



# Irish Life EMPOWER Personal Lifestyle Strategy

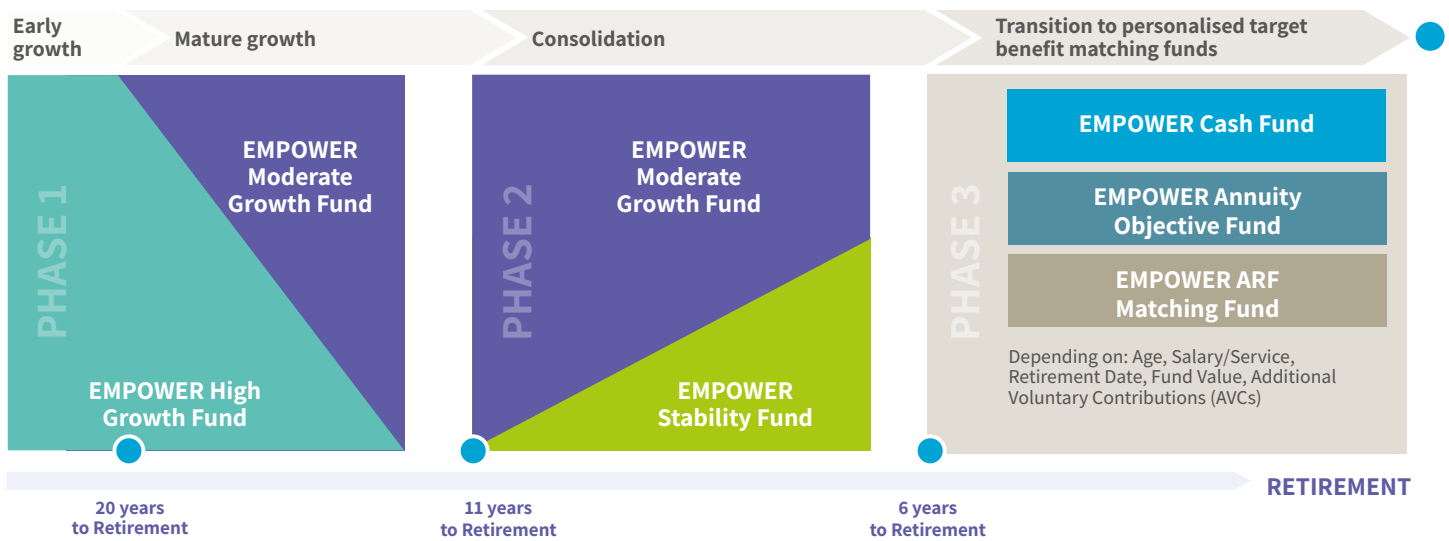


The Irish Life EMPOWER Personal Lifestyle Strategy (PLS) is an innovative pension investment solution for members of the National Federation of Voluntary Service Providers Pension & Life Assurance Scheme (the Scheme). Investing your pension fund into PLS has two main benefits over the years of your pension journey:

 **Managing Investment Risk** - PLS helps protect your pension fund value against market fluctuations by automatically switching you into lower risk investment funds as you reach the last 6 years before your retirement date.

 **Personalised Fund Switches** - PLS is different to other investment strategies because it adjusts to your unique circumstances. It directs your pension fund into appropriate investments that best match the way you are likely to draw down your pension benefits on your retirement.

