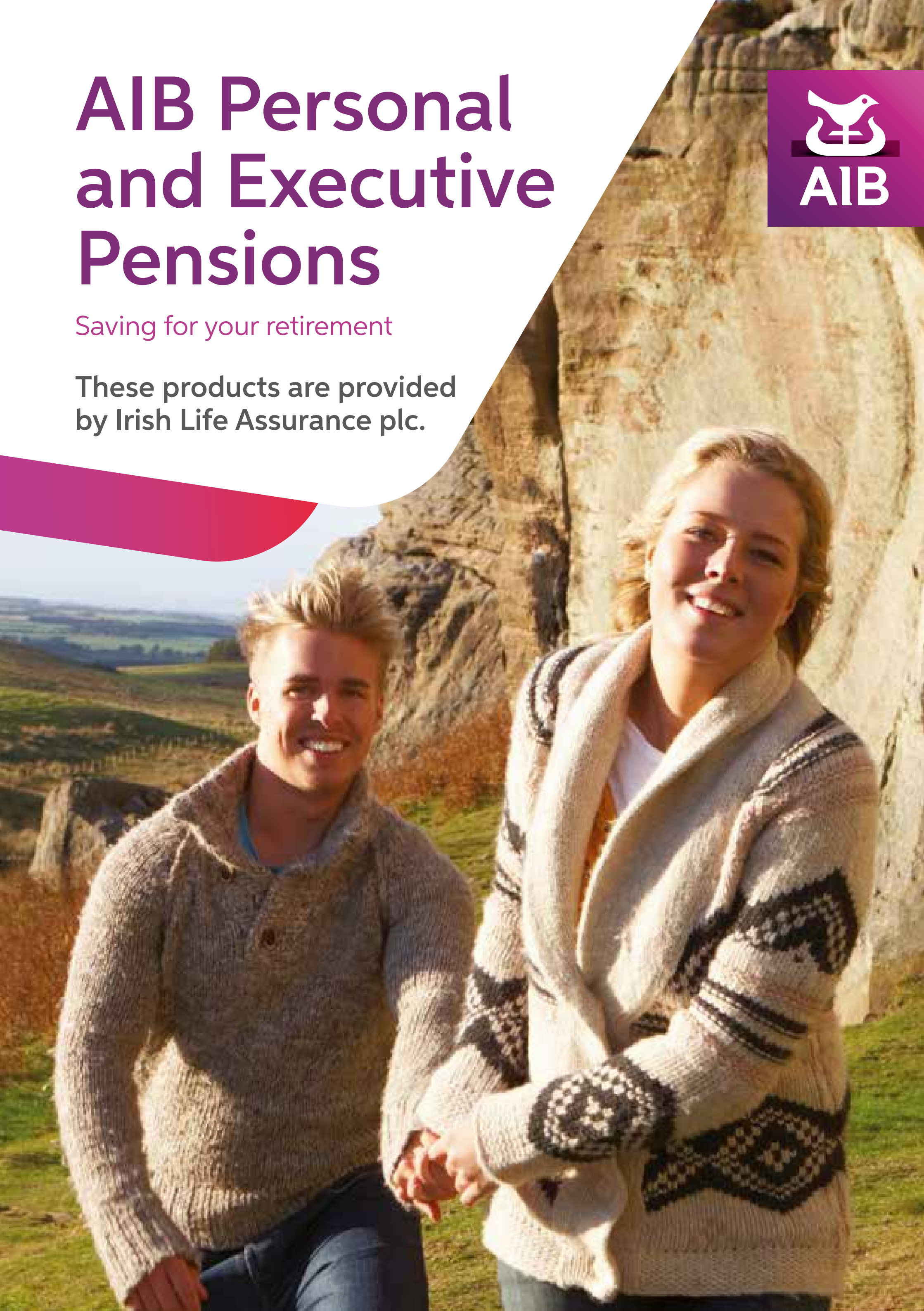
AIB Personal and Executive Pensions

Saving for your retirement

These products are provided by Irish Life Assurance plc.



PRODUCT SNAPSHOT

PENSION PLANS AVAILABLE THROUGH AIB	
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 choose.
Funds Available	Twenty eight.
Time Period	Normally between age 60 and 75 for personal pensions and between age 60 and 70 for executive pensions.
Jargon-free	Yes.

All information including the terms and conditions of your plan will be provided in English. The information and figures quoted in this booklet are correct as at November 2018 but may change.

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

COMMITTED TO PLAIN ENGLISH

There is no financial jargon in this booklet and everything you need to know is written in an upfront and honest way.

ABOUT US

AIB has chosen Irish Life, Ireland's leading life and pensions provider, to provide its customers with a range of pension, protection, investments and savings products. Irish Life is part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations. As well as offering advice when you take out a plan, AIB will also help you with any questions about your plans and offer you a financial review every year in return for the fee AIB receive from Irish Life.

Allied Irish Banks, p.l.c. is tied to Irish Life Assurance plc, for life and pensions business. This means that although AIB are distributing this product, the product information in this booklet has been written by Irish Life as product provider. If you choose this product, it will be provided by Irish Life. So, any reference to 'we', 'us' or 'our' refers to Irish Life. If you have any questions, your AIB Financial Advisor will be happy to help.

Information correct as of November 2018.
For the latest information, please see www.irishlife.ie

AIB Irish Life

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 AIB service team at Irish Life, based in Ireland. They are on hand to listen to your queries and help you when you are looking for answers.

YOU CAN CHANGE YOUR MIND

We want to make sure that you are happy with your decision to take out this 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 30-day 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 - PERSONAL PENSIONS ONLY

We have a range of online services available for you. You can check the details of your plan online by visiting our website www.irishlife.ie and logging into My Online Services. 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 AIB service team at Irish Life on 1890 719 390.

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 get 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 AIB service team at Irish Life on 1890 719 390. They can answer questions about your plan.

Our lines are open:

8am to 8pm Monday to Thursday

10am to 6pm Fridays

9am to 1pm Saturdays.

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

You can also contact us in the following ways:

Email: aibserviceteam@irishlife.ie

Fax: 01 704 1900

Write to: AIB service team
Irish Life Assurance plc
Irish Life Centre
Lower Abbey Street
Dublin 1

ANY PROBLEMS?

If you experience any problems, please call your AIB Financial Advisor or contact our AIB service team at Irish Life. 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 the AIB service team, you feel we have not dealt fairly with your query, you can refer it to the Financial Services and Pensions Ombudsman or the Pensions Authority depending on the type of plan and complaint you have. You can find details and contact numbers on page 36.

SOLVENCY AND FINANCIAL CONDITION REPORT

Our Solvency and Financial Condition Report is available at www.irishlife.ie.

CONTENTS

All information including the terms and conditions of your plan will be provided in English.

The information and figures quoted in this booklet are correct as at November 2018 but may change.

INFORMATION FOR PERSONAL PENSIONS, SELF-EMPLOYED OR EMPLOYEES

A

SECTION 1

INTRODUCTION

This booklet will explain the features of pensions plans available through AIB and the options available to you after retirement.

