

PENSIONS
INVESTMENTS
LIFE INSURANCE



Irish Life

AN OPERATIONAL GUIDE FOR EMPLOYERS

PERSONAL RETIREMENT SAVINGS ACCOUNT (PRSAs)



INTRODUCTION

PRSAs are 'Personal Retirement Savings Accounts' that were introduced by the Government in 2003. They are designed to enable people, especially those with no pension provision, to save for retirement in a flexible manner. Under the legislation, employers who do not currently provide an occupational pension scheme for their employees are obliged to allow employees contribute to a Standard PRSA. While the PRSA is in force, you will be obliged to send any payments from your employees' salaries to the PRSA provider within 21 days from the end of the month in which they were deducted.

Warning: If you invest in this product you will not have any access to your money until age 60 and/or you retire.

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

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

We put this operational guide together to help you administer the payroll deduction. In the guide, we will explain how you can remit contributions to us and how we propose to administer ongoing adjustments to the scheme, with the help of your company.

We hope you find it useful.

The purpose of this guide is to help you administer the payroll deductions if you nominate Irish Life as a PRSA provider. While the guide outlines some of the employer obligations as set out under Section 121 of the Pensions Act 1990 as amended, it is not exhaustive. Full details are contained at www.pensionsauthority.ie. As a PRSA provider, Irish Life is obliged to notify the Pensions Authority if it becomes aware that an employer refuses to fulfil their obligations under Section 121 of the Pensions Act 1990 as amended.

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AN OPERATIONAL GUIDE FOR EMPLOYERS

1 DESIGNATION

When you nominate Irish Life as a PRSA provider for your employees we provide a standard contract which you can use. We acknowledge this agreement in writing as well as provide you with a copy of the agreement to display in a prominent place in your organisation.

PRSA contributions paid through payroll deduction must be sent on a monthly basis to Irish Life by variable direct debit. You will need to complete a direct debit mandate and advise us of a nominated Direct Debit Collection Day, when all PRSA contributions are to be sent to Irish Life.

When choosing your preferred Direct Debit Collection Day, be aware of your obligation to send payments within 21 days from the end of the month in which deductions were made.

To ensure compliance with Pensions Authority regulations, you should choose any date from the 1st to the 20th of the month as your preferred Direct Debit Collection Day. We strongly recommend a day as close to the start of the month as possible. If you do not select a day, we will collect on the first working day of the month.

2 ENROLMENT

After designation, the next step will be to enroll employees. Those employees interested in taking out a PRSA can deal directly with their financial adviser. This will be done at the work-site or a place more suitable for the employee.

Employees who decide to contribute to a PRSA have a choice.

They can either:

1. Pay contributions from their take-home pay through a direct debit from their personal bank account in which case the payroll department has no role to play. Irish Life will deal directly with the employee.
2. Have contributions deducted from their salary and sent to Irish Life on their behalf – in which case you'll need to facilitate payroll deductions for amounts being contributed by your employees. You will be informed of these amounts by the employees or by their financial advisers. Once your employees have taken out their PRSA, the next step for you will be to start making deductions. This may involve some modification to your payroll system.

It is important to note that you must confirm the deduction amount to us and your employees in writing. Confirmation can be given to Irish Life by completing a 'Payroll Deduction Authority' and giving it to the financial adviser. The financial adviser will then give the Payroll Deduction Authority and your employee's PRSA application, to us.

The image shows a form titled 'IRISH LIFE PRSA PAYROLL DEDUCTION AUTHORITY' with 'Version 4' indicated. The form is divided into several sections: 'Section 1: To be completed by the employer and signed by the employee', 'Section 2: To be completed by the employee', 'Section 3: To be completed by the employer', and 'Section 4: To be completed by the employee'. It contains various fields for company details, employee details, and payroll information, along with checkboxes for different types of contributions and a section for the employer's signature and date.

Please find a full copy at the back, which can be photocopied if necessary. We will ensure that you have an adequate supply of these forms

3 PAYROLL DEDUCTION AUTHORITY

Irish Life have designed a form known as the Payroll Deduction Authority to make the administration of PRSAs a lot easier.

