

An Employer's Guide to Bank of Ireland Life's Group Retirement Plan



At a Glance

Group Retirement Plan	
Aim	A straight forward pension option for you and your employees
Cost	Competitive and transparent charges
Service	<ul style="list-style-type: none">• Tailored member service• Online access to view plan for both employers and employees
Tax Relief	<ul style="list-style-type: none">• Employer Corporation Tax relief of 12.5% on contributions available*• Employee Income Tax relief on contributions (up to 40%)*
Investment	<ul style="list-style-type: none">• Trustee indemnity from member fund selection**• Wide range of investment funds• Bank of Ireland Life's leading lifestyle Individual Retirement Investment Strategy
Risk	Bank of Ireland Life helps employers manage their risk through: <ul style="list-style-type: none">• Trustee indemnity from member fund selection**• Approved trustee training and support• Corporate trustee service to take responsibility for trustee role†
Employee Retention	A company pension plan is a valuable employee benefit making your company an employer of choice

* Subject to Revenue limits and approval. Assumes employer pays Corporation Tax at the rate of 12.5% and employee pays Income Tax at the higher rate of 40%.

** Provided certain conditions are met.

† Provided by General Investment Trust DAC (charges apply)

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

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

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

Contents

Introduction	2
Why Bank of Ireland Life's Group Retirement Plan?.....	3
Designing your Group Retirement Plan	5
Tax Benefits	7
Investment Options	9
Retirement Options	14
Protection Options.....	16
Plan Details and Communications	17
Other Information.....	19
Next Steps	20

Introduction

Helping your employees plan for a comfortable retirement

In today's business environment, employee benefits are becoming increasingly important in attracting and retaining the best people. A good pension plan can form an important part of any remuneration package in actively encouraging employees to consider a long term future with your company.

While there is a legal requirement to provide employees with access to some form of pension provision (e.g. standard PRSA), you are not required to make a contribution on behalf of an employee if you set up a PRSA facility.

Instead of providing only a standard PRSA facility, many employers are now taking the opportunity to set up some form of company pension plan to help their employees save for retirement.

There are generally two company pension plan options available to employers - a defined contribution Group Retirement Plan or a Group PRSA arrangement, both of which are available from Bank of Ireland Life.

This brochure explains how a Group Retirement Plan works, your obligations as an employer and the benefits available to you and your employees.



Why Bank of Ireland Life's Group Retirement Plan?

A tax efficient, flexible way to plan for your employees' retirement

Bank of Ireland Life's Group Retirement Plan offers a tax efficient, flexible and accessible way to provide financial security for your employees in retirement.

As Bank of Ireland Life's Group Retirement Plan is a defined contribution plan, it allows employers to take control of their pension costs by contributing a defined percentage of their employees' salary to their retirement fund. Usually the employee also makes a contribution to their retirement fund at the same time, facilitated by payroll deduction.

Extensive benefits for both you and your employees

Benefits to the employer

- **Valuable employee attraction and retention tool**

Bank of Ireland Life's Group Retirement Plan is a tax efficient way of rewarding your employees for their service. Employers who make a contribution to their employees' pension benefit from the valuable staff incentive, recruitment and retention advantages it provides*.

- **Tax relief**

You also benefit from tax relief on any contributions that you make to your employees' pension plan as these can normally be fully offset against Corporation Tax as a business expense.

- **Investment options**

You have the option of choosing from a wide range of pension investment funds or availing of Bank of Ireland Life's Investment Choice solution which offers your employees the opportunity to choose from a range of pre-selected investment funds for their pension.

A default investment strategy is included in the range of funds available to you. You can select one of two fund options based on Bank of Ireland Life's Individual Retirement Investment Strategy – IRIS, which is actively managed and Passive IRIS, which is passively managed.

Your Advisor in your Bank of Ireland Branch will guide you through the setting up process. They will help you decide the contribution level that best suits you, and assist you in selecting appropriate investment funds to make available to your employees.

*Under Revenue rules, an employer must make a meaningful regular contribution on an ongoing basis.

