Executive Pension

Member booklet

Tower Pension Series
Corporate Pension Series
Executive Pension Plus

Standard Life
There's a lot to look forward to

This booklet is a general guide to your pension plan. The Rules of the plan, together with the Policy Provisions and Policy Schedule, form the contract and govern your rights and those of your dependants. You can get a copy of these from the trustees or administrators of your plan named in your statement.

What is the purpose of my pension plan?

The aim of your pension plan is to help provide financial security for you when you retire. If you die before retirement, it will help provide for your dependants.

Your pension plan is a 'defined contribution' plan for the purposes of the Pensions Act 1990, as amended.

The contributions paid build up a fund for your retirement.

The size of your retirement fund is solely determined by the

- Contributions paid by you and your employer
- Investment choice
- Investment returns on contributions while invested, and
- Charges under your plan

It allows you to decide how you'll access your retirement fund when you retire. You can then use this retirement fund to buy an income, which will depend on the cost of annuities (broadly determined by interest rates) at the time you retire. You may have other options when you retire (see 'What are my benefits?' on page 5 for more information).

Your employer has established this plan under trust and has appointed trustees. This plan has or will be sent for approval to the Revenue under Chapter 1, Part 30 of the Taxes Consolidation Act 1997, as amended. Once the trustees receive approval, the Pensions Authority Registration number will be shown in your statement.

Approved pension plans benefit from generous tax concessions:

- Pension plan investments are allowed to grow without paying tax on their income or capital gains
- Employer contributions to your pension plan are not treated as taxable income of yours
- You can claim tax relief on your contributions
- Your employer can claim corporation tax relief on their contributions

How secure is my pension plan?

Your pension plan is strictly governed by law (for example, the Pensions Act 1990, as amended).

- The assets are legally and totally separate from those of your employer
- It is monitored by the Pensions Authority
- The trustees have very strict duties and obligations regarding the conduct of this plan
- Money can only be taken out of this plan in accordance with the Rules

Who can join the plan?

Your employer decides on the membership of the plan, and any conditions that may apply. If membership is compulsory, your employer will tell you.

What contributions do I have to pay?

Your employer will pay contributions and will tell you what contributions you must pay. You can also pay additional voluntary contributions (AVCs). Your statement will show what contributions both you and your employer are paying into your pension plan.

How are contributions to the plan calculated?

Your employer decides the level of contributions that they pay. Your employer may consult you before deciding on the amount they contribute, but is not obliged to do so. Your employer may pay additional contributions from time to time.

Can I increase my contributions or pay extra 'lump sum' contributions?

Yes.

You can pay more into your pension plan in order to

- Increase your income in retirement
- Increase your cash lump sum
- Provide or increase provision for you or your dependants, and/or
- Provide for regular increases in your retirement income

Please contact the trustees or administrators named in your last statement if you wish to make additional voluntary contributions (AVCs). Regular AVCs can be started, increased, reduced or stopped at any time and lump sum AVCs can be paid at any time. The trustees or administrators will be able to tell you what the minimum top up amounts are. See 'What tax relief do I get on my contributions?' on page 6 for the tax advantages.

Can I transfer benefits from another pension scheme into this plan?

Yes, if you have benefits in another pension scheme (relating to either a previous employer or another scheme of your current employer). These transfer payments will be invested to provide benefits at retirement in the same way as contributions are.

If you wish to transfer benefits, ask the trustees of the scheme you wish to transfer from to arrange this for you. You'll also need to ask the trustees of this plan to arrange for the transfer payment to be invested.

Can I reduce my level of contributions?

Yes, with the agreement of your employer and Standard Life.

How are contributions invested?

Details of the investment options available are outlined in the Investment Options guide.

Each contribution (regardless of type or payer) has an allocation rate, which determines the amount of the contribution that buys units in the chosen funds or assets.

The trustees decide in which funds or assets contributions are invested. They may allow you to choose the funds or assets in which contributions are invested.

Your fund investments can be switched to other funds within the plan at any time. There may be a charge for frequent switch requests.

Your retirement fund is funded by the contributions paid by you and your employer.

The value of your retirement fund depends on

- Contributions paid by you and your employer
- Investment choice
- Investment returns on contributions while invested, and
- Charges under your plan

It is not guaranteed to pay a specific amount.

What are my benefits?

