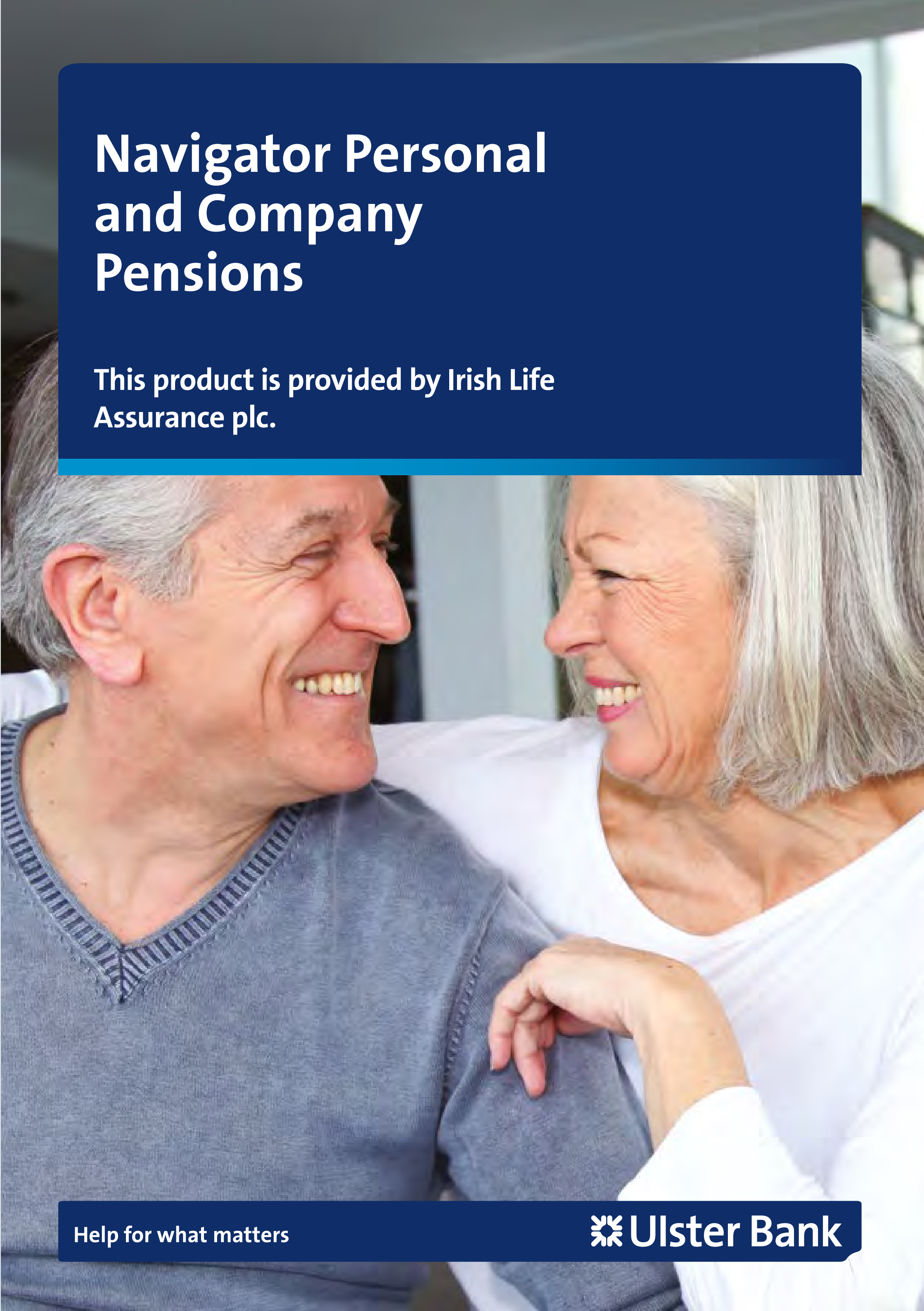
Navigator Personal and Company Pensions

This product is provided by Irish Life Assurance plc.



Navigator personal and company pensions

Aim	To build up a fund to help provide for your retirement.
Risk	Low to very high depending on the option or mix of options you have chosen.
Funds available	25.
Time period	Normally between age 60 and 75 for personal pensions and between age 60 and 70 for company pensions.
Jargon-free	Yes.

Ulster Bank have selected Ireland's leading life and pensions provider, Irish Life Assurance plc (Irish Life), to provide our customers with Life Assurance products including pensions, protection, investments and regular savings.

Important note

These products are provided by Irish Life Assurance plc (Irish Life). Irish Life is part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations. As the provider of this product, Irish Life have written this booklet to explain how the product works. **So, any reference to 'we', 'our' or 'us' refers to Irish Life**. Your Ulster Bank Financial Planning Manager can answer any questions you might have. All information including the terms and conditions of your plan will be provided in the English Language. Irish Life will continue to communicate to you in English at all times.

Warning: If you invest in this product you will not have access to your money until age 60 and/or you retire.

The information in this booklet is correct as of May 2016 but may change.

Contents

1. Introduction

This booklet will give you details of the benefits available on Navigator pension plans. It is designed as a guide that allows us to explain the product to you in short and simple terms. There will be more specific details and rules in your Terms and Conditions booklet which you should read carefully.

This booklet outlines all you need to know about Navigator pension plans:

- Navigator Personal
- Navigator Company
- Navigator Bond for personal pensions
- Navigator Bond for company pensions
- Navigator Bond for personal pensions 1
- Navigator Bond for company pensions 1

If you decide to take out a company pension plan the trustee (usually the employer) will need certain information. We have outlined this at the back of this booklet. The content of this booklet is based on current law and requirements of the Revenue Commissioners which may change at any time during the lifetime of your plan.

If you take out a Navigator company pension plan, you and the trustee should read this booklet. Our contract will be with the trustee.

Our service to you

Putting you first

We are committed to providing excellent customer service to you at all times from the moment you apply right throughout the life of your plan. When you ring us, you will get straight through to our customer service team, based in Ireland, who will be on hand to listen to your queries and help you when you are looking for answers. Here is just a sample of the services we offer.

You can change your mind

We want to make sure that you are happy with your decision to take out your pension plan. If after taking out this plan you feel it is not suitable, you can cancel it within 30 days from the day we send you your welcome pack. We will refund any regular contributions you have made. We will return any single contributions or transfers, less any fall in investment values during the period and in line with Revenue rules.

Keeping it simple – clear communication

Because financial products can be complicated and difficult to understand, we are committed to using clear and straightforward language on all our communications to you. As a result, we work with the Plain English Campaign to make sure all our customer communications meet the highest standards of clarity, openness and honesty.

Keeping you up to date

We are committed to keeping you informed about your plan. Because of this, every year we will send you a statement to keep you up to date on your plan details.

Online services

We have a range of online services available for you. You can check the details of your plan online by visiting www.myonlineservices.ie. You will need a Personal Identification Number (PIN), which you would have received when you started your plan. If you have lost your PIN or need a new one, contact our customer service team on 01 704 1010.

Our online services help you keep up to date, at any time, with how your plan is performing. You can:

- View the current value of your plan;
- Change your choice of fund;
- View your annual benefit statements;

and

- Use our information service - weekly investment market updates, fund information and fund prices.

You can also phone our automated Customer Information Line on 01 704 1111, to obtain a current value, access our weekly market update and to change your PIN.

How to contact us

If you want to talk to us, just phone our customer service team on 01 704 1010. They can answer questions about your plan.

Our lines are open:
8am to 8pm Monday to Thursday
10am to 6pm Friday
9am to 1pm Saturday.

In the interest of customer service, we will record and monitor calls.

You can also contact us in the following ways:

Email: customerservice@irishlife.ie
Fax: 01 704 1900
Write to: Ulster Bank Team,
Irish Life Assurance plc,
Irish Life Centre,
Lower Abbey Street,
Dublin 1.

Plus, you can contact your Ulster Bank Financial Planning Manager in your local branch.

Any problems?

If you experience any problems, please call your Ulster Bank Financial Planning Manager or contact our customer service team. We monitor our complaint process to make sure it is of the highest standard. We hope you never have to complain. However, if for any reason you do, we want to hear from you.

If, having contacted our customer service team, you feel we have not dealt fairly with your query, you can contact The Financial Services Ombudsman, The Office of the Pensions Ombudsman or the Pensions Authority depending on the type of plan and complaint you have. Full contact details are available on pages 48, 53 and 57.

We have designed Navigator pension plans for:

- People who want to take out a personal pension plan; and
- Employers who want to provide pension benefits for their most important employees through a company pension arrangement.

Personal pension plan

Personal pensions are designed for people who don't have a pension scheme through work and who want to contribute themselves. As a result, this suits people who are self-employed or have no pension scheme through their work. Please read pages 46 to 48 for answers to some of the most common questions about personal pensions.

Company pension plan (including AVCs)

Company pensions are designed for people in employment whose employer wants to make a contribution. The employer may sometimes ask that you also pay into the plan. These contributions are called employee contributions. These are not additional voluntary contributions (AVCs). There are limits to how much the employer and employee can contribute. A company pension plan is set up by trustees (usually your employer) on your behalf.

The trustee will own the plan and tell us what to do in terms of the scheme. You can choose the investments but if your employer is trustee you should pass your instructions to them. They will then tell us.

If you want to make contributions yourself into the company pension arrangement, you can add AVCs to the company plan. The main difference between AVCs and employee contributions is that AVC funds have extra retirement options (see page 38). Employee contributions and AVCs will boost your retirement fund. You can access your retirement fund when you retire.

Please read pages 48 to 53 for answers to some of the most common questions about company pensions. Your Ulster Bank Financial Planning Manager can give you more detailed information, including a personal quotation.

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2. Navigator pension plans

Navigator pension plans help you build up a fund for your retirement. Everybody knows that it makes sense to plan for retirement. Yet many people put off starting a pension because they think pensions are confusing or hard work

Navigator pension plans can offer you the perfect solution – an easy-to-understand pension plan which puts you in control while offering you great choice of funds.

Suitability snapshot

Below we have set out some important points for you to consider to help you decide if this plan is suitable for you. If you are in any doubt, you should contact your Ulster Bank Financial Planning Manager.

Navigator pension plans might suit you if you:	Navigator pension plans might not suit you if you:
✔ are looking for a long term investment plan to provide for your retirement	✗ are looking for a short term investment plan that will not be used for retirement;
✔ don't need access to your money before age 60 (or until you retire)	✗ need access to your money before age 60 (or before you retire)
✔ are happy with the choice of funds and the charges on this plan	✗ are not happy with the choice of funds and the charges in this plan
✔ have at least €1,800 a year to invest	✗ have less than €1,800 a year to invest
✔ would like to take advantage of the tax relief available on pension contributions. You understand that when you retire, your pension benefits (after the retirement lump sum) are taxed as income.	✗ are not currently paying income tax and cannot take advantage of the tax relief available on pension contributions.

What are the charges?

Navigator pensions offer you value for money, giving you a straightforward pension solution with competitive charges.

Charges on your contributions

Your contributions buy units in a pension fund. The percentage of your contributions invested will be shown in your plan schedule which you will receive in your Welcome Pack after you start your plan. This amount will buy units in each fund you choose.

- For regular contributions, the percentage of your investment that we pay into the fund could vary between 97% and 100% (in other words, our charge could be up to 3%).
- For single contributions, this percentage could vary between 97% and 100% (a charge of up to 3%).

Charge on extra contributions in the future

The charges applying to extra regular contributions and extra single contributions you pay in the future could be different to the charge on your initial contributions. You should check with your Ulster Bank Financial Planning Manager or us as to what this will be.

Reducing your regular contribution in the future

If you reduce your regular contributions in the future, the percentage of your contributions we invest after the reduction may be lower. You should check with us or your Ulster Bank Financial Planning Manager or Irish Life as to what the new percentage invested will be for your regular contributions before you reduce your contributions.