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

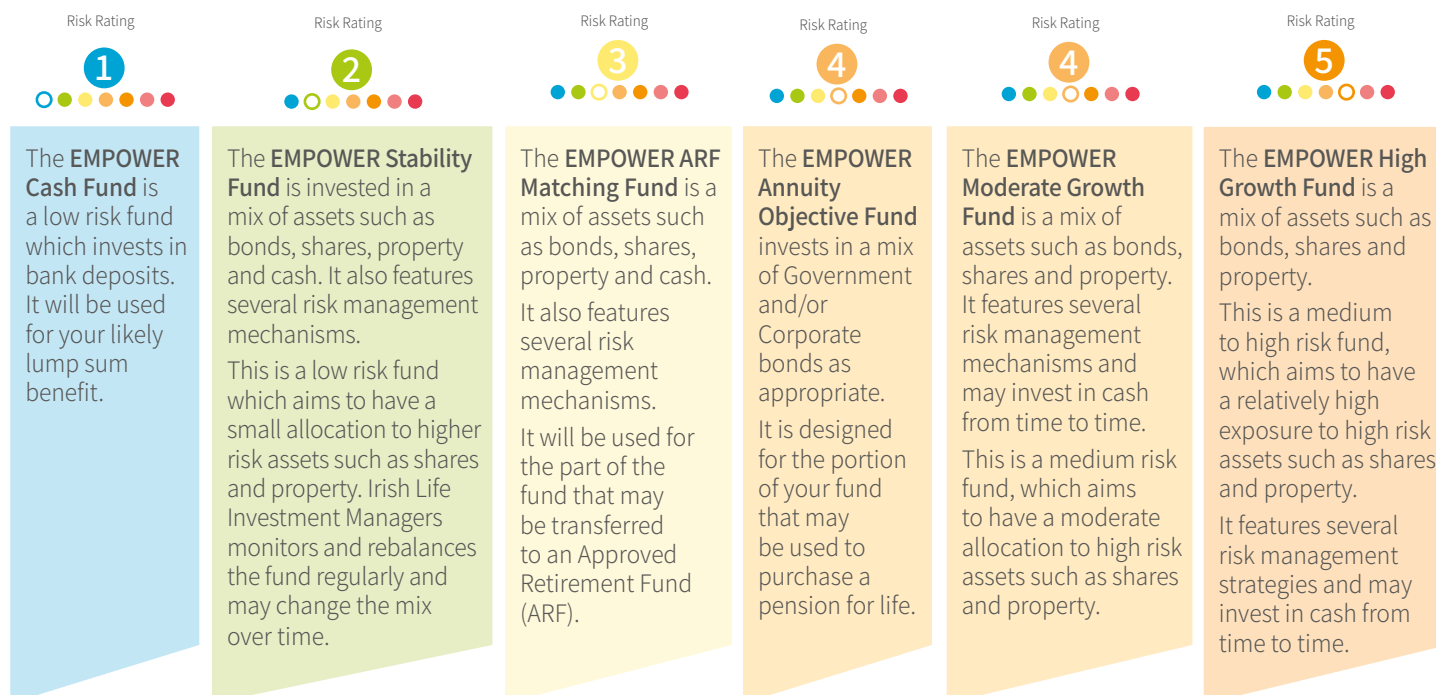


**Warning: The value of your investment may go down as well as up.**

<p style="text-align: center;"><b>PHASE 1</b></p> <p><b>Growth Phase</b></p> <p>Phase 1 puts you in funds designed to achieve investment growth while at the same time balancing investment risk. Initially, if you are more than 20 years away from retirement, you will be completely invested in the EMPOWER High Growth Fund, with the aim of achieving best possible returns to make your pension fund grow from early on in your savings journey.</p> <p>From 20 years to retirement your pension fund will switch on a gradual basis into the EMPOWER Moderate Growth Fund, which has slightly lower risk and return expectations.</p>	<p style="text-align: center;"><b>PHASE 2</b></p> <p><b>Consolidation Phase</b></p> <p>Phase 2 gradually moves your pension fund into the EMPOWER Stability Fund when you are 11 years from retirement.</p> <p>This helps to protect your pension fund against volatile markets.</p>	<p style="text-align: center;"><b>PHASE 3</b></p> <p><b>Switches into Target Benefit Funds</b></p> <p>Phase 3 moves your pension fund into investments that will be suitable for how you are most likely to draw down your pension benefits on retirement.</p> <p>You might for example take a cash lump sum, purchase a pension for life (annuity) or keep part of your fund for a post retirement investment in an Approved Retirement Fund (ARF).</p>
---	--	--

If you invest in the PLS then all of your pension contributions must be invested in this strategy, you cannot select other funds and have the PLS features outlined here.

