Personal Retirement Savings Accounts

Irish Life - PRSAs Made Easy

Irish Life
Corporate Business
Bigger thinking. Better futures.

Preliminary Disclosure Certificate for a Standard PRSA

Irish Life Corporate Business

Irish Life
Corporate Business

Bigger thinking. Better futures.

About us

Established in Ireland in 1939, Irish Life is now part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations.

Great-West Lifeco and its subsidiaries, including The Great-West Life Assurance Company, have a record for financial strength, earnings stability and consistently high ratings from the independent rating agencies. The Great-West Life Assurance Company has an AA rating for insurer financial strength from Standard & Poor's.

Information correct as of 1 January 2014. For the latest information, please see www.irishlifecorporatebusiness.ie.

Contents

Your booklet contains an insert that shows the projected benefits and charges for your PRSA. Further copies of this are available from your adviser.

Irish Life
Corporate Business

Bigger thinking. Better futures.

Certificate

1

This Preliminary Disclosure Certificate has been prepared under the provisions of section 111 of the Pensions Act, 1990 for disclosure in connection with this Standard PRSA on the 1 January 2014.

Dave McCarthy
Group Finance Director
Irish Life Group

Irish Life Assurance plc
Irish Life Centre
Lower Abbey Street
Dublin 1
Date: 1 January 2014

Introduction

2

A Personal Retirement Savings Account (PRSA) is a contract between an individual and an authorised PRSA provider in the form of an investment account. This Standard PRSA is provided in the format of an insurance policy from Irish Life Assurance plc (Irish Life). This certificate is designed to highlight some important details about the plan and is meant to be a guide to help you understand your policy. Full details on the specific details of your own contract will be contained in your policy schedule, policy terms and conditions and the Statement of Reasonable Projection which you will receive when the contract is in place. These will be based on your completed application form. 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.

Further details of the terms and conditions and investment product information in respect of Irish Life Corporate Business PRSAs can be viewed at

http://www.irishlifecorporatebusiness.ie/consumer-protection-code or are available on request.

In the event of leaving your original employment (the employment you were in when your PRSA commenced) you must stop paying contributions to this PRSA. You may, however, transfer your PRSA fund to another PRSA with Irish Life or another provider and contribute to that new policy if you so desire.

This PRSA contract must comply with the provisions of Part 30, Chapter 2A of the Taxes Consolidation Act, 1997 and Part X of the Pensions Act 1990 as amended.

Any questions?

If you have any questions on the information included in this preliminary disclosure certificate you should contact your sales advisor or your PRSA provider Irish Life Assurance plc who will deal with your enquiry at:

Corporate Business,
Irish Life,
Lower Abbey Street,
Dublin 1.

Information about your policy

3

(a) Benefits

Your PRSA is a pension plan that allows you to pay either regular contributions or one-off amounts.The purpose of this policy is to

- build up a retirement fund

Or

- provide a lump sum benefit for your personal representatives in the event of your death before retirement.

Retirement Benefits

PRSAs do not guarantee a particular level of pension at retirement. Instead, they will build up a fund that will be available to you when you draw on your PRSA.

When you come to take your retirement benefits you can take a maximum of 25% of your PRSA fund as an immediate cash lump sum. Some additional restrictions apply to this:

The maximum tax-free lump sum that can be taken is €200,000, (this is a lifetime limit and includes any previous tax free sums you may have received) since December 2005.

An additional amount of €300,000 can be taken, taxed at 20%.

Any amount in excess of this is taxed at the marginal rate of tax including the Universal Social Charge (USC) and Pay Related Social Insurance (PRSI charges).

The balance of your fund can be used to buy a pension with a life company. The level of pension that you get depends on annuity rates at the time you retire.

OR

Instead of buying a pension you can invest the balance of your PRSA fund in an Approved Retirement Fund (ARF)/ Approved Minimum Retirement Fund (AMRF). You will be able to draw on this fund in retirement, subject to certain restrictions.

OR

You can choose to keep your PRSA invested post retirement. You will then be able draw on your PRSA fund in retirement, subject to certain restrictions.

Alternatively, the balance can be taken as a taxable lump sum, subject to certain restrictions.

No annuity payable under this contract shall be capable in whole or in part of surrender, commutation or assignment.

Benefits on illness, death or early withdrawal

If you become seriously ill and retire, you can draw on your PRSA immediately, regardless of your age at that time. The Revenue's current definition of serious ill-health is that you are "permanently incapable, through infirmity of mind or body, of carrying on your own occupation or any occupation of a similar nature for which you are trained or fitted". Irish Life will not pay the amount or value of any PRSA assets on the grounds of permanent incapacity without obtaining appropriate supporting evidence.

