your Preliminary Disclosure Certificate – PRSA *standard*

Ref: (1% & 5%) PDC 0113 (REV 06-07)

Introduction

Your Personal Retirement Savings Account is a contract between you, the contributor, and us, Irish Life Assurance plc (Irish Life). This contact will be in the form of an insurance plan.

This certificate is designed to highlight some important details about the plan and, along with the **PRSA** *standard* booklet, is meant to be a guide to help you understand your plan. Full details specific to your own contract will be contained in your plan schedule, terms and conditions booklet and statement of reasonable projection which you will receive when the contract is in place. It is important that you should read these carefully when you receive them, as they will describe your level of contributions and the investment options you have selected.

A copy of the terms and conditions booklet is available on request.

Any Questions?

If you have any questions on the information included in this preliminary disclosure certificate you should contact your financial advisor or your PRSA provider Irish Life, who will deal with your enquiry at our Customer Services Department, Lower Abbey Street, Dublin 1.

The PRSA standard has been approved under Part X of the Pensions Act, 1990 as amended and complies with the provisions of Part 30, Chapter 2A Taxes Consolidation Act 1997. Its approval number is APP/K/935/S.

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1. INFORMATION ABOUT THE PLAN

(a) Benefits

Your **PRSA** *standard* is provided in the format of a plan that allows you to pay either regular contributions, one-off amounts or a combination of the two. If you pay regular contributions through a personal bank account, you may choose to increase contributions in line with inflation. If you choose this option, your contributions will automatically increase each year in line with the rise in the Consumer Price Index (CPI). When the rise in the CPI is low, we may set the increase at a slightly higher minimum amount (this is currently 5% each year but this may be different when the increase in your contribution is calculated). If your contributions are made by salary deduction via your employer's bank account, the option to increase contributions in line with inflation is not available.

The purpose of this plan is to:

- build up a retirement fund; or
- provide for payment of the value of your fund to your estate in the event of your death before retirement; and
- provide for continuity of your pension funding if you change your job or employment status. Any contributions paid whilst you are a member of an approved occupational scheme (main pension scheme) at work will be treated as additional voluntary contributions (AVCs) into your PRSA.

When you take your benefits, part of the accumulated fund may be paid to you in the form of a tax-free lump sum. The balance of the fund can be used to provide one or more of the following options:

- buy an annuity (pension for life); or
- stay invested in your PRSA and draw down an income at your discretion, subject to certain restrictions; or
- invest in an Approved Retirement Fund/Approved Minimum Retirement Fund from which an income may be drawn down at your discretion, subject to certain restrictions; or
- take in cash, subject to certain restrictions and income tax implications.

If you are paying AVCs into your PRSA with Irish Life when you take your benefits, we will have to pay benefits, including your tax-free lump sum, in line with (a) the rules of your main pension scheme at work, (b) maximum pension benefit limits and (c) the Revenue Commissioner guidelines.

You may be considering investing some or all of your SSIA funds into your PRSA. A customer guide on SSIA investments into pension plans is available on request from Irish Life. It explains the requirements and benefits of such an investment and should be read along with this certificate and the PRSA booklet.

(b) Investment Strategy

How are the contributions invested?

Your **PRSA** *standard* is provided in the format of a unit-linked plan. In return for your money we allocate units to your account from each of your chosen funds. These will be listed in your plan schedule. The value of your investment is linked to the value of these units.

The value of a unit will rise or fall over time, depending on how the underlying assets perform. You do not own the units. Unit-linking is simply a method of working out the value of your investment at any date. The value of your investment at any date will be equal to the total of the number of units allocated to your investment from each fund multiplied by the investment price for units of that fund on that date. The value of your investment will therefore rise and fall over time as the unit prices change to reflect the value of the underlying assets.

Where you choose a fund which invests in equities, the equities within that fund may be used for the purpose of securities lending in order to earn additional return for the fund. While securities lending increases the level of risk within a fund it provides an opportunity to increase the investment return.

Default Investment Strategy

Unless you tell us otherwise in writing, we will invest your money into the Default Investment Strategy. You will be invested firstly into the Consensus Fund and, as you approach retirement, your find will then be switched into a mix of two or more secure funds.

The Consensus Fund is based on the combined wisdom of the main Irish pension investment managers. The fund matches the investments they make in shares, property, bonds and cash. The Consensus Fund aims to provide performance that is consistently in line with the average of all funds in the market.

The main advantages of this fund are:

- there is no risk of choosing the wrong investment manager; and
- it is more cost-effective than actively-managed funds, which could mean better long-term performance.

