YOUR MERCER ASPIRE ADDITIONAL VOLUNTARY CONTRIBUTION (AVC) PLAN EMPLOYEE GUIDE
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MERCER AND ZURICH: COMBINING OUR STRENGTHS TO PROVIDE YOUR MERCER ASPIRE ADDITIONAL VOLUNTARY CONTRIBUTION (AVC) PLAN

Mercer is one of the world’s leading providers of pension and investment services and has designed your Mercer Aspire AVC Plan.

Fund management within your Mercer Aspire AVC Plan is handled by investment managers selected by Mercer as being the most suitable for a given Strategy, Portfolio or Fund.

Mercer is one of the largest providers of retirement services in Ireland, advising over 700 organisations, including many of the largest employers in the country.

Zurich Life is one of Ireland’s most successful life insurance companies. It has been providing pensions in Ireland for over 30 years.

At Zurich Life, we’re committed to the provision of excellent customer service and the streamlined administration of your Mercer Aspire AVC Plan.

PLEASE NOTE

This guide contains certain expressions which have specific definitions with regards to your benefits. The Some Terms Explained section of this guide (see page 19) explains the terminology used.

July 2017 edition
Hello there...

My name is Jenny, and not so long ago I was wondering how I could add to the retirement benefits I will receive through my Main Plan (primary pension plan) from my Employer. Reading up on pensions, talking to my colleagues and friends, in addition to seeking financial advice, all helped me realise that making Additional Voluntary Contributions, also known as AVCs, would help me save, tax free, for a Retirement Lump Sum, or could help me increase my overall income in retirement. It could even give me the opportunity to continue to invest in an Approved Retirement Fund after retiring.

Throughout this guide, I will provide you with valuable information about your AVC Plan. I will detail some important decisions you will need to make now, if you decide to contribute to the AVC Plan.
WHAT BENEFITS WILL I GET AT RETIREMENT?

You should be eligible for an income in retirement through the Main Plan from your Employer. You can choose to take a cash lump sum from the Main Plan when you retire, but doing so will reduce the level of regular income your Main Plan benefits could provide.

One of the great things about making AVCs is that you can save up for a Retirement Lump Sum that won’t reduce your regular Main Plan retirement income. AVCs can even be used to increase that income or to provide other benefits such as investing in an Approved Retirement Fund (ARF) after you retire.

**GROW**

Your Main Plan benefits usually grow as your salary and length of service increase.

**BENEFIT**

Your income is based on your salary and length of service at retirement. You can take a retirement lump sum in exchange for part of your regular income.

The value of your accumulated AVCs is used to buy your choice of benefits.

The main plan the AVC plan

Your AVCs are invested with the aim of growing in value over time.

**Additional income in retirement**

When you retire, your Accumulated AVCs can be used to provide one or more of the following benefits (depending on your circumstances):

- A Retirement Lump Sum
- A regular income for life
- Continued investment in an ARF/AMRF

Depending on your circumstances, other benefit options may be available.

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This graphic is for illustrative purposes only and does not reflect actual market data. Investments can fall as well as rise.
YOUR MAIN PLAN BENEFITS

Income in retirement
At retirement you will be eligible for an income from the Main Plan based on your length of service with the Company and your Salary.

Retirement Lump Sum
You can choose to take a cash lump sum from your Main Plan when you retire. However, your Main Plan retirement income will be reduced if you take a Retirement Lump Sum. The reduction will depend on a number of factors, such as your age at retirement and is dependent on the specific rules of your Main Plan. Full details will be given to you as you approach retirement.

The maximum cash lump sum you can take from your Main Plan is normally calculated as follows:

SERVICE X PAY X 3/80

You may apply to the Trustee/Company to exchange a larger part of your pension to increase your cash lump sum subject to the limits permitted by the Revenue.

ADDING TO YOUR MAIN PLAN BENEFITS

Making Additional Voluntary Contributions (AVCs) gives you the opportunity to save up for a cash lump sum which will NOT reduce your income in retirement, and can even be used to INCREASE your income in retirement, or for other benefits such as investing in an Approved Retirement Fund.

Any AVCs you make are invested in your own AVC account. You can choose how to invest this money and the value of the Accumulated AVCs you build up will be used to provide you with additional retirement benefits. The greater the amount of AVCs paid while you are working, and the better the investment returns achieved, the higher your AVC benefits will be when you retire.

EXAMPLE

Jim is age 65 and is planning on retiring from the ABC Company Main Plan soon, with 40 years’ of service and a Salary of €60,000.

By the rules of the ABC Company Main Plan he will be eligible for an income in retirement of €40,000 per year. He can choose to exchange part of his pension income for a cash lump sum of up to €90,000. The rate of exchange varies from plan to plan, and under the specific rules of Jim’s Main Plan, taking the full cash lump sum of €90,000 would result in his pension income being reduced by €8,182, to a total of €31,818 per year.

Jim has been making AVCs for 25 years. Over this time he contributed €75,000 and, with investment returns, his Accumulated AVCs are now worth €125,000. With tax relief, Jim’s AVC contribution of €75,000 would only have cost him €44,250.

He could use part of the value of his Accumulated AVCs to take as a cash lump sum, without having to reduce his Main Plan benefits in any way, and he could use the balance to further increase his Main Plan pension income by purchasing an Annuity.

Note: This example is for illustrative purposes only and does not reflect actual market data or your actual retirement benefit entitlements. The value of the income received from any specific Main Plan will depend on the rules of that particular plan.

