



# Personal Retirement Savings Account

## Brochure

Start preparing today for your life after work



# Contents

## Section 1

<b>AIB life PRSA at a glance</b> .....	<b>5</b>
1.1 Why choose AIB life? .....	5
1.2 What's the difference between AIB and AIB life? .....	5
1.3 Who's this brochure for? .....	5
1.4 What is a PRSA? .....	6
1.5 Why are retirement savings important? .....	6
1.6 What do I need to know?.....	6

## Section 2

<b>Key benefits of the AIB life PRSA</b> .....	<b>9</b>
2.1 Tax efficiency .....	9
2.1.1 Tax relief on personal contributions .....	9
2.1.2 Tax-free growth .....	11
2.1.3 Tax relief on employer contributions .....	11
2.1.4 Tax-free cash on retirement.....	11
2.2 Flexibility .....	12
2.3 Portability.....	12
2.4 Our choice of funds.....	13

## Section 3

<b>Key risks of the AIB life PRSA</b> .....	<b>14</b>
3.1 Investment risk .....	14
3.2 Access to benefits .....	14
3.3 Level of contributions and maintaining contributions .....	14
3.4 Inflation risk .....	15

## Section 4

<b>Your investment options</b> .....	<b>16</b>
--------------------------------------	-----------

4.1 What is the lifestages investment strategy? .....	16
4.2 What other investment options are available? .....	17
4.2.1 What level of risk am I comfortable with? .....	18
4.2.2 Should I spread out my investments? .....	18

## Section 5

<b>How we charge</b> .....	<b>19</b>
----------------------------	-----------

## Section 6

<b>Your retirement options</b> .....	<b>20</b>
--------------------------------------	-----------

6.1 Do I want to take a retirement lump sum? .....	20
6.1.1 Tax limits for your retirement lump sum .....	20
6.2 What do I want to do with the rest of my policy value? .....	21
6.3 What is the Standard Fund Threshold? .....	22

## Section 7

<b>Questions and answers</b> .....	<b>24</b>
------------------------------------	-----------

7.1 Is there a limit on the income tax relief for my PRSA contributions? .....	24
7.2 Is there a limit to how much my employer can contribute to my PRSA? .....	25
7.3 Can I take my retirement benefits before age 60? .....	25
7.4 What happens to my money if I don't take retirement benefits before my 75th birthday? .....	26
7.5 What happens to my policy when I die? .....	26
7.6 How do I transfer from my AIB life PRSA into another pension? .....	26
7.7 What if I change my mind? .....	27

## Section 8

<b>Contacting us</b> .....	<b>28</b>
----------------------------	-----------

IMPORTANT NOTICE: This brochure is designed to help you understand our PRSA 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 PRSA 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?

Whether you're just starting to think about saving for your retirement, or you're looking to add to the money you've put aside already for when you retire, this brochure is for you.

You might be earning enough to save a small amount each month, or looking to take advantage of the tax efficiencies of preparing for your retirement now. Maybe you want to move your existing retirement savings into a policy with a wide choice of funds. Either way, this policy is designed to give you flexibility and choice.

We want to give everyone the opportunity to save for retirement, regardless of their career or situation. So whether you're employed, self-employed, a director, or not currently earning, we're here to provide a simple and straightforward way for you to kick-start or ramp up your retirement savings.

## 1.4 What is a PRSA?

A Personal Retirement Savings Account (PRSA) is a retirement savings policy, designed to help you save for retirement in a tax-efficient and flexible way.

Your contributions grow tax-free and when you retire, some or all of the retirement lump sum you can take may be tax-free. Although any tax relief available is subject to the Revenue Commissioners' limits, PRSAs are typically more tax efficient than non-pension savings alternatives.

## 1.5 Why are retirement savings important?

With people living longer, retirement has become more important than ever, so we want to help you enjoy it. We know it's easy to put off planning for this stage in your life, particularly if retirement feels far away and other financial demands seem more pressing.

Unfortunately, many people reach retirement age and realise they don't have enough savings to finance the lifestyle they'd hoped for. By setting money aside today, you can invest in your future. The sooner you start saving, the more time you will have to grow your pension pot for your retirement. It's never too late to start saving or boost the savings you already have.

Your AIB Advisor can help you figure out your retirement goal and make a plan to reach it. Even if you're unsure about the timing, your AIB Advisor can help you understand what you can afford to put away.

## 1.6 What do I need to know?

The AIB life PRSA is for people who live in Ireland, aged between 18 and 74. You can usually start withdrawing money from your pension pot from age 60, which we call "taking your retirement benefits". You need to be comfortable putting money away until then.