If regular contributions stop

If you stop making contributions including where regular contributions have been suspended or the plan has been made paid-up, we will take an extra yearly plan charge of 0.25% a year from the fund you build up with your regular contributions.

Yearly plan charge

This charge, if it applies, will be shown on your plan schedule. We take it as a percentage of your fund value and it could be up to 0.5% a year. We cancel units every month to pay this charge. If it appears on your schedule, it applies as well as the yearly fund charge below.

Yearly fund charge

We take this charge as a percentage of your fund value at a given time. It can be different for each fund you are investing in. The charge for each fund is shown on page 10. The charge is reflected in the price of the units you have bought.

Plan fee

This is a monthly contract charge. It is €4.68 every month but will increase every year in line with the consumer price index.

Exit charges

If you transfer any money from your plan in the first five years of your plan, you will have to pay the following exit charge on the value of your regular or single contribution fund.

Years 1 to 3	5%
Year 4	3%
Year 5	1%

The exit charge applies for five years from the start of your investment for your initial contribution. If you make extra regular (including increases in your contribution to allow for inflation) or single contributions, the exit charge will also apply to the fund built up by your top up amount, for five years from the date you pay the top up amount.

- The regular contribution exit charge does not apply after the five years highlighted above or at early or normal retirement or on death.

- The single contribution exit charge does not apply after the five years highlighted above or on normal retirement or on death. The exit charge for single contributions does apply on early retirement.

Government levies

We will take any Government levies due and pass them direct to the Revenue Commissioners. These levies will be taken from your fund.

Other charges

The Pensions Authority charges a fee every year for company pensions. This charge is currently €8 a year but could change in the future. We will take this charge every year from company pensions. The Pensions Authority do not currently charge a fee on personal pensions.

Yearly fund charge

Fund name	Fixed fund charge	Estimated average level of variable charge	Total average fund charge each year
Multi Asset Portfolio Fund 2	0.75%	0.15%	0.90%
Multi Asset Portfolio Fund 3	0.75%	0.15%	0.90%
Multi Asset Portfolio Fund 4	0.75%	0.15%	0.90%
Multi Asset Portfolio Fund 5	0.75%	0.15%	0.90%
Multi Asset Portfolio Fund 6	0.75%	0.05%	0.80%
Global Cash Fund	0.75%		
Capital Protection Fund	1.00%		
Diversified Cautious Fund	0.75%	0.40%	1.15%
Pension Protection Fund	0.75%		
Consensus Cautious Fund	0.75%		
Diversified Balanced Fund	0.75%	0.40%	1.15%
Active Managed Fund	0.75%		
Consensus Fund	0.75%		
Diversified Growth Fund	0.75%	0.40%	1.15%
Consensus Equity Fund	0.75%		
Fidelity European Opportunities Fund	0.75%	0.95%	1.70%
Fidelity Global Special Situations Fund	0.75%	0.95%	1.70%
Global Opportunities Fund	0.75%		
Indexed European Equity Fund	0.75%		
Indexed Irish Equity Fund	0.75%		
Indexed UK Equity Fund	0.75%		
Exempt Property Fund	1.00%		
Property Portfolio Fund	0.75%	1.10%	1.85%
Fidelity Global Property Shares Fund	0.75%	1.15%	1.90%
Indexed Commodities Fund	0.75%	0.50%	1.25%

What is my Navigator company pension plan likely to be worth when I retire?

This example shows the estimated future values of a Navigator company pension plan based on a 35 year old who plans to retire at age 65 and is paying €500 a month, increasing at 2.5% a year. This is a sample case

Year	Expected value
1	€5,663
2	€11,621
3	€18,253
4	€25,469
5	€32,986
10	€75,053
15	€128,026
20	€194,101
25	€275,876
30	€376,412

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

Note: We assume an investment return of 4.25% a year before deductions and investment in the Multi Asset Portfolio Fund 4 which has a yearly fund charge of 0.90% and a yearly plan charge of 0.5%.

Under legislation, we also have to assume that your contributions increase by 2.5% each year. In reality, if you choose this option, contributions will increase by 5% each year (or in line with the consumer price index if this is higher).

The investment term is 30 years and the number of monthly contributions we have assumed is 360.

The table of benefits assumes that the plan starts in May 2016. The figures shown take account of the Pensions Authority yearly charge of €8 and the plan fee of €4.68. Please see page 9 for details.

What funds are available?

Multi Asset Portfolio Funds (MAPS)

- Multi Asset Portfolio Fund 2
- Multi Asset Portfolio Fund 3
- Multi Asset Portfolio Fund 4
- Multi Asset Portfolio Fund 5
- Multi Asset Portfolio Fund 6

Other Funds

- Global Cash Fund
- Capital Protection Fund
- Diversified Cautious Fund
- Pension Protection Fund
- Consensus Cautious Fund
- Diversified Balanced Fund
- Active Managed Fund
- Consensus Fund
- Diversified Growth Fund
- Consensus Equity Fund
- Fidelity European Opportunities Fund
- Fidelity Global Special Situations Fund
- Global Opportunities Fund

- Indexed Commodities Fund
- Indexed UK Equity Fund
- Indexed European Equity Fund
- Exempt Property Fund
- Property Portfolio Fund
- Fidelity Global Property Shares Fund
- Indexed Irish Equity Fund

These funds are explained in detail in the Fund Guide section on page 17.

You can switch your contributions from one fund to another at any time if you decide you want a lower risk or higher risk investment. There is no cost for this – all you need to do is tell us. You should read the fund descriptions carefully before choosing to switch funds.

This is because some funds may have a switching notice period or you may have to pay a charge for leaving the fund. For more information please see page 30.

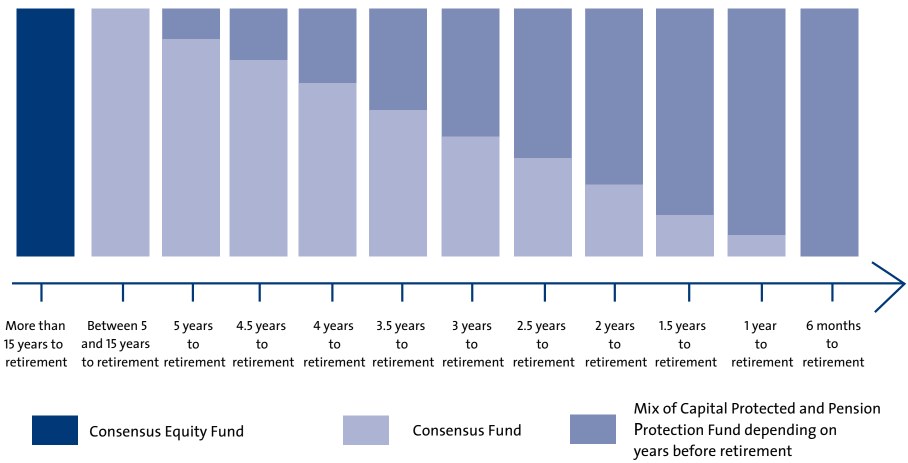
Investment strategy

Consensus Lifestyling

Consensus Lifestyling is an automatic switching tool that gradually moves your pension between certain funds during the term of your plan, and as you get nearer your chosen retirement age.

If Consensus Lifestyling is chosen, we will invest your money in the Consensus Fund (medium risk) until you are near your chosen retirement age. When you are five years away from your chosen retirement date, we will gradually switch your fund from the Consensus Fund into a mix of the Pension Protection Fund and the Capital Protection Fund. We switch one-tenth of the fund over each six month period, until six months from your chosen retirement date when we invest all your fund in the Pension Protection Fund and Capital Protection Fund. There is no charge for any of these fund switches.

The Consensus Lifestyling strategy is suitable if you plan to buy an annuity with your pension fund at your chosen retirement date.



Please note that the lifestyling switching process is automated and will commence once you have selected lifestyling and are less than 25 years to retirement. This could take up to 5 working days to commence from the start date of your plan.

Other investment options

If you do not choose to invest in Consensus Lifestyling, you can choose any one, or a combination, of the funds available (up to 10 funds) that we describe in the Fund Guide section. If you choose your own funds, we will not automatically switch your funds into more secure funds as you get nearer retirement.

However, at any stage over the term of your contract, you can ask to switch funds into more secure funds. This switch will be free.

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

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3. Choosing the right fund mix

Our funds are managed by some of the leading Irish and international fund managers including:

- Irish Life Investment Managers (ILIM)
- Fidelity Worldwide Investment
- Henderson Global Investors.

Irish Life Investment Managers (ILIM), are Ireland's biggest fund manager. They currently manage over €40 billion of assets for private investors and leading Irish and international companies. Their ability to consistently deliver excellent performance has seen them at the top of investment tables and win many awards.

The wide range of funds gives you access to different options including low-risk funds, share funds, property funds and portfolio funds, which include a mixture of different types of investments.

Fidelity Worldwide Investment

Fidelity Worldwide Investment is one of the world's biggest investment companies. Fidelity has consistently been recognised for its investment expertise and performance. Their worldwide network of portfolio managers and analysts is one of the largest and most respected in the industry.

Henderson Global Investors

Henderson Global Investors employ property professionals at their 10 offices who research the property markets across the globe. These offices are based in places such as London, Paris, Singapore and Hamburg, ideally placed to identify the best locations in Europe and the best local property managers in those areas.

The fund that is right for you depends on:

- the amount of risk you are willing to take; and
- how long you want to invest for

Amount of risk you are willing to take

- Lower-risk funds aim to protect your investment from large falls in value, but the potential for large gains is lower than if you choose a higher-risk fund.

- Higher-risk funds, such as those investing in company shares, do not aim to protect your investment from large falls in value, but you do have the potential to gain much more, especially over the long term. If you invest in this type of fund, you should realise that, in wanting a higher return, you need to accept that the value of these funds can move up and down, sometimes by large amounts.

How long you want to invest for

If you are investing in a pension plan it is important to consider how long you have left until you retire. If you are many years away from retirement you may be able to accept more risk than somebody who is quite close to retirement.

Volatility scale and risk levels

To help you choose between funds we rate the possible level of 'volatility' of each fund on a scale of 1 to 7 (Volatility refers to the potential ups and downs that a fund may experience over time).

A fund with a risk level of 1 is very low risk and a risk level of 7 is very high risk. You should remember that risk and potential return are closely linked.

In other words, investments which are higher risk tend to have higher returns over the long term, but can also experience higher falls. Our volatility scale assumes that all investments are held on a long-term basis. If an investment is held for a short term, it will usually have a greater level of risk than the volatility scale shows. You can usually reduce the level of risk attached to an investment by diversifying (splitting the investment 'eggs' between different 'baskets') and leaving the investment where it is for a longer period of time. (In other words, the longer you hold volatile investments for, the less volatile the returns become).

Our volatility scale can change. Therefore the volatility ratings in this booklet may not be the most up-to-date ratings. Please visit our website www.irishlife.ie to see the most up-to-date volatility scale.

Think about how you feel about the risks associated with investing. Everyone's situation is different and everyone handles risk differently. Together with your Ulster Bank Financial Planning Manager you can decide which level of risk you are open to.

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4. Fund guide

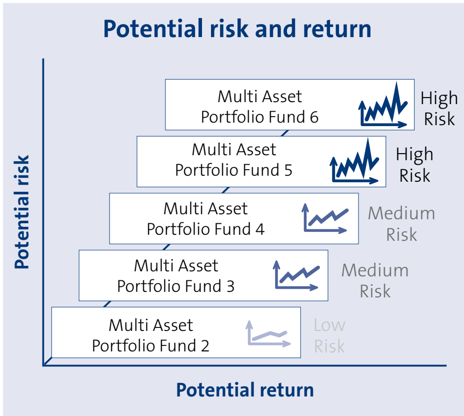
Multi Asset Portfolio Funds

During the Financial Crisis from 2007 to 2009, we all saw the effect that stock market falls had on pension funds, investments and share prices. We all saw how the values of pensions and investments fell.

