



Personal Retirement Bond

Brochure

Fund your retirement

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IMPORTANT NOTICE: This brochure is designed to help you understand our Personal Retirement Bond 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 PRB 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?

Perhaps you've built up retirement savings through your occupational pension scheme and you're leaving that job, or the scheme is winding up. Maybe you're familiar with Personal Retirement Bonds and you have one already. Either way, if you're looking for a long-term policy for investing your retirement savings, this brochure is for you.

1.4 What is a Personal Retirement Bond?

A Personal Retirement Bond (PRB) is a type of pension policy where you make just one contribution. This contribution is a transfer of the value of your retirement savings from an occupational pension scheme or another PRB. PRBs are also called “buy-out bonds”.

1.5 What do I need to know?

The AIB life PRB is for people who live in Ireland, aged between 18 and 69. It can only accept transfers from an occupational pension scheme or an existing PRB. This will generally be a once-off contribution paid at the start of the policy, with no further contributions. The contribution must be at least €3,000. If the transfer is being made from an occupational pension scheme, the trustees of that scheme will make this transfer. They will have no further involvement once your policy is set up.

You can decide how to invest the money in your policy. When it comes to investing, we can do all the hard work for you, give you more control or offer you a mixture of both. We explain your investment options in section 4.

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

When you reach retirement, you can start withdrawing money from your pension pot, which we call “taking your retirement benefits”. You’ll be able to choose from several options when you retire, which we explain in section 6.

Your retirement is normally between age 60 and 70. There are two exceptions where you can take your retirement benefits early. We explain these and answer a range of other commonly asked questions in section 7.

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

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

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.

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



Section 2

Key benefits of the AIB life PRB

2.1 Tax efficiency

The following is a general summary of the tax reliefs available with the AIB life PRB, based on our understanding of current legislation at the date of publication. The precise tax treatment will vary depending on your circumstances so you should discuss the tax implications of all investment decisions with a tax specialist.

2.1.1 Tax-free growth

The growth on your money is tax-free with a PRB. This means your pension savings can continue to grow without paying Capital Gains Tax (CGT), Deposit Interest Retention Tax (DIRT) or exit tax on investments.

2.1.2 Tax-free cash on retirement

You're able to take a retirement lump sum from the value of your policy when you retire. Some or all of this amount may be tax-free, as we explain in section 6.

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2.2 Control

Your AIB life PRB is personally owned by you, so you have complete control over the decisions made about it.

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 investor. 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 PRB

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 Access to benefits

If you invest in a PRB, you won't be able to access your retirement benefits or cash in your policy until age 60 and/or you retire.

Your retirement is normally between age 60 and 70. There are two exceptions where you can take your retirement benefits early. We explain these and answer a range of other commonly asked questions in section 7.

3.3 Inflation risk

Inflation can reduce the purchasing power of your retirement benefits. This means the same amount of money will buy less at your retirement than it does today. You should regularly review the progress of your fund against your required retirement income levels. Your AIB Advisor can help you with this.

Section 4

Your investment options

The AIB life PRB 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.

There are two main ways you can invest the money in your policy:

- 1. Use our Lifestages investment strategy:** This is a lifestyling strategy where we determine where to invest your contribution, based on how far you are from your retirement. We automatically switch your money between funds to lower the amount of risk as you near your retirement.
- 2. Choose your own funds:** You pick the fund(s) your contribution is invested into and decide if and when you want to switch money between funds.

4.1 What is the Lifestages investment strategy?

We recognise that your investment needs change as you get closer to retirement, in that you'll have less time to recover from any losses. That's why our Lifestages investment strategy adjusts the risk of your investments as you approach your normal retirement age. We'll invest your money in a mix of different asset classes, which we'll automatically make less risky as you near retirement.

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When you're a long way from retirement, we'll invest a higher proportion of your savings in funds which invest predominantly in riskier assets which have a greater potential return. As you approach your normal retirement age, we'll gradually move you to funds which invest in less risky assets. This shift aims to protect your savings against market drops, which can impact any fund regardless of its level of risk. We make these changes automatically, so you can rest assured that your investment should remain suitable for your needs, without you having to make investment decisions.

The Lifestages investment strategy is intended to meet your needs if you intend to purchase an Approved Retirement Fund (ARF) at retirement. You can find out more about ARFs in section 6 where we explain your retirement options. If you intend to purchase an annuity at retirement, you may wish to consider other investment options as Lifestages may not be the most suitable strategy for your needs.

Further detail on the Lifestages investment strategy can be found in our AIB life Fund Guide.

