



ALMOST THERE..... STAY ON TRACK!

Our records show that you intend to take benefits from your Retirement Account in the next few years!

It's important to check your pension regularly as you approach your Normal Retirement Age, so that you can find out whether you are on track or whether you need to make any changes.

Think about these questions and look for tips in your Pension Plan Booklet and Pension Plan website

Q How are you handling bumps in the road?

If you check your pension savings regularly, you will notice that the amounts tend to go up and down.

Q Do you know what funds you are invested in?

If you do not already know, find out what fund(s) you are invested in. Then ask yourself: Am I comfortable that I have the appropriate mix of funds for my age and the option I intend to choose at retirement.

Q How much are you expecting your Retirement Account to provide?

The Aon member website helps you get an indication of what income and cash sum your Retirement Account may provide.

If it looks like your Retirement Account won't provide as much as you need, you may need to change your plans.



We understand that some of these terms are technical, please refer to our Jargon Buster for explanations

Knowing what your target is will help you to choose a path to get there.



Your Options

Don't forget to use the jargon buster!

Option A

At your Normal Retirement Age, you can take a Cash Lump Sum of up to 1.5 times your salary, depending on your length of service with your employer.

The balance of your Retirement Account will then be used to buy a guaranteed lifetime income (an Annuity).

If you have paid extra amounts as AVCs as a member you have the option to use this part of your Retirement Account to invest in an ARF or AMRF, to allow you flexible spending in your retirement.

If the total value of all your pension funds from all employments during your lifetime, after payment of all Cash Lump Sum benefits, is below €30,000, the balance of your Retirement Account may be paid as a lump sum subject to tax, the Universal Social Charge and PRSI (if you are liable for this).



Option B You may take a maximum of 25% of your Retirement Account as a Cash Lump Sum.

If you are in receipt of a guaranteed pension income for life of €12,700 a year, then with the balance of your Retirement Account, you may choose either to:

- Invest in an ARF (you can convert your ARF into a guaranteed lifetime income (an Annuity) at any stage); or
- take the balance of your Retirement Account as Taxable Cash subject to tax, the Universal Social Charge and PRSI (if you are liable for this).

Option C If you are not in receipt of a guaranteed pension income for life of €12,700 a year, and you wish to invest in an ARF, you must, after you take your Cash Lump Sum (as in Route B above), invest €63,500 or the balance of your Retirement Account, if less, in an AMRF or buy a lifetime income (an Annuity) with this amount or combine both options. An AMRF can be converted to an Annuity at any time. Any balance remaining in your Retirement Account may be invested in an ARF.

Regardless of which Option you choose, your retirement benefits are subject to limits imposed by the Revenue Commissioners.

Annuity vs. ARF: The Pros and Cons

When it comes to taking your retirement benefits, it is important that you understand what options you have and what your choice will mean in terms of living a comfortable retirement. There are a number of points for you to consider in deciding between an Annuity and AMRFs/ARFs for your Retirement Benefits.

Annuity: Your 'Lifetime Income'

Pros	Cons
You have a certainty.	Your capital is transferred to the Insurer.
Your level of income is guaranteed for life and is not affected by investment performance.	The price of Annuities can be expensive. When long term interest rates are low, the cost of Annuities is high.
You can build in a minimum payment period of up to ten years, to provide protection for your dependants on your death.	Your pension will stop on death or the end of the guaranteed period if later.
You can provide for a guaranteed income to be paid to your spouse, civil partner, or dependant upon your death.	



ARF: Your 'Flexible Spending'

Pros	Cons
You retain ownership of your retirement savings.	If you draw-down more than the fund is earning, your fund could run out.
You can decide how much income you take from the fund each year, subject to legislation.	If you survive a long period in retirement, your fund could run out.
There are numerous investment options available from product providers.	If you remain invested in an equity based fund during draw-down, you may be taking on the risk of a market fall.
On your death, the remainder of your fund passes to your estate.	You will have to budget your income, meaning you will have the responsibility of managing your savings into your retirement.



NOTE:

This information applies at the effective date of this leaflet but is subject to change in line with legislation.

Where can I get more information?

Your Pension Plan website has lots of information on funds, how you can take your Retirement Account, a pension calculator and your own up-to-date figures to help answer your questions. If you have any problems finding the information on the website, **you can contact us on 1850 804257 or email myfutureme@aon.ie.**

To help you decide which option is most suitable for you, you should also consider taking financial advice (for which you will need to pay) either by contacting Aon on **01 266 6183 or by e-mailing financial.planning@aon.ie or by finding another financial adviser at www.centralbank.ie.**

This leaflet should not be taken as financial advice and action should not be taken as a result of this document alone.

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