



# AIB Group Defined Contribution Scheme

Explanatory booklet for members

May 2021

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## Welcome

Welcome to the AIB Group Defined Contribution Scheme members' booklet. Planning for your future is important and pension planning can allow you to enjoy a good standard of living in your retirement.

The pension benefits available to you when you retire depend on the choices you make during your working career, so the Trustee and the Bank recommend that you read this explanatory booklet carefully.

This booklet helps you understand how the DC Scheme works and what your benefits may be. It also helps you make the most of your DC Scheme membership as you progress through your working career to retirement.

### The Trustee

AIB DC Pensions (Ireland) Limited is the Trustee of the DC Scheme. All duties carried out by the Trustee are regulated by the Pensions Act and in accordance with the Trust Deed and Rules of the DC Scheme.

The Trustee holds the assets of the DC Scheme, including your retirement account, in trust and applies them to secure benefits payable for members and their beneficiaries/estate (as appropriate). The role of the Trustee is to protect the interests of the members and beneficiaries of the DC Scheme. The Trustee is independent of the Bank.

This members' booklet has been prepared by the Trustee. The Trustee and the Bank strongly recommend that you familiarise yourself with the main provisions of the DC Scheme as described in the following pages of this booklet. The booklet will be updated from time to time and the latest version is available on the AIB intranet (My HR Hub - Pensions) and the DC Scheme website [www.myaibpension.ie](http://www.myaibpension.ie).

### DC Scheme information

The DC Scheme is a defined contribution pension scheme for the purposes of the Pensions Act 1990. This means that the benefits available to you on retirement, or on leaving service (subject to a minimum of two years' qualifying service), will be based entirely on the assets which have accumulated in your retirement account as a result of the Bank's contributions, your own contributions and any transfers from other pension arrangements, together with any investment gains or losses and less any levies, duties, taxes and investment expenses that may be payable.

The DC Scheme is designed to be treated by the Irish Revenue Commissioners as an exempt-approved scheme under the Irish Taxes Consolidation Act 1997 and has been approved and registered with the Pensions Authority (DC Scheme Registration Number: PB78012). The assets of the DC Scheme are held in trust by the Trustee for the benefit of each member exclusively in their retirement account.

The DC Scheme is governed by the Trust Deed and Rules of the Scheme and is administered by the Trustee according to the Rules. The Trust Deed and Rules are technical, legal documents which this booklet aims to summarise. The Trust Deed and Rules overrule this booklet, if any difference of interpretation arises. Copies of the Trust Deed and Rules are available to members on the AIB intranet site or the DC Scheme's website [www.myaibpension.ie](http://www.myaibpension.ie). The Trustee prepares annual accounts for the DC Scheme and these are available to members on request from the Aon Pension Administration Team.

**This booklet helps you understand how the DC Scheme works and what your benefits may be. It also helps you make the most of your DC Scheme membership as you progress through your working career to retirement.**



## PART A

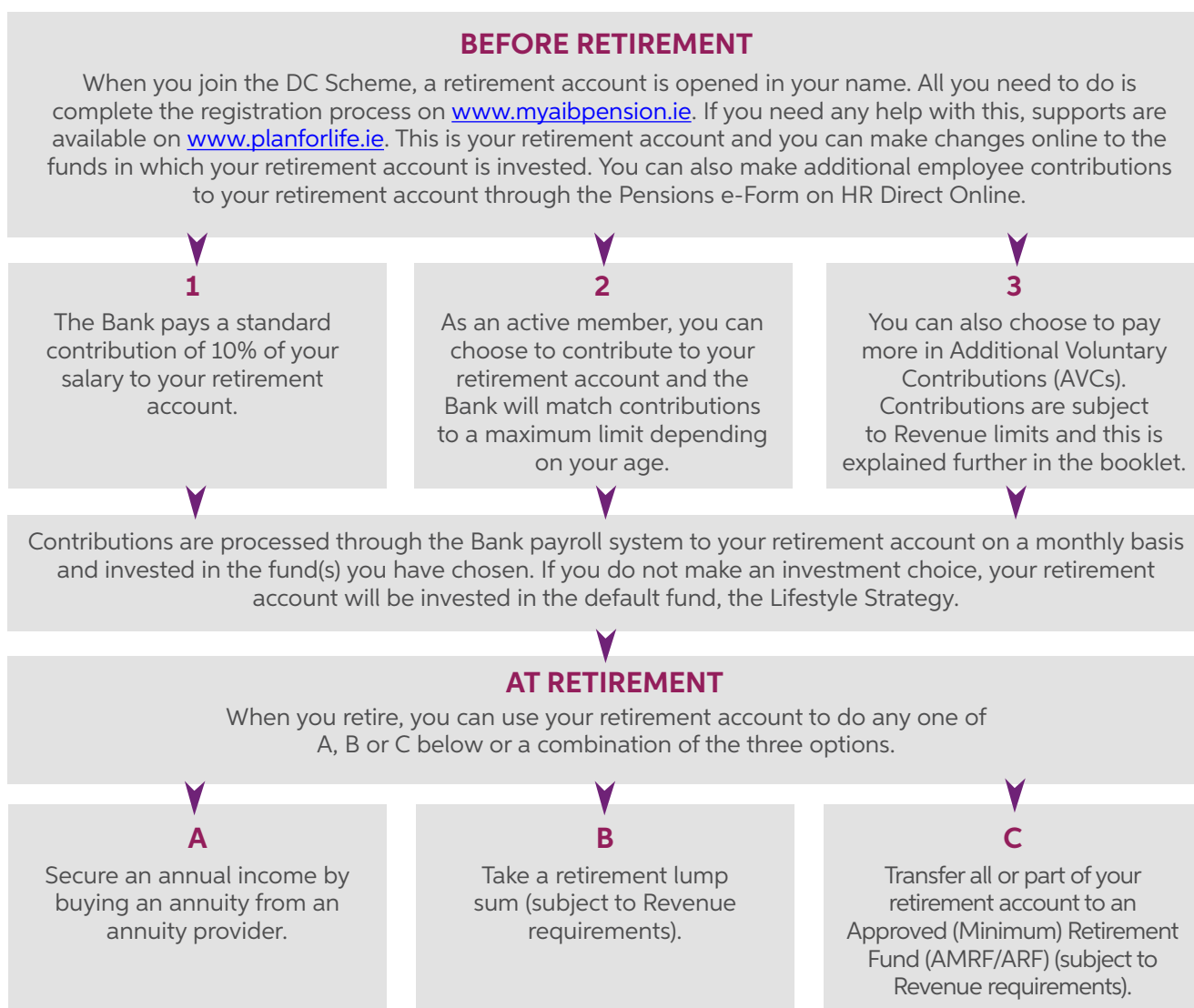
### Step-by-step guide to the DC Scheme and your role in it

