prsa... performance

the PRSA that puts you in control

Ref: 1.35% & 5%

Irish Life

more options for your future

product snapshot

PRSA Performance

Aim	To build up a fund to help provide for your retirement
Risk	Low to high depending on option or mix of options chosen.
Funds available	Eighteen
Time period	Normally to between age 60 and 75
Jargon-free	Yes

Our guarantee to you

There is no financial jargon in this booklet and everything you need to know is written in an upfront and honest way.

Plain English

All information including the Terms and Conditions will be provided in the English language.

PRSA performance

A PRSA that puts you in the driving seat every step of the way.

Contents

Introduction

A **PRSA** that puts you in the driving seat every step of the way

Everybody knows that it makes sense to plan for retirement. For one thing, the alternative is the State pension (contributory), which won't go far. For another, there are very generous tax benefits given for people who save for retirement. In fact, within limits, you can get full tax relief on every euro you invest.

Having said that, choosing the best approach is not a decision that you should take lightly. 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.

Our **PRSA** *performance* does exactly that, because we have brought together some of the most successful investment options in the world to give you choice and quality. Along with your financial adviser, it allows you to choose a portfolio of funds that are most likely to fit your attitude to risk and your need to provide as much income as possible. It also allows you to review and change this portfolio (without charge) as your needs change, or even to lock in your growth.

In other words, it puts you in control of one of the biggest investment decisions you will probably make.

PRSAs explained

But before we look at **PRSA** *performance* itself, let's look at **PRSAs in general.**

PRSAs are 'Personal Retirement Savings Accounts'. They are a contract between you and a PRSA provider, such as Irish Life. PRSAs make it easier to save for retirement because they offer value for money, flexibility and convenience. Whether you are an employee, self-employed or between jobs, a PRSA helps you save for retirement. And if your employment status changes or you move to a new employer, you may be able to bring your PRSA with you.

You can also use your PRSA to supplement the pension benefits already available from your job. This is done by paying additional voluntary contributions into your PRSA. Irish Life has designed a guide called 'AVCs' and your PRSA a guide for members of Occupational Pension Schemes' , this booklet will help you understand the options available if you are a member of a pension scheme at work and wish to boost the benefits under it, subject to Revenue limits, by paying AVCs. We recommend you read the Guide in conjunction with this booklet before you make a decision to invest in a PRSA for this purpose.

PRSAs work like this:

1

You invest either regular payments or one-off contributions, or both. Most people choose regular payments because it is easier and smoothes out the cost.

If you are an employee and are not in a pension plan at work, your employer could also contribute to your plan.

2

You may then be entitled to tax relief on your payments. It would be nice if you could save unlimited amounts into your PRSA and get tax relief, but because the tax breaks are so good, the Government puts limits on them. You can pay as much as you like. While entitlement to income tax is not automatically guaranteed, you will generally get tax relief up to the limits shown below.

If you are an employee, these limits include any contribution your employer may make.

If you contribute more than these amounts, or if you contribute during a period when you are unemployed, you may be entitled to carry forward tax relief for future years.

If you're under 30	Up to 15% of your earnings
If you're 30 to 39	Up to 20% of your earnings
If you're 40 to 49	Up to 25% of your earnings
If you're 50 to 54	Up to 30% of your earnings
If you're 55 to 59	Up to 35% of your earnings
If you are 60 and over	Up to 40% of your earnings

These percentages are capped at an earnings limit of currently €262,382 (July 2007), and include contributions to other approved pension arrangements, such as retirement annuity contracts and occupational pension schemes. The earning limit is adjusted every year in line with an earnings index. Also, certain occupations may get tax relief of 30% of earnings, no matter how old you are. In general, these tend to be professional sportspeople who earn their income from that occupation, such as athletes, boxers, footballers, golfers, jockeys and so on.

If you pay contributions by direct debit from your bank account, we will send you a tax certificate, which you can send to the Revenue to have your tax credits adjusted. If you are an employee, you can also apply for PRSI relief. If your contributions are taken straight out of your salary by your employer, you will receive immediate income tax and PRSI relief.

3

Your payments (less any contribution charge) are then invested in a fund that grows totally free of tax.

4

Finally, you'll hopefully have built up a big enough fund for your retirement. Normally, you can take your benefits between the ages of 60 and 75, but there are certain exceptions explained on page 37. At that stage, you'll have a number of choices in terms of what you want to do with that fund.

First of all, you can take a portion of your fund totally free of tax. The amount of this will depend on your job status at the date you take your benefit and Revenue limits.

Depending on your individual circumstances the remainder of your fund can be used to buy an income for life; be kept as an investment or taken as a taxable cash lump sum.

Your retirement options are explained more fully on page 23.

Seven great things about **PRSA** *performance*

Seven great things about PRSA *performance*

PRSA *performance* is simply a PRSA that helps you maximise your retirement fund. What's different about **PRSA** *performance* is that we have done all the work in bringing together a wide range of the best options available, so that you can tailor your fund to your needs.

But there's more.

1

Low charges mean more money when you retire

PRSA *performance* is not a standard PRSA, but it still has no big upfront or fixed monthly charges. This means that your money is working for you from day one. The only charges are a small percentage of your payments to cover administration and a percentage of your fund to cover the management of your investment. The fund charge depends on the type of funds you choose. Both of these charges are clearly explained at the back of this booklet. Please also refer to your Preliminary Disclosure Certificate, which will outline the impact of these charges on a typical PRSA.