Because the Consensus Fund invests mainly in shares it can be risky over short time periods. Therefore, when you are five years away from retirement, we will start switching your fund into less volatile funds. One tenth of the fund will be switched each six months, until six months from retirement your full fund will be invested in less volatile funds. This is useful in locking in any gains that you have made over the years, and reducing the risk of loss as you get nearer to retirement. The funds chosen are:

- A cash fund that invests in cash type investments. The value of this fund cannot fall but it will not grow very quickly. We aim to have one quarter of your money invested in the cash fund when you retire to lock in this portion of your fund value.
- A fixed interest fund (the Pension Protection Fund), which mainly invests in government backed bonds. The value of this fund can fall as well as rise but it is less volatile than an equity fund. We aim to have the rest of your money invested in this fund when you retire as the

value of this fund will tend to increase if the cost of pensions rises due to falls in interest rates.

The Default Investment Strategy described above is intended to meet the needs of a typical contributor and invests through pooled unit-linked funds, the underlying assets of which will provide for diversification, liquidity, transparency of charges and frequent valuation and pricing. We will review this strategy at least every five years. The purpose of the Default Investment Strategy is mainly to generate a retirement income by buying an annuity rather than drawing down your retirement fund.

Alternative Investment Strategy

You can choose not to avail of the Default Investment Strategy. An Alternative Investment Strategy can be chosen from outset or at a later date. The funds available are described in the product booklet. The Default Investment Strategy would then no longer apply to your plan and you will be responsible for selection of the entire fund mix. If you want to vary the fund choice, you can switch some or all of your money from one fund to another at any time by writing to us to request a switch. In certain circumstances, there may be a delay in switching.

(c) Tax

Tax Relief on Contributions (under current tax law)

For people under 30, pension contributions of up to 15% of earnings, subject to an earnings limit each year, qualify for tax relief.

For people aged between 30 and 39, pension contributions of up to 20% of earnings, subject to an earnings limit each year, qualify for tax relief.

For people aged between 40 and 49, pension contributions of up to 25% of earnings, subject to an earnings limit each year, qualify for tax relief.

For people aged between 50 and 54, pension payments of up to 30% of net relevant earnings, subject to an earnings limit each year, qualify for tax relief.

For people aged between 55 and 59, pension payments of up to 35% of net relevant earnings, subject to an earnings limit each year, qualify for tax relief.

For people aged 60 or over, pension contributions of up to 40% of earnings, subject to an earnings limit each year, qualify for tax relief.

The earnings limit is currently €262,382 (as at June 2007). The earnings limit will be increased each year in line with an earnings factor.

In all cases, the above limits include any contributions which you may be paying to any other approved pension scheme or retirement annuity contract. Any employer contributions to this or any other PRSA are also included in the above limits.

For all payment methods, except where you are paying AVCs directly from your salary, it may be possible to carry forward tax relief to future years if the above limits are exceeded or where you pay contributions when out of the workforce.

If you pay AVCs directly from your salary, these limits cannot be exceeded.

Certain occupations qualify for a minimum 30% limit regardless of age. Examples of these occupations would be professional sports people such as golfers, jockeys, footballers and so on.

Entitlement to tax relief is not automatically guaranteed.

Taxation of Benefits

Under current tax law, all investment returns made within the PRSA standard funds will grow without the deduction of tax. However, the maximum pension fund allowed at retirement for tax purposes is €5,165,000 (as at June 2007) or, if higher, the value of your pension funds in total on 7 December 2005. The relevant maximum will apply to the aggregate value of all pension provision held by an individual.

Any fund in excess of this amount will be liable to a once-off tax charge of 41% (current rate) when it is drawn down on retirement. This rate could change in the future.

The maximum tax-free lump sum that can be taken on retirement is 25% of your fund subject to a lump sum limit (€1,291,250 as at June 2007). If the aggregate of lump sums drawn down from all pension plans held by you exceeds the lump sum limit then the excess lump sum will be taxed at your marginal rate as income.

The limits above will be adjusted annually in line with an earnings factor.

If you are paying AVCs into your PRSA then the amount you can take as a tax-free lump sum will depend on the rules of your main pension scheme at work and limits set by the Revenue Commissioners. This could be more or less than 25% of your fund.

After taking your lump sum, the balance of the fund can be used to provide one or more of the following options:

- buy an annuity (pension for life) which is subject to income tax. Such an annuity cannot be surrendered, commuted or assigned in the future; or
- stay invested in your PRSA and draw down an income at your discretion, subject to certain restrictions and appropriate income tax deductions; or
- invest in an Approved Retirement Fund/Approved Minimum Retirement Fund from which an income may be drawn down at your discretion, subject to certain restrictions and appropriate income tax deductions; or
- take in cash, subject to income tax and certain restrictions.