- How does the DC Scheme work?
- What are the benefits from the DC Scheme?
- What does retirement mean to you?
- How much should you contribute to your retirement account?
- What investment choices should you make?
- When should you start to contribute and what contribution does the Bank make?
- What about your other savings and investments?



### How does the DC Scheme work?

The diagram below walks you through your career-to-retirement journey.



On retirement, and once you have taken your benefits from the DC Scheme, you are no longer a member of the DC Scheme.

## 1. What are the benefits from the DC Scheme?

The DC Scheme offers you the following benefits:

- Your own personal retirement account.
- The standard Bank contribution rate of 10% based on pensionable salary (i.e. basic salary plus any additional pensionable elements).
- The opportunity to receive additional matched contributions from the Bank (subject to limits and depending on your age).
- Bank contributions are not subject to benefit-in-kind tax.
- Tax relief on the contributions you make in accordance with Revenue rules.
- Investment growth is not subject to capital gains tax (CGT).
- A range of funds in which you can invest your retirement account, including a default fund.
- Death-in-service benefits.
- Different options at retirement, including:
  - The option to take a retirement lump sum (subject to Revenue limits).
  - The option to transfer all or part of your retirement account to an Approved (Minimum) Retirement Fund (AMRF/ARF) subject to conditions.
  - The option to secure an annual income by buying an annuity from an annuity provider.

Understanding how the DC Scheme works and the role you have to play as a member is important so that you make the most of these benefits.

## 2. What does retirement mean to you?

Any choices you make have to be right for you as an individual. You should think about your retirement goals and how you are going to achieve them. Only you can determine the right mix for you. You should take independent professional advice as required. Neither the Bank nor the Trustee can give you this advice.

What are retirement goals? They are what you want to do when you retire and determine how much money you will need. Setting goals involves answering questions about your current financial position and future plans.

Remember that you may retire at your Normal Retirement Date (NRD) and you are likely to require a pension for 20+ years from that date.

Your NRD is quoted on your Annual Benefit Statement and depends on when you joined the DC Scheme and whether you were previously a member of the AIB Group Irish Pension Scheme (DB Scheme) or Hybrid Pension Arrangement.



## 3. How much should you contribute to your retirement account?

Retirement may seem to be a long way off. You probably have many demands on your income. It can be difficult to know how much you should be contributing to your retirement account. By the time you retire, your outgoings may have reduced, e.g. you may not have a mortgage to pay. However, you will still have bills to pay and will have a lot more time on your hands. The first question to ask yourself is how much can you afford to contribute at the moment? There is no definitive answer. You should regularly review the contribution that you are making to your retirement account. You can use the My Pension Planner tool available on the DC Scheme's website ([www.myaibpension.ie](http://www.myaibpension.ie)) and the Pensions Authority website ([www.pensionsauthority.ie](http://www.pensionsauthority.ie)) to help you.





#### 4. What investment choices should you make?

The number of years to your retirement influences your investment decisions. For example, if you have many years until you retire, you may wish to take more risk and consider an investment fund that aims to achieve a higher level of growth to try and outperform inflation. If you are closer to retirement, you may wish to consider a lower-risk investment fund that seeks to protect the savings you have built up.

#### 5. When should you start to contribute and what contributions does the Bank make?

It's not easy to give up a percentage of your salary, but the earlier you start to contribute the easier it will be in the long run. Contributions currently receive tax relief through the Bank payroll system. The Bank will also make a matched contribution up to specified limits depending on your age. See Table 1 on page 7.