With the AIB life PRSA, you have the flexibility to decide when and how much you add into your policy, adapting your approach as your circumstances change.

Once you know how much money you want to contribute, you can decide how to invest it. 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're invested in. We explain the charges in section 5.

**Some of the regular information which you can expect to receive for your policy includes:**

- A Statement of Reasonable Projection every year, outlining the projected benefits that you can reasonably expect from your policy at retirement, based on certain assumptions
- A statement of account every six months, outlining the contributions that have been paid into your policy and the transfer value of your policy at the date of the statement
- An investment report every six months, outlining how the funds available for the AIB life PRSA have performed

When you retire, you'll be able to choose from several options for taking your retirement benefits. We explain your retirement options in section 6 and your AIB Advisor can provide more detail on each of these.

If you're employed, your employer can contribute to your PRSA. We explain this in section 2.

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

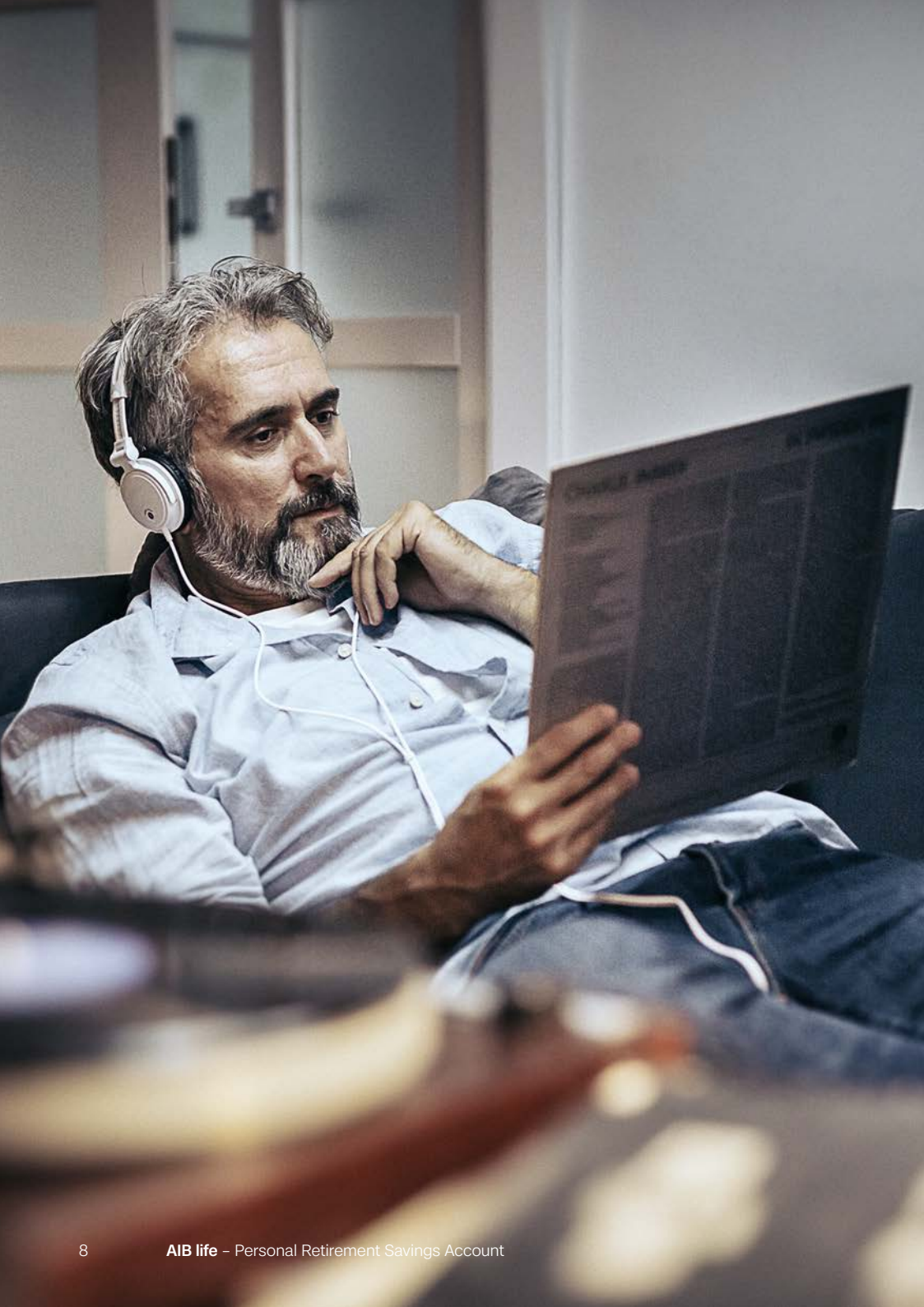
Your AIB Advisor can guide you through deciding whether this product is for you.

