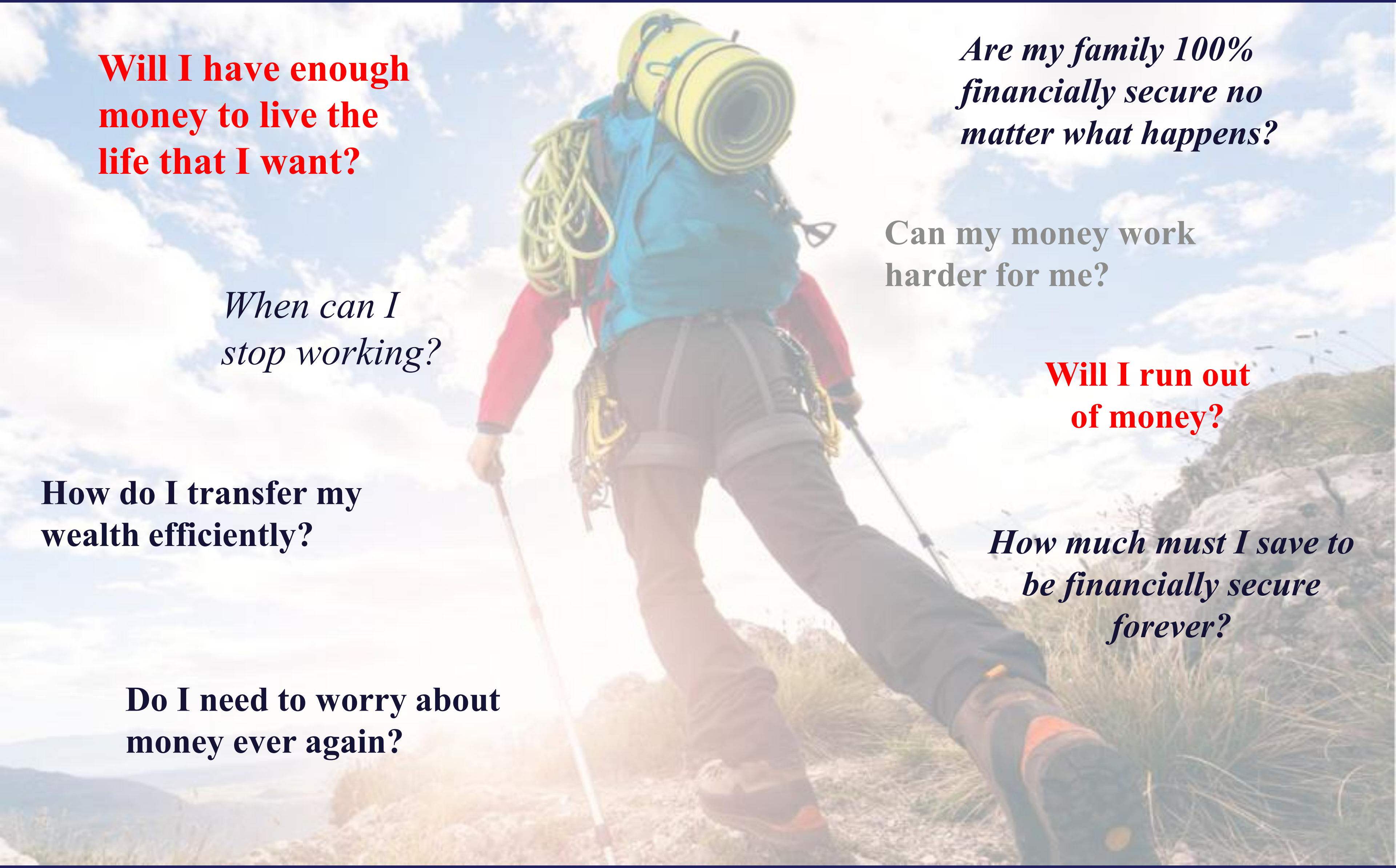
INVESTOR CARE LIMITED

Financial Planning | Investment Planning | Retirement Planning | Financial Protection

LIFE IS FOR LIVING



Will I have enough money to live the life that I want?

Are my family 100% financially secure no matter what happens?

Can my money work harder for me?