If you don't contribute to your retirement account, you are giving up a potential Bank-matched contribution to your retirement account.

**Example:** You are aged 50 and earn a salary of €50,000. You choose not to make a contribution to your retirement account. You are giving up an additional matched Bank contribution of up to 8% (€4,000) per annum to your retirement account.



#### 6. What about your other savings and investments?

If you have other savings or are expecting a pension income from a previous pension arrangement, e.g. AIB Group Irish Pension Scheme (DB Scheme), you may wish to invest your retirement account in a way that takes this into consideration. For example, you may want the focus of your DC retirement account to be on securing a retirement lump sum and this could impact on the investment fund choices you make.

## PART B

### Key points you need to know

- Membership and who can join the DC Scheme
- Making contributions
- Investing your retirement account
- Retirement benefits
- Death in service
- Leaving service

#### Membership and who can join the DC Scheme

All Bank employees in the Republic of Ireland are currently eligible for membership of the AIB Group Defined Contribution Scheme (DC Scheme) subject to the terms of their employment contract.

### Making contributions

#### 7. How much does the Bank pay in contributions and how much do I pay?

The Bank contributes 10% of your basic salary together with an additional 1% for each 1% contributed by you up to a maximum Bank contribution rate which is dependent on your age (see Table 1 below). You don't have to make a contribution, but you are strongly encouraged to do so.

#### 8. How can I indicate that I want to contribute?

You can submit a Pensions e-Form through HR Direct Online indicating how much you want to contribute on a monthly basis prior to the month end for the following month's payroll. Contributions are deducted through the Bank payroll system and are automatically debited from your salary monthly. See Table 1.

Table 1

	Bank contribution	Member under age 40 total contribution	Member aged 40-49 total contribution	Member aged 50+ total contribution
Employee opts not to contribute (default position)	10%	10%	10%	10%
Employee contributes 1%	11%	12%	12%	12%
Employee contributes 2%	12%	14%	14%	14%
Employee contributes 3%	13%		16%	16%
Employee contributes 4%	14%		18%	18%
Employee contributes 5%	15%	Maximum matched contribution 2%	20%	20%
Employee contributes 6%	16%		Maximum matched contribution 5%	22%
Employee contributes 7%	17%			24%
Employee contributes 8%	18%			26%
				Maximum matched contribution 8%

Employees can opt to contribute a percentage greater than the matched contribution outlined above. This is subject to Revenue limits (set out in Table 2 on page 8).

### 9. Do I have to make a personal contribution?

No, although all employees are encouraged to contribute as much as possible to their retirement account. This is why the Bank pays an additional 1% for each 1% contributed by the member up to the limits set out in Table 1 on page 7. You can start making contributions at any time and you can also change or stop your contributions through the self-service option on the intranet.

### 10. What happens if I choose not to make a personal contribution?

If you choose not to make a personal contribution, you receive the standard 10% employer contribution from the Bank. You must make an employee contribution to avail of the Bank's offer of matching employee contributions, which are subject to the limits set out in Table 1.

### 11. Can I contribute further to the DC Scheme?

You can increase the value of your retirement account by making Additional Voluntary Contributions (AVCs), provided your benefits and contributions are within the limits set by Revenue. Further information on AVCs is available from the Aon Pension Administration Team. The Bank does not contribute a matching contribution for AVCs.

### 12. Will I get tax relief on my contributions?

You currently receive tax relief at your marginal rate on your contributions under the current tax rules. If you pay tax at the lower tax rate, you currently receive tax relief at 20%. If you pay tax at the higher rate, you currently receive 40% tax relief. Your total pension contributions are subject to a tax relief limit on your earnings (including income from sources other than the Bank) of €115,000, based on current legislation.

Any contributions you make, up to the maximum specified in Table 2 (or such higher amount permitted by Revenue), are currently eligible for tax relief at your marginal income tax rate. As contributions are deducted directly from your salary before tax, the relief is credited to you automatically through the Bank payroll system. Furthermore, the Bank's contributions on your behalf are not taxed currently as benefit-in-kind.

Table 2

Age	Maximum annual contributions (as a % of taxable earnings*)
Up to 30 years	15%
30 to 39 years	20%
40 to 49 years	25%
50 to 54 years	30%
55 to 59 years	35%
60 years or over	40%

\* An earnings cap applies to high earners, so tax relief can't be claimed on any earnings above €115,000 a year (May 2021).





## Investing your retirement account

### 13. Where is my retirement account invested?

You can choose how the contributions paid to your retirement account are invested from a range of investment funds available. Details of these are provided on [www.myaibpension.ie](http://www.myaibpension.ie).

### 14. How do the investment funds work?

The investment funds are set up as unit trusts (pooled funds), with unit prices calculated daily based on the value of the assets within the investment funds. Your contributions buy units in the investment fund or funds of your choice. All investment growth in the fund(s), whether income or capital gains, is currently exempt from tax other than any foreign taxes that may be imposed.

### 15. How do I indicate my decision?

If you are an existing member and wish to change the investment funds in which your existing retirement account is invested and/or if you wish to redirect future contributions, you should log onto [www.myaibpension.ie](http://www.myaibpension.ie) and complete an online investment switch.