Whether you were affected by the stock market falls or benefited from stronger returns since then, it's understandable that you might now be looking for alternatives for your money as leaving all your money in cash for a long time is unlikely to generate the best returns. This is especially true in the current low interest rate environment. However some of us still think twice about investing in shares even though the returns since 2009 have generally been excellent as markets recovered.

Historically, the best returns over longer periods come from investing in a wide-range of shares and other 'growth' assets. However, alongside possibly higher returns these types of assets usually bring higher risk and so your investment may rise and fall in value over short periods.

What is needed is an investment in growth assets, but also in other assets deliberately chosen to try to reduce these swings in value. Also, at times of severe market movements, like we saw in 2008, for example, the best course of action might be to temporarily move out of growth assets and into lower risk assets like cash.



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MULTI ASSET PORTFOLIO FUNDS USING THE DYNAMIC SHARE TO CASH™ MODEL

Range of funds from low to high risk

CUSTOMER RISK RATING	2 CAREFUL	3 CONSERVATIVE	4 BALANCED	5 EXPERIENCED	6 ADVENTUROUS	7 VERY ADVENTUROUS
FUND NAME	MULTI ASSET PORTFOLIO 2	MULTI ASSET PORTFOLIO 3	MULTI ASSET PORTFOLIO 4	MULTI ASSET PORTFOLIO 5	MULTI ASSET PORTFOLIO 6	

Our investment managers, Irish Life Investment Managers (ILIM) have developed five different versions of the Multi Asset Portfolio Funds to suit different attitudes to risk. These range from lower risk, where there is a large portion of the fund in cash and bonds, to higher risk where most of the fund is invested in shares. So if you are a low risk or high risk investor, there is a fund that may suit you.

The Multi Asset Portfolio Funds are designed to provide peace of mind for you as an investor.

Based on your attitude to risk, you will have a risk rating between 1 (Safety First) and 7 (Very Adventurous). Each of our Multi Asset Portfolio Funds is designed for a specific risk rating, as the graphic shows above, the target market for Multi Asset Portfolio Fund 3 is someone with risk rating 3 (Conservative).

Our investment managers will manage these funds to this risk rating throughout. This means that Multi Asset Portfolio Fund 3 will be managed to a risk rating of 3 and you don't have to worry about switching your fund, if your attitude to risk doesn't change.

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Multi Asset

As the name suggests, the Multi Asset Portfolio Funds invest in a wide range of assets. Investing in a range of assets increases the diversification of each Multi Asset Portfolio Fund. We recommend that you diversify your investment by not putting all your 'eggs in one basket' and these funds allow you to do just that. Greater diversification also aims to reduce the volatility of the fund, which is a measure of the extent the fund value moves up and down in value.

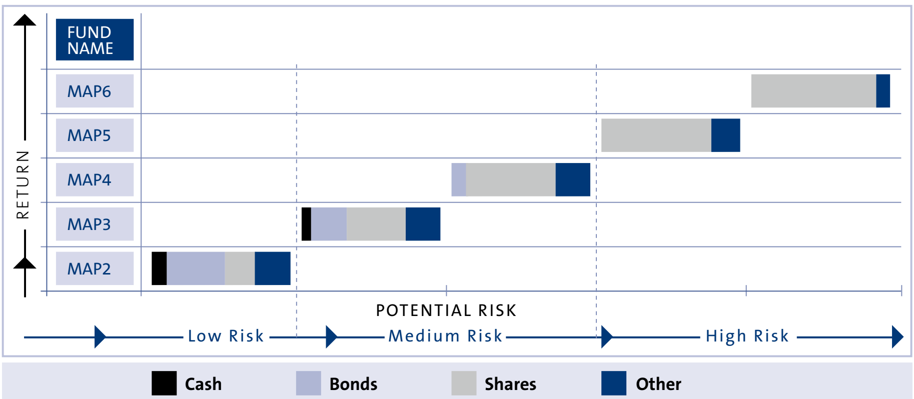
The assets that are available in these funds are outlined and explained below. The split across each of the asset classes determines the risk rating of your fund.

ILIM will continually monitor and review these assets and may change them over time. For the actual Multi Asset Portfolio Fund mix, see the latest factsheets at www.irishlife.ie

Cash & Bonds	Shares	External managers	Other Assets
• Cash • Government Bonds • Corporate Bonds	• Global Shares	Part of each Multi Asset Portfolio Fund invests in a dynamic blend of specialist alternative funds managed by asset managers other than ILIM. Underlying investments are across a range of traditional and alternative asset classes	As markets change and new opportunities arise ILIM may invest in other asset classes, for example property.

The Multi Asset Portfolio Fund splits

As mentioned there are five Multi Asset Portfolio Funds available to suit different attitudes to risk. The graph below which is a guide only, shows the broad asset mix of each of the five funds. As you can see the lower risk fund Multi Asset Portfolio Fund 2 has a very high percentage in bonds and cash which are traditionally less volatile assets. The higher risk fund Multi Asset Portfolio Fund 6 is predominantly invested in shares, which are traditionally more volatile than bonds or cash but have historically given better long-term returns.



For the actual Multi Asset Portfolio Fund mix, see the latest factsheets at www.irishlife.ie

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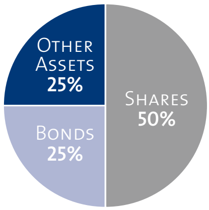
Expertly Managed by Irish Life Investment Managers

Our investment managers are world class investment managers. They have designed the Multi Asset Portfolio Funds and the Dynamic Share to Cash (DSC) model, so you are getting the benefit of their expertise.

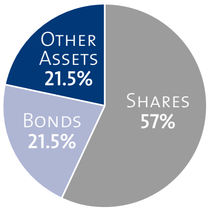
Our investment managers will monitor and review the asset splits and the DSC on a regular basis to ensure that each Multi Asset Portfolio Fund is managed to its original risk rating.

Our investment managers will also rebalance each of the Multi Asset Portfolio Funds every quarter.

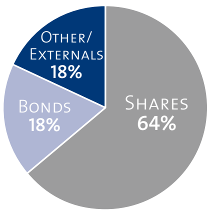
What Does Rebalancing Mean?



We start with this pie-chart, which shows a fund with 50% in shares, 25% in bonds and 25% in other assets.



If, over the course of a year, shares grew in value by 20%, while bonds and other assets both fell in value by 10%, then, without rebalancing, the second pie-chart shows the new split of the fund. Here 57% of the fund is now invested in shares.



If the same thing happened for a second year, we would end up as shown in the third pie-chart, with nearly two-thirds of the fund invested in shares, compared to the 50% we started with. This could mean that the fund is no longer suitable for the investor who chose to invest in the original mix. If the original mix of 50% shares, 25% bonds and 25% other assets is most suitable for an investor, they will not want to see their fund drift away from this mix over time.

This change in asset split can be avoided by regularly rebalancing the fund to ensure that it stays in line with its intended split. Our investment managers rebalances each of the Multi Asset Portfolio Funds on a quarterly basis and this means that each fund will not drift over time and will remain suitable for each investor as shown on page 19. This means that you don't have to worry about a fund becoming a higher risk rating than the one you originally invested in.

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Dynamic Share to Cash (DSC) Model

The DSC model is used on all five Multi Asset Portfolio Funds. This innovative model uses a multi-factor approach to identifying long-term stock market trends and movements.

The advantage of having the DSC is that it aims to reduce the amount invested in Global Shares and increase the amount in cash when it identifies greater potential for stock market falls. As importantly, when the DSC identifies greater potential for stock market recovery, it will move back out of cash and into Global Shares.

This innovative solution is a market first in Ireland.

It is important to note that the DSC looks at long-term movements and trends in the market and is not designed to react to one-off or short-term jumps or shocks. Also, currently DSC applies to Global Shares, though our investment managers will continually review this and, in the future, a similar process may apply to other assets.

How the DSC works

The DSC is driven by a number of key factors. Among these are:

- How stock markets move over long periods of time,
- How company earnings are changing; and
- How more general market factors like oil prices and bond yields are changing.

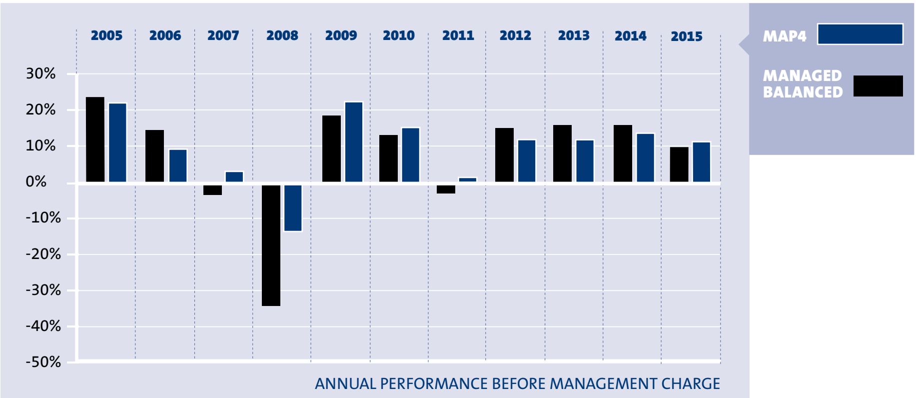
Based on how these factors are moving over time, the DSC will determine what portion of each fund to hold as shares and what to hold as cash. So in the graph on page 20, some of the proportion in shares could be replaced by cash depending on the DSC.

Since all of the factors on which the DSC is based are available going back over a number of years, it is possible to show how the DSC would have worked in the past.

Warning: The value of your investment may go down as well as up.
Warning: These funds may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all of the money you invest.

The graph below shows how Multi Asset Portfolio Fund 4 compares to the average Managed Balanced Fund since 2005.

Multi Asset Portfolio Fund 4 uses the DSC as outlined previously, whereas the Managed Balanced Fund doesn't use this model.



STOCK MARKET FALLS

The 2008 Credit Crunch:

As the graph above shows, during 2008, the Managed Balanced Fund fell nearly 35%. Because the DSC available on Multi Asset Portfolio Fund 4 would have reduced the amount of the fund invested in shares and increased the amount in cash, it would have fallen by nearly 13% in the same year. So although Multi Asset Portfolio Fund 4 would still have fallen in value, it was not the severe drop seen on the Managed Balanced Fund.

STOCK MARKET RISES

2012 and 2013 Strong Market:

During 2012 and 2013, the Managed Balanced Fund grew by slightly more than Multi Asset Portfolio Fund 4. This is due to the higher proportion of shares in the Managed Balanced Fund but this higher proportion would usually mean greater volatility and a greater chance of large falls as seen in 2008.

Warning: If you invest in this product you may lose some or all of the money you invest.

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

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

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

Warning: These funds may be affected by changes in currency exchange rates.

Multi Asset Portfolio Fund 2 (Volatility 2)
This fund can invest in a range of assets such as bonds, shares, property, cash and specialist funds managed by external managers. This is a low risk fund for careful investors, which aims to have a small allocation to higher risk assets such as shares and property. This asset mix will be reviewed and rebalanced regularly to maintain a low level of exposure to such asset classes.

For the current asset mix of the fund please see www.irishlife.ie

In addition to regular rebalancing of the fund's assets, the Dynamic Share to Cash (DSC) model will operate on a portion of the fund. For this portion of the fund, the dsc model determines the level of investment risk in cash and shares. The dsc model looks at long term movements and trends in the market to determine factors such as the potential for stock market falls. Where this analysis identifies, for example, greater potential for stock market falls, the amount invested in shares will be reduced and the amount invested in cash increased in the portion of the fund to which the dsc applies.

A similar process may in the future apply to other assets. It is important to note that the dsc looks at long-term movements and trends in the market and is not designed to react to one-off or short term jumps or shocks.