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## Section 2

# Key benefits of the AIB life PRSA

## 2.1 Tax efficiency

Significant tax reliefs are available for contributors to a PRSA where you have relevant earnings for income tax purposes. Employers can also avail of tax relief if they contribute to their employee's PRSA. The following is a general summary of those tax reliefs 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 relief on personal contributions

To encourage you to save for retirement, the government gives income tax relief on contributions you make to a PRSA, where you have relevant earnings for income tax purposes. The income tax relief is at your marginal rate, which may be up to 40%.

The following table illustrates how saving money in a regular savings account which doesn't provide income tax relief may compare with contributing to your pension. This is an example only and the income tax relief available to you depends on your personal circumstances.

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	You pay	Your tax relief	Your actual cost
Regular Savings Account	€100	€0	€100
PRSA	€100	€40 (if you pay the higher rate of income tax 40%)	€60
		€20 (if you pay the standard rate of income tax 20%)	€80

There are limits on the amount of income tax relief available for pension contributions, which we explain in section 7.

Income tax relief isn't guaranteed and requirements set by the Revenue Commissioners must be met.

Income tax relief doesn't apply to transfer contributions made into the PRSA from other existing pension arrangements.

If you're an employee, your employer can deduct your PRSA contributions directly from your pay and you will automatically get the tax relief due. Otherwise, you can claim income tax relief from the Revenue Commissioners. You don't get relief on Pay Related Social Insurance (PRSI) or on the Universal Social Charge (USC).

## What are AVCs?

If you're employed by a company and are a member of your employer's pension scheme, the contributions you make to your PRSA will be Additional Voluntary Contributions (AVCs).

Income tax relief is available for your AVCs, where you have relevant earnings for income tax purposes.

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There are limits on the amount of income tax relief available for pension contributions, which we explain in section 7. These limits apply to the combined value of your contributions across all pension arrangements, which includes any contributions you're making to your employer's pension scheme.

We'll need some additional information to set up and administer your policy for AVCs, such as information about your employer's pension scheme. The terms of your employer's pension scheme could impact when you can take your retirement benefits from the PRSA, and the amount you can take as a retirement lump sum from the PRSA. The retirement benefits paid from your policy must be less than the maximum limits set by the Revenue Commissioners. This limit could restrict the amount of AVCs you can pay into the PRSA.

### 2.1.2 Tax-free growth

Unlike other savings plans, the growth on your money is tax-free with a PRSA. This means that, in addition to the tax relief available when contributing to your PRSA, the money in your PRSA can continue to grow without paying Capital Gains Tax (CGT), Deposit Interest Retention Tax (DIRT) or exit tax on investments.

### 2.1.3 Tax relief on employer contributions

Employer contributions to their employee's PRSA are deductible for Corporation Tax purposes. There is a limit on how much an employer can claim relief on, which we explain in section 7.

This employer limit is also important for you, the employee, as any employer contribution made to your PRSA which is above this limit will result in a benefit-in-kind (BIK) charge to you.

If you're a member of your employer's pension scheme, you'll need to set up separate policies for your employer's contributions and for your AVCs.

### 2.1.4 Tax-free cash on retirement

You're normally able to take a retirement lump sum of up to 25% of the value of your policy when you retire. Some or all of this may be tax-free, as we explain in section 6.

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## 2.2 Flexibility

We've designed the AIB life PRSA to be highly flexible. You can decide when and how much you pay into your policy and you can adapt this as your circumstances change. Your contribution must be within our minimum and maximum limits.

**Here's some of the ways you can customise your policy with ease:**

- You can make both regular and lump sum contributions
- You can pay regular contributions every month, three months, six months, or once a year. You can change this whenever you want
- You can make lump sum contributions whenever you want
- If you opt for regular contributions, you're free to increase, decrease, stop paying or restart your regular contributions whenever you want
- We offer an annual regular contribution increase, which allows you to increase the amount you invest each year, at a default increase rate of 3%. You can select or remove this option whenever you want
- You can contribute as little as €300 per year
- You can switch your money to another available fund at any time too, free of charge
- You can transfer savings from your other pension arrangements to your policy, subject to any restrictions set down in law

## 2.3 Portability

With the AIB life PRSA you retain control over your policy if you change your job or employment status. You just need to let us know, as there may be changes to how you can pay money into your policy. There could be restrictions on paying AVCs if you're a member of your employer's pension scheme.

