

**PENSIONS**  
INVESTMENTS  
LIFE INSURANCE



**Irish Life**

# IRISH LIFE AND CANADA LIFE DC PLAN

MEMBER GUIDE



**EMPOWER  
ACCESS**



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## SECTION

# 1

# IT'S TIME TO SAVE FOR YOUR FUTURE

One day, you'll retire. You won't have a salary, but you'll still need money to live on and to enjoy yourself. So it pays to save money now while you're earning. Saving for your future is sensible and worthwhile. Your pension plan is key to achieving this.

The Irish Life and Canada Life Defined Contribution (DC) Plan was set up on 1 November 2011. It is registered with the Pensions Authority (registration number is PB 251543) and it has been approved by the Revenue Commissioners (Revenue reference number is 353).

## SO, WHAT IS A DEFINED CONTRIBUTION (DC) PLAN?

A DC pension plan means that the amount you regularly save into your pension fund is defined, e.g. 10% of your salary goes into your pension fund.

With this type of plan, the benefit you receive when you retire is based on the pension fund that you have saved up during your working years.

The Irish Life and Canada Life DC Plan is a company pension plan. All Irish Life and Canada Life companies participating in the plan will, as your employer, help you by contributing into your pension plan too. Details of participating group companies and contact details are set out in the back of this booklet.

In this guide, we will explain how your EMPOWER plan works:

WHAT MAKES  
UP YOUR  
RETIREMENT  
SAVINGS?

HOW THIS IS  
INVESTED

WHAT YOU  
GET WHEN  
YOU RETIRE



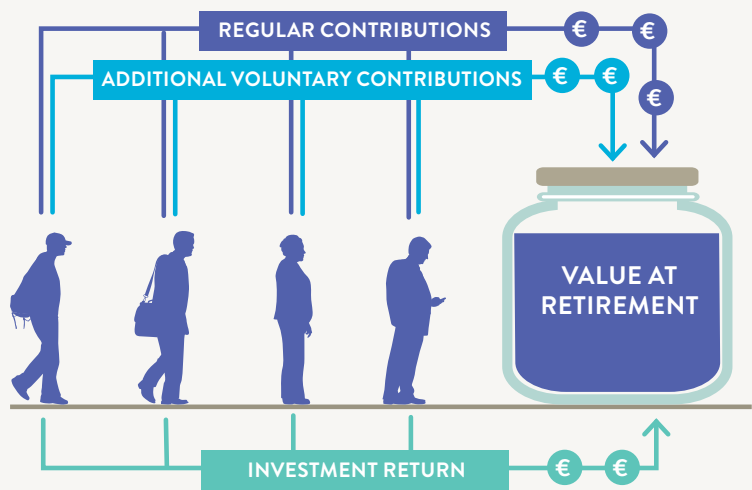


SECTION

2

# WHAT MAKES UP YOUR RETIREMENT SAVINGS?

Your fund value at retirement will depend on:



## REGULAR CONTRIBUTIONS

As part of a DC company pension plan, your regular contributions are made up of :

1.

Your contributions

2.

Your employer contributions  
(your employer makes a contribution on your behalf)

## EMPLOYEE AND EMPLOYER CONTRIBUTION

For exact rates applicable to your pension plan please check the Employee Pensions Page on the intranet. Please go to DC Scheme (602945) where you will find the contribution rates.

Please see the link: <http://intranet/CorporateResources/Staff%20Pensions/Whos%20Who/Contribution%20Rates.pdf>

## ADDITIONAL VOLUNTARY CONTRIBUTIONS

If you want to increase the value of your pension fund you can, by making Additional Voluntary Contributions (AVCs) or making a lump sum contribution. The good news is that you also get tax relief on any of these contributions.

AVCs are the same as your regular pension contributions when it comes to getting your tax relief. Just remember that your company does not match your AVC contributions.

The below table displays the percentage of your income that you will receive tax relief for when contributing to a pension plan. This includes any compulsory contributions to your plan and any AVCs you choose to make.

Age	Maximum percentage of your total earnings* you can save tax on by contributing
Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-59	35%
60 & over	40%

\*The Revenue's limits are applied to your total earnings, subject to a maximum of €115,000. Please note that contributions to your company pension plan are a percentage of basic salary, rather than total earnings.