## Which investment funds are used in PLS?



Source: Irish Life Investment Managers

Irish Life are committed to ensuring PLS remains the optimum strategy for you. We therefore reserve the right to alter the mix of the assets and funds being used to underpin the strategy as required to ensure the strategy objectives are being met. We will communicate any such changes to the Scheme Trustees and Advisors where appropriate.

Details of these funds are available on [www.irishlifecorporatebusiness.ie](http://www.irishlifecorporatebusiness.ie)

The annual fund management charge for each fund used in PLS is 0.29% per year.

**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 will not have any access to your money until you retire.**

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

**Securities Lending:** The assets in these funds (except the EMPOWER Cash Fund) 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.

## How does the PLS strategy work in practice?

Based on current Revenue pension 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; the amount you are contributing into your pension fund, the age you started contributing, if you are paying Additional Voluntary Contributions (AVCs), investment performance and when you plan to retire.

Priority Retirement Benefit	1 Tax Free/Taxable Lump Sum*	2 Other benefits
Funding Targets	<p>We will target a cash lump sum of either a maximum of 1.5 times your final salary (subject to having the relevant length of service, i.e. 20 years) or 25% of your pension fund value, whichever cash lump sum option is greater.</p> <p>We will also place a cap of €500,000 on this benefit. This €500,000 cap is based on Revenue limits and is made up of:</p> <ul style="list-style-type: none"> <li>&gt; A maximum lifetime limit tax-free cash lump sum of €200,000 effective from December 2005.</li> <li>&gt; A taxable cash lump sum of €300,000, subject to the standard rate of tax (currently 20%).</li> </ul>	<p>Depending on the type of cash lump sum you take when you retire, you have three options when using up the balance of your pension fund.</p> <p>You may use the balance of your fund to purchase a pension**, in certain circumstances, you may purchase an Approved Retirement Fund (ARF)/or Approved Minimum Retirement Fund (AMRF)*** or you may be entitled to take the balance of your fund as taxable cash</p> <ol style="list-style-type: none"> <li>a. If you are likely to opt for a tax free cash lump sum based on salary and service, the balance of your pension fund built up through employer and employee contributions will be directed towards the EMPOWER Annuity Objective Fund (pension for life). However, any pension fund built up through Additional Voluntary Contributions (AVCs) will be directed to the EMPOWER ARF Matching Fund.</li> <li>b. If you are likely to opt for a tax free lump sum based on taking 25% of your pension fund then the balance of your pension fund will be directed towards the EMPOWER ARF Matching Fund.</li> <li>c. After you have taken your maximum allowable tax free lump sum and where the balance of your pension fund at retirement is €30,000* or less, current Revenue rules allow you to take the balance of your pension fund as taxable cash. In this circumstance we will direct all of your pension fund to the EMPOWER Cash Fund.</li> </ol> <p>If you opt for the ARF at retirement you retain the flexibility as to how you wish to secure your replacement retirement income.</p>

Please refer to your Investment Guide for further information on these choices such as PRSI and tax rates applicable.

\*Under current Revenue rules where the balance of the pension fund is taken as cash, the payment is liable to income tax and the universal social charge. If you are under age 65, PRSI is also charged. The total of your retirement benefits from all sources must be taken into account for the purpose of calculating the €30,000 limit.

\*\*Any income you receive from an annuity/pension will be subject to income tax and Universal Social Charge (USC) when being paid.

\*\*\*Under Revenue rules an individual must have guaranteed lifetime income of €12,700 or an AMRF of €63,500 before an investment into an ARF is allowed. Money withdrawn from an ARF is subject to income tax, the Universal Social Charge (USC) and PRSI (PRSI is payable up to age 66). However, the Finance Bill 2021 has suggested changes to AMRFs and ARFs. Regulations will come into effect later in 2021 or early 2022. We will update you when these are passed into law.

**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 will not have any access to your money until you retire.**

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

**Securities Lending:** The assets in these funds ( (except the EMPOWER Cash Fund)) 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.

