PRSA

Bank of Ireland Life

An employee guide to a

Personal Retirement Savings Account

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Why should I plan for my retirement?

When you're young, your retirement always seems like a long way off. So a lot of people put it to the back of their minds. But unfortunately, this is exactly the time when you should be putting plans into action to make sure you enjoy a comfortable retirement.

After all, would the current State Pension (Contributory) for a single person of just €209.30 per week* be enough for you to maintain your existing standard of living now, let alone in 30 years time? Not a nice thought, but one we all need to consider.

A Personal Retirement Savings Account (PRSA) is a simple and cost-effective way to plan for your retirement. In a nutshell, it's pensions made easy! Your employer has made it convenient for you by offering you the facility of setting up an employee PRSA through work. So don't put it to the back of your mind, take this opportunity to be in control of your financial future and open a PRSA with Bank of Ireland Life.

This brochure has been designed to help answer any questions you may have about the benefits of starting an employee PRSA and why you should choose Bank of Ireland Life as the provider.

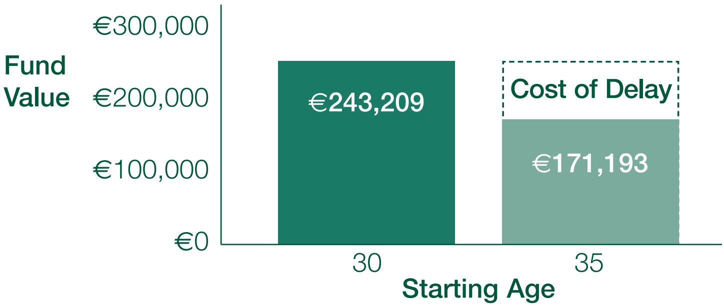
* as at May 2007

What age should I start thinking about a PRSA?

It is never too early to start thinking about arranging a PRSA. In fact, the longer you delay starting one, the more it will cost you.

Just take a look at the table below to see the comparison between starting your PRSA early and delaying it by five years.

Why it pays to start early



Note: These figures are for illustration purposes only, and are based on a contribution of €150 per month and on investment to retirement at age 65. In line with the Society of Actuaries Guidance, the projections below assume futher contributions increase at a rate of 3% p.a. In practice, future contributions will increase at the greater rate of 5% p.a. and CPI, in line with your policy conditions, unless otherwise requested. An investment growth rate of 6% per annum is assumed – this is not a forecast, as unit prices can fall as well as rise and could grow at a faster or slower rate than assumed.

Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.

So the moral of the story is, the longer you wait to start a PRSA, the more you will have to contribute each month to build up an adequate fund for your retirement. And one of the best ways to save for your retirement is with an employee PRSA from Bank of Ireland Life.

How will my employee PRSA work?

Basically, as the name suggests, an employee Personal Retirement Savings Account (PRSA) is an account set up by you to save for your retirement and it is facilitated by your employer. It is a tax efficient savings account that has been designed to help individuals build up a fund for their retirement, in a convenient and flexible manner.

On retirement, the fund can be used in a number of different ways to meet your financial needs at that stage in your life. (Please see page 30 for retirement options.)

What types of PRSAs are available and what makes them different?

There are two types of PRSAs available, your Insurance & Investments Manager in your local Bank of Ireland branch will be able to advise you which one is suitable for your needs.

Standard PRSA:
A Standard PRSA cannot charge more than 5% on any regular contributions you make and also an annual management fee of 1% of your fund. Bank of Ireland Life offers you a selection of 12 different investment options to choose from.

For more information on the investment options available for a Standard PRSA see page 17.

PRSA Choice:
PRSA Choice is a non standard PRSA. PRSA Choice offers you a broader range of investment funds to choose from, which have varying degrees of risk. However it is important to note that a non standard PRSA has higher charges than a Standard PRSA. Your Insurance & Investments Manager will be able to advise you with regard to these charges.

For more information on the investment options available for PRSA Choice see page 21.

Am I eligible to take out a PRSA?

If you are employed either full-time, part-time, or even participating in a job share, you may take advantage of your employer's PRSA arrangement. However, if you are already included in your employer's pension scheme you may only take out an Additional Voluntary Contribution PRSA, subject to your scheme rules. Your Insurance & Investments Manager in your local Bank of Ireland branch will be able to advise you of your options.