The earnings limit is subject to review. There is no maximum payment that can be made, but you may only claim tax relief within Revenue limits. There are also limits on the benefits that may be provided.

## INVESTMENT RETURN

The return on your pension pot will depend on how the money is invested. There is a separate investment guide which sets out the the range of funds you can choose from.

# TAX RELIEF ON WHAT YOU PAY INTO YOUR PENSION FUND

The Government want to encourage everyone to set aside money for retirement. So as a pension saver, you'll get three valuable tax breaks:

- Tax relief on what you pay into your pension plan.
- Tax exempt investment returns.
- A tax-free cash sum when you retire. We talk more about this later in Section 5.

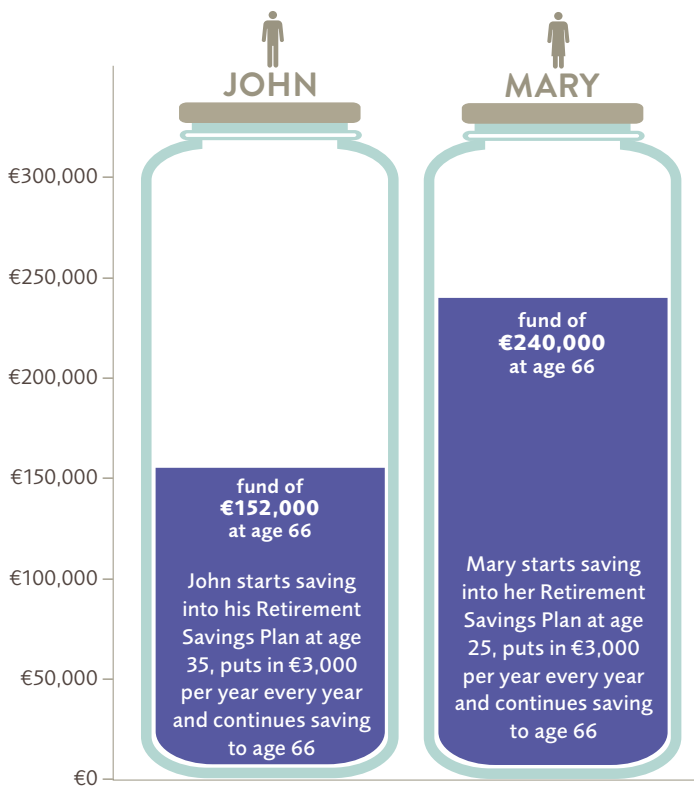
	40% tax rate	20% tax rate	40% tax rate	20% tax rate
Contribution of	€100	€100	€500	€500
Less tax relief	€40	€20	€200	€100
Net cost to you	€60	€80	€300	€400

So, if you contribute €100 to your retirement savings, it only costs you €80 if you pay tax at 20%. If you pay tax at 40%, then it only costs you €60. You do not have to pay any tax on any contributions your employer makes.

Under current legislation, the overall limit allowable for tax relief purposes is €2.0 million (this maximum amount includes any pension benefits already taken together with pension benefits yet to be taken). Any fund in excess of this amount will be liable to a once-off income tax charge at the top rate of tax (currently 40%) when it is drawn down on retirement. This limit may be adjusted annually in line with an earnings index.

The Revenue Commissioners have also placed limits on the total amount that can be contributed by you and your employer to your occupational pension scheme. However, if you are concerned by these limits please consult Irish Life for further details.

# THE EARLIER YOU START, THE BETTER



Neither of them ever put in more than the €3,000 per year and both achieve investment returns of 3% per year.

Assumptions:

- Each contributing €3,000 per year
- Assuming an investment return of 3% after annual management charge of 0.50%.

We want to ensure that you have sufficient income in retirement. The above illustrates how the earlier you start, the better. With our pension target tool, you will always be able to keep up to date with how your retirement savings are going. Please see Section 4 for more details.



# SECTION

# 3

# HOW YOUR CONTRIBUTIONS ARE INVESTED

## BE MY GUIDE VS. I'LL DECIDE

You have two investment approaches available to you as a member of the Irish Life and Canada Life DC Plan. These will determine how your contributions are invested.