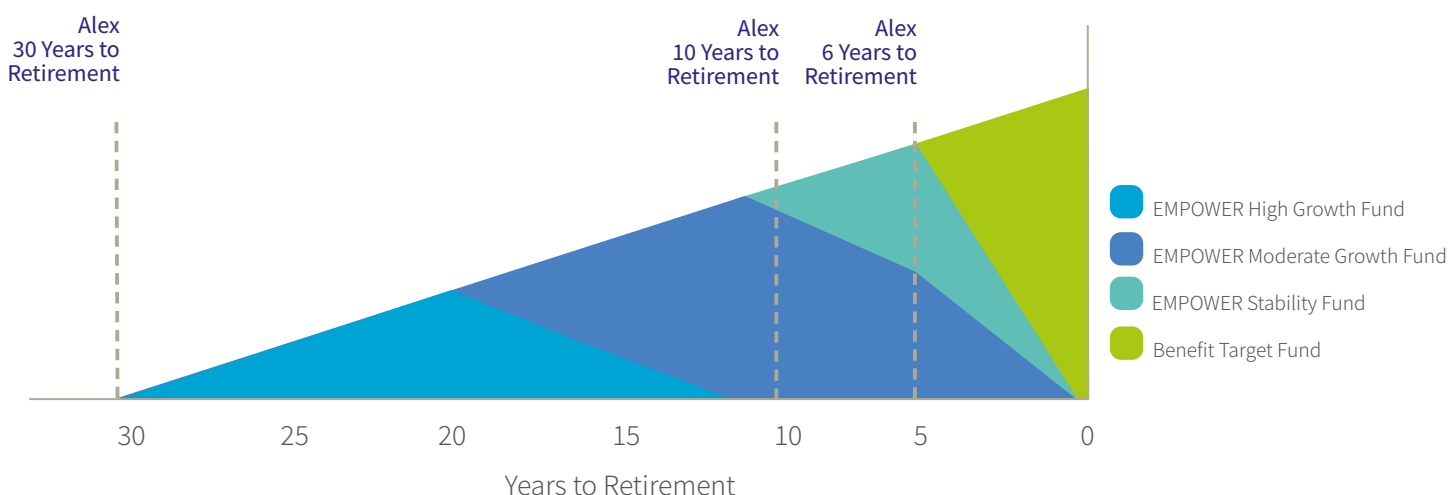
## How does PLS work for an individual member?

If your retirement age is 65 you will be 100% invested in the EMPOWER High Growth Fund until you reach age 45. Between age 45 and 54 we will switch a small percentage, about 11% each year, of your accumulated pension fund to the EMPOWER Moderate Growth Fund so that at age 54 you will be 100% invested in the EMPOWER Moderate Growth Fund. From age 54 we will switch a small percentage, about 10% each year, of your accumulated pension fund into the EMPOWER Stability Fund. The switches take place on a monthly basis.

When you reach age 59 and you are 6 years away from retirement, 50% of your pension fund will be invested in the EMPOWER Moderate Growth Fund and 50% in the EMPOWER Stability Fund. During the 6 years before your retirement, your pension fund is then directed into target funds that best match how you are most likely to draw down your pension benefits at retirement. The following table gives an overview of the investment funds you will be invested in during your membership of the Pension Scheme.

	Years to Retirement	EMPOWER High Growth Fund	EMPOWER Moderate Growth Fund	EMPOWER Stability Fund	Target Benefit Funds
<b>Growth Phase</b>					
Early Growth	Up to 20	100%	0%	0%	0%
Mature Growth	Up to 11	0%	100%	0%	0%
<b>Consolidation Phase</b>					
	6	0%	50%	50%	0%
<b>Switches into Target Benefit Funds</b>					
	5	0%	40%	40%	20%
	4	0%	30%	30%	40%
	3	0%	20%	20%	60%
	2	0%	10%	10%	80%
	1	0%	0%	0%	100%
	0	0%	0%	0%	100%

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



**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 will not have any access to your money until you retire.

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

**Securities Lending:** The assets in these funds (except the EMPOWER Cash Fund) 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.