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

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

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

- **Protection options**

Bank of Ireland Life's Group Retirement Plan also allows you to avail of additional plan benefits such as life cover and disability cover (subject to terms and conditions).

- **Pension Schemes Online (PSOL)**

Bank of Ireland Life's Pension Schemes Online service enables you to easily monitor your Group Retirement Plan. You can view up to date information seven days a week.

Benefits to employees

- **Security**

Your employees will have the security of a pension without having to arrange the plan themselves.

- **Tax relief**

Employees can normally avail of generous tax relief on their contributions, no tax is payable on any growth during the term of their pension, and on retirement some of the fund may be taken as a tax free retirement lump sum.

- **Retirement options**

At retirement your employees can choose from three options in terms of how they wish to benefit from their retirement fund. Please see the Retirement Options section of this brochure for further information.

- **Pension Schemes Online (PSOL)**

Your employees can also avail of Bank of Ireland Life's Pension Schemes Online service, which will provide them with up to date information on their pension fund.



Designing your Group Retirement Plan

Tailored to suit you and your employees' needs

When you set up a Group Retirement Plan, you can design the plan to suit your own needs and circumstances. The issues that you need to consider include the following:

Contribution options

One of the most important aspects to consider is the level of contributions that you pay on behalf of your employees. Most company pension plans operate on a contributory basis where both the employer and employee contribute a fixed percentage of basic annual salary. A typical contribution level for employer and employee would be to each pay 5% p.a. of the employee's basic annual salary. However you can decide on a different level of contribution subject to compliance with Revenue rules, which include the requirement for an employer to make a meaningful regular contribution, and applicable employment equality legislation.

Normal Retirement Age

Every Group Retirement Plan must set a Normal Retirement Age between the ages of 60 and 70. In Ireland, many company pension plans currently set this age at 65.

Eligibility conditions

As an employer you can decide the conditions that must be met before an employee joins the plan. For example, allowing employees to join the plan once they have completed 6 months service.

Compulsory or voluntary membership

You can decide to make membership of the plan compulsory for new employees. This means all new employees* must join and, if applicable, contribute to the plan. Alternatively they may be given the option of whether they wish to join the plan.

*Any existing employees must be given a choice as to whether or not they join the plan.

Additional Voluntary Contributions (AVCs)

Under Bank of Ireland Life's Group Retirement Plan members have the option to make extra contributions (AVCs) to provide additional retirement benefits. AVCs are subject to the same tax relief rules and Revenue limitations as normal employee contributions to the plan. Employees can avail of more retirement options in respect of their AVCs.

Trusteeship

In order to qualify for the valuable tax benefits available, a defined contribution Group Retirement Plan must meet certain conditions and in particular the plan must be established under trust.

In establishing your Group Retirement Plan under trust, it is necessary for trustees to be appointed and there are a number of options available to you.

- The employer can usually act as the trustee of the Group Retirement Plan and this tends to be normal practice in small to medium size pension plans.
- Individual trustees can be appointed and can include the senior management of the employer as well as employees.
- You can appoint a professional corporate trustee.
- Where there are more than 50 members in a defined contribution Group Retirement Plan, the plan members are entitled to elect 50% of the plan's trustees.

Trustee training

It is important to note that legislation requires trustees to receive formal training in relation to their duties and obligations. This training will need to be carried out every two years, and within the first six months if they are newly appointed trustees. Where the employer acts as trustee the training obligation applies to all of the directors of the employer (including any new directors who may be subsequently appointed).

General Investment Trust DAC

Bank of Ireland Life offers a corporate trusteeship facility through our associate company General Investment Trust DAC (GIT)*. This service can reduce the potential risks facing company directors because the trustee role is taken over by GIT. This means that directors of the company:

- **Do not require trustee training.**
- **Are not liable for potential Pensions Authority trustee fines.**
- **Do not have any trustee responsibilities under the Pensions Act.**

GIT also provides ongoing trustee support to employers to enable them to understand and comply with all of their pension obligations. GIT's comprehensive trustee training, which is approved by the Pensions Authority, can be customised to suit you and your company's specific needs*.