This is where you can choose to keep it simple and let us do the investment for you. We call this EMPOWER PLS.



This option allows you to take control of your investments and where your contributions will be invested.

Note: You cannot be invested in both the EMPOWER Personal Lifestyle Strategy and a range of funds under the I'll decide option.







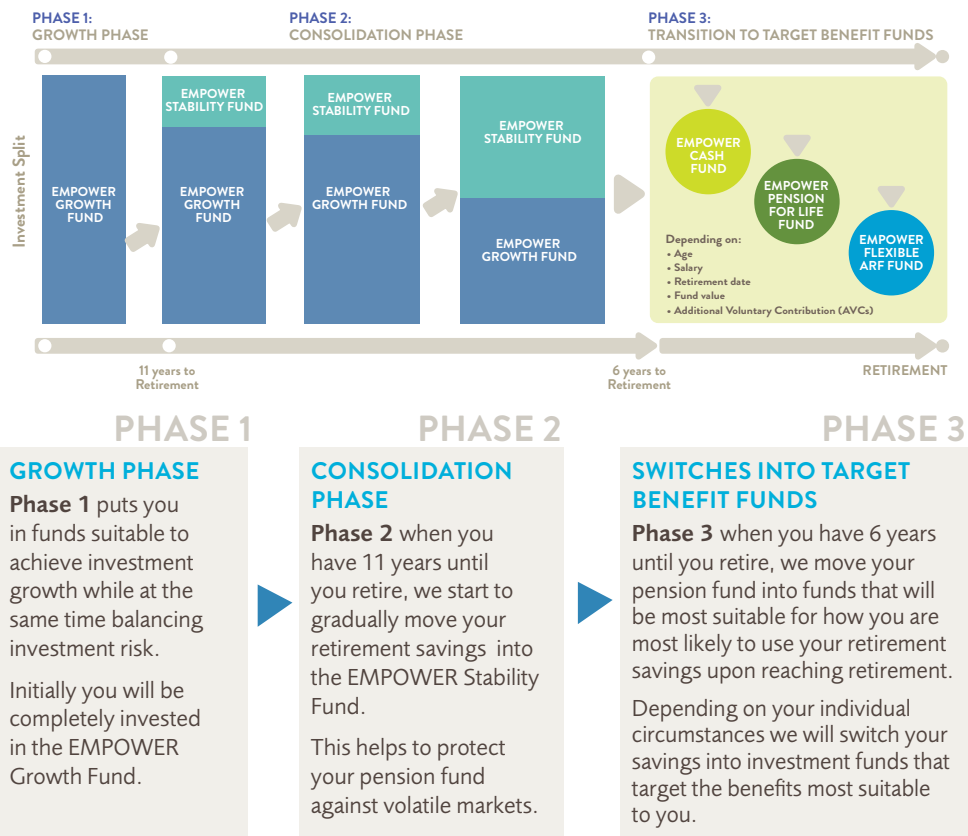
## EMPOWER PERSONAL LIFESTYLE STRATEGY (EMPOWER PLS)

- This is for members who may not feel comfortable or confident managing their pension fund investments. It takes account of your individual personal circumstances to provide a truly personalised approach.
- EMPOWER PLS delivers a solution that not only takes into account your personal circumstances but intuitively matches your accumulated retirement savings (your pension fund) into a mix of investment funds best suited to match your likely retirement options.



# HOW DOES THE EMPOWER PERSONAL LIFESTYLE STRATEGY WORK?

EMPOWER PLS has three phases which span the years of your pension savings. It starts from the moment you join the strategy and runs right up to your retirement date.



If you invest in EMPOWER PLS then all of your pension contributions will be invested in this strategy, you cannot select other funds and have the EMPOWER PLS features outlined here.



For more information on EMPOWER PLS, please log onto [www.pensionplanetinteractive.ie](http://www.pensionplanetinteractive.ie)

- Warning: The value of your investment may go down as well as up.
- Warning: If you invest in this product you may lose some of the money you invest.
- Warning: These funds may be affected by changes in currency exchange rates.
- Warning: If you invest in this product you will not have any access to your money until you retire.