Funds that are managed by external asset managers are subject to incentive fees (see page 32). See page 31 for information on fund managers. Part of this fund may borrow money to invest in property (see page 34).

Multi Asset Portfolio Fund 3 (Volatility 3)
This fund can invest in a range of assets such as bonds, shares, property, cash and specialist funds managed by external managers. This is a low to medium risk fund for conservative investors, which aims to have a significant proportion invested in cash and bonds and a lower allocation to higher risk assets such as shares and property. This asset mix will be reviewed and rebalanced regularly to maintain an appropriate level of exposure to such asset classes. For the current asset mix of the fund please see www.irishlife.ie.

In addition to regular rebalancing of the fund's assets, the Dynamic Share to Cash (DSC) model will operate on a portion of the fund. For this portion of the fund, the dsc model will be used to determine the level of investment in cash and shares. The dsc model looks at long term movements and trends in the market to determine factors such as the potential for stock market falls. Where this analysis identifies, for example, greater potential for stock market falls, the amount invested in shares will be reduced and the amount invested in cash increased in the portion of the fund to which the dsc applies. A similar process may in the future apply to other assets. It is important to note that the dsc looks at long-term movements and trends in the market and is not designed to react to one-off or short-term jumps or shocks.

Funds that are managed by external asset managers are subject to incentive fees (see page 32). See page 31 for information on fund managers. Part of this fund may

borrow money to invest in property (see page 34).

Multi Asset Portfolio Fund 4 (Volatility 4)
This fund can invest in a range of assets such as bonds, shares, property, cash and specialist funds managed by external managers. This is a medium risk fund for balanced investors, which aims to have a moderate allocation to higher risk assets such as shares and property. This asset mix will be reviewed and rebalanced regularly to maintain a moderate level of exposure to such asset classes. For the current asset mix of the fund please see www.irishlife.ie.

In addition to regular rebalancing of the fund's assets, the Dynamic Share to Cash (DSC) model will operate on a portion of the fund. For this portion of the fund, the dsc model will be used to determine the level of investment in cash and shares. The dsc model looks at long term movements and trends in the market to determine factors such as the potential for stock market falls. Where this analysis identifies, for example, greater potential for stock market falls, the amount invested in shares will be reduced and the amount invested in cash increased in the portion of the fund to which the dsc applies. A similar process may in the future apply to other assets. It is important to note that the dsc looks at long-term movements and trends in the market and is not designed to react to one-off or short-term jumps or shocks.

Funds that are managed by external asset managers are subject to incentive fees (see page 34). See page 31 for information on fund Managers. Part of this fund may borrow money to invest in property (see page 34).

Multi Asset Portfolio Fund 5 (Volatility 5)
This fund can invest in a range of assets such as bonds, shares, property, cash and specialist funds managed by external managers. This is a medium to high risk fund for experienced investors, which aims to have a relatively high allocation to higher risk assets such as shares and property. This asset mix will be reviewed and rebalanced regularly to maintain a relatively high level of exposure to such asset classes. For the current asset mix of the fund please see www.irishlife.ie.

In addition to regular rebalancing of the fund's assets, the Dynamic Share to Cash (DSC) model will operate on a portion of the fund. For this portion of the fund, the dsc model will be used to determine the level of investment in cash and shares. The dsc model looks at long term movements and trends in the market to determine factors such as the potential for stock market falls. Where this analysis identifies, for example, greater potential for stock market falls, the amount invested in shares will be reduced and the amount invested in cash increased in the portion of the fund to which the dsc applies. A similar process may in the future apply to other assets. It is important to note that the dsc looks at long-term movements and trends in the market and is not designed to react to one-off or short-term jumps or shocks.

Funds that are managed by external asset managers are subject to incentive fees (see page 32). See page 31 for information on fund managers. Part of this fund may borrow money to invest in property (see page 34).

Multi Asset Portfolio Fund 6 (Volatility 6)

This fund can invest in a range of assets such as bonds, shares, property, cash and specialist funds managed by external managers. This is a high risk fund for adventurous and very adventurous investors, which aims to have a high allocation to higher risk assets such as shares and property. This asset mix will be reviewed and rebalanced regularly to maintain a high level of exposure to such asset classes. For the current asset mix of the fund please see www.irishlife.ie.

In addition to regular rebalancing of the fund's assets, the Dynamic Share to Cash (DSC) model will operate on a portion of the fund. For this portion of the fund, the dsc model will be used to determine the level of investment in cash and shares. The dsc model looks at long term movements and trends in the market to determine factors such as the potential for stock market falls. Where this analysis identifies, for example, greater potential for stock market falls, the amount invested in shares will be reduced and the amount invested in cash increased in the portion of the fund to which the dsc applies. A similar process may in the future apply to other assets. It is important to note that the dsc looks at long-term movements and trends in the market and is not designed to react to one-off or short-term jumps or shocks.

Funds that are managed by external asset managers are subject to incentive fees (see page 32). See page 31 for information on fund managers. Part of this fund may borrow money to invest in property (see page 34).

Funds available

Low-risk funds

Volatility 1

Global Cash Fund

Volatility 2

Capital Protection Fund
Multi Asset Portfolio Fund 2

Medium-risk Funds

Volatility 3

Consensus Cautious Fund
Diversified Cautious Fund
Multi Asset Portfolio Fund 3

Volatility 4

Active Managed Fund
Diversified Balanced Fund
Multi Asset Portfolio Fund 4
Pension Protection Fund

High-risk Funds

Volatility 5

Consensus Fund
Diversified Growth Fund
Exempt Property Fund
Global Opportunities Fund
Indexed Commodities Fund
Indexed UK Equity Fund
Multi Asset Portfolio Fund 5
Property Portfolio Fund

Volatility 6

Consensus Equity Fund
Fidelity European Opportunities Fund
Fidelity Global Property Shares Fund
Fidelity Global Special Situations Fund
Indexed European Equity Fund
Multi Asset Portfolio Fund 6

Volatility 7

Indexed Irish Equity Fund

Other funds available

As well as the MAPS funds there are other funds for you to choose from. Outlined in the next section is the risk rating and description of each fund

Low-risk Funds

Global Cash Fund (Volatility 1)
This fund invests in bank deposits and short-term investments on international and domestic money markets. It is intended to be a low-risk investment, but you should be aware that this fund could fall in value. This could happen if, for example, a bank the fund has a deposit with cannot repay that deposit, or if the fund charge is greater than the growth rate of the assets in the fund.

Capital Protection Fund (Volatility 2)
This fund invests partly in shares. Most of the fund is invested in cash deposits and fixed interest assets, mainly in Ireland. To protect other investors in the fund, we can reduce the value of your fund if you retire early or leave the Capital Protection Fund before you retire.

Medium risk funds

Consensus Cautious Fund (Volatility 3)
The Consensus Cautious Fund is a managed fund, where currently 65% of the assets are invested in the Consensus Fund and 35% track the performance of short term Eurozone government bonds. For more details on the Consensus Fund please see page 29. The Consensus Cautious Fund aims to give mid-range levels of return with lower levels of ups and downs.

Diversified Cautious Fund (Volatility 3)
The Diversified Cautious Fund reduces risk by investing in a large range of assets including shares, property, bonds, cash, commodities and hedge funds (investment funds with a wider range of investment activity than other investment funds). The Diversified Cautious Fund aims to achieve moderate returns with the possibility of limited ups and downs along the way. This is due to being less exposed to higher risk asset classes such as shares and hedge funds. This fund allows you to invest in both index linked and actively managed types of assets. The Diversified Cautious Fund is suitable for you if you want to keep a small amount invested in equity markets while reducing the possibility for ups and downs. Parts of this fund may also borrow money to invest in property (see page 34).

Active Managed Fund (Volatility 4)
Like most actively managed funds, this fund invests mainly in shares, with some investment in bonds, property, cash and other assets. ILIM aims to deliver above-average performance by actively choosing assets and stocks which will perform better than other managed funds in the market. The fund will suit you if you have many years until you retire and you hope to receive above-average returns on a consistent basis.

Diversified Balanced Fund (Volatility 4)
The Diversified Balanced Fund currently links 40% to indexed regional shares, 20% to indexed bonds and 40% to alternative asset classes. The fund is designed to produce a mid-range level of expected returns with reduced levels of ups and downs. This fund is suitable for investors who are willing to accept some risk from share markets while still limiting volatility. Parts of this fund may also borrow money to invest in property (see page 34).

Pension Protection Fund (Volatility 4)
Currently this fund invests largely in long-term Eurozone government bonds and cash. The balance of the fund may have direct or indirect exposure to global interest rate markets. The aim of this fund is to pay for an annuity when you retire.

This 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 this fund 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 and there will be times when the fund will not track annuity prices closely and no guarantee can be given in relation to such movements.

High risk funds

Consensus Fund (Volatility 5)
This fund is Ireland's most popular fund, currently managing over €5 billion in assets. Its success is based on an approach which combines the wisdom of the main investment managers in Ireland. The fund matches the investments they make in shares, property, bonds and cash. The Consensus Fund aims to provide performance that is consistently in line with the average of all pension managed funds in the market.

Diversified Growth Fund (Volatility 5)
The Diversified Growth Fund currently invests 60% in shares with the remaining 40% spread across a range of asset classes including property, commodities and hedge funds. This combination is designed to create a high level of expected return with fewer ups and downs than a pure equity based fund. This fund is suitable for investors with a high number of years to retirement who wish to pursue an aggressive growth strategy. Parts of this fund may also borrow money to invest in property (see page 34).

Global Opportunities Fund (Volatility 5)
ILIM aims to find companies whose value is not yet recognised by the markets. The fund will invest in a wide range of shares across all geographic and industry sectors. ILIM identifies opportunities based on strong research and in-depth company analysis by its team of industry specialists.

Indexed Commodities Fund (Volatility 5)
The Indexed Commodities Fund aims to track the performance of the overall commodities markets (oil, gas and so on). It currently tracks the Goldman Sachs Light Energy Index. In the past, commodities have given similar levels of returns to shares over the long-term. However, they tend to behave differently to all other assets. For example, previously, commodities have often given good returns at times when stock markets or property markets have not. For this reason commodities are often good to invest in if you have already invested in shares and bonds. This may help reduce the overall risk over the long term.

Indexed UK Equity Fund (Volatility 5)
This fund concentrates on UK equities. The fund's aim is to match the average return of all the shares that make up the FTSE UK Index.

Exempt Property Fund (Volatility 5)
This fund invests in a wide range of Irish retail, office and industrial property that could provide a good income from rent and aims to increase your investment through capital appreciation. Please read 'Important information' for more information on property in general.

Property Portfolio Fund (Volatility 5)
This fund invests in a wide range of commercial property investment markets which currently include Ireland, the UK and Europe. ILIM currently invests around one third in Irish property; one third in UK property and the rest in European property. Parts of this fund will also borrow money to invest in property (see page 34).

Consensus Equity Fund (Volatility 6)
This fund aims to give good growth by investing in the Irish and international shares that the Consensus Fund invests in. By taking the average investment that all managers are making, the Consensus Equity Fund avoids the risks associated with relying on the decisions of just one fund manager. Managing assets this way removes the risk associated with some managers making poor decisions.

Fidelity European Opportunities Fund (Volatility 6)
Fidelity manages this fund, which aims to provide long term investment growth from a range of European shares. The fund will invest across continental Europe and is made up of a blend of investments in large, medium and small companies in sectors such as medical technology and alternative energy.

Fidelity Global Property Shares Fund (Volatility 6)
Fidelity manages this fund which invests in Real Estate Investment Trusts (REITs) and listed property securities from around the world. This means it stands to benefit from the strong growth in property investments globally and the growing REITs market. The Fidelity Global Property Shares Fund will appeal to you if you want to benefit from the long-term growth potential that listed property companies could give.

Fidelity Global Special Situations Fund (Volatility 6)
Fidelity manages this fund which can invest anywhere in the world in any mix of companies. The fund manager looks for stocks that meet conditions such as companies going through a restructuring phase or where specific industries are going through major change. This fund is likely to have higher levels of ups and downs than some other funds which invest in worldwide shares.