We use the Payroll Deduction Authority as the formal communication document and we aim to route instructions from employees through their employer, especially in those cases where employer contributions are involved.

We will accept copies of the Payroll Deduction Authority by the following means:

Fax 01 242 2933
Post Irish Life Assurance plc
 Irish Life Centre
 Lower Abbey Street
 Dublin 1
E-mail customerservice@irishlife.ie



This form acts as a safeguard for your company, as we will not process any changes without your authority to do so. In particular, this form allows you to:

1. approve new member deductions.
2. confirm levels of any employer contribution.
3. reconcile effective dates to tie in with your own records.

Upon receipt of a Payroll Deduction Authority, we will:

1. alter the PRSA on our records to match the amount on the form.
2. confirm in writing to the employee that the alteration has taken place. You will see the alterations reflected in the "Invoice/Receipt".
3. alter the direct debit and collect the revised amount.

4 SENDING OF CONTRIBUTIONS TO IRISH LIFE

All PRSA contributions deducted from payroll should be lodged into a current account. You may choose to set up a special account for this purpose. Irish Life will collect the contributions on the direct debit collection day that you chose when you designated. We will not change any direct debit amount without your knowledge, and any alterations will be notified to you in writing.

In the week following the direct debit collection date, you will receive an "Invoice/Receipt" (see example across) to allow you to check your PRSA payment records with the minimum of fuss.

Direct debit statement for Acme Ltd					
Account details					
Bank name	ABC Bank				
Bank address	The St. The Town, The County				
Account number	78787877				
Account name	Acme Ltd				
Summary					
Employee payment for October 2003					€ 1,200.00
Employer payment for October 2003					€ 1,500.00
Total payment for October 2003					€ 2,700.00
Employee expected payment for November 2003					€ 1,200.00
Employer expected payment for November 2003					€ 1,500.00
Total expected payment for November 2003					€ 2,700.00
Payment details					
Customer name	PRSA plan number	Employee number	Employee payment	Employer payment	Employee payment
John Smith	10000001		€ 450.00	€ 450.00	€ 450.00
Elizabeth Rogers	10000002		€ 750.00	€ 750.00	€ 750.00
Michael O'Connell - Murray	10000003		€ 100.00	€ 500.00	€ 100.00
Important information					
As Employer you are required to sign to provide us with written details of your actual PRSA payments. You have to send us this at least once a month and it must include confirmation of the amount both the employee and employer have paid to each PRSA since the last written statement.					
To help you with this, you can sign the bottom of this statement as confirmation of the payments made. Checkmarks, if there is any change to the details quoted above, you need to highlight these and let us know the reason why. You can then fax this letter back to us on 1800 010 100 or e-mail the appropriate details to us at customerservice@irishlife.ie					
Signature _____	Date _____				
Print _____	Position in company _____				

As the name implies, the Invoice/Receipt has several functions.

- It will serve as a receipt of payments made to Irish Life (and also enable you to reconcile payroll deductions for each contributor).
- It will serve as an invoice of expected payments in the following month.
- It will serve as an alternative method of notifying us of alterations, in line with employee wishes.

Under the Pensions Act, 1990 as amended you have an obligation to provide us with written details of your actual PRSA payments. Your "Invoice / Receipt" can be used to provide this information, by signing the bottom part and returning it to us.

This document can be forwarded by fax or post.

Fax 01 242 2933
Post Irish Life Assurance plc
 Irish Life Centre
 Lower Abbey Street
 Dublin 1
E-mail customerservice@irishlife.ie



If you choose e-mail as the medium to notify us of written details you will need to be explicit with the information you provide.

Because of your obligations to notify us in writing of the deductions made, we would recommend that you keep a record of all your instructions to Irish Life and establish an administrative framework for this purpose.