If death occurs before benefits are taken, the fund passes to the estate of the deceased. There is no income tax charge but the normal inheritance tax rules apply.

You can retire and take your PRSA benefits at any stage between the age of 60 and 75. Employees can also early retire and claim their benefits at or over the age of 50.

You can cash in your PRSA only if the value is €650 or less and contributions have not been paid by you or on your behalf in the last two years. Under these circumstances, if you request it, we will send you a written statement of your options. A refund cannot be paid until three months after we have sent this to you.

(b) Investment Strategy

Your PRSA is a unit-linked pension plan. In return for your money we allocate units to your account from each of your chosen funds. These will be listed in your policy 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 price for units of that fund on that date.

The underlying assets that pension funds invest in are equities (shares), property, bonds and cash. Equities are expected to deliver the highest return over the long term but they are also the most volatile asset class (i.e. returns differ more each year than they do in other types of assets). Over the long term property is expected to deliver returns which are greater than the rate of inflation. Its performance and volatility are expected to be lower than equities.

Cash is expected to give returns in line with those available on deposits in banks. As a result returns from cash are more stable than from the other three asset classes. Bonds are expected to give returns which are higher than cash returns, but which are also more volatile.

Unless you tell us otherwise, we invest your money in line with the Default Investment Strategy. This is an investment strategy that will gradually change the risk profile of your fund as you get closer to retirement. However, if you want, you can invest in one of the other fund choices that are offered. At any time you can switch some or all of your money from one fund to another by writing to us.

Default Investment Strategy

The objectives of the Default Investment Strategy are to achieve investment returns which are greater than the rate of inflation, protect the value of your fund as you get closer to retirement and to direct your investment into appropriate funds that best match how you are likely to take your benefits on your retirement. The Default Investment Strategy aims to fulfil the reasonable expectations of a typical contributor for the purpose of making savings for retirement.

The PRSA Default Investment Strategy initially invests in the PRSA Consensus Plus Fund. With 20 years to retirement we start to gradually move part of your fund into the PRSA Pension Stability Fund. With 6 years to go the fund will be invested 60% in the PRSA Consensus Plus Fund and 40% in the PRSA Pension Stability Fund.Over the next 5 years, your PRSA Fund is gradually moved into funds suitable for how you are most likely to use your pension savings upon reaching retirement. The first target is 25% of the fund into the PRSA Cash Fund.
Next, any available funds up to that amount estimated to buy a pension of 25% of salary are targeted to the PRSA Pension for Life Fund. Any remaining funds are targeted to the PRSA Flexible Fund. With one year to go before your retirement date the fund switches are complete.

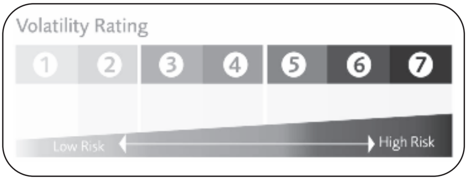
The strategy is suitable for contributors who intend to use their PRSA to take a tax-free lump sum and then use the balance to secure a pension for life (annuity) of up to 25% of final earnings before investing any remainder in a more flexible post retirement vehicle such as an Approved Retirement Fund. The mixture of funds and timing of fund switches in the Default Investment Strategy is reviewed from time to time by Irish Life Corporate Business in order to ensure that the strategy continues to suit current investment conditions.

Default Investment Strategy Funds

The funds listed below form part of the Default Investment Strategy and are also available to customers who do not use the Default Investment Strategy.

Risk Ratings

Funds are categorised by the level of risk involved. We have a risk ratings system from 1 to 7, with 1 being the lowest risk and 7 the highest risk level.



Low Risk

PRSA Cash Fund 1

This fund in bank deposits and short-term investments on international money markets. This fund is intended to be low risk investments but investors should be aware that the fund could fall in value.

PRSA Pension Stability Fund 2

This fund is mainly invested in bonds, with some investments in cash, equities and alternative assets. The allocation in each of these asset classes is shown in the following range

Bonds	30%
Index linked Bonds	30%
Cash	25%
Equities	7.5%
Alternatives	7.5%

The fund is designed to have a low level of volatility to help protect your pension fund against market movements.

Medium Risk

PRSA Flexible Fund 3

The Flexible Fund is mainly invested in bonds with some investment in cash, equities and alternative assets. It will be used for the part of the fund that may remain invested for flexible income post retirement.