### 16. How often can I change investment funds?

You can switch investment funds on an ongoing basis online (please refer to the Guide to Investment Switching available on [www.myaibpension.ie](http://www.myaibpension.ie)). The system then processes your request. This takes a number of working days to reflect in your retirement account. You won't be able to make another switch until your first switch has been confirmed and your retirement account updated.

There are currently no charges for making investment switches, but the Trustee reserves the right to implement charges for switches at a future date to cover the administration costs involved.

### 17. What are the investment expenses?

Pension arrangements are financial services products which are subject to investment expenses. From 1 January 2021, investment expenses are payable by members and are included in the unit prices of each fund.

### 18. Could the value of my retirement account fall due to investment returns?

Yes. Investment returns are not guaranteed and the value of your retirement account can fall or rise. The Trustee, together with its investment manager and investment advisor, has taken great care in selecting the range of investment funds. However, the Trustee can't take responsibility for any loss which may be incurred as a result of the performance of the funds and isn't liable for such loss.

### 19. Can the Trustee change the investment manager or investment fund selection in the future?

Yes. The Trustee monitors both the investment manager and investment fund returns and has discretion to change the investment manager and/or switch both existing assets and new contributions to different investment funds. You will be notified if such a change is planned.

### 20. Are any levies, duties or taxes taken from my retirement account?

Your retirement account may be subject to levies, duties or taxes under the Irish tax system and foreign taxes on investments. The Trustee arranges to debit your retirement account as they fall due. Please refer to your Annual Benefit Statement for full details of any levies, duties or taxes that have been debited from your retirement account during the year.

**If you don't indicate your investment choices, contributions to your retirement account are invested in the DC Scheme default fund. Currently, the default fund is the Lifestyle Strategy.**



## Retirement benefits

### 21. When can I retire?

In normal circumstances, you will retire on your Normal Retirement Date (NRD). Retirement dates range between age 60 and age 68 depending on the member. Your individual NRD was advised to you in your welcome letter from the Trustee when you joined the DC Scheme. It is also included in your Annual Benefit Statement. In addition, you can see your NRD when you log into your retirement account on the DC website.

If you only have DC benefits during your employment with the Bank, you can choose to retire early if you are over 50, or at any time if you are in ill health. If you are also a deferred member of the AIB Group Irish Pension Scheme, your earliest retirement date from the DC Scheme is dictated by your retirement date for your deferred benefits from the AIB Group Irish Pension Scheme. (For most former DB Scheme members, this is age 63. Those who were hybrid members generally have an NRD of age 65.)

The Bank has agreed that members with an NRD of less than 65 may extend their employment age to 65. If you would like to avail of this, please contact HR Direct Online.

### 22. What benefits will I receive on retirement?

Your retirement account will be used at retirement to provide pension benefits. The benefits available to you at retirement may (subject to certain conditions) be a combination of a retirement lump sum, an Approved (Minimum) Retirement Fund (AMRF/ARF)\* or an annuity pension from an annuity provider. On retirement and after you take your benefits from the DC Scheme, you cease to be a member of the DC Scheme or to have any further entitlement under the DC Scheme.

\*Before retirement, Aon will provide you with details of the retirement options available. This will depend on the regulation and legislation applying at the time.

### 23. What will be the value of my retirement account at retirement?

The value of your retirement account at retirement will depend on three main factors:

- The contributions paid into your retirement account and how early in your career you started to contribute, including making AVCs.
- The investment returns less any levies, duties, taxes and investment expenses payable on those contributions.
- The cost of buying a pension from an annuity provider at the time of your retirement.

## 24. What is a retirement lump sum?

A retirement lump sum can be paid up to the limit set by Revenue. The current maximum retirement lump sum available for those retiring at Normal Retirement Date with more than 20 years' Bank service completed is approximately 150% of final remuneration. This includes all non-pensionable earnings. The lump sum limit is lower for shorter service periods, as shown in Table 3 below. See also 'How does the DC Scheme work?' and associated diagram on page 4.

**Table 3**

Complete years of company service	$\frac{1}{80}$ th of final pay
1 to 8	3 for each year
9	30
10	36
11	42
12	48
13	54
14	63
15	72
16	81
17	90
18	99
19	108
20 or more	120

**Note:** The figures set out in Table 3 are subject to ongoing review by Revenue.

## 25. Buying a personal pension (annuity)

You can buy a personal pension (annuity) from an annuity provider. This is usually paid to you in monthly instalments and will continue for as long as you live. Within the pension annuity, you can buy a number of additional options. These include future pension increases, one or more dependants' pensions and/or children's pensions on your death or a guarantee that your pension will be payable for a minimum period after your death.

## 26. Approved (Minimum) Retirement Fund (AMRF/ARF)

An A(M)RF is a type of fund operated by certain authorised providers which allows you to choose between various investment options and gives you control over when and how you draw down your pension.

## 27. How much will my personal pension be?

The amount of any personal pension, or of any dependant's pension, will depend on the value of your retirement account at retirement, the type of pension you decide upon and market annuity rates at the time of your retirement. Note that market annuity rates tend to fluctuate in line with changes in long-term interest rates.



## 28. How will my pension be secured?

If you buy a pension at retirement, it will be from an annuity provider in line with the regulations governing such providers.