2

Giving something back as your fund grows

Growth in your pension fund is most important in the later years, when the fund is at its greatest. So that's when we give something back to the fund you've built up by your regular contributions. After 10 years, and every five years after that, once your regular contribution fund is over €100,000, we'll add a bonus of 1%, 2% or even 3% of the fund built up by regular contributions, depending on your fund size. You don't even need to be still paying into the plan. This extra bonus does not apply to a fund built up by one-off contributions. These bonuses are explained in more detail at the back of this booklet. If the charges increase in the future we will notify you two months in advance of this change.

3

World-class investment options

While the most important thing in building up a retirement fund is how much you pay, the next most important thing is where you invest. It's important to make sure that your money is invested in a fund that suits your needs and that the fund will perform. Your financial adviser can help you build a portfolio of funds that suits your needs.

4

Smoothing you into retirement

As your needs change, you can change your portfolio at any time, at no extra cost. As you get closer to retirement, you can also move your fund into more secure funds through our Default Investment Strategy.

5

Keeping track of your money

Our service does not stop once you've bought our pension. Every six months we will send you a statement of account and an investment report to let you know how your pension is doing. Once a year we'll also send you a more detailed statement of reasonable projection to help you plan and allow you to track the performance of your portfolio. As well as this, you can check the value of your fund all day, seven days a week by phoning our dedicated phoneline.

6

You're not tied to rigid payments

There's an old saying that "it's a long road that doesn't turn". Above all, we have designed **PRSA** *performance* to be flexible so that your pension can adapt to your changing circumstances. With **PRSA** *performance*, you're not locked into decisions that you make today.

If you want to make regular contributions you choose how much you want to start off saving but you have the option to increase or reduce that amount whenever you like. You can add one-off contributions to your plan at any time or, if you prefer, make these payments each year instead of regular contributions. You can even take a break in payments if you need to. You will not be charged if you alter your contribution in any way.

7

You know your savings are in safe hands

Because your money is invested with us, you know it's in safe hands. More people trust us with their pension money than anyone else and no other company pays out more pension benefits to Irish people every day of every year. This is especially important if you're investing for 20, 30 or even 40 years.

We have put together a range of building blocks for you that are unrivalled in the market. All you need to decide is when you want to retire and what kind of benefits you'd like to build up. Your financial adviser will help you build a personalised investment plan that will get you there.

Your investment options

PRSA *performance* offers a wide range of world-class investment options, because everyone has different needs and views on how they would like to invest their pension contributions.

Your financial adviser can help you look at the wide range of investment options and then build a personalised investment plan for you. Alternatively you may decide to invest in Irish Life's Default Investment Strategy which has predefined investment options and is explained on page 21.

Where, and how, you invest will depend on the amount of risk you are willing to take and how much time you have until you retire.

1

The amount of risk you are willing to take

Depending on which fund you invest in, its value can fall as well as rise over the period of investment. By choosing a low-risk fund, you are protecting gains made over the period of investment. However, the potential for large gains is lower than if you choose a higher-risk fund. Higher-risk funds mainly invest in company shares so that their value is not protected but you do have the potential to gain significantly, especially over the long term. Investors in these funds should realise that, in wanting a higher return, they could lose some or, in the worst case, all of the value of their investment.

Think about how you feel about the risks associated with investing. Everyone's situation is different, and everyone handles risk differently. With the help of your financial adviser, you are the best person to decide how much risk you are comfortable with.

2

How much time you have until you retire

Think about how long you have before you plan to retire. For example, if you are not planning to retire for another 15 to 20 years, you may be able to accept more risk than if you want to retire in five years. This is because there is more potential for high-risk funds to perform better than others over long periods of time and you can expect to ride out any ups and downs that the stock market may experience.

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

Personalising your plan

Once your financial adviser has helped you decide where you stand on both of those questions, they can help you build your personalised investment plan using any combination of the funds shown opposite.

You'll notice that these have been divided into high-risk funds with the potential for higher returns, medium-risk funds and low-risk funds with lower potential for returns. You can find a full explanation of each of these funds in the following pages.

You can switch your contributions from one fund to another at any time if you decide you want a lower-risk or higher-risk investment. There is no charge for switching funds but switching out of certain funds, carries certain conditions

We'll keep in touch with you so that you know how your portfolio of funds is doing. You should also regularly review your **PRSA** *performance* with your financial adviser.

Low-Risk

Secure Funds

- Secured Performance Fund
- Capital Protection Fund
- Cash Fund

Low

Medium Risk

Mixed Asset Funds

- Diversified Assets (PRSA) Fund
- Consensus Fund
- Active Managed

Property Funds

- Pension Property Fund

Fixed Interest Funds

- Pension Protection Fund

Medium

High Risk

Indexed Managed Equity Funds

- Global Equity Fund
- Ethical Global Equity Fund
- Irish Equity Fund
- UK Equity Fund
- European Equity Fund
- North American Equity Fund
- Japanese Equity Fund
- Pacific Equity Fund

Actively Managed Equity Funds

- Irish Life Global Opportunities Fund
- Fidelity Managed International Fund
- Fidelity Global Special Situations Fund
- Fidelity European Opportunities Fund
- Fidelity Global Property Shares Fund

High

Warning: This PRSA *performance* plan may be affected by changes in currency exchange rates.