WARNINGS

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Making AVCs means contributing a lot of money over the years...

What’s in it for me?

Saving for retirement may not rank top of your financial plans - particularly if retirement seems a long way off. Additional Voluntary Contributions are a subsidised and tax-efficient way for you to increase your retirement income.

MAKING AVCs OFFERS SEVERAL KEY BENEFITS:

- You can choose to take the value of your Accumulated AVCs as a lump sum on retirement without reducing your Main Plan pension income. For most people this lump sum can be taken tax free.
- You get tax relief on your contributions - contributions you make to your AVC Plan are eligible for tax relief at your marginal (i.e., your highest) tax rate. In addition, to this you will not be taxed on gains made on the investment of your contributions.
- You will have peace of mind, knowing that you are taking an important step towards a financially secure retirement.

WHY DOES TAX RELIEF MAKE INVESTING IN THE AVC PLAN SO EFFICIENT?

Under current legislation you automatically receive tax relief on the amount you pay into the AVC Plan at your highest rate of income tax, subject to Revenue limits.

The table below illustrates how much it would actually cost you to contribute €200 to the AVC Plan.

<table>
<thead>
<tr>
<th>TAX RATE</th>
<th>40%</th>
<th>20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total contribution</td>
<td>€200</td>
<td>€200</td>
</tr>
<tr>
<td>Less tax saving (Income tax relief)</td>
<td>€80</td>
<td>€40</td>
</tr>
<tr>
<td>Actual cost to you</td>
<td>€120</td>
<td>€160</td>
</tr>
</tbody>
</table>

HOW WILL I KNOW HOW MUCH I’VE SAVED?

With the aim of helping you see how your AVC Plan benefits are growing, each year that you are a member of the AVC Plan, Zurich Life will send you:

- An Annual Benefit Statement showing you the value of your Accumulated AVCs, and
- A Statement of Reasonable Projection estimating the pension benefits that you may receive from the AVC Plan when you retire.

You can also check the value of your Accumulated AVCs by logging on to your personal account via www.zurich.ie/connect/‘companyname’ (if you have any questions, please email aspire@zurich.com or call (01) 799 2941).

HOW DO I JOIN THE AVC PLAN?

Joining is easy – simply complete the Mercer Aspire DC Solution Group Retirement Benefits Plan / AVC Plan Employee Application Form (available from your HR Department) to register your initial decisions and return it to Zurich Life.

HOW DO I CHANGE MY CONTRIBUTION RATE?

If you wish to change your regular AVC contribution rate, or wish to make a lump sum AVC, you can do so by contacting your HR Department or Zurich Life (by emailing aspire@zurich.com or calling (01) 799 2941).
GROWING YOUR ACCUMULATED AVCs

Making sure you can provide enough income in retirement is essential to ensure you enjoy a comfortable standard of living during your later years. Remember: the longer you live the more savings you will need. The income your AVC Plan provides in retirement will largely depend on the size (in other words, the value) of the Accumulated AVCs you build up while working.

In this section we look at the three different approaches you can adopt to grow your Accumulated AVCs, each designed to allow you take as much, or as little involvement in making investment decisions as you feel comfortable with.

To see your Investment Option choices, go to the investment choices section of www.zurich.ie/connect/‘companyname’ then click on ‘Find out more about my options’. If you have any questions, please email aspire@zurich.com or call (01) 799 2941. Call Mercer’s JustASK member helpline on 1890 275 275 if you need more information on your Investment Options.

I’m not comfortable making investment decisions, I just want someone to **Do It For Me**

If you don’t feel comfortable making investment decisions you can use the automated **Do It For Me** Strategy with the aim of growth when retirement is distant and reduced risk as retirement approaches.

Pages 6-7

I want to pick the right investments for my goals, but I’d like someone to **Help Me Do It**

If you want help making investment decisions you can pick one of the **Help Me Do It** Portfolios. These Portfolios are designed to suit a variety of savings objectives depending on how comfortable you are with risk and how close you are to retirement.

Page 8

I am comfortable making investment decisions and want you to **Leave Me To It**

If you are comfortable making investment decisions you may wish to adopt the **Leave Me To It** approach.

You choose how to mix and match your investment choices.

Page 9
DO IT FOR ME:
INVESTMENT MADE EASY

Not everybody feels comfortable making investment decisions. Instead of creating your own investment mix from the Investment Options available, you can have your AVCs automatically invested for you via one of the Aspire Retirement Strategies, each of which is designed to invest in a way considered best practice for people taking a particular benefits package at retirement. If you use one of the Aspire Retirement Strategies to do it for you, your Accumulated AVCs will be invested with the aim of growth when you are younger and gradually shifted to assets appropriate to the particular benefits package you want to target as you approach retirement.

If you make AVCs, your AVCs will be invested in the Aspire Retirement Strategy (Cash), unless you decide to pick your own Investment Options. You don’t need to do anything more if you think the Aspire Retirement Strategy (Cash) is suitable for you, or if you do not feel comfortable making investment choices. You should, however, remember that your AVCs are a valuable part of your total wealth and how they are invested is your responsibility. Even if you are planning on using the Aspire Retirement Strategy (Cash), we strongly recommend that you take the time to read this section to make sure it is right for you.

**HOW DOES THE ASPIRE RETIREMENT STRATEGY (CASH) WORK?**

**If you are far from retirement...**
The Aspire Retirement Strategy (Cash) aims for investment growth. Looking for growth means taking some investment risk and you may see the value of your Accumulated AVCs both rising and falling in value over the short term.

