



Approved Retirement Fund

Brochure

Fund your retirement

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IMPORTANT NOTICE: This brochure is designed to help you understand our Approved Retirement Fund policy. To make it easier to read, we haven't included all of the technical details which apply to your policy here. This is an advertisement.

You can find the full details in your policy conditions, which form part of your legal contract with us. This contract is provided by AIB life and governed by Irish law. This brochure doesn't form part of any contract between you and AIB life, and if there's any conflict between this brochure and your policy conditions, your policy conditions apply.

Section 1

AIB life ARF at a glance

1.1 Why choose AIB life?

We all want to feel financially secure, but it can be hard to know if you're on track. At AIB life, we help you feel better about your future. We put power into your plans, whether you're looking to prepare for retirement, protect your loved ones or invest your money in a flexible way. If you run a business, we can support you too.

As a partnership between AIB and the Great-West Lifeco group of companies, we're built on over a century of experience. Now we're taking that experience further, with the help of AIB's Financial Advisors and smart financial tools that live on the AIB Mobile Banking app.

1.2 What's the difference between AIB and AIB life?

Allied Irish Banks, p.l.c. (AIB) is a separate company from AIB life, which was launched in 2023. AIB has a 50% holding in AIB life. AIB life provides protection, pension and investment products. AIB provides advice on these products.

1.3 Who's this brochure for?

One of the most important decisions you'll make when you reach retirement is how to use the money in your pension pot. If you're looking at your options after your retirement and want a policy that allows you to keep your money invested, control where it's invested and to take a flexible withdrawal, this brochure may be for you.

1.4 What is an Approved Retirement Fund?

An Approved Retirement Fund (ARF) is a retirement investment policy which allows you to keep your retirement savings invested after you retire. You can withdraw money from it when you need it.

1.5 What do I need to know?

The AIB life ARF is for people who live in Ireland, aged between 50 and 80. It can only accept transfers from an eligible pension arrangement and must be at least €10,000. A contribution bonus may apply, depending on the size of the contribution, which increases the amount of money invested in your policy. If this applies, you'll see it in your quotation and Policy Schedule.


You can decide how to invest the money in your policy. We explain your investment options in section 4.

Charges will apply to your policy and will depend on the funds you are invested in. We explain the charges in section 5.

You can withdraw money from your policy when you need it. You'll have to pay to income tax, Pay Related Social Insurance (PRSI) (if applicable) and Universal Social Charge (USC) on all withdrawals taken from your policy. There may be a minimum withdrawal amount which must be taken from the policy each year under the imputed distribution rules, which we explain along with your withdrawal options in section 6. Your AIB Advisor can provide more detail on this.

You can use some or all of the value of your policy to buy an annuity at any time. An annuity is a different type of post-retirement product which provides a regular income in retirement until you die. You can also transfer the value of your policy to another ARF at any time. An early exit charge may apply, which we explain in section 5. You should talk to your AIB Advisor about these options if you want to know more.

We've answered a range of commonly asked questions in section 7 which you may also find useful.

An elderly couple is sitting on a light-colored sofa in a bright, sunlit room. The woman, on the left, has short grey hair and is wearing glasses and a blue button-down shirt. The man, on the right, has short grey hair, glasses, and a brown patterned shirt. They are both looking at a tablet held by the woman, with the man smiling and looking towards her. The background shows a window with green foliage outside.

Your AIB Advisor can guide you through deciding whether this product is for you.

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

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

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Section 2

Key benefits of the AIB life ARF

2.1 Continued tax-free growth

With an ARF your money remains invested after your retirement. You therefore have the opportunity to continue to grow your retirement savings without paying Capital Gains Tax (CGT), Deposit Interest Retention Tax (DIRT) or exit tax on investments.

2.2 Flexible withdrawals

The AIB life ARF gives you the flexibility to withdraw money when you need it. See section 6 for further information on your withdrawal options.

2.3 Our choice of funds

Our funds cover a variety of risk levels, asset classes and investments, so there's an option for most types of investors. Some funds keep investment risk low and generally offer low returns, while others aim for higher returns and are riskier. Most of all, we ensure your money is looked after by continually monitoring the performance of our funds and fund managers.

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Section 3

Key risks of the AIB life ARF

3.1 Investment risk

We offer a range of funds for you to choose from, with different levels of risk so that we have something for most types of investor. But all of the available funds involve some level of investment risk and there is a chance that you could get back less than you invest.

