

# Changes to Leaving Service Options arising from Finance Act 2021



This leaflet outlines important changes introduced by the Finance Act 2021 which was signed into law in December 2021. These changes are not reflected in all your current Irish Life literature or the leaving service options enclosed.

## What has changed?



Retirees will see a few changes to their retirement options this year. Approved Minimum Retirement Funds (AMRFs) are no longer available and a number of requirements to invest in Approved Retirement Funds (ARF) have been removed.

## Changes to Alternative Retirement Options Benefit Option



From 1 January 2022 before investing in an ARF or taking a taxable cash lump sum you no longer need to show proof that you have met one of the following requirements:

- > Have a guaranteed pension income for life of €12,700 per year  
or
- > Have €63,500 invested in an AMRF  
or
- > Have used €63,500 to buy a pension for life (annuity)  
or
- > If you have a Personal Retirement Savings Account (PRSA) have €63,500 held as a restricted fund in your vested-PRSA.

As a result of these changes AMRF plans are being discontinued and this product option is no longer available.

## What does this mean for your retirement options?



- > If you take a retirement lump sum of up to 25% of your accumulated fund you may now use the balance of your fund to:
  - Buy an annuity
  - Invest in an ARF
  - Take a taxable cash lump sum
  - Remain invested in a vested-PRSA (this does not apply to PRSA Additional Voluntary Contributions (AVC) plan holders).
- > If you take a retirement lump sum based on your years of service (which is available to Company Pension Plan members), the balance of your company pension must still be used to purchase an annuity.

However, the revised choice of options (as per the bullet points above) will apply in respect of AVCs or PRSA AVCs.

## Changes to Transfer Benefit Option



The 15-year service restriction on transfers from Company Pension Plans to Personal Retirement savings Accounts (PRSAs) has been removed.

This means that this transfer option is open to all Company Plan Pension members regardless of their time in service.

Even though the 15 year rule limit has been removed, the requirement to get a Certificate of Comparison still remains.

Information correct as at January 2022.