## 29. Will I also receive pension benefits from the State?

In addition to the pension benefits from the DC Scheme, you may also be entitled to a State pension\*, subject to you meeting certain qualifying conditions.

\*The payment of a State pension assumes that the current State eligibility rules remain unchanged.

Your State pension will provide you with a basic level of retirement income, provided you qualify. The State pension is intended to ensure that everyone receives a basic standard of living in retirement. Please refer to [www.gov.ie](http://www.gov.ie) for further information.

The Social Welfare and Pensions Act, 2011 introduced a change to the age at which the State pension is payable. In May 2021, the State pension is payable from age 66, but this may change in the future.



## Death in service

### 30. What benefit is paid if I die in service?

If you die in service before your Normal Retirement Date, a lump sum benefit is paid by the Trustee to your beneficiaries as the Trustee determines equal to:

- **If you are a single member**

**Two times your salary\***

**Plus**

The part of your retirement account which relates to the value of employee contributions, transfers in and AVCs made by you less a deduction for levies, duties, any applicable taxes and investment expenses.

\* For those members who joined the DC Scheme before 1 July 2000 and are single, the lump sum will be equal to four times their salary.

- **If you are a family member**

**Four times your salary**

**Plus**

The part of your retirement account which relates to the value of employee contributions, transfers in and AVCs made by you less a deduction for levies, duties, any applicable taxes and investment expenses.

**Plus**

A further sum equal to nine times your salary, less the value of any survivor's pension(s) due from any other AIB Group pension scheme, will also be used to buy a pension for your dependants.

Lump sum death benefits are not currently subject to income tax but, under current legislation, benefits paid directly to a beneficiary other than a spouse or civil partner may be liable to capital acquisitions tax.

**Note:** Death benefits are subject to maximum Revenue limits. The death benefit is insured with an insurance company and is subject to the terms of the insurer.

You may be asked to undergo a medical examination prior to joining the Scheme, or at a future date if your benefits increase. If such an examination is required, you will be advised of the details.

It may be necessary to restrict the amount of your death benefit on medical grounds and you will be notified if such a restriction applies in your case.



To make your wishes known to the Trustee, please complete the online Nominated Beneficiary Form available on

[www.myaibpension.ie](http://www.myaibpension.ie).

Note that the form is only a guide to the Trustee and is not binding on them.

### 31. How is the lump sum death-in-service benefit calculated if I die in service?

The lump sum death-in-service benefit is calculated on your basic salary at the date of your death and is four times your salary for those who are family members and two times your salary for non-family members. All members who joined prior to 1 July 2000 have a benefit of four times their salary.

### 32. If I have a deferred benefit under the AIB Group Irish Pension Scheme, how is the death-in-service benefit for my spouse or civil partner calculated if I die in service?

As part of your deferred benefit from the AIB Group Irish Pension Scheme (DB Scheme), your spouse or civil partner would receive a pension equal to half the level of your deferred DB Scheme benefit, plus any revaluation due since 31 December 2013 to the date of your death. Dependent children's pensions are also payable at one-third of the spouse's pension up to a maximum of three children. From the DC Scheme, your estate would also receive the value of your retirement account which relates to contributions and AVCs made by you to the DC Scheme less deductions for levies, duties, taxes and investment expenses. A lump sum payment of four times your salary at the date of your death would also be payable to your estate from the DC Scheme. Finally, a further sum equal to nine times your salary would be used to buy pension benefits for your dependants, but that amount would be reduced by the value of your spouse's and children's pension benefits from any other AIB Group pension scheme.

#### Example

John has a deferred pension from the AIB Group Irish Pension Scheme (DB Scheme) calculated as €16,000 p.a. at the date of closure of the DB Scheme to future accrual on 31 December 2013. Ten years later this deferred DB pension has notionally increased in line with inflation capped at 4% and is now worth €20,000 p.a. Unfortunately, John dies in 2023 leaving his wife Mary and one child under the age of 18. John's salary at his date of death in 2023 is €75,000. John's family's benefits are as follows:

Lump sum 4 x salary of €75,000 = €300,000

#### Plus

A lump sum of the part of John's retirement account which relates to the value of contributions and AVCs made by him

#### Plus

DB pension for Mary of 50% of €20,000 €10,000 p.a.

#### Plus

DB child's pension of  $\frac{1}{3}$  of Mary's pension €3,333 p.a.<sup>1</sup>

#### Plus

DC Scheme death benefit of 9 x salary of €75,000 less the value of the DB pensions

#### Equals

$€675,000 - [(\text{€}10,000 \times 25)^2 + (\text{€}3,333 \times 3)^3] = \text{€}415,001$

<sup>1</sup> Children's pensions are payable until age 18 or until 23 if in full-time education.

<sup>2</sup> The multiple of 25 is an estimate of the value of the spouse's pension based on current annuity prices.

<sup>3</sup> The multiple of 3 in this example is based on the assumption that the child's pension will be paid for three years.

The DC death benefit of €415,001 will be used to buy pension benefits for John's dependants in addition to the pensions set out above from the DB Scheme. The amount of pension purchased will depend upon the annuity rates at the time.