Your investment toolkit

1 Low-risk funds

Secured Performance Fund

The return on this fund is smoothed so that you do not run the risk of losing any of the value of your pension fund because of short-term changes in market returns. Not only that, but we provide this smoothed return in the form of a set rate every year, and it is locked into your fund once we set it. To protect other investors in the fund, we can reduce the value of your fund if you:

- ask us to pay retirement benefits within 10 years of entering this fund
- switch out of this fund
- opt to transfer your fund to another retirement benefit scheme.

We will not reduce the value if you leave because you change jobs or take early retirement, as long as you have been investing in the fund for ten years. For more information on this, talk to your financial adviser or see section 4 of your terms and conditions.

There may be restrictions on entering or increasing contributions to the fund:

- for large regular payments; and
- if you have less than ten years until you retire.

Please note that the Secured Performance Fund is not available to one off payments.

Capital Protection Fund

This fund does invest in equities, but most of the fund is invested in cash deposits and fixed-interest assets, mainly in Ireland. It is guaranteed not to fall in value. To protect other investors in the fund, we can reduce the value of your fund if you retire early or leave the Capital Protection Fund before your retirement date. For more information on this, talk to your financial adviser or see section 4.5 of your terms and condition booklet.

Cash Fund

This fund invests in deposits and short-term investments on international money markets. It is guaranteed not to fall in value.

2 Medium-risk funds

Mixed Asset Funds

Diversified Assets (PRSA) Fund

Traditional managed pension funds invest a high proportion of the fund in shares. This is needed to provide growth potential over the longer term. However, when investing in shares there will always be times when stock markets go through significant downturns and these can be uncomfortable times for the more cautious investor.

However, opting out of volatile assets means that you will be foregoing the growth potential which they offer.

Irish Life's solution to this is the Diversified Assets (PRSA) Fund which gives exposure to four very different asset classes which tend to behave differently in different market conditions and at different points in the economic cycles. By combining a balanced mix of commercial property, shares, bonds and commodities, the Diversified Asset (PRSA) Fund aims to give steady returns through different market conditions. Over the long term the fund aims to give around three quarters of the return potential of a typical managed fund but with about half the level of potential risk. Because of the nature of the assets in this fund, there may be a 3 month delay in taking money out of this fund. When more contributions are moving out of the Diversified Assets (PRSA) Fund than making new investments into it, we may reduce the value of the fund to protect the remaining investors.

Consensus Fund

This fund is Ireland's most popular fund, currently managing over €6 billion in pension assets. It is so successful because its innovative approach 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 that:

- 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.

Active Managed Fund

Irish Life Investment Managers (ILIM) are one of Ireland's largest investment managers and they manage more than €24 billion in pension assets. The Active Fund invests mainly in stock markets throughout the world. The rest of the fund is invested in bonds, property and cash.

Property Funds

Property Fund

This fund is worth over €1.1 billion and invests in a wide range of Irish and international property that has the potential to provide a good income from rent, and the possibility of increasing the initial investment. Because of the nature of the assets involved in this fund, there may be a 6 month delay in taking money out of this fund. When more contributors are moving out of the Property Fund than making new investments into it, we may reduce the value of the fund to protect the remaining investors.

Fixed Interest Funds

Pension Protection Fund

This fund invests in long-dated Irish Government securities to protect the buying power of your retirement fund. Although returns can rise and fall, they tend to rise when interest rates fall, and fall when interest rates rise. This makes it an attractive fund if you want to protect your pension as you come close to retiring.

3 High Risk funds

Indexed Managed Equity Funds

Indexed funds simply invest in all the shares that make up a particular stock market's index. These funds aim to match the average returns of all the shares that make up the index. For example, the Irish Equity Indexed Fund will invest proportionately in all of the companies that makeup the Irish Stock Exchange (ISEQ) index and so the performance of this fund should reflect the performance of the Irish stock market.

Indexed Global Equity Fund

This fund aims to achieve good growth by investing in the Irish and international equities that the Consensus Fund invests in. Because this fund only invests in shares, it offers the possibility of excellent growth over the long term, but it also carries the risk of significant ups and downs. However, because it is more broadly based than the other index funds, it spreads the risk more.

Ethical Global Equity Fund

This fund is made up of companies listed on the FTSE index, who have met globally recognised corporate responsibility standards. The criteria used are set at a level that is widely achievable to encourage companies all over the world to improve their corporate responsibility.

Other indexed funds available are:

- the Irish Equity Indexed Fund;
- the Japanese Equity Indexed Fund;
- the European Equity Indexed Fund;
- the North American Equity Indexed Fund;
- the Pacific Equity Indexed Fund; and
- the UK Equity Indexed Fund.

Active Managed Equity Funds

These funds aim to do better than other equity funds by using active investment strategies. Based on the investment managers' view of the world economies and stock markets, they will decide what shares to invest in.

Irish Life Investment Managers

Global Opportunities Fund

This fund is managed by Irish Life Investment Managers (ILIM) and focuses on identifying opportunities in companies where ILIM see hidden value not yet recognised by the markets. The fund invests in a range of shares across all geographic and industry sectors. ILIM identifies opportunities based on strong research and in-depth company analysis by their team of industry specialists.

