

Bank of Ireland
Life



An Employer's guide to arranging

Personal Retirement Savings Accounts



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What is a PRSA?

Basically, as the name suggests, a Personal Retirement Savings Account (PRSA) is an account set up for individuals to save for their retirement. It has been introduced by the government and is a tax efficient way to build up a fund for retirement, in a flexible manner.

After all, would your employees be able to maintain their current standard of living with the current State Pension (Contributory) of just €223.30* per week? This equates to one third of the average national industrial wage. If this is the only income your employees' have when they retire, it is unlikely that they will be able to make ends meet.

Therefore, it is important that all employees have made provisions to ensure that they will be financially comfortable when they retire. In order to promote and increase the level of retirement provision, the government has introduced Personal Retirement Savings Accounts (PRSA) and since 2002 each employer is now obliged to provide their employees' with access to some form of pension provision.

This brochure has been designed to help you answer any questions you may have about the benefits of starting an Employer PRSA and why you should choose Bank of Ireland Life as the provider.

* Single rate as at January 2008.

How does it affect me as an employer?

As an employer, the Government is making it your responsibility to ensure your employees have access to a PRSA if they are not already included in a pension scheme provided by you. If you have an existing pension scheme in place that limits eligibility for membership or imposes a waiting period for membership, which is greater than 6 months from the date of commencement of employment, you must enter into a Section 121 contract and provide these (excluded) employees with access to at least one Standard PRSA.

The Government believes most people are more likely to save for their retirement if they have easy access to a retirement savings account that makes contributing to it as convenient as possible.

And what easier way for your employees to save for their retirement, than by putting a little aside every month through payroll. As an employer, this is also a good way for you to boost morale and improve loyalty and performance - at minimal cost to you.

At Bank of Ireland Life, our Group PRSA Arrangement can help you meet your obligations easily and without wasting valuable business time or creating complicated administration procedures.

This brochure will help you make an informed choice about your employees' pension provision. We'll help explain how PRSAs work, your obligations as an employer and the benefits available for you and your employees.

What is my role as an employer?

As an employer, the government is expecting you to give your employees access to at least one Standard PRSA if:

- You have no pension scheme providing retirement benefits for employees at present

OR

- You have a pension scheme for retirement benefits but membership is restricted or there is a waiting period of over six months from the date of commencing employment

Do I have to provide access to a PRSA even if I only have a couple of employees?

YES. If you don't have a pension scheme in place for them, you will have to provide access to at least one Standard PRSA.

What types of PRSAs are available and what makes them different?

There are two types of PRSAs available, your Insurance & Investments Manager in your local Bank of Ireland Branch will be able to advise your employees about which one is suitable for their needs.

Standard PRSA:

A Standard PRSA carries a yearly charge of 5% on any regular contributions you pay and also an annual management fee of 1% of your fund.

Bank of Ireland Life offers a selection of 12 different investment options for your employees to choose from.

PRSA Choice:

PRSA Choice is a Non-Standard PRSA. PRSA Choice offers your employees access to a broader range of investment funds (35) to choose from, which have varying degrees of risk. However, it is very important to note that a non-standard PRSA has a higher charging structure than the Standard PRSA. Your Insurance & Investments Manager will be able to advise your employees with regard to these charges.

How do I set-up an employer PRSA arrangement?

If you are required to set-up at least one Standard PRSA arrangement, you will be obliged to:

- Enter into a contractual arrangement with a PRSA Provider (Section 121 Contract)
- Notify your employee(s) of their right to contribute to a Standard PRSA
- Allow a PRSA provider or an insurance advisor reasonable time to consult with your employee(s) regarding the setting up of a Standard PRSA
- Your employee(s) must also be given reasonable paid time off to make arrangements to set up a Standard PRSA, subject to work requirements
- Make deductions from the salary/wages of an employee at their request and pass the contributions deducted to the PRSA provider within 21 days of the end of the month in which the deduction is made.

How are PRSA contributions made?