Indexed European Equity Fund (Volatility 6)
This fund concentrates on European equities. The fund's aim is to match the average return of all the shares that make up the FTSE Europe Ex UK Index.

Indexed Irish Equity Fund (Volatility 7)
This fund concentrates on Irish equities. The fund's aim is to match the average return of all the shares that make up the ISEQ Index.

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

Warning: If you invest in this product you may lose some or all of the money you invest.

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

Important information about available funds

This section gives you information about tax, currency, charges and important information relating to investing in our funds.

Delay periods

In certain circumstances we may need to delay switches, withdrawals or transfers out of a fund. The circumstances in which we may delay a switch, withdrawal or transfer can include the following.

- If a large number of customers want to take money out of the same fund at the same time.
- If there are practical problems selling the assets in which the fund invested.
- If the fund manager who is responsible for the investment or any part of the fund imposes such a delay.

The amount then switched, withdrawn or transferred will be based on the value of the units at the end of the notice period. You should read the fund description of your chosen fund to see if a notice period applies.

Reducing the value of the fund

When there are more customers moving out of a fund than making new investments in it, we may reduce the value of the units in the fund. This is to reflect the percentage of the costs associated with buying and selling the assets of the fund. The reduction in the value of the affected assets will be different for each fund.

Currency

Funds that invest outside of the Eurozone carry a risk related to currency. This is because the funds are priced in euro but the assets that are invested outside the Eurozone are valued in their local currency. This can increase or reduce your returns depending upon how those local currencies are performing compared to the euro. Some funds which invest in assets outside of the Eurozone may try to mange the risk related to movements in exchange rates. The cost of trying to protect against currency movements will be charged to the fund on an ongoing basis. Changes in exchange rates during the investment term in funds which are not currency protected may have a negative effect on the value of these funds and the expected investment returns.

Warning: These plans may be affected by changes in currency exchange rates.

Fund managers

Irish Life offer a number of funds where some or all of the assets within the fund are managed by companies (fund managers) other than Irish Life Investment Managers (ILIM), for example, funds managed by Fidelity or Henderson. There will be charges taken from these funds by both us and these fund managers. For those funds that are managed by fund managers, it is important to note the value of any investment placed with these managers may be affected if any of the institutions with whom we place money suffers insolvency or other financial difficulty.

Our commitment is to pass on the full value of the assets we receive from the fund manager for your plan. Our commitment is restricted to the returns we actually receive from the fund manager. If you invest in funds managed by a fund manager, it is likely that the way your investment performs in those funds using our products will be slightly different from the performance of the fund manager funds themselves. This could be due to factors such as the time needed to move your investment into their funds and any changes in the values of currencies.

(Please see the Currency section on page 31).

Where funds are managed by external fund managers, the investments may be legally held in countries other than Ireland. You should be aware that where a fund is domiciled will impact on how it is regulated.

Incentive fees

An incentive fee may be deducted by some fund managers if they achieve certain investment returns on the funds they manage. Depending on the particular fund, circumstances in which an incentive fee may be deducted by a fund manager include the following:

- If the investment return is positive in any calendar quarter.
- If the investment returns exceed a certain level each year.
- If the investment returns achieved in a particular year are greater than the previous highest investment return.
- If the returns achieved by these funds exceed the performance of a benchmark fund.

Where an incentive fee is deducted this will be reflected in the unit price of the fund.

For more information on incentive fees please see www.irishlife.ie.

Variable fund charges

In general, we can only increase the rate of our fund charge on any fund if our Board of Directors passes a resolution. We will only increase the charges when there is an increase in the costs of dealing with the investment and will give you notice of the increase. However, the charges on some of our funds are variable which means they can be higher or lower than the charges shown in this booklet, please see page 33. This is most likely to be the case where there are fund managers other than Irish Life Investment Managers (ILIM), for example, funds managed by Fidelity. Some of the fund managers may also be paid an incentive fee if they achieve positive returns on their funds. The charges on a fund may also vary if that fund can invest in a range of other funds. The proportion invested in each fund may vary over time.

Note: Since fund charges vary between funds, the overall fund charge will vary depending on the weighting of individual investments in each fund. Also, if the charges on individual funds change, the overall fund charge will vary as a result.

Where the charges on a fund can vary we have shown, in the table below, the estimated level of the variable charge. The charges shown reflect our best estimate of the charges we expect the fund will have to pay over the long-term. However, the actual charges can vary from the amounts shown. The factors that may cause the level of variable charges to be higher or lower than that shown are outlined in your Terms & Conditions booklet.

Estimated average level of variable charge	
Diversified Balanced Fund	0.40%
Diversified Cautious Fund	0.40%
Diversified Growth Fund	0.40%
Fidelity European Opportunities Fund	0.95%
Fidelity Global Property Shares Fund	1.15%
Indexed Commodities Fund	0.50%
Property Portfolio Fund	1.10%
Fidelity Global Special Situations Fund	0.95%

The actual level of the variable charges may be higher or lower than this depending on the factors outlined in your Customer Information Notice or your Terms and Conditions. If you receive a Customer Information Notice, for the purposes of the table of benefits and charges, we have used an estimated average level of variable charges for each of the funds above. However, these are for example only and are not contractually fixed charges.

Tax
Under current Irish tax rules, the growth of all pension funds, is not taxed until you make withdrawals. However, if your chosen fund invests in assets outside Ireland, the fund may have to pay tax on these investments. We will take tax on income or profits if this is necessary under the tax rules of the country the assets are held in. In some instances, withholding tax or other taxes may apply, depending on the tax rules of the country. We will take any tax due from the fund, and this is reflected in the returns of the fund.

You may have to pay income tax at the highest rate on withdrawal, Universal Social Charge (USC), PRSI (if applicable) and any other taxes or government levies applicable at the time benefits are taken from your pension. Your dependents may have to pay inheritance tax on any benefits paid from your plan to them.

European Property
For any investments in European Property, tax will be deducted on rental profit if this is necessary under the tax rules of the relevant country. In some instances, depending on the tax rules of the country, capital gains tax may also be due on capital gains made within the fund.

Some of the European part of the Property Portfolio Fund may be invested in countries that are outside the eurozone area. The European fund managers may try to protect the fund against changes in exchange rates. However there may be times when they decide not to. If tax legislation and practice changes during the term of your plan, we will amend this in the fund value as a result. This information is based on current tax law, which could change in the future.

Using borrowings
In the description of funds, we have shown the funds which are likely to include borrowing as part of their investment strategy. The amount borrowed will vary and you should

contact us to find out the current amount borrowed within the fund you are interested in. This will help you assess the level of risk, which increases as borrowing increases.

Funds which invest in the European property markets are invested in indirect property investments through other fund managers. This means that rather than buying properties directly, we invest your money with other fund managers. For example, we may invest in a fund which itself invests directly in property. These managers use money invested in these funds to borrow extra money.

As a result, the amount of property in these funds can increase which, in turn, increases the possibility for growth. This is one of the main attractions of these indirect property funds. You will have the chance to get higher returns if the value of the property paid for by the loans is higher than the cost of repaying the loans.

However, borrowing in this way also increases the possible risks for the fund. It can mean greater losses if the property falls in value.

The value of indirect property investments will reflect the total value of the properties in the fund but with the value of the loans and the interest due taken off. The example below shows how a property fund works if it usually invests in a mix of direct and indirect properties.

Estimated average level of variable charge	
Amount of investment	€100,000
Amount directly invested in property:	€75,000
Amount indirectly invested in property:	€25,000
Amount borrowed by indirect funds:	€75,000
Amount invested in indirect property with borrowings:	€100,000
Total amount invested in property including borrowings:	€175,000

In this example:

- 25% of the investment is invested indirectly in property
- for every €1 invested indirectly in property, €3 is borrowed. Please note that the level of borrowing will vary from fund to fund. When referring to funds with borrowing, the term 'loan-to-value ratio' is often used. This is the loan amount divided by the value of the property and in the above example is 75%. The loan to value ratio changes based on the value of the indirect properties at any given time so this percentage will vary regularly.

What happens if property falls in value?

That part of the fund linked to indirect property investments will fall in value by a greater amount because of the level of borrowing. The following are examples

- If the value of the indirect properties fall by 10% and the indirect fund

borrowed €3 for every €1 invested, the actual fall in value of the indirect part of the investment would be 40%.

- If the value of the indirect properties fall by 10% and the indirect fund borrowed €2 for every €1 invested, the actual fall in value of the indirect part of the investment would be 30%.
- If the value of the indirect properties fall by 10% and the indirect fund borrowed €1 for every €1 invested, the actual fall in value of the indirect part of the investment would be 20%.

For any particular fund the amount invested indirectly in property by the external fund manager may be higher or lower than shown above. The level of borrowing within that part of the fund invested indirectly in property will also change over time. The higher the amount of the loan compared to the amount invested in property, the greater the potential returns. However, the level of risk will be higher.

The property cycle – selling costs and delays

The property market reacts more slowly than stock markets and tends to follow more of a cycle. It can rise or fall for longer periods in a more consistent way than the stock market does. This is partly because it takes more time and costs more to buy and sell properties than it does to buy or sell other assets like shares. As a result, if there are more investors who want to cash in their investments than there are new investors, we may need to make the following changes so that all investors pay their fair share of the costs that the funds have to pay.

Notice periods (delays)

If you have chosen to invest in a property fund, we may delay switches, withdrawals or transfers out of that fund from the time we receive your request. This is referred to as the 'notice period'. Due to the high cost and time involved in selling properties, a delay of this sort is likely to happen at some point during your investment. The length of any delay will depend on how long it takes us to sell the assets in the fund. A delay of at least six months would be likely to apply in this situation.

Delayed transactions will be based on the value of the units at the end of the notice period. Once you have given us notice that you want to switch, withdraw or transfer out of a fund, you cannot change your mind during any notice period. You should read the fund description to see if a notice period applies to the fund you have chosen.

Reducing the value of the fund

When there are more customers moving out of a fund than making new investments in it, we may reduce the value of the units in the fund to reflect the percentage of the costs associated with buying and selling the assets of the fund. The reduction is likely to be most significant for the percentage of any fund invested in property.

For those funds invested in property, the actual reduction will depend on the percentage of property in the fund and the actual costs involved in having to sell properties within that fund. If a reduction in value were to apply today, we estimate this rate could possibly be in the region of 10%, assuming that the fund has a high percentage invested in

property. To arrive at this rate, we have estimated the selling costs that might apply. It is possible that the reduction in value could be higher or lower in the future and could take place in stages.

Funds with a lower property asset mix will have a lower reduction rate. The reduction for any part of a fund invested with external fund managers may happen at a different time to the reduction for the rest of the fund.

Access to cash

Funds that invest in property usually need to keep some cash to hand because it normally takes time to buy and sell properties. However, from time to time, the level of cash in the funds can rise if the fund manager cannot find the quality of commercial property investments that they are looking for. If this happens, the fund manager may increase the level of indirect property investments until they find the right properties for these funds.

Information relating to the Property Portfolio Fund

For the European part of the Property Portfolio Fund, ILIM have chosen Henderson Global Investors as their initial European property partner. They will choose and manage a mix of indirect property investments across Europe. Indirect property investments refers to property invested through other fund managers and not through ILIM. By using their European-wide property research teams, they will identify and invest in some of Europe's leading property managers. The fund will use borrowings to increase the amount of property that they will invest in. Please read page 33 for information on borrowing and property in general.

General Information

If you have chosen to invest in a fund that invests in shares or bonds, the assets in that fund may be used for the purpose of securities lending which aims to earn an extra return for the fund. Although this increases the level of counterparty risk within a fund, it provides an opportunity to increase the return.