Fidelity Investments

Fidelity is the world's largest investment company and manages over €800 billion on behalf of 19 million customers around the world. They have an exclusive relationship with us in Ireland and manage certain specialist equity funds for us.

Fidelity Managed International Fund

This fund invests purely in company shares from around the world, and so is a suitable choice for someone who wants to increase their returns as much as possible, and is comfortable with short-term rises and falls in the market.

Fidelity Global Special Situations Fund

This fund can invest anywhere in the world in any mix of companies. The fund manager looks for stocks that meet criteria such as companies going through a restructuring phase or where specific industries are going through major change. This often means the fund will invest in companies that other fund managers may not own. This fund is likely to have higher levels of ups and downs than some other Global equity funds.

Fidelity Global Property Shares Fund

This fund invests in property companies from around the world and in real estate investment trusts (REITS). The fund offers some of the attractions of property investing with the benefits of liquidity and enhanced diversification. This fund will have a higher level of ups and downs than a fund that invests directly in properties.

Fidelity European Opportunities Fund

This fund primarily invests in the shares of continental European companies. The fund will be made up of a blend of investments in larger, medium and smaller sized companies. The fund manager selects emerging growth companies that have the potential to perform positively. The companies the fund invests in can be from a wide variety of industries and therefore give access to a range of investment opportunities that aren't always available to Irish investors.

Default investment strategy

The Default Investment Strategy (DIS) 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.

If the Default Investment Strategy (DIS) is chosen, we will invest your money in the Indexed Global Equity Fund until you are within fifteen years of your chosen retirement date. We will then invest your accumulated fund in the Consensus Fund until you are within five years of your chosen retirement date. We will then gradually switch 25% of the fund into the Cash fund and 75% into the Pension Protection Fund, as you approach retirement.

The Indexed Global Equity Fund invests in Irish and international equities.

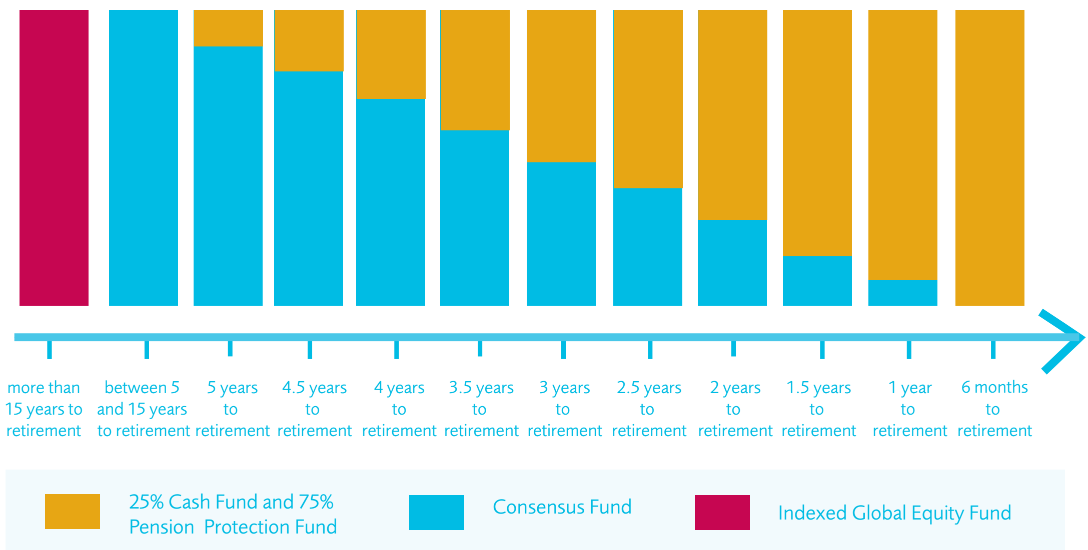
The Consensus Fund is based on the combined wisdom of the main Irish pension investment managers. The fund matches the investments they make in shares, property, bonds and cash. The Consensus Fund aims to provide performance that is consistently in line with the average of all funds in the market. Because the Consensus fund invests mainly in shares it can be risky over short time periods.

The Cash Fund invests in cash type investments and the Pension Protection Fund is a fixed interest fund that mainly invests in government backed bonds. When you are five years from your chosen retirement age one tenth of your fund will be switched every six months into these two more secure funds. When you are six months from retirement your full fund will be invested in these two funds.

You can switch in and out of the DIS at any time. There is no charge for any of the switches made within the DIS.

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.

Table of Investment split between the funds in the DIS



Individual Investment Strategy (IIS)

We also offer an Individual Investment Strategy (IIS) service. If you select the IIS you get to choose the fund(s) you want to invest in up until you are five years away from retirement. Once you are five years from your chosen retirement date we will then start to switch the investment into more secure funds in line with the last five years of the Default Investment Strategy (DIS) described above.

Your options when you retire

What happens when I decide to retire?

With **PRSA** *performance*, you will have a number of options when you retire, including taking part of your pension fund as a tax-free lump sum. You don't need to decide now what you're going to do - you can make your decisions closer to retirement when you have a better idea of how you'd like to spend the money you've built up. The options you'll have are as follows.

Tax-free cash

The amount of your tax-free lump sum will depend on how you are using your PRSA

- If you are self employed, or an employee but not a member of an occupational pension scheme, you can take a quarter of the fund totally free of tax.