It is your responsibility to ensure your employee(s) contributions are deducted each month from their pay and remitted to the PRSA Provider. Therefore you must:

1. Provide the appropriate payroll deduction facility for contributions
2. Pay the PRSA provider your employee(s) deducted contributions within 21 days of the end of the month in which the deduction is made. You may not take any deduction from these contributions; they must be paid in full every month. Any contributions that you as an employer may choose to make should be remitted to the PRSA Provider at the same time together with the appropriate details of total contributions remitted
3. Finally, you must notify your employee(s) every month of the PRSA contributions deducted from their wages and of any contributions you may have made to their PRSA. This can be displayed on their payroll slips

How will I benefit from making a contribution?

By making a contribution to your employees' PRSA, you can use it as a superb staff incentive and recruitment package. Also, our experience shows, that there is a higher take up of group pensions where employers make a contribution.

As well as this, you can benefit from:

- **Tax efficient staff rewards**

Any contributions that you make to your employees' PRSA can normally be fully offset against Corporation Tax as a business expense. Therefore the net cost of a company contribution of €1,000 is effectively €875.

Pension Contribution	€1,000
Less tax relief @ 12.5%	€125
Net cost after tax relief	€875

- **Increase staff loyalty**

By showing staff that you are prepared to help ensure they are financially taken care of when they retire, you will demonstrate to them that you appreciate them and therefore increase loyalty amongst staff.

- **Improve work performance**

It is essential that members of your workforce feel valued as employees, in order to maintain high levels of productivity. A Group PRSA arrangement into which you are paying a contribution is a tangible sign of how much you value your employees and will boost your working relationship.

- **Recruit quality staff**

Good staff are hard to find and when you do find them, a Group PRSA arrangement partly paid for by the employer as part of the package can be a great attraction. The introduction of PRSAs means more people will be pension conscious and it is likely to become an even more powerful aid to recruiting the high quality staff your business needs. It gives your employees one less thing to worry about. And one more reason to join your company.

How will a PRSA benefit my employees?

If your employees want to be able to enjoy a comfortable retirement, then they need to start putting money aside during their working years to ensure they're financially secure later on in life.

Many pensioners who are relying solely on the state pension have no option but to take up part-time positions in the workforce to help make ends meet.

So as an employer, you can ensure your staff are provided for by helping them set-up a PRSA. There are a number of benefits for your employees in setting up a PRSA, such as:

- **Convenience** - taking out a PRSA under an employer PRSA arrangement means that employees will have the convenience of having their regular contributions deducted from their salary/wages and obtaining tax relief on these contributions at source
- **Flexible savings** - employees can choose the amount they wish to save and increase or decrease their contributions at their convenience and they can even take a break in contributions
- **Pay less tax** - employees can avail of generous tax relief on their contributions, tax free growth on their investment and a tax free lump sum at retirement
- **Choice of investment options** – employees can choose

from a range of Bank of Ireland Life Funds, which will be invested in a way to best suit their needs

- **Various retirement choices** - at retirement, employees will have a number of flexible retirement options. Please see page 31 for more information on retirement options.

How flexible is a Personal Retirement Savings Account?

VERY. As a PRSA is a long term savings investment, it has been designed to offer employees the flexibility they'll need to meet their changing lifestyle over the years.

They can start off by putting a little aside and then as their income grows so too can the amount they save. As well as increasing contributions, they can also decrease them at times when money is tight. Employees can even stop payments and then restart them at a more convenient time.

How will my employees benefit from tax relief?

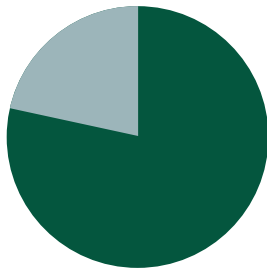
As well as saving for retirement, a PRSA also saves your employees tax. The three different ways in which they can avail of generous tax savings are:

1 Income tax relief

The amount invested in a PRSA is called a contribution. If your employee is a higher rate tax payer then for every €1 your employee saves, the government will give them 41 cent back in tax relief. So, if an employee makes an overall annual contribution of €1,000, this means it will actually only cost them €590, after tax relief. PRSI and health levy relief will also be available, which means the costs will be even lower