When can I stop working?

Will I run out of money?

How do I transfer my wealth efficiently?

How much must I save to be financially secure forever?

Do I need to worry about money ever again?

Why do I need a private pension?

- By 2030, average life expectancy will be 85.7 yrs for men and 87.6 yrs for women; living longer.
- State Pension is c. €15k p.a. – could you fund your retirement on this?
- Couple needs c. €45k p.a. to live on in retirement in Ireland – extra €30k p.a. from where?
- 1 in 3 workers (aged 20-69) not signed up to a private pension = problem!

Why contribute to a pension?

up to **40% =** **Already up <u>66%</u>!!**

Tax Free Profits

25% TAX FREE

At Retirement

AUTO ENROLMENT

- Inexpensive for ERs (starting at just 1.5% of payroll p.a.)
- Restrictive for EEs (contributions, investment choice)
- No real EE appreciation (obligatory scheme)
- No professional advice for ER or EEs
- ERs deal with EE queries
- Administratively heavy going forward?
- No ER set-up and/or ongoing scheme mgt. costs

What Are The Options - Summary?

Join Existing Co Pension	Set Up Co Pension
- Oblige EEs to join?	- EEs must join
- Limiting existing rules?	- Set new rules

- Employee appreciation (if ER contributing)
- Professional advice on hand
- Different EE groups & ER contributions
- 2-year ER contributions clawback (not PRSAs)
- ER costs for set-up/ongoing Mgt./advice
- Tax relief on EE contributions

Company Pension Scheme vs. Auto Enrolment?

	Company Pension Scheme	Auto Enrolment Scheme
• Can additional pension contributions be made by the employer or by the employee (or both)?	✓	✗
• Is there any financial advice provided?	✓	✗
• Is there tax relief on employee contributions? <u>Note</u>: under AE the State will make a pension contribution initially set at 0.5% of earnings (subject to €80k cap).	✓	✗
• Can I access my pension before age 66 if no longer working for that employer?	✓	✗
• Is there a wide choice of investment funds to choose from?	✓	✗
• Employee feeling of appreciation; employee retention…?	✓	?

COMPANY PENSION SCHEME VS. AUTO ENROLMENT?

	Company Pension Scheme	Auto Enrolment Scheme
Can the employer make additional top-up pension contributions for valued employees or as part of incentive package for hiring purposes?	✓	✗
Does the pension provider or financial advisor handle any employee queries about their pension?	✓	✗
As a 40% income tax payer, is an employee better off in a company pension scheme or in AE on like-for-like basis?	✓	✗
As a 20% income tax payer, is an employee better off in a company pension scheme or in AE on a like-for-like basis?	✗	✓
Is help with ongoing reviews, investment performance and preferences as circumstances change e.g. approaching retirement and retirement options?	✓	✗

Maximum Pension Funding – Employee Contributions

Age	Contribution Limits for Tax Relief % of Net Relevant Earnings (capped at €115,000 - Revenue)
Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-59	35%
60 and over	40%

Note: EEs can join AE **and** set up a **personal** PRSA to make top-up contributions **outside of payroll**.

Opportunities For Business Owners & Co. Directors

- Tax efficient way for business owners to extract profits from their business
- Savings of up to 52% with ER contributions
- Funding limits for this category huge!
- Executive pensions, PRSAs etc.
- 25% tax free lump sum at retirement