*Charges apply.

Tax Benefits

Tax relief for you and your employees

Both you and your employees can enjoy considerable tax relief on contributions made to the Group Retirement Plan, subject to Revenue conditions and limitations.

Employer tax advantages

- Your payments to the Plan can normally be fully offset against Corporation Tax as a business expense. The net cost of a company contribution of €1,000 is effectively €875.[†] This makes the Plan a tax efficient way of rewarding employees.

[†] Note: Based on 12.5% Corporation Tax rate for trading income for non-manufacturing companies.

Employee tax advantages

- Employer contributions to the Group Retirement Plan are not considered Benefit In Kind (BIK), and are not classified as part of an employee's income.
- Unlike other savings methods, under current legislation any growth on your employee's pension fund during the term to retirement will be free of Income Tax and Capital Gains Tax.
- At retirement, part of your employee's accumulated fund can be taken in the form of a retirement lump sum. Please see the Retirement Options section of this brochure for further information on this option.
- If an employee makes a contribution to the Plan, they can also benefit from Income Tax relief of up to 40%* (subject to Revenue maximum limits). In the case of regular contributions, deductions will be taken directly from the employee's gross salary, thereby allowing immediate income tax relief.

* Assuming the employee pays income tax at the higher rate (currently 40%).



Example of tax relief on pension contributions for an employee

Lump Sum Amount*	20% Tax Payer	40% Tax Payer
Gross monthly pension contribution	€100	€100
Less Income Tax relief	€20	€40
Net cost of pension contribution to the employee	€80	€60

The maximum pension contributions (including any AVCs made) that an employee will be entitled to tax relief on, in any tax year, are based on age and total earnings as follows:

Age	Maximum Pension Tax Deductible Limits (% of Earnings that your employees' can contribute to their pension and obtain tax relief)
Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-59	35%
60 and over	40%

An earnings cap applies to personal pension contributions for tax relief purposes. The earnings cap is currently €115,000, however this can change.

There is a limit on the maximum fund that can be built up on retirement. This is currently €2million. 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.

Investment Options

Tailor made investment options

Bank of Ireland Life's Investment Choice solution offers:

- **Choice** - we offer a wide range of funds which you can select from to create an investment choice offering for your employees.
- **Flexibility** - employees can choose which fund or funds to invest in from a pre-selected investment choice range.
- **Default strategy** - employees will also have access to a default investment strategy for their pension. Bank of Ireland Life offers two fund options based on its Individual Retirement Investment Strategy – IRIS and Passive IRIS. These Lifestyle funds are designed to match changing investment needs by automatically selecting an appropriate level of risk depending on an employee's chosen retirement year - a higher level of risk when they are far from retirement and want their fund to grow, and a lower level of risk as they near retirement and want to safeguard their fund against strong short term market fluctuations.

Why investment choice is so important

One of the most important factors that will affect the success of your employees' pension is the investment return (if any) that is earned on the contributions. Contributions to the pension are invested in order to build up a pension fund that your employees can use to provide benefits when they retire. The return earned on both your contributions and your employee's contributions directly affects the size of their fund when they retire – even an extra 1% p.a. investment growth can make a significant difference in the long term. That's why choosing the right fund to invest both you and your employee pension contributions, can make such a difference to the success of your employees' pension.

Member Investment Choice

Bank of Ireland Life has designed a suite of 13 funds which trustees can offer to employees who become members of the pension plan. These funds provide members with a wide range of investment managers and cater for different attitudes to risk.

A trustee can decide where pension contributions are to be invested, or as is becoming the norm can offer employees a range of funds which they can select from.

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

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

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

Default Investment Strategy

While it is important to offer a choice of funds, in some cases your employees 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 your employees do not select an investment fund then their contributions will automatically be invested in the default investment strategy.

Two default investment strategy options are available on Bank of Ireland Life's Group Retirement Plan. These are the IRIS and Passive IRIS funds. You can select one of these to be the default investment strategy for your Group Retirement Plan.