This booklet outlines all you need to know about pension plans available through AIB.

- AIB Personal Pension
- AIB Bond for personal pension
- AIB Executive Pension
- AIB Bond for executive pension

If you decide to take out an executive 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 an AIB Executive pension plan, you and the trustee should read this booklet. Our contract will be with the trustee.

We have designed pension plans available through AIB for:

- people who want to take out a personal pension plan; and
- employers who want to provide pension benefits for their employees through an executive pension arrangement.

PERSONAL PENSION PLAN

Personal pensions are designed for people who don't have a pension scheme through their job and who want to contribute themselves. As a result, this suits people who are self-employed or have no pension scheme through their employer. Please read pages 34 to 36 for answers to some of the most common questions about personal pensions.

EXECUTIVE PENSION PLAN (INCLUDING AVCs)

Executive 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. An executive 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 the 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 28). Employee contributions and AVCs will boost your retirement fund. You can access your retirement fund when you retire.

Please see pages 37 to 41 for answers to some of the most common questions about executive pensions. Your AIB Financial Advisor can give you more detailed information, including a personal quotation.

SECTION 2

PENSION PLANS AVAILABLE THROUGH AIB

Pension plans available through AIB 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. Pension plans available through AIB can offer you the perfect solution – an easy-to-understand pension plan which puts you in control while offering you great choice.

SUITABILITY SNAPSHOT

Pension plans available through AIB might suit you if you:	Pension plans available through AIB might not be suitable 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 to use your fund before age 60 (or until you retire)	✘ need to use your fund before age 60 (or before you retire)
✔ are happy with the charges on this plan and accept that the value of your fund could fall as well as rise	✘ are not happy with the charges or choice of funds available in this plan
✔ have at least €750 a month to invest (personal pension)	✘ have less than €750 a month to invest (personal pension)
✔ have at least €150 a month to invest (executive pension)	✘ have less than €150 a month (executive pension)
✔ would like to take advantage of the income 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 income tax relief available on pension contributions.

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.

WHAT ARE THE CHARGES?

Pension plans available through AIB offer you great value for money, giving you a straightforward pension solution and competitive charges.

Contribution charges

Table 1 – contribution charge on regular contributions

Regular contribution each year	Contribution charge	Percentage of contribution invested	Reduced contribution charge after five years (see note)	Percentage of contribution invested after 5 years
Less than €9,000	5%	95%	4.5%	95.5%
€9,000 to €11,999.99	3.75%	96.25%	3.25%	96.75%
€12,000 or more	3%	97%	2.5%	97.5%

Note: Reduced contribution charge after five years.

As shown in table 1 above, after your pension plan has been in place for five years, we will reduce the contribution charge by 0.5%.

Table 2 – contribution charge on one-off contributions

One-off contribution	Contribution charge	Percentage of contribution invested
Less than €12,500	4%	96%
€12,500 to €24,999.99	3.25%	96.75%
€25,000 or more	2.5%	97.5%

Contribution charge on transfer contributions

There is no contribution charge on funds transferred into your pension taken out through AIB from approved schemes, so we will invest 100% of the contribution.

If your regular contributions change in the future

If you change your regular contributions in the future, this may change the contribution charge you pay.

Increased regular contribution

If you increase your regular contribution, and this results in your regular contribution going into a higher band (as shown in table 1), the contribution charge for the higher band will apply which will result in a lower contribution charge for you.

For example, if your regular contribution is €8,000 a year, the contribution charge is 5%. If you increased your regular contribution to €10,000, it would go up into the higher band and the contribution charge would be 3.75% on €10,000.

Reduced regular contribution

If you reduce your regular contribution, and this results in your regular contribution going into a lower band (as shown in table 1), the contribution charge for the lower band will apply which will result in a higher contribution charge for you.

For example, if your regular contribution is €10,000 a year, the contribution charge is 3.75%. If you reduce your contribution to €8,000, it would go down into the lower band and the contribution charge would be 5% on €8,000.

Yearly fund charge

Over the term of your plan, we take a monthly charge from the value of your retirement fund. The full list of funds and charges are highlighted below.

Other charges

The Pensions Authority charges a fee every year for executive pensions. This charge is currently €8 but could change in the future. We will take this charge every year from executive pensions.

The Pensions Authority do not currently charge a fee on personal pensions.

Government levies

We will take any government levies due and pass them direct to the Revenue Commissioners. We will take these levies from your fund.

WHAT IS MY PENSION PLAN TAKEN OUT THROUGH AIB LIKELY TO BE WORTH WHEN I RETIRE?

This example shows the estimated future values of an AIB Executive 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	€5,783
2	€11,881
3	€18,308
4	€25,077
5	€32,202
10	€73,878
15	€126,906
20	€194,602
25	€278,238
30	€382,772

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 1.15%. By law, 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 the plan starts in April 2018. The figures shown take account of the Pensions Authority yearly fee of €8.

WHAT FUNDS ARE AVAILABLE?

	Fixed Fund Charge	Estimated level of variable fund charge	Total charge
Multi Asset Portfolio Fund 2	1.00%	0.15%	1.15%
Multi Asset Portfolio Fund 3	1.00%	0.15%	1.15%
Multi Asset Portfolio Fund 4	1.00%	0.15%	1.15%
Multi Asset Portfolio Fund 5	1.00%	0.15%	1.15%
Multi Asset Portfolio Fund 6	1.00%	0.05%	1.05%

Funds only available with Lifestyle Options	
Stability Fund	1%
Annuity Fund	1%
ARF Fund	1%

Other Funds	
Global Cash Fund	1%
Pension Protection Fund	1%
Indexed Euro Corporate Bond Fund	1%
Consensus Cautious Fund	1%
Consensus Fund	1%
Consensus Equity Fund	1%
Indexed Irish Equity Fund	1%
Indexed European Equity Fund	1%
Indexed Japanese Equity Fund	1%
Indexed North American Equity Fund	1%
Indexed Pacific Equity Fund	1%
Indexed UK Equity Fund	1%
Indexed European Property Shares Fund	1%
Managed Portfolio Fund 1 (Foundation)	1%
Managed Portfolio Fund 2 (Base)	1%
Managed Portfolio Fund 3 (Core)	1%
Managed Portfolio Fund 4 (Intermediate)	1%
Managed Portfolio Fund 5 (Dynamic)	1%
Managed Portfolio Fund 6 (Aggressive)	1%

We explain these funds in detail in the fund guide section on page 12.

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 delay period or you may have to pay a charge for leaving the fund.

WHAT INVESTMENT STRATEGIES ARE AVAILABLE?

We will invest your pension contributions in a fund or funds as explained above so it's beneficial for you to choose funds which are right for you. Investment strategies are a way of managing the funds you are invested to help reduce risk as you draw closer to retirement. We have two investment strategies for you to choose from – the Annuity Lifestyle Option and the ARF Lifestyle Option. We also have a number of funds for you to choose from if you don't want to invest in any investment strategy.

The Lifestyle Option Strategies

Our lifestyle options strategies involve gradually moving your investment into a mix of low and medium-risk funds as you move closer to retirement.

