



Irish Life EMPOWER Personal Lifestyle Strategy



The Personal Lifestyle Strategy (PLS) is an innovative investment solution for your pension savings that automatically moves you into lower risk funds as you approach retirement and then switches your pension savings into funds most suitable to how you will personally take your benefits at retirement.

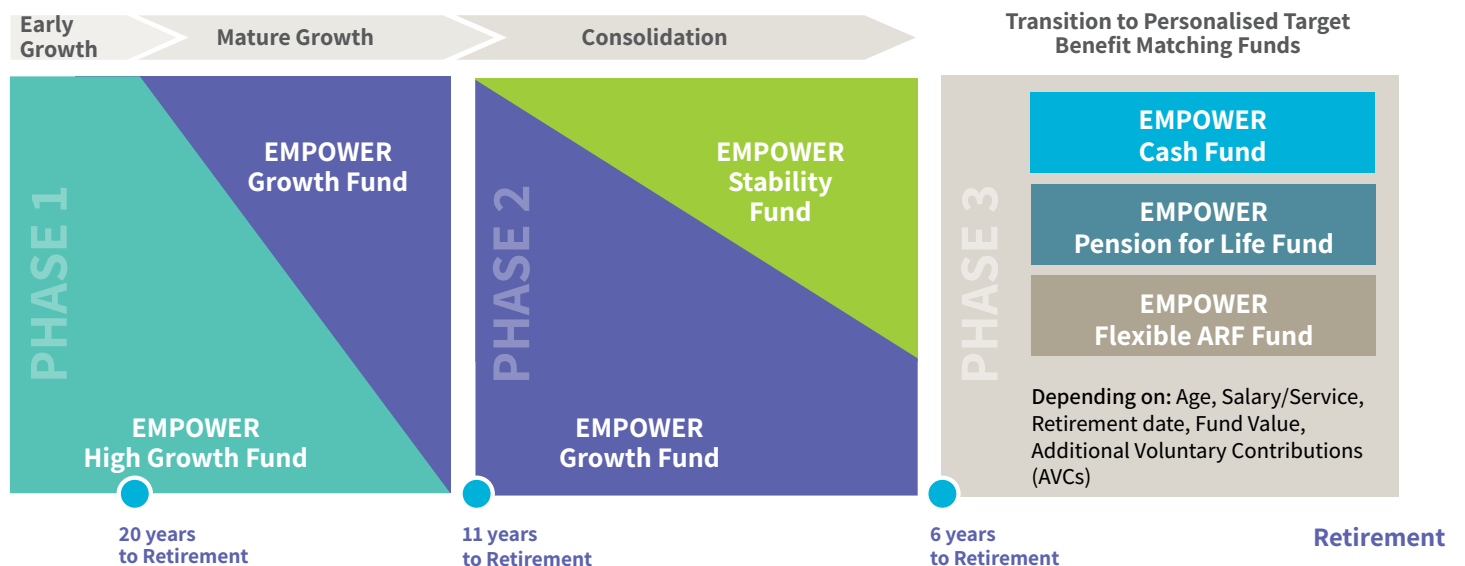
The Irish Life EMPOWER Personal Lifestyle Strategy (EMPOWER PLS) is an innovative pension investment solution for members of Irish Life Defined Contribution (DC) schemes. Investing your pension savings into EMPOWER PLS has two main benefits over the years of your pension savings:

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

 **Personalised Fund Switches**
EMPOWER PLS is different to other investment strategies because it adjusts to your unique circumstances. It directs your investment into appropriate funds that best match the benefits that you are most likely to take on your retirement.

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

Proposed Personal Lifestyle Strategy



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 you will be completely invested in the EMPOWER High Growth Fund. Then between 20 and 11 years from retirement your retirement savings will transition into the EMPOWER Growth Fund.

PHASE 2

Consolidation Phase

Phase 2 with 11 years to retirement we start to gradually move some of your pension savings into the EMPOWER Stability Fund.

This helps to protect your pension fund against volatile markets.