CONTACT DETAILS

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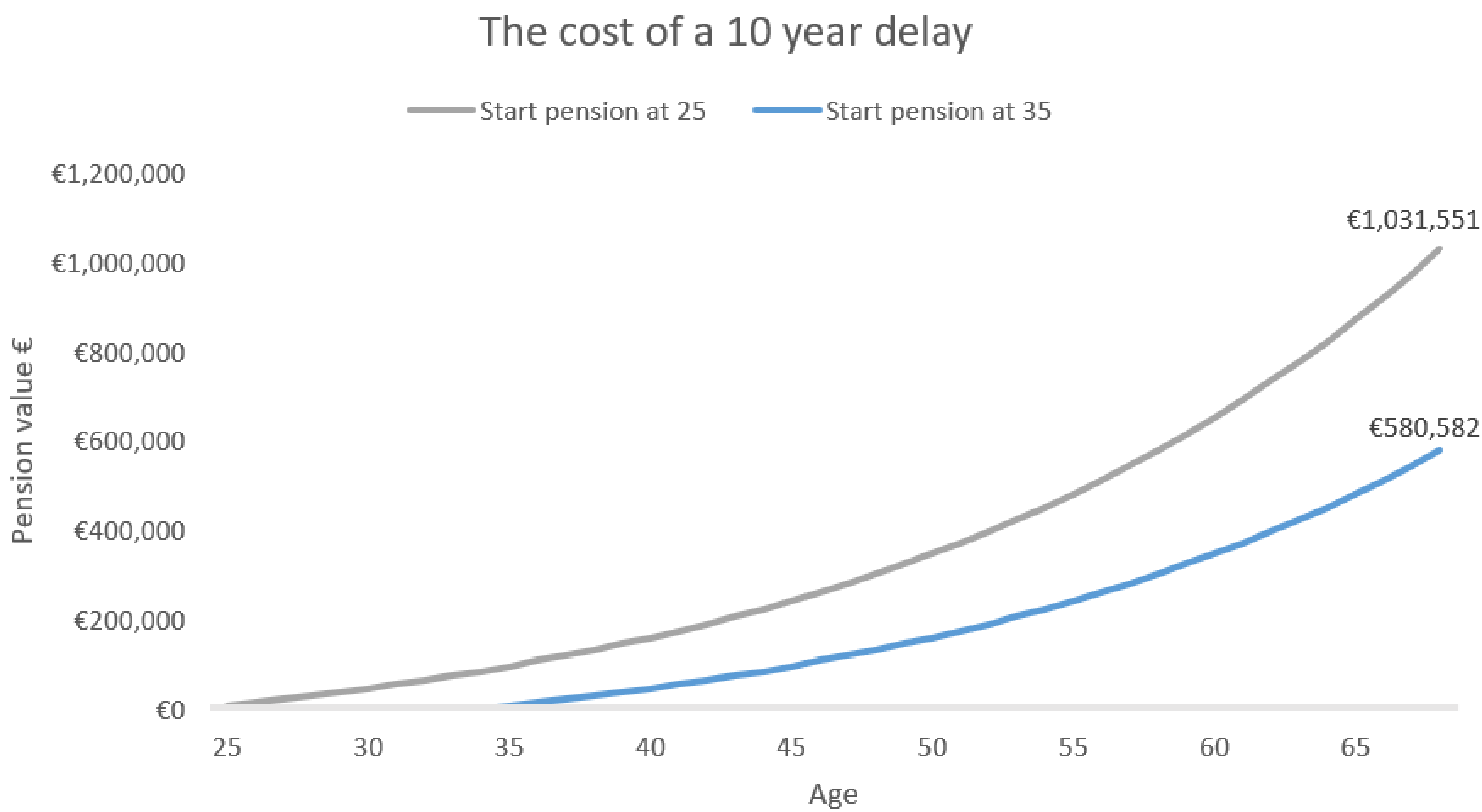
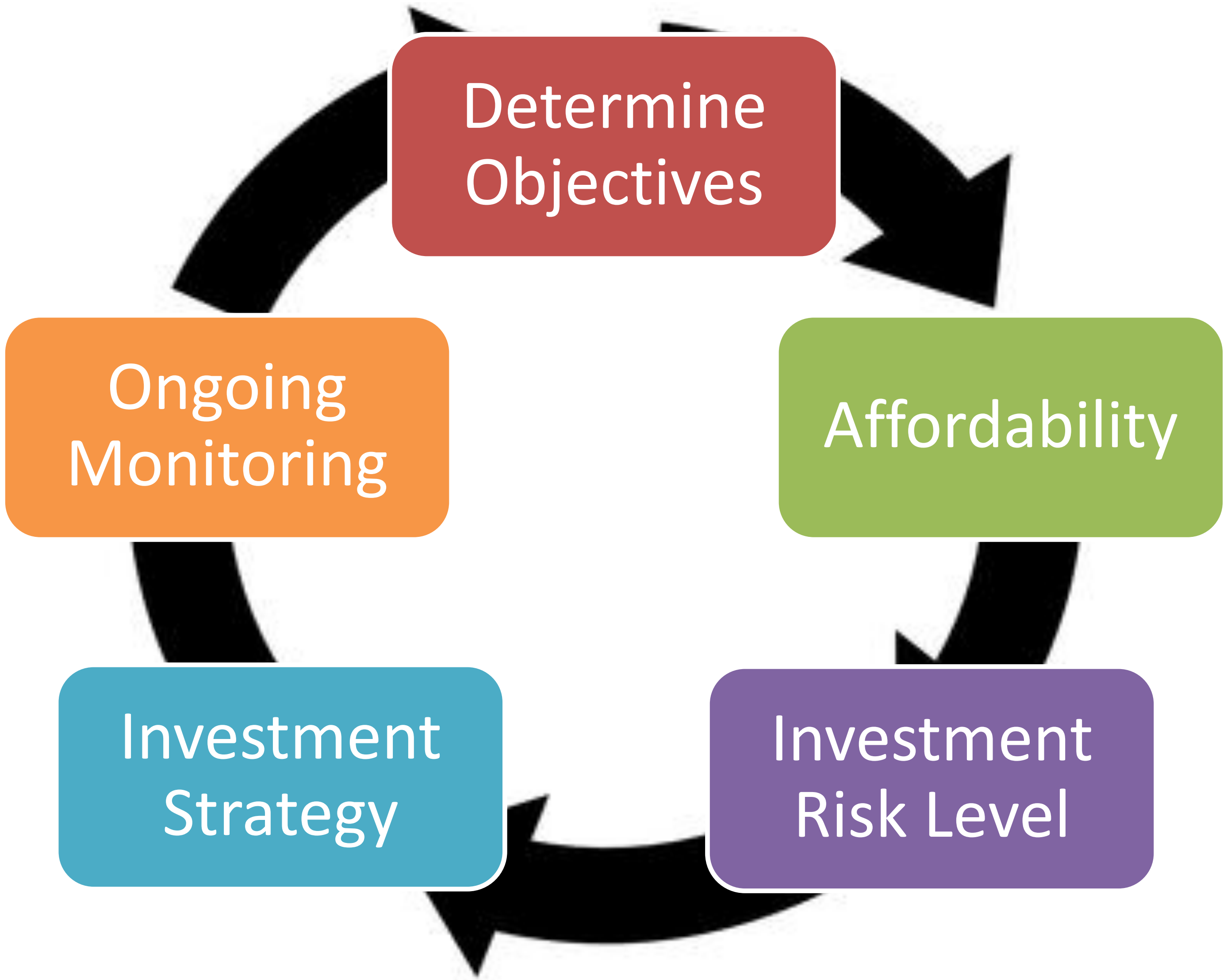
Benefits of starting a pension early