The level of investment risk you face will depend on the fund or funds you choose to invest in. Our AIB life Fund Guide details the level of risk of each of our available funds and explains the different types of risks that can be involved in investing.

We explain our investment options in section 4 and include some questions to help you start thinking about the level of investment risk you're comfortable with.

3.2 Income is not guaranteed

An ARF does not provide a guaranteed income for life. As your retirement savings are still invested, the value of your investment may go down as well as up. If you withdraw more money than your ARF is growing by each year, the value of your policy will fall and could run out before you die.

3.3 Imputed distributions and tax

Imputed distributions apply to ARFs. This means we will apply a minimum withdrawal amount to your ARF every year. This applies even if you haven't taken any withdrawals from your policy.

We will deduct any income tax, PRSI (if applicable) and USC due under the Pay As You Earn (PAYE) system from these imputed distribution withdrawals and pass these directly to the Revenue Commissioners. The amount you receive will be after these deductions.

We explain the imputed distribution rules and how taxes are paid on your withdrawals in section 6.



Section 4

Your investment options

The AIB life ARF offers a range of funds to choose from. Each of these funds will invest your money in assets like shares, property and government bonds, with different levels of risk and expected growth. This allows you to invest your money in a way that reflects the amount of risk you're comfortable with.

You pick the fund(s) the money in your policy is invested into and decide if and when you want to switch money between funds.

Your AIB Advisor can explain our fund range to you and help you choose a fund that suits your needs. Further detail on the funds can be found in our AIB life Fund Guide and at aiblifefundcentre.saolassuranc.ie

To help you on your way, start by asking yourself the following questions:

4.1 What level of risk am I comfortable with?

You'll need to figure out your risk tolerance, by thinking about your goals and your personal attitude towards risk-taking. We offer a wide range of funds for you to choose from, with different levels of risk so that we have something for most types of investor.

Lower-risk funds are primarily focused on protecting your money from big drops in value. But there's a trade-off with investing in lower-risk funds, in that they're less likely to achieve big gains over time. While higher-risk funds don't aim to protect your money from market movements, they do have the potential to gain much more, especially over longer periods. Either way, you need to be comfortable with the potential that your investments can go down as well as up.

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When you're choosing what funds to invest in, key considerations will be the amount of risk you're willing to take and the length of time you remain invested. Your AIB Advisor will guide you through the whole process, helping you choose funds consistent with your appetite for risk and the potential returns you're hoping to achieve.

4.2 Should I spread out my investments?

Once you've decided how happy you are with risk, it's important to consider how you'd like to diversify your investments. This simply means not putting all of your eggs in one basket and relying on the performance of a single fund or asset type.

Diversification can help mitigate the risk of your investments. Our AIB life ARF allows you to spread your risk across a mixture of investments, either by choosing different investments yourself, or by choosing one of our readymade diversified funds. An AIB Advisor can explain our fund range to you and help you to choose a fund that suits your needs.

For more information about our funds and investing in general, see our AIB life Fund Guide.

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Section 5

How we charge

We've made sure the charges on our AIB life ARF are simple and transparent.

Here are the charges to be aware of and how they work:

- 1. Contribution charges:** A contribution charge may apply to the money you put into your policy, reducing the amount invested into your selected funds
- 2. Annual management charges:** An annual management charge will apply for each fund your policy is invested in. Each month we take one twelfth of the annual management charge by deducting units from your policy
- 3. Early exit charges:** An early exit charge may apply if you withdraw all or part of your investment in the first five years, including any transfer of the value of your policy to another pension arrangement. This charge is taken from the amount you wish to withdraw and may vary depending on what year of your policy you are in when you withdraw. Early exit charges are not applied to regular withdrawals or imputed distributions, which we explain in section 6

We want to make it easy for you to see what charges you are paying:

- Before you take out your policy, you'll see the charges which will apply to your policy in your quotation. When you take out your policy, we'll provide you with these charges again in your Policy Schedule
- You can find details of the annual management charges for all available funds in our AIB life Fund Guide

We don't charge you for switching between funds. However, different funds may have different annual management charges, so you should consider those before you make a fund switch.



Section 6

Your withdrawal options

You can withdraw some or all of the money from your policy when you need it. You will have to pay income tax, PRSI (if applicable) and USC on these withdrawals, which we explain below.