All benefits are subject to limits set by the Revenue.

The benefits which are payable at retirement are 'funded'. This means your retirement fund comes from the proceeds of the pension plan that is being maintained on your behalf. Any portion of this fund which becomes payable on death in service is also funded. This plan has an individual retirement fund allocated to provide your pension benefits and it is held as assets of an insurance policy.

If you have Additional Death in Service Cover, it is not 'funded'. It is provided under a separate insurance that is an integral part of the plan, and cover relies on its premiums being paid.

Benefits at retirement

Income, guaranteed for life – You can buy a retirement annuity.

Cash – You can take part of your retirement fund as a cash lump sum (linked to salary and service). If you choose the Approved Retirement Fund (ARF) option, you can take up to 25% of your fund as a cash lump sum.

ARF option – You can invest in an approved retirement fund from which you can draw down an income, as and when you want.

Dependants' pensions – You can use part of your retirement fund to buy an annuity to be paid to your dependants after your death.

Please also refer to 'What tax is payable when I take my benefits?' and 'What are the Revenue limits on my benefits?' on page 7.

State pension

Separate from this pension plan, you may also qualify for a State pension, which is means tested. It's administered by the Department of Social Protection. Their contact details are at the end of this booklet.

On death before retirement (death in service)

If you die before you retire, your retirement fund will be paid to the trustees, who will decide who benefits (which would normally be your spouse or civil partner, and/or your children). However, you can let the trustees know your wishes, which the trustees will consider before making a decision (they aren't obliged to follow your wishes)

If you have Additional Death in Service Cover, you will have provided evidence of health and insurability for the insurer, Standard Life. Any restrictions or special terms will have been notified to the trustees. If you want additional cover and if Standard Life agrees to consider your application, they will ask for evidence of health and insurability. If you do not provide this evidence, cover will not be given. If cover is given, it may be subject to special terms and conditions, which will be notified to the trustees.

Additional Death in Service Cover can be either

- The value of your pension fund and an additional death in service lump sum (Additional Death in Service Cover), or
- The greater of the value of your pension fund and an additional lump sum (Minimum Death in Service Cover)

A death in service benefit of up to four times your salary may be paid tax-free.

If you have a further death in service benefit, your Member Summary Report/Acceptance or last statement will show which benefit applies to you and the amount of automatic increase (indexation), if any.

When can I retire?

You can take your pension benefits on your Normal Retirement Date (shown in your last statement).

Can I retire early or late?

Yes, with the agreement of your employer and trustees.

If you reach age 50, you can retire early. You must also leave your employment. If you suffer serious ill health, you can retire at any time.

You can continue to pay contributions and retire late, up to age 70.

If you retire early, the value of your pension plan will reflect the investment returns over the shorter term of your plan, or if you retire late, the longer term. The value of your pension plan may fall as well as rise.

What happens if I leave my employer?

Regardless of the reason you leave your employer (for example, redundancy, resignation), if you have completed two years membership of your pension plan, your retirement fund will remain invested. This is called a Preserved Benefit.

- If you die before you take your benefits on your Normal Retirement Date, the trustees will use your retirement fund to provide for your dependants.
- You can transfer your retirement fund to another approved occupational pension scheme of which you are a member. This transfer is exempt from tax.
- You can transfer your retirement fund to a buy out bond. This transfer is exempt from tax.
- If you have been a member of your employer's pension scheme for less than 15 years, you can transfer your retirement fund to a Personal Retirement Savings Account (PRSA). This transfer is exempt from tax.
- If you have not completed two years membership of your employer's pension scheme, you may be able to get a 'refund' in respect of your contributions. The refund is the transfer value of your contributions in your retirement fund when you left your employer's service.

A refund in respect of your contributions is subject to the standard rate of income tax (currently 20%). If you choose to transfer this refund to a PRSA, this transfer is exempt from tax.

(A refund may not be available where other pension benefits had been transferred into your pension plan from other pension plans. Proprietary directors cannot opt for a refund of their contributions.)

When you leave the service of your employer, the trustees will give you information about your pension options. You should contact them if you want more information. Their contact details will be in your last statement.

What tax relief do I get on my contributions?

