



All you need to know - Pension Season 2011



Do pensions **Still** make sense?

This is the question clients are asking you because they are concerned about the impact of recent policy measures. These measures have served to discourage people from saving for their retirement - whether it's the removal of PRSI relief on contributions, caps on earnings being halved, tax free retirement lump sums being reduced, maximum fund thresholds being reduced, imputed tax of 5% a year on ARFs or even the recent 0.6% levy on pension funds. The net effect of this has been to discourage people from providing for their own retirement – not just in terms of joining a pension plan but also in keeping up contributions to existing plans. As industry participants, we all need to restore the confidence that's been draining away. That's where we are focusing our efforts today to support your discussions with clients that pension fundamentals are still strong and that despite the changing environment, the need to save for retirement has never been more necessary. This is particularly so when you consider that the state provision for retirement is likely to reduce in the short and long-term and that so many workers – currently about 900,000 in the private sector - have no pension provision other than the State pension. (Source: CSO 2009)

Irish Life has listened to your feedback on what we can do to better support your efforts this Pensions Season and we're pleased to deliver a number of key supports:

- Reasons Why Pensions Still Make Sense flyers for use with your clients.
- The target markets we believe present lots of opportunity where clients need the brokers advice in order to benefit.
- New investment options message for clients who are looking to re-tune their pension to a safer option. We now have the most compelling offering on the market so that you can create low risk blends that will suit every clients' need with a choice of deposits with Irish and non-Irish banks in euro (and non-euro currencies), 100% Capital Secure Trackers, Multi-counterparty Global Cash Funds and our Protected Consensus Markets Fund.
- New simplified Single Contribution offering with minimum gross allocation of 103% on SP business up to a maximum 105%.
- New Pensions reference tool for staff in your office to shore up their pension knowledge as the season kicks off - with Level 1 delivering 9 hours CPD online without ever having to leave your office.

We also want to be the easiest company for you to do pensions business with and help to reduce your current administration overheads. To this end, we're excited about new developments to introduce a much improved online capability to process pension business easily and with 100% quality the goal each time – you'll be hearing about this very soon.

Finally, would you be interested to know that Irish Life is the most recognisable pension brand in the life assurance market?

A recent independent survey by Amarach Consulting of the pension buying market of thirty to sixty year olds ranked Irish Life as the most recognisable pension brand in the life assurance market. In fact 1 in every 2 people (51%) placed Irish Life as the most recognised pension brand – far ahead of the next ranked brand who came in at 38%. The respondents were also asked their preferred provider for life and pensions – the company they were most likely to buy a pensions or life assurance product from - and once again Irish Life ranked number 1. In fact 40% more people chose Irish Life than the next ranked life office. So with Irish Life, you have reassurance of knowing that you are recommending the most recognised and the most preferred brand for pensions in the Irish market.

We really appreciate the support you've given Irish Life this year and never take it for granted. We hope that our offering supports your efforts over the coming months and welcome any feedback you might have about what more we can do to be your number one supporter for pensions.

Susan Gibson
Head of Pensions Development
Irish Life



Why Pensions STILL make sense

With so much noise in the media and the industry over the past year, we believe that there are 10 reasons why pensions still make sense for clients to help them fund for their retirement.

The 10 reasons are grouped under 4 main headings:

Need For Planning

- 1 State Pension payments are likely to reduce in real terms
- 2 State Pension ages are increasing
- 3 Life expectancy rates for male and females are increasing

Income tax relief

- 4 20% or 41% income tax relief is available on personal contributions. No BIK is appropriated to the employee on any employer contributions to a company pension
- 5 25% of the fund can be taken as a retirement lump sum with no tax liable on the first €200K
- 6 Contributions paid in relation to Pension Term Assurance also benefit from receiving either 20% or 41% income tax relief

Retirement Options

- 7 ARF options have been extended to all clients in Personal, PRSA, Company pensions and AVC pensions
- 8 ARF benefits can be passed in a tax efficient manner on death to the client's estate

Investment

- 9 Pension funds are exempt from Irish Income and Capital Gains Tax.
- 10 Wide range of investments are available

Please note that pension income in retirement is subject to income tax at your client's highest rate on withdrawal, Universal Social Charge, PRSI (if applicable) and any other charges or levies (tax) applicable at that time.