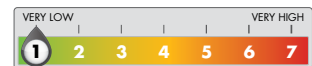
Funds available within Bank of Ireland Life's Member Investment Choice

Lifestyling

- IRIS*
- Passive IRIS*
- Pension Indexed Eurozone Long Bond Fund

Very Low Risk

- Pension Cash Fund



Low to Medium Risk

- iFunds 3
- PRIME 3



Medium Risk

- BNY Mellon Global Real Return Fund
- iFunds 4
- PRIME 4



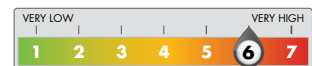
Medium to High Risk

- iFunds 5
- PRIME 5



High Risk

- iFunds Equities
- PRIME Equities



*Default investment strategy option

Additional IRIS and Passive IRIS options aimed at individuals who want to purchase an annuity or take a cash lump sum are also available.

Warning: If you invest in this product you may lose some or all of your money.
Warning: This product may be affected by changes in currency exchange rates.
Warning: The value of your investment may go down as well as up.

Individual Retirement Investment Strategy

Bank of Ireland Life's Individual Retirement Investment Strategy (IRIS) is a lifestyling investment strategy. **A lifestyle investment strategy is an investment strategy that is specifically designed for pension investors.**

IRIS recognises that your employee's investment needs will be different depending on their term to retirement. It is designed to match your employee's changing investment needs by automatically selecting an appropriate level of risk depending on their retirement year - a higher level of risk when they are far from retirement and want their fund to potentially grow, and a lower level of risk as they near retirement and want to safeguard their fund against strong short term market fluctuations. They don't have to take any action as this happens automatically within the fund.

A key benefit of the Individual Retirement Investment Strategy is that your employees don't have to make any complicated decisions about what funds to invest in, or when they should switch to investing in lower risk assets.

Bank of Ireland Life offers you two fund options based on the Individual Retirement Investment Strategy - IRIS and Passive IRIS. Each fund is described in more detail on pages 12 and 13 of this brochure.

Other funds

While the 13 funds available within Bank of Ireland Life's Investment Choice range are designed to meet the needs of most trustees and members, Bank of Ireland Life also offers a further range of funds from different investment managers for trustees to choose from. This extensive fund range caters for differing investors preferences and attitudes to risk including regional equity, indexed funds and ethical funds. It is important that trustees ensure that the fund choice available is appropriate for the members and that the funds are reviewed periodically.

