



Irish Life EMPOWER Personal Lifestyle Strategy

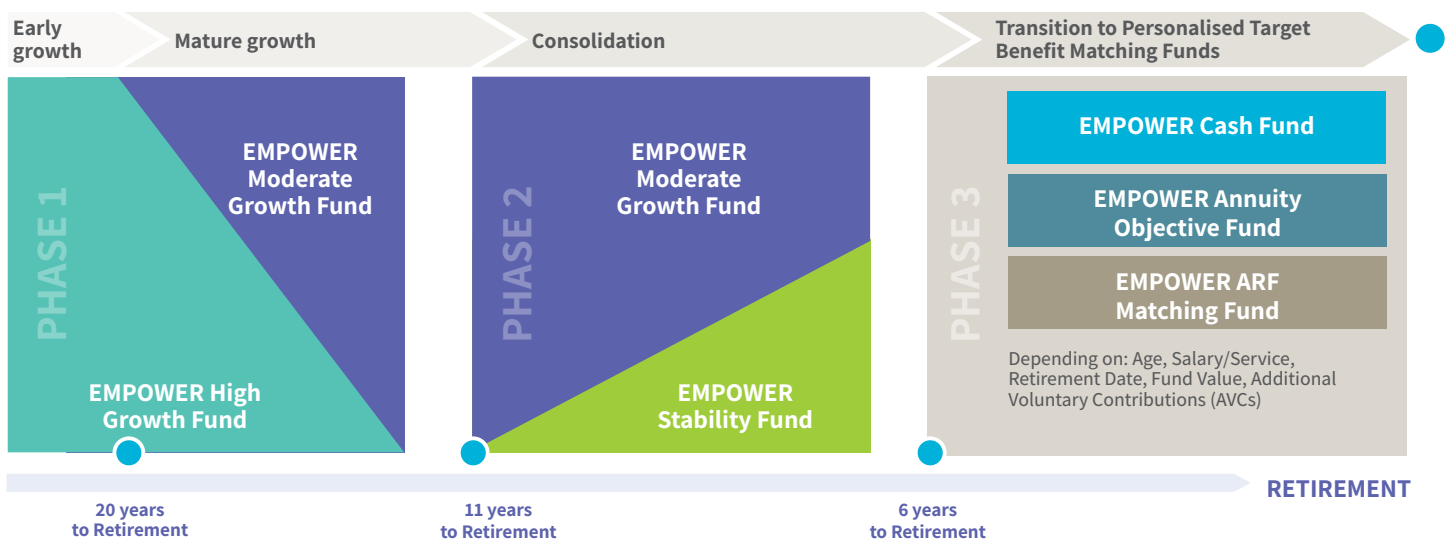


The Irish Life EMPOWER Personal Lifestyle Strategy (PLS) is an innovative pension investment solution for members of the National Federation of Voluntary Service Providers Pension & Life Assurance Scheme (the Scheme). Investing your pension fund into PLS has two main benefits over the years of your pension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

 **Managing Investment Risk** - PLS helps reduce volatility in your fund as you get closer to retirement 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 investments that best match the way you are most 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.

PHASE 1

Growth Phase

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 pensions journey.

Then between 20 and 11 years from the retirement age we hold for you, your pension fund will gradually transition into the EMPOWER Moderate Growth Fund, which has slightly lower risk and return expectations.



PHASE 2

Consolidation Phase

Phase 2 gradually moves your pension fund into the EMPOWER Stability Fund when you are 11 years from retirement.

This aims to protect your pension fund against volatile markets by moving to a fund with less likely volatility than the earlier growth phase.



