Group Retirement Plan
Member Booklet
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Why Should I Plan For My Retirement?

**Subject to Revenue limits and approval. Terms and conditions apply.**

A new way to save for your retirement

Your employer has put in place a Group Retirement Plan with New Ireland Assurance to help you save for your retirement. This is a tax efficient plan that has been designed to help build up a fund for your retirement, in a convenient and flexible manner.

Planning for your retirement is becoming more important than ever. There are a number of changes to pensions that increase the need for you to start thinking and planning for your retirement now.

- The State pension age has increased from age 65 to age 68 for those born on or after 1 January 1961.
- Living on just the State Pension (Contributory) alone (currently €233.30 per week**) may not be enough for the average person, and it is unlikely to increase substantially in the future.

The benefits from your plan will be payable in addition to the State Pension (if you qualify) and will help you to prepare for a comfortable retirement.

The plan will build up a retirement fund based on the contributions paid by both you and your employer.

For details on how your specific employer and employee contributions are calculated, please see your Notification of Membership and Benefits.

This booklet contains a simple explanation of the operation of the plan but you should bear in mind that it cannot overrule the Trust Deed and Rules which govern the plan. These may be inspected by arrangement with your employer. Further details of the plan and your entitlements under it are contained in the Notification of Membership and Benefits and Basic Scheme Information.

** Single life rate as at April 2016.
How Will I Benefit From The Group Retirement Plan?

There are many benefits for you in being a member of your employer’s Group Retirement Plan, such as:

**Employer contributions** – Your employer has committed to making contributions to the Group Retirement Plan, to help boost your retirement income prospects.

The contributions are not subject to income tax, the Universal Social Charge or PRSI as a benefit-in-kind.

**Salary deduction facility** – A further advantage of the Group Retirement Plan is that your employer will automatically deduct your contributions from your salary and forward them to New Ireland for investment.

The amount deducted from your salary as well as your employer’s contribution, will appear on your payslip.

**Benefits at retirement** – On retirement, your fund can be used in a number of different ways, including a retirement lump sum and an income in retirement.

**Additional Voluntary Contributions (AVCs)**

In addition to your contributions to the Group Retirement Plan, you may wish to make AVCs to boost your fund at retirement. AVCs are a great way to top up your pension fund, and you can avail of generous tax relief on your AVC contributions.

Your Plan Advisor will be happy to help you work out how much you need to put aside to meet your retirement needs.

**Constitution of the Plan**

The Group Retirement Plan, which is a Defined Contribution Scheme for the purposes of the Pensions Acts 1990, as amended, is designed to qualify as an exempt approved scheme under Chapter 1 of Part 30 of the Taxes Consolidation Act, 1997 and is established under trust with formal Rules. All benefits payable under the Plan are funded and provided by means of one or more Insurance Policies with New Ireland Assurance Company plc.
Tax Benefits

Tax relief
As well as saving for your retirement, you can also avail of generous tax savings by contributing to your plan.

1. Income tax relief
   If you are a higher rate taxpayer, for every €1 you save, you can benefit from up to 40%* in tax relief. So if you make an overall monthly contribution of €100, this means it will actually only cost you €60 after tax relief.

* Assuming higher rate tax payer (40%). It is important to note that tax relief is not automatically granted. You must apply to and satisfy Revenue requirements.

See how much you could be saving

Standard rate tax payer - €100

- You pay - €80
- 20% Government tax relief - €20

Higher rate tax payer - €100

- You pay - €60
- 40% Government tax relief - €40
The Government has set certain limits on the percentage of earnings on which you can benefit from tax relief. The limits are age related. To find out how much tax relief you may be entitled to, just take a look at the table below.