How much do I need to invest?

While you can start with as little as €25 per month, the amount you need to invest will depend on several things such as:

- What age you'd like to retire at
- Your existing income
- Your current age
- Length of time to your retirement age
- Whether you are male or female
- The level of your employer's contributions (if any)

It is generally recommended that you should aim to retire on a total income, including your State pension, of approximately two thirds of your income prior to retirement. Your Insurance & Investments Manager in your local Bank of Ireland branch will be happy to help you work out how much you need to put aside to meet your retirement needs.

And remember, whilst it pays to start early, it is never too late to start saving for your retirement. Your contributions can be constant over time or you can choose to increase them to help keep your PRSA in line with the increasing cost of living.

How will I benefit from a PRSA?

There are a lot of benefits in joining your employer's PRSA arrangement, such as:

- **Convenience** – taking out an employee PRSA means you will have the convenience of having your contributions deducted from your salary/wages and obtain tax relief at source
- **Flexible savings** – you can choose the amount you save and increase or decrease your contributions when it suits you and even take a break in contributions
- **Pay less tax** – you can avail of generous tax relief on your contributions, tax free growth on your investment and a tax free lump sum at retirement
- **Choice of investment options** – you can choose from a range of Bank of Ireland Life Pension Funds, which will be invested in a way that best suits your needs

If you are employed and paying your PRSA contributions directly from your own bank account you should be aware that it may be more convenient to have your PRSA contributions deducted from your salary at source and remitted directly to Bank of Ireland Life by your employer. You should talk to your employer about contacting Bank of Ireland Life in order to make the appropriate arrangements.

By taking advantage of an employee PRSA, you will be starting to plan for your financial security when you retire. Your PRSA is personal to you and will remain your asset regardless of whether you change employment or not.

The sooner you start the better

If you want to be able to enjoy a comfortable retirement, then you need to start putting money aside in your working years to ensure you're financially secure later on in life. And, the sooner you start planning for your retirement the better.

How flexible is my PRSA?

VERY. As your PRSA is a long term savings investment, it has been designed to offer you the flexibility you'll need to meet your changing lifestyle over the years. So you can start off by putting a little aside and then as your income grows so too can the amount you save. As well as increasing your contributions, you can also decrease them, at times when you aren't as financially well off. You can even stop your payments and then restart them at a more convenient time.

Your employer is providing you with the convenience of the facility to have your employee PRSA contributions paid directly from your salary.

In addition, you can also make lump sum payments, if you wish to boost your PRSA.

What are the tax benefits of my PRSA?

As well as saving for your retirement, a PRSA also saves you tax. The three different ways in which you can avail of generous tax savings are:

1. Income tax relief

The amount you invest in your PRSA is called a contribution. If you are a higher rate taxpayer, for every €1 you save, the Government will give you 41 cent back in tax relief. So, if you make an overall annual contribution of €1,000, this means it will actually only cost you €590, after tax relief.

See how much you could be saving

The Government has set certain limits on the percentage of earnings on which you can claim tax relief. It is important to remember that tax relief is not automatically guaranteed, you must meet the Revenue requirements. The limit is related to your income or earnings and to your age. To find out how much tax relief you are entitled to claim, just take a look at the table overleaf.

Age	Maximum PRSA Tax Deductible Limits % of Net Relevant Earnings that you can contribute to your PRSA and obtain tax relief
Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-59	35%
60 plus	40%

For certain occupations such as professional sports people, the maximum allowable contribution will be 30% of net relevant earnings, regardless of their age.

Income of over €262,382 in one year will not qualify for tax relief. Except in the case of an employee who is a member of an occupational pension scheme or of a statutory pension scheme, a taxpayer is entitled to tax relief on a contribution of €1,525 paid even if this exceeds the normal income-based limit.

There is a very specific definition of income/earnings for tax purposes. The term used is net relevant earnings. Net relevant earnings means your income during the tax year less capital allowances or losses and also less certain payments which reduce a person's income for tax purposes such as tax effective covenants or maintenance payments.