PHASE 1 - Growth Phase		PHASE 1 - Growth Phase		Phase 2 - Consolidation Phase		Phase 2 - Consolidation Phase	
Investment		Investment		Investment		Investment	
EMPOWER High Growth Fund	100%	EMPOWER High Growth Fund	89%	EMPOWER Moderate Growth Fund	90%	EMPOWER Moderate Growth Fund	50%
		EMPOWER Moderate Growth Fund	11%	EMPOWER Stability Fund	10%	EMPOWER Stability Fund	50%

### PHASE 3 - SWITCHES INTO TARGET BENEFIT FUNDS

Phase 3 is the phase when PLS tries to match your personal circumstances. PLS recognises that everyone is unique and will retire on a different salary, service length, fund size and may or may not have made AVCs.

Based on your personal details submitted to Irish Life, over the last six years prior to your retirement PLS will switch your pension fund into one, two or three different funds that best match how you are most likely to draw down your pension benefits on your retirement. When our sample member Alex comes to retirement, he could have a number of different options on how to take his pension benefits.

Retirement option	Retirement option	Retirement option
Tax-free lump sum based on salary and service.	Tax-free lump sum based on salary and service. The balance of the fund must be used to purchase a lifetime pension with any AVC savings used to invest in an ARF.	Tax-free lump sum of 25% of the fund and balance may be invested in an ARF for future flexible income.
Fund Switch - 1 Fund	Fund Switch - 3 Funds	Fund Switch - 2 Funds
EMPOWER Cash Fund	EMPOWER Cash Fund	EMPOWER Cash Fund
	EMPOWER Annuity Objective Fund	EMPOWER ARF Matching Fund
	EMPOWER ARF Matching Fund	

All the above examples are for illustration purposes only. Revenue limits will apply to all retirement benefits. Where a members optimum Cash Lump Sum is 25% of the total fund value the PLS Strategy will direct the member's retirement savings into a combination of EMPOWER Cash and EMPOWER ARF Matching Funds only.

**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 will not have any access to your money until you retire.

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

**Securities Lending:** The assets in these funds (except the EMPOWER Cash Fund) 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.

## Keeping PLS up to date

To make sure PLS can work best to suit your personal circumstances we need your information, including your salary, date you joined service, your retirement age and whether you are paying AVCs. You can view your information on your Member Portal and you can also update your information there.

Irish Life Corporate Business is continuously striving to offer services which are up to date and appropriate. We are committed to ensuring that PLS stays up to date and relevant. We will review the strategy from time to time, 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, you as a pension Scheme member using PLS automatically benefit from the changes.

All fund switches on the Scheme are free of charge.

For more information and if you wish to use PLS please contact Irish Life at [fedvol@irishlife.ie](mailto:fedvol@irishlife.ie), quoting your employer name and your member number. Details of the funds used in PLS are available on [www.irishlifecorporatebusiness.ie](http://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 will not have any access to your money until you retire.**

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

**Securities Lending:** The assets in these funds ( (except the EMPOWER Cash Fund)) 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.

Information correct as at December 2021.

**Please Note:** Every effort has been made to ensure that the information in this publication is accurate at the time of going to print. Irish Life Assurance plc accepts no responsibility for any liability incurred or loss suffered as a consequence of relying on any matter published in or omitted from this publication. Readers are recommended to take qualified advice before acting on any of the matters covered.

## Contact us

**Phone** 01 704 1845  
**Fax** 01 704 1905  
**Email** [fedvol@irishlife.ie](mailto:fedvol@irishlife.ie)  
**Website** [www.irishlifecorporatebusiness.ie](http://www.irishlifecorporatebusiness.ie)  
**Write to** Irish Life Corporate Business, Irish Life Centre, Lower Abbey Street, Dublin 1.

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

In the interest of customer service we will monitor calls.

Irish Life Assurance plc, Registered in Ireland number 152576, VAT number 9F55923G.

For more up-to-date information, see [www.irishlifecorporatebusiness.ie](http://www.irishlifecorporatebusiness.ie)