PRSA Fixed Interest Fund* 3

This fund invests in a range of fixed-interest Government Securities offering attractive interest rates and the potential for growth. It offers the possibility of high returns but the value of your PRSA fund may fall in line with bond markets.

PRSA Consensus Cautious Fund 3

This fund is split between the PRSA Consensus Fund (65%) and European fixed interest securities. The European fixed Interest securities are Eurozone bonds that typically have less than five years to maturity. The aim of the Consensus Cautious fund is to provide low to mid range managed fund returns with lower levels of volatility.

PRSA Pension for Life Fund* ④

This fund is a passively managed fund, which invests entirely in long-dated Eurozone securities. These securities are effectively loans to governments with repayment dates of ten years or more. It is designed for the portion of your fund that may be used to purchase an annuity.

PRSA Pension Protection Fund* ④

This fund invests predominantly in long-dated Euro-denominated government securities. The returns on these assets come from a combination of the interest paid and any capital appreciation or depreciation on the value of the securities.

*__Note:__ *The PRSA Pension for Life Fund PRSA Pension Protection Fund and the PRSA Fixed Interest Fund should broadly follow the long term changes in annuity prices due to interest rates i.e. if long-term interest rates fall, the value of these funds will increase to roughly compensate for the rise in annuity prices. Long term interest rates are just one of the main factors that determine the cost of an annuity. However, there will be times when the funds will not track annuity prices closely and no guarantee can be given in relation to such movements.*

High Risk

PRSA Consensus Plus Fund ⑤

The Consensus Plus Fund is a passively managed fund that aims to provide performance that is consistently in line with the average of all managed funds in the Irish marketplace. The assets of this fund are predominantly invested on a consensus basis, replicating the average asset allocation of the Irish fund management industry. The remainder of the fund is invested in other assets to help improve the investment diversity of the fund.

It is suited to those investors who want longterm managed fund growth with reduced manager and stock selection risk. The fund is considered a high risk fund for short-term investors e.g. 10 years or less. However, generally the longer investments are held the less volatile they become, so the fund is considered medium risk for longer term pension investors, especially if used as part of a Lifestyle Strategy.

PRSA Consensus Fund ⑤

This fund is based on the combined wisdom of all the top Irish investment managers. The fund matches their mix of investments in equities, bonds, property and cash. The allocation in each of these asset classes is normally in the following range.

Equities (shares)	60% to 80%
Bonds	10% to 20%
Cash	0% to 10%
Property	0% to 10%

Rather than trying to do better than equivalent funds, the PRSA Consensus Fund tracks the investment choices of the leading Irish investment managers each month. The fund aims to provide performance that is consistently in line with the average of all the funds in the market.

PRSA Active Managed Fund ❺

This fund aims to provide highly competitive, above-average returns over the long term. The PRSA Active Fund invests in a range of assets, including company shares in Ireland and abroad, property and government gilts, bonds and cash as appropriate.

PRSA Equity Fund ❺

This fund aims to achieve high growth by investing specifically in selected companies around the world with a proven track record. In aiming for the highest possible return there is also a higher level of risk.

PRSA Indexed North American Equity Fund ❺

The fund is 100% invested in North American equities. The fund aims to track the FTSE North America Index. The stock selection within the fund is on an indexed basis. The fund aims to achieve average North American equity fund returns on a consistent basis.

PRSA Indexed Global Equity Fund ❻

This fund invests in equities around the world i.e. Irish, UK, European, US, Japanese and Pacific equities. The fund aim within each equity market is to achieve a return in line with the local index, for example in the US the fund aims to track the performance of the Standard & Poors 500 index.

PRSA Indexed World Equity Fund ❻

The fund is 100% invested in global equities, with country allocation based on the composition of the FTSE World Index. The stock selection within each market is on an indexed basis.

PRSA Indexed 50/50 Equity Fund ❻

The fund is 100% invested in equities. The fund invests 50% in Eurozone assets and 50% in assets from the rest of the world. The stock selection within each market is on an indexed basis.

PRSA Indexed European Equity Fund ❻

The fund is 100% invested in European equities. The fund aims to track the FTSE Europe (excluding UK) and Eurobloc indices. The stock selection within the fund is on an indexed basis. The fund aims to achieve average European equity fund returns on a consistent basis.

PRSA Indexed Japanese Equity Fund ❻

The fund is 100% invested in Japanese equities. The fund aims to track the FTSE Japanese index. The stock selection within the fund is on an indexed basis. The fund aims to achieve average Japanese equity fund returns on a consistent basis.