- If you are a member of an occupational pension scheme at work and have contributed AVCs into your PRSA, the tax free lump sum from your PRSA will depend on the tax free lump sum given to you under your main scheme. The maximum amount between the two pension plans is 150% of your final salary but this depends on the number of years service at retirement. If this is less than 20 years, the tax-free lump sum will be scaled back.

Let's take an example:

If your employer's scheme provides you with 100% of final salary as a tax-free lump sum, you can use your AVCs to provide the other 50% (providing you have the number of years required).

After you've taken your tax-free fund, you have two main options.

A You can buy a pension

You can use the rest of the fund to buy a pension (in other words, a regular income which will be paid for the rest of your life). Usually, this means that you pay your pension fund over to us (or another insurance company if you'd prefer) and we'll guarantee to pay you a regular amount every month while you're still alive. You can also choose other options, such as having that income increase each year, or having part of it paid to your husband or wife after you've died. You don't have to make any of these decisions until you actually retire but it is a good idea to find out how much each of the extra benefits would cost. Your financial adviser will be able to help you with this.

If, when you retire, you do decide to buy a pension, the pension is treated as a normal income so you will have to pay income tax on it. Also, because it is a pension for you, you cannot cash it in, change to a lump sum, or transfer it to someone else in the future.

If you are a member of an occupational pension scheme and you have paid AVCs into a PRSA, the amount of pension you can choose from your AVC fund depends on the amount you will get from your main scheme. The maximum pension allowed between the two plans is 66.67% of your final salary based on at least 10 years service at retirement.

Let's take an example:

If you take a tax-free lump sum of 150%, the maximum pension reduces to approximately 50%.
If for example, your employer's scheme provides you with 150% of final salary as a tax-free lump sum and a pension of 30%, your AVC fund can be used to buy up to 20% of your final salary as a pension.

B You can invest the rest of your fund

After taking your tax-free lump sum, you can continue to invest the rest of your pension in a fund that you can manage and control during your lifetime, and then leave to your family when you die.

Depending on your circumstances, you will have two main options for investing your pension fund.

Option 1

Invest in an Approved Retirement Fund (ARF) of your choice

If you can show that you are guaranteed to receive an income for life of at least €12,700 a year, you can invest the rest of your pension fund in an Approved Retirement Fund (ARF) of your choice.

An ARF is an investment fund that allows you to do the following.

- Decide where you want to invest your money.
- Make withdrawals from your fund as and when you need them. (In fact, you could take all of your fund as cash if you'd like. However, any withdrawals that you make from your ARF will be taxed like a normal income.)
- Use your fund to buy a pension later on, rather than when you retire.

Approved minimum retirement fund (AMRF)

If you do not have a guaranteed retirement income of at least €12,700 a year when you retire, you must invest at least €63,500 into an Approved Minimum Retirement Fund (AMRF) or buy a pension with the same amount.

The difference between this and an ARF is that you cannot take any of the money you invested in your AMRF until you reach 75. Instead, you can only take money from the growth your investment in the AMRF fund makes (and you will have to pay income tax on it).

At 75, your AMRF becomes an ARF. At this stage, you can take all of your money (as income) or leave it invested.

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

Option 2

Leave your funds in your PRSA

Instead of moving your pension fund to an ARF or AMRF you can leave the fund in your PRSA. Your fund becomes an ARF or an AMRF.

Then, provided you always have at least €63,500 in your fund you can make withdrawals from your fund when you need them. However, any withdrawals that you make from your PRSA will be taxed like a normal income.

You can still use your fund at any time to buy a pension or transfer to a separate ARF/AMRF.

At 75, you would no longer have to keep at least €63,500 in your PRSA.

Whether you decide to transfer to an ARF or draw down the fund within the PRSA it is important to remember that the value of your fund may be reduced over time if the level of income is high and the investment return is not high enough to maintain this.

When you die, any money left in your fund will pass through your personal representatives to your estate. Your husband or wife may have the option of continuing to invest in a separate ARF.

Again, you can make all of these choices at retirement (or close to it), and your financial adviser can help you decide what is best for you.

What is most important is that you make sure you have a reasonable fund at retirement to make these choices. If you do not have a guaranteed income that will maintain your current standard of living during retirement, we recommend that you consider buying a pension before choosing to invest in an ARF or draw an income from your PRSA.

All of these options and limits are based on current laws and regulations, which could change in the future.

Your charges explained

1

Charges on regular payments, paid by direct debit

Your **PRSA** *performance* has two charges.

- A entry charge of 5% of any regular contributions you make.
- A yearly charge, set out as a percentage of the fund built up by these contributions. This charge is deducted monthly and depends on the fund you have chosen for your regular contributions. This is set out in column A below.