<table>
<thead>
<tr>
<th>Age</th>
<th>Maximum Pension Tax Deductible Limits (% of Earnings that you can contribute to your pension and obtain tax relief)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>15%</td>
</tr>
<tr>
<td>30-39</td>
<td>20%</td>
</tr>
<tr>
<td>40-49</td>
<td>25%</td>
</tr>
<tr>
<td>50-54</td>
<td>30%</td>
</tr>
<tr>
<td>55-59</td>
<td>35%</td>
</tr>
<tr>
<td>60 and over</td>
<td>40%</td>
</tr>
</tbody>
</table>

An earnings cap of currently €115,000 applies to pension contributions for tax relief purposes.

It should be noted that in certain circumstances, to comply with Revenue requirements, your contributions may have to be restricted. You will be notified if this is the case.

2. **Tax-free growth**

   Unlike many other savings plans, under current legislation your pension fund is allowed to grow without being subject to tax. This means that you benefit from all the growth and income that your fund earns until you draw down your retirement benefits.

3. **Tax-free cash on retirement**

   On reaching retirement, you may be able to take part of your retirement fund tax-free, subject to a limit of €200,000.

   Even where the retirement lump sum is greater than €200,000, the next €300,000 is only taxed at the standard rate. Therefore, the retirement lump sum is an attractive benefit for members of a Group Retirement Plan.

   **Note:** There is a limit on the maximum fund that can be built up on retirement. This is currently €2,000,000. This figure includes all of your pension funds, including the capital value of any retirement benefits drawn down since 7th December 2005. Where the relevant limit is exceeded, the excess in your pension funds at retirement will be liable to a once off Income Tax charge.
Why Is Investment Return So Important?

One of the most important factors that will affect the success of your plan is the investment return that is earned on your pension contributions. Contributions are invested in order to build up a fund that you can use to provide benefits when you retire including a pension and retirement lump sum.

The rate of return earned on your contributions directly affects the size of your fund when you retire – even an extra 1% p.a. investment growth can make a significant difference in the long term.

Note: These figures are for illustration purposes only, and are based on a gross contribution of €300 per month and on an investment term from age 35 next birthday to retirement at age 65. In line with the Society of Actuaries Guidance, the projections assume future contributions increase at a rate of 2.5% p.a. This is not a forecast, as unit prices can fall as well as rise and could grow at a faster or slower rate than assumed.

Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.
What are my investment options?
The trustees of your plan have decided on a range of different investment funds into which contributions can be invested.

The details of each investment fund, including their historical investment performance, is enclosed in a separate investment information sheet which is available from your employer or the trustees of your plan.

Where the trustees of the plan have made a number funds available to choose from, you should indicate on your member application form which funds you wish the contributions to be invested in (and in what proportion).

It is important to bear in mind that historical performance figures are not an indication of how funds will perform in the future. The future performance of any of the funds will depend on the particular market conditions and the underlying value of each fund can fall as well as rise.

Default Investment Strategy
While it is important to offer a choice of funds, some people may not wish to make an investment decision. To cater for this it is necessary for a Group Retirement Plan to have a Default Investment Strategy. If you do not select an investment fund then contributions will automatically be invested in the Default Investment Strategy. Details of the default fund are available from the trustees of your plan.
What Are My Options At Retirement?

Taking your retirement benefits
You will be able to take your retirement benefits at the Normal Retirement Age under your Group Retirement Plan. You may be eligible to retire earlier or later, between the ages of 50 and 70.

When you retire, you can use your retirement fund in either one of two ways:

1. Lump sum and pension (annuity)

   **Lump sum:** You can take part of your benefits as a lump sum. The maximum lump sum you can take is 1.5 times your final salary – provided you have 20 years service completed with the company by your Normal Retirement Age. If you have less than 20 years completed or if you retire early, a lower lump sum will be payable.

   **Lump Sum Amount** | **Rate of Tax**
   --- | ---
   Up to €200,000 | Tax free
   Next €300,000 | Standard rate (currently 20%) no reliefs, credits allowed
   €500,001 and over | Marginal rate – taxed under PAYE system, plus PRSI and USC

   * Any retirement lump sums taken on or after the 7th of December 2005 will count towards this limit.

   **Pension:** The balance of your fund can then be used to purchase a pension (a guaranteed income for life – also known as an annuity) for you and your dependants, subject to Revenue limits.