5 TAX RELIEF

If you wish, you can make contributions to your employee's PRSA. If you decide to do this, the contributions will represent a "benefit-in-kind" and should be reported in the appropriate manner to the Revenue Commissioners. Employer contributions can be set against your Corporation Tax liability in the company tax year in which contributions are paid.

The employee is generally entitled to income tax relief on PRSA contributions within limits. These tax relief limits include any employer contributions made by you. The limits are shown in the following table.

If employee is under 30	Up to 15% of earnings
If employee is 30 to 39	Up to 20% of earnings
If employee is 40 to 49	Up to 25% of earnings
If employee is 50 to 54	Up to 30% of earnings
If employee is 55 to 59	Up to 35% of earnings
If employee is over 60	Up to 40% of earnings

These percentages are capped at an earnings limit of €115,000, and include any contributions to other approved pension arrangements such as retirement annuity contracts and occupational pension schemes. Where contributions are taken straight out of salary you may do so before the calculation of income tax within the above limits, and so the employee can receive immediate income tax relief.

Note: Income tax relief is not guaranteed.

6 WEEKLY-PAID STAFF

If your staff are paid weekly, there are differences in how we treat contributions. As contributions on PRSA plans are payable monthly, Irish Life will calculate the monthly PRSA contribution using this formula:

Weekly deduction multiplied by 52 (to convert to yearly)
divided by 12 (to convert to monthly)

You will also need to ensure that any weekly deduction, when converted to monthly, is still a valid numeric amount (see examples below). Any deduction amount which is a multiple of .03 cents will satisfy this requirement.

Required deduction	Converting to monthly (€)	Valid monthly amount?
€59.00	$€59 * 52 = €3,068.00$ yearly $/12 = €255.6666$ monthly	No Cents are more than two decimal places
€59.70	$€59.7 * 52 = €3,104.40$ yearly $/ 12 = €258.70$ monthly	Yes
€60.00	$€60 * 52 = €3,120.00$ yearly $/ 12 = €260$ monthly	Yes

We will use the €60.00 example to demonstrate how the monthly amounts debited will not be an exact multiple of the weekly payroll deduction. If you look at the table below, you will find that, in certain weeks, the total amount debited from your bank account will not stay in line with the total amount deducted by you.

For example, in week 9 the amounts debited fall short of the total deducted by you and you'll be left with a balance in your bank account. Total deductions amount to €540 and total debits €520. This results in €20 remaining in the bank.

In certain other weeks, the amounts debited will unavoidably exceed the amount deducted. For example, in week 17 the total deductions amount to €1,020 and total debits amount to €1,040. This will necessitate you to have appropriate overdraft facilities in place, or maintain a small credit balance.

However, you will note that these situations rectify themselves every three months (13 weeks). Overall, the account will be mostly in credit (by up to four times the weekly deduction) with just a few weeks with a small overdraft, equivalent to a proportion of the weekly deduction.

Payroll				Bank Account			
Week No.	Fri Payroll	Deduct	Cumulative Deductions	Lodge	Direct Debit	Cumulative Direct Debits	Employer Bank Balance
1	3-Jan	60.00	60.00	60.00			60.00 CR
2	10-Jan	60.00	120.00	60.00			120.00 CR
3	17-Jan	60.00	180.00	60.00			180.00 CR
4	24-Jan	60.00	240.00	60.00			240.00 CR
5	31-Jan	60.00	300.00	60.00	-260.00	-260.00	40.00 CR
6	7-Feb	60.00	360.00	60.00			100.00 CR
7	14-Feb	60.00	420.00	60.00			160.00 CR
8	21-Feb	60.00	480.00	60.00			220.00 CR
9	28-Feb	60.00	540.00	60.00	-260.00	-520.00	20.00 CR
10	7-Mar	60.00	600.00	60.00			80.00 CR
11	14-Mar	60.00	660.00	60.00			140.00 CR
12	21-Mar	60.00	720.00	60.00			200.00 CR
13	28-Mar	60.00	780.00	60.00	-260.00	-780.00	- Clear
14	4-Apr	60.00	840.00	60.00			60.00 CR
15	11-Apr	60.00	900.00	60.00			120.00 CR
16	18-Apr	60.00	960.00	60.00			180.00 CR
17	25-Apr	60.00	1,020.00	60.00	-260.00	-1,040.00	-20.00 DR
18	2-May	60.00	1,080.00	60.00			40.00 CR
19	9-May	60.00	1,140.00	60.00			100.00 CR
20	16-May	60.00	1,200.00	60.00			160.00 CR
21	23-May	60.00	1,260.00	60.00			220.00 CR
22	30-May	60.00	1,320.00	60.00	-260.00	-1,300.00	20.00 CR
23	6-Jun	60.00	1,380.00	60.00			80.00 CR
24	13-Jun	60.00	1,440.00	60.00			140.00 CR
25	20-Jun	60.00	1,500.00	60.00			200.00 CR
26	27-Jun	60.00	1,560.00	60.00	-260.00	-1,560.00	- Clear