**If you are approaching retirement...**
It becomes more important to try to safeguard what you have built up to date and reduce the risk of sharp drops in value immediately before retirement. To achieve this your Accumulated AVCs will gradually be moved into more conservative investments, such as cash, over the last seven years before retirement.

The chart above illustrates the approximate positioning of the Aspire Retirement Strategy (Cash) as retirement approaches. Your AVCs will be invested in growth assets when you are far from retirement. The exact mix of these growth assets will alter frequently. They typically include developed world equities (shares) and a balance of emerging market equities, bonds and alternative asset classes. As you approach retirement, the Aspire Retirement Strategy (Cash) gradually moves to a more conservative investment position which may include (but is not restricted to) cash.

* Retirement Strategies other than the Aspire Retirement Strategy (Cash) may also be available. Go to [www.zurich.ie/connect/’companyname’](http://www.zurich.ie/connect/’companyname’) to confirm which Retirement Strategies are available to you and to see an up-to-date mix of growth and conservative assets that they use. The different Aspire Retirement Strategies that may be available are described on page 19.
The Aspire Retirement Strategy (Cash) does not take account of individual circumstances, other than the age at which you wish to retire. There may be circumstances in which it is not suitable and we take a look at the pros and cons of the Aspire Retirement Strategy (Cash) below.

Different versions of the Aspire Retirement Strategy are designed to suit different retirement scenarios as described on page 19.

THE ASPIRE RETIREMENT STRATEGY (CASH) MAY SUIT YOU IF:

☑ You intend to retire at your Normal Retirement Date or have notified Zurich Life of an alternative Target Retirement Date, i.e., a date either before or after your Normal Retirement Date.

☑ You do not feel comfortable selecting Investment Options yourself.

☑ You want to aim for growth in the long term and reduce the level of risk as retirement approaches.

☑ You expect to use your Accumulated AVCs to fund a cash lump sum.

☑ You can only retire at a date other than your Normal Retirement Date with the consent of your Employer and the Trustee of your pension plan. If you are thinking of changing the date at which you will retire make sure you read “What happens if I wish to retire early?” on page 21. If you have decided that you would like to retire early but have not notified Zurich Life of your Target Retirement Date, your AVCs may be invested in growth assets with a higher risk profile than normally considered appropriate for someone close to retirement.

THE ASPIRE RETIREMENT STRATEGY (CASH) MAY NOT SUIT YOU IF:

☒ You are considering retiring earlier or later than your Normal Retirement Date and you have not notified Zurich Life of your proposed Target Retirement Date.

☒ You wish to select your own Investment Options from the range available within the AVC Plan.

☒ You want to continue targeting high investment growth all the way to retirement, and you are comfortable with the risk of a material fall in the value of your Accumulated AVCs close to retirement.

☒ You intend to keep some or all of your Accumulated AVCs invested after retirement.

Warnings

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Good to Go?

If you think the Do It For Me option is the right investment solution for you, and you are not interested in the other investment choices available, you can jump straight to page 14 to find out more about your benefits.
HELP ME DO IT:
CHOOSING INVESTMENTS BY RISK

If you are like most people, you may not consider yourself to be an investment expert. If you would like to choose an Investment Option based on how comfortable you are with risk, the Portfolios make it easier for you to decide how to invest your AVCs. Each of the Portfolios is designed to cater for a particular investment objective - they allow you to pick a single Investment Option which means you don’t need to worry about mixing and matching if you don’t want to.

HOW DOES THE ‘HELP ME DO IT’ APPROACH WORK?
- Mercer has designed a range of Help Me Do It Portfolios in which you can invest the full value of your Accumulated AVCs. You can find more detailed information on each of the Portfolios available to you by visiting www.zurich.ie/connect/‘companyname’ and selecting Investment choices.

- You choose a Portfolio that best suits your risk tolerance and your growth objectives.

- Your Portfolio will be invested in asset classes considered appropriate for your risk tolerance and growth objectives. Investment managers will be selected to run the different elements of each Portfolio.

- Over time, you should review your investment objectives and attitude towards risk, as well as monitor the progress of your Portfolio. You can switch into a different Portfolio in the future – for example, you might wish to reduce risk by switching Portfolios as retirement approaches.

I know I need to aim for growth, but I don’t feel comfortable taking too much risk right now.

I logged onto my scheme site and found a Help Me Do It Portfolio that suited my aims and risk tolerance.

In a couple of years I’ll see how I feel and I might change my Portfolio choice.

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LEAVE ME TO IT: MAKING YOUR OWN FUND CHOICES

If you are confident making investment decisions and want to choose your own mix of Funds and Portfolios, the Leave Me To It Investment Options may provide you with some good choices.

HOW DOES THE ‘LEAVE ME TO IT’ APPROACH WORK?

- You choose the selection of Funds and Portfolios that best suits your aims, circumstances, risk tolerance and length of time until retirement. You can find more detailed information on each of the Funds available to you by visiting www.zurich.ie/connect/’companyname’ and selecting Investment choices.

- You then decide the proportion of your contributions you want to invest in each option.

- Over time, you should review your investment objectives and attitude towards risk. You should also monitor the progress of your investments. You can update your investments as often as you like, adding or removing Investment Options, or adjusting the amount of your AVCs that are invested in each option.

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I want to aim for growth, I don’t want to put all of my eggs in one basket and will choose my own mix of Funds and Portfolios.

I’m going to invest 70% of my Accumulated AVCs in high risk options and 30% in low risk options.