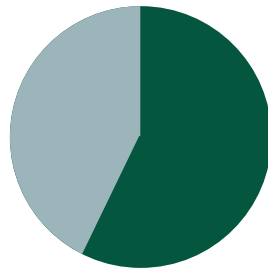
See how much employees could be saving

20%
Tax Relief - €200



Employee Pays
€800

41%
Tax Relief - €410



Employee Pays
€590

The Government has set certain limits on the percentage of earnings on which employees can claim tax relief. It is important to remember that tax relief is not automatically guaranteed, employees must meet the Revenue requirements. The limit is related to income or earnings and to age. To find out how much tax relief employees are entitled to, just take a look at the table below.

Age	Maximum PRSA Tax Deductible Limits % of Net Relevant Earnings that you can contribute to your PRSA and obtain tax relief
Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-59	35%
60 plus	40%

For certain occupations such as professional sports people the maximum allowable contribution will be 30% of net relevant earnings, even if they are under the age of 50.

Contributions in respect of income over €275,239 (2008) in one year will not qualify for tax relief.

Except in the case of an employee who is a member of an occupational pension scheme or of a statutory pension scheme, a taxpayer is entitled to tax relief on a contribution of €1,525 paid even if this exceeds the normal income-based limit.

Net relevant earnings means your employees' income during the tax year less capital allowances or losses and also less certain payments which reduce a person's income for tax purposes such as tax effective covenants or maintenance payments.

Contributions paid in any year in excess of the maximum tax deductible contribution may be carried forward and claimed in future years subject to the annual limit for those years. Similarly, contributions paid while out of the workforce may be carried forward and claimed against future earnings on return to paid employment subject to the annual limits.

What tax relief will an employee receive if they are making contributions to both a Retirement Annuity Contract (RAC) and a PRSA?

A Retirement Annuity Contract is a personal pension contract approved by the Revenue Commissioners under Section 784/5 of the Taxes Consolidation Act 1997.

Contributions to an RAC and a PRSA will be combined when calculating the maximum tax relief. For example, a person aged 45 who gets tax relief on 20% of their earnings on contributions to an RAC may contribute an extra 5% to PRSAs making up 25% tax relief in aggregate.

2 **Tax - free growth**

Unlike many other savings, contributions to a PRSA are allowed to grow without being subject to tax. This means that they gain from all the growth and income that their fund earns.

3 **Tax - free cash on retirement**

On reaching retirement, employees can take up to 25% of the PRSA fund tax-free.

Legislation limits the maximum pension fund that a person may have on retirement. It also limits the amount of tax-free cash that a person may take. The limits apply to the aggregate of all pension arrangements. The limits (which can change every year) are €5,418,085 and €1,354,521 respectively for 2008. If a person's fund or tax-free cash on retirement exceeds the limits, the excess amounts will be subject to tax.

How will my employees' PRSA be invested?

Your employees PRSA will be invested in funds the majority of which are managed by Bank of Ireland Asset Management Limited (BIAM), one of the largest Fund Managers in Ireland. As an investor in these funds, you benefit from BIAM's expertise and award winning fund performance. Since 2000 Bank of Ireland Life has won 17 MoneyMate awards. These awards recognise excellence in fund management, product innovation, and customer service within the financial services industry.

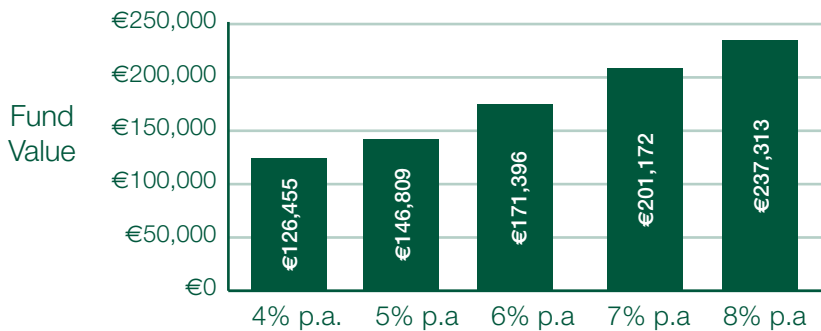
With 40 years experience and approximately €32.6 billion* worth of funds under management, BIAM provides solid, conservative investment management expertise with a long-term focus.

