

Pensions

Bank of Ireland



Life

a guide to your

Personal Pension Plan



Contents

Introduction	2
Why the Personal Pension Plan?	4
Contribution options	6
Investment options	9
Retirement options	15
Protection options	17
About Bank of Ireland Life	18
About BIAM and Bloxham	19
Next steps	20

Introduction

If you don't plan for your retirement, who will?

While you're working, you probably don't think too much about your retirement - except maybe how nice it would be to enjoy all that free time! But unless you plan for your retirement during your working years, you may be left without sufficient funds to enjoy a comfortable lifestyle when you retire.

Fact:

If you think the state pension will provide you with a decent income - think again! From January 2007 it is just €209.30 per week*, or about one third of the national average wage. If that's the only income you have when you retire, it will certainly mean a big fall in your standard of living.

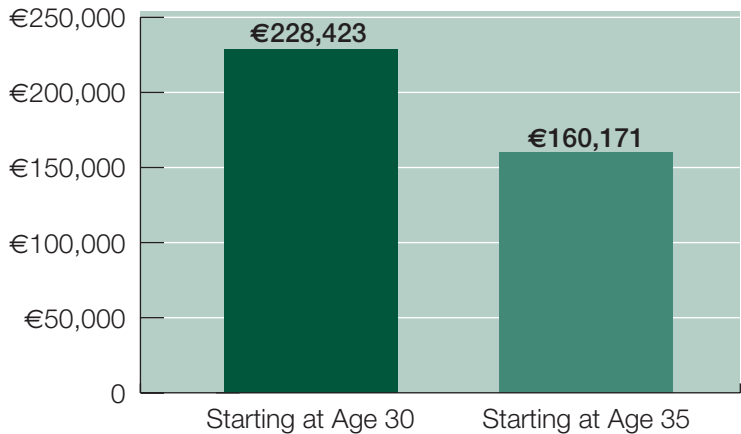
So if you want to be able to enjoy a comfortable retirement, the onus is clearly on you to put money aside during your working years. And, the sooner you do so, the better chance you'll have of meeting your goal.

One of the best way to put those savings away is a Personal Pension Plan - and this brochure tells you why.

* State Pension (Contributory) Single Life

Fact:

Delaying 5 years in putting money aside for retirement can seriously affect the amount you'll have when you retire! For example, look at the difference between the retirement funds built up at age 65 by somebody starting to save at age 30, and age 35:



Note: These figures are illustrations only, and are based on a contribution of €150 per month payable from age 30 until retirement age 65. An investment growth of 6% p.a. is assumed - 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. In line with the Society of Actuaries Guidance, the projections shown above assume future contributions increase at a rate equal to the salary growth rate of 3%. In practice, future contributions will increase at the greater of 5% and CPI, in line with your policy conditions, unless otherwise requested.

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

Why a Personal Pension Plan?

If you're self-employed, or equally, if you are an employee, but not a member of your employer's pension facility, then it's up to you to plan for your own retirement.

One key reason to use Bank of Ireland Life's Personal Pension to plan ahead is the generous tax advantages available to you, which makes it a really cost efficient way to put money aside.

The other key word is Options. At all stages of your Personal Pension Plan, from when you start saving until the point you retire and beyond, Bank of Ireland Life allows you to choose the options that best suit you. All of these options will help ensure that you get from where you are today to where you want to be in the future, helping to provide for the comfort and security that you would expect.

A Personal Pension Plan gives you . . .

- **Contribution Options**

The flexibility to choose the amount you save, vary it upward or downward, take a break in payments, or make special lump sum contributions as frequently as you want.

- **Investment Options**

The Individual Retirement Investment Service (IRIS) from Bank of Ireland Life offers you an investment strategy that is tailor-made to your own requirements, which helps ensure that your money is invested in a way that best meets your personal needs.

- **Retirement Options**

There are a whole range of options open to you when you retire - you can take your fund as a cash lump sum (up to 25% of it free of tax); use it to buy a secure income for life; or leave it invested in an Approved Retirement Fund (ARF), with the flexibility to draw on it when you need or to pass it on to your dependants.*

- **Protection Options**

You can avail of extra benefits such as Life Cover, Disability Cover and Waiver of Premium Cover (subject to Bank of Ireland Life's terms and conditions).

Tax Breaks

As well as the options above, having a Personal Pension Plan can save you tax! You will find information on the many **tax advantages** highlighted throughout the brochure.

* Revenue terms and conditions apply. Further details are available from your Insurance & Investments Manager.