Contributions paid in any year in excess of the maximum tax deductible contribution may be carried forward and claimed in future years subject to the annual limit for those years. Similarly, contributions paid while out of the workforce may be carried forward and claimed against future earnings on return to paid employment subject to the annual limits.

What tax relief will I receive if I am making contributions to both an Retirement Annuity Contract (RAC) and a PRSA?

A Retirement Annuity Contract is a personal pension contract approved by the Revenue Commissioners under Section 784/5 of the Taxes Consolidation Act 1997.

Contributions to an RAC and a PRSA will be combined when calculating the maximum tax relief. For example, a person aged 45 who gets tax relief on 20% of their earnings on contributions to an RAC may contribute an extra 5% to PRSAs making up 25% tax relief in total.

2. Tax-free growth

Unlike many other savings, your PRSA contributions are allowed to grow without being subject to tax. This means that you gain from all the growth and income that your fund earns.

3. Tax-free cash on retirement

On reaching retirement, you can take up to 25% of your PRSA fund tax-free.

Legislation limits the maximum pension fund you may have on retirement. It also limits the amount of tax-free cash that you may take. The limits (which can change every year) are €5.165 million and €1.291 million respectively for 2007. If your fund or tax-free cash on retirement exceeds the limits, the excess amounts will be subject to tax.

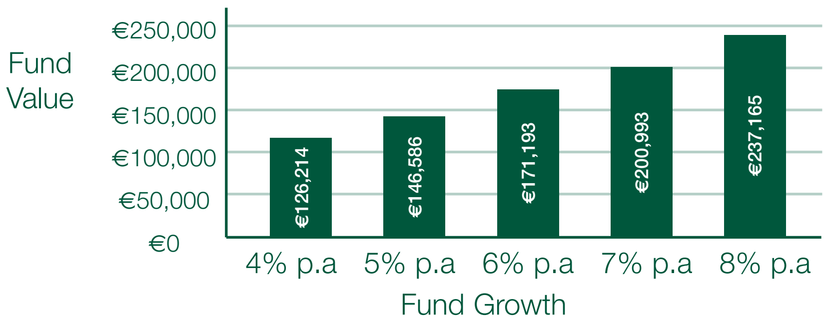
How is my PRSA invested?

The money that you invest in your PRSA will be invested in funds managed by Bank of Ireland Asset Management Limited (BIAM). BIAM is one of Ireland's largest and most successful fund managers with over €44 billion (January 2007) under management and 40 years experience and is responsible for the investment of the majority of Bank of Ireland Life's funds.

BIAM's expertise means that Bank of Ireland Life's funds are well positioned to avail of investment opportunities, which offer real value and excellent potential for above average growth. Your Insurance & Investments Manager can provide you with up to date information on the performance of all Bank of Ireland Life's pension funds. For more information on BIAM and how they will manage your money, please see "Frequently asked Questions" page 23.

Why is investment choice so important?

Like every savings account, we all want the best return on our investment possible. The rate of return earned on your contributions directly affects how well-off you'll be when you retire – to illustrate this, take a look at the following graph which shows how better investment returns result in a larger retirement fund.



Note: These figures are for illustration purposes only, and are based on a contribution of €150 per month and on an investment term from age 35 next birthday to retirement at age 65. In line with the Society of Actuaries Guidance,the projections assume future contributions increase at a rate of 3% p.a. In pratice, future contributions will increase at the greater rate of 5% p.a. and CPI, in line with your policy conditions, unless otherwise requested. This is not a forecast, as unit prices can fall as well as rise and could grow at a faster or slower rate than assumed.

Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.

As you can see, even an extra 1% investment growth can make a huge difference in the long term. That's why choosing the right fund to invest in can make such a difference to the success of your retirement savings account.

Which investment fund should I choose?

Whatever stage you are at, one of the most important factors that will affect the success of your PRSA is the investment return that is earned on your money. Your PRSA allows you to choose between a wide range of pension funds and investment strategies. Which fund, or combination of funds, is right for you will depend on the following:

- Your Investment Goals:
  Every individual has different investment requirements and goals that they aspire to. Your goal may be to build up a large sum of money for your retirement, to replace a certain level of lost income after you retire, or it may be to make the most of the tax savings available through pension contributions. Your Insurance & Investments Manager will carry out a needs analysis to help you decide what size fund you need to aim for.