4.2 What other investment options are available?

We have a variety of fund options to choose from, if you want to choose your own 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.saolinsurance.ie

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

4.2.1 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.

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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.

When you're choosing what funds to invest in, key considerations will be the amount of risk you're willing to take and how far you are to your retirement. 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.

4.2.2 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 PRB allows you to spread your risk across a mixture of investments, either by choosing different investments yourself, or by choosing one of our ready-made 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 PRB 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 end your policy in the first five years, either by taking your retirement benefits or by transferring the value of your policy to another pension arrangement. This charge is taken from the value of your policy and may vary depending on what year of your policy you are in at that time

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 retirement options

We've summarised the options for taking your retirement benefits below. These options are subject to requirements of the Revenue Commissioners. You don't need to make any decisions yet and we'll give you more information about these options closer to your retirement. Deciding what to do with your pension is an important step and an AIB Advisor can guide you through the whole process.

Option 1:

- Take a retirement lump sum of up to one and a half times your retirement salary
- Use the rest of your policy value to buy an annuity

The maximum retirement lump sum available to you may be lower than this.

If you made Additional Voluntary Contributions (AVCs), you may have other options for taking the value of those retirement savings.

Option 2:

- Take a retirement lump sum of up to 25% of the value of your policy
- Use the rest of your policy value to buy an annuity, buy an ARF or take a taxable lump sum payment (you can choose one or more of these options)

6.1 Tax limits for your retirement lump sum

Up to €200,000 of your retirement lump sum may be tax-free.

Here's how income tax limits work, depending on the amount of money taken from your pension pot and the rules at the date of publication:

- The first €200,000 is tax-free
- The next €300,000 will be taxed at the standard income tax rate, 20%
- Anything more than €500,000 will be taxed at your marginal income tax rate, which may be up to 40%, and Pay Related Social Insurance (PRSI) (if applicable) and Universal Social Charge (USC) will also be deducted

The above are lifetime limits and apply to the total of all retirement lump sums taken across all of your pension arrangements, including foreign pension arrangements.

We will make the deductions for any income tax, PRSI (if applicable) and USC from your retirement lump sum and pass these directly to the Revenue Commissioners. The amount you receive will be after these deductions.

6.2 Buy an annuity

An annuity provides a regular income in retirement until you die. This income is subject to income tax and other relevant taxes. Some annuity products will have additional features such as a guaranteed period of payment and/or payment to your spouse in the event of your death.

6.3 Buy an ARF

An ARF allows you to continue to invest your pension fund once you're retired and to take a flexible withdrawal from it. Under current legislation, a minimum withdrawal must be taken from your ARF every year. Withdrawals from an ARF are subject to income tax and other relevant taxes.

6.4 What is the Standard Fund Threshold?

There's a limit on the maximum pension fund you're allowed tax relief on at retirement. This is called the Standard Fund Threshold (SFT). The SFT applicable to you will depend on when you take your retirement benefits.

Year retirement benefits taken	Standard Fund Threshold
2026	€2,200,000
2027	€2,400,000
2028	€2,600,000
2029	€2,800,000

There may be further increases to the SFT after 2029.

The SFT applies to the combined value across all of your pension arrangements and includes the capital value of any pension rights which you have already drawn down. Unless you have a higher Personal Fund Threshold, any pension fund in excess of the SFT will be liable to a once-off Chargeable Excess Tax (CET), currently 40%, when it is drawn down.

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Section 7

Questions and answers

7.1 What happens if I want to retire early?

You may be able to take your retirement benefits from age 50 if you've left that employment.

If you can no longer work because of a serious illness or disability, you may be able to take your retirement benefits immediately, regardless of age.

These are subject to Revenue Commissioners' rules and we'll ask you to provide evidence before you take your retirement benefits.

If you retire early, the value of your policy could be less than if you had stayed invested until your Normal Retirement Age. An early exit charge may apply if you take your retirement benefits in the first five years of your policy, which we explain in section 5.

7.2 What happens to my money if I die before retiring?

If you die before retirement, 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).

7.3 Can I transfer my AIB life PRB to another pension arrangement?

You can transfer the value of your policy to another approved occupational pension scheme or PRB. This is subject to certain controls and legal restrictions, which we'll explain to you before the transfer happens. One such restriction is that your entire policy value must be transferred. An early exit charge may apply if the transfer is made in the first five years of your policy, which we explain in section 5.

7.4 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'll return your contribution directly to the transferring trustees or to the existing PRB provider, as applicable, subject to their acceptance 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.aiblife.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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