

Personal Lifestyle Strategy (PLS) Personal Retirement Savings Account

December 2013

The Personal Lifestyle Strategy (PLS) is the Default Investment Strategy for Irish Life Corporate Business Personal Retirement Savings Accounts (PRSAs). PLS is an exciting and innovative pension investment solution for individuals with PRSAs.

PLS is designed to meet two very important needs for PRSA savers:

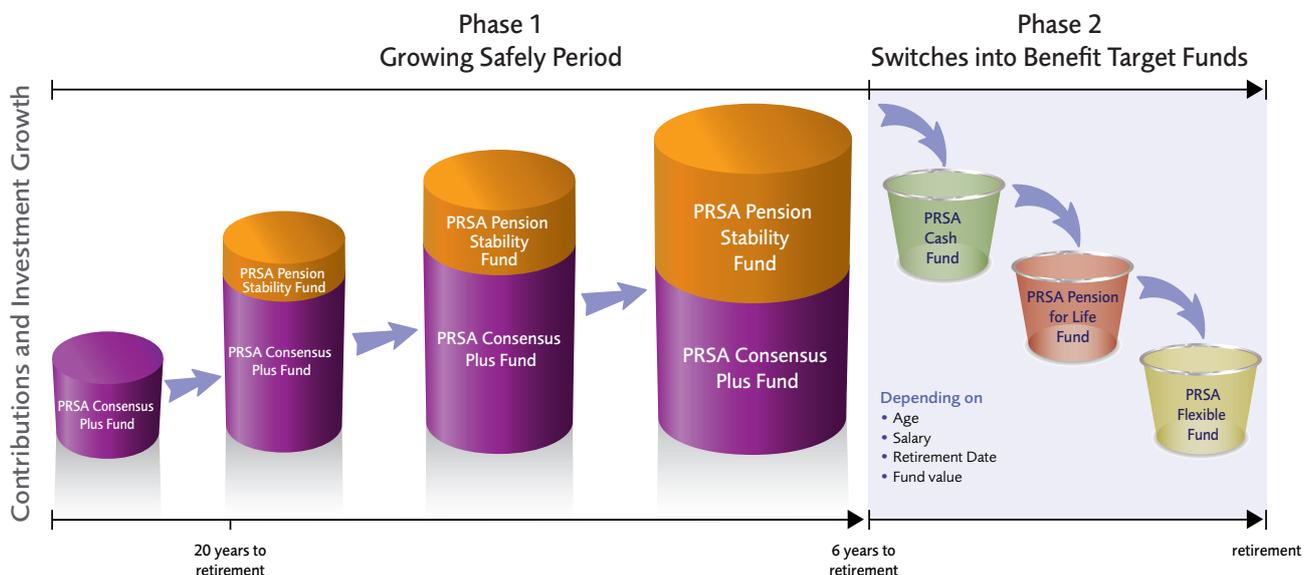
- It helps protect your pension fund value against market fluctuations as you get closer to your retirement date; and
- It directs your investment into appropriate funds that best match the benefits that you are likely to take on your retirement.

We are committed to ensuring that PLS stays up to date and relevant. We will review the strategy regularly, so that it will automatically change over time to take account of changes in retirement regulations and investment opportunities. When these reviews are carried out, all customers using PLS automatically benefit from the changes.

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

How does the Personal Lifestyle Strategy work?

PLS consists of two phases which span the years of your pension savings. It starts from the moment you join the strategy up to your retirement date.



PHASE 1 Growing Safely Period

Phase 1 puts you in funds suitable to achieve investment growth while at the same time balancing investment risk.

Initially you will be completely invested in the PRSA Consensus Plus Fund.

With 20 years to retirement we start to gradually move your fund into the PRSA Pension Stability Fund. This helps to protect your pension fund against volatile markets.



PHASE 2 Switches into Benefit Target Funds

Phase 2 moves your pension fund into funds that will be most suitable for how you are most likely to use your pension savings upon reaching retirement.

You might for example take a lump sum benefit, purchase a pension for life or keep part of your fund for a post retirement investment.

Depending on your individual circumstances we will switch your savings into investment funds that target the benefits most suitable to you.

Which investment funds are used in PLS?