PHASE 3

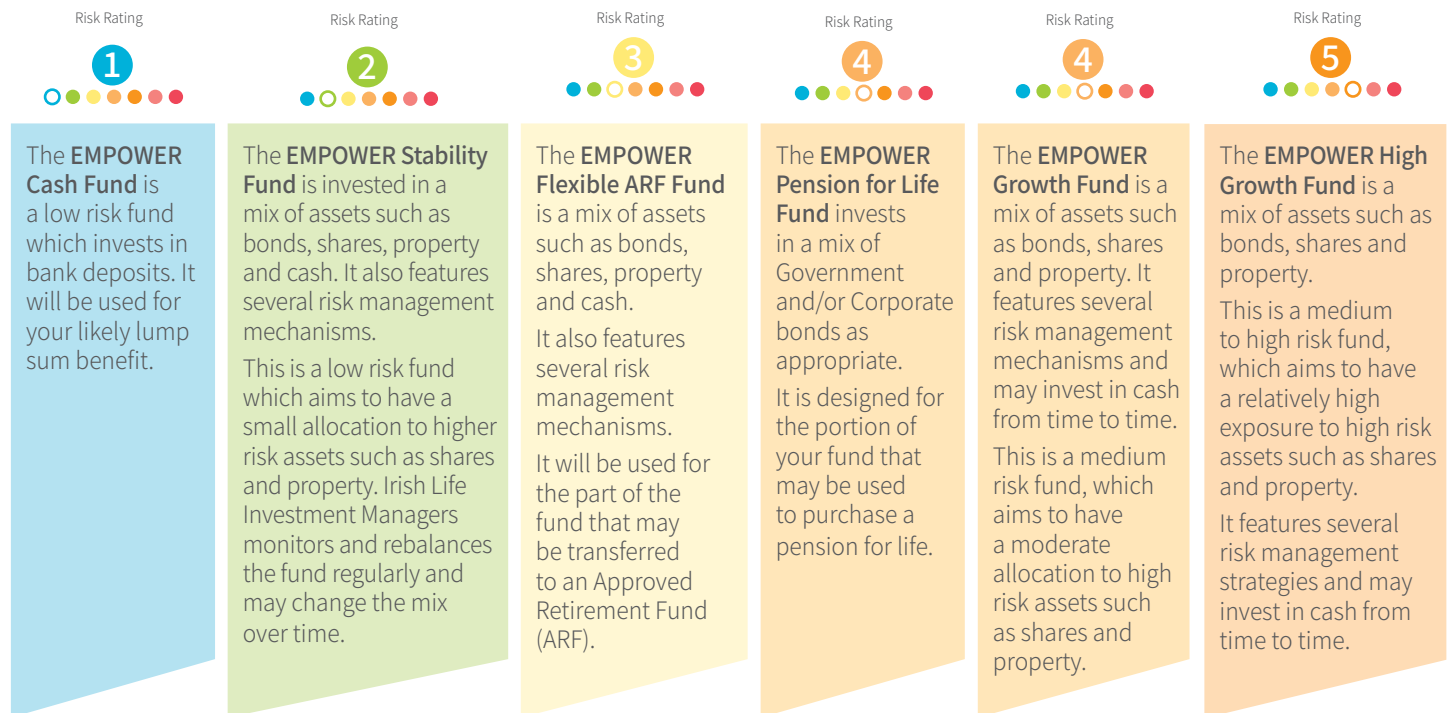
Switches into Target Benefit Funds

Phase 3 moves your pension savings into funds that will be suitable for how you are most likely to use them upon reaching retirement.

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). Depending on your individual circumstances we will switch your retirement savings into investment funds that best match the benefits likely to be taken by you.

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

Which investment funds are used in EMPOWER PLS?



Irish Life is committed to ensuring EMPOWER 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 and their standard fund management charges are available on www.irishlifeemployersolutions.ie

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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.

What benefits will I be saving for?

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, the age you started contributing, if you are paying Additional Voluntary Contributions (AVCs), investment performance and when you plan to retire.

Priority	1	2
Retirement Benefit	Tax Free/Taxable Lump Sum	Other benefits
Funding Targets	<p>We will target a cash lump sum of either a maximum of 1.5 times final remuneration (subject to having the relevant length of service) or 25% of the 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>When you retire, you have three options when using up the balance of your fund, depending on the type of cash lump sum you take.</p> <p>You may use the balance of your fund to purchase a pension, you may purchase 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 the retirement savings built up through employer and employee contributions will be directed toward the EMPOWER Pension for Life Fund. However, any retirement savings built up through Additional Voluntary Contributions (AVCs) will be directed to an EMPOWER Flexible ARF Fund. b. If you are likely to opt for a tax free lump sum based on taking 25% of your retirement fund then the balance of your retirement savings will be directed towards an EMPOWER Flexible ARF Fund. c. After you have taken your maximum allowable tax free lump sum and where the balance of your savings at retirement is €30,000 or less, current Revenue rules allow you to take the balance of your retirement savings as taxable cash. In this circumstance we will direct all of your retirement savings to the Cash Fund. <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>

- > **Note 1:** Under current Revenue rules where the balance of the retirement savings is taken as cash, the payment is liable to income tax and the universal social charge. If under age 65, PRSI is also charged. The total of retirement benefits from all sources must be taken into account for the purpose of calculating the €30,000 limit.
- > **Note 2:** Any income you receive from an annuity/pension or as income drawn down from an ARF will be subject to income tax when being paid.

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How does EMPOWER 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 savings to the EMPOWER Growth Fund so that at age 54 you will be 100% invested in the EMPOWER Growth Fund. From age 54 we will switch a small percentage, about 10% each year, of your accumulated retirement savings 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 retirement savings will be invested in the EMPOWER Growth Fund and 50% in the EMPOWER Stability Fund. If your pension plan has a different retirement age then the switching will start 20 years and 11 years from that retirement date respectively. During the 6 years before your retirement, your retirement savings are then directed into target funds that best match the benefits likely to be taken by you at retirement. The following table gives an overview of the funds you will be invested in over the years of your pension savings.

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

PHASE 3 - SWITCHES INTO TARGET BENEFIT FUNDS

Phase 3 is the phase when EMPOWER PLS tries to match your personal circumstances. EMPOWER 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 us, over the last six years prior to your retirement EMPOWER PLS will switch your pension savings into one, two or three different funds that best match the benefits likely to be taken by you at retirement. When our sample member Alex comes to retirement, he could have a number of different options for how to take his 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 Pension for Life Fund	EMPOWER Flexible ARF Fund
	EMPOWER Flexible ARF Fund	

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

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Keeping EMPOWER PLS up to date

To make sure EMPOWER 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. Please inform us of any changes as soon as possible.

Irish Life is continuously striving to offer services which are up to date and appropriate. We are committed to ensuring that EMPOWER 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 plan member using EMPOWER PLS automatically benefit from the changes.

Switches into the EMPOWER PLS are free of charge. Restrictions may apply to some switches out of your existing funds if you join EMPOWER PLS.

For more information and if you wish to use EMPOWER PLS please contact your Financial Advisor. Details of the funds used in EMPOWER PLS are available on www.irishlifeemployersolutions.ie



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Information correct as at March 2022.

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