Table of yearly management charges	COLUMN A Regular contribution % each year	COLUMN B One-off and transfer contribution % each year
Secured Performance Fund	1.85%	1.5%
Capital Protection Fund	1.6%	1.25%
Cash Fund	1.35%	1%
Diversified Assets (PRSA) Fund	1.5%	1.15%
Consensus Fund	1.35%	1%
Active Managed Fund	1.35%	1%
Property Fund	1.35%	1%
Pension Protection Fund	1.35%	1%
Indexed Global Equity Fund	1.35%	1%
Ethical Global Equity Fund	1.35%	1%
Irish Equity Indexed Fund	1.35%	1%
Japanese Equity Indexed Fund	1.35%	1%
European Equity Indexed Fund	1.35%	1%
North American Equity Indexed Fund	1.35%	1%
Pacific Equity Indexed Fund	1.35%	1%
UK Equity Indexed Fund	1.35%	1%
Global Opportunities Fund	1.35%	1%
Fidelity Managed International Fund	2%	1.65%
Fidelity Global Special Situations Fund	2%	1.65%
Fidelity Global Property Shares Fund	2%	1.65%
Fidelity European Opportunities Fund	2%	1.65%

Loyalty bonuses for funds built up by regular contributions, paid by direct debit

The fund built up by your regular contributions will qualify for bonuses at year 10 and every five years after that. This bonus will depend on the size of that fund at that time, and will be as follows.

Size of fund built up by regular contributions	Bonus added to fund built up by regular contributions
€100,000	1%
€200,000	2%
€300,000	3%

This product has been approved by the Pensions Board and the Revenue Commissioners - its reference number is APP/K/132/NS.

2

Charges on one off contributions

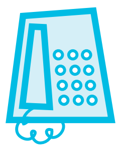
- An entry charge of 5% on any one off contribution you make.
- No entry charge will be applied to a transfer from an approved pension plan into this PRSA.
- A yearly charge of a percentage of the fund built up by single contributions and transfer contributions. This charge is deducted monthly and depends on the funds you have chosen for these payments. It is shown in Column B of the table on page 29. This charge reduces as the fund built up grows. Once this fund reaches €150,000, the charge falls by 0.05%, then by another 0.05% once it reaches €250,000 and a further 0.05% when it reaches €500,000.

Keeping you informed

How will I know how my **PRSA** *performance* is doing?

As a pension plan is a major long-term investment, we make sure that we will keep you informed about your PRSA *performance* and how it's doing so that you can review it regularly. We're here to give you the information you need when you need it.

There is no substitute for one-to-one advice and we would recommend that you regularly review the progress of your PRSA *performance* with your financial adviser.



- You can phone our dedicated phoneline all day, seven days a week to check the value of your PRSA *performance*. The number is 704 1111.

- Every six months we will send you a statement of account and an investment report. These will let you know how your pension is doing, and detail what you've paid, what it's worth and how the funds have done. This will also contain a report of how your portfolio is performing. Once a year we'll also send you a more detailed statement (called a 'statement of reasonable projection') to help you review your plan.

- If you need to talk to us, we're here to answer questions about your plan. Just phone 01 704 1010 from 8am to 8pm Monday to Thursday, 8am to 6pm on Fridays, or from 9am to 1pm on Saturdays. If you want advice about your pension planning arrangements, you can talk to your financial adviser as well.

- By logging onto our website (www.irishlife.ie) you can see how each of the funds is doing and get answers to frequently asked questions.

To help improve customer service we will record or monitor calls.

Your questions answered

Your questions answered

Am I eligible to take out this plan?

You can take out this plan if:

- you are self employed or in a job which is non pensionable; or
- you are a member of an occupational pension scheme and wish to pay additional voluntary contributions (AVCs) into a PRSA to boost your retirement benefits; and
- you are resident in Ireland and you are between the ages of 18 and 75.
- you are unemployed.

If you intend to pay AVCs into your PRSA we recommend you also read Irish Life's Guide called 'AVC's and your PRSA - A guide for members of Occupational Pension Schemes'.

What payment options do I have?

You can choose between making regular payments, adding a one-off single payment at any stage or paying them separately. Most people tend to pay regularly. You can pay:

- regular contributions by direct debit (every month, every three months, every six months or every year);
- one-off contributions by cheque; and
- if you are an employee, by having your contributions taken from your salary. If you are not in an occupational pension scheme at work any employer contributions will be added to your personal contributions.
- Please note if you start your PRSA by paying once-off contributions, you will not be able to pay regular contributions into that PRSA

If you are a member of an occupational pension scheme at work it is not possible for your employer to contribute to your PRSA, as contributions can only be paid by you, as Additional Voluntary Contributions (AVCs).

Can contributions be deducted from my salary by my employer?

Yes. Your employer can take contributions from your salary whenever you are paid. This could be every week, fortnight or month. We will then take this contribution from your employer's bank account. Please note that your plan will be a monthly-paid plan and we will collect contributions from your employer every month.

For example, if you are paid weekly and decide to make a regular contribution of €60, we multiply €60 by 52 (weeks in a year) and divide it by 12 (months in a year). Your plan will then be set up for € 260 every month and we will collect this from your employer's bank account every month by direct debit.

Therefore, at certain times, deductions made from your payroll may be held in your employer's bank account for a short period before they are sent to us and invested in your plan. Contributions are invested on the day we receive them.

Can I change the amount I pay, or even stop paying for a while?

If you want to, you can increase your contributions, reduce your contributions, or take a break from making payments at any time. You will not be charged for these options.

However, the estimated value of your pension fund, which will be in the statement of reasonable projection section of your welcome pack, is based on the contribution level that you agreed to pay when you started the plan.

So remember that reducing (or stopping) your contributions will reduce the value of your pension when you retire. If you are going to miss any contributions, you should contact your financial adviser or our Customer Service Department.