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WHY SHOULD MY TIME TO RETIREMENT AFFECT MY INVESTMENT CHOICES?

Unless you are reasonably close to retirement, your AVCs should be considered a long-term investment. In investment terms there is a relationship between risk and reward over the long term. Generally speaking, the lower the potential risk, the lower the potential rewards; the higher the potential risk, the higher the potential rewards. In the short term, however, strong and persistent deviations from this relationship can occur.

If you are far from retirement, you have a long investment timeframe and may be able to tolerate greater short-term risks in order to maximise the growth of your Accumulated AVCs in the long run. As you approach retirement, you may want to take less risk as your Accumulated AVCs have less time to recover from any short-term losses.

You may wish to match your progress on the Road to Retirement to an appropriate Portfolio.

A POSSIBLE ROAD TO RETIREMENT

REMEMBER!

The Do It For Me Strategy can automatically select investments for you with a level of risk generally considered appropriate for the time you have until retirement.
WHAT TYPES OF RISK COULD MY INVESTMENTS FACE?

There’s not always a ‘right’ answer when it comes to investment. Often it will depend on your own view of how much risk you can afford to take or feel comfortable taking. At any given time, economic and market conditions will generally favour one type of investment over others. Since it is impossible to predict which will produce the best returns, choosing a variety of investments – a practice called diversification – can help you avoid being too exposed to one particular type of risk.

**Annuity Risk**
An Annuity is an income for life that you can buy from an insurance company at retirement using part, or all, of the value of your Accumulated AVCs. The cost of buying an Annuity changes from day to day. Annuity Risk is therefore the risk that the cost of buying an Annuity will rise more quickly than the growth in the value of your Accumulated AVCs, therefore reducing the value of the income for life (i.e., the pension or Annuity) that your Accumulated AVCs could purchase.

Annuity Risk is most pronounced when retirement is close.

**Currency Risk**
This risk applies where an Investment Option holds assets deriving their value partly or wholly from activities in a country or region outside the eurozone. Where the euro strengthens against the relevant currency, the euro value of those assets can fall. This will affect the value of your holding in the Investment Option.

Currency Risk can also work in your favour.

**Inflation Risk**
This is the risk that an Investment Option may not grow sufficiently fast enough to keep pace with inflation (increases in the cost of living) over the long run.

**Manager Risk**
This is the risk that an investment manager may underperform the market generally – for example, due to decision making that is different to the general market, an Equity investment manager may deliver returns below the overall Equity market over a particular period of time.

Some managers make active decisions about investments, trying to outperform the market with the aim of achieving the best results. However, Active Managers are expected to underperform the market from time to time as they invest differently to the markets. Other managers take a passive approach: following the market to achieve results in line with the market’s performance. Passive Managers are unlikely to outperform the market and are equally not expected to underperform the market significantly.

**Market Risk**
You may be familiar with the phrase ‘values can fall as well as rise’. This is a simple way of describing Market Risk, which is the risk that a market in a particular type of investment may fall generally, affecting the value of your Accumulated AVCs. For example, a generalised fall in stock markets will affect any Investment Option that holds significant amounts of Equities. The danger posed by Market Risk is most severe when retirement is close and the remaining time for your investment to recover is short.
WHAT SHOULD I CONSIDER WHEN MAKING INVESTMENT DECISIONS?

BEFORE MAKING ANY INVESTMENT DECISIONS YOU SHOULD CONSIDER:

- How much time you have left to save and invest for retirement? The more time you have, the more risk you may be able to take.
- How much money you will need when you retire?
- What level of income do you expect from your Main Plan?
- Will you have any other sources of income at retirement?
- What combination of benefits (Retirement Lump Sum, Annuity, etc.) are you planning to take when you reach retirement?
- Do you intend to keep your AVCs invested in an ARF, while taking your lump sum from the Main Plan? If so, it may be less of a necessity to reduce the level of risk you are taking as retirement approaches.
- What level of risk you are comfortable with? The more risk you take, the higher your long-term returns could be – but your Accumulated AVCs could also see significant falls in value that may or may not be recoverable.
- What management charges apply to your investment choices?

NEED MORE?

You should visit your dedicated website for detailed information on the specific Investment Choices available to you. To see your Investment Option choices, go to the Investment Choices section of www.zurich.ie/connect/’companyname’ then click on ‘Find out more about my options’.

You can use the ‘Fund Fact Sheets’ to find detailed information on specific Investment Options, including aims, past performance, and asset splits.

Don’t have access to the internet?
Don’t worry: you can call us on (01) 799 2941, or write to us at: Group Corporate Pensions, Zurich Life, Frascati Road, Blackrock, Co. Dublin and we will post you a copy of the Fund Fact Sheets for your AVC Plan.

You can mix and match the different Investment Choices in any combination you like.

The only exception is if you want to use the Do It For Me approach where you must invest the full value of your Accumulated AVCs in a single Aspire Retirement Strategy.
SOME QUESTIONS ABOUT INVESTING...

**HOW DO I ADVISE ZURICH LIFE OF MY INITIAL INVESTMENT DECISION?**
Simply complete the Mercer Aspire DC Solution Group Retirement Benefits Plan / AVC Plan Employee Application Form and return it to Zurich Life.

**WHAT IF I DON’T MAKE AN INVESTMENT CHOICE?**
If you don’t make an investment choice when you join your AVC Plan your AVCs will be invested in the Aspire Retirement Strategy (Cash) by default.