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

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

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



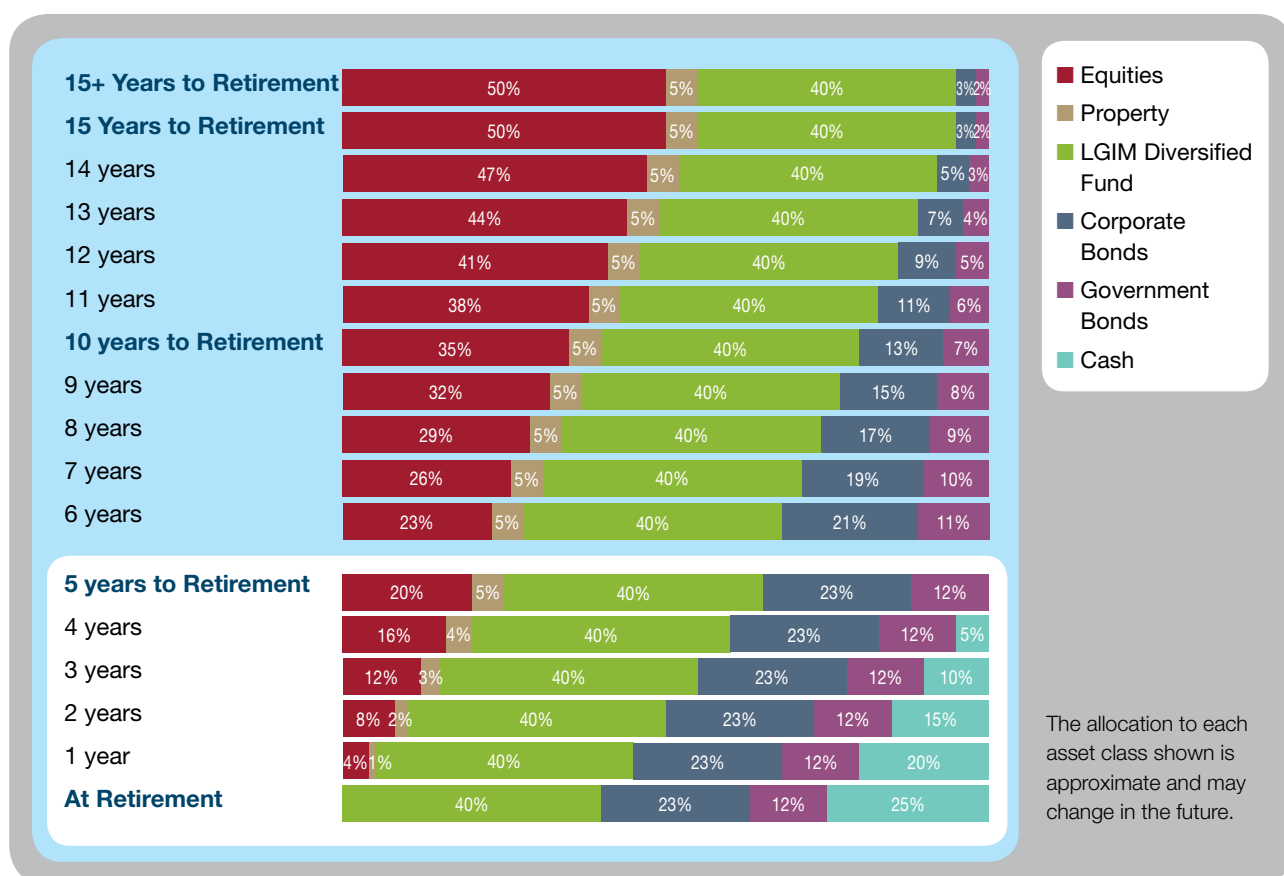
IRIS

The IRIS fund is managed by State Street Global Advisors Ireland Limited (SSGA) and Legal and General Investment Management (LGIM). The fund can initially invest in a mix of equities, property, bonds, a diversified fund (managed by LGIM) and cash depending on the term to retirement. In the early years the investment strategy of IRIS is tailored towards investing in higher risk assets such as equities, bonds and property which have the potential for higher growth. When retirement is 15 years or less away, the allocation to each asset class changes with the aim of reducing exposure to market fluctuations as retirement approaches.

IRIS is actively managed which means that the investment managers select what they consider to be the most suitable assets for the fund (within the limits of the investment strategy). These investment decisions are based on analytical research and forecasting as well as the fund manager's skill, experience and expertise. The fund managers will exercise their discretion within the limits of the investment strategy.

While IRIS is aimed primarily at pension investors who want to take a retirement lump sum and invest in an Approved Retirement Fund (ARF) at retirement, additional IRIS options aimed at individuals who want to purchase an annuity or take a cash lump sum at retirement are also available. The asset mix of these options will differ to the asset mix of the IRIS default option only in the five years before the employee's retirement year.

The chart below illustrates how the asset mix of IRIS automatically changes over the 15 years leading to retirement.



Further information on IRIS including up to date fund performance is available on fundcentre.bankofireland.com.