At any stage we can change the range of fund options that are available. We may decide to stop giving you access to certain funds entirely. In this case you can switch out of these funds into any other funds that are open at the time. We can also restrict the option to switch into, or invest top-up contributions in, any funds. We may also change the manager who manages a particular fund in the future. In various fund descriptions, we explain the asset split that currently applies. The fund manager can change this asset split at any stage in the future. You can contact us for up-to-date information on your funds at any time or visit our website www.irishlife.ie.

5. Your options when you retire

What retirement age can I choose?

Personal pension

You can decide to take your retirement benefits at any time between the ages of 60 and 75, whether you have stopped working or not.

Company pension

You can normally decide to take your retirement benefits at any age between 60 and 70. However, if your employer and the scheme trustees agree, you can retire early from the age of 50.

Your options

You can use the money you have built up in your pension fund in a number of different ways, depending on whether you have built up a fund through contributions into a personal pension, AVCs or a Company pension.

Retirement lump sum

You can take part of your pension fund as a retirement lump sum. You may be able to take some or all of this retirement lump sum tax free.
Everyone has the option to take 25% of the fund as a retirement lump sum.

The balance of the fund can then be used for one or more of the following:

1. Buy a pension for life (annuity)
2. Invest in an Approved Retirement Fund (ARF) or Approved Minimum Retirement Fund (AMRF)
3. Take as a taxable cash sum.

If you have a company pension, instead of taking 25% of the fund as a retirement lump sum, you can choose to take a retirement lump sum of up to one-and-a-half times your final salary, depending on the length of time you have actually been employed. The balance of your pension must be used to buy a pension for life.

However your AVC fund can be used for one or more of the following:

1. Buy a pension for life (annuity)
2. Invest in an ARF or AMRF
3. Take as a taxable cash sum.

As mentioned, you may be able to take some or all of your retirement lump sum without paying any tax. The maximum tax free amount you can receive is €200,000. Retirement lump sums between €200,000 and €500,000 will be subject to standard rate income tax. Any retirement lump sums greater than €500,000 will be taxed as income at your marginal rate. The Universal Social Charge (USC), PRSI (if applicable) and any other taxes or government levies will also be deducted. Both the €200,000 and €500,000 limits include all retirement lump sums you have received since 7 December 2005.

Your Ulster Bank Financial Planning Manager can give you more information about what you are entitled to.

1. Buying a pension for life

You can buy a pension for life (a regular income paid to you for the rest of your life also known as an annuity). You can choose from a number of different types of pensions, including the following:

- A pension paid to you for at least five or 10 years. This means that if you die during this period, we will continue to pay the pension to your dependants up to the end of the five or 10-year period.
- A pension which will increase. This means your pension increases each year, to take account of inflation, when it is being paid.
- A pension for your husband or wife, registered civil partner or dependent. This means if you die we will pay a pension to them until they die.
- You may qualify for an enhanced annuity based on information on your lifestyle and medical history (and that of your dependant if this applies). Enhanced annuities offer a higher income than standard annuities - this is because they work on the basis that, if you have a medical condition then you'll have a shorter life expectancy than somebody in a better state of health.

The type of pension you choose will affect the amount of income your pension fund can provide. When you retire you can decide whether to use your pension fund to buy a pension from us or another insurance company. Your pension is treated as income so you will have to pay income tax at your highest rate on withdrawal, the USC, PRSI (if applicable) and any other taxes or government levies due at that time.

2. Investing in an ARF

An ARF is a personal investment fund from a qualified fund manager that you can manage and control during your lifetime, and leave to your family when you die. Depending on your circumstances, you will have two main options for reinvesting your pension fund.

ARF

If you can show that you are receiving a guaranteed pension income for life (from other sources) of at least €12,700 a year, you can reinvest the rest of your pension fund in an ARF. An ARF gives you a choice of how you use your fund.

You can:

- decide where you want to invest your money choosing from a wide range of investment options;
- make withdrawals from your fund as and when you need them. You will be taxed on all withdrawals from your ARF fund; and
- use your ARF to buy a guaranteed pension for life (annuity) at any time.

The money you invest in an ARF may be reduced if the level of income you take is high and the investment return is not high enough to maintain this, or is lower than expected. When you die, any money left in your ARF will pass to your estate. Under the Finance Act 2006, the qualifying fund manager must take tax from the ARF assuming you had taken a certain income each year. We explain this fully in a booklet specifically on ARFs which you can ask us for.

AMRF

If you do not have a guaranteed pension income for life of at least €12,700 a year when you retire, you must invest €63,500 in an AMRF (or the rest of your fund if it is less than this amount) or buy a pension with the same amount. The main difference between an AMRF and an ARF is that you are not required to make a minimum withdrawal from an AMRF each year. You may make one withdrawal each year from an AMRF of up to a maximum of 4% of the value of your funds at that time. You will have to pay tax on any withdrawal made and the withdrawal may be subject to an early withdrawal penalty.

This 4% restriction applies until one of the following happens (whichever is first).

- You start receiving a guaranteed pension income for life from other sources (currently €12,700 a year), or
- You reach age 75.

It is your responsibility to let us know if your income changes.

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

Making regular withdrawals may reduce the value of your fund, especially if investment returns are poor or you choose a high rate of withdrawal (or both). It is possible that your fund could run out before you die. The higher the level of regular withdrawal you make, the higher the chances are that you will use up your fund in your lifetime.

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

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

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

3. Taking your pension fund as taxed cash

After taking your maximum retirement lump sum, you may be able to take the rest of the fund as a cash sum. There are certain legal restrictions on taking up this option. If you can show that you are guaranteed to receive a pension income for life (from other sources) of at least €12,700 a year, you may take the rest of your pension fund as cash. You will have to pay tax on this at your highest rate of income tax and any other tax due at that time.

If you are not guaranteed a pension income for life of at least €12,700, you must invest €63,500 (or the rest of the fund, whichever is lower) in an AMRF, or buy a pension with the same amount. You can take any fund left as cash, which you will pay tax on.

These limits may change in the future.

When you are taking your retirement benefits, you will need to give us all relevant information about your existing pension arrangements and income. We will let you know the limits that apply to you when you are taking your retirement benefits.

Your open-market option

You can choose to buy your pension income (an annuity) from a pension provider other than us. This is called an ‘open-market option’. If you move to another provider, you may get a higher or lower pension income. Once you know what type of pension interests you, you can compare the different levels of income on offer. Your Ulster Bank Financial Planning Manager can help you with this and you can also see the Competition and Consumer Protection Commission website at www.ccpc.ie. It is also possible to buy an ARF or AMRF product from a qualified fund manager other than us.

Maximum pension fund

The maximum pension fund allowed at retirement from all sources for tax purposes is currently €2,000,000. This is called the standard fund threshold (SFT). Any fund more than €2,000,000 will be taxed at the higher rate for income tax (currently 41%). This tax is taken from the pension fund before your retirement benefits are payable.

We advise that you speak to a tax adviser as the information given is only a guideline and does not take account of your personal circumstances.

6. Your questions answered

Can I have more than one pension plan?

Yes, if you are eligible for a personal pension, you can have a number of plans. The Revenue Commissioners will add up all the contributions and you will get tax relief up to a certain limit. If you are eligible for company or AVC contributions, you may have more than one plan but you cannot contribute above a certain limit.

Can I use my pension plan as security for a loan?

No. You cannot transfer the rights to your pension plan to a lending agent because pension plans cannot legally be assigned.

Can I cancel a pension?

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

Irish Life Assurance plc,
Irish Life Centre,
Lower Abbey Street,
Dublin 1.

If you do this within 30 days of the date we send you your Welcome Pack (or a copy), we will cancel the plan. We will refund any regular contributions you have made. We will return any single contributions or transfers, less any fall in investment values during the period and in line with Revenue rules.

If you decide to permanently stop making contributions at any stage, you can make the plan 'paid-up'. This means that the value of your pension fund stays invested without you or the company making more contributions. When you reach retirement age you can use this fund to buy a pension. If you stop your contributions for any reason, the effect will be the same as if you made your plan paid-up. Before cancelling, you should be sure that you have made other arrangements for your retirement. You should contact your Ulster Bank Financial Planning Manager for more details.

How can I pay?

You can choose to make regular contributions. You can pay by direct debit (every month, every three months, every six months or every year), or by cheque every year.

- If you are paying by direct debit, the smallest regular contribution amount is €150 a month (€1,800 a year) and the largest is €50,000 a year.
- If you are paying by cheque, the smallest contribution amount is €3,000 a year, and the largest is €50,000 a year.

You can also invest a lump sum at any time. (You can do this instead of, or as well as, making regular contributions). If you start off with just a lump sum, you can't add regular contributions at a later date. The smallest one-off contribution you can invest is €500 if you already have a plan in place or €3,000 if it is your first contribution.

Can I change my contribution level?

You can increase your contributions at any time. You can also reduce your contribution to the minimum allowed or take a break from making contributions if you want to. However, you need to remember that reducing (or stopping) your contributions will affect the value of your pension fund when you retire.

To help you to decide whether you need to increase your pension benefits, we will send you a statement each year showing:

- the contributions you have made;
- the value of your fund; and
- an estimate of the pension you will receive when you retire.

We recommend that you review your level of benefit each year.

Can I protect my contributions against inflation?

Yes, when you take out your plan, you can choose to have your contributions increase with inflation. If you choose this option, the contribution will increase each year in line with:

- the consumer price index; or
- 5%;

whichever is higher.

Do I have to pay tax on my pension?

Under current law, when you retire you can take some of the fund as a retirement lump sum. You will have to pay standard rate income tax on any retirement lump sums between €200,000 and €500,000. Any amounts over €500,000 will be taxed as income at your marginal rate. The USC, PRSI (if applicable) and any other taxes or government levies will also be taken. You will have a number of options as to how you can use the rest of your pension fund, and how you are taxed will depend on which one you choose.

- If you choose to buy a pension for life (annuity), your income will be taxed as income in the normal way and will include any tax due at that time.

- If you have the option to invest in an ARF, or AMRF, you will have to pay tax on any withdrawals that you make.

Under current law, the maximum pension fund allowed for tax purposes is €2,000,000. The relevant maximum will apply to the total of all pension funds you may hold. If you have pension funds over this amount you will be taxed at the higher rate for income tax. This tax is taken from the pension fund before your retirement benefits are paid.

What is a personal fund threshold?

If you have a Personal Fund Threshold Certificate issued from the Revenue, your maximum pension fund at retirement may be more than €2,000,000. You should contact your Ulster Bank Financial Planning Manager or customer service team for more details.

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

If you have to retire early because of ill health, and you apply for and get Revenue approval, you can take your pension benefits immediately. However, your pension may be low because your contributions are stopping at an earlier age and the pension will have to last longer as you will be retiring earlier.

What is the minimum term?

The minimum investment period on Navigator Personal and Company pensions is two years. However, there is no minimum investment period for bond plans.

Family law and pensions

If you are involved in a legal separation, divorce, dissolution of a civil partnership, or ending a relationship with a qualified cohabitant , a court application for a pension adjustment order (for the retirement or death benefits we pay under this plan) may be made. You can get more information on how a pension adjustment order works from your solicitor or the Pensions Authority.

The Pensions Authority,
Verschoyle House,
28/30 Lower Mount Street,
Dublin 2.

Phone: 01 613 1900
Fax: 01 631 8602

If a pension adjustment order has to be granted on your plan, you must notify us.

What happens if I die before I retire?

If you have a personal pension and die before you retire, we will pay the value of your pension fund to your estate. If you have a company pension plan, we will pay this value to the trustees of your pension plan (usually your employer). They will then pass the benefits to your dependants, according to the rules of your scheme. As with any inheritance, your dependants may have to pay inheritance tax on any benefits we pay them.

Pension Life Insurance

The value of your fund may not be enough to provide for your dependants when you die, particularly in the early years when the value of the fund is low. Pension Life Insurance is life cover that you can take out and which will pay your dependants a guaranteed lump sum if you die during the term of the plan. The advantage of this type of life insurance is that, if you are eligible, you can claim tax relief on your contributions. This is a separate standalone product. If you want more information on this product your Ulster Bank Financial Planning Manager can give you full details.