**CAN I MIX AND MATCH THE INVESTMENT STRATEGIES?**
You can spread your investment across the Investment Options available through Help Me Do It and Leave Me To It, and choose the exact amount you want to invest in each. However, if you choose to take the Do It For Me approach and invest in an Aspire Retirement Strategy then 100% of your Accumulated AVCs must be invested in that particular Aspire Retirement Strategy. If you switch any money out of an Aspire Retirement Strategy then the automated risk reduction process will not be applied to your AVCs as retirement approaches.

**CAN I CHANGE MY INVESTMENT DECISION?**
Yes of course! The Investment Option you choose should be reviewed on a regular basis. If you wish to make a change to the Investment Options for your future contributions and existing assets you can do so free of charge (up to four times each year) by writing to Mercer Aspire c/o Zurich Life, Zurich House, Frascati Road, Blackrock, Co. Dublin giving your policy number and the instruction or by logging on at www.zurich.ie/connect/’companyname’.

You can switch your choice of Investment Options as often as you wish. There will be a charge if you make more than four switches in a year.

If you require information on your investment choices, you can contact Mercer’s JustASK member helpline on 1890 275 275, or email JustASK@mercer.com

**ARE THERE ANY INVESTMENT CHARGES?**
Yes there are investment charges. The charge will be taken from your Accumulated AVCs and is known as an Annual Management Charge (AMC). This charge varies according to the type of Investment Option. When you join your AVC Plan you will be given a member certificate which will state the AMC for each Investment Option at that time. AMCs can change over time and the most up-to-date AMC can be found by logging on at www.zurich.ie/connect/’companyname’.

IT’S YOUR MONEY, IT’S YOUR RESPONSIBILITY

The investment range available through your AVC Plan is monitored on an ongoing basis. However, it is your responsibility to ensure that you have the Investment Option(s) in which you are invested, whether by choice or default, are appropriate to you and your own circumstances: neither the Trustee nor your Employer can accept responsibility for any loss which may be incurred as a result of poor performance.
BENEFITS FOR YOU AND YOUR FAMILY

As you have seen in the previous sections the purpose of making Additional Voluntary Contributions is to save and enhance your financial position in retirement. Your AVC benefits can be taken in several different ways. In this section let’s take a look at the options that are currently available to people retiring today just to give you an idea of what you may have to consider as you approach retirement.

When the time comes for you to retire, you use the value of your Accumulated AVCs to purchase additional retirement benefits. You can pick and choose the particular benefits that best suit you such as an income for life and a Retirement Lump Sum, payable tax free up to revenue limits. The greater the value of your Accumulated AVCs, the greater the value of the additional benefits you can take.

When can I take my retirement benefits?
You must take your retirement benefits from the AVC Plan at the same time as you take your retirement benefits from the Main Plan.

Most retirement plans have a predefined retirement age. This is the Normal Retirement Date at which you will retire and is outlined in your policy documentation.

Your AVC benefits will be based on the value of your Accumulated AVCs at the date you retire.

Please note:
While you do not have to commit to taking any specific benefit from your AVCs now, it may be worth considering what benefits you would like to take at retirement so that you can make sure you are contributing enough and that your investment strategy is appropriate for your preferred benefit package.

You will be written to six months before your retirement date to explain the various options available to you.

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WHAT BENEFITS CAN I TAKE AT RETIREMENT?

The retirement benefits that are available to you under current legislation are set out below. You can pick and choose the benefits you wish to take and decide how much of your Accumulated AVCs you wish to use to purchase each benefit (subject to limits).

You don’t have to choose your retirement benefits now: you can wait until you are near retirement before making up your mind, but you should consider your options in advance of your retirement. Your AVC fund is used to provide for extra retirement benefits with your main Company Pension Arrangement.

How you take your Accumulated AVC fund will depend on a number of things, mainly how you took your benefits from your main pension scheme.

The benefits your Accumulated AVC can offer you are as follows:

**Retirement Lump Sum**
You may elect to take part of your Accumulated AVCs as a tax-free lump sum at retirement. This lump sum will be subject to Revenue limits. So long as the total value of the Retirement Lump Sums you receive (including those from other pension arrangements) in your lifetime is less than €200,000 (under current legislation), part or all of your lump sum from the AVC Plan can be taken tax free.

**Approved Retirement Fund**
You can transfer some of your Accumulated AVCs to an Approved Retirement Fund (ARF) and/or an Approved Minimum Retirement Fund (AMRF) (depending on your circumstances). An ARF or AMRF allows you to continue to invest some of your retirement savings after retirement. Unlike Annuities, ARFs and AMRFs can be inherited after the death of yourself and your spouse/civil partner. However, ARFs and AMRFs do not provide the certainty or security of income for your lifetime which an Annuity provides.

**Annuity**
You can purchase an additional income for life called an Annuity (what was traditionally known as a “pension”). You have the option to ensure that your spouse/civil partner can continue to receive a portion of your Annuity if they outlive you.

The cost of purchasing an Annuity will depend on a number of factors at retirement, including your age, the age of your spouse/civil partner, long-term interest rates and the Annuity options you choose (e.g., including an income payable to a Dependant on your death).

**Taxable Cash**
After taking your maximum tax free Retirement Lump Sum, you may be able to take some or all of your Accumulated AVCs as a taxable cash lump sum. The precise tax treatment will vary depending on your circumstances. This option is only available in limited circumstances.
Now that you have all the information you need to understand how your AVC Plan works, let’s take a look at how you can take control of your AVC Plan.