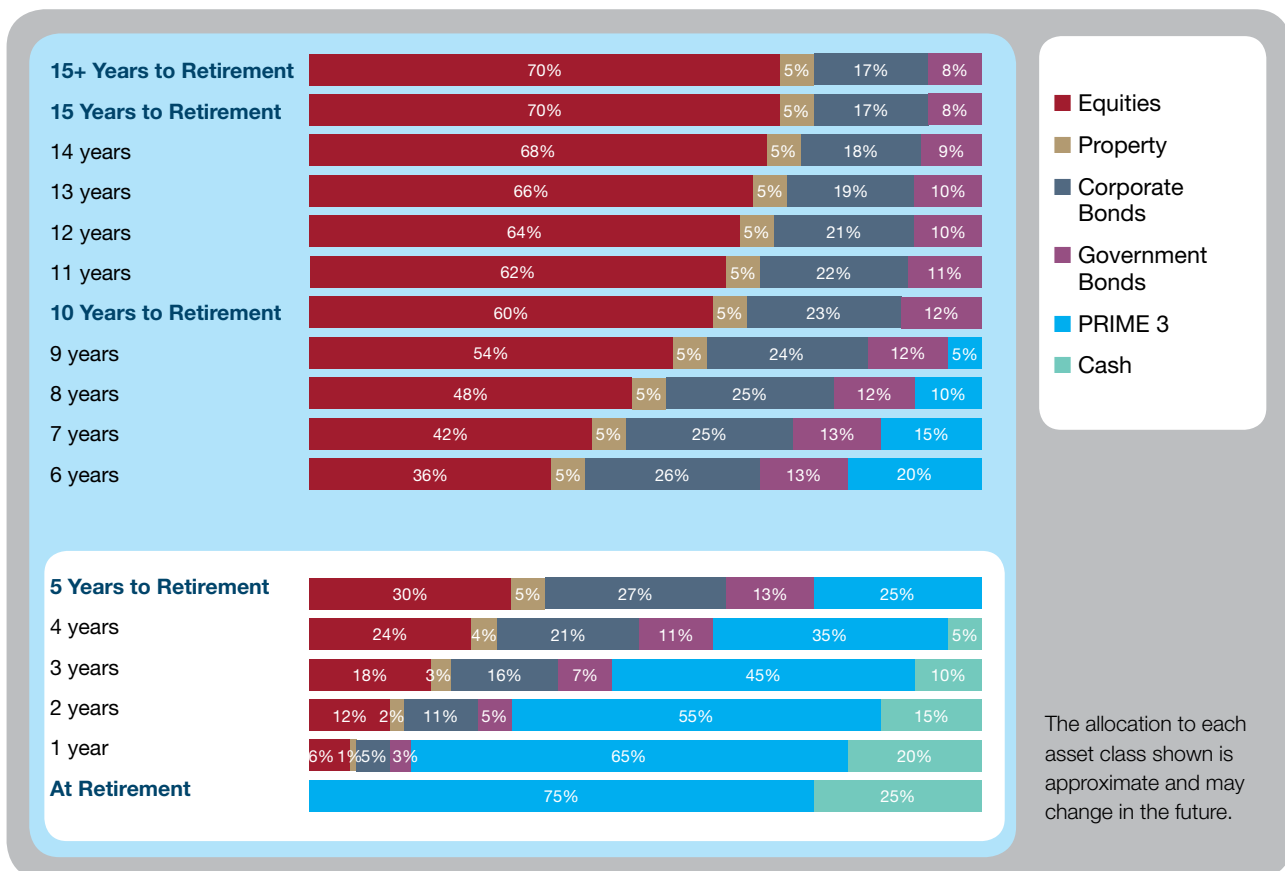
Passive IRIS

The Passive IRIS fund is managed by State Street Global Advisors Ireland Limited (SSGA). The fund can invest in a mix of equities, property, bonds, the PRIME 3 fund and cash depending on the term to retirement. In the early years the investment strategy of Passive IRIS is tailored towards investing in higher risk assets such as equities, bonds and property which have the potential for higher growth. When retirement is 15 years or less away, the allocation to each asset class changes with the aim of reducing exposure to market fluctuations as retirement approaches.

Passive IRIS is passively managed (except for the direct property element and cash, which are actively managed). The equity element tracks the performance of a leading global index (with 75% currency hedging).

While Passive IRIS is aimed primarily at pension investors who want to take a retirement lump sum and invest in an Approved Retirement Fund (ARF) at retirement, additional Passive IRIS options aimed at individuals who want to purchase an annuity or take a cash lump sum at retirement are also available. The asset mix of these options will differ to the asset mix of the Passive IRIS default option only in the five years before the employee's retirement year.