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## 2.4 Our choice of funds

Our funds cover a variety of risk levels, asset classes and investments, so there's an option for most type of investor. Some funds keep investment risk low and generally offer low returns as a result, while others aim for higher returns and are more risky as a result. 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 PRSA

### 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 PRSA 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 PRSA, 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 75, so you need to be comfortable putting this money away until then. 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 Level of contributions and maintaining contributions

The value of your policy at retirement will depend on the contributions made over the term of the contract. The more you contribute, the larger your expected fund at retirement. If you do not make sufficient contributions, the value of your policy at retirement may not be sufficient to meet your income needs during your retirement.

### 3.4 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 PRSA 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 contributions, 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 contributions are 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 chosen 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 chosen 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.

Lifestages is the default investment strategy for the AIB life PRSA. We will apply the default investment strategy to your policy if you haven't told us in your application how you want your money to be invested.

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

## 4.2 What other investment options are available?

We have a variety of fund options that you can choose from, if you want to choose your own funds.

Your AIB Advisor can explain our fund range to you and help you to choose a fund that suits your needs. Further detail on the funds can be found in our AIB life PRSA Fund Guide and at [aiblife-fundcentre.saolinsurance.ie](http://aiblife-fundcentre.saolinsurance.ie)

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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.

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 PRSA 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 PRSA Fund Guide.

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## Section 5

# How we charge

We've made sure the charges on our AIB life PRSA 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. Other fund charges:** There may also be other fund charges associated with administering the funds which are not covered by the annual management charge. We don't deduct units from your policy for these, these other fund charges will be reflected in the unit prices for your funds

### 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 contribution charges you will pay for regular and lump sum contributions to your PRSA, and the annual management charges and other fund charges for your selected fund(s) in your Preliminary Disclosure Certificate. When you take out your policy, we'll provide you with these charges again in your Statement of Reasonable Projection and Policy Schedule
- You can find details of the annual management charges and other fund charges for all available funds in our AIB life PRSA Fund Guide

We don't apply a contribution charge to any transfer made from other approved pensions into your policy. We also don't charge you if you decide you want to transfer the value of your policy to another pension arrangement.

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

## Section 6

# Your retirement options

You can normally take retirement benefits from your policy at any time between age 60 and 75. There are some exceptions to this, where you can take your retirement benefits before age 60, which we explain in section 7.

You'll be able to choose from several options when you retire, subject to Revenue Commissioners' requirements. You don't need to make any decisions now, but the questions below can help you start thinking about them. Deciding what to do with your pension is an important step and an AIB Advisor can guide you through the whole process.

## 6.1 Do I want to take a retirement lump sum?

The amount you can take as a retirement lump sum from your PRSA will depend on the type of contributions made:

- If you haven't paid any AVCs into your PRSA, you're able to take a retirement lump sum of up to a maximum 25% of the value of your policy.
- If you've paid AVCs into your PRSA, the terms of your occupational pension scheme and limits set by the Revenue Commissioners could impact the amount you can take as a retirement lump sum from your policy.

### 6.1.1 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 PRSI (if applicable) and USC will also be deducted

The above are lifetime limits and apply to the total 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 What do I want to do with the rest of my policy value?

After you've decided whether to take a retirement lump sum, you'll have to choose how to use the rest of your policy value. You can choose one or more of the following options:

### **i. 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.

### **ii. Buy an Approved Retirement Fund (ARF)**

An ARF allows you to continue to invest your pension once you are 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.

### **iii. Keep the remainder of your money invested in your PRSA, making it a vested PRSA**

If you keep some or all of your remaining policy value invested in your PRSA after taking your retirement lump sum, it becomes a vested PRSA. This simply means that the pension benefits of the policy have commenced.

You can then make withdrawals from your vested PRSA. Like the ARF option, a minimum withdrawal must be taken from a vested PRSA every year. You can take withdrawals higher than the minimum if you wish.

We will deduct any income tax, PRSI (if applicable) and USC for all withdrawals taken from a vested PRSA, including imputed distributions, and pass these directly to the Revenue Commissioners. The amount you receive will be after these deductions.

The value of a vested PRSA can also be used to buy an annuity or ARF at any point.

You will need to take out a new policy if you want to make further contributions.