Determine
Objectives
Affordability
Investment
Risk Level
Investment
Strategy
Ongoing
Monitoring

Equities vs. Cash

- **Purchasing Power of €100k in 20 years – Equities vs. Cash?**

Cash	Equities
-1.2% pa	+6.0% p.a.
€78,549	€320,714

- **€150 Billion on deposit in Ireland!**

Standard Pension types

- Don't need to know all pension types –

  - Financial Advisor - what applies to you.

- Employee: company DC or PRSA scheme

  (Employers not obliged to contribute but Auto-Enrolment coming)

- Owner/Director: Executive Pension / PRSA

- Self-Employed: Personal Pension / PRSA

Working with Investor Care

Starting Pension at 25 vs. 35 vs. 45

Starting Pension at 25 Years of Age

Description	Value
Annual interest rate	6.15%
No. of years to NRA	40
Periodic payment	-500
Periods per Year	12
Totat at NRA	**€1,037,220**

Starting Pension at 35 Years of Age

Description	Value
Annual interest rate	6.15%
No. of years to NRA	30
Periodic payment	-500
Periods per Year	12
Totat at NRA	**€516,913**

Starting Pension at 45 Years of Age

Description	Value
Annual interest rate	6.15%
No. of years to NRA	20
Periodic payment	-500
Periods per Year	12
Totat at NRA	**€235,171**