Your Insurance and Investments manager in your local branch can provide you with up to date information on the performance of all Bank of Ireland Life's pension funds. For more information on BIAM and how they will manage your money, please see 'frequently asked questions' on page 25.

* As at March 2008.

Why is investment choice so important?

The rate of return earned on your employees' contributions directly affects how well-off they'll be when they retire – to illustrate this, take a look at the following graph which shows how better investment returns result in a larger retirement fund.



Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.

Note: These figures are for illustration purposes only, and are based on a contribution of €150 per month and on an investment term from age 35 next birthday to retirement at age 65. In line with the Society of Actuaries Guidance, the projections assume future contributions increase at a rate of 3% p.a. In practice, future contributions will increase at the greater rate of 5% p.a. and CPI, in line with your policy conditions, unless otherwise requested. This is not a forecast, as unit prices can fall as well as rise and could grow at a faster or slower rate than assumed.

As you can see, even an extra 1% investment growth can make a huge difference in the long term. That's why choosing the right fund to invest in can make such a difference to the success of your employee's PRSA.

What are my employees' investment options?

Because the way a person's money is invested is such an important factor, Bank of Ireland Life offers a range of Pension funds for employees to choose from. Whether an employee chooses a Standard PRSA or PRSA Choice will determine which investment funds are available to them. Pension Funds usually invest in shares, property, fixed interest securities and cash or a combination of these.

What are the investment options available with a Standard PRSA?

A Standard PRSA offers your employees access to 12 funds, including the IRIS fund, each with differing levels of risk. Based on BIAM's view of the world economies and stock markets, they invest in a wide range of assets including the shares of Irish and overseas companies, government gilts and property.

Individual Retirement Investment Service (IRIS) - IRIS Funds

Under the Pensions Acts, each PRSA product has a standard investment strategy, which is the investment approach used, unless you specify otherwise.

The standard Bank of Ireland Life investment approach is called the Individual Retirement Investment Strategy (IRIS). IRIS is a suitable approach for people who intend to use their PRSA assets mainly to purchase a pension when they reach retirement age.

So how does it work?

IRIS aims to provide you with a fund that will match the cost of purchasing a pension when you retire.

For example, if your employees are 30 years from retirement, they need to invest in a fund that has strong potential for growth, in order to build up a fund that will see them comfortably through their retirement years. Whereas, if an employee is only a couple of years away from retirement, they will need more security to maintain the fund that they have accumulated.

But how will your employees know at what stage to switch investment funds to ensure that they are maximising growth while protecting the fund they have built up?

With IRIS from Bank of Ireland Life, they don't need to make complicated decisions about switching funds. IRIS offers them an investment strategy that is tailor made to their own requirements. They remain invested in one IRIS fund that changes its asset mix gradually as each employees expected retirement date approaches. So they don't need to worry about having to switch between funds, or the timing of switches – as this is taken care of for them by our award winning IRIS fund managers, Bank of Ireland Asset Management Ltd (BIAM)*.

Because their fund only consists of investors retiring within the same two-year period as them, our fund managers are able to concentrate on a strategy that best meets their requirements.

The IRIS approach works – since it's launch over 15 years ago, IRIS has proved an outstanding success with almost €2 billion currently under investment in its range of funds.

Choosing IRIS ensures that at whatever point in your employee's life, and however close they may be to retirement, they invest in the most suitable investment fund strategy for them.

Please be aware that if your employees intend to purchase an Approved Retirement Fund (“ARF”) at retirement, the IRIS Investment Strategy may not be suitable for them.

* For more information on BIAM please see page 37.