Do my contributions increase with inflation?

When you take out your plan, you can choose to have your contributions increase with inflation. If, like most people, you choose this option, your payments will increase each year in line with the Consumer Price Index (a measurement of inflation), or by 5% if this is higher. If your contributions are deducted from your salary, this option is not available.

Can I cancel my plan?

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

Irish Life Assurance plc
Lower Abbey Street
Dublin 1.

If you do this within 30 days of the date we send you your statement of reasonable projection, we will cancel the plan. We will refund any regular contributions you have made. We will refund any single contributions less any fall in value due to market conditions.

After the period of 30 days is over, you do not have the option to cancel your plan and obtain a refund if it is not suitable. You can stop contributing to your plan at any time, but you will not usually be able to take the benefits from your plan before you reach 60.

Can I stop paying into my plan?

If you decide to stop making contributions, your pension fund stays invested and continues to grow tax-free. Obviously, the value of your fund when you retire will be lower at retirement than if you had continued paying.

Before stopping payments, you should be sure that you have made other arrangements for your retirement. You should contact your financial adviser for more details.

Is there any limit on the size of my pension fund or my tax free cash?

For tax purposes, the maximum pension fund you can have is €5,165,000 (July 2007) from all sources. If you have pension funds in excess of this amount there may be tax implications and you should consult your financial adviser. The overall tax free cash from all your pension arrangements can't exceed €1,291,250 (July 2007). Any lump sum payment in excess of this limit will be taxed at the marginal rate of tax. This limit will be adjusted annually in line with an earnings index.

Do I have to pay tax on my pension?

Under current law, when you retire, you can take some of the fund as a tax-free lump sum. How much of a tax free lump sum you can take is explained on page 24. You will have a number of options as to how you can use the rest of your pension fund, and the tax you pay will vary depending on which one you choose. If you choose to buy a pension for life, your income will be taxed as income in the normal way.

If you invest in an Approved Retirement Fund or continue to invest in your PRSA, you will have to pay income tax on any withdrawals that you make.

When is the earliest I can take my pension?

If you are self-employed, you can take your benefits from age 60. You do not have to retire to take your pension benefits. Some occupations allow earlier retirement, such as air-pilots, fishermen, jockeys, professional rugby players, singers and so on.

If you are an employee and you are not a member of an occupational pension scheme, you can take your benefits at any time after your 50th birthday. If you do this between age 50 and 60, you must retire from your job. From age 60 you can continue to work and take your benefits at the same time.

If you are a member of an occupational pension scheme at work and have paid AVCs into a PRSA, your retirement age must be the same as the retirement age under your pension scheme at work and we will pay benefits in line with your main scheme. You will need the permission of the trustees of your work scheme to take your benefits. If you are sick, it is possible to take benefits earlier than outlined below. See further on.

What happens if I stop working?

If you stop working but do not plan to begin taking benefits, you can either:

- stop contributing to the plan (perhaps until you start working again); or
- continue to contribute to the plan. If you do continue to contribute, it may be that tax relief on the contributions will have to be carried forward to when you have earnings in the future.

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

If you have to retire early because of ill health (that is, you are permanently incapable through infirmity of mind or body of carrying out your own occupation or any occupation of a similar nature for which you are trained or fitted*), you can take your pension benefits immediately. However, your pension may be low because your contributions are stopping at an earlier age and the pension will have to last longer as you will be retiring earlier. If you retire early because of ill health, you must give us medical evidence to support this.

What happens if I die before starting to take my benefits?

The value of your pension fund will be paid to your estate. Your dependants may have to pay inheritance tax depending on who inherits.

What happens if I die after starting to take my benefits?

If you have taken your tax free lump sum, any value remaining in your PRSA will be paid to your estate. Your dependants may have to pay tax, depending on who inherits the funds. If you leave the funds to your husband or wife, the funds can be transferred to an Approved Retirement Fund in their name. In all other cases, the PRSA is wound up and the proceeds are passed to your estate. If your estate has to pay income tax, we must take this before paying the proceeds of your fund to your estate.

Special rules apply to withdrawals from a PRSA following the death of the holder.

- Generally the amount distributed is treated as the income of the deceased PRSA holder for the year of the death.
- But where the distribution is made to an ARF in the name of the PRSA holder's husband or wife, no income tax liability will arise.

What happens if I leave my employment?

If you are self-employed whilst paying into a PRSA and subsequently move into a job which has a pension scheme, your contributions into your PRSA either should cease or become additional voluntary contributions linked to your main scheme. The way you make your payments could change (i.e. from direct debit to payroll deduction) and you should notify your financial adviser or Irish Life.

* Source: Section 787K of the Taxes Consolidation Act 1997.

If you are employed in a job which does not have a pension scheme and subsequently become self-employed, you can continue your contributions as normal. If you move into a job which has a pension scheme, your contributions into your PRSA either should cease or become additional voluntary contributions linked to your main scheme. The way you make your payments could change (i.e. from direct debit to payroll deduction) and you should notify your financial adviser or Irish Life.