## Leaving service

### 33. What happens if I leave service before Normal Retirement Date?

Your options on leaving depend on whether or not you have at least two years' qualifying service. Qualifying service means service completed as a member of the DC Scheme. Similar service completed in another company scheme, from which you have been granted a transfer value which has been paid into the DC Scheme, also counts as qualifying service. Service while a member of the DB Scheme also counts as qualifying service regardless of whether or not you take a transfer value from the DB Scheme to the DC Scheme.

#### Less than two years' qualifying service completed

You may receive a refund of the value of your own contributions, including AVCs, less tax and any transfer payments. This is the default option.

or

You may transfer the part of your retirement account that relates to the value of contributions made by you less deductions for levies, duties, taxes and investment expenses, to another approved pension arrangement.

#### Two years or more qualifying service completed or two years' service with the Bank

You may leave your retirement account in the DC Scheme. This is the default option.

or

You may transfer the value of your retirement account to another approved pension arrangement.

Your benefits on leaving service are governed by the Rules of the DC Scheme and the preservation requirements of the Irish Pensions Act 1990.

**Note:** Tax is deducted from all contribution refunds, currently at the rate of 20%.



## PART C

### Answers to frequently asked questions, useful contacts and other tools to assist your pension planning

- Additional guidance and frequently asked questions
- Who's who - the Trustee and the DC Scheme's advisors
- Who do I contact if I need more information?
- Glossary of terms
- Index to this DC Scheme booklet

### Additional guidance and frequently asked questions

#### 34. How do I get access to the DC Scheme website?

When you register on [www.myaibpension.ie](http://www.myaibpension.ie) as part of joining the DC Scheme, you will get access to the DC Scheme website. If you need any help with this, supports are available on [www.planforlife.ie](http://www.planforlife.ie).

#### 35. What happens to my pension if I go on sick leave?

For active members, sick leave is pensionable in line with our Sick Leave Policy. Please refer to the AIB Sick Leave Policy for further details. This is located on My HR Hub – HR Policy – Sickness Absence.

#### 36. What happens to my pension if I'm admitted to the Bank's Income Protection Plan?

If you're an active member and have been admitted to the Income Protection Plan, your pension contributions (both employer and employee) are fully paid, based on the contribution level that was in payment in the month before you started sick leave.

For further information, please refer to the AIB Sick Leave Policy located on My HR Hub – HR Policy – Sickness Absence.

#### 37. Can I apply for ill-health retirement?

All members of the Scheme can apply for ill-health retirement. For further information, please contact [pensions@aib.ie](mailto:pensions@aib.ie).

#### 38. Can I transfer my deferred DB Scheme benefit into my DC Scheme?

Yes, but this would be a significant decision and you should take appropriate independent financial advice. Such advice can't be provided by the Bank, the Trustee or any of their agents. A transfer value would be placed on your deferred benefit and would depend on the level of funding in the DB Scheme at the time of the transfer.

#### 39. If I transferred from the DB Scheme, can I draw down my deferred DB Scheme benefits and continue to work for the Bank?

No. Revenue doesn't allow an employee to draw down their deferred DB Scheme benefits while still working for the Bank.

#### 40. What benefits would my dependants get from the DC Scheme if I were to die after retirement?

At retirement, you can opt to buy an annuity (annual pension) from an insurance company with all or part of your retirement account. If you buy an annuity, the insurance company will ask you to select from a range of options before setting the cost of that pension. One of these options is to buy pensions for your dependants in the event of your death. If you opt at the start to provide pensions for your dependants, the insurance company will provide these on your death in retirement. If you do not buy pensions for your dependants at retirement, no further benefits will be paid out after the date of death to your dependants. If you opt to invest your retirement account in an Approved (Minimum) Retirement Fund (AMRF/ARF), the balance of your account will pass to your estate.

#### 41. How will my retirement benefits be taxed?

Under current legislation, pensions, including dependants' pensions, are liable to tax in the same way as wages/salaries under the PAYE system. Retirement lump sums taken instead of pension, and lump sums paid on death, are free of income tax and capital gains tax respectively up to certain limits and subject to certain conditions.

#### 42. Are my benefits subject to external control?

Your benefits under the DC Scheme are subject to maximum limits imposed by Revenue and to the requirements of the Pensions Act 1990 and any subsequent amendments.

You may receive ill-health cover under the Bank's Income Protection Plan. This means that if you are long-term sick you will receive benefits from the insurance company, subject to their terms and conditions.



#### **43. What happens if I am divorced or separated or my civil partnership is dissolved?**

Your retirement and death benefits could be subject to a Pension Adjustment Order (PAO) in the event of judicial separation or divorce.

If you get a judicial separation or divorce, a court application for a Pension Adjustment Order in respect of the retirement or contingent benefits payable to or in respect of a married member may be made. These orders are secured under the Family Law Act 1995 and the Family Law (Divorce) Act 1996. You can get further information about the operation and impact of Pension Adjustment Orders from the Pensions Authority or from the Aon Pension Administration Team.

#### **44. Can the DC Scheme be changed or discontinued?**

Yes. Changes in legislation and other unforeseen circumstances may make it necessary or desirable to amend the Rules of the DC Scheme. The Bank and the Trustee may amend the Rules at any time. The Bank could also reduce or terminate its contribution to the DC Scheme.