- How much time you have until retirement:
  It is important to think about how long you have until you retire, as this will affect your investment strategy. For instance, people who have a long time to go until they reach retirement will want to produce the highest possible returns over the longer term, even though that may involve taking some risks. For others who are closer to retirement, security is the key and they will want to ensure that a fall in the value of their fund does not leave them with too little to live on when they retire.

- Your attitude to risk:
  It is important to think about the risks associated with investing. Everyone's situation is different and everyone handles risk differently. It is important to realise that investment in equities (company shares), property and fixed interest securities (such as gilts) all carry an element of risk. In particular, equity investment is risky, even when the investment is spread over a large number of companies. Market falls can happen, reducing the value of unit funds, which invest in equities. As a general guide, the younger you are the more you should invest in equities, as these offer the best potential for growth. So if you are not planning to retire for 15 or 20 years, you may be able to accept more risk as you can ride out any ups and downs that the stock market may experience. The closer you are to retirement the more you should invest in secure assets such as cash or gilts. You should discuss with your Insurance & Investments Manager how much risk you are comfortable with.

What are the funds available with a Standard PRSA?

A Standard PRSA offers you access to 12 funds, including the IRIS fund, each with differing levels of risk. Based on BIAM's view of the world economies and stock markets, they invest in a wide range of assets including the shares of Irish and overseas companies, government gilts and property.

IRIS – Individual Retirement Investment Services

Under the Pensions Acts, each PRSA product has a standard investment strategy, which is the investment approach used, unless you specify otherwise.

The standard Bank of Ireland Life investment approach is called the Individual Retirement Investment Strategy (IRIS).

IRIS is a suitable approach for people who intend to use their PRSA assets mainly to purchase a pension when they reach retirement age.

So how does it work?

IRIS aims to provide you with a fund that will match the cost of purchasing a pension when you retire.

For example, if you are 30 years from retirement, you will need to invest in a fund that has strong potential for growth, in order to build up a fund that will see you comfortably through your retirement years. Whereas, if you are only a couple of years away from retirement, you will need more security to maintain the fund that you have accumulated.
But how do you know at what stage to switch investment funds to ensure that you are maximising growth while protecting the fund you have built up?

With IRIS from Bank of Ireland Life, you don't need to make complicated decisions about switching funds. IRIS offers you an investment strategy that is tailor made to your own requirements. You remain invested in one IRIS fund that changes its asset mix gradually as your expected retirement date approaches. So you don't need to worry about having to switch between funds, or the timing of switches – as this is taken care of for you by our award winning IRIS fund managers, Bank of Ireland Asset Management Ltd (BIAM)*.

Because your fund only consists of investors retiring within the same two-year period as you, our fund managers are able to concentrate on a strategy that best meets your requirements.

The IRIS approach works – since it's launch over 15 years ago, IRIS has proved an outstanding success with almost €2 billion currently under investment in its range of funds.

Choosing IRIS ensures that at whatever point in your life, and however close you may be to retirement, you invest in the most suitable investment fund strategy for you.

Please be aware that if you intend to purchase an Approved Retirement Fund ("ARF") at retirement, the IRIS Investment Strategy may not be suitable for you.

* For more information on BIAM please see page 35.

Consensus IRIS

Consensus IRIS gives you access to all the benefits of the IRIS strategy, but without any of the potential risks of choosing a single investment manager. So, younger members will still be invested more heavily in assets with a strong growth potential. Members close to retirement will still be invested in assets designed to provide a good match for both the tax-free lump sum and the cost of purchasing a pension at retirement. The key difference is that the element of active management is removed. Instead of choosing the individual assets to invest in, based on the choices of one fund manager, Consensus IRIS, as the name suggests, bases its choices on the average choices of all of the Pension Fund Managers in the Irish market. The result is a consensus view of which assets (equities, fixed interest bonds, property and cash) to invest in. In addition, the asset mix will change gradually over time, so once again, any element of active fund manager involvement is removed.

Pension Gilt Fund

Gilt Funds invest primarily in a range of medium and long term government securities and are one of the most secure types of funds available. However, they are a conservative investment choice and their returns are usually well below that of equities.