The chart below illustrates how the asset mix of Passive IRIS automatically changes over the 15 years leading to retirement.



Further information on Passive IRIS including up to date fund performance is available on fundcentre.bankofireland.com.

Warning: If you invest in this product you may lose some or all of your money.
Warning: This product may be affected by changes in currency exchange rates.
Warning: The value of your investment may go down as well as up.

Retirement Options

Taking benefits

- Your employees will usually retire at the Normal Retirement Age you have set for the plan.
- Employees, with your consent, can also retire early or late - between the ages of 50 and 70.

The principal options currently available for employees when drawing benefits from a defined contribution Group Retirement Plan at retirement are:

Option 1

Take a retirement lump sum of up to 1.5 times final salary depending on length of service and use the balance of the fund to buy an income for life (also called an annuity).

Option 2

Use the entire fund to buy an income for life.

Option 3

Take up to 25% of the accumulated fund as a retirement lump sum and use the balance of the fund to invest in an Approved Retirement Fund (ARF)* or take taxable cash.

Under current Revenue rules the first €200,000 of any retirement lump sum is tax free with any balance up to €500,000 subject to Income Tax at the standard rate. Any amount paid out in excess of €500,000 will be taxed at your marginal rate and will also be subject to PRSI and the Universal Social Charge. Any retirement lump sums taken on or after 7th December 2005 will count towards limits.

* In order to take taxable cash or invest in an ARF you must have a guaranteed income for life of €12,700 a year. If you don't, you will have to invest €63,500 in an Approved Minimum Retirement Fund (AMRF) or an annuity or combination of both. If your retirement fund (after lump sum) is less than €63,500 (2018 figures), then the whole amount must be used in this way.

Which option is best for my employees?

Your employees don't have to choose which retirement option suits them best now. The important thing is that they have built up a sufficient fund to enable them to enjoy their retirement.

We recommend that your employees speak to an Advisor in their Bank of Ireland branch when they are thinking about retiring and he/she can advise on the options available.



Protection Options

Additional benefits for your employees

You can decide to provide protection benefits for employees. This can include life cover, disability cover and premium protection cover.

Life cover

A life assurance benefit is frequently included as part of a Group Retirement Plan. Depending on the age profile of your workforce, this can be a relatively inexpensive benefit to provide and will be highly valued by your employees.

Most life cover policies will simply provide a lump sum payment on death. Under current Revenue guidelines it is possible to provide a lump sum of up to four times a person's salary on death. It is also possible to provide additional benefits for an employee's dependants.

Disability cover (income protection)

The objective of disability cover is to provide an income, after an initial period, to an employee who is totally unable to pursue their normal or a similar occupation as a result of long term illness or injury, while not engaged in any other occupation.

A typical disability benefit would be two thirds of a person's salary less the benefit they would receive from the State.

Premium protection cover

This benefit is designed to pay your employee's pension contributions plus life cover premiums, if any, after an initial period should they be unable to work due to illness or injury. Any AVC contributions your employee is making will not be covered under this benefit.

Disability cover and premium protection cover are provided under a separate arrangement with the employer.

If you would like more information on any of these protection benefits, please speak with an Advisor in your Bank of Ireland branch.

Protection benefits are subject to underwriting and acceptance by Bank of Ireland Life. Terms and conditions apply.

Plan Details and Communications

Saving for retirement is a long term investment and your employees will need to review their plan regularly as to the retirement fund they will need. We recommend that your employees review their retirement fund at least once a year, and especially if their circumstances change.

Pensions Schemes Online (PSOL)

Bank of Ireland Life's Pension Schemes Online is a password protected website that gives you access to your plan's information including membership details, payment histories and members' retirement accounts.

Because our Pension Schemes Online service is interactive, you can also use the website to update members' salaries, or even notify us when a member is leaving service. In addition, you can allow members of your Group Retirement Plan to view up to date information on their individual retirement accounts.