Questions about personal pensions

Am I eligible to take out a personal pension plan?

As tax relief is available on contributions into the plan, up to certain limits, you must meet certain conditions to be eligible to take out a personal pension plan.

- You must be legally responsible for paying tax in Ireland (this means Irish tax is due on any profits or earnings you make).
- Your income must be 'earned' – this means that you can't use money you've made from rent, dividends from shares or returns you've made on investments.

Basically, you can only use the money you've earned from your job.

- To be eligible to take out a personal pension plan, your income must be taxable under schedule D (case 1 or 2) or schedule E if you are in 'non-pensionable employment'. Schedule D (case 1 or 2) income is profits from a trade or profession, and usually applies if you are self-employed or working as a sole trader. Schedule E income includes earnings from employment and benefits-in-kind. 'Non-pensionable employment' is where you work for someone else but there is no pension scheme for you to join.

How much should I invest in my pension plan?

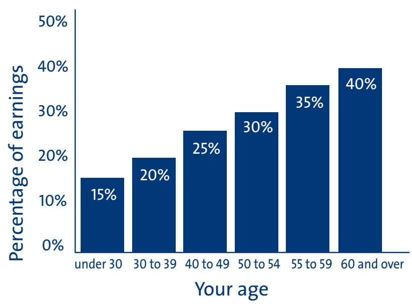
The amount of money you should invest in your pension plan depends on:

- your age;
- how much money you want when you retire;
- what benefits you've already built up; and
- when you'd like to retire.

If you want to retire quite soon with large retirement benefits, you will need to contribute more than someone who has longer to go to retirement and who doesn't want as much. The Government has set certain limits for income tax-relief purposes.

Your Ulster Bank Financial Planning Manager will be able to recommend a level of funding based on your needs. You can get income tax relief on up to the percentage of your earnings shown below.

This graph shows the maximum contribution you can make, as a percentage of your earnings, for which you can claim income tax relief.



Earnings are defined as follows.

For self-employed people, earnings are defined as 'net relevant earnings'. Net relevant earnings means your income during a tax year, less allowances or losses and also less certain charges and deductions such as mortgage interest for which you can claim tax relief.

For employees, earnings are defined as salary including overtime, bonuses and benefits-in-kind (in other words, perks that do not take the form of a salary).

Income tax relief is currently not available on earnings which are more than €115,000.

Claiming income tax relief

If you are an employee and your personal contributions are taken from your bank account, you can apply to your local Inspector of Taxes to have your tax credits adjusted to reflect your pension contributions.

If you are self employed, you must include your pension contributions in your self assessment tax returns in order to get income tax relief. Income tax and other tax will be due on any pension income you receive when you retire. Pensions are long-term savings plans that you can only take when you retire.

Are there any age restrictions on a personal pension plan?

You must be between age 18 and 73 (next birthday) to invest in a Navigator personal pension plan. You can take the benefits at any age between 60 and 75, or earlier in certain circumstances.

What happens after I apply for my plan?

After we assess your application, we will send you:

- your Terms and Conditions booklet (which outlines the standard terms of your contract with us); and
- your plan schedule and customer information notice (which outlines the specific details of your particular investment with us).

It is important that you read the details of your plan to make sure it meets your needs. Remember that a pension plan is a long-term commitment.

You have 30 days after we send you this information to cancel your plan. If you decide to do this, we will refund any regular contributions you have made, depending on Revenue rules. We will also return any one-off contributions or transfers you make, less any reduction in investment values during the period.

What happens if I take out a personal pension plan and then am no longer eligible?

You will no longer be eligible if you do not earn an income that is taxable in Ireland or if you move into a pensionable job. If this happens, you can continue contributing but cannot claim tax relief.

Can I take money out of my pension?

You cannot take money out of your pension before you reach 60 unless you have to retire early because of ill health. You can transfer your plan to another approved personal pension plan with another insurance company or to a PRSA. Depending on the funds you have chosen,

there may also be a delay in moving your fund. Please see the Fund Guide section for more details.

Do I have to retire to get my pension?

You do not need to retire to get your pension. You can take your pension at any time from age 60 and continue to work. You can retire because of ill health at any time. However, the Revenue Commissioners must agree and you must take your pension immediately.

Who should I talk to if I have any questions or complaints?

If you have any questions about your pension, you should talk to your Ulster Bank Financial Planning Manager or contact our customer service team. If you have a complaint and are not satisfied after contacting the above, you should write to:

Customer service team,
Irish Life Assurance plc,
Irish Life Centre,
Lower Abbey Street,
Dublin 1.

If you are still not satisfied, you can contact:

The Financial Services Ombudsman,
3rd Floor Lincoln House,
Lincoln Place,
Dublin 2.

Lo-call: 1890 88 20 90
Fax: 01 662 0890

Email: enquiries@financialombudsman.ie
Website: www.financialombudsman.ie

Questions about company pensions (and AVCs)

Can my employer take out a company pension for me?

As tax relief is available on contributions into the plan, up to certain limits, you must meet certain conditions to be eligible to take out any type of pension plan.

- You must be legally responsible for paying tax in Ireland (this means Irish tax is due on any profits or earnings you make).

- Your income must be 'earned' – this means that you can't use money you've made from rent, dividends from shares or returns you've made on investments.

Basically, you can only use the money you've earned from your job. As well as meeting these conditions, to be eligible to take out a company pension plan, you must have an income which can be assessed for income tax under Schedule E. This income would include salaries, bonuses, benefits in-kind and directors' fees. With a company pension plan, your employer must contribute.

Can I make contributions into the company pension arrangement?

Yes. If you make contributions yourself into the company pension plan you can make AVCs. If your employer requires you to pay a compulsory amount towards the arrangement these are 'employee contributions'. The limits on page 49 apply to both your AVCs and employee contributions.

The main difference between AVCs and employee contributions is that if you decide to take your retirement lump sum based on your salary and service with the company, your AVCs will give more options with the balance of the fund.

If you have any questions about this important aspect of pension planning you should speak to your Ulster Bank Financial Planning Manager.

How much should I invest in my company pension plan?

Remember that your employer must contribute. If you know how much your employer is going to pay, you can decide how much you want to pay as AVCs. Company pension contributions are limited, they are based on your age and if you already have pension benefits from previous jobs. If you don't have pension benefits from a previous job, your employer can pay the following for you.

Sample maximum contribution (% of salary)

Current Age	% of salary
30	54%
35	63%
40	76%
45	95%

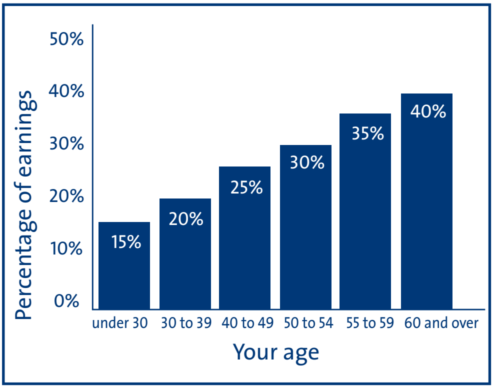
Note: The figures above assume:

- that the member will have completed at least 10 years' service when they retire;
- the member is a married male retiring at 65;
- existing pension benefits are not included in the above rates; and
- the rates are worked out using capitalisation factors published by the Revenue Commissioner.

These figures could change over time.

As an employee, you can make contributions up to the limits outlined below. Income tax relief is not available on earnings more than €115,000.

This graph shows the maximum contribution you can make, as a percentage of your earnings, for which you can claim income tax relief.



Any contributions you make will reduce the limits available to your employer. For example, if you are 35 and don't have any previous pension benefits, your employer can pay up to 63% of your salary a year into a pension plan for you. If you also decide to pay into it and want to pay the maximum available to you, such as 20% of your salary a year, your employer's contributions must reduce to 43% (63% less 20%). It is important that you get advice on the amount you should be paying into your pension. You should also learn about the

amount of pension benefits that will be available to you when you retire. If you have any questions on this, you should speak to your Ulster Bank Financial Planning Manager.

Claiming income tax relief

Your employer gets corporation tax relief on any contributions the company makes towards a pension plan for employees (as long as the contributions are within the agreed limits). You can claim income-tax relief on contributions you make towards the pension plan, up to the limits described earlier. To be eligible to claim income tax relief your income must be taxable under Schedule E. Your employer will usually agree to take these contributions direct from your salary before tax. In this case, income tax relief is immediate. If contributions are taken from your net salary, you can apply to your inspector of taxes to adjust your tax credits.

Are there any age restrictions on a company pension plan?

You must be between age 18 and 68 (next birthday) to invest in a Navigator company pension plan. You can choose a retirement age between 60 and 70. If you want to retire earlier, the maximum benefits you can take may be reduced.

Are there any limits on contribution levels or benefits?

To make sure the Revenue Commissioners approve the plan, certain limits apply to contribution levels and benefits.

Contribution limits

The maximum contribution that you, as an employee, can make that qualifies for personal tax relief in any tax year depends on your age. These limits are shown on page 49 and apply to your total contribution to your company pension plans (in other words, your AVCs and employee contribution). In a company pension plan, the company must contribute. The company can contribute as much as is needed to provide the maximum benefits.

Benefit limits

The following limits apply to the combined benefits from your pension plans when you reach normal retirement age.

- The maximum pension is 2/3 of your salary. If you have less than 10 years employment with your company or you take early retirement, your limits reduce, depending on the length of time you have actually been employed.

- The maximum retirement lump sum is one-and-a-half times your final salary. If you take a retirement lump sum, this reduces the pension you are allowed. If you have less than 20 years employment with your company or you take early retirement, the limits for your retirement lump sum reduce, depending on the length of time you have actually been employed. You also have the option instead to take 25% of the fund as a retirement lump sum. The maximum lump sum you can receive tax free from all sources is €200,000. Any lump sums greater than €200,000 will be subject to income tax, please see page 44 for more information.

- The maximum dependant's pension, available when you die, is 100% of your retirement pension. Any children's pension plus your dependant's pension must not be more than your own retirement pension.

There are also limits to:

- the rate at which your pension can increase while in payment;
- early retirement pensions; and
- pensions we pay to directors who directly or indirectly control more than 20% of the voting rights in the company (20% director).
- Under current law, the maximum pension fund allowed for tax purposes is €2,000,000.

What happens if I leave the company?

If you leave the company, there are a number of options available.

You can:

- make your pension plan 'paid-up' (leave the money in your pension plan);
- take a refund of your own contributions to the plan; or
- take a transfer value.

Refunding contributions

You are entitled to a refund of your own (not your employer's) contributions if you have been in the company pension less than two years (depending on certain conditions). This refund is only based on the fund built up by your contributions and is taxed at the standard tax rate which applies on that date. In this case, we return the fund built up by the company's contributions to the company. They then have to pay corporation tax on this. 20% directors do not have the option to take a refund of contributions.

Transfer value

You can take a transfer value from the plan. You may be able to transfer the value to another pension scheme (depending on certain restrictions) for example, the pension plan of a new employer, a PRSA (depending on certain restrictions) or a personal retirement bond (a pension plan in your own name which gives you control over the fund).

Is my pension protected if my company goes into liquidation?

The assets of your pension plan are totally separate from the assets of the company. In most cases, if a company goes into liquidation, the company pension plan will be 'wound up'.
The trustees of the pension plan are responsible for winding up the pension plan, according to the rules of the plan and current law. You have a number of options that are similar to those available to you if you leave the company, but they do depend on the terms which apply when the company is wound up.
We have already described these options in the previous answer.

Can I take money out of my plan?

In most cases you will only be able to access your company pension at your normal retirement age or due to early retirement. If you decide to take a withdrawal which is less than 30% of the value of your AVCs, you will not be able to take another withdrawal.