Before choosing either strategy you should be aware that the funds in which they invest in can fall and rise in value and have different levels of risk. This is explained in the description of each fund.

It is generally recommended that the Multi Asset Portfolio Funds (MAPS) form part of the lifestyle option, but you can choose your own funds if you prefer. The percentage invested in each fund at any one time depends on how long you have left to your retirement date.

1. The Annuity Lifestyle Option

If you are more than 25 years from your chosen retirement date, we fully invest your contributions in the Multi Asset Portfolio Funds or the funds of your choice.

Between 25 years to six years before you retire, we will switch 2% of your fund into the Stability Fund every year.

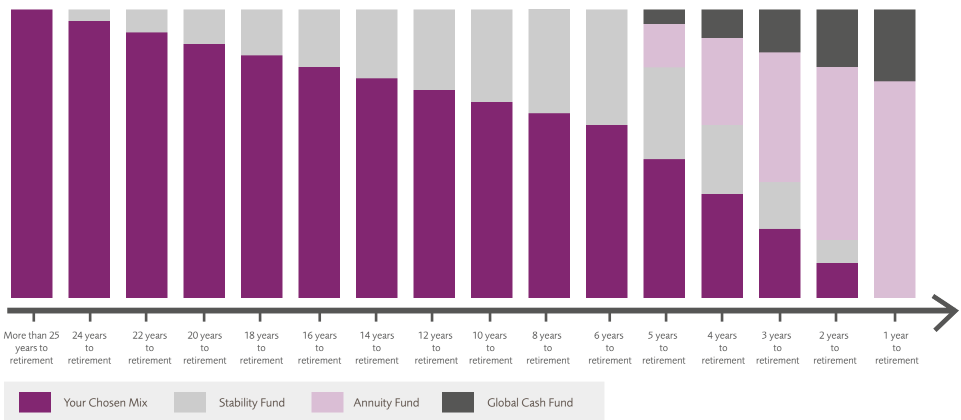
When you are six years before retirement, 60% of your fund is invested in your fund choice and 40% in the Stability Fund. At that date, we gradually switch the total fund and future contributions into the Global Cash Fund and the Annuity Fund until one year before your retirement.

For the last year your fund is entirely in the Global Cash Fund (25%) and Annuity Fund (75%). We explain these funds in more detail on pages 21 and 22.

This strategy will suit you if you aim to buy an annuity with your retirement fund.

The table below shows how your investment is automatically switched between funds in the Annuity Lifestyle Option. If, for example, you take out a pension plan available through AIB and you have 18 years to retirement, we will at first invest 84% of your contributions in your own choice of funds and 16% in the Stability Fund. The contributions will gradually switch over the rest of the term as explained above.

ANNUITY LIFESTYLING STRATEGY



2. The Approved Retirement Fund (ARF) Lifestyle Option

If you want to invest your retirement fund in an ARF when you retire, you can choose our ARF Lifestyle Option. This is identical to our Annuity Lifestyle Option except that instead of switching into the Annuity Fund, you will switch into the ARF Fund. As with the Annuity Lifestyle Option, you can invest in the Multi Asset Portfolio Funds or choose your own funds.

We do not recommend the lifestyle option strategies if you want to invest in low-risk funds. This is because with those strategies your investment is gradually moved into a mix of low-risk and medium-risk funds.

We explain the current risk and volatility levels associated with your chosen funds and the other funds in the lifestyle options are on page 21. You should make sure that you are happy with the risk and volatility levels your funds will be invested in throughout the lifetime of your plan. All funds can rise and fall in value.

You can switch out of a lifestyle option strategy at any time. The percentage invested in each fund at any one time depends on the time you have left until your retirement date. If your retirement fund is automatically moved into less risky funds, such as bonds, and stock markets rise in the years leading up to your retirement, this could lead to your retirement fund being less than it could have been.

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

You will be fully invested in your own choice of funds until this switch happens.

Other investment options

If you do not choose to invest in any of these strategies, you can choose any one, or a combination, of the other 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, or into one of our strategies described. Fund switching is free.

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

CHOOSING THE RIGHT FUND MIX

There are a wide range of funds for you to choose from. 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.

THE FUND THAT IS RIGHT FOR YOU DEPENDS ON:

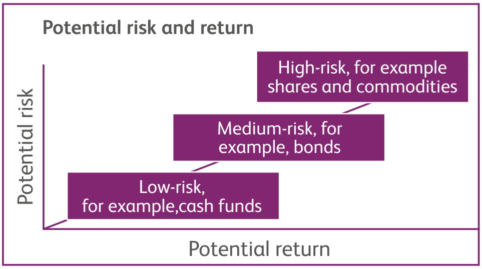
Amount of risk

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 these types of funds, 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 and you can lose some or all of the value of your investment.

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.

A fund's risk rating can change. Because of this, the risk ratings in this booklet may not be the most up-to-date ratings. Please visit our website www.irishlife.ie/aib/fund-prices-performance.html to see the most up-to-date risk rating for each of our funds.

You should monitor your investment on an ongoing basis to make sure that you are still comfortable that the fund volatility is right for you depending on the amount of risk you are willing to take.

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

In the fund guide section we have set out the full range of investment funds available. We divided these into low-risk funds with lower potential for returns, medium-risk funds with the possibility of medium return, and high-risk funds with the potential for higher return.

SECTION 4

FUND GUIDE

MULTI ASSET PORTFOLIO FUNDS (MAPS)

We developed our multi asset portfolio funds bearing in mind the needs of our customers and their attitude to risk. There are five multi asset portfolio funds, each targeting a different level of risk. Irish Life Investment Managers monitor, review and manage each of the five funds to this risk level.

If you are a low-risk or high-risk investor, there is a fund that may suit you.

- The funds invest in a wide range of assets, including cash, shares, property and bonds.
- The funds are expertly managed by Irish Life Investment Managers (ILIM).
- All five funds benefit from a wide range of risk-management strategies.

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

MULTI ASSET PORTFOLIO FUNDS USING ILIM'S DYNAMIC SHARE TO CASH™ MODEL

FUND NAME	MULTI ASSET PORTFOLIO 2	MULTI ASSET PORTFOLIO 3	MULTI ASSET PORTFOLIO 4	MULTI ASSET PORTFOLIO 5	MULTI ASSET PORTFOLIO 6
RISK LEVEL	LOW		MEDIUM		HIGH

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 can be 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. ILIM 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 the risk rating of the fund changing.

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

RANGE OF ASSETS

Range of funds from low to high risk

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 spread out your investment across different asset classes by not putting all your 'eggs in one basket' and these funds allow you to do just that. Investing in a wide range of assets and asset classes helps to reduce the volatility of the fund, which is a measure of the extent the fund value moves up and down.

We outline and explain the assets that are available in these funds below. The split across each of the asset classes affects the risk rating of your fund.

ILIM will continually monitor and review these assets and may change them over time.
Each of the five funds will invest in different mixes of the range of assets described below.
For the actual Multi Asset Portfolio fund mix, see the latest factsheets at
www.irishlife.ie/aib/fund-prices-performance.html.