Tax relief is usually available at your highest personal rate of tax. The limits for tax relief are set as a percentage of your relevant earnings in a tax year. This percentage is age related (using the age on your birthday that falls within the tax year you are claiming for):

- 15% for those under age 30
- 20% for those aged between 30 and 39
- 25% for those aged between 40 and 49
- 30% for those aged between 50 and 54
- 35% for those aged between 55 and 59
- 40% for those aged 60 and older

The tax relief limits for contributions apply to pension contributions made

- by you to occupational pension schemes of which you are a member
- by you to your PRSAs
- by you to your personal pension policies (Retirement Annuity Contracts (RACs)), and
- by your employer to your PRSAs

For the tax year ending 31 December 2019, the maximum relevant earnings that can be taken into account for tax relief purposes is €115,000. If the overall contributions exceed the allowable amount, the excess will be available for relief in future years subject to the overall relevant limits in each year.

The earnings of proprietary directors and proprietary employees of investment companies are not relevant earnings.

Your employer is allowed to deduct your contributions from your 'gross' salary. This gives you immediate tax relief at your highest rate of income tax. This is called the 'net pay arrangement'. Your employer can claim relief from corporation tax on their contributions.

If you do not pay your regular contributions by salary deduction, or you pay your lump sum AVC by cheque, you must apply to your local Revenue office for tax relief.

What tax is payable when I take my benefits?

On death before you retire under this plan, the value of your retirement fund is paid to the trustees. If you have told the trustees how you want your retirement fund distributed after your death, they will consider your wishes. The death benefit may be subject to Inheritance Tax in the hands of the beneficiary.

On retirement, if all your pension arrangements are valued at more than the Standard Fund Threshold (currently €2 million, the excess is taxed at 40%), unless you were granted a Personal Fund Threshold by the Revenue.

You can take up to 1.5 times your salary as a cash lump sum depending on length of service. The balance must be used to purchase an annuity.

You may be able to take up to 25% of your retirement fund as a cash lump sum instead. The balance can be taken as an annuity, taxable lump sum or invested in an Approved Retirement Fund. Annuity and ARF income and taxable lump sums are all treated as income and taxed under the PAYE system.

If you have paid AVCs, instead of an annuity, with the AVC proportion of your retirement fund, you can opt to take a taxable lump sum or invest in an ARF. ARF income and taxable lump sums are treated as income and taxed under the PAYE system.

Limits apply to cash lump sums from all your pension arrangements:

- the first €200,000 is tax free
- the next €300,000 is taxed at 20%
- any amount over €500,000 is treated as income and taxed under the PAYE system

Tax legislation may change in the future.

What are the Revenue limits on my benefits?

If you retire on your Normal Retirement Date with at least ten years service, a maximum pension of 2/3rds of your final salary may be paid. If you choose to take a cash lump sum based on salary and service, it is restricted to a maximum of 1.5 times salary, provided you have 20 years service.

If you wish to avail of the ARF option and you do not have a guaranteed income for life of €12,700 per annum, you are required to invest the first €63,500 of your pension fund in an Approved Minimum Retirement Fund (which restricts withdrawals – you may only take one withdrawal of up to 4% of the value in each tax year. You cannot withdraw additional amounts until you reach age 75 or you give us evidence that you have a guaranteed income for life of €12,700pa), purchase an annuity, or a combination of both.

The maximum you can invest in an ARF and/or AMRF is restricted to the size of the fund needed to provide the maximum benefits allowable under the annuity option.

If you die before you retire, a maximum lump sum of four times salary plus a refund of the value of your personal contributions may be paid. The total of all dependants' pensions cannot be more than 2/3rds of your final salary.

This is a brief outline of the limits. There are various other restrictions and rules specific to certain circumstances. Please contact the trustees for further information. Their contact details will be in your last statement.

Can the terms of my pension plan be changed?

Yes, your employer can make changes that affect the benefits and the contributions for those benefits, but only as allowed under the Pensions Act 1990, as amended.

Standard Life can adjust your benefits where you, your employer or trustees withhold information or make an incorrect statement in your application.

Standard Life may change the plan if

- It becomes impracticable or impossible to carry out any of the policy provisions because of a change in the law or other circumstances beyond Standard Life's control, or
- The tax treatment of Standard Life or this plan is altered or a government levy is imposed, or
- The Revenue remove their approval or restricts the assets which may be linked to this plan

What happens if my employer winds up this scheme?