Consensus IRIS

Consensus IRIS gives you access to all the benefits of the IRIS strategy, but without any of the potential risks of choosing a single investment manager. So, younger members will still be invested more heavily in assets with a strong growth potential. Members close to retirement will still be invested in assets designed to provide a good match for both the tax-free lump sum and the cost of purchasing a pension at retirement. The key difference is that the element of active management is removed. Instead of choosing the individual assets to invest in, based on the choices of one fund manager, Consensus IRIS, as the name suggests, bases its choices on the average choices of all of the Pension Fund Managers in the Irish market. The result is a consensus view of which assets (equities, fixed interest bonds, property and cash) to invest in. In addition, the asset mix will change gradually over time, so once again, any element of active fund manager involvement is removed.

Pension Gilt Fund

Gilt Funds invest primarily in a range of medium and long term fixed interest securities and are one of the most secure types of funds available. However, they are a conservative investment choice and their returns are usually well below that of equities.

Pension Managed Fund

The Pension Managed Fund is one of the largest and best performing funds in the country and has a long track record of providing above average returns to our pension clients. The fund aims to provide above average performance over medium to long term.

The Pension Managed Fund maintains a balanced spread of assets with above average growth potential together with assets with an appropriate level of security. Between 50% and 80% of the fund is invested in a broad range of top quality Irish and international company shares. The remainder is invested in property, fixed interest securities and cash. The levels held at any point in time depend on BIAMs outlook for economies and markets at the time.

Income & Growth Fund

The asset mix of the Income & Growth Fund consists mainly of blue chip equities and fixed interest securities. While the high equity content offers good growth potential, fixed interest stocks also provide an element of security.

Pension Evergreen Fund

The Pension Evergreen fund is unique in that it has a higher property content than any other managed fund in the market. The proportion of property assets held in the fund is generally set between 20% and 30% with the remainder of the portfolio made up of equities, fixed interest securities and cash.

The higher than average property content also has the effect of reducing volatility by often providing returns which are counter-cyclical to equity returns.

Pension Equity Fund

The Pension Equity Fund is invested 100% in equities and therefore has a higher risk profile. It is comprised of a combination of global equities, as selected by BIAM.

Pension International Equity Fund

The Pension International Equity Fund invests 100% in equities and therefore has a higher risk profile. It is invested in a broad range of overseas company shares.

Pension Consensus Fund

The Pension Consensus Fund is a passively managed investment fund. Passive investment management is an investment style that enables fund managers to achieve a rate of return that is in line with a given stock market index. The Pension Consensus Fund is based on the combined wisdom of the main Irish pension investment managers. This fund aims to track the average performance of Irish fund managers as measured by a quarterly independent survey. Within asset classes it uses passive, index-tracking approach, which eliminates the risk of choosing the wrong investment manager and concentrates on clear, objective tracking of the average fund manager performance.

Pension Cash Fund

The Pension Cash Fund is most suited to those whom capital security is paramount. It is one of the most secure of all funds as it does not invest in any medium or high risk securities.

KBCAM Pension Managed Fund

This fund is suited to the investor who is seeking high growth potential with some security. Approximately 70% of this fund is invested in Irish, euroland and global equities. A further 20% is invested in fixed interest securities.

Pension Ethical Managed Fund

The Pension Ethical Managed Fund offers investors the opportunity to invest in a socially responsible way, while still aiming to deliver good growth potential by investing in a balanced portfolio of assets. The fund has a high equity content, but also holds fixed interest securities, property and cash.

What are the funds available with PRSA Choice?

In addition to the funds described above, PRSA Choice offers your employees access to a further 23 expertly managed investment funds.

Some of these funds concentrate on individual asset types or individual regions and therefore may be more suitable for those individuals with investment expertise, who want to make their own investment decisions throughout the term of their retirement account.

See Funds quick guide graph overleaf

Before deciding which fund to choose, we would recommend that your employees meet with an Insurance & Investments Manager, who will be able to provide them with more information on these funds and assist them in selecting the best one to suit their individual investment needs.

Attitude to Risk

We have classified our range of funds into categories by the risk to investors, in the table below. Your Insurance & Investments Manager in your local Bank of Ireland branch will be able to discuss with your employees their financial needs and attitude to risk, and recommend a fund most suited to their needs.