7 ALTERATIONS TO PRSA CONTRIBUTIONS

Throughout the life of the PRSA policy, contributors may decide to make alterations to the contribution levels. Contributions can be increased or decreased and special once off contributions can be made.

Because things never stay the same, (people leaving employment, taking career breaks etc), contributions may be suspended and reactivated at a later date. Changes to how much employers and employees pay as a percentage of the total PRSA contribution can also occur.

How to make alterations:

Payroll Deduction Authority (as outlined previously)

When we receive a new Payroll Deduction Authority, Irish Life will write to your employees confirming any alterations.

8 SPECIAL ARRANGEMENTS FOR ONCE-OFF CONTRIBUTIONS

There may be occasions where you wish to pay a special once-off contribution into your employee's PRSA. Payment of such contributions must be in the form of a cheque or draft together with a Payroll Deduction Authority. We will request any supplementary information we may need directly from the employee.



Important:

Payment of once off contributions cannot be facilitated by direct debit.

Payment must be in the form of a cheque or draft.

9 WHAT IF AN EMPLOYEE COMES DIRECTLY TO US?

While our preferred option is to route any contribution queries through the work-site, especially in those cases that involve employer contributions, there will be occasions when the employee contacts us directly. If the query relates to any issue that effects the contribution level, we will request the employee to route it through you. Remember to use the Payroll Deduction Authority or our Invoice/Receipt to notify us of such alterations. The use of these forms will ensure that administration is kept to a minimum, while at the same time keeping you in control of the deduction process.

10 WHAT HAPPENS IF IRISH LIFE CANNOT COLLECT CONTRIBUTIONS FROM YOUR BANK ACCOUNT?

Despite your best intentions, a direct debit might fail for a number of reasons, such as insufficient funds or incorrect bank account details.

If Irish Life do not receive payment on the due date, we will:

- Write to you, to let you know.
- If the contribution is still outstanding after 21 days from the end of the month in which contributions are deducted, we will notify the Pensions Authority (this is a requirement under the Pensions Act 1990).
- We will also write to your employee to let them know that the contribution has been unpaid.

If contributions are unpaid for 2 months, we will:

1. write to you to let you know that we will not collect any more direct debits.
2. write to your employee to let them know that we will not collect any more direct debits unless advised otherwise.

It is important to keep Irish Life informed of any changes that can occur (e.g. advising us of new bank account details), as this will ensure the transfer of funds can run smoothly.

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SUMMARY OF THE IMPORTANT POINTS

To ensure the smooth running of your payroll deduction facilities, please note the following.