<p>The PRSA Consensus Plus Fund is predominantly invested in international equities with some holdings in bonds, cash and property. The split of these assets is based on the Consensus Fund. In addition to these holdings a number of different asset classes are included in the fund to give greater diversity.</p>	<p>Risk Rating 5</p>	<p>The PRSA Cash Fund is a low risk fund which invests in bank deposits. It will be used for your likely Lump Sum benefit.</p>	<p>Risk Rating 1</p>
<p>The PRSA Pension Stability Fund is mainly invested in bonds, with some investment in cash, equities and alternative assets. It aims to help protect your pension fund against market movements.</p>	<p>Risk Rating 2</p>	<p>The PRSA Pension for Life Fund invests in government bonds. It is designed for the portion of your fund that may be used to purchase an annuity.</p>	<p>Risk Rating 4</p>
		<p>The PRSA Flexible Fund is mainly invested in bonds with some investment in cash, equities and alternative assets. It will be used for the part of the fund that may remain invested for flexible income post retirement.</p>	<p>Risk Rating 3</p>

Details of these funds are available on www.irishlifecorporatebusiness.ie

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

What benefits will I be saving for?

Based on current Revenue rules your pension fund will be used to purchase one or more of the retirement benefits listed below. The level of benefits that you will be able to purchase will depend on a number of factors. These factors include the amount you are contributing, the age you started contributing, investment performance and when you plan to retire.

Priority	1	2	3
Retirement Benefit	Tax Free/Taxable Lump Sum	Annuity/Pension for life	Approved Retirement Fund (ARF)
Funding Targets	<p>A member can take a maximum of 25% of their fund value as an immediate cash lump sum.</p> <p>We will place an overall cap of €500,000 on this funding target. This €500,000 cap is based on Revenue limits and is made up of:</p> <ul style="list-style-type: none"> A maximum tax-free lump sum of €200,000 a lifetime limit effective from December 2005. A taxable lump sum of €300,000, subject to the standard rate of tax (currently 20%). 	<p>Based on our research we recommend that a person should target a replacement income of at least 25% of their final remuneration in addition to any State Pension entitlement.</p> <p>This funding target allows for a minimum guaranteed income of €12,700 per year from the age you retire to the age you receive the State Pension.</p> <p>From the State Pension age, the income you get from your private pension will then target a minimum of €700 per year. So this private pension would be available in addition to any State Pension entitlement.</p>	<p>Any remaining PRSA contributions that are not used to fund the lump sum or a pension for life can be transferred to an ARF or remain invested in your PRSA, (subject to certain conditions).</p> <p>An ARF is a post retirement investment fund from which you can drawdown income.</p>

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

How does PLS work in detail for an individual member?

If your retirement age is 65 you will be 100% invested in the PRSA Consensus Plus Fund until you reach age 45.

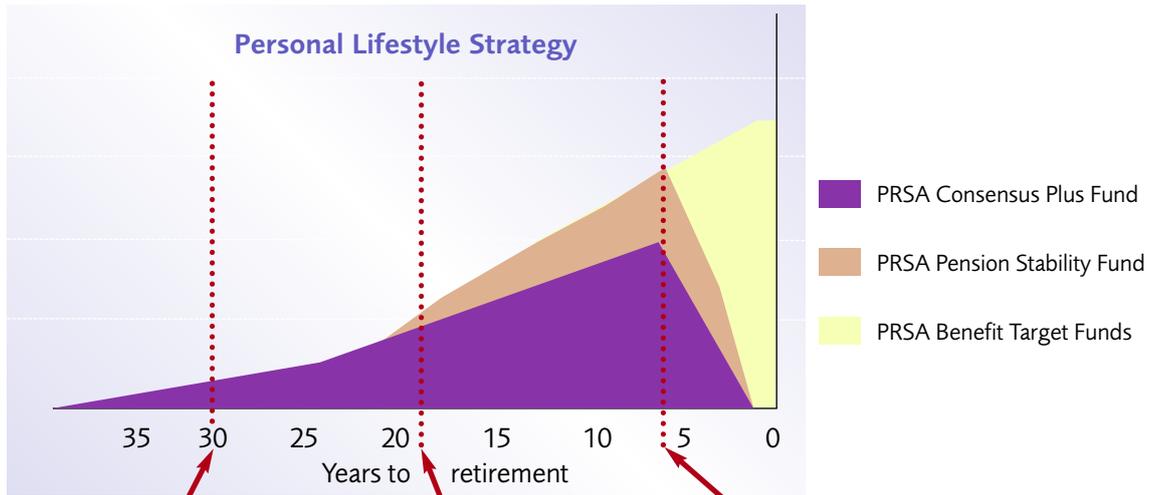
From age 45 we will switch a small percentage, about 3% each year, of your accumulated fund into the PRSA Pension Stability Fund. The switches take place on a monthly basis. When you reach age 59 and you are 6 years away from retirement, 60% of your pension will be invested in the PRSA Consensus Plus Fund and 40% in the PRSA Pension Stability Fund. If your pension plan has a different retirement age then the switching will start 20 years from that retirement date.