Funds for Lifestyle Investor
IRIS Fund
Consensus IRIS
Funds for Growth Investor
Pension Evergreen Fund
Pension Managed Fund
Income and Growth Fund
Pension Consensus Fund
KBCAM Pension Managed Fund
Pension Ethical Managed Fund
Funds for an Active Growth Investor
Pension Trilogy II Fund*
Pension Discovery Fund*
Pension Spotlight Fund*
Pension Innovator Fund*
Pension Equity Fund
Pension International Equity Fund
Pension Irish Equity Fund*
Pension North American Equity Fund*
Pension UK Equity Fund*
Pension European Equity Fund*
Pension Euroland Equity Fund*
Pension Pacific Basin Fund*
Pension Japanese Equity Fund*
Pension Property Fund*
Pension Gilt Fund
Pension Eurostoxx 50 Fund*
Pension Nikkei 225 Fund*
Pension S&P 500 Fund*
Pension Nasdaq 100 Fund*
Pension FTSE 100 Fund*
Pension Ethical Equity Fund*
Pension Cash Fund
Geared Investor
Pension Geared Irish Equity Fund*
Bloxham Geared High Yield Equity Fund*

* Available only with PRSA Choice

This guide is based on current fund distribution and fund investment guidelines, which may change over time.

The above lists of investment funds are for illustration purposes only. The actual underlying investments may change from time to time. Please note that not all of the above funds may be available in respect of every policy. For further information please contact your Insurance & Investments Manager.

Frequently Asked Questions

How does BIAM manage my money?

BIAM selects companies against a background of economic developments, making peer group comparisons to help them select the best investment opportunities available in the marketplace at any given time. Their approach is conservative, concentrating on medium to large-sized companies, quoted primarily in politically stable economies with well-regulated and liquid markets.

Their bottom-up stock selection process is guided by three criteria:

- **Global Economic Prospects**
Involving the analysis of economic variables critical to the operating environment of any company, including interest and inflation rates, currency levels, and consumer and business demand
- **Global Business Trends**
Identifying business trends that will provide superior prospects, over the longer term, for companies with quality products and services, well-defined corporate strategies, and effective distribution
- **Financial Fundamentals**
Focusing on companies that are undervalued in the stock market relative to their current growth prospects

BIAM's strategy, guided by a disciplined stock selection process, is to concentrate on a limited number of companies, diversifying holdings across a range of industries. It is designed to achieve optimum returns without incurring excessive risk.

BIAM's expertise means that Bank of Ireland Life's funds are well positioned to avail of investment opportunities, which offer real value and excellent potential for above average growth. Your Insurance & Investments Manager can provide you and your employees with up to date information on the performance of all Bank of Ireland Life's pension funds.

What charges will employees have to pay for a PRSA?

The maximum charges for a Standard PRSA have been laid down by the Government. The charging structure for your employees' PRSA is available on request. Your employee will be notified of any proposed changes to your PRSA charging structure at least 2 months prior to the proposed change. If you have any further questions relating to the charges for your PRSA, please contact an Insurance & Investments Manager in your local Bank of Ireland branch.

Once an employee has taken out their PRSA, is there anything else they should consider?

A PRSA is a long-term investment and needs to be constantly reviewed to take account of changes in an employee's lifestyle.

One of the biggest mistakes a person may make, is thinking that just because they have taken out a PRSA, they will be financially secure in retirement.

It is essential that your employees review their PRSA regularly to ensure it is on target. We recommend a review at least once a year and especially if any of the following have happened:

- They've recently changed jobs or received a pay rise
- They are unsure whether their current contributions will maintain their standard of living when they retire
- They now have dependants
- They've received a bonus and would like to receive tax relief on it
- They want to retire early

What happens if an employee changes jobs?

If your employee changes jobs, they can take their PRSA with them. This way, they can continue to build up their fund for a comfortable retirement. However, if your employee moves to a new job where their new employer operates a pension scheme, which they then join, they will need to take out an AVC PRSA. Your Insurance & Investments Manager will be able to advise the employee of their options.

If an employee decides to stop their PRSA because they can't afford to keep it going, can they get a refund?