PRSA Indexed UK Equity Fund ❻

The fund is 100% invested in UK equities. The fund aims to track the FT All World UK Index. The stock selection within the fund is on an indexed basis. The fund aims designed to achieve average UK equity fund returns on a consistent basis.

PRSA Indexed Pacific Equity Fund ❼

The fund is 100% invested in Pacific equities. The fund aims to track the FTSE Asia Pacific basin excluding Japanese index. The stock selection within the fund is on an indexed basis. The fund aims to achieve average Pacific equity fund returns on a consistent basis.

(c) Tax

Tax incentives are provided by the State to encourage investors to use PRSAs to provide for their own retirement.

- Employees get tax relief on their own contributions and on any contributions by their Employers (up to certain limits specified for all contributions combined).

  However, contributions by their Employers are counted as Benefit In Kind for Income Tax purposes and subject to Universal Social Charge.
- Employers get tax relief on the contributions they make to their employees PRSAs.
- Any investment growth within the fund is tax-free. You do not pay tax on growth in the value of the assets. This means that investments grow quicker than investments that are taxed.
- Although pensions are taxed as income, the maximum cash lump sum that Revenue will allow you to take tax free is up to 25% of your pension fund with the following restrictions:
  - The maximum tax-free lump sum that can be taken is the lower of 25% of your pension fund or €200,000.
  - This is a lifetime limit (from 5th December 2005) and so will apply to a single lump sum or where you are in receipt of lump sums from more than one pension product.
  - If the value of 25% of your pension fund is greater than €200,000, this excess, up to an additional €300,000

can be taken, taxed at the standard rate, currently 20%.

The total benefit that can be taken as an immediate lump sum is therefore €500,000. Individuals with a personal fund threshold may take additional lump sum benefits above €500,000 up to a total of 25% of the pension fund (for more information on personal fund thresholds please refer to the Taxation of Benefits on Retirement section on this page). In this case, any lump sum amount taken in excess of €500,000 is taxed at the individual's marginal rate of tax (including USC and PRSI charges).

Tax Relief on Contributions

People under 30 qualify for tax relief of up to 15% of net relevant earnings, subject to a current annual earnings limit of €115,000 (January 2014). This percentage is higher for older people, as follows:

Age	Maximum % of annual earnings allowable for tax relief on your pension
Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-59	35%
60 and over	40%

You may only claim tax relief within the above limits. If an individual pays more than the tax relief limit allowed in that year, he or she can carry forward the unused relief to future tax years and possibly have it offset against relevant earnings.

Contributions to Retirement Annuity Contracts and to PRSAs are aggregated when calculating the maximum tax relief.

Note: Entitlement to income tax relief is not automatically guaranteed.

Taxation of Benefits on Retirement

The maximum tax-free lump sum that can be taken from a PRSA is the lower of 25% of the fund or €200,000. This is a lifetime limit (from 5th December 2005) and so will apply to a single lump sum or where you are in receipt of lump sums from more than one pension product.

If 25% of the fund exceeds €200,000, the excess up to an additional €300,000 can be taken, taxed at the standard rate.

Individuals with a personal fund threshold may take additional lump sum benefits above €500,000 up to a total of 25% of their threshold. Any lump sum amount taken in excess of €500,000 is taxed at the individual's marginal rate of tax (including the Universal Social Charge and PRSI charges.) The balance of your fund can be used to buy a pension with a life company. This annuity will be subject to income tax. The level of pension that you get depends on annuity rates at the time you retire.

OR

Instead of buying a pension you can invest the balance of your PRSA fund in an Approved Retirement Fund(ARF)/ Approved Minimum Retirement Fund (AMRF) or leave it invested as a PRSA Post

Retirement (PRSA-PR). You will be able to draw on this fund in retirement, subject to certain restrictions.

Any withdrawals you make from these funds will be subject to Income tax.

ARFs and PRSAs Post Retirement are also subject to deemed distribution Revenue rules as outlined below.

- If the ARF's asset value is less than €2 million, every year 5% of the ARF's asset value as at 30th November is liable to income tax, Universal Social Charge and PRSI, if applicable. The 5% is inclusive of any income you actually take.

- If the ARF's asset value is greater than €2 million or if an individual owns more than one ARF, where the aggregate value of the assets in those ARFs exceeds €2 million, every year 6% of the ARF's asset value as at 30th November is liable to income tax, Universal Social Charge and PRSI, if applicable. The 6% is inclusive of any income you actually take.