Pension Managed

The Pension Managed Fund is one of the largest and best performing funds in the country and has a long track record of providing above average returns to our pension clients. The fund aims to provide above average performance over medium to long term.

The Pension Managed Fund maintains a balanced spread of assets with above average growth potential together with assets with an appropriate level of security. It maintains a level of equities generally ranging between 50% and 80% with the remainder in property, fixed interest and cash. The levels of equities held depends on BIAM's outlook for economies and markets at the time. The Pension Managed Fund has investments in a broad range of top quality Irish and international company shares, property, government securities and cash.

Pension Evergreen Fund

The Pension Evergreen fund is unique in that it has a higher property content than any other managed fund in the market. The proportion of property assets held in the fund is generally set between 20% and 30% with the remainder of the portfolio made up of equities, fixed interest stocks and cash. The higher than average property content also has the effect of reducing volatility by often providing returns which are counter-cyclical to equity returns.

Income & Growth Fund

The asset mix of the Income & Growth Fund consists mainly of blue chip equities and fixed interest stocks. While the high equity content offers good growth potential, fixed interest stocks also provide an element of security.

Pension Equity Fund

The Pension Equity Fund is invested 100% in equities and therefore has a higher risk profile. It is comprised of a combination of global equities, as selected by BIAM.

Pension International Equity Fund

The Pension International Equity Fund invests 100% in equities and therefore has a higher risk profile. It is invested in a broad range of overseas company shares.

Pension Consensus Fund

The Pension Consensus Fund is a passively managed investment fund. Passive investment management is an investment style that enables fund managers to achieve a rate of return that is in line with a given stock market index. The Pension Consensus Fund is based on the combined wisdom of the main Irish pension investment managers. This fund aims to track the average performance of Irish fund managers as measured by a quarterly independent survey. Within asset classes it uses passive, index-tracking approach, which eliminates the risk of choosing the wrong investment manager and concentrates on clear, objective tracking of the average fund manager performance.

Pension Cash Fund

The Pension Cash Fund is most suited to those whom capital security is paramount. It is one of the most secure of all funds as it does not invest in any medium or high risk securities.

KBCAM Pension Managed Fund

This fund is suited to the investor who is seeking high growth potential with some security. The equity split of this fund is made up of approximately 70% consisting of Irish, Euroland and Global equities. A further 20% is invested in fixed interest.

Pension Ethical Managed Fund

The Pension Ethical Managed Fund offers investors the opportunity to invest in a socially responsible way, while still aiming to deliver good growth potential by investing in a blanced portfolio of assets. The fund has a high equity content, but also holds fixed interest securities, property and cash.

What are the funds available with PRSA Choice?

In addition to the funds described above, PRSA Choice offers you access to a further 23 expertly managed investment funds.

Some of theses funds concentrate on individual asset types or individual regions and therefore may be more suitable for those individuals with investment expertise, who want to make their own investment decisions throughout the term of their retirement account.

See Funds quick guide graph overleaf

Before deciding which fund to choose, we would recommend that you meet with an Insurance & Investments Manager, who will be able to provide you with more information on these funds and assist you in selecting the best one to suit your individual investment needs.

Attitude to Risk

We have classified our range of funds into categories by the risk to investors in the table below. Your Insurance & Investments Manager in your local Bank of Ireland branch will be able to discuss your financial needs and attitude to risk and recommend the fund most suited to your needs.

Funds for Lifestyle Investor
IRIS Fund
Consensus IRIS
Funds for Growth Investor
Pension Evergreen Fund
Pension Managed Fund
Income and Growth Fund
Pension Consensus Fund
KBCAM Pension Managed Fund
Pension Ethical Managed Fund
Funds for an Active Growth Investor
Pension Trilogy II Fund*
Pension Discovery Fund*
Pension Spotlight Fund*
Pension Innovator Fund*
Pension Equity Fund
Pension International Equity Fund
Pension Irish Equity Fund*
Pension North American Equity Fund*
Pension UK Equity Fund*
Pension European Equity Fund*
Pension Euroland Equity Fund*
Pension Pacific Basin Fund*
Pension Japanese Equity Fund*
Pension Property Fund*
Pension Gilt Fund
Pension Eurostoxx 50 Fund*
Pension Nikkei 225 Fund*
Pension S&P 500 Fund*
Pension Nasdaq 100 Fund*
Pension FTSE 100 Fund*
Pension Ethical Equity Fund*
Pension Cash Fund
Geared Investor
Pension Geared Irish Equity Fund*
Bloxham Geared High Yield Equity Fund*

* Available only on Non - Standard PRSAs.