There are three main ways you can withdraw your money:

- **Regular withdrawals:** You can set up a regular withdrawal to be paid to you every month, three months, six months, or once a year. The maximum regular withdrawal you can take is 15% of the value of your policy each year
- **Partial withdrawal:** This is where you cash in a part of your investment, and your policy will continue with the remaining value. Your withdrawal must be at least €350 and there must be at least €1,000 left in your policy after taking the withdrawal
- **Full withdrawal:** This is where you cash in the full amount of your policy, and your policy will end

If you make a full or partial withdrawal you may incur an early exit charge, which we explain in section 5. There are no early exit charges on regular withdrawals. There may be a minimum withdrawal amount which must be taken from the policy each year under the imputed distribution rules.

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After each withdrawal, or imputed distribution, your policy value will be reduced by the amount withdrawn. If you withdraw more money than your ARF is growing by each year, the value of your policy will fall and could run out before you die. Your policy will end if there is no policy value remaining.

6.1 Imputed distributions

By law, we must apply a minimum withdrawal amount from your ARF every year. This applies even if you haven't taken any withdrawals from your policy.

Towards the end of each year, we check the value of the withdrawals you have taken from your policy and compare this against the minimum withdrawal amount required:

- 4% of the value of your policy each year from the year you turn 61 (or 60 if your birthday is 1 January)
- 5% of the value of your policy each year from the year you turn 71 (or 70 if your birthday is 1 January)
- 6% of the value of your policy if the total value of your ARFs and vested PRSAs is more than €2,000,000

If you have withdrawn less than the minimum amount, we will set up a one-off withdrawal for this difference and pay you this amount after deducting the appropriate tax, which we explain below. We do not apply an early exit charge for this withdrawal.

6.2 Paying taxes on your withdrawals

We will deduct any income tax, PRSI (if applicable) and USC due under the PAYE system from any withdrawals taken from your policy, including imputed distributions, and pass these directly to the Revenue Commissioners.

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The amount you receive will be after these deductions and may take up to ten working days to reach your bank account.

By law, we must deduct income tax at the higher income tax rate, currently 40%, unless we receive a certificate of tax and standard cut-off point for the year.



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Section 7

Questions and answers

7.1 What happens to my ARF when I die?

If you die, your estate will receive the value of your policy. This money may be subject to tax in the hands of your beneficiaries. For example, Capital Acquisitions Tax (CAT).

7.2 What if I change my mind?

After taking out the policy you have a 30 day cooling-off period during which you can cancel your policy if you decide that you no longer want it. You may do this by sending a signed and dated instruction to hello@help.aiblife.ie or to AIB life, Customer Service Team, PO Box 8172, Blackrock, Co. Dublin, Ireland within 30 days of the date we send your Welcome Pack.

When the policy is cancelled within the 30 day cooling-off period all benefits will end and we will return your contribution directly to the pension arrangement from where the contribution came and in accordance with the Revenue Commissioners' rules. The amount returned may be reduced by any fall in value due to market fluctuations.

European Communities
(Distance Marketing of Consumer Financial Services)
Regulations, 2004

A financial service or product being provided on a distance basis means that it didn't involve face-to-face contact. If we provide a product on a distance basis, we're obliged to provide certain information. We have included this information under various sections in the documents we have provided to you, including this brochure. All information we provide will be written in English.


Section 8


Contacting us

We're always on hand to help.

But who you contact will depend on what you're trying to do.


If you want to speak to an AIB Advisor:


 Book a callback:
→ aib.ie/make-a-plan

 Or call:
→ **+353 (0)1 771 5867**
Mon – Fri, 09:00 - 17:00


 Visit a branch:
→ aib.ie/branchlocator

For all other queries speak to AIB life:

 Email:
→ hello@help.aiblfe.ie

 Or call:
→ **+353 (0)1 912 4455**
Mon – Fri, 08:00 - 18:00

If you want to update your contact details or view your documents, it's easy in the AIB Mobile Banking app:

 Just click **AIB life** in the **Products** tab or directly from your accounts list, then:

- **Update details:**
Visit **AIB life Policies** tab and choose **Make Changes**
- **View advice documents:**
Visit **AIB Advice** tab and choose **Advice Documents**
- **View policy documents:**
Visit **AIB life Policies** tab, choose **Policy Details** and scroll down to **Documents**

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



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