

Financial Wellness Seminar





40 Years

Expert Advice

Superior Service

Tailored Products

About Cornmarket

Age of
Retirement

Pension

Lump
Sum

Pension
Benefits

Spouses'
and
Children's
benefit

Retirement Benefits

Age of
Retirement

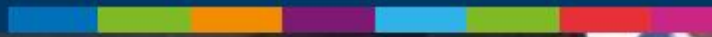
Pension
Benefits

Benefits dependant on type of retirement

Date of joining the Public Service

Can you picture yourself working until age 68?

Retirement Benefits



Notional Service Purchase

Additional Voluntary Contribution Scheme



Enhancing Your Retirement Benefits

What is Notional Service Purchase ?

NSP is buying back years of that you missed since you started working.

To receive a quote, please contact: Pensions@ucd.ie

Saving for Retirement

What is an AVC?

An AVC allows you to make additional contributions towards your retirement benefits. At retirement you're free, subject to the relevant revenue rules, to use your AVC to buy the retirement benefits that you want.

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

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

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

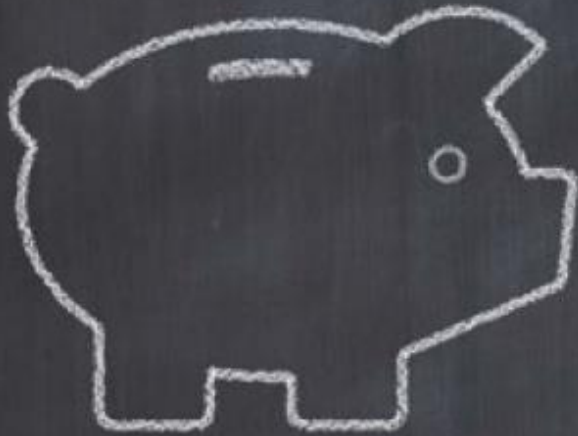
Warning: If you invest in this product you may lose some or all of the money you invest.

Warning: If you invest in this product you will not have any access to your money until you receive your superannuation benefits.

What is an AVC

- Additional Voluntary Contributions (AVCs), are additional pension contributions that you make in order to enhance your UCD retirement benefits when you retire.
- It is a **voluntary** contribution. Can be reduced, increased, stopped, suspended etc . AVCs become available on retirement or death.
- AVCs **cannot** be accessed prior to retirement
- Full Income Tax relief given at marginal rate. Tax relief given at source by UCD Payroll when AVC is by deduction from salary.
- Exempt Approved Plan so no DIRT tax on investment growth.





Generous tax relief available *

For every €100 contribution

You receive €40 tax relief

Real cost to you €60

Saving for Retirement

Regular Premium AVC charges

- Irish Life Annual Management charge **1%**
- Irish Life Contribution Charge (as a percentage of each regular contribution) **4%**

UCD AVC Policy Fees & Charges*

*Subject to review

How does the AVC work at retirement?

These are entirely subject to personal circumstances, choice, and certain Revenue limits.

Example

- ✓ Final Salary of €60,000 with 30 years of service
- ✓ AVC/PRSA fund value €100,000

Full Gratuity	€90,000
Actual Gratuity	€67,500
Shortfall in Gratuity	€22,500

1. You may be able to take part or all of your AVC as a Tax free Lump Sum
2. You can invest in an Approved Retirement Fund (ARF)



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

To invest in an ARF (or to take the balance as taxable cash) you must:

- ✓ Have a guaranteed income for life of **€12,700 p.a.***

Or

- ✓ Have the 1st €63,500 of your fund invested in an AMRF** or use the first €63,500 of your fund to buy an Annuity (can then invest any remaining balance in an ARF, take it as taxable cash or buy an Annuity).

*As of 1st Jan 2017.

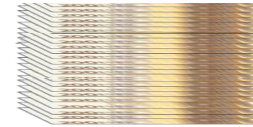
** You can withdraw a maximum of 4% of the fund value per annum.

3. You can buy an income for life (annuity) or just take the balance as a once off taxable payment

**Your Balance of
AVC/PRSA**



€77,500



**Additional Pension
€2,301 p.a.**

**Where a 'Last Minute' AVC/PRSA
may be worthwhile.**

**IMPORTANT INFORMATION
FOR MEMBERS
NEARING RETIREMENT**

How does a 'Last Minute' AVC work?

- You can **top up** your tax-free lump sum through a 'Last Minute' AVC with a single investment
- You can then **claim back full tax relief** after retirement (subject to Revenue limits).

Example

Tax-free Lump Sum shortfall of €10,000

Gross Payment to 'Last Minute' AVC (including charges)	€10, 362*
Claim back tax relief @ 40%	€ 4,145
Actual cost to member	€ 6, 217

*Assumes a 3.5% contribution charge and paying income tax at 40%.
Actual charge may differ depending on circumstances. Figures correct as at 01/01/2017.

**How much can you
contribute?**

Age	% Of Salary
Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-59	35%
60+	40%

Need to be careful of Overfunding, Personal and Standard Fund Thresholds and the Salary Cap for tax relief.

IMPORTANT: maximum % of salary contributable is dictated by the age you turn in that year. Pension Related Deductions are not taken into account when assessing funding limits. Tax relief applicable up to salary of €115,000.

Overall contribution limit takes into account:

- UCD Pension Scheme
- Spouses' & Children's Scheme
- Notional Service Purchase
- Purchase of temporary/training years
- UCD AVC Scheme
- PRSA AVC contributions

**Tax Relief limits will not be affected
by Pension Related Deduction Contributions.**

How do I know if I am eligible?

- Cornmarket can establish the shortfall in your tax free entitlement.
- We can also calculate the maximum tax rebate available to you.
- It is possible to use up any unused allowance for 2016 in addition to 2017.
- Your service, age and tax band must be considered in establishing your eligibility.



Tax & Pay

Saving for education

What areas of your finances should you be looking at?



89% of PAYE employees overpay tax

The average refund in 2016 was **€1,100**

Tax



Rental Properties

Coming close to retirement

Medical expenses or
Maternity Leave in the last 4 years

Reduced hours/Partner changing job

Tax

Why you should do a Tax Return



Saving for Education

€44,000

The average cost to send one child to college for four years*

What provisions do you have in place?

Saving for Education



Keep in mind...

To book an appointment, email:
Financialplanning@cornmarket.ie

Or call:
(01) 408 6285

What happens next?