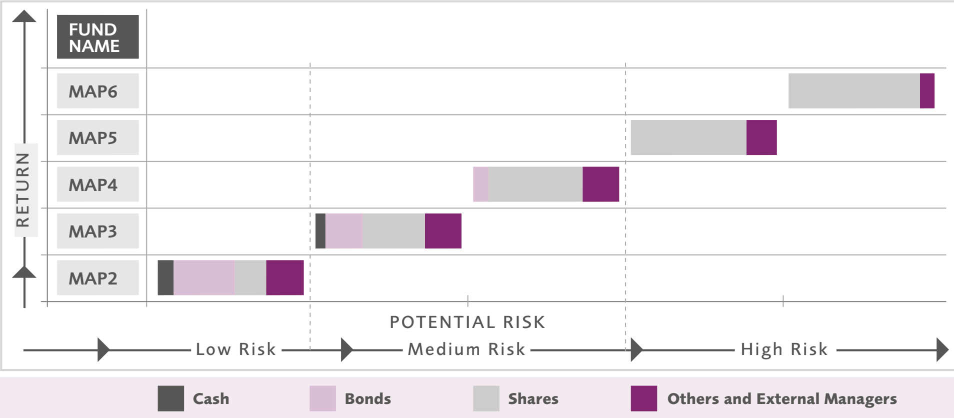
Cash & bonds	Shares	Alternatives managed by external managers	Other assets
• Cash • Government bonds • Corporate bonds • High yield bonds	• Global Shares • Low Volatility Global Shares • Option* Strategy	Part of each multi asset portfolio fund invests in a dynamic blend of specialist alternative funds managed by asset managers other than ILIM. Underlying investments are across a range of traditional and alternative asset classes.	Each of the multi asset portfolio funds have some investment in property funds. As markets change and new opportunities arise, ILIM may invest in other assets.

* An option is the right, but not the obligation, to buy/sell an asset at a specific price on an agreed date in the future. The seller of the option receives a sum of money from the buyer.

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

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 2 (MAP2) has a very high percentage in bonds and cash which are traditionally less volatile than other assets, such as shares. The higher-risk fund Multi Asset Portfolio 6 (MAP6) is mainly invested in shares, which are traditionally more volatile than bonds or cash but, in the past, have given better long-term returns.



For the actual Multi Asset Portfolio Fund mix, see the latest factsheets at www.irishlife.ie/aib/fund-prices-performance.html

EXPERTLY MANAGED BY IRELAND'S NUMBER 1 INVESTMENT MANAGER

Irish Life Investment Managers (ILIM) have designed the Irish Life MAPS Funds. They have over €60 billion of assets under management, including private investors and international companies. By investing in an Irish Life MAPS through an Irish Life pension plan, you will benefit from the best of ILIM experience and expertise.

REGULAR REVIEWS

The process takes into account the expected outlook for investment markets over the short, medium and long term, with a view to creating the best fund mix. In these reviews, ILIM are looking for opportunities to either refine the way they manage risk or increase the expected fund returns. This process involves reviewing investment opportunities such as choosing new managers, asset classes, strategies, regions, developments in research and then analysing how best to include any possible changes into the existing funds.

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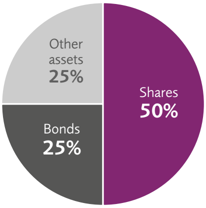
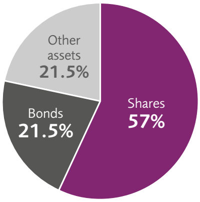
REBALANCING

One of the most important risk management tools used by ILIM is rebalancing each Irish Life Multi Asset Portfolio fund every three months. The example below shows why rebalancing is important and what could happen without it.



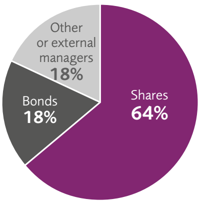
Start year 1:

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



Start year 2:

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



Start year 3:

If the same thing happened again, we would end up with nearly two-thirds of the fund invested in shares. This fund mix may no longer be suitable for someone who originally chose an allocation with 50% in shares, 25% in bonds and 25% in cash.

Every three months ILIM will change the split of assets in the fund so that the funds are rebalanced back to the intended split. This means that you don't have to worry about a fund becoming a higher risk rating than the one you originally invested in.

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

DYNAMIC SHARE TO CASH (DSC) MODEL DSC™

ILIM use their DSC model on all five multi asset portfolio funds. ILIM developed the DSC model and it is a market first in Ireland. It uses many factors to identify long-term stock-market trends and movements.

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

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. Currently DSC applies to global shares, ILIM will continually review this and, in the future, a similar process may apply to other assets.

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.

FUND DESCRIPTIONS

IMPORTANT:

This applies to all Multi Asset Portfolio funds listed below:

Funds that are managed by external asset managers are subject to incentive fees. See page 26 for information on external managers. Part of this fund may borrow money to invest in property.

LOW RISK

MULTI ASSET PORTFOLIO FUND 2

(Volatility **IL2**)

This fund is one of the Irish Life MAPS range of funds where each fund is managed within its target risk level. Multi Asset Portfolio 2 is a low-risk fund, investing in a mix of assets such as bonds, shares, property, cash and externally managed specialist funds. It also features several risk-management strategies. The fund aims to have a small percentage invested in higher-risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time. For the current asset mix of the fund please see www.irishlife.ie/aib/fund-prices-performance.html.

MEDIUM RISK

MULTI ASSET PORTFOLIO FUND 3

(Volatility **IL3**)

This fund is one of the Irish Life MAPS range of funds where each fund is managed within its target risk level. Multi Asset Portfolio 3 is a low to medium-risk fund, investing in a mix of assets such as bonds, shares, property, cash and externally managed specialist funds. It also features several risk-management strategies. The fund aims to have a mix of lower-risk assets such as cash and bonds and higher-risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time. For the current asset mix of the fund please see www.irishlife.ie/aib/fund-prices-performance.html.

MULTI ASSET PORTFOLIO FUND 4

(Volatility **IL4**)

This fund is one of the Irish Life MAPS range of funds where each fund is managed within its target risk level. Multi Asset Portfolio 4 is a medium-risk fund, investing in a mix of assets such as bonds, shares, property and externally

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Warning: This product 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.

managed specialist funds. It features several risk-management strategies and may invest in cash from time to time. The fund aims to have a moderate percentage invested in high-risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time. For the current asset mix of the fund please see www.irishlife.ie/aib/fund-prices-performance.html

HIGH RISK

MULTI ASSET PORTFOLIO FUND 5
(Volatility **IL5**)

This fund is one of the Irish Life MAPS range of funds where each fund is managed within its target risk level. Multi Asset Portfolio 5 is a medium-to-high-risk fund, investing in a mix of assets such as shares, property, and externally managed specialist funds. It features several risk-management strategies and may invest in cash from time to time. The fund aims to have a relatively high exposure to high-risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time.