Generally, there is no provision for the re-payment of PRSA assets before retirement. However, in certain circumstances, if an employee stops paying into their PRSA for more than 2 years and the value of their fund is less than €650, they may be able to take a refund.

What happens if an employee dies before they retire?

If an employee dies before any benefits have been taken, the PRSA fund may pass in its entirety to their estate free of income tax. Inheritance tax rules will apply in the normal way.

If an employee should die after any benefits have commenced, taxation rules for the PRSA fund will be similar to the taxation rules for an ARF on death.

The tax treatment of a PRSA depends on the relationship of the deceased PRSA contributor to the person who receives the benefit.

Your Insurance & Investments Manager is available to advise on the taxation rules applying in such circumstances.

How will my employees get information on their PRSA?

Every year and at any time on request, they will receive a Statement of Reasonable Projection outlining their current fund value. The statement will also contain a projected future value assuming they continue paying their existing level of contribution. In addition, every six months they will receive a statement of account containing details of the contributions paid to date and an investment report stating the current value of their fund and the performance of their investment funds to date.

What should an employee do if they are not happy with their PRSA?

We want to be sure that a Bank of Ireland Life PRSA meets your employees needs. On taking out a PRSA your employee will receive a Statement of Reasonable Projection (SRP), and their policy conditions.

If after receiving their Statement of Reasonable Projection (SRP) and policy documentation, your employee decides that it is not what they require, they can cancel it by letting us know in writing. If they cancel within 30 days of the day the statement of reasonable projection was issued, their contributions will be fully refunded. Any single contribution paid to Bank of Ireland Life will be refunded less an adjustment for any downward movement in unit prices from the date the PRSA started to the date of cancellation.

Our aim is to provide you with the best possible service. If your employees have a complaint about their PRSA, Bank of Ireland Life will try to resolve it to your employees satisfaction. However, if the complaint is not resolved to their satisfaction you can refer it to the Pensions Ombudsman. Decisions of the Pensions Ombudsman may be appealed to the High Court.

Details of the service provided by the Pensions Ombudsman may be obtained from www.pensionsombudsman.ie or Bank of Ireland Life. The Pension Ombudsman may be contacted at 36 Upper Mount Street, Dublin 2. Phone : (01) 647 1650.

What options will my employees have at retirement?

When your employees retire, they can choose from five different retirement options all of which are outlined below. Retirement age is normally between the age of 60 and 75. However, there are certain exceptions dependent on occupation where the Revenue will permit a different retirement age e.g. boxers and footballers can retire at age 50 and airline pilots and money broker dealers at age 55, etc. The Revenue Commissioners may allow them to retire before age 60 if they are permanently unable to work for health reasons in your own or similar occupation for which you are trained.

Also, if they wish to continue working after they've passed retirement age, they can still do so and draw from their PRSA at the same time, subject to certain conditions.

Putting your retirement fund to work

A PRSA gives employees the freedom and flexibility they need when they retire to put their fund to work throughout their retirement years – enabling them to actively manage their fund and gain total control of your assets.

OPTION 1 – Tax-free lump sum

Your employees can choose to take up to 25% of their fund as a tax-free lump sum and use the rest for option 2, 3, or 4.

OPTION 2 – Pension

Employees can buy a pension. This will provide them with a regular specified income, which will be paid for the rest of your life. Income from a pension is liable to income tax under the PAYE system.

They may purchase your pension from any pension company. Therefore, they can maximise their retirement income by choosing the company that is offering the best pension rates when they retire.

If an employee dies their income stops unless they have bought a pension with a guaranteed payment period or a widow/widower's pension.

OPTION 3 – Taxable lump sum*

Your employees can take their fund as a cash sum (subject to income tax), provided they have a guaranteed pension income for life of at least €12,700 per year, or they have invested €63,500 in an Approved Minimum Retirement Fund.

OPTION 4 – Invest in an Approved Retirement Fund (ARF)**

If your employer has a guaranteed income for life of more than €12,700 per year, then they can choose to invest in an ARF.

An ARF allows them to invest their retirement fund in a range of investments managed by approved providers, including Bank of Ireland Life.