Contribution options

Deciding how much to contribute

There's no time like the present to plan for your future. Making sure you have enough funds for a comfortable retirement makes sense, and to enjoy a comfortable retirement you need to start putting money aside during your working years. But how much will you need to contribute in order to provide comfort and security when you retire? The answer will depend on a number of factors including:

- Your age now, and the age at which you think you will retire
- The amount of income you think you'll need when you retire
- The investment returns which your fund achieves
- The level of interest rate which applies when you retire, which will determine the rate at which you can swap your fund for a regular income

Your Insurance & Investments Manager will discuss these and other factors with you, and based on your answers can recommend what contribution you should make.

Tax relief on contributions

Tax Breaks

The good news is that you can claim full tax relief at your marginal rate on the contributions you put into your Pension Plan. This tax relief makes your plan a very cost effective way to save!

You can benefit from tax relief on the contributions you make up to a maximum of 40% of your earnings each year, depending on your age*. For example:

Age	% of Net Relevant Earnings
Under 30	15%
30 to 39	20%
40 to 49	25%
50 to 54	30%
55 to 59	35%
60 and over	40%

An Earnings Cap applies to pension contributions for tax relief purposes. The Earnings Cap (which changes each year) is €262,382 for 2007.

For example, if you contribute €1,000 then you could save tax as follows...

	20% Tax Payer	41% Tax Payer
Contribution	€1,000	€1,000
Tax Relief	€200	€410
Cost to you	€800	€590

* Subject to Revenue limits and conditions

It is important to note that tax relief is not automatically guaranteed, you must meet the Revenue requirements.

Flexibility

Your Personal Pension Plan allows you to make your contributions when you want to and using a payment method that suits you. You can pay by direct debit, or if paying annually, by cheque, or by deduction from your payroll where this facility is in place. You can make direct debit/payroll deduction payments monthly, quarterly, half yearly or yearly.

You can increase or decrease your contributions or make one-off contributions at any time.

You also have the option of increasing your contributions each year in line with the Consumer Price Index, or 5% if higher. This allows your contributions to keep pace with inflation, but you can of course opt not to increase your contributions if you prefer.

Take control of your
financial future today
with a
Bank of Ireland Life
Personal Pension Plan

Investment options

An important factor that will affect the success of your retirement plan is the investment return that is earned on your money. Because the way your money is invested is such an important factor, Bank of Ireland Life offers a range of investment options for you to choose from.

The majority of Bank of Ireland Life's investment funds are managed by Bank of Ireland Asset Management Limited (BIAM). As an investor in these funds, you would benefit from BIAM's expertise and award winning fund performance.

Tax Breaks

Under current legislation the returns your pension plan provides are not subject to any Income Tax, DIRT or Capital Gains Tax. That extra boost can really make a big difference to your fund when compared to other forms of saving such as bank or building society accounts.

The IRIS option - meeting your individual needs

IRIS is a suitable approach for people who intend to use their pension account assets mainly to purchase a pension when they reach retirement age.

So how does IRIS work?

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

For example, if you are 30 years from retirement, you will need to invest in a fund that has strong potential for growth, in order to build up a fund that will see you comfortably through your

retirement years. Whereas, if you are only a couple of years away from retirement, you will need more security to maintain the fund that you have accumulated.

But how do you know at what stage to switch investment funds to ensure that you are maximising growth while protecting the fund you have built up?

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

Because your fund only consists of investors retiring within the same two-year period as you, our fund managers are able to concentrate on a strategy that best meets your 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 life, and however close you may be to retirement, you invest in the most suitable investment strategy for you.

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

* For more information on BIAM please see page 19.

Choosing from our broad range of funds

Managed Funds

Managed Funds have been the most popular investment approach adopted for pension funds in Ireland. A Managed Fund will have a range of equities, fixed interest (gilts), property and cash. The asset mix will change based on the investment manager’s view of the relative merits of each investment class. Bank of Ireland Life’s Personal Pension Plan offers you a choice of a number of managed funds, some managed by BIAM and others by external fund managers.

Equity Funds

While Managed Funds contain a mix of different assets classes, equity funds by their very nature are higher risk in that they invest almost exclusively in equities. While equity investment involves a higher risk, there is a greater potential for above average returns in the long term. Bank of Ireland Life’s Personal Pension Plan offers you a choice of a number of equity funds.

Before deciding which fund to choose, we would recommend that you meet with your Insurance & Investments Manager in your local Bank of Ireland branch. They will be able to provide you with up to date information on the performance of these funds, and assist you in selecting the best one to suit your individual investment needs.

Specialist Investment Options

As investors become more sophisticated, demand for more innovative types of investment has increased. Bank of Ireland Life is continuously introducing new investment funds and options through their Personal Pension Plans. Examples of these new funds are set out below.