Joining is as simple as completing and returning the Mercer Aspire DC Solution Group Retirement Benefits Plan / AVC Plan Employee Application Form. Once you join you’ll be able to access information about your personal benefits and the AVC Plan in a variety of formats including print and online.

If you ever need assistance you can contact Zurich Life or Mercer.

So, if you are happy to join the AVC Plan all you need to do is:

1. Decide on your level of Additional Voluntary Contribution and how to invest them.
2. Complete and return the Mercer Aspire DC Solution Group Retirement Benefits Plan / AVC Plan Employee Application Form.
3. Relax and let Zurich Life look after the rest!
WHERE CAN I FIND MORE INFORMATION ABOUT MY PLAN?

If you decide to make additional provision for your retirement you will want to make sure that over time you are on track to achieve your goal at retirement. To help you do this there are many tools and services available that will make your financial planning easier.

I want my information on the go!

If you own an iPhone or Android phone you can download a user-friendly and convenient app that will give you instant access to Zurich Life’s secure, password protected, online service. Once you receive your pin and password, you can view information such as the value of your Accumulated AVCs anytime, anywhere!

Or if you don’t have an iPhone or Android phone just visit www.zurichlife.ie/mobile

I like to take time to read up on my AVC Plan!

Each year that you are an active member of the AVC Plan, Zurich Life will send you a ‘Benefit Statement’ which gives you important information about your AVC Plan, such as the pension savings you have built up so far and what these savings could be worth in the future.

I want to view key information online

Looking for information about your AVC Plan, e.g., its value? You can log on to Zurich Life’s secure password protected Client Centre any time.

Visit: www.zurich.ie/connect/'companyname’

Email aspire@zurich.com or call (01) 799 2941 if you have any questions.
HOW DO I REVIEW MY PLAN AND MAKE CHANGES?

<table>
<thead>
<tr>
<th>WHAT DO YOU WANT TO DO?</th>
<th>HOW DO YOU DO IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update your contact details</td>
<td>Email Zurich Life at <a href="mailto:aspire@zurich.com">aspire@zurich.com</a> or call (01) 799 2941</td>
</tr>
<tr>
<td>Reset your login details</td>
<td>Email Zurich Life at <a href="mailto:aspire@zurich.com">aspire@zurich.com</a> or call (01) 799 2941</td>
</tr>
<tr>
<td>Check your policy value</td>
<td>Log on at <a href="http://www.zurich.ie/connect/%E2%80%99companyname%E2%80%99">www.zurich.ie/connect/’companyname’</a></td>
</tr>
<tr>
<td>Nominated a Target Retirement Date for your Aspire Retirement Strategy</td>
<td>Email Zurich Life at <a href="mailto:aspire@zurich.com">aspire@zurich.com</a> or call (01) 799 2941</td>
</tr>
<tr>
<td>Check your current investment choices</td>
<td>Log on at <a href="http://www.zurich.ie/connect/%E2%80%99companyname%E2%80%99">www.zurich.ie/connect/’companyname’</a></td>
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<tr>
<td>Check the latest information on your Investment Options</td>
<td>Log on at <a href="http://www.zurich.ie/connect/%E2%80%99companyname%E2%80%99">www.zurich.ie/connect/’companyname’</a></td>
</tr>
<tr>
<td>Change your contribution rate</td>
<td>Email Zurich Life at <a href="mailto:aspire@zurich.com">aspire@zurich.com</a> or call (01) 799 2941</td>
</tr>
<tr>
<td>Change your Investment Options</td>
<td>Log on at <a href="http://www.zurich.ie/connect/%E2%80%99companyname%E2%80%99">www.zurich.ie/connect/’companyname’</a></td>
</tr>
<tr>
<td>Update your Target Retirement date for your Aspire Retirement Strategy</td>
<td>Email Zurich Life at <a href="mailto:aspire@zurich.com">aspire@zurich.com</a> or call (01) 799 2941</td>
</tr>
<tr>
<td>Take your retirement benefits</td>
<td>Email Mercer at <a href="mailto:JustASK@mercer.com">JustASK@mercer.com</a> or call 1890 275 275</td>
</tr>
</tbody>
</table>

WHAT IF I HAVE QUESTIONS ABOUT MY PLAN?

Our mission is to provide you with clear, straightforward information that is easy to understand. If you have any questions you want to ask, about anything in this guide or otherwise, please contact Zurich Life at:

- **Phone:** (01) 799 2941
- **Email:** aspire@zurich.com
- **Post:** Group Corporate Pensions, Zurich Life Assurance plc, Zurich House, Frascati Road, Blackrock, Co. Dublin.

WHAT IF I HAVE QUESTIONS ABOUT MY INVESTMENT OPTIONS?

If you need further information on the Investment Options available to you please get in touch.

Just contact Mercer’s JustASK member helpline on 1890 275 275 or email JustASK@mercer.com
We have tried to keep this guide as short and simple as possible by focusing on the main features you need to understand to make your decisions. However, pension plans are subject to complex rules and regulations which may affect you. We deal with these issues in the following section.

THE RULES OF THE AVC PLAN

Accumulated AVCs, on any date, means the accumulated value of the AVCs which have been paid on your behalf, taking into account investment returns earned but excluding a proportionate share of any prescribed expenses, taxes or liabilities for which the Trustee is liable. Your Accumulated AVCs may include any transfer payment to the AVC Plan to which you are entitled as a result of a previous employment or a PRSA (Personal Retirement Savings Account) you may have taken out. The benefits available to you from the AVC Plan on retirement, leaving service or death will depend on the value of your Accumulated AVCs at that time.