**Securities Lending:** The assets in these funds (except the EMPOWER Cash Fund) may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.



- For members who are comfortable making investment choices for their pension plan.
- This option gives you full control so you can decide everything for yourself. Choose the fund, or a mix of funds and change them whenever you like. You may choose up to a maximum of 5 funds.
- With this option your investment savings don't automatically move to lower-risk investments as you get closer to retiring. So in other words, if you want to move your savings to protect what you've earned up to that point, you'll have to make that change yourself!
- **We would suggest you take financial advice about what you want your investments to achieve and then ensure that these objectives are being met on an ongoing basis.**
- **Please note that the Trustees are not responsible for your investment choices.**
- The core range of funds the Trustees have selected for you are:

EMPOWER Cash Fund	1	Consensus Fund	5
Multi Asset Portfolio (MAPS) 2	2	Setanta Active Managed Fund	5
Indexed Medium Bond Fund	3	Multi Asset Portfolio (MAPS) 5	5
Multi Asset Portfolio (MAPS) 3	3	Indexed World Equity Fund	6
EMPOWER Pension for Life Fund	4	Setanta Active Global Equity Fund	6
Multi Asset Portfolio (MAPS) 4	4	Setanta Equity Dividend Fund	6

There are some additional Specialist Funds also available to you. Our investment funds are categorised by the level of risk involved when investing in them. We have a risk rating system from 1 to 7, with 1 being the lowest and 7 the highest risk level.



Please log on to [www.pensionplanetinteractive.ie](http://www.pensionplanetinteractive.ie) for specific details of your fund options.



## SECTION

## 4

# BETTER OUTCOMES AT RETIREMENT

### HOW EMPOWER HELPS YOU

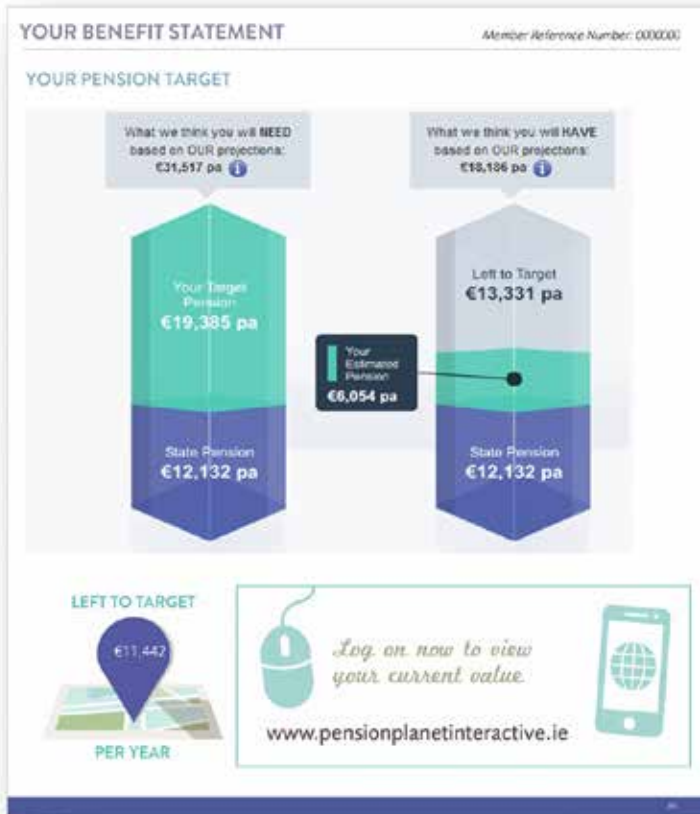
The aim of our Irish Life and Canada Life DC Plan is to create a better outcome for you in retirement. We will regularly keep you up to date with your personalised pension information.

You can access our pension target tool which provides an easy way for you to find out if you are on track for retirement. It clearly illustrates your:

- Personalised pension target how much income or lump sum you want to achieve
- Your pension gap how much income/lump sum your current contributions will provide
- How to reach your pension target - what you need to do.



## YOUR BENEFIT STATEMENT



You will receive a benefit statement every year. Your Employer and the Trustees want to ensure that you are adequately prepared for your retirement.