PHASE 3

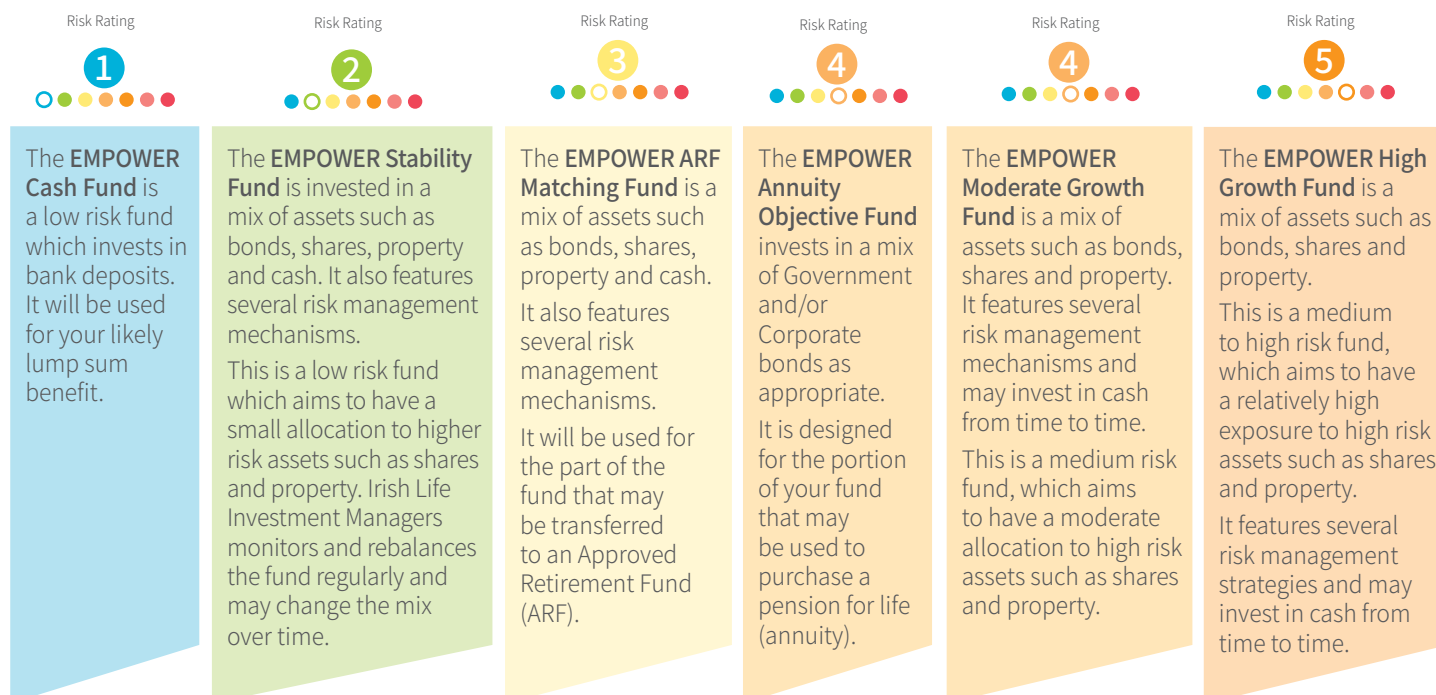
Switches into Target Benefit Funds

Phase 3 moves your pension fund into investments that will best match how you are most likely to draw down your pension benefits on retirement. This phase starts 6 years from your retirement.

You might for example take a Cash Lump Sum, purchase a pension for life (annuity) or keep part of your fund for investment in an Approved Retirement Fund (ARF).

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

Which investment funds are used in PLS?



Source: Irish Life Investment Managers

Note: The EMPOWER Annuity Objective fund is classified as medium risk rating 4 if you were to invest in the fund on a stand-alone basis. However, the Annuity Objective Fund is not available to members as a stand-alone fund option in this Pension Scheme, it is only used within the Personal Lifestyle Strategy for someone who is most likely to purchase a pension for life (annuity) at retirement age. As the fund returns broadly match annuity price changes, the investment risk level should not be as relevant as the purchasing power of the fund will be maintained.

The EMPOWER ARF matching fund is also not available as a standalone fund option to members of this Pension Scheme.

Please refer to the Investment Guide on www.fedvol.ie for the standalone fund options. If you choose to make a switch in or out of PLS, the fund switches are free of charge.

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

The Annual Fund Management charge for each fund used in PLS is 0.29% per year. Total Expense Ratio (TER) is 0.31%.

The TER is made up of the Annual Management Charge and other costs incurred by the investment managers in managing the investment funds, such as custodianship of the pension fund assets (which in the case of Irish Life funds, is performed by Citibank).

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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, scheme members have a number of options in respect of how they can draw down their pension benefits at retirement as listed below. The level of benefits that you will be able to draw down 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.

Retirement Benefits	1 Tax Free/Taxable Lump Sum*	2 Pension 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 at normal retirement age i.e. age 65) 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"> > A maximum lifetime limit tax-free cash lump sum of €200,000 effective from December 2005. > A taxable cash lump sum of €300,000, subject to the standard rate of tax (currently 20%). 	<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 for life (annuity), in certain circumstances, you may invest in an Approved Retirement Fund (ARF) or you may be entitled to take the balance of your fund as taxable cash*</p> <ol style="list-style-type: none"> 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 to purchase a pension for life (annuity). However, any pension fund built up through Additional Voluntary Contributions (AVCs) will be directed to the EMPOWER ARF Matching Fund. 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. 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.