This guide is based on current fund distribution and fund investment guideline which may change over time.

The above lists of investment funds are for illustration purposes only. The actual underlying investments may change from time to time. Please note that not all of the above funds may be available in respect of every policy. For further information please contact your Insurance & Investments Manager.

Frequently Asked Questions

How does BIAM manage my money?

BIAM selects companies against a background of economic developments, making peer group comparisons to help them select the best investment opportunities available in the marketplace at any given time. Their approach is conservative, concentrating on medium to large-sized companies, quoted primarily in politically stable economies with well-regulated and liquid markets.

Their bottom-up stock selection process is guided by three criteria:

- **Global Economic Prospects**
  Involving the analysis of economic variables critical to the operating environment of any company, including interest and inflation rates, currency levels, and consumer and business demand

- **Global Business Trends**
  Identifying business trends that will provide superior prospects, over the longer term, for companies with quality products and services, well-defined corporate strategies, and effective distribution

- **Financial Fundamentals**
  Focusing on companies that are undervalued in the stock market relative to their current growth prospects

BIAM's strategy, guided by a disciplined stock selection process, is to concentrate on a limited number of companies, diversifying holdings across a range of industries. It is designed to achieve optimum returns without incurring excessive risk.

BIAM's expertise means that Bank of Ireland Life's funds are well positioned to avail of investment opportunities, which offer real value and excellent potential for above average growth. Your Insurance & Investments Manager can provide you with up to date information on the performance of all Bank of Ireland Life's pension funds.

What will I be charged for my PRSA?

The maximum charges for a Standard PRSA have been laid down by the Government. The charging structure for your PRSA is available on request. You will be notified of any proposed changes to your PRSA charging structure at least 2 months prior to the proposed change. If you have any questions in relation to the charges for your PRSA, please contact your Insurance & Investments Manager.

Once I have taken out my PRSA, is there anything else I should consider?

A PRSA is a long-term investment and needs to be constantly reviewed to take account of changes in your lifestyle. One of the biggest mistakes a person may make, is thinking that just because they have taken out a PRSA, they will be financially secure in retirement.

It is essential to review your PRSA regularly to ensure it is on target. We recommend a review at least once a year and especially if any of the following have happened to you:

- You've recently changed jobs or your income has increased
- You are unsure whether your current contributions will maintain your standard of living when you retire
- You now have dependants
- You've received a bonus and would like to receive tax relief on it
- You want to retire early

What if I change jobs?

Your PRSA is personal to you and will remain your asset regardless of whether you change employment or not. However, if you move to a job where your new employer operates a pension scheme, which you then join, you will be eligible to continue to contribute to your PRSA but your contributions will not qualify for tax relief. In order for contributions to qualify for tax relief while in employment and a member of a pension scheme, you will need to take out an AVC PRSA, subject to your scheme rules. Your Insurance & Investments Manager will be able to advise you of your options.

If I decide to stop my PRSA because I can't afford to keep it going, can I get a refund?

Generally, there is no provision for the re-payment of PRSA assets to you before retirement. However, in certain circumstances, if you stop paying into your PRSA for more than 2 years and the value of your fund is less than €650, you may be able to take a refund. Your Insurance & Investments Manager will be able to advise you whether this is possible.

What happens if I die before I retire?

If you die before any benefits have been taken, the PRSA fund may pass in its entirety to your estate free of income tax. Inheritance tax rules will apply in the normal way.

If you should die after any benefits have commenced, taxation rules for the PRSA fund will be similar to the taxation rules for an ARF on death.

The tax treatment of a PRSA depends on the relationship of the deceased PRSA contributor to the person who receives the benefit.

Your Insurance & Investments Manager is available to advise on the taxation rules applying in such circumstances.

How will I get information on my PRSA?

