

Davy personal retirement bond

This factsheet is provided by Davy Select

A Personal Retirement Bond is a single premium personal pension contract which is set up to accept a transfer from a company pension scheme for a person who is leaving that scheme or another Personal Retirement Bond.

The Davy Personal Retirement Bond Service:

- A Personal Retirement Bond Contract approved by the Revenue Commissioners
- Full **administration** services
- Access to the Davy **investment platform**

With a Davy Personal Retirement Bond, you will be given access to a wide range of asset classes, including: ►

CASH	BONDS	EQUITIES
PROPERTY		ALTERNATIVES
<p>In addition, you can also invest with other investment managers through your Personal Retirement Bond. The selection of investments must be in line with Revenue and Pensions Act investment guidelines.</p>		

Eligibility

A Personal Retirement Bond is available to individuals that hold retained benefits in an Occupational Pension Scheme from a previous employment or a scheme that is winding up.

Contributions

Contributions cannot be made to a Personal Retirement Bond. A Personal Retirement Bond is a single premium account which is designed solely to accept a transfer from an occupational pension scheme and/or from another Personal Retirement Bond contract.

Transfers In

Transfers can be accepted from other pension arrangements including:

- i other Personal Retirement Bonds approved by the Revenue Commissioners;
- ii from Occupational Pension Schemes approved by the Revenue Commissioners in line with scheme rules; and
- iii from Occupational Pension Schemes, or Personal Retirement Bond as a result of a Pension Adjustment Order.

Transfers Out

The full value of your Personal Retirement Bond is available to transfer to another pension arrangement such as:

- i other Personal Retirement Bonds;
- ii Occupational Schemes; and
- iii Overseas Pension Schemes (subject to certain Revenue restrictions).

Benefits

You can take benefits from the Normal Retirement Age of the transferring Occupational Pension Scheme/Personal Retirement Bond (this can be age 60 to age 70). In certain circumstances, you can take benefits earlier such as if you retire from employment at age 50 or over or if you can no longer work because of a serious illness or disability. Additional restrictions may apply where transfers have been received from overseas pensions.

The amount of your benefits on retirement depends on the transfer value paid into your Personal Retirement Bond, the investment return on your portfolio and Revenue limits and restrictions.

The Davy Personal Retirement Bond offers flexible retirement options. You are entitled to take benefits in one of two ways:

Option 1

- A once-off lump sum of up to one and a half times final salary (based on the service with your previous employer)*; and
- The balance of the fund must be used to purchase an annuity.

Option 2 (this option may be restricted where the transfer is from a Defined Benefit Scheme)

- A once-off lump sum of up to 25% of the value of the assets*;
- The balance of the fund must be transferred to an Approved Retirement Fund ('ARF'), or
- Taken as taxable cash.

*The first €200,000 of a lump sum is tax free and the next €300,000 is subject to tax at the standard rate (20% at January 2023). The balance over this limit is subject to marginal income tax (up to 40% at January 2023) and levies. The maximum lump sum is subject to the limits applicable to your occupational or statutory scheme and limits set down by the Revenue Commissioners. The Standard Fund Threshold (SFT) is a limit on the total value of pension benefits that a person can accrue tax efficiently within their lifetime. The SFT for 2022 is €2m. At retirement any amounts in excess of this limit will be subject to chargeable excess tax at 40% as at January 2023.

Death Benefits

In the event of your death before you take benefits from the Personal Retirement Bond, the full value of your retirement bond at the date of payment will be transferred to your estate but may be subject to inheritance tax in the hands of your beneficiaries.

Risks

Product risk

You are responsible for making some or all of the investment decisions in relation to your Personal Retirement Bond. Your choices may not be the best options. As a result, there is a risk that the Personal Retirement Bond may be underfunded and/or the value may be insufficient at retirement so that your long-term retirement needs may not be met. It is important that you seek independent professional advice prior to making any decisions which have tax, legal or other financial implications.

Investment risk

The value of your Personal Retirement Bond at retirement will depend on the original transfer value and the investment return achieved over the life of your Personal Retirement Bond. The investment return is not guaranteed. The value of your investment may go down as well as up.

Inflation risk

Personal Retirement Bonds are a long term investment and the effect of inflation can erode any 'real' investment returns over time.

Charges

- i There are no set up charges.
- ii There is an annual charge.
- iii For Execution-Only accounts, there will be an annual dealing charge for any number of transactions, subject to overseas charges for non-Irish/non-UK listed instruments.

Other charges apply.

Full information on fees and charges is available at <http://www.davysselect.ie/charges/fees-and-charges.html>

WARNING: The information in this factsheet is not a recommendation or investment research. It does not purport to be financial advice and does not take into account the investment objectives, knowledge and experience or financial situation of any particular person. Investors should determine whether an investment is appropriate to their own personal circumstances.

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

WARNING: The information contained herein is in line with current Irish Pension legislation and Revenue guidelines. It is not comprehensive and is for information purposes only. The information is subject to change without notice and is not a substitute for professional advice. Please consult your professional advisor for the rules that apply in your individual circumstances. This is not applicable to UK residents.

The information contained herein does not purport to be comprehensive, all inclusive or to contain all of the information that a prospective investor might reasonably require in considering the Investment. It is strictly for information purposes only and must be read in conjunction with your Application Pack. No one in receipt of this document shall treat any of its contents as constituting advice or a recommendation in any way.

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The information on this factsheet is summary information only. Full information is set out in the relevant application pack.

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