   You could opt for a level pension or alternatively a lower initial pension which then increases each year to help offset the effects of inflation. You can also opt to have your pension continue to your spouse or recognised civil partner after your death.

   If you have paid any AVCs into the plan, then the fund accumulated by those AVCs can avail of the ARF option detailed in section 2 overleaf.
2. Lump sum and Approved Retirement Fund (ARF)

Lump sum: You can take up to 25% of your accumulated fund as a lump sum (the tax position for this lump sum will be the same as detailed in the previous section).

ARF: The balance of your fund can then be invested in an Approved Retirement Fund (ARF). Subject to meeting certain conditions. An ARF is a retirement investment fund, for eligible individuals, which allows you to choose between various investment options and gives you complete control over when and how you draw down funds subject to certain requirements being met.

Which option is best for me?
The retirement option that suits you will depend on your personal circumstances at the time that you retire.

Before you retire, all of the various options available to you at that time will be explained in full. For further information, you can at any time request a copy of New Ireland’s Retirement Options brochure by contacting your Plan Advisor or the trustees of your plan.
What benefits are payable on my Death in Service before Normal Retirement Age?

If you die in service before your Normal Retirement Age, the full accumulated value of your fund will be made available as a death benefit.

Additionally your employer may have arranged for a separate lump sum to be paid in the event of your death in service. Details of any such benefit are included in your Notification of Membership and Benefits and Basic Plan Information Sheet.

Payment of any separate lump sum death in service benefit is subject to New Ireland’s underwriting requirements.

The maximum death benefit that can be paid as a lump sum is four times your final salary together with the accumulated value of your personal contributions to the plan including any AVCs that you may have made.

Any lump sum death benefit will be payable by the trustees of the plan to one or more beneficiaries chosen in accordance with the plan rules. You may, however, wish to assist the trustees in exercising their discretion by indicating the person(s) to whom you would wish the lump sum to be paid. The Letter of Wishes Form enclosed on page 15 can be used for this purpose.

Any balance of death benefit that cannot be paid as a lump sum will be applied to provide a pension for your surviving dependants, subject to certain restrictions.
What Happens If I Leave Service?

If you leave service, all contributions to the plan will cease. In addition, any separate lump sum death in service benefit arranged by your employer will cease.

Your options on leaving will depend on whether or not you have more than 2 years Qualifying Service*.

If you have less than 2 years Qualifying Service you have the following options.

1. Request a refund of the value of any contributions (including AVCs) paid by you to the plan - less tax currently 20%.

2. Leave the value of your contributions (including AVCs) invested in the plan until Normal Retirement Age.

3. Transfer the value of your contributions (including AVCs) to a new employer’s pension scheme, an approved retirement bond or a Personal Retirement Savings Account (PRSA) in your own name, subject to certain conditions.

4. Transfer the value of your contributions (including AVCs) to a different country provided the transfer is being made to a pension arrangement that is acceptable to the Irish Revenue and has been approved by the appropriate regulatory authority in the country concerned.

If you leave your benefits in the plan, they will continue to be invested in the funds selected. Your benefits under the plan will depend on the investment performance of the funds in which they are invested and any charges deducted.

If you have completed 2 or more years Qualifying Service* you no longer have the option of taking a refund of contributions. The rest of the options listed above apply, but in each case will be based on the value of both your own contribution (including AVCs) and the value of the contributions that have been paid to the plan by your employer.

If you die having left service and before your pension benefits become payable, the then value of your pension fund is paid to your estate. If your benefits have been transferred out of the Plan, no further benefits are payable.