*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 66, 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 for taking taxable cash.

Note: Any income you receive from an Annuity or withdrawals from an ARF will be subject to income tax and Universal Social Charge (USC) when being paid. If you are under age 66, PRSI is also charged.

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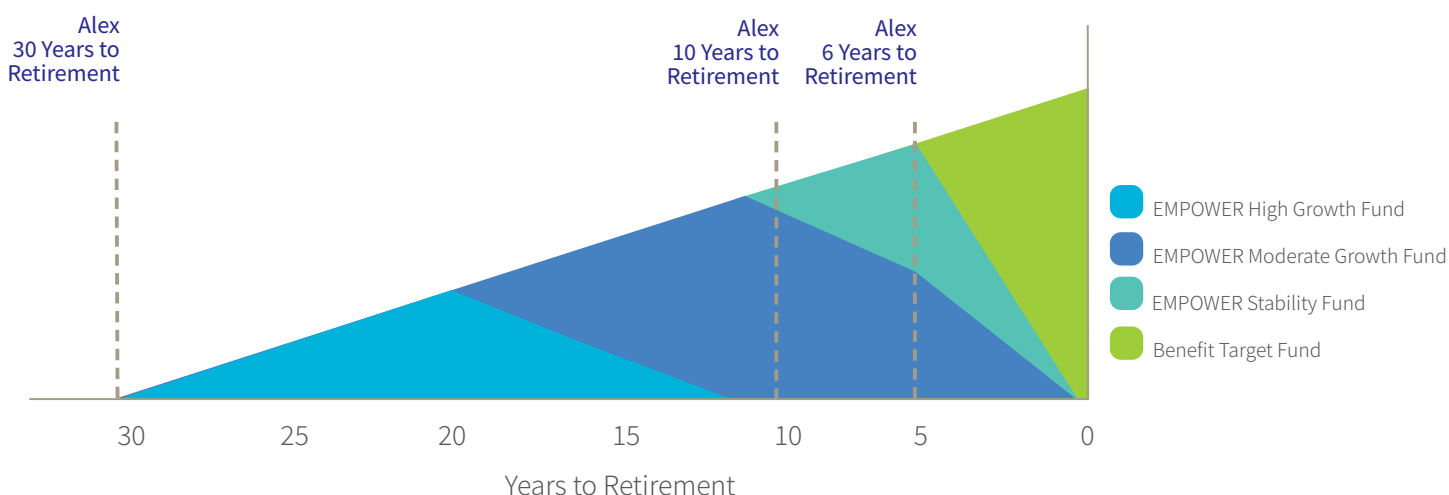
How does PLS work for an individual member?

Assuming 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
Growth Phase					
Early Growth	Up to 20	100%	0%	0%	0%
Mature Growth	Up to 11	0%	100%	0%	0%
Consolidation Phase					
	6	0%	50%	50%	0%
Switches into Target Benefit Funds					
	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.



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PHASES 1 AND 2. GROWTH AND CONSOLIDATION PHASES




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%

The above example shows how your pension fund will gradually move from the EMPOWER High Growth Fund to the EMPOWER Moderate Growth Fund and EMPOWER Stability Fund, over phases 1 and 2 of PLS.

PHASE 3 - SWITCHES INTO TARGET BENEFIT FUNDS

Phase 3 is the phase when PLS aims to use your individual details to match your likely pension draw down. 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 individual 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 pension for life (annuity), however your AVC savings can be used to invest in an ARF.	Where a members optimum Cash Lump Sum is 25% of the total fund value PLS will direct the member's retirement savings into a combination of EMPOWER Cash and EMPOWER ARF Matching Funds only.
		
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.

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Keeping PLS up to date

To make sure PLS can work best to suit your individual details, and match your likely pension draw down, 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.

Please note that if you intend to retire earlier or later than the normal retirement age i.e., age 65, you must advise Irish Life by sending an email to fedvol@irishlife.ie and include your scheme and member number for reference. Your scheme and member number can be found on your Member Portal or Pension Benefit Statement.

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.

For more information and if you wish to use PLS please contact Irish Life at fedvol@irishlife.ie, quoting your employer name and your member number. Details of the funds used in PLS are available on www.irishlifecorporatebusiness.ie



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Information correct as at February 2023.

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