## 6.3 What is the Standard Fund Threshold?

There's a limit on the maximum tax relieved pension fund allowed 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 Is there a limit on the income tax relief for my PRSA contributions?

Yes, there are limits on the income tax relief available, which we explain below. These income tax reliefs are only available where you have relevant earnings for income tax purposes. Income tax relief isn't guaranteed and requirements set by the Revenue Commissioners must be met.

**The maximum level of income tax relief available to you on the pension contributions you make in each tax year depends on your age and earnings, as shown below:**

Age	Maximum tax relief as a percentage (%) of earnings
Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-59	35%
60 or over	40%

Certain jobs qualify for a minimum 30% limit, regardless of age, such as professional sports people like golfers, jockeys, and footballers.

### **When your maximum income tax relief is calculated:**

- a.** The contributions to all of your pension arrangements are combined
- b.** There is a maximum limit on the amount of earnings that can be taken into account for tax relief purposes. This earnings limit is currently €115,000 and may change in the future

It may be possible to carry income tax relief forward to future years if you exceed the above limits.

## **7.2 Is there a limit to how much my employer can contribute to my PRSA?**

From 1 January 2025, there is an employer limit for contributions to an employee's PRSA. This limit is 100% of the employee's earnings in the year the contributions are being paid.

- This limit is the maximum contribution for that employee for which the employer can claim a deduction for Corporation Tax purposes.
- This limit is the maximum amount an employer can contribute to their employee's PRSA, without the contribution being considered a benefit-in-kind (BIK) charge for the employee.

## **7.3 Can I take my retirement benefits before age 60?**

You may be able to take your retirement benefits before age 60 in the following scenarios:

- You may be able to take your retirement benefits from age 50 if you were an employee and have retired. This includes where it is customary for people in your job to retire before age 60
- 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

This is subject to the Revenue Commissioners' rules. We'll ask you to provide us with certain evidence to demonstrate those rules are met before you take your retirement benefits.

If you retire early, the value of your policy could be less than if you had stayed invested.

## **7.4 What happens to my money if I don't take retirement benefits before my 75th birthday?**

If you reach your 75th birthday and haven't taken retirement benefits from your PRSA, then your policy will automatically become a vested PRSA.

Any CET due, currently 40%, will be calculated based on the value of the policy at age 75, will be deducted from your policy and paid to the Revenue Commissioners.

You'll no longer have the option to take a retirement lump sum when your policy becomes a vested PRSA so, if you want to take a retirement lump sum, you'll need to do this before age 75.

## **7.5 What happens to my policy when I die?**

If you die before taking your retirement benefits, we'll pay your policy value to your estate in the form of a lump sum. This money may be subject to inheritance tax, also known as Capital Acquisitions Tax (CAT).

If you die and you have a vested PRSA, we'll pay the value remaining in your vested PRSA to your estate. If your spouse or registered civil partner inherits your vested PRSA, they can transfer the value of your policy to an ARF in their own name. Those who receive the money from your policy may have to pay tax depending on who inherits the funds.

## **7.6 How do I transfer from my AIB life PRSA into another pension?**

At some point you may wish to transfer the money you've saved in your PRSA to another approved PRSA, an occupational pension scheme or an overseas pension arrangement. If you're a member of the other scheme and that other scheme is willing to receive our transfer, we'll facilitate it for you. This is subject to the Revenue Commissioners' rules. We'll explain any restrictions on transfers to you before they happen. One restriction is that your entire policy value must be transferred.

## 7.7 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 completing the cancellation notice that will be attached to your first Statement of Reasonable Projection and sending it, signed and dated, back to us at [hello@help.aiblife.ie](mailto:hello@help.aiblife.ie) or AIB life, Customer Service Team, PO Box 8172, Blackrock, Co. Dublin, Ireland within 30 days of the date you are given your Statement of Reasonable Projection.

When the policy is cancelled within the 30 day cooling-off period all benefits will end and we will refund any regular contributions. We will refund any lump sum contributions less any fall in value due to market fluctuations. Any transfer contributions cancelled during the cooling-off period will be paid directly to another PRSA or approved pension arrangement, subject to the receiving pension arrangement agreeing to accept the transfer, less 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](https://aib.ie/make-a-plan)

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


 Visit a branch:  
→ [aib.ie/branchlocator](https://aib.ie/branchlocator)

### For all other queries speak to AIB life:

 Email:  
→ [hello@help.aiblfe.ie](mailto: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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PRSA Product Brochure\_V002\_202603 SPN01 (023)