#### **45. Can I assign my pension benefits against a creditor?**

No.

#### **46. Is there an Internal Dispute Resolution Procedure?**

The Trustee has set up an Internal Dispute Resolution Procedure to deal with certain complaints or disputes made by actual or potential beneficiaries in relation to the DC Scheme. The Trustee tries to resolve any issue but in the event it is unable to do so, the complaint or dispute may be submitted to the Financial Services and Pensions Ombudsman for review at Lincoln House, Lincoln Place, Dublin 2. Please contact the Aon Pension Administration Team if you need further details.

#### **47. Who's who – the Trustee and the DC Scheme's advisors**

##### **The Trustee**

AIB DC Pensions (Ireland) Limited  
c/o The Scheme Secretary  
Aon  
Block D, Iveagh Court  
Harcourt Road  
Dublin 2  
D02 VH94

##### **DC Scheme website**

[www.myaibpension.ie](http://www.myaibpension.ie)

##### **DC Scheme's advisors**

##### **Registered Administrator**

AIB Staff Pensions  
2 Heuston South Quarter  
St John's Road  
Dublin 8

Email: [pensions@aib.ie](mailto:pensions@aib.ie)

##### **Aon Pension Administration Team**

AIB Irish Pension Schemes  
Aon  
Hibernian House  
Building 5200  
Cork Airport Business Park  
Cork

Phone: 1800 806 133

Email: [myaibpension@aon.ie](mailto:myaibpension@aon.ie)

##### **Investment Manager**

State Street Global Advisors (SSgA)

##### **Investment Advisor**

Acuvest

##### **Scheme Insurer**

Zurich

##### **Bankers**

Allied Irish Banks, p.l.c.

##### **Lawyers**

McCann FitzGerald

##### **Independent Auditors**

Deloitte

#### 48. Who do I contact if I need more information?

Please contact the Aon Pension Administration Team for further information about the DC Scheme or individual entitlements.

##### **Aon Pension Administration Team**

AIB Irish Pension Schemes  
Aon  
Hibernian House  
Building 5200  
Cork Airport Business Park  
Cork

**Phone:** 1800 806 133

**Email:** [myaibpension@aon.ie](mailto:myaibpension@aon.ie)

**Website:** [www.myaibpension.ie](http://www.myaibpension.ie)

##### **Other useful contacts**

###### **The Pensions Authority**

Verschoye House  
28/30 Lower Mount Street  
Dublin 2  
D02 KX27

**Phone:** 01 6131900

**Email:** [info@pensionsauthority.ie](mailto:info@pensionsauthority.ie)

**Website:** [www.pensionsauthority.ie](http://www.pensionsauthority.ie)

##### **FOR STATE PENSION APPLICATIONS**

###### **Department of Social Protection - State Pension**

College Road  
Sligo  
F91 T384

**Phone:** 1890 500 000

**Email:** [info@welfare.ie](mailto:info@welfare.ie)

**Website:** [www.welfare.ie](http://www.welfare.ie)

##### **Information available on the DC Scheme member website**

- Your Annual Benefit Statement
- Your retirement account value
- Your contribution history
- Online investment switching
- Investment fund information
- My Pension Planner modelling tool



##### **Financial Services and Pensions Ombudsman**

Lincoln House  
Lincoln Place  
Dublin 2  
D02 VH29

**Phone:** 01 5677000

**Email:** [info@fspo.ie](mailto:info@fspo.ie)

**Website:** [www.fspo.ie](http://www.fspo.ie)

##### **FOR PRSI CONTRIBUTION RECORDS**

###### **Department of Social Protection - PRSI Records**

McCarter's Road  
Ardaravan  
Buncrana  
Co Donegal

**Phone:** 1890 690 690

**Email:** [info@welfare.ie](mailto:info@welfare.ie)

**Website:** [www.welfare.ie](http://www.welfare.ie)

#### **Useful resources available on the Pensions Authority website - [www.pensionsauthority.ie](http://www.pensionsauthority.ie)**

##### **Pension calculator**

The calculator allows you to estimate the contributions you should be paying to your retirement account to provide your target pension in retirement.

##### **Investment risk profiler**

Understanding your attitude to risk is one of the fundamental issues you need to consider before deciding in which funds you invest your pension contributions. Attitude to risk can vary from person to person and may depend on personal circumstances at particular stages in your life. The profiler on the Pensions Authority website is designed to provide you with some insight into your general attitude to risk.



#### 49. Keep your details up to date

We know there's a lot happening in your life and, while the Trustee doesn't need to know everything, it's really important that you keep us up to date with the big things. It's much easier for the Trustee to get information to you on time when your details are up to date.



**Where will we send your pension?** Please tell us your new address so we can keep track of where you are in case we have important information that the Trustee needs to share with you.



**Who are you sharing your pension with?** Please share details of your spouse/civil partner as we might need to contact him/her in the future.



**Have you got children or dependants?** It's really important that you tell us about your children and any dependants you have. In the unfortunate event of your death, the Trustee may have a decision to make in terms of awarding a discretionary dependants' benefit.