Your benefit statement will clearly illustrate your:

- Personalised pension target - how much income/lump sum you want on retirement
- Contribution and valuations summary - how much has been contributed and how much your pension fund has grown
- Investment information - how your savings have grown
- Statement of reasonable projection - what level of pension income/lump sum you can reasonably expect.



- If you prefer checking your retirement savings online, download 'Irish Life EMPOWER'.
- Irish Life EMPOWER is an app designed to help you plan for your retirement. It's your individual pension calculator on the go and lets you take control of your pension. This app will also help you to stay up to date with the progress of your pension and offers lots of useful information about your plan and investment details. Download the App for free from the Apple Store or the Google Play Store.

## ONLINE FUND SWITCHING

Your Company Pension Plan

Details

Investments

Modify Contributions

Recent Transactions

Document Library

My Investments > Switch Funds

1

Select Approach

2

Switch

3

Review

4

Confirmation

Please select an Investment Approach below

You should consult with your Financial Advisor before requesting a change to your Investment Approach

Be My Guide

This approach allows you to select an Investment Strategy that initially invests in riskier asset classes with good potential growth. As you approach retirement, the strategy automatically switches your fund into safer assets to help protect your pension as you approach retirement.

Be My Guide ✓

I'll Decide

A number of funds have been made available to you by the Trustee(s) of your scheme. This approach allows you to make active decisions about where you want your money invested.

I'll Decide

Proceed to Step 2: Switch

Proceed to Step 2

As discussed in Section 3, you have two investment approaches available to you. You can make fund switches online and it will be taken care of there and then.

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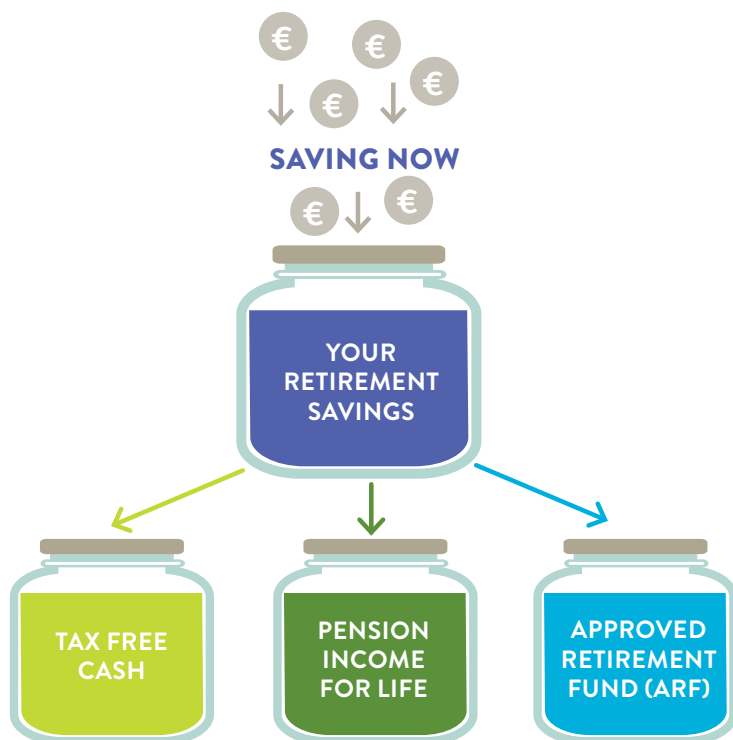
## SECTION

# 5

## WHAT YOU GET WHEN YOU RETIRE

You might not be approaching retirement, and if not, check back to this section at a later date! For those of you who are, let's talk about taking your retirement benefits.


We have broken down all the options available to you:






## OPTION 1



1.  Take a maximum cash lump sum of up to 1.5 times salary, subject to 20 years of relevant or pensionable service, in addition to having worked to normal retirement date.\*


AND THEN



2.  The balance of your retirement savings (excluding any AVC value) must be used to buy a pension income for life/annuity

AND THEN



3.  If you have chosen to contribute extra amounts as AVCs, you also have the option to use the proceeds from your AVC to purchase an Approved Retirement Fund (ARF) or an Approved Minimum Retirement Fund (AMRF). Your AVCs can also be used to buy a pension income for life/annuity.