If you pay AVCs into your PRSA with Irish Life at any stage, we may have to pay additional benefits in line with (a) the rules of your main pension scheme at work, (b) maximum pension benefit limits and (c) the Revenue Commissioner guidelines.

You can invest some or all of your SSIA fund into your PRSA. That payment will be treated as a single contribution. If you are eligible for the Pensions Incentive Tax Credits (PITCs) scheme, the Government will pay Irish Life a certain amount to be invested on your behalf. This is called a top-up tax credit. Also, if SSIA maturity tax has been deducted from your SSIA maturity value, the Government may also pay an additional maturity tax credit.

If you die, the full value of your fund (without any tax deduction) will be paid to your estate. If you pay AVCs into your PRSA at any stage, we will pay the full value of your fund in line with Revenue Commissioner guidelines. Inheritance tax may have to be paid. However, there is no inheritance tax due on an inheritance between a married couple.

Please contact your financial adviser or Irish Life if you do not fully understand the likely tax treatment of any contributions or benefits payable in connection with your PRSA standard plan.

(d) Risk factors

The benefits from your PRSA are not guaranteed. What your fund will be worth at retirement depends on the rate at which your investments grow. The value of investments in all funds (except the cash fund) can fall as well as rise. The pension your fund can buy will depend on your gender and your age and interest rates at the time you retire. The cost of buying a pension is very likely to change over time. Inflation can affect the value of your retirement planning and you should regularly review the progress of your fund against your required retirement income levels.

The proceeds of this plan can be taken from age 60 onwards (unless you are an employee, in which case benefits can become available on your retirement from age 50) or earlier death. Certain occupations may allow you to take benefits earlier than 60 and you may, because of ill-health, access benefits earlier than this date also.

If you pay AVCs into your PRSA at any stage, we will normally pay benefits under your PRSA at the same time as you take the benefits from your main pension scheme at work. This is explained in more detail in your plan terms and conditions.

You cannot encash your plan early, although you can transfer the value of the fund to another PRSA, an occupational pension scheme with your employer or an approved pension scheme overseas. Such transfers may be subject to certain restrictions.

If you stop paying contributions, your fund will continue to be invested with Irish Life until you retire. The fund charge will continue to be deducted. Your fund at retirement will be less than if you continue to pay contributions and your retirement income could be insufficient for your needs unless you have alternative arrangements in place.

If you are paying AVCs but subsequently leave your main pension scheme at work, you should notify Irish Life. Any further contributions will become ordinary contributions unless you join another approved main pension scheme at work

It is not possible to obtain a refund of your contributions paid after the cooling-off period as outlined in section 4. Assets under your plan can only be paid in line with Part 30, Chapter 2A Taxes Consolidation Act 1997 and Section 109, Pensions Act, 1990 as amended. If you invest part or all of your SSIA funds into your PRSA under the PITCs scheme, the Government will (if you are eligible) invest extra contributions on your behalf. If it is subsequently established that you are not eligible for these extra Government payments after you take out your PRSA, units allocated as a result of those payments will be cancelled. It will not be possible to obtain a refund of your contributions after the cooling-off period.

2. THE PROJECTED LEVEL OF BENEFITS

The benefits that will emerge from your Standard PRSA will depend, in particular, on the level of your contributions, how long you pay those contributions and the investment return achieved.

The table below illustrates the retirement income for life payable monthly from age 65 projected to be obtained from contributions of different amounts starting from different ages.

Contributions are assumed to increase by 3% each year. This retirement income has been adjusted for inflation so that the amounts are shown in terms of current prices.

TABLE OF BENEFITS

Amount of contribution paid per month.	Retirement income payable for life from age 65 if contributions start from age:				
	20	30	40	50	60
€50	€173 per month	€124 per month	€82 per month	€46 per month	€15 per month
€100	€348 per month	€248 per month	€164 per month	€91 per month	€29 per month
€200	€702 per month	€498 per month	€327 per month	€182 per month	€57 per month
€400	€1,418 per month	€1,005 per month	€657 per month	€364 per month	€114 per month

This table shows that if contributions of €100 per month in today's terms are made for 35 years from age 30 to 65, then the retirement income payable for life for a man from age 65 is projected to be €248 per month. This income is assumed to be paid monthly in advance to you for life, or for five years if you die before this time. The income is also assumed to increase by 2% every year during your lifetime. The retirement income is on your life only. The annuity rate is not guaranteed and may change in the future. Different annuity options can be chosen at retirement.