**Single, married, separated, divorced?** It can make a big difference to your pension. We need to know this too. In some instances, the Trustee may receive a Pension Adjustment Order (PAO). This sets out for the Trustee how a court has determined that a pension will be divided either at Normal Retirement Date or in the event of the death of a member.

#### How do I change my personal details?

If you are an active member, you can log on to HR Direct Online. Select My Details - Personal Information. If you are a deferred member, click on [www.myaibpension.ie](http://www.myaibpension.ie) and select My Account - My Details.

You may also complete an online **Nominated Beneficiary Form** on [www.myaibpension.ie](http://www.myaibpension.ie).

This form does not direct the Trustee how to apply your benefits, but it may be useful information for the Trustee to have.

Remember, if you leave AIB at any time, you can contact the Pension Administration Team directly to update your details.

#### Reminder

This booklet aims to give you a general overview of the benefits from your DC Scheme and does not constitute financial advice. All fees and charges incurred in seeking independent financial or investment advice are at the member's expense. There are other more formal documents such as the Trust Deed and Rules of the DC Scheme which give legal backing to your benefits. Those documents overrule this booklet if a question of interpretation should arise. You can, if you wish, examine the formal documentation by contacting the Aon Pension Administration Team. The information in this booklet is based on the Trustee's understanding of tax regulations and legislation in force at the time of publication. The Trustee annual newsletter, together with ongoing news from the Trustee, is frequently updated on both the Staff Pensions HR intranet site and DC Scheme's website.

The law doesn't allow the Trustee or anyone associated with the DC Scheme to give you financial or investment advice tailored to your own circumstances. Talk to an authorised independent financial advisor for professional advice about your pension arrangements. Check first that they are qualified and authorised to advise you. You should also ask how much they will charge you for their advice. The Central Bank of Ireland has useful information about finding financial advice. It also has a list of authorised financial advisors. Visit their website at [www.centralbank.ie](http://www.centralbank.ie) or phone on lo-call 1890 77 77 77.

#### Booklet publication May 2021

This booklet may be updated from time to time and the latest version will always be available on the AIB intranet and Pension Scheme website [www.myaibpension.ie](http://www.myaibpension.ie).



## 50. Glossary of terms

<b>Annuity</b>	An annuity can be bought with all or part of the funds from your retirement account at retirement. Pension annuities provide you with a pension income for the rest of your life.
<b>Bank</b>	means Allied Irish Banks, p.l.c., and any associated company admitted to the DC Scheme.
<b>Beneficiaries</b>	means your dependants and any other relation either by blood or marriage/civil partnership.
<b>DB Scheme</b>	means the AIB Group Irish Pension Scheme.
<b>DC Scheme</b>	means the AIB Group Defined Contribution Scheme.
<b>Dependants</b>	are any of the following: <ul style="list-style-type: none"><li>• Your spouse/civil partner.</li><li>• Your children under 18 years of age, and those over 18 and under 23 who are in full-time education. No age limit applies if, in the opinion of the Trustee, the child is mentally or physically disabled to a degree which renders them unable to maintain themselves as independent adults.</li><li>• Any person who, before your death, in the opinion of the Trustee was wholly or substantially dependent on you for the ordinary necessities of life.</li></ul>
<b>Family member</b>	This is a member who has a spouse/civil partner and/or at least one dependent child.
<b>Normal Retirement Date</b>	Members transferring from another AIB Group pension scheme maintain their existing Normal Retirement Date (NRD). Members with an NRD of less than age 65 are given the option at the time of their retirement to extend their employment age to 65. If an employee with an NRD of less than age 65 delays their retirement, the benefits from both the DB and DC schemes are delayed to the new date (which won't be later than age 65). Any delayed retirement benefits from the DB Scheme are actuarially increased to reflect the fact that they have come into payment from a later date. New joiners on or after 1 January 2014 have an NRD of age 65.
<b>Pensionable service</b>	means the period of your DC Scheme membership.
<b>Retirement account</b>	means the accumulated value, including investment gains/losses on the contributions, less levies, duties, taxes and investment expenses which have been paid by you and by the Bank on your behalf. Your retirement account may include any transfer in payment to which you are entitled as a result of a previous employment or a PRSA that you may have transferred into the DC Scheme. The benefits available to you from the DC Scheme on retirement, leaving service or death will depend on the value of your retirement account at that time.
<b>Revenue</b>	means the Office of Irish Tax and Customs.
<b>Qualifying service</b>	means service completed as a member of the DC Scheme and the DB Scheme for retirement benefits and service as a member of another scheme from which a transfer payment has been received by the DC Scheme.
<b>Salary</b>	means your basic annual salary.
<b>The Scheme</b>	is the AIB Group Defined Contribution Scheme.
<b>The Trustee</b>	is AIB DC Pensions (Ireland) Limited.

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## Need help?

Contact the Aon Pension Administration Team if you have a question about the DC Scheme or your benefits.

Email: [myaibpension@aon.ie](mailto:myaibpension@aon.ie)

Phone: 1800 806 133

Keep your details up to date on your pension by registering on our DC Scheme's website at [www.myaibpension.ie](http://www.myaibpension.ie).

AIB Group Defined Contribution Scheme – The Pensions Authority Registration Number PB78012