For the current asset mix of the fund please see www.irishlife.ie/aib/fund-prices-performance.html

MULTI ASSET PORTFOLIO FUND 6
(Volatility **IL6**)

This fund is one of the Irish Life MAPS range of funds where each fund is managed within its target risk level. Multi Asset Portfolio 6 is a high-risk fund, investing in a mix of assets such as shares, property and externally managed specialist funds. It features several risk-management strategies and may invest in cash from time to time. The fund aims to have a high percentage invested in high risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time. For the current asset mix of the fund please see www.irishlife.ie/aib/fund-prices-performance.html

OTHER FUND OPTIONS

As well as the MAPS funds there are other funds for you to choose from. Outlined below is the risk rating and description of each of these funds.

OTHER FUNDS AVAILABLE

LOW RISK

Volatility IL1

Global Cash Fund

Volatility IL2

ARF Fund

Multi Asset Portfolio Fund 2

Stability Fund

MEDIUM RISK

Volatility IL3

Consensus Cautious Fund

Indexed Euro Corporate Bond Fund

Managed Portfolio Fund 1 (Foundation)

Multi Asset Portfolio Fund 3

Volatility IL4

Annuity Fund

Managed Portfolio Fund 2 (Base)

Managed Portfolio Fund 3 (Core)

Multi Asset Portfolio Fund 4

Pension Protection Fund

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

Warning: This product 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.

HIGH RISK

Volatility IL5

Consensus Fund

Managed Portfolio Fund 4 (Intermediate)

Managed Portfolio Fund 5 (Dynamic)

Multi Asset Portfolio Fund 5

Volatility IL6

Consensus Equity Fund

Indexed European Equity Fund

Indexed European Property Shares Fund

Indexed Japanese Equity Fund

Indexed North American Equity Fund

Indexed UK Equity Fund

Managed Portfolio Fund 6 (Aggressive)

Multi Asset Portfolio Fund 6

Volatility IL7

Indexed Irish Equity Fund

Indexed Pacific Equity Fund

FUNDS TO BE USED ONLY WITH LIFESTYLE OPTIONS

The following funds are specifically designed to be used with the Multi Asset Portfolio Funds as part of our lifestyle option investment strategies.

LOW RISK FUNDS

ARF Fund
(Volatility IL**2**)

This fund is largely made up of bonds and cash which currently account for about 70% of the fund, with the rest in shares and alternatives (for example emerging market shares). This fund aims to provide moderate returns.

Stability Fund
(Volatility IL**2**)

The Stability Fund invests mostly in bonds and cash with a small amount in shares. This is different to a standard managed fund which invests a large amount in shares. This fund aims to provide moderate returns with low levels of ups and downs.

MEDIUM RISK FUNDS

Annuity Fund
(Volatility IL**4**)

This fund invests in long-term eurozone government bonds. The aim of the investment is to pay for an annuity when you retire.

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

Warning: This product 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.

OTHER AVAILABLE FUNDS

We also have 19 other funds from which you can build your own mix of funds to be used with or without the lifestyle option investment strategies.

LOW RISK FUNDS

Global Cash Fund
(Volatility IL**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.

MEDIUM RISK FUNDS

Consensus Cautious Fund
(Volatility IL**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 shorter-term eurozone government bonds. For more details on the Consensus Fund, please see page 23.. The Consensus Cautious Fund aims to give mid-range levels of return with lower levels of ups and downs.

Indexed Euro Corporate Bond Fund
(Volatility IL**3**)

This fund invests in investment-grade euro corporate bonds which become due for payment at different times. By providing access to a wide range of companies who issue bonds, the fund aims to provide long-term returns which are greater than can be achieved by investing in cash or government bonds. This fund is suitable if you want a reasonable return with less risk than share-based investments. The fund aims to track the performance of the Merrill Lynch EMU Large Cap Corporate Bond Index.

Managed Portfolio Fund 1 (Foundation)
(Volatility IL**3**)

This is a passively managed fund, where 65% of the assets are invested in the Consensus Fund and 35% track the performance of shorter term eurozone government gilts. The Consensus Fund invests in the same assets as the main Irish pension investment managers, i.e. it mirrors their choice of equities, bonds, property and cash. The European fixed interest securities are Eurozone bonds that typically have less than five years to maturity. This fund is suitable for those who are looking for less volatility than traditional managed funds and will accept less potential growth.

Managed Portfolio Fund 2 (Base)
(Volatility IL**3**)

This is a passively managed fund that invests in a mix of equities, bonds, property and cash. Currently, the fund is invested 70% in the Cautious Consensus Fund and 30% in the Consensus Fund.

Managed Portfolio Fund 3 (Core)
(Volatility IL**4**)

This is a passively managed fund that invests in a mix of equities, bonds, property and cash. Currently, the fund is invested 70% in the Consensus Fund and 30% in the Cautious Consensus Fund.

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Warning: This product 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.

Pension Protection Fund
(Volatility IL**4**)

Currently this fund invests largely in long-term eurozone government bonds and cash. The balance of the fund can be directly or indirectly invested in 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, in other words, 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 set 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 on these movements.

Consensus Fund
(Volatility IL**5**)

This fund is one of Ireland's most popular funds, currently managing over €5.4 billion. 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.

Managed Portfolio Fund 4 (Intermediate)
(Volatility IL**5**)

This is a passively managed fund that invests in a mix of equities, bonds, property and cash. Currently, the fund is invested 80% in the Consensus Fund and 20% in the Consensus Equity Fund.

Managed Portfolio Fund 5 (Dynamic)
(Volatility IL**5**)

This is a passive fund that invests substantially in global equities with the balance invested in bonds, property and cash. Currently, the fund is invested 70% in the Consensus Equity Fund, 20% in the Consensus Fund and 10% in the Indexed Pacific Equity Fund.

Indexed European Equity Fund
(Volatility IL**6**)

This fund concentrates on European shares. The fund's aim is to match the average return of all shares that make up the FTSE Europe Ex UK Index.

Indexed Japanese Equity Fund
(Volatility IL**6**)

This fund concentrates on Japanese shares. The fund's aim is to match the average return of all the shares that make up the FTSE Japan Index. A one-day delay applies if you ask to switch due to significant trading and settlement time differences in Asian markets.

Indexed North American Equity Fund
(Volatility IL**6**)

This fund concentrates on North American shares. The fund's aim is to match the average return of all the shares that make up the FTSE North America Index.

Indexed European Property Shares Fund
(Volatility IL**6**)

This fund invests in shares of European property companies and real estate investment trusts (REITs) that are managed by external managers. REITs are an effective, low-cost and easy way to invest in property. REITs generally contain borrowings of about 50% and so are more risky than investing in property that does not have any borrowing associated with it (see page 28).

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

Warning: This product 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 fund tracks the FTSE EPRA/NAREIT Europe Ex UK Liquid 40 index which invests in listed property companies across mainland Europe. In certain circumstances we may need to delay switches, withdrawals or transfers out of this fund and delays may be significant. This delay will be no more than 18 months. Please read Important information' on page 26 for more information.