If you are a member of an occupational pension scheme and are paying AVCs into PRSAs but leave that job, your contributions can continue but they will become 'ordinary' contributions unless you join another job with a pension scheme. This may mean changing your mode of payment from payroll deduction to direct debit from your personal account. If you move from an occupational pension job to another occupational pension job, the payroll system will change from the old employer to a new employer. We can only do this if you inform us immediately of this change. It is important that we keep a record of your employment history in order to pay out the correct benefit to you at retirement. So changing your job does not mean that you have to stop paying into your PRSA. It just means that you may have to change the way you pay your contributions and you should let us know as soon as possible.

Can I take money out of my **PRSA** *performance*?

As discussed above, you can take your benefits at retirement, based on your occupation. See above. Generally this is from age 60. The exceptions are if

- your occupation is one that typically has an earlier retirement age;
- you have to retire early because of ill health

If you are a member of an occupational pension scheme at work and are paying AVCs into your PRSA, you have to take benefits at the same time.

It may be possible to cash in the value of your plan if it is €650 or less and you have not paid contributions into your PRSA in the two years prior to your request to cash in.

If the value of your fund is €650 or less and you do not pay any more contributions into it for two years, Irish Life has the right to request that you transfer your fund to another approved pension scheme or start to pay contributions again. We will notify you in writing of this. If we don't hear back from you within 3 months of this request, we could decide to automatically refund the value to you.

Can I move my money to another provider?

You can transfer your plan to another approved PRSA provider at any stage provided you have not started to take your benefits. You can also transfer your assets to an approved occupational pension scheme if you are a member of that scheme where the scheme rules allow this. Transfers may also be allowed to approved pension arrangements, outside the state. No charge is applied to transfers out of the PRSA unless you are in a fund that restricts the movement of funds before agreed dates. For more information on this see section 3 of your terms and conditions.

Do I have to retire to get my pension?

Generally if you are self employed, or an employee who is not in an occupational pension scheme you do not need to retire to get your pension. You can take your pension at any time from age 60 onwards and continue to work, although it could even be earlier for certain occupations (as mentioned on previous page). You can retire because of ill health at any time.

If you are an employee and not a member of an occupational pension scheme, you can take your benefits from age 60 and continue to work. You have the same option of taking benefits from age 50 but if you do so between 50 and 60, you must retire from your job.

If you are paying AVCs to your PRSA you must take your PRSA benefits at the same time as your benefits under your main occupational pension scheme. You may need the permission of the trustees of the main scheme before you can take benefits from your main occupational scheme.

This may also mean that you will need to retire in order to take benefits before the schemes normal retirement date.

Family law and pensions

If you go through a legal separation or divorce, a court application for a pension adjustment order (for the retirement or death benefits we pay under this plan) may be made for your husband or wife. You can get more information on how a pension adjustment order works from the Pensions Board at the following address:

The Pensions Board
Verschoyle House
28/30 Lower Mount Street
Dublin 2.
Phone: 01 613 1900
Fax: 01 631 8602

Who should I talk to if I have any questions?

You should talk to your financial adviser or contact our Customer Service Department.

Who should I talk to if I have a complaint?

If you believe that you have suffered a financial loss as a result of poor administration of your PRSA or if there is a dispute of fact or law, you should contact our Customer Service Department. As a PRSA provider, we must set up an "Internal Disputes Resolution" procedure. You can ask us for a copy of this at any time. After writing to us with your complaint, we will make a decision on it and let you know.

If you are unhappy with this decision, under Part XI of the Pensions Act, 1990 as amended you can take your complaint to the Pensions Ombudsman at the following address:

The Office of the Pensions Ombudsman
36 Upper Mount Street, Dublin 2.
Phone: 01 647 1650
Fax: 01 676 9577
Email: info@pensionsombudsman.ie
Web: www.pensionsombudsman.ie

The Pensions Ombudsman will investigate the matter for you. Both you and we can appeal their decision to the High Court. For more information on your rights, please contact the Ombudsman's office.

If you have any other type of complaint, please contact our Customer Service Department. We will review your complaint and let you know the outcome. If you are not satisfied with this, we will let you know where you can go to process your complaint further.

The Pensions Ombudsman does not investigate every customer complaint. Sometimes complaints are dealt with by other industry regulators, such as the Pensions Board, the Financial Regulator or the Financial Services Ombudsman. Our Customer Service Department can let you know which regulator is most suitable for your complaint. However, the decision as to which office will deal with your complaint lies solely with that office.

Who is my PRSA contract provided by?

Your contract is in the form of a plan and is provided by Irish Life Assurance plc. It sets out the details of your contract with us. This booklet is only meant to be a guide to help you understand your **PRSA** *performance* and does not give all the details of your plan. These details will be in your plan schedule. We will include more specific details and rules in your terms and conditions booklet, which you should also read carefully.

Your application form and plan will be your legal contract with us. The contract will be governed by Irish law. The Irish courts are the only courts that are entitled to hear disagreements. The information in this booklet is based on our understanding of current law, tax and Revenue practice as at July 2007.

The Pensions Board and the Revenue Commissioners have approved this product.
The approved number is given along with the charge details on page 30 of this booklet.

We offer investment, protection, pension and savings products.

Contact us

phone: 01 704 1010
8am - 8pm Monday to Thursday
8am - 6pm Friday
9am - 1pm Saturday
fax: 01 704 1900
email: customerservice@irishlife.ie
website: irishlife.ie
write to: Irish Life Assurance plc, Lower Abbey Street, Dublin 1.

8136 Crystal Mark Honesty and clarity approved by Plain English Campaign

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