As your employee retains ownership of their retirement fund with an ARF, they can make withdrawals* from it when they need to. They can use their ARF to purchase a pension at any time, if they wish.

Alternatively, they can keep their ARF fully invested to pass on to dependants in the event of their death, in a very tax efficient manner.

In order to achieve good returns, it is likely that an ARF will invest at least partly in assets such as equities and property. While these assets have the potential to provide better returns in the long term than other asset types, it is important to note that the value of these assets can fall as well as rise, particularly in the short term.

Further information on ARF's and AMRF's (Approved Minimum Retirement Funds) is available from our 'Retirement Options' booklet

* Withdrawals from an ARF are subject to tax. The Government requires that each year an actual or deemed withdrawal (which will be subject to tax) be made from the Approved Retirement Fund, of 3% of the value of the ARF as at 31st December in the previous year.

** *Note: It is important to remember that you must have a guaranteed income for life of more than €12,700 each year in order to choose options 3 or 4. If not, then you must either use €63,500 to purchase a pension or invest in an Approved Minimum Retirement Fund (AMRF), the capital of which cannot be drawn on until age 75. Alternatively, you must retain a minimum balance of €63,500 in your PRSA until age 75.*

OPTION 5 – Partial Benefits and Contribution Payment

An employee may choose to take partial benefits from their PRSA and continue to make PRSA contributions subject to benefits commencing and contributions ceasing at age 75 at the latest.

Which option is best for my employees?

Your employees don't have to choose which option suits them best now, the important thing is that they have built up enough of a fund to enable them to make these choices at retirement. As your employees approach retirement they should consider the following:

- How much money they have accumulated in their retirement fund
- What will their financial needs at retirement be
- The level of risk they want to take

We recommend that you and your employees speak to our Insurance & Investments Managers when thinking about retiring and he/she will advise on the options available.

What should I do now?

It is your responsibility to arrange for the provision of access to at least one Standard PRSA for your excluded employees. Putting such a provision in place requires serious thought and you should discuss your plans with a qualified financial adviser.

Why not arrange a meeting with your Insurance & Investments Manager now?

Bank of Ireland Life offers you the accessibility and availability of personalised financial advice through your local Bank of Ireland branch. To arrange a meeting just call into any Bank of Ireland branch or alternatively, phone at any time

1850 309 309*
www.bankofirelandlife.ie

Give your employees
the opportunity to take control of their
financial future today with a
Bank of Ireland Life PRSA

* Calls are charged at local rates. To monitor the quality of service we provide your call may be recorded.

About Bank of Ireland Life

Bank of Ireland Life is a trading name of New Ireland Assurance Company plc. We provide Life, Investment and Pension products, which are distributed in over 265 Bank of Ireland branches throughout the country.

There is an Insurance & Investments Manager, available in every Bank of Ireland branch, who is trained to identify your financial needs and assist you with any queries you may have. They are committed to providing quality advice and specialist expertise to help you find the best solution to your needs.

Bank of Ireland Life,
Grattan House,
Bank of Ireland Head Office,
Lower Baggot Street,
Dublin 2.

About BIAM

The majority of Bank of Ireland Life's investment funds are managed by Bank of Ireland Asset Management Limited (BIAM) one of Ireland's largest fund managers.. As an investor in these funds, you benefit from BIAM's expertise and award winning fund performance. Since 2000, BIAM in conjunction with Bank of Ireland Life has won 17 MoneyMate awards. These awards recognise excellence in fund management, product innovation, and customer service within the financial services industry.

With 40 years experience and approximately €32.6 billion* worth of funds under management, BIAM provides solid, conservative investment management expertise with a long-term focus.

* as at January 2008

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

Warning: Past performance is not a reliable guide to future performance.

Warning: This product may be affected by changes in currency exchange rates.

* Calls are charged at local rates. Lines are open from 8.00am to 6.00pm, Monday to Friday. To monitor the ongoing quality of the service we provide, your call may be recorded.

Terms and conditions apply.

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The information contained in this brochure is based on our understanding of current legislation and Revenue practice as at July 2008.

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