IMPORTANT: THESE ILLUSTRATIONS ASSUME AN INVESTMENT RETURN BEFORE RETIREMENT OF 6% PER ANNUM AND INFLATION OF 3% PER ANNUM. THESE RATES ARE FOR ILLUSTRATION PURPOSES ONLY AND ARE NOT GUARANTEED. ACTUAL INVESTMENT GROWTH WILL DEPEND ON THE PERFORMANCE OF THE UNDERLYING INVESTMENTS AND MAY BE MORE OR LESS THAN ILLUSTRATED.

This illustration assumes investment in line with the Default Investment Strategy. Under this strategy, the investment return used in these illustrations over the last 5 years of your investment is different to 6%. The assumed rate of return during these final 5 years decreases half-yearly, starting at 6% and reducing to 4.1%, to reflect the gradual movement in your asset mix from the Consensus Fund towards a target of 25% in the Cash Fund and 75% in the Pension Protection Fund by retirement.

This illustration does not take tax into account. Please refer to section 1(c) for information on tax payable.

WARNINGS:
It is important to make adequate provision for your retirement. At the date of this Certificate, the State pension (contributory) payable under the Social Welfare (Consolidation) Act, 2005 to a single person who is qualified to receive the maximum rate amounts to €209.30 per week and equates to 36% of the latest yearly figure for gross average earnings as published by the Central Statistics Office for all industrial workers in all industries.

The value of your assets, and accordingly, the level of your benefits will depend upon the value of the underlying investments of the Standard PRSA and the income which they earn. These values are not guaranteed, and may fall from time to time, as well as rise.

This Standard PRSA is intended to provide benefits over the duration of your life from retirement and it should be viewed as a long-term investment.

3. INFORMATION ON CHARGES

Before we invest your contributions, we will deduct a charge of 5% of the amount you pay. No up-front charge will apply to transfers into the PRSA from other approved pensions.

If you invest part or all of your SSIA fund into your PRSA, we will deduct a charge of 5% of the amount you pay. Any top-up and additional maturity tax credits from the Government will not be subject to an up-front charge.

Also, each month we deduct a charge of 1/12th of the annual fund charge. This charge is 1% per annum of the value of each of your chosen funds. This charge is reflected in the investment price evenly over the month.

As the value of your fund gets bigger, the level of the annual fund charge reduces. It falls to 0.95% when your fund reaches €150,000, to 0.90% when it reaches €250,000 and to 0.85% when it reaches €500,000. This reduction in charges is allowed for by adding additional units to your account each month. If the cost of administering your PRSA standard plan increases unexpectedly we may need to change the levels at which these reductions apply or even remove them altogether. At least two months before we alter the plan, we will send a notice to your last known address that will explain the change, provide revised fund and benefit projections and outline your options.

The maximum permitted level of charges on a Standard PRSA such as this is limited by law to 5% of each contribution and 1% per annum of the assets in the Account.

4. YOUR RIGHT TO CHANGE YOUR MIND (COOLING OFF PERIOD)

This contract is not enforceable until a period of 30 days has elapsed from the date on which you are given a Statement of Reasonable Projection and you may cancel this contract at any time during that period. You may do this by completing the cancellation notice at the back of your Statement of Reasonable Projection and sending it to the Customer Services Department at Irish Life within the 30 day period. On cancellation all benefits will cease and Irish Life will refund your contribution. Single contributions will be refunded less any fall in value due to market fluctuations. It is not generally possible to receive a refund of contributions after this time.

Subsequently, if for any reason you feel that this plan is not right for you, or if you have any questions, you should contact Irish Life Customer Services Department, Lower Abbey Street, Dublin 1 who will deal with your enquiry. Our Customer Services Department operate an internal complaints procedure and any complaints you may have will, in the first instance, be fully reviewed by them. If you have a complaint and are not satisfied that it has been properly or adequately dealt with you do have further options.

The Pensions Ombudsman

You may also refer disputes about maladministration which results in financial loss or disputes of fact and law in relation to your PRSA to the Office of the Pensions Ombudsman. The Pensions Ombudsman is a statutory body. Decisions of the Office may be appealed by either party to the High Court.

The Pensions Ombudsman will decide if your complaint is one for their office. If you wish to enquire further, please contact them at:

The Office of Pensions Ombudsman
36, Upper Mount Street,
Dublin 2.
Tel: 01 6471650

5. CERTIFICATE

This Preliminary Disclosure Certificate has been prepared under the provisions of section 111 of the Pensions Act, 1990 as amended for disclosure in connection with this Standard PRSA on 1st June 2007.

Signed: Kevin Murphy.

Kevin Murphy
Irish Life Assurance plc
Irish Life Centre
Lower Abbey Street
Dublin 1

Date: 1st June 2007