* Qualifying Service is service while a member of the Group Retirement Plan for pension benefits, including any similar service transferred in from another occupational pension scheme.
Keeping You Informed

The trustees of the Group Retirement Plan will communicate with you regularly to keep you up to date as to how the Plan is performing through:

**Annual Benefit Statement** – New Ireland will provide you, via the Trustees, with your Annual Benefit Statement within 6 months of the end of each plan year. This will provide you with information including:

– a receipt of pension contributions paid
– a current valuation of your pension fund
– your projected benefits at retirement

**Trusted Annual Report** – New Ireland will provide the trustees with an Annual Report on the Group Retirement Plan. The trustees will advise you when this is available (no later than 10-months after the end of each plan year) and if you wish, you can make arrangements to view it. This Trustee Annual Report will set out how the plan has progressed during the year.

**Pension Schemes Online** – The trustees may also provide you with access to Pension Schemes Online. This gives you instant access to view your plan details online. If the trustees have provided access to this service, simply log on to www.newireland.ie click on the link to ‘Pension Schemes Online’ and follow the easy step by step instructions.

**Further information**

If you have any queries about the plan or your benefits the name and address of the person to contact is set out in your Notification of Membership and Benefits, Basic Plan Information Sheet and Annual Benefit Statement.
Where can I get more information?
The trustees of your Plan have appointed a Plan Advisor. They will be able to advise you on any aspect of your retirement planning and answer any questions you may have.

You can contact the trustees of the plan, at the contact name and address set out in your Notification of Membership and Benefits, Basic Plan Information Sheet and Annual Benefit Statement.

Information on the plan’s pension investment funds, their profiles and their historical performance is available at fundcentre.newireland.ie

Further information on the current retirement options is available in New Ireland’s Retirement Options booklet, which is available from the trustees or Plan Advisor.

Are my benefits secure?
By law your benefits are established under trust keeping the assets separate to that of your employer. Trustees are appointed to look after your interests.

What should I do if I am not happy with the plan?
If you have a complaint about the plan, you should follow the steps set out in the plan’s Internal Dispute Resolution Procedure. A copy of this procedure is available from the trustees, on request.

The trustees will try to resolve your complaint to your satisfaction through the Internal Dispute Resolution Procedure, subject to legislation and to the plan’s Trust Deed and Rules.

If the complaint is not resolved to your satisfaction you can refer it to the Pensions Ombudsman.

What happens if I get separated or divorced?
If you are married or in a recognised civil partnership, in the event of judicial separation or divorce, a court application for a pension adjustment order in respect of your retirement or death in service benefits may be made, by your spouse/civil partner. Further information about pension adjustment orders may be obtained from the Pensions Authority.

Can my employer amend or terminate the Group Retirement Plan?
While your employer has every intention of continuing the plan they must reserve the right to discontinue, or in accordance with the plan rules, amend the plan at any time. Should this occur, the benefits secured by contributions paid prior to the date of amendment or termination will not be affected.
About New Ireland

Taking care of you
Established in 1918, New Ireland Assurance is one of the country’s leading assurers and provides a range of innovative pension, investment and protection products.

New Ireland is actively involved in the growth and development of the retirement planning market and provides plans to cater for a wide range of individuals as well as being a market leader in Group Pensions. We pride ourselves in providing exceptional service to plan members and trustees throughout the duration of their retirement plans.

New Ireland Assurance
11-12 Dawson Street, Dublin 2.
T: 01 617 2000
F: 01 617 2800
E: info@newireland.ie
W: www.newireland.ie
To: The Trustees

I fully understand that the lump sum death benefit under the Plan is paid by the Trustees in accordance with the Plan Rules. I would, however, request the Trustees to consider paying such benefit to the person(s) specified below.

<table>
<thead>
<tr>
<th>Full Name (Block Capitals)</th>
<th>Address (Block Capitals)</th>
<th>Relationship [if any] to you</th>
<th>Proportion of Benefits [if more than one person named]</th>
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Signature _______________________________  Date ______________

Notes
(1) The completed form should be handed to the Trustees of the Plan.
(2) If you wish, you may enclose the form in a sealed envelope and put the name of the plan and your own name on the outside of the envelope.
(3) It is your responsibility to ensure that any alteration in your wishes is made known to the Trustees of the Plan by submitting a further Letter of Wishes Form.