This applies when the ARF owner is 60 years or over for the whole of the tax year and where an ARF is set up after 6th April 2000. Rates are applicable as at 1 January 2014.

PRSAs Post Retirement

Once you have taken some benefits from your PRSA, any remaining PRSA fund is treated similarly to AMRFs and ARFs for deemed income tax each year.

- If you do not meet the minimum income requirement, then the value of your PRSA fund in excess of €63,500 is subject to the deemed distribution requirements.

- If you do meet the minimum income requirement, then the deemed distribution applies to the full value of the fund.

OR

Alternatively, the balance can be taken as a taxable lump sum, subject to certain conditions.

The Standard Fund Threshold allowed at retirement by Revenue is €2.0 million (January 2014). 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 41%) when it is drawn down on retirement. This limit is subject to change.

Please note: The Revenue Commissioners have also placed limits on the total amount that can be contributed by you and your employer to your PRSA on which you can qualify for tax relief (see table on page 10). However, if you are concerned by these limits please consult your financial advisor for further details. The relevant maximum applies to the aggregate value of all pension provision held by an individual.

On Death

The PRSA fund will be made available to the personal representatives of the PRSA contributors in line with s787G of the Taxes Consolidation Act, 1997.

(d) Risk Factors

The benefits from a 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 can fall as well as rise. The pension your fund can buy will depend on your age and interest rates at the time you retire. The cost of buying a pension can change over time. The proceeds of this plan can be taken only on retirement or earlier death. You cannot encash your plan early, although you can transfer the fund to another PRSA or to an occupational pension scheme or pension arrangement outside the state. If you stop paying contributions, your fund will continue to be invested with Irish Life until you retire.

If you stop paying contributions early, the management 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.

Other than as provided in Part 30, Chapter 2A Taxes Consolidation Act 1997 and Section 109 Pensions Act 1990, there is no provision for payment of PRSA assets to a contributor.

Cooling off period

4

(Your right to change your mind)

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 contacting Irish Life Corporate Business. On cancellation all benefits will cease and Irish Life will refund you the value of your contributions. If you cancel this contract after this period the normal benefit payment rules apply. Subsequently, if for any reason you feel that this policy is not right for you, or if you have any questions, you should contact:

Corporate Business,
Irish Life Assurance plc,
Lower Abbey Street,
Dublin 1
Tel: 01 704 2000
Fax: 01 704 1900
www.irishlifecorporatebusiness.ie

Who will deal with your enquiry.

We operate an internal complaints procedure and any complaints you may have will, in the first instance, be fully reviewed by us.If you are not satisfied with the outcome of your complaint you may refer the matter to the appropriate Ombudsman who will decide if the matter falls within their terms of reference. Depending on your type of plan, the appropriate Ombudsman may be the Pensions Ombudsman, or certain cases maybe dealt with by the Financial Services Ombudsman.

The Pensions Ombudsman can be contacted at:

Pensions Ombudsman
36 Upper Mount Street,
Dublin 2
Tel: 01 647 165

The Financial Services Ombudsman can be contacted at:

Financial Services Ombudsman's Bureau,
3rd Floor
Lincoln House
Lincoln Place
Dublin 2.
Tel: 1890 8820 90

Projected level of benefits

5

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 in the Table of Benefits shown in the inserted table overleaf illustrates the retirement income for life payable monthly from age 65 projected to be obtained from contributions of different amounts starting from different ages. This retirement income has been adjusted for inflation so that the amounts are shown in terms of current prices.

We do not have sufficient information to produce a certificate that reflects your specific circumstances. Consequently, the level of contributions and projected benefits shown here may be misleading. If you accept the terms of this contract, we will subsequently send you a Statement of Reasonable Projection that will reflect your specific circumstances. You will then have 30 days in which you may cancel the contract if you wish.

WARNINGS

It is important to make adequate provision for your retirement. At the date of this Certificate the State (Contributory) Pension payable under the Social Welfare (Consolidation) Act, 2005 to a single person who is qualified to receive the maximum rate amounts to €230.30 per week and equates to 33% 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.

Contact us

phone: 01 704 2000
fax: 01 704 1905
e-mail: code@irishlife.ie
website: **www.irishlifecorporatebusiness.ie**
write to: Irish Life Corporate Business, Lower Abbey Street, Dublin 1

Irish Life
Corporate Business

Bigger thinking. Better futures.

3732cb (rev 1014)

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

In the interest of customer service we may record and monitor calls. Irish Life Assurance plc, Registered in Ireland number 152576, Vat number 9F55923G.