1. Contributions are to be made by variable direct debit only. Standing orders are not supported.
2. We will ensure that we will not change any direct debit amount without your knowledge, and we will write to you to let you know of any alterations.
3. Advise us of your nominated pay date. Be aware of constraints, such as the Pensions Authority reporting requirements.
4. Agree with employees as to the level of contribution. (You may need to check if an employer contribution will be added.) Remember to complete a Payroll Deduction Authority and hand it to the Financial Adviser for all cases. Modify your payroll system as required.
5. This payroll deduction facility is for PRSAs only. No other products can be facilitated.
6. Ensure that PRSA contributions made by your employees (and you if applicable) are lodged into a current account. (Do you need to set one up for this purpose?)
7. Deductions must be for a fixed amount and not a percentage of salary. Be aware of our procedure following unpaid direct debit outlined in Section 9
8. The PRSA is a contract between the employee and Irish Life. Therefore, Irish Life will be restricted to only discussing issues relating to contribution payments with you.
9. Don't forget to use the Invoice/Receipt when confirming deduction and remittance amounts to us every month (This will help to fulfil your obligation to notify us of these deductions in writing under the Pensions Act 1990).

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SAMPLE OF FORMS

A sample of the following forms are on the next page:

- Appointing a PRSA provider
- Payroll deduction form



APPOINTING A PRSA PROVIDER

**FIELDS MARKED
WITH MUST BE
COMPLETED**

Excluded employees are:

- All your employees if you do not offer a pension scheme; or
- If you offer a pension scheme, any employee who is not eligible to join that scheme and who would not become eligible, under the rules of the scheme, within six months of the date he or she started working for you.

This is a contract between you and us, Irish Life Assurance plc, under section 121 of the Pensions Act, 1990 as amended.

Under this contract, you appoint us to provide Personal Retirement Savings Accounts (PRSAs) for you under section 121 of the Pensions Act, 1990 as amended. We are an approved PRSA provider and our products have been approved by the Pensions Authority and Revenue Commissioners.

You must give us, or those acting for us, reasonable access to excluded employees (as defined opposite), at the work place, for the purpose of setting up standard PRSA contracts. You must also allow excluded employees reasonable paid leave (at a time which fits in with the demands at work) so they can make arrangements to set up a standard PRSA.

You must set up a payroll deduction facility to allow us to collect excluded employees' contributions. We will not use the direct debit instruction you gave us to make deductions from your bank account without first getting permission from you. The employee does not have to pay his or her contribution through the payroll deduction facility. Contributions can be paid from the employee's personal bank account or by any other method agreed with us.

Nothing in this contract prevents us (or anyone acting for us) from offering a PRSA other than a standard PRSA to excluded employees. You must provide the same payroll deduction facility for other PRSAs.

We are not responsible for meeting any obligations you have under the Act to set up and manage PRSAs, including PRSAs that are not standard PRSAs. You or we may end this contract by giving the other at least two months' notice in writing. We can also end this contract immediately if you do not keep to your obligations under relevant law or any agreement between you and us.

We have the right to alter this contract if this is necessary to keep to any new law.

Your address:

Name (IN BLOCK CAPITALS) of the person authorised to sign for you:

Job Title:

1 As appears on the company letterhead or as received from the Company Registration Office.

2 As appears on P30.

Please tick **ONE** of the boxes below. Are you:

a. A company? ☐ If you tick either a or b, please give us your Employer Tax

b. A sole trader with a registered trading name? ☐ Reference Number **1**

c. An ordinary sole trader? ☐ If you tick c, d or e, please give us your Tax Reference

d. Self-employed? ☐ Number **2**

e. A state organisation? ☐

Signature of person duly authorised to sign for and on behalf of the employer:

Date: / /

Signature for and on behalf of Irish Life Assurance plc:

David Harney, Director, Irish Life Assurance plc, Irish Life Centre, Lower Abbey Street, Dublin 1.



IRISH LIFE PRSA PAYROLL DEDUCTION AUTHORITY

Version 4

Section 1 To be completed by the employee and retained by the employer

I request that all my PRSA contributions are altered to € per week/fortnight/month (please delete as appropriate). I authorise my employer to make the necessary deductions from my salary and to notify Irish Life accordingly. I understand that any alterations to my PRSA will take effect in the month following the month of payroll deduction.



Please sign and date

Signed (employee)

Employee payroll number Date / /

Section 2 Irish Life PRSA Payroll Deduction Authority

To be completed by the Employer for each employee in respect of any new or changed deduction arrangements

Important: Completion of this form signifies that the deductions described have already been (or will be) put into effect by the employer without further confirmation from Irish Life. The PRSA will be started/modified to reflect these payroll deductions.