You will be asked by the trustees to transfer your fund to

- another approved occupational pension scheme of which you are a member,
- a buy out bond, or
- a PRSA

If you have been a member of this pension plan for less than two years, you may be offered a refund in respect of your contributions.

What happens if my employer gets taken over or merges with another company?

This pension plan may be unaffected by the takeover or merger and continue as normal. If it is to be wound up, you will be given options as outlined in 'What happens if my employer winds up this scheme?' on this page.

If you transfer from your existing employer to another employer, you may have to transfer your fund to

- another approved occupational pension scheme of which you are a member,
- a buy out bond, or
- a PRSA

Your employer must let you know what is going to happen to this pension plan. As part of the takeover or merger, you or your representatives may be involved in the consultation process.

What happens if my employer doesn't pay the contributions to Standard Life?

The Pensions Act 1990, as amended, strictly regulates the payment of contributions to approved occupational pension schemes. Your employer is obliged to pay the contributions deducted from your salary to the Trustees of the pension plan within 21 days following the end of the month in which your contributions were deducted from your salary and the Trustees are obliged to invest contributions promptly. Your last statement should contain details of any contribution paid 'late'. If you are concerned that contributions have not been paid in accordance with the Rules of the plan, you should contact the person named in your last statement. If you are not satisfied with their response, contact the trustees and your employer (their contact details are in your last statement). If you are still not satisfied, contact the Pensions Authority (their contact details are at the end of this booklet).

Can my employer stop paying their contributions into this scheme?

Your employer may stop paying their contributions at any time. If they do, your pension fund will remain invested. Your employer may give you the option of transferring your fund to

- another approved occupational pension scheme of which you are a member,
- a buy out bond, or
- a PRSA

What happens if I become separated, divorced or my civil partnership is dissolved?

Your benefits may be subject to a Pension Adjustment Order in the event of a court approved separation, divorce or dissolution of civil partnership. Further information can be obtained from the Pensions Authority (their contact details are at the end of this booklet).

Where can I get additional information, forms or documents?

If you require any further information about the plan in general or about your own individual benefits, please contact the trustees or administrators named in your last statement. If you ask, they will give you a copy of this plan's Trust documentation, Rules of the plan and Trustees' Annual Report.

I want to make a complaint, to whom do I write?

You should write to the trustees and administrators of your pension plan or your employer (their contact details are in your last statement). Please ask them about their Internal Disputes Resolution procedure for dealing with complaints. You should give them enough details for them to be able to make a decision and respond. Include

- your contact details,
- the exact nature of your complaint and documents to support it, together with
- permissions necessary for your details to be passed to relevant competent people to investigate and assess your complaint

They will give you their decision within three months. If you are not satisfied with their decision, you may lodge a complaint with the Financial Services and Pensions Ombudsman (contact details are at the end of this booklet). If the Ombudsman declines to deal with your complaint, your case will be subject to Arbitration.

Lodging a complaint with the Ombudsman won't affect your legal rights.

Law and tax rules may change in the future. The information here is based on our understanding in February 2019.

Useful contacts

The Pensions Authority

Verschoyle House,
28/30 Lower Mount St, Dublin 2
1890 65 65 65
or (01) 613 1900
info@pensionsauthority.ie
www.pensionsauthority.ie

Revenue

(01) 702 3011
www.revenue.ie
(which has lists of local offices)

Financial Services and Pensions Ombudsman

Lincoln House,
Lincoln Place, Dublin 2
(01) 567 7000
info@fspo.ie
www.fpso.ie

Data Protection Commission

Canal House, Station Road,
Portarlington, Co. Laois
1890 25 22 31
or (057) 868 4800
info@dataprotection.ie
www.dataprotection.ie

State Pension

Department of Social Protection
College Road, Sligo
1890 500 000
or (071) 915 7100
www.welfare.ie
(where there is an email link for queries)

Citizens Information

George's Quay House,
43 Townsend St, Dublin 2
(076) 107 4000
www.citizensinformation.ie
(where there is a list of local offices)

Central Bank of Ireland

PO Box 559
North Wall Quay
Dublin 1
1890 77 77 77
or (01) 224 6000
enquiries@centralbank.ie
www.centralbank.ie

Find out more

Talk to your scheme trustees. They'll give you the information you need. Their details will be in your last statement.

Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

(01) 639 7000 **www.standardlife.ie**

EP40 V06 0319