Indexed UK Equity Fund
(Volatility IL**6**)

This fund concentrates on UK shares. The fund's aim is to match the average return of all the shares that make up the FTSE UK Index.

Managed Portfolio Fund 6 (Aggressive)
(Volatility IL**6**)

Most of this fund is invested in a mix of global equities. This fund is currently invested up to 85% in the Consensus Equity Fund (see below for description) and 15% in the Indexed Pacific Equity Fund (see page 24 for description).

Consensus Equity Fund
(Volatility IL**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 the managers make, the Consensus Equity Fund avoids the risks associated with relying on the decisions of just one fund manager. Managing assets in this way aims to remove the risk associated with some managers making poor decisions.

Indexed Irish Equity Fund
(Volatility IL**7**)

This fund concentrates on Irish shares. The fund's aim is to match the average return of all the shares that make up the ISEQ Index.

Indexed Pacific Equity Fund
(Volatility IL**7**)

This fund concentrates on Pacific shares, which includes countries such as Singapore, South Korea and Australia. The fund's aim is to match the average return of all the shares that make up the FTSE Pacific Ex Japan Index. A one-day delay applies if you ask to switch due to significant trading and settlement time differences in Asian markets.

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

Warning: This product 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.

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 a fund is invested.
- The fund manager imposes a delay.
- If you invest in markets or funds with assets with significant time differences including trading or settlement time differences. An example of this is Asian markets.

Delayed transactions will be based on the value of the units at the end of the delay period. Delay periods can be significant depending on the nature of the underlying assets.

External managers

We offer a number of funds where some or all of the assets within the fund are managed by companies (external managers) other than Irish Life Investment Managers (ILIM). There will be charges taken from these funds by both us and these external fund managers.

For those funds that are managed by external 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 external manager for your plan. Our commitment is restricted to the amounts we actually receive from the external manager.

If you invest in funds managed by an external 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 external 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 Currency section below).

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.

Variable fund charges

In general, 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 the Multi Asset Portfolio Funds and the Property Portfolio Fund are variable which means they can be higher or lower than the charges shown in this booklet. The charges on a fund may also vary if that fund can invest in a range of other funds.

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.

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.

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. However, these are for example only and are not contractually standard charges.

Incentive fees

Some fund managers from the Multi Asset Portfolio Funds may take an incentive fee if they achieve certain investment returns on the funds they manage. Depending on the particular fund, circumstances in which they may take an incentive fee include the following:

- If the investment return is positive in any calendar quarter.
- If the investment returns go over 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 go above the performance of a benchmark fund.

If a fund manager takes an incentive fee, this will be reflected in the unit price of the fund. Please contact your AIB Financial Advisor for details of the exact nature of the incentive fee which applies to a particular fund.

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

PROPERTY

This section is applicable if you are invested in a property fund or a fund with a high percentage invested in property assets.

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 and 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 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)

In certain circumstances, we may delay switches, withdrawals or transfers out of a fund. This is referred to as the 'notice period'. This may be because there are a large number of customers wishing to switch into or out of the fund at the same time, or if there are practical problems buying or selling the assets within the fund or if an external manager who is responsible for the investment of any part of the fund imposes such a delay. Delayed transactions will be based on the value of units at the end of the period when the transaction actually takes place.

Due to the high cost and time involved in buying or selling properties, a delay of this sort is most likely to happen if you are invested in a property fund (or a fund with a high proportion of property or property related assets). The length of any delay will depend on how long it takes us to buy or sell the assets in the fund. A significant delay would be likely to apply in this situation depending on the nature of the underlying assets. 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. This delay will be no more than 18 months.

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 about 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 fund managers may happen at a different time to the reduction for the rest of the fund.

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.

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 following example shows how a property fund works if it usually invests in a mix of direct and indirect properties.

Amount of investment	€100,000
Amount invested directly 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; and
- 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 with the amount invested in property, the greater the potential returns. However, the level of risk will be higher.

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 in which the fund invests are valued in their local currency. This can increase or reduce your returns depending upon how those local currencies are performing compared with the euro.

For example, the Indexed UK Equity Fund aims to track the performance of the FTSE UK index of shares of UK companies. Since the shares are priced in pounds sterling, the value of the Indexed UK Equity Fund will be affected both by how the shares of the companies perform and any movements in the euro and sterling exchange rate. If, for example, there has been no change in the value of shares in sterling, but sterling falls in value against the euro, the Indexed UK Equity Fund would fall in value. Obviously, in the same circumstances, a rise in the value of sterling would result in an increase in the value of the Indexed UK Equity Fund.

Some funds which invest in assets outside of the eurozone may try to manage 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 protected against currency movements may have a negative effect on the value of these funds and the expected investment returns.

Equally, some fund managers will not try to manage the risk related to movements in exchange rates and the value of your investment will be fully exposed to exchange rate movements.

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

Counterparty Risk

It is important to note that the value of investments with any fund manager may be affected if any of the institutions money is placed with become insolvent or suffer any other financial difficulties. The value of your units will reflect the value of the assets recovered from that manager. We will not use any of our assets to make up any shortfall.

Tax

The personal income tax relief you may be entitled to is explained on pages 34 (personal pensions) & 38 (executive pensions).

Under current Irish tax rules, the growth of all pension funds is not taxed until the benefits are taken. 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 have to pay income tax, the Universal Social Charge (USC), Pay Related Social Insurance (PRSI) (if this applies) and any other taxes or government levies on the income you get from a pension.

If Irish tax law and practice change during the term of your plan, we will change the fund value and how your fund is taxed as a result.

This information is based on current Irish tax law, which could change in the future.

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 to earn an additional return for the fund. While the securities lending increases the level of counterparty risk within a fund, it provides an opportunity to increase the investment return. The fund manager may keep some or all of the revenue from securities lending for themselves.

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 those funds into any other funds that are open at the time. We can also restrict the option to switch to, 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.

SECTION 5

YOUR OPTIONS WHEN YOU RETIRE

With pension plans available through AIB, you have a number of options when you retire. It is not necessary to decide now on what option you should take. You can make this decision closer to retirement when it is easier to decide how you want to spend the fund you have built up.

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.

If you do not take retirement benefits before your 75th birthday your personal pension will become a vested Retirement Annuity Contract (RAC). (This is another type of pension product.) You will have 30 days from your 75th birthday to complete a benefit crystallisation event (BCE) certificate or we will deduct income tax at the higher rate (currently 40%) from the pension fund and pay it to the Revenue Commissioners.

If your personal pension becomes a vested RAC, you will have no access to your pension benefits. If you want to have access to your pension fund after age 75, you should speak to your AIB Financial Advisor about your options before your 75th birthday.

Executive pension

You can 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

Retirement Lump Sum

You can take 25% 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.

You can use the rest of the fund to do one or more of the following:

1. Buy a pension for life (otherwise known as an 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 an executive 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. You must use the rest of your pension 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;
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. If you have a retirement lump sum of between €200,000 and €500,000, you will have to pay standard-rate income tax, which is currently 20%. Any retirement lump sums more than €500,000 will be taxed as income at your marginal rate. We will also take the USC, PRSI (if this applies) and any other taxes or government levies due at that time. Both the €200,000 and €500,000 limits include all retirement lump sums you have received since 7 December 2005.