OR

## OPTION 2



1.  Take a maximum immediate cash lump sum of up to 25% of your retirement fund.\*

AND THEN



2. Invest the next €63,500\*\* of your pension fund in:



- An AMRF or



- Purchase an annuity to provide you with a pension income for life.

AND THEN



If you have a guaranteed lifetime income of at least €12,700\* a year (including any State benefit applicable), you can



- Take the balance as a taxable lump sum.

OR



- Transfer the balance to an ARF

\*Please see the next page for the tax treatments on these lump sums.

\*\*These amounts may change (up or down) as specified by the Government. The amounts quoted are correct as at 1 January 2018.

# TAX TREATMENT OF YOUR CASH LUMP SUM

IS THE VALUE OF YOUR CASH LUMP SUM UNDER €200,000?

NO ☒ YES ☒

Then you can take this lump sum tax-free.

IS THE VALUE OF YOUR CASH LUMP SUM BETWEEN €200,000 AND €500,000?

NO ☒ YES ☒

Then the excess above €200,000 can be taken as a cash lump sum, subject to tax at the standard rate, currently 20%.

IS THE VALUE OF YOUR CASH LUMP SUM OVER €500,000?

YES ☒

If you have a Personal Threshold you may take additional cash lump sum benefits above €500,000.

In this case, any cash lump sum amount taken in excess of €500,000 is taxed at your marginal rate of tax and the Universal Social Charge and PRSI will also apply.

Under current legislation, the Standard Fund Threshold allowable for tax relief purposes is €2.0 million (this maximum amount includes any pension benefits already taken together with pension benefits yet to be taken). This limit is in respect of all pension benefits held for an individual.

Tax free lump sums taken on or after 7 December 2005 will count towards using up the tax-free amount. So if you have already taken tax-free cash totalling €200,000 or more since December 2005, any further retirement lump sums paid to you will be taxable.





## SECTION

## 6

# QUESTIONS PEOPLE OFTEN ASK

SET OUT BELOW ARE SOME OF THE TYPICAL QUESTIONS THAT PEOPLE OFTEN ASK ABOUT THEIR RETIREMENT SAVINGS.

What if I change jobs?

If you leave your current employer **after** more than two years in the pension plan, you will not have access to your pension fund until you retire. However, you do have a number of options in relation to the retirement savings you have built up during your time with the company. These options include:

1. Deferred pension - You can leave the value of your pension fund in your pension plan until you retire and then use it to get a retirement benefit.
2. You may be able to transfer the value of your retirement savings to a new employer's pension plan (if your new employer's plan allows).
3. If you do not join another company pension plan and you decide to set up a Personal Retirement Savings Account (PRSA) you can, in certain circumstances, transfer the value of your retirement savings into it.
4. You can take the value of your retirement savings from your current employer's plan when you leave and invest in what is known as a Buy-Out-Bond or a Personal Retirement Bond (PRB). This is an individual lump-sum investment.
5. You can normally opt to take your benefits from the Pension Plan at any time after age 50, once you have left service.

Should you leave your current employer **within** two years of joining the pension plan, you may be required to take a refund of the value of your own contributions less tax.

What if I want to retire early?

If your employer and the trustees agree, you may retire early once you have reached age 50. However, the plan is designed to provide benefits at your normal retirement age (NRA) and retiring earlier than this means that your retirement savings will be less than if contributions were paid up until your NRA.

What happens if I die before I retire?

If you die while employed within the Group before you take your retirement benefits, a death benefit will be payable. The amount of the death benefit and any spouse's and children's benefits is shown on your annual benefit statement.



What is an annuity?

It is an income for life. And you can choose either a level pension or one that starts lower, but increases by a set amount each year, to help offset the effects of inflation. You can also choose what will happen to your pension when you die. For example, it can stop immediately – or it can continue to be paid (in full or at a reduced rate) to your widow/er or civil partner.

What is an approved retirement fund (ARF)?