Every year and at any time on request, you will receive a statement of reasonable projection outlining your current fund value. Your statement will also contain a projected future value assuming you continue paying your existing level of contribution. In addition, every six months you will receive a statement of account containing details of the contributions paid to date and an investment report stating the current value of your fund and the performance of your investment funds to date.

Will I be able to use my PRSA as security for a loan or mortgage?

No. It will not be possible to use your PRSA fund as security for a loan or mortgage.

What should I do if I am not happy with my PRSA?

We want you to be sure that your PRSA meets your needs. On taking out a PRSA you will receive a statement of reasonable projection (SRP), and your policy conditions.

If after receiving your statement of reasonable projection (SRP) and policy documentation, you decide that it is not what you require, you can cancel it by letting us know in writing. If you cancel within 30 days of the day the statement of reasonable projection was issued, your contributions will be fully refunded. Any single contribution paid to Bank of Ireland Life will be refunded less an adjustment for any downward movement in unit prices from the date of the account commencement to the date of cancellation.

Our aim is to provide you with the best possible service. If you have a complaint about your PRSA, Bank of Ireland Life will try to resolve it to your satisfaction. However, if the complaint is not resolved to your satisfaction you can refer it to the Pensions Ombudsman/Financial Services Ombudsman. Decisions of either Ombudsman may be appealed to the High Court.

Details of the service provided by the Pensions Ombudsman may be obtained from www.pensionsombudsman.ie or Bank of Ireland Life. The Pensions Ombudsman may be contacted at 36 Upper Mount Street, Dublin 2. Phone : (01) 647 1650.

What are my options at retirement?

When you retire, you can choose from five different retirement options all of which are outlined below. Retirement age is normally between the age of 60 and 75. However, there are certain exceptions dependent on occupation where the Revenue will permit a different retirement age e.g. boxers and footballers can retire at age 50 and airline pilots and money broker dealers at age 55, etc. The Revenue Commissioners may allow you to retire before age 60 if you are permanently unable to work for health reasons in your own or similar occupation for which you are trained.

Also, if you wish to continue working after you've passed retirement age, you can still do so and draw from your PRSA at the same time.

Putting your retirement fund to work

Your PRSA gives you the freedom and flexibility you need when you retire to put your fund to work throughout your retirement years – enabling you to actively manage your fund and gain total control of your assets.

OPTION 1 – Tax-free lump sum
You can choose to take up to 25% of your fund as a tax-free lump sum and use the rest for option 2, 3, or 4.

OPTION 2 – Pension
You can buy a pension. This will provide you with a regular secure income, which will be paid for the rest of your life. Income from a pension is liable to income tax under the PAYE system.

You may purchase your pension from any pension company. Therefore, you can maximise your retirement income by choosing the company that is offering the best pension rates when you retire.

If you die your income stops unless you have bought a pension with a guaranteed payment period or a widow/widower's pension.

The main disadvantage of a pension is limited flexibility. You cannot change or alter the level of your pension once you take it out.

OPTION 3 – Taxable lump sum*

You can take your fund as a cash sum (subject to income tax) provided you can show that you have a guaranteed income for life of at least €12,700 per year.

OPTION 4 – Invest in an Approved Retirement Fund (ARF)

If you have a guaranteed income for life of more than €12,700 per year, then you can choose to invest in an ARF.

An ARF allows you to invest your retirement fund in a range of investments managed by approved providers, including Bank of Ireland Life.

As you retain ownership of your retirement fund with an ARF, you can make withdrawals* from it when you need to.You can use your ARF to purchase a pension at any time, if you wish.

Alternatively, you can keep your ARF fully invested to pass on to your dependants in the event of your death, in a very tax efficient manner.

In order to achieve good returns, it is likely that an ARF will invest at least partly in assets such as equities and property. While these assets have the potential to provide better returns in the long term than other asset types, it is important to note that the value of these assets can fall as well as rise, particularly in the short term.

Further information on ARF's and AMRF's (Approved Minimum Retirement Funds) is available from our 'Retirement Options' booklet

* From January 2007, the Government has introduced a tax on a deemed annual withdrawal from an individuals ARF (not applicable to AMRFs). The Government requires that each year an imputed distribution (deemed withdrawal) be made from the Approved Retirement Fund. This deemed withdrawal is 3% of the value of the ARFas at 31st December in the previous year. (For 2007 the deemed withdrawal is 1%, for 2008 it is 2% and 3% thereafter.)