During the 6 years before your retirement, your fund is then directed into target funds to match your likely retirement benefits.

The following table gives an overview of the funds you will be invested in over the years of your pension saving. The graph on the next page looks at some sample members at different ages.

	Years to Retirement	PRSA Consensus Plus Fund	PRSA Pension Stability Fund	Benefit Target Fund
Growing Safely Phase	Over 20	100%	0%	0%
	6	60%	40%	0%
Switches into Benefit Target Funds	5	48%	32%	20%
	4	36%	24%	40%
	3	24%	16%	60%
	2	12%	8%	80%
	1	0%	0%	100%
	0	0%	0%	100%

This graph shows the funds a member may be invested in throughout their time saving for retirement.



Phase 1: Growing Safely

 <p>John is age 35 and has 30 years until retirement. He has €10,000 saved in his pension fund. At this stage all the pension will be invested in the PRSA Consensus Plus Fund.</p>	 <p>Jane is age 46, with 19 years before retirement and has €50,000 saved in her pension fund. At this stage she will have €48,500 (97%) invested in the PRSA Consensus Plus Fund and €1,500 (3%) invested in the PRSA Pension Stability Fund.</p>	 <p>Mark is age 59 with 6 years until retirement and has €300,000 saved in his pension fund. He will have €180,000 invested in the PRSA Consensus Plus Fund and €120,000 in the PRSA Pension Stability Fund.</p>
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Phase 2: Switches into Benefit Target Funds

This is the phase when PLS really matches your personal circumstances!

PLS recognises that everyone is unique and will retire on a different salary, service length, fund size.

Based on your personal details submitted to us, over the last six years prior to your retirement PLS will switch your pension savings into one, two or three different funds that best fit how you are likely to take your benefits at retirement.

 <p>Jane Retires at age 65 with a fund of €180,000. This can provide Tax Free Cash and a pension. She will be switched into 2 funds:</p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; background-color: #90EE90; display: flex; align-items: center; justify-content: center; margin-right: 5px;">PRSA Cash Fund</div> <div style="margin: 0 5px;">+</div> <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; background-color: #FFDAB9; display: flex; align-items: center; justify-content: center;">PRSA Pension for Life Fund</div> </div>	 <p>Mark Retires at age 65 with a fund of €400,000. This can provide Tax Free Cash, a regular pension of 25% of salary and the balance may remain invested post retirement for flexible income. He will be switched into 3 funds:</p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; background-color: #90EE90; display: flex; align-items: center; justify-content: center; margin-right: 5px;">PRSA Cash Fund</div> <div style="margin: 0 5px;">+</div> <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; background-color: #FFDAB9; display: flex; align-items: center; justify-content: center; margin-right: 5px;">PRSA Pension for Life Fund</div> <div style="margin: 0 5px;">+</div> <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; background-color: #FFFFE0; display: flex; align-items: center; justify-content: center;">PRSA Flexible Fund</div> </div>
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All the above examples are for illustration purposes only. Revenue limits will apply to all retirement benefits.

Keeping PLS up to date

PLS can only work based on the data that we are given. This includes salary, date you joined service, your retirement age. We should be informed of any changes as soon as possible.

Irish Life Corporate Business is continuously striving to offer services which are up to date and appropriate. For PLS to work in the best way possible, we will review it on a regular basis to ensure that it is meeting its objectives. The latest review has taken into account the changes in the Finance Act 2014.

For more information and if you wish to use the Personal Lifestyle Strategy please contact your Financial Adviser.

All fund flyers are available on www.irishlifecorporatebusiness.ie

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.

Warning: If you invest in this product you will not have any access to your money until you retire.

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

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