Additional Voluntary Contributions (AVCs) are any voluntary contributions made by you to the AVC Plan in addition to your regular ordinary contributions to the Main Plan. You will receive income tax relief on your AVCs, subject to Revenue limits. Your AVCs will be deducted from your Salary before tax.

The AVC Plan means your Mercer Aspire AVC Plan. For ease, this is referred to as ‘the AVC Plan’ or ‘your AVC Plan’ throughout the guide and in other correspondence.

The Aspire Retirement Strategies are investment arrangements which automatically manage the Investment Options that your AVCs are invested in, based on your age. When you are far from your Normal Retirement Date / Target Retirement Date they will invest in Investment Options which aim for long-term growth. As you approach your Normal Retirement Date / Target Retirement Date they will gradually transition towards holding more conservative assets than during the growth phase of the Aspire Retirement Strategy:

- If you use the Aspire Retirement Strategy (Cash), your Accumulated AVCs will gradually be transitioned to assets deemed generally appropriate by Mercer, at a given time, for people who intend to take all or most of their retirement benefit in the form of a Retirement Lump Sum and/or taxable cash.

- If you use the Aspire Retirement Strategy (Annuity), your Accumulated AVCs will gradually be transitioned to assets deemed generally appropriate by Mercer, at a given time, for people planning on taking a significant part of their retirement benefit as an Annuity (income for life).

SOME TERMS EXPLAINED

This guide contains certain expressions which, for the purpose of your benefits, have the meanings below.
If you use the Aspire retirement Strategy (ARF), your Accumulated AVCs will gradually be transitioned to assets deemed generally appropriate by Mercer, at a given time, for people planning on taking a significant part of their retirement benefit as an ARF and/or AMRF.

For the avoidance of doubt, Mercer reserves the right to alter the composition of any of the Aspire Retirement Strategies during either the Growth Phase, or the Conservative Phase, if it deems that this is likely to be in the interests of the majority of people investing in the Aspire Retirement Strategies. Similarly, the period over which risk reduction takes place could alter.

Your Plan may not provide access to all three versions of the Aspire Retirement Strategies, you should check which options are available by logging on to www.zurich.ie/connect/’companyname’.

Earnings means your total income from all sources (including sources other than your Employer) and any other taxable benefits you receive for the purposes of calculating allowable tax relief on personal contributions to all forms of pension arrangements, including PRSAs.

Fund, in the context of your AVC Plan, denotes a specialised Investment Option intended for use by a person who is very comfortable making their own investment choices (using the ‘Leave Me To It’ approach). Funds can be used alone, but they are often better suited for use as part of a mix of other Funds or Portfolios. Funds can be very specialist in nature.

The Main Plan refers to your primary Employee pension plan as arranged for you by your Employer. Your AVC Plan is connected to your Main Plan under Revenue rules and under the rules of the Main Plan Trust. For further information about your Main Plan, contact your HR Department.

Mercer means Mercer (Ireland) Ltd., Mercer Financial Services Ltd., and Mercer Global Investments Europe Ltd., all trading as Mercer.

Normal Retirement Date means the date that you have been told that your Normal Retirement Benefits will become payable (for example your 65th birthday). Your Normal Retirement Date will be defined under the rules of your Main Plan. You must take your retirement benefits from your AVC Plan at the same time as you take your retirement benefits from the Main Plan.

Pensionable Salary means that part of your remuneration which is used for the purposes of calculating contributions to the Plan.

Portfolio, in the context of your AVC Plan, denotes an Investment Option designed to be suitable for use on its own by a person with a particular set of aims, circumstances and risk preferences (using the ‘Help Me Do It’ approach). Portfolios may be most useful for those who do not have a deep knowledge of investments. The Portfolios are designed to be used on their own, but they can also be mixed with other Portfolios and/or Funds.

Salary, on any date, means your basic annual rate of salary or wages at that date excluding benefits, bonus, overtime, commissions or any other variable earnings. Salary, for the explanatory purposes of this booklet, may or may not have the same meaning as ‘Salary’ under the terms of the Main Plan.

Target Retirement Date is the date you notify to Zurich Life as your target date for your Aspire Retirement Strategy; the strategy will then gradually and automatically move your Accumulated AVCs into lower risk investments over the seven years to this date. By default your Target Retirement Date is your Normal Retirement Date, unless you nominate a different Target Retirement Date. Your nominated Target Retirement Date is not considered an official application to retire at that date nor does it oblige you to retire at that date.

The Trustee means the individuals and/or corporate bodies appointed as legal administrators of the AVC Plan. You should refer to the terms of your Main Plan for further details on the Trustee.
WHAT HAPPENS IF...

...I AM UNABLE TO WORK DUE TO ILL HEALTH?
Disability benefit rules will be laid out under the rules of the Main Plan.

...I DIE WHILE IN SERVICE BEFORE NORMAL RETIREMENT?
Death in Service rules will be laid out under the rules of the Main Plan.

PLEASE NOTE:
It is important that you inform the Trustee of the AVC Plan which people you would like to be considered for your lump sum in the event of your death before retirement. Your wishes are not legally binding on the Trustee of the AVC Plan, but they will be taken into account.

If your circumstances change (e.g., you get married, divorced, or have children), you should make sure that your Dependant notifications and Beneficiary nominations are up to date, for this and any other plan under which you are eligible for death benefits.