It is an ongoing investment fund. It still has the potential to earn investment returns, but nothing is guaranteed. If you choose this option, instead of receiving a regular pension, you can simply withdraw the money you need (subject to specific conditions), as and when required. On your death, the balance in the fund (if any) will be paid to your chosen dependants.

What is an approved minimum retirement fund (AMRF)?

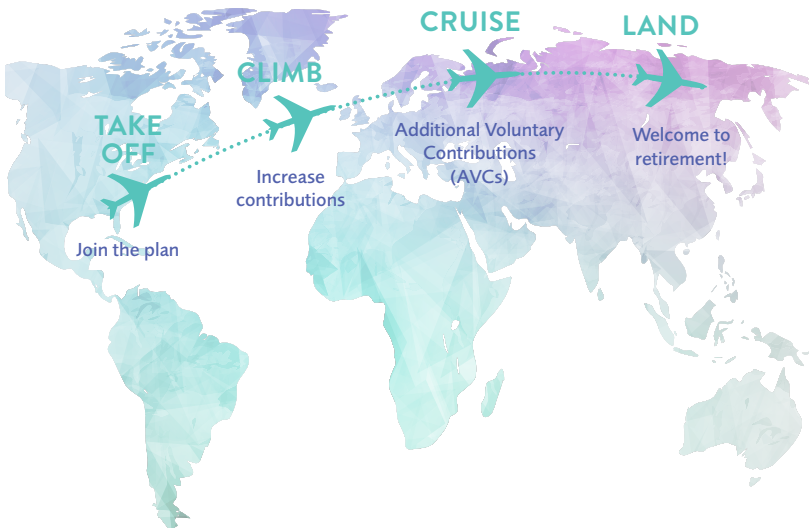
An AMRF is similar to an ARF in many ways. Every year AMRF holders will be able to withdraw up to 4% of the AMRF asset value as at 1 February in that year. You can only have one AMRF at any time. An AMRF becomes an ARF when you reach 75 or on earlier death or should your circumstances change and you are in receipt of a specified income of €12,700. Money withdrawn from an AMRF is subject to income tax, the Universal Social Charge and PRSI (if applicable).

What happens if I move abroad?

Doesn't matter where in the world you are, you will not lose your pension account. It shouldn't stop you saving for your future.

What happens if I move within the Group?

The levels of pension contribution and life cover may change. Please check with your HR business partner for more information.



We deal with transfers abroad on an individual basis so please email [code@irishlife.ie](mailto:code@irishlife.ie) or phone 01 704 1845 and we will be happy to talk through this with you.



## SECTION

## 7

# CONTACT INFORMATION

As said before, we are here to help! Our member service team are happy to answer any questions you may have on your retirement savings so feel free to email [dcstaffpensionsmailbox@irishlife.ie](mailto:dcstaffpensionsmailbox@irishlife.ie) or call us on 01 704 1829. Alternatively you can contact the Staff Pensions Manager, Anne-Marie Madden by email on [AnneMarie.Madden@irishlife.ie](mailto:AnneMarie.Madden@irishlife.ie) or by phone on 01 704 1155


Should you have a complaint concerning the plan, you should contact the trustees. The names of the Trustees as at the date of production of this booklet are as follows, Declan Bolger, Brendan Healy, Carol Pemberton, Gwen Reddy and Barry Walsh.

## WHAT IF YOU ARE NOT SATISFIED WITH THE OUTCOME?

If you are not satisfied with the outcome of your complaint you may refer the matter to the Financial Services and Pensions Ombudsman who will decide if the matter falls within their terms of reference.

The Financial Services and Pensions Ombudsman can be contacted at:

### Financial Services and Pensions Ombudsman



Lincoln House,  
Lincoln Place,  
Dublin 2,  
DO2 VH29.

**Phone:** 01 567 7000

**Email:** [info@fspo.ie](mailto:info@fspo.ie)

**Website:** [www.fspo.ie](http://www.fspo.ie)

*Notes...*







## SOLVENCY AND FINANCIAL CONDITION REPORT

Irish Life's current Solvency and Financial Condition Report is available on our website at <http://www.irishlifecorporatebusiness.ie/about-us>

## CONTACT US

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**FAX:** 01 704 19 05  
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In the interest of customer service we will monitor calls.

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

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