1890 88 20 90
Fax: 01 6620890
Email: enquiries@financialombudsman.ie
Website: www.financialombudsman.ie

The trustee of the transferring scheme should write to us at the address provided if they have any queries or complaints in relation to setting up this plan. If the trustee feels that their complaint has not been properly dealt with, they can contact the Financial Services Ombudsman at the address shown on page 17.

If you believe you have suffered a financial loss as a result of the poor administration of the original scheme, or if there is a dispute of fact or law, you must contact the trustee.

Can I cancel a pension?

Within 30 days of the date we send you your Welcome Pack (or a copy), you can cancel the plan. Irish Life will return any single contributions or transfers, less any fall in investment values during the period to the transferring trustees or the existing Personal Retirement Bond provider and in line with Revenue rules. Before cancelling, you should be sure that you have made other arrangements for your retirement. You should contact your IFG Private Clients Consultant for more details.

If, after taking out this plan, you feel that it is not suitable, you may cancel it by writing to Irish Life at:

Irish Life Assurance plc, Lower Abbey Street, Dublin 1.

Family law and pensions

If you are involved in a legal separation, are getting divorced or having a civil partnership dissolved, or ending a relationship with a qualified cohabitant, you can make a pension adjustment order (for the retirement or death benefits we pay under this plan). You can get more information on how a pension adjustment order works from your solicitor or the Pensions Board.

Write to:	The Pensions Board, Verschoyle House, 28-30 Lower Mount Street, Dublin 2.
Lo-call:	01 613 1900
Email:	info@pensionsboard.ie
Web:	www.pensionsboard.ie

If a pension adjustment order has to be granted on your plan, you must let Irish Life's customer service team know on
01 704 1010.

7 Glossary

Annuity/pension for life

When you retire you can use your retirement fund to buy an annuity. This is a guaranteed income from your pension fund after you retire. This income is paid on a regular basis for the rest of your life.

Approved retirement fund (ARF)

When you retire you can invest your retirement fund into a personal investment account called an approved retirement fund. You can withdraw money from the account when you need it.

Approved minimum retirement fund (AMRF)

When you retire, if you do not have a guaranteed pension income for life of €18,000 a year, and you are not buying an annuity, you must invest €119,800 from your pension fund into a personal investment account called an AMRF.

The guaranteed pension income for life and AMRF limits are linked to the State Pension (Contributory) rate available at the time you first invest in an ARF, AMRF or vested PRSA. Currently these limits are €18,000 guaranteed pension income for life and €119,800 for an AMRF as at July 2012. If the State Pension (Contributory) rate changes then these limits will also change.

Additional voluntary contributions (AVCs)

Extra contributions you can pay into your company pension scheme to add to the pension benefits already available from your company pension scheme.

PRSA

PRSA stands for 'Personal Retirement Savings Account'. It is a contract between you and a PRSA provider, in this case Irish Life. PRSAs make it easier to save for retirement because they offer value for money, flexibility and convenience.

Vested PRSA

A vested PRSA is

- a PRSA where the PRSA client has taken their retirement lump sum and left the rest of their fund invested in the PRSA; or
- a PRSA where benefits have been paid from the main scheme (in the case of a PRSA where additional voluntary contributions (AVCs) have been paid).

notes:

Irish Life

Contact IFG Private Clients

Phone: 01 275 2800

e-mail: privateclients@ifg.ie

Website: www.ifg.ie

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