...I DIE AFTER RETIREMENT?
The benefits payable will depend on the choices you made at retirement, e.g., if you chose to invest in an ARF, the value can be inherited, subject to tax. Therefore, it is very important to bear this in mind when considering your options at retirement, and seek advice from a qualified professional.

...I RETIRE EARLY
With the consent of your Employer and the Trustee of your pension plan, you may be able to take early retirement from age 50 onwards. However, it should be noted that you can only take your benefits from your AVC Plan at the same time as you take your Main Plan benefits from the same employment. If your AVCs are linked to a Main Plan, the Trustee may not be willing to permit early retirement benefits to be paid out.

It is important to note that the value of your Accumulated AVCs and, therefore the benefits they can provide, will be less than if you had remained in the AVC Plan until the Normal Retirement Date. There are many reasons for this:

- There will be fewer contributions paid into your Plan.
- The contributions will be invested for a shorter period than expected.
- The cost of providing your pension will be higher because it will be payable for a longer period than normal.

PLEASE NOTE:
If you wish to retire early, and are invested in the Aspire Retirement Strategy (Cash), you should notify Zurich Life of your Target Retirement Date.

Your nominated Target Retirement Date is used for the purposes of managing the Aspire Retirement Strategy (Cash) only and is not considered an official application to retire at that date, nor an official granting by the Company or Trustees of permission to retire at that date, nor does it oblige you to retire at that date.

...I LEAVE MY EMPLOYER?
The benefits payable will be laid out under the rules of the Main Plan.
TAX

All tax reliefs and limits reflect the legislation in force at the date of publication.

WHAT ARE THE TAX RELIEF LIMITS ON PENSION CONTRIBUTIONS?

Tax relief on pension contributions
You will receive relief from income tax at your marginal rate – i.e., 40% if you are a higher rate taxpayer and 20% if you are a standard rate taxpayer. Contributions do not receive relief from PRSI or the Universal Social Charge (USC).

Maximum annual tax relief on contributions to pension plans
You can contribute as much as you like, however, the Revenue sets limits on the maximum contributions you make to pension plans on which you will receive tax relief each year. You should note that these limits cover the total of all contributions you can make to all pensions in a year, including both your AVCs and any normal Employee contributions you may make to the Main Plan.

The good news is that these figures relate to your own contributions only. Your Employer’s pension contributions are not restricted by these limits and do not count against them.

These limits are based on your age and a percentage of your Earnings (up to €115,000) from your Employer (see definition of Earnings on page 19):

<table>
<thead>
<tr>
<th>AGE</th>
<th>% OF EARNINGS UP TO €115,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>15%</td>
</tr>
<tr>
<td>30 - 39</td>
<td>20%</td>
</tr>
<tr>
<td>40 - 49</td>
<td>25%</td>
</tr>
<tr>
<td>50 - 54</td>
<td>30%</td>
</tr>
<tr>
<td>55 - 59</td>
<td>35%</td>
</tr>
<tr>
<td>Over 60</td>
<td>40%</td>
</tr>
</tbody>
</table>

TAX ON YOUR RETIREMENT BENEFITS
Your retirement benefits (with the exception of the tax-free element of your Retirement Lump Sum) are subject to income tax and the Universal Social Charge (USC).

Retirement Lump Sum
Your Retirement Lump Sum is exempt from tax for the first €200,000. Any Retirement Lump Sum from €200,000 to €500,000 is subject to tax at 20%.

Lifetime limit on pension benefits
The Revenue places a lifetime limit on the value of pension benefits of €2 million (as of 2014). This limit applies to the aggregate of your pension benefits, including AVCs and benefits from all previous pension arrangements. Where the Standard Fund Threshold is exceeded, the excess will be subject to punitive levels of tax. The government could alter this limit in the future.

Lump sum death benefits
Lump sum death benefits are not normally subject to income tax (depending on the nature of the relationship of the Beneficiary to you). Under current legislation benefits paid directly to a Dependant/Beneficiary other than a spouse/civil partner may be liable to Inheritance Tax. Death benefits are subject to maximum limits imposed by the Revenue.

Pension Levy
The Government has the power to impose levies to be automatically deducted from pension entitlements.
The information contained herein does not purport to be comprehensive, all inclusive or to contain all the information that a prospective Plan member might reasonably require in considering pension products. It is strictly for information purposes only. This information does not constitute advice or a recommendation in any way. It does not take into account the knowledge and experience, investment objectives or financial situation of any particular person. The information contained herein is based on our understanding of current Irish tax legislation and Revenue guidelines as at the date of publishing. Prospective investors are advised to obtain professional advice before making an investment decision.

Care has been taken in preparing this document; however, the information herein is intended as a general guide only. No responsibility is accepted for errors or omissions howsoever arising. Specific advice should be sought from Mercer when queries arise.
MERCER AND ZURICH: COMBINING OUR STRENGTHS TO PROVIDE YOUR MERCER ASPIRE ADDITIONAL VOLUNTARY CONTRIBUTION (AVC) PLAN

Mercer is one of the world’s leading providers of pension and investment services and has designed your Mercer Aspire AVC Plan.

Fund management within your Mercer Aspire AVC Plan is handled by investment managers selected by Mercer as being the most suitable for a given Strategy, Portfolio or Fund.

Mercer is one of the largest providers of retirement services in Ireland, advising over 700 organisations, including many of the largest employers in the country.

Zurich Life is one of Ireland’s most successful life insurance companies. It has been providing pensions in Ireland for over 30 years.

At Zurich Life, we’re committed to the provision of excellent customer service and the streamlined administration of your Mercer Aspire AVC Plan.