Your AIB Financial Advisor can give you more information about what you are entitled to.

1 Buying a pension for life

You can use the rest of the fund (if any) to buy a pension (in other words, a regular income paid to you for the rest of your life, otherwise 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 pay the pension direct 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, wife, registered civil partner or dependant. This means that if you die, we will pay a pension to them until they die.

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.

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.

Your pension is treated as income so you will have to pay income tax at your highest rate on withdrawal, the USC, PRSI (if this applies) and any other taxes or government levies due at that time.

2 Investing in an Approved Retirement Fund (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.

Approved Retirement 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 by 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 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.

The Finance Act 2006 introduced an obligation on all qualifying fund managers to take tax from ARF funds every year as if you had taken a minimum withdrawal. This is explained fully in a booklet specifically on ARFs which you can ask us for.

Approved Minimum Retirement Fund (AMRF)

If you do not have a guaranteed pension income for life of at least €12,700 a year, 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 use your AMRF to buy a pension at any time. The main difference between an AMRF and an ARF is that you do not have to make a minimum withdrawal from an AMRF each year.

You may make one withdrawal each year from an AMRF of up to 4% of the value of the AMRF at that time. You will have to pay tax on any withdrawal made and the withdrawal may be subject to an early withdrawal penalty.

Your AMRF will become an ARF when one of the following happens (whichever happens first).

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

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

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

Making regular withdrawals from either an ARF or an AMRF 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 ARF or AMRF could run out before you die.

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 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 over time.

Your open-market option

You can choose to buy your pension income (annuity) from any provider. 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 AIB Financial Advisor can help you with this and you can also visit the Competition and Consumer Protection Commission at **www.consumerhelp.ie.** It is also possible to buy an ARF or AMRF from a qualified fund manager other than us.

Maximum pension fund

The maximum pension fund allowed from all sources when you retire 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. This tax is taken from the pension fund before your retirement benefits are paid to you.

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.

SECTION 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 income 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:

AIB service team
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, after taking off any fall in value due to market conditions 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 AIB Financial Advisor 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 €750 a month (Personal pension) and €150 a month (Executive pension) 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 one-off contribution, 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 contributions 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, your contributions 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 Irish 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 this applies) 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. You will pay tax on any amount over this as a one-off income tax charge when you retire. Tax will be paid at the higher rate of income tax.

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 AIB Financial Advisor or our AIB service team at Irish Life 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 AIB personal and executive pensions is two years. However, there is no minimum investment period for bond plans.

FAMILY LAW AND PENSIONS

If you are involved in a judicial separation or divorce or dissolution of a civil partnership or your relationship with a qualified cohabitant ends, of a relationship with a qualified cohabitant, a pension adjustment order may be granted by the court. There is no option to set up an independent benefit within this plan. A pension adjustment order issued by the court will override the terms and conditions of this plan. This will direct us to pay all or part of the benefits under this plan when you retire or die, to any person named in the pension adjustment order. You can get more information on how a pension adjustment order works from your solicitor or the Pensions Authority. If a pension adjustment order has been granted on your plan you must let us know.

Write to: The Pensions Authority
Verschoyle House
28-30 Lower Mount Street
Dublin 2

Lo-call: 1890 656565

Email: info@pensionsauthority.ie

Website: www.pensionsauthority.ie

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 cover is that, if you are eligible, you can claim income tax relief on your contributions. This is a separate standalone product. If you want more information on this product your AIB Financial Advisor can give you full details.

EUROPEAN COMMUNITIES (DISTANCE MARKETING OF CONSUMER FINANCIAL SERVICES) REGULATIONS 2004

If a financial service or product is provided on a 'distance basis' (in other words, with no face-to-face contact), we have to give you certain information. We have included this information under various headings in this booklet and the terms and conditions. All information (including the terms and conditions of your plan) will be in English.

QUESTIONS ABOUT PERSONAL PENSIONS

AM I ELIGIBLE TO TAKE OUT A PERSONAL PENSION PLAN?

As income 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.

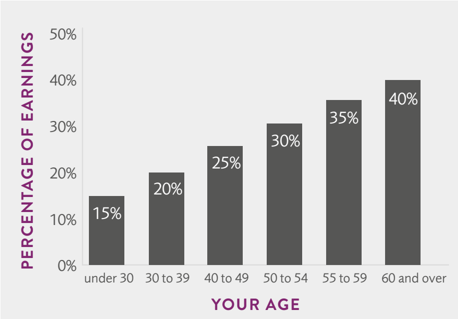
HOW MUCH SHOULD I INVEST IN MY PENSION PLAN?

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 AIB Financial Advisor 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.



Earnings are defined as follows.

- If you are an employee, your earnings are your salary plus any overtime, bonuses and benefits in kind.
- If you are self-employed, your earnings are your 'net relevant earnings'. That is, your income during a tax year, less any allowances, losses and certain charges and deductions (such as mortgage interest) you can claim income tax relief on.

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

CLAIMING INCOME TAX RELIEF

Income tax relief is not guaranteed and rates used in this booklet are current. To claim income income tax relief, you can apply to your Inspector of Taxes to adjust your tax credits. Contributions taken from salary will receive immediate income tax relief. If you are self-employed, you must include your pension contributions in your self assessment tax returns to get income tax relief. To be eligible to claim income tax relief, your income must be taxable under Schedule E or Schedule D (case I or II). Pension income in retirement has income tax, the USC, PRSI (if this applies) and any other taxes or government levies taken from any withdrawal you make.

Income tax relief is not available on net relevant earnings which are more than €115,000 including contributions to other approved pension arrangements. For certain occupations you may get tax income relief of 30% of your earnings, no matter how old you are. In general, these tend to be professional sportspeople who earn their income from that occupation.

ARE THERE ANY AGE RESTRICTIONS ON A PERSONAL PENSION PLAN?

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

You must take your benefits before your 75th birthday. f you do not then your personal pension will automatically become a Vested RAC. If that happens you will have no access to your pension. If you want access to your pension fund after age 75 you should speak to your AIB Financial Advisor about your options before your 75th birthday.

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 refund any one-off contributions or transfers you make, after taking off any reduction in value due to market conditions and in line with Revenue rules.

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 income 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 TAKE MY BENEFITS?

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.

WHAT HAPPENS IF I DIE BEFORE I RETIRE?

Before age 75

If you have a personal pension and die before your 75th birthday, we will pay the value of your pension fund to your estate. As with any inheritance, your dependants may have to pay inheritance tax on any benefits we pay them.

From age 75

If you do not take your retirement benefits, your personal pension will automatically become a Vested RAC on your 75th birthday.

If you leave the funds to your spouse or registered civil partner, they can transfer the funds to an ARF in their own name. In all other cases, we pass the funds to your estate. If your estate has to pay income tax, we must deduct this before paying the proceeds to your estate.

Generally the amount that is left is treated as income for the year of your death. There are a number of exceptions to this rule.