Employer benefits

- Access to your plan details online
- Enables you to view your employees' up to date retirement account details
- Ability to update your employees' salary details in a more efficient manner
- Easily allows you to notify us when an employee leaves service
- You can view information on the payment history of the plan

Employee benefits

- Provides your employees with up to date information on their retirement accounts, such as contribution history, fund value and fund information.
- It's easy to use.
- Online access seven days a week.

Plan communications

Annual Benefit Statements

Bank of Ireland Life will produce benefit statements for each member to allow them to monitor the progress of their retirement fund. The statements will show:

- Contributions paid in respect of each member over the previous year
- Details of any life cover and disability benefit
- Current value of the employee's plan
- A projection of the estimated benefits that the employee will receive at retirement

Annual review

An annual review date will be agreed for your plan to ensure that all data in relation to membership is fully up to date.

Trustee Annual Report

Bank of Ireland Life will also produce a draft Trustee Annual Report to assist the trustees of the plan in complying with their obligations. This will show the total contributions paid during the previous year together with an investment report showing how the funds in which the plan is invested performed during the year.

Your Advisor in your Bank of Ireland branch will help you to coordinate the collection of contributions and arrange the plan communications plan to best suit your needs and the needs of your employees.

Fund Centre

Up to date fund performance information is available on our Fund Centre at fundcentre.bankofireland.com

Other Information

What happens if an employee leaves my employment?

If an employee leaves your employment before Normal Retirement Age, there are a number of options available to them concerning their pension rights, as laid down under the Pensions Acts 1990 (as amended).

The options available to an employee depend on the length of time they have been a member of the Group Retirement Plan. If they have been a member of the plan for less than two years, then their only legal entitlement, under the Pensions Act, will relate to the value of their own contributions. Members of more than two years will be entitled to the value of both your contributions and their own contributions to the plan.

Will my employees be eligible for the State Pension if they contribute to a Group Retirement Plan?

The State Pension (Contributory) will not affect benefits received from the Group Retirement Plan. All employees who have made the required number of Social Insurance contributions will qualify for the State Pension (Contributory).

What happens if an employee dies before they retire?

The value of an employee's pension fund becomes payable on death before retirement. This is in addition to any life cover benefit that may be payable under the plan.

Next Steps

You are required by law to provide your employees with access to a suitable form of pension provision. We recommend you speak with your Advisor in your local Bank of Ireland branch, who will ensure that you have all of the relevant information to make a considered and fully informed decision that best meets your needs and the needs of your employees.

To find out more about any aspect of a **Bank of Ireland Life Group Retirement Plan** please contact your Advisor in your local Bank of Ireland branch.

Alternatively, phone

01 703 95 00[†]

Or log on to

www.bankofireland.com/pensions

[†] Calls may be recorded for service, training, verification and analysis purposes.

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

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

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

Terms and conditions apply. The information contained in this brochure is based on our understanding of current and intended legislation and Revenue practice as at September 2018.

While care has been taken in its preparation, this brochure is of a general nature and should not be relied on in relation to a specific issue without taking financial, insurance or other professional advice. The content of this document is for information purposes only and does not constitute an offer or recommendation to buy or sell any investment or to subscribe to any investment management or advisory service. If there is any conflict between this document and the policy conditions, the policy conditions will apply.

State Street Global Advisors Ireland Limited is regulated by the Central Bank of Ireland. Incorporated and registered in Ireland at 2 Park Place, Upper Hatch Street, Dublin 2. Registered number 145221. Member of the Irish Association of Investment Managers.

Legal & General Investment Management Limited is authorised and regulated by the Financial Conduct Authority. Legal & General Investment Management Limited, One Coleman Street, London EC2R 5AA.

Bank of Ireland Life is a trading name of New Ireland Assurance Company plc (the "Company"). New Ireland Assurance Company plc trading as Bank of Ireland Life is regulated by the Central Bank of Ireland. A member of Bank of Ireland Group. The Company may hold units in the funds mentioned on its own account.