We have produced a 'Why Pensions still make sense flyer' that provides more detail around these 10 points to help you re-inforce your message to your pension clients.



5 Sales Ideas for 5 Pension Markets

Although recent events have impacted the pension market, we believe there are a number of significant opportunities out there for you and your clients this pension season.

We have identified 5 distinct markets that we feel have serious growth potential and can reward you for providing the best advice to your clients.

- 1 The evolving employer scheme market

- 2 Self-employed clients setting up Company pensions for their employed spouses

- 3 HNW clients taking full advantage of the €2.3m Standard Fund Threshold (SFT).

- 4 Clients funding options after retirement

- 5 PRBs being set up in light of Company schemes winding up

We have produced a sales flyer for each of these opportunities which is available from your Account Manager or on www.bline.ie.

Simple Products that Reward

We are delighted to launch our new single contribution offering on our existing Complete Solutions 1 and ARF 1 products:

The key features of our new shapes are as follows:

- Minimum gross allocation of 103% with a maximum of 105% depending on the size of the investment. **For example, an investment of €200,000 into our ARF 1 product will now receive 105% gross allocation**
- Base annual management charge of 1% (Consensus Fund)
- **Up to 5% initial commission payable**, with trail options available also

In addition, for any regular contributions payable into our Pre Retirement Complete Solutions 1 plans, our New Deal commission profiles reward you with 4 bullet payments, over the first 7 years of the contract.

For full details of our exciting new commission options for both regular and single contribution investments, please see our Complete Solutions 1 and ARF 1 At a Glances and Commission Guide.



Secure Investment Options

Irish Life is uniquely positioned to provide secure investment solutions for brokers' Pension clients. Under our flagship Complete Solutions pension plan, Irish Life offer a range of Deposit, Guaranteed Bond and lower risk fund options all within the one pension contract. This provides the flexibility to simply switch between these lower risk pension options during times of market volatility.

Lower risk options include:

- Deposits (Irish and non-Irish Banks; Euro and non-Euro currencies)*
- Trackers (partners include BCP; Duggan Asset Management and Wealth Options) *
- Global Cash Fund (diversified across a range of the world's safest banks)
- Protected Consensus Markets Fund

Available through Complete Solutions, these funds give clients control and flexibility during volatile markets. It only requires a fund switch – there is no need to enter a new contract. Certain restrictions may apply when switching out of some funds.

*Available through SIF which is a high risk fund due to open access to higher risk investments but these particular assets are lower risk investments.



Pension Supports

We understand at Irish Life that processing your pension business as quickly as possible and getting it right first time is extremely important for you and your clients.

Our Pension Servicing Teams have been expanded and are really keen to support you over the coming months.

Our Pension Team

60 Pensions staff

Have completed either QFA, Pension Diploma or Pension Certificate.

12 pension specialists

Waiting to take your call in relation to new & existing pension business (Phone 1850 60 20 30)

Dedicated Self Invested servicing team

Our extended team will be offering you an enhanced level of service

Advisory Services Team

Patrick O'Shea & Marie Ann Reidy are available to help you on any pension technical queries

Sales support team

Your local sales support team strive to provide you with 1st class support

In addition, Kenny Mellor and Ian Moran are available to support you whether you have a technical question or an idea you would like to bounce off us.

In addition to our Pension team, we also have the following supports for you:

New online pensions learning library 'Pensions Academy'

Will allow your staff to not only have all your pensions questions available at the touch of a button in your office but will also have up to 9 hours product CPD available. The online tool will cover all aspects of pensions including who is eligible to invest in the different types of pensions, the various tax benefits, and the benefits payable.

Free Independent Trustee Service until at least 2016

Our service for one member Irish Life DC Company pension plans means no additional training requirements for your Trustee / Employer clients as well as utilising the experience and know how of our two partners – Dedicated Trustee Services & Independent Trustee Company

Simple pension calculators

Our calculators will help you evaluate the funding opportunities for your clients – whether they are Self Employed, Employee's or Directors.

Paperless New Business Process

Issuing business quicker, getting it right 1st time, commission paid quicker

Enhanced pensions centre on Bline

Designed to be user friendly and includes all of the various supports that are available this Pension Season www.bline.ie



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