Income tax is not due if:

- The funds are transferred to an ARF in your spouse's or registered civil partner's name. However PAYE is due on any future withdrawals
- The funds are transferred for the benefit of your children who are under 21 on the day you die.

Income tax will be due at a rate of 30% if the value of your Vested RAC is transferred for the benefit of any of your children who are over 21 on the day you die.

As well as income tax, there may also be Capital Acquisitions Tax (CAT) due on the value of your plan, if your Vested RAC is not paid to your spouse or registered civil partner or to any of your children over 21 years of age. The beneficiaries are responsible for paying this tax. Irish tax law changes over time and you should get independent tax advice on this.

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 AIB Financial Advisor or contact our AIB service team at Irish Life. If you have a complaint and are not satisfied after contacting the above, you should write to:

AIB service team
Irish Life Assurance plc
Irish Life Centre
Lower Abbey Street
Dublin 1

If you are still not satisfied, you can contact:

Financial Services and Pensions Ombudsman

Lincoln House
Lincoln Place
Dublin 2, D02 VH29

Phone: 01 567 7000
Email: info@fspo.ie
Website: www.fspo.ie

QUESTIONS ABOUT EXECUTIVE PENSIONS (AND AVCS)

CAN MY EMPLOYER TAKE OUT AN EXECUTIVE PENSION FOR ME?

As income 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 an executive 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. In an executive pension plan, the company must contribute.

CAN I MAKE CONTRIBUTIONS INTO THE EXECUTIVE PENSION ARRANGEMENT?

Yes. If you make contributions yourself into the executive 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 this page 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 AIB Financial Advisor.

HOW MUCH SHOULD I INVEST IN MY EXECUTIVE 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. Executive 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)

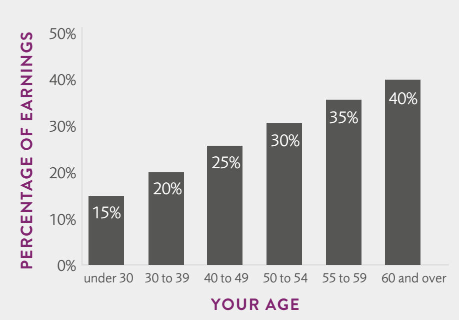
Current age	Percentage of earnings allowed as contributions
30	54%
35	63%
40	76%
45	95%

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 Commissioners.

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.



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 AIB Financial Advisor.

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 AN EXECUTIVE PENSION PLAN?

You must be between age 18 and 68 (next birthday) to invest in an executive 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 income tax relief in any tax year depends on your age. These limits are shown across the page and apply to your total contribution to your company pension plans (in other words, your AVCs and employee contribution). In an Executive 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 when you retire, 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 when you retire, 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 28 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 you are paying it;
- 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 executive 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 executive 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.

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 28 to 30 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.

WHAT HAPPENS IF I DIE BEFORE I RETIRE?

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.

CAN I TAKE MONEY OUT OF MY AIB EXECUTIVE PENSION?

In most cases you will only be able to access your company pension at your normal retirement age or if you retire early. Please see page 32 for more information on retiring early.

WHO SHOULD I TALK TO IF I HAVE A COMPLAINT?

If you have a complaint, please contact your trustee or our AIB service team at Irish Life. 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, 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 Financial Services and Pensions Ombudsman at:

Financial Services and Pensions Ombudsman
Lincoln House
Lincoln Place
Dublin 2, D02 VH29

Phone: 01 567 7000
Email: info@fspo.ie
Website: www.fspo.ie

The trustee will investigate the matter for you. You can appeal against their decision to the Financial Services and Pensions Ombudsman. Both you and the trustee can appeal against the decision of the Financial Services and 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 AIB service team at Irish Life 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:

AIB service team
Irish Life Assurance plc
Irish Life Centre
Lower Abbey Street
Dublin 1

INFORMATION FOR THE EMPLOYER/TRUSTEE

B

SECTION 7

INFORMATION FOR THE EMPLOYER/TRUSTEE

The AIB Executive Pension 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 AIB Executive Pension plan is a retirement benefits 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.

The term of your contract is shown on your plan schedule.

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 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. If the member dies before they retire, we will pay the value of the fund to you to pass on to their next of kin.

The contract term depends on the retirement age you have chosen for the member 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 refund the contributions paid under the plan in line with Irish Revenue rules. If any single contributions or transfers have been made, we will refund these (less any reduction in the investment value over that period). Please write to us at the address shown across the page if you want to cancel your plan within the period shown. We strongly recommend that you contact your AIB Financial Advisor 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. Your AIB Financial Advisor 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.

Member contributions can count towards the members 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 member. When the member retires, they may be able to take part of the fund as a tax-free 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. Capital Acquisition Tax (CAT) 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 trustee.

APPOINTING A NEW TRUSTEE

You, as the employer, have the power under the scheme rules to appoint a new trustee. If you have appointed an independent trustee to act as trustee for this company pension and the independent trustee resigns, you can use your power as employer to appoint a new trustee. If you do this, you must let us know. If you do not appoint a trustee, you will automatically be appointed as 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?

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, they must contact you first. You should write to us at the below address if you have any questions or complaints about this plan:

AIB service team
Irish Life Assurance plc
Irish Life Centre
Lower Abbey Street
Dublin 1, Ireland

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 Financial Services and Pensions Ombudsman office at the following address:

Financial Services and Pensions Ombudsman
Lincoln House
Lincoln Place
Dublin 2, D02 VH29

Phone: 01 567 7000
Email: info@fspo.ie
Website: www.fspo.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 Financial Services and Pensions Ombudsman. Both you and the employee can appeal against the decision of the Financial Services and 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 AIB service team at Irish Life.

GLOSSARY

ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

Extra contributions you can pay into your company pension to add to the pension benefits already available from your company pension scheme.

ANNUITY OR 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.

These limits may change in the future.

BONDS

A bond is a type of loan given to a company or a government. Say for example a government wants to raise money, they can issue a bond. If you loan money to a government you get your money back after the set timeframe 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.

DIVERSIFICATION

A technique used in risk-management which mixes a variety of investments within a portfolio.

EQUITIES/SHARES

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

GOVERNMENT BONDS/GILTS

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

INDEX-LINKED FUND

A fund that is index-linked, means it tracks the performance of a particular stock market index, rather than investing directly in specific assets 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.

PERSONAL FUND THRESHOLD (PFT)

A threshold above the standard fund threshold called the personal fund threshold (PFT) may apply if, on 1 January 2014, the value of the individual's pension was greater than €2 million or greater than €2.3 million on 7 December 2010, or greater than €5 million on 7 December 2005.

QUALIFIED COHABITANT

One of two adults who live together as a couple and are not related to each other. A qualified cohabitant must have been living with their partner for at least five years if there are no dependent children, and two years if there are dependent children.

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.

VESTED RAC

If a customer does not take their retirement benefits from their personal pension it will automatically become a Vested RAC on their 75th birthday.

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.

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Visit **www.aib.ie**
or Drop in to any branch.

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