You will have to pay income tax at your marginal rate if you take a preretirement AVC withdrawal. Irish Life is obliged to deduct income tax at the highest rate (currently 41%) from this withdrawal unless you provide us with a tax certificate before the withdrawal is paid. Taking a pre-retirement AVC withdrawal will reduce the amount available to you in retirement. Before deciding to take a withdrawal from your AVCs you should be sure that you have made other arrangements for your retirement. You should contact your Ulster Bank Financial Planning Manager for more information on this. You should also contact your trustee.

Do I have to retire to get my pension?

Once you have reached retirement age, you do not need to actually retire to take your pension. If you stay working after your retirement age, you can:

- delay taking the payment until you retire;
- take the pension and retirement lump sum at your normal retirement age; or
- if you take your retirement lump sum based on your salary and service you can take your retirement lump sum at your normal retirement age and delay the pension until you retire. The option of delaying your pension until you retire is not available if you take 25% of the fund as your retirement lump sum. See pages 37 to 41 for more details about your retirement options.

Can I retire early?

If your employer and scheme trustees agree, you can retire at any time after you reach 50. However, this will reduce your pension benefits.

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

If the Revenue Commissioners, your employer and the trustee approve, you can retire early because of ill health and take your pension benefits immediately. The pension may be low because your contributions are stopping at an earlier age and the pension will have to last longer as you will be retiring early.

Who should I talk to if I have a complaint?

If you have a complaint, please contact your trustee or our customer service team. If you believe that you have suffered a financial loss as a result of poor administration of your scheme, or if there is a dispute about a fact or law, you should first talk to the trustee.

By law, the trustee has to set up and follow an internal disputes resolution procedure, which they must publish and make available to you.

You can find more information on this from the Pensions Ombudsman at:

The Office of the Pensions Ombudsman,
36, Upper Mount Street, Dublin 2.

Phone: 01 647 1650
Fax: 01 676 9577
Email: info@pensionsombudsman.ie
Website: www.pensionsombudsman.ie

The trustee will investigate the matter for you. You can appeal against their decision to the Pensions Ombudsman. Both you and the trustee can appeal against the decision of the Pensions Ombudsman to the High Court.

You should contact the Pensions Authority at the address below if you have any other complaints.

The Pensions Authority,
Verschoyle House,
28/30 Lower Mount Street,
Dublin 2.

Phone: 01 613 1900
Fax: 01 631 8602

For all other questions, please contact our customer service team and we will try our best to sort out the matter. If you, as the trustee and owner of the plan, have a complaint, you should contact:

Customer service team,
Irish Life Assurance plc,
Irish Life Centre,
Lower Abbey Street ,
Dublin 1.

If you are not satisfied after contacting the above, you can contact:

The Financial Services Ombudsman,
3rd Floor Lincoln House,
Lincoln Place,
Dublin 2.

Lo-call: 1890 88 20 90
Fax: 01 662 0890
Email: enquiries@financialombudsman.ie
Website: www.financialombudsman.ie

7. Information for the Employer/ Trustee

This section applies to company pension plans.

The Navigator pensions plan is a contract with you, the trustee. The contract is provided by Irish Life Assurance plc, which is regulated by the Central Bank of Ireland.

The Navigator company pension plan is a retirement benefit scheme as defined by Chapter 1 of part 30 of the Taxes Consolidation Act 1997. The contract details are in our Terms and Conditions booklet, the scheme rules (with Letter of Exchange), the plan schedule and the application form. The contract is governed by Irish law. The Irish courts are the only courts that are entitled to hear disagreements.

Our head office is at
Irish Life Assurance plc,
Irish Life Centre,
Lower Abbey Street,
Dublin 1, Ireland.

The contract is a pension plan, which is used to invest contributions for retirement. The fund built up by the contributions will be available when the member retires to provide pension benefits in the form of a retirement lump sum, an annuity and possibly other options. We invest the contributions in units within a fund or funds the member chooses.

You, as the employer, do not choose the fund or funds. If a member does not choose any funds, then you as the trustee, will decide how to invest the contributions until the member says otherwise.

Each fund contains a number of identical units. We will work out the value of each unit by referring to the net value of the assets of the fund after deductions. A list of these funds is included in the Fund Guide Section of this booklet which you should read before you decide to invest.

The value of these units can fall and rise over the term of the plan. For company pensions, if the employee dies before they retire, we will pay the value of the fund to you to pass on to their next of kin.

For company pensions, the contract term depends on the retirement age you have chosen for the employee and which you will have given on the application. The member, if you agree, can change this date during the term of the plan but the Revenue must be told if they do this.

If you want to stop this contract, you can do so within 30 days of us sending you your Welcome Pack. If this happens, we will return the contributions paid under the plan in line with Revenue rules. If any single contributions or transfers have been made, we will return these (less any reduction in the investment value over that period). Please write to us at the address shown opposite if you want to cancel your plan within the period shown. We strongly recommend that you contact your Ulster Bank Financial Planning Manager before you cancel the plan. You can stop contributions at any time. Any fund built up will stay with us until benefits can be taken or if you want to transfer the funds.

You can make contributions every month, every three months, every six months or every year by direct debit (usually from the company's account) or every year by cheque. You can also make single contributions by cheque. The contribution you want to pay at the start of the contract will be shown on your plan schedule. You will find the charges which apply to this contract on page 8 and 9 of this booklet. Your Ulster Bank Financial Planning Manager can give you a more specific quotation.

There are certain tax advantages to taking out a company pension. You can use the employer contributions against the employer's liability to pay corporation tax in the company tax year in which contributions are made. However, this must keep within Revenue contribution limits. Employee contributions can count towards the employee's liability to pay income tax in the tax year in which they make their contributions. Again this depends on Revenue contribution limits. Contributions are invested in a tax-exempt fund chosen by the employer. When the member retires, they may be able to take part of the fund as a retirement lump sum, within Revenue limits. Income tax is due on income from a pension (an annuity) or withdrawals made from ARF (and the AMRF gains) after retirement. There may be other taxes due at that time. If the member dies before they retire, we will pay the benefit to you as trustee and you must use this to provide benefits for the member's spouse, registered civil partner or dependents. Capital acquisition tax may be due depending on who will receive the benefits.

Irish Life as registered administrator

You must appoint a registered administrator under section 59 of Part VI of the Pension Act, 1990 to provide various services such as the member's annual pension benefit statement. On entering into the plan, linked to your one-member company pension scheme, you as trustee will be appointing us to act as registered administrator of the scheme. We agree to act as registered administrator when we accept your application. You or we can choose to end this appointment by giving at least 90 days' written notice to the other.

This 90-day notice period may only be reduced if both you and we agree, or if we have to do it by law. As part of our job of providing the annual pension benefit statement, you must make sure that you keep us regularly updated on member details; especially if these change since the date you apply to join the scheme.

Contributions

Generally you have to make sure that you pay your contributions over to the pension scheme within 21 days of the end of the month in which they are due. If you take contributions from the member's salary, you must pay these over to the pension scheme within 21 days of the end of the month in which they have been taken.

If you take any money from the salary of a member, you must give the member a statement at least once a month confirming (for the previous month or since the last statement):

- the amount taken from the member's salary and paid to the pension scheme; and
- the amount of the employer contribution paid to the pension scheme for the member.

Generally, you will have met this requirement if you show on the member's payslip the total amount paid into the pension scheme by both you and them.

Investment duties

Our scheme rules allow for the member to choose the investment strategy. If the member does not choose funds to invest in, then you as the trustee, must make the investment decision. We will only accept investment instructions from the member or from the trustee.

Appointing a new trustee

You, as the employer, have the power under the scheme rules to appoint a new trustee.

Trustee training

Employers who have set up a company pension scheme must arrange training for the trustees of their pension scheme unless a professional independent trustee has been appointed. This is to make sure that trustees understand their role and their pension scheme. For one-member company pension schemes set up through Irish Life, the employer is usually appointed as trustee. This means that the employer as trustee must receive trustee training and this includes all directors of the company. The training must be completed within six months of becoming a trustee and every two years after this. For more information on your trustee duties and how we support you please see our Trustee Training Workbook included in your Welcome Pack.

The Pensions Authority also issue guidance on trustee duties and responsibilities. See their website www.pensionsauthority.ie.

Who should I talk to if I have any questions or complaints?

If the employee believes they have suffered a financial loss as a result of the poor administration of the scheme, or if there is a dispute of fact or law, they must contact you first.

Under the Pensions Ombudsman Regulations 2003 (S.I. Number 397 of 2003) you must set up and follow an internal disputes resolution (IDR) procedure, which you must publish and make available to the member if they ask. You can get more information from the Pensions Ombudsman's office at the following address.

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

You must then issue a decision on the matter. The employee does not have to accept this decision and can take the matter to the Pensions Ombudsman. Both you and the employee can appeal against the decision of the Pensions Ombudsman to the High Court.

All other complaints, which you cannot settle, should be sent to the Pensions Authority at:

Verschoyle House,
28/30 Lower Mount Street,
Dublin 2.

Phone: 01 613 1900
Fax: 01 631 8602

For any help, or for questions you may have, please contact our customer service team.

If you, as the trustee and owner of the plan, have a complaint, you should contact:

Customer service team,
Irish Life Assurance plc,
Irish Life Centre,
Lower Abbey Street ,
Dublin 1.

If you are not satisfied after contacting us, you can contact:

The Financial Services Ombudsman,
3rd Floor Lincoln House,
Lincoln Place,
Dublin 2.

Lo-call: 1890 88 20 90
Fax: 01 662 0890
Email: enquiries@financialombudsman.ie
Website: www.financialombudsman.ie

8. Glossary

Annuity / pension for life

When you retire, you can use your retirement fund to buy an annuity. This is a guaranteed income from your pension fund after you retire. This income is paid on a regular basis for the rest of your life.

Approved retirement fund (ARF)

When you retire, you can invest your retirement fund in a personal investment account called an approved retirement fund. You can withdraw money from the account when you need it.

Approved minimum retirement fund (AMRF)

When you retire, if you do not have a guaranteed pension income for life of €12,700 a year, and you are not buying an annuity, you invest €63,500 from your pension fund into a personal investment account called an AMRF.

Additional voluntary contributions (AVCs)

These are extra contributions you can pay into your company pension (also available on PRSAs) to add to the pension benefits already available from your company pension scheme.

Bonds

A bond is a type of loan given to a company or a government. For example, if a government wants to raise money, they can issue a bond. If you loan money to a government, you get your money back after a set time and you will also receive a fixed interest rate.

Commodities

Raw materials or basic agricultural products that can be bought and sold in recognised markets. Examples of commodities include oil, gas, gold, wheat and cattle.

Equities/shares

Investing in shares means investing in companies on the stock market. You then become a shareholder. For the purpose of the funds that invest in shares, as described in this booklet, we are the investor, so we are the shareholder. How those companies perform affects whether the price of units in the fund rises or falls.

Government bonds

Bonds issued by governments. These governments regularly pay a fixed rate of interest for a set time, after which the initial investment is returned.

Indexed fund

A fund that is index-linked, means it aims to track the performance of a particular stock-market index, rather than investing in specific shares that the manager believes will do better.

Inflation

The rate at which the general level of prices for goods and services increases, and as a result, the buying power of money falls.

Unit-linked fund

A unit-linked fund combines your money with money from other investors and buys units in a fund. The number of units you get depends on how much you invest and the price of the units at the time you buy.

Volatility

The potential ups and downs that a fund may experience. The more volatile a fund is, the more likely it is to experience ups and downs that could have a significant effect on the value of your retirement fund.

For further information:

Call the Ulster Bank team at Irish Life on 01 704 1010

Visit your local Ulster Bank branch

ulsterbank.ie

This brochure is also available in Braille, large print, audio or on disc. Please contact your local branch for details or Textphone 1800 924 615.

Ulster Bank

Help for what matters

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