1. **Trilogy II Fund**

This fund, managed by both BIAM and Bloxham offers investors an attractive combination of capital growth and income. It is made up of three parts:

- Corporate Bonds - providing a greater level of income than government bonds for a small level of extra risk
- High-Yielding Equities - providing a high level of income and income growth with the further prospect of capital growth
- Geared Property - providing the potential for outstanding capital growth

2. **Discovery Fund**

This fund, managed by Bloxham, invests almost entirely in medium sized companies that are growing strongly and represent very attractive investment opportunities.

3. Spotlight Fund

Spotlight is a concentrated equity investment fund, investing in between 15-25 equities from throughout the world. An in-depth research process is undertaken to identify the best equities to be held by the fund.

4. Innovator Fund

The Innovator Fund provides investors with the exciting opportunity to tap into a number of key areas of global growth by investing in alternative types of investments.

5. Geared Irish Equity Fund

The Geared Irish Equity Fund is a select investment fund, which offers a unique opportunity to use the low cost of borrowing (gearing) to invest in an attractive portfolio of blue chip Irish equities. Investors' capital is supplemented by borrowings to increase exposure to shares in major Irish companies.

6. Bloxham Geared High Yield Fund

The Bloxham Geared High Yield Fund offers a unique opportunity to use the low current cost of borrowing (gearing) to invest in an attractive portfolio of high yielding equities. Investors' capital is supplemented by borrowings within the fund, increasing your exposure to some of the best equities in the world.

Please ask your Insurance & Investments Manager in your local Bank of Ireland branch for more information on specialist investment options.

Attitude to Risk

We have classified our range of funds into 4 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 your financial needs and attitude to risk and recommend the fund most suited to your needs.

Funds for Lifestyle Investor
IRIS Fund
Funds for Growth Investor
Pension Evergreen Fund
Pension Balanced Managed Fund
Income & Growth Fund
Pension Ethical Managed Fund
Pension Consensus Fund
KBCAM Pension Managed Fund
Friends First Mixed Pension
Funds for an Active Growth Investor
Pension Trilogy II Fund
Pension Discovery Fund
Pension Spotlight Fund
Pension Innovator Fund
Pension Ethical Equity 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
Funds for a Geared Investor
Pension Geared Irish Equity Fund
Pension Bloxham Geared High Yield Equity Fund

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

Retirement options

You can start to use the policy to provide retirement benefits between age 60 and 75 (or earlier in certain circumstances). When you retire, you can use the fund you have built up with your policy in a number of different ways.

Option 1

You can take up to 25% of your fund as a tax-free lump sum and then use the balance of your fund for option 2, 3 or 4.

Legislation restricts the maximum pension fund you may have on retirement. It also restricts the amount of tax-free cash you may take. These limits apply to the aggregate of all of your pension plans. These limits (which can change each year) are €5.165 million and €1.291 million respectively for 2007. If your benefits exceed the limits, the excess amounts will be subject to tax.

Option 2

You can buy a Pension - a regular income which will be paid for the rest of your life or for a guaranteed period of time.

Option 3*

You can take your fund as a cash sum (subject to tax).

Option 4*

You can invest your fund in an Approved Retirement Fund** (ARF) and draw income from it when you need to, or keep it to pass on to your dependants.

* Note: You must have a guaranteed income for life of at least €12,700 p.a. in order to choose these options. If not, then you must either use €63,500 to purchase a pension or invest in an Approved Minimum Retirement Fund (AMRF), where the capital cannot be drawn on until age 75.

**From January 2007, the Government has introduced a tax on a deemed annual withdrawal from an individuals ARF (not applicable to AMRFs). The Government requires that each year an imputed distribution (deemed withdrawal) be made from the Approved Retirement Fund. This deemed withdrawal is 3% of the value of the ARF as at 31st December in the previous year. (For 2007 the deemed withdrawal is 1%, for 2008 it is 2% and 3% thereafter.)

You don't have to decide now which of these options you want to take - you can leave that decision until you actually retire. Nearer your retirement, however, you should start thinking about it, as it can have a bearing on which investment option best suits your needs.

You can find out more about the options open to you at retirement, and the factors that you should consider when planning for them, in our "**Retirement Options**" brochure, available from your Insurance & Investments Manager.

Tax Breaks

Having received **tax relief** on your contributions and tax-free* investment growth, the fact that you can then take up to 25% of your fund tax-free at retirement is another excellent incentive to take out a Personal Pension Plan.

Depending on your circumstances, investing the proceeds of your Personal Pension Plan in an Approved Retirement Fund (ARF) can be a very tax-effective way of passing on money to your dependants. So even if you feel that you will have other sources of income when you retire, a Personal Pension Plan can still be a very effective way of putting money aside.