* *Note: It is important to remember that you must have a guaranteed income for life of more than €12,700 each year in order to choose options 3 or 4. If not, then you must either use €63,500 to purchase a pension or invest in an Approved Minimum Retirement Fund (AMRF), the capital of which cannot be drawn on until age 75. Alternatively, you must retain a minimum balance of €63,500 in your PRSA until age 75.*

OPTION 5 – Partial Benefits and Contribution Payment

You may choose to take partial benefits from your PRSA and continue to make PRSA contributions subject to benefits commencing and contributions ceasing at age 75 at the latest.

Which option is best for me?

You don't have to choose which option suits you best now, the important thing is that you have built up enough of a fund to enable you to make these choices at retirement. As you approach retirement you should consider the following:

- How much money you have accumulated in your retirement fund
- What will your financial needs at retirement be
- The level of risk you want to take

We recommend that you speak to your Insurance & Investments Manager when you are thinking about retiring and he/she will advise on the options available.

What should I do now?

Planning for your retirement involves a serious financial commitment over a long period of time. Because of this, it makes sense to give your retirement plans some serious thought and discuss them with a qualified financial adviser.

To find out more about any aspect of Personal Retirement Savings Accounts, just call into your local Bank of Ireland branch to arrange a meeting with your Insurance & Investments Manager. Alternatively you can arrange a meeting by accessing our website at **www.bankofirelandlife.ie**.

Take control

of your financial future today, with a

Bank of Ireland Life PRSA

About Bank of Ireland Life

Bank of Ireland Life is a trading name of New Ireland Assurance Company plc. We provide Life, Investment and Pension products, which are distributed in over 265 Bank of Ireland branches throughout the country.

There is an Insurance & Investments Manager, available in every Bank of Ireland branch, who is trained to identify your financial needs and assist you with any queries you may have. They are committed to providing quality advice and specialist expertise to help you find the best solution to your needs.

Bank of Ireland Life offers you the accessibility and availability of professional financial advice through your local Bank of Ireland branch. To arrange a meeting just call into any Bank of Ireland branch or alternatively, phone at any time

1850 309 309*

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* Calls are charged at local rates. To monitor the quality of service we provide your call may be recorded.

About BIAM

The majority of Bank of Ireland Life's investment funds are managed by Bank of Ireland Asset Management Limited (BIAM) the largest Irish fund manager in Ireland. As an investor in these funds, you benefit from BIAM's expertise and award winning fund performance. BIAM in conjunction with Bank of Ireland Life has now won 16 out of 28 awards in the prestigious MoneyMate Investment awards for management of our funds. These awards recognise excellence in fund management within the Irish Financial Services Industry.

With 40 years experience and approximately €44 billion* worth of funds under management, BIAM provides solid, conservative investment management expertise with a long-term focus.

* as at January 2007

Warning: Past performance is not a reliable guide to future performance.

Warning: The value of your investment may go down as well as up.

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

Terms and conditions apply. Bank of Ireland Life is a trading name of New Ireland Assurance Company plc. Bank of Ireland and Bank of Ireland Insurance & Investments Limited are tied agents of New Ireland Assurance Company plc. Bank of Ireland is regulated by the Financial Regulator. New Ireland Assurance Company plc trading as Bank of Ireland Life is regulated by the Financial Regulator. Bank of Ireland Insurance & Investments Limited is regulated by the Financial Regulator. A member of Bank of Ireland Group. Bank of Ireland Asset Management Ltd is authorised by the Financial Regulator under the Investment Intermediaries Act 1995.

The information contained in this brochure is based on our understanding of current and intended legislation and Revenue practice as at May 2007.

While great care has been taken in its preparation, this brochure is of a general nature and should not be relied on in relation to a specific issue without taking financial, insurance or other professional advice. The content of this document is for information purposes only and does not constitute an offer or recommendation to buy or sell any investment management or advisory service. If there is any conflict between this brochure and the Policy Conditions, the Policy Conditions will apply.

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