Company details (Please complete in BLOCK CAPITAL)

Name

Address

Company registered no. or Employer Tax Ref. no (whichever is applicable)

Name of employee

Employee payroll no.

Irish Life PRSA no. or ☐ tick if a NEW member

NB: PRSAs only please - no other policy types are payable by payroll deduction

Type of change

Please tick one

☐ New/Revised deduction

☐ Resume deductions

☐ Cease deductions until further notice

☐ Suspend deductions until / /

☐ Once-off single contribution

If new, revised, resumed deduction	
To be paid by Employer	€ <input type="text"/>
To be paid by Employee	€ <input type="text"/>
Total	€ <input type="text"/>
per week	<input type="checkbox"/>
per fortnight	<input type="checkbox"/>
per month	<input type="checkbox"/>

If once-off single contribution	
Employer	€ <input type="text"/>
Employee	€ <input type="text"/>

Effective payroll date

Date on which payroll deductions are to take effect / /

Note: In the month following the month of payroll deduction:

1 The requested changes to Irish Life PRSA plans will be processed.

2 The corresponding direct debit adjustment on the Employer's bank will take effect.

Payroll administrator details



Please sign

Signed ☒ Person nominated to administer payroll deduction
Signature of person duly authorised to sign for and on behalf of the employer.

Contact phone number

E-mail address

Note
Cheques for single contribution should be made payable to 'Irish Life Assurance plc'.
Single contributions cannot be paid by direct debit.

Alterations to existing arrangements will be reflected in the next available direct debit to your bank.



SEPA Direct Debit Mandate

Please complete all the fields below marked * and return this mandate to the Creditor

UMR

Creditor Identifier

Name and address of the payer:

* Customer (Debtor) Name

Customer (Debtor) Address

* Customer (Debtor) Bank Identifier Code (BIC)

* IBAN

Type of payment Recurrent ☒ or One Off Payment ☐

Creditor's name and address

By signing this mandate form, you authorise (A) Irish Life to send instructions to your bank to debit your account and (B) your bank to debit your account in accordance with the instruction from Irish Life. As part of your rights, you are entitled to a refund from your bank under the terms and conditions of your agreement with your bank. A refund must be claimed within 8 weeks starting from the date on which your account was debited. Your rights are explained in a statement that you can obtain from your bank.



Please sign and date

* Signature(s)

* Date of signing

For Irish Life Information purposes only

Plan Number (max 18 characters)

Person(s) on whose behalf payment is being made

Direct Debit collection date of the month (1st to 28th only)

Payment frequency Monthly ☐ Quarterly ☐ Half Yearly ☐ Yearly ☐



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SOME USEFUL CONTACTS

Irish Life Customer Services

Irish Life Centre
Lower Abbey Street
Dublin 1

Tel 01 704 1010
Fax 01 704 1900
E-mail: customerservice@irishlife.ie
www.irishlife.ie

The Pensions Authority

Verschoyle House
28/30 Lower Mount Street
Dublin 2

Tel 01 613 1900
Fax 01 631 8602
www.pensionsauthority.ie



In the interest of customer service we will record and monitor calls.

NOTES

NOTES

PENSIONS
INVESTMENTS
LIFE INSURANCE



Irish Life

CONTACT US

PHONE: 01 704 1010
8am to 8pm Monday to Thursday
10am to 6pm on Fridays
9am to 1pm on Saturdays

FAX: 01 704 1900

EMAIL: customerservice@irishlife.ie

WEBSITE: www.irishlife.ie

WRITE TO: Irish Life Assurance plc, Irish Life Centre, Lower Abbey Street, Dublin 1.

In the interest of customer service we will monitor calls.

Irish Life Assurance plc, Registered in Ireland number 152576, VAT number 9F55923G.

Irish Life Assurance plc is regulated by the Central Bank of Ireland.

Information correct as of September 2017, but may change.

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