* Subject to Revenue limits and conditions

Protection options

The following additional protection options can be included in your plan.

- **Life Cover** - pays out a lump sum in the event of your untimely death. The money can be used to pay off any outstanding loans, and help your family when they need it most.
- **Disability Cover** - provides you with an income should you be unable to work due to a long-term illness or disability.
- **Waiver of Premium Cover** - is designed to pay your pension contributions after an initial period should you be unable to work due to illness or injury.

Further information on the protection options, including details of the terms and conditions that apply, is available from your Insurance & Investments Manager.

About Bank of Ireland Life

Bank of Ireland Life is a trading name of New Ireland Assurance Company plc. We provide Life, Pension and Investment products, which are distributed in over 285 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 offers you the accessibility and availability of its products through your local Bank of Ireland branch.

About BIAM and Bloxham

The majority of Bank of Ireland Life's investment funds are managed by Bank of Ireland Asset Management Limited (BIAM) the largest Irish fund manager. As an investor in these funds, you benefit from BIAM's expertise and award winning fund performance. BIAM in conjunction with Bank of Ireland Life has now won 16 out of 28 awards in the prestigious MoneyMate Investment Awards for its management of our funds. These awards recognise excellence in fund management within the Irish Financial Services Industry.

With over 40 years experience and approximately €44 billion* worth of funds under management, BIAM provides solid, conservative investment management expertise with a long-term focus.

* As at June 2007

Bloxham is an independent financial services provider that has been operating in Ireland for over 100 years. Bloxham's Wealth Management division was set up in 2000.

The Bloxham team has a strong background in product development and investment management and combines traditional investment vehicles with new ideas to create exciting investment opportunities.

Next steps

Planning for your retirement involves a serious financial commitment over a long period of time. Because of this, it makes sense to discuss your retirement plans with a qualified financial adviser.

To find out more about any aspect of Bank of Ireland Life's Personal Pension Plan, just call into your local Bank of Ireland branch to arrange a meeting with an Insurance & Investments Manager, log on to our website or phone us at any time on

1850 309 309*

www.bankofirelandlife.ie

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

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

Telephone: 01 703 9500
Fax: 01 662 0811
Email: info@bankofirelandlife.ie

What should I do if I am not happy with my Personal Pension Plan?

Our aim is to provide you with the best possible service. If you have a complaint about your Personal Pension Plan, Bank of Ireland Life will try to resolve it to your satisfaction. However, if the complaint is not resolved to your satisfaction you can refer it to the Financial Services Ombudsman.

Details of the service provided by the Financial Services Ombudsman may be obtained from www.financialombudsman.ie or Bank of Ireland Life. The Financial Services Ombudsman may be contacted at 3rd Floor Lincoln House, Lincoln Place, Dublin 2. Telephone (01) 662 0899.



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

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

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

The information contained in this brochure is based on our understanding of current legislation and Revenue practice as at March 2007.

While great care has been taken in its preparation, this brochure is of a general nature and should not be relied on in relation to a specific issue without taking financial, insurance or other professional advice. The content of this brochure is for information purposes only and does not constitute an offer or recommendation to buy or sell any investment or to subscribe to any investment management or advisory service. If any conflict arises between this brochure and the Policy Conditions, the Policy Conditions will apply.

Policy charges and terms and conditions apply. Investing in a geared fund or a fund that contains an element of gearing may result in greater volatility than that associated with traditional unit-linked investments. It should also be noted that while borrowing can lead to potentially increased returns when asset growth is positive, any losses are however magnified. In the event that the investment does not perform as intended an investor may not receive back all of their original capital and in extreme circumstances may lose their entire capital. Actual investment growth will depend on the performance of the underlying assets.

Bank of Ireland Life is a trading name of New Ireland Assurance Company plc. Bank of Ireland and Bank of Ireland Insurance & Investments Limited are tied agents of New Ireland Assurance Company plc. New Ireland Assurance Company plc, trading as Bank of Ireland Life is regulated by the Financial Regulator. Bank of Ireland Insurance & Investments Limited is regulated by the Financial Regulator. Bank of Ireland is regulated by the Financial Regulator. Bank of Ireland Asset Management Limited is authorised by the Financial Regulator under the Investment Intermediaries Act 1995. A member of the Bank of Ireland Group. Bloxham Stockbroker is a member of the Irish Stock Exchange and the London Stock Exchange. Bloxham Stockbroker is regulated by the Financial Regulator under the Stock Exchange Act 1995.

1850 309 309
www.bankofirelandlife.ie

