



Personal Retirement Savings Account

Frequently Asked Questions

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Introduction

To help build income for your retirement, both you and your employer can make regular contributions to your Personal Retirement Savings Account (PRSA).

You can choose how to invest this money and how the accumulated value of the PRSA that you build up will be used to provide you with retirement benefits.

The greater the amount paid into your PRSA while you are working, and the better the investment returns achieved, the higher your benefits will be when you retire.

Who's Who

Name	Details
Employer	PayPal Europe Services
Administrator & PRSA provider	Irish Life
Investment Manager	Irish Life
Pension Consultant	Mercer
Member Helpline	Mercer-elect@mercerc.com Phone 01 4118444

Joining the Personal Retirement Savings Account (PRSA)

1. When can I join the plan?

Once you are an employee of PayPal, you can join the PRSA

2. What type of pension plan is available?

The plan is known as a “Personal Retirement Savings Account” (PRSA).

A PRSA is a pension savings plan to which both you and PayPal make four weekly payments. The accumulated value is then used to provide you with benefits on retirement.

3. What contributions will I need to pay?

- PayPal will match any contribution you make up to 7% of basic salary as outlined on the table below.
- Total remuneration over €115,000 is treated as €115,000 for the purposes of calculating maximum contributions

Employee Contribution	Employer Contribution	Total invested in your plan
1%	1%	2%
2%	2%	4%
3%	3%	6%
4%	4%	8%
5%	5%	10%
6%	6%	12%
7%	7%	14%
8%+	7%	15%+

- **Company contributions do count against these limits**

4. I would like to join - where do I get the forms?

The forms are available from

- Bridge site
- Mercer-elect@mercer.com

5. How do I join?

You must complete

- Mercer PRSA Fact Find and
- Irish Life Employee Application Form in order to join the plan.

6. Where do I send the forms?

Please scan the forms and email

Mercer-elect@mercer.com

OR

Post to Mercer Elect, Charlotte House, Charlemont Street, Dublin 2

During Covid 19, restrictions if you are unable to sign the forms please contact us and we can arrange a digital signature via DocuSign.

7. What information will I get when I join?

Initially you will receive a Preliminary Disclosure Certificate, which will outline information about your PRSA policy and a projected level of benefits in broad terms. This is included as part of the new member pack that is issued.

Once a member your member certificate will be posted to your home address to confirm your membership, going forward a half-yearly Benefit statement will be issued.

In addition, you will have access to your policy on line by registering through the Irish Life on line facility <https://www.pensionplanetinteractive.ie/empower/login>

8. What happens if I do not join the plan?

You may choose not to join the PRSA, however if you do so you will not benefit from the contributions that PayPal are willing to make on your behalf and on the tax incentives available for retirement savings.

9. Is it a good idea to join the Personal Retirement Savings Account (PRSA) if I only intend to stay in Ireland for a few years?

Yes, for the following reasons:

- Your employer is contributing too and matching any contribution, you make up to 7% of salary. Therefore, by not joining you are missing these contributions.
- Your contributions receive tax relief as outlined in the table on page 7 so it does not cost you the full amount.
- Investment returns in the PRSA are exempt from Irish income tax and capital gains tax. This helps the funds grow at a much faster than if tax had to be paid on returns earned.

Contributions and Tax Relief

1. How does the tax relief work?

We have outlined an example below

If you pay tax @ 40%		If you pay tax @ 20%
€200	Total investment in your pension	€200
€100	PayPal contribution	€100
€100	Your contribution	€100
-€40	Less Tax Relief Saved	-€20
€60	Actual Cost to you	€80

2. Are there limits to what I can pay into the plan and get tax relief on?

The maximum total pension contribution set down by the Revenue on which you can receive tax relief is age dependent as follows:

Age Reached During the Tax Year	% of Total Earnings Allowed for Tax Relief
Under 30 Years of Age	15%
30 – 39	20%
40 – 49	25%
50 – 54	30%
55 – 59	35%
60 and over	40%

The maximum salary that can be used for the purpose of pension contributions is €115,000. Any employer contribution payable counts towards these limits.

3. Can I change my contributions?

You can increase, decrease, stop and start your contributions at any time. Please contact mercerelect@mercerc.com if you wish to alter your contributions.

Any alteration will be made on the next available payroll run.

However you should note that a change in your pension contributions may also result in a change in the pension contribution PayPal are paying on your behalf

4. How can I check my current contribution rates?

There are a number of ways you can check your current rates as follows

- Your pay slip
- You can register on <https://www.pensionplanetinteractive.ie/empower/login> and view all details of your pension fund including contributions and fund values

5. How can I check my savings to date?

You can register on <https://www.pensionplanetinteractive.ie/empower/login> and view all details of your pension fund including contributions, fund values and previous PRSA statement issued.

6. How can I pay in a lump sum?

You may pay in a lump sum at any time (subject to the limits outlined above.) Any cheque or electronic fund transfer (EFT) should be made payable to Irish Life. . You will also need to submit a tax return to your local Inspector of Taxes in order to obtain the tax relief due on this amount.

7. Can I opt out and rejoin the scheme whenever I wish?

You may opt out and rejoin at any time. You should inform mercerelect@mercerc.com and arrangements will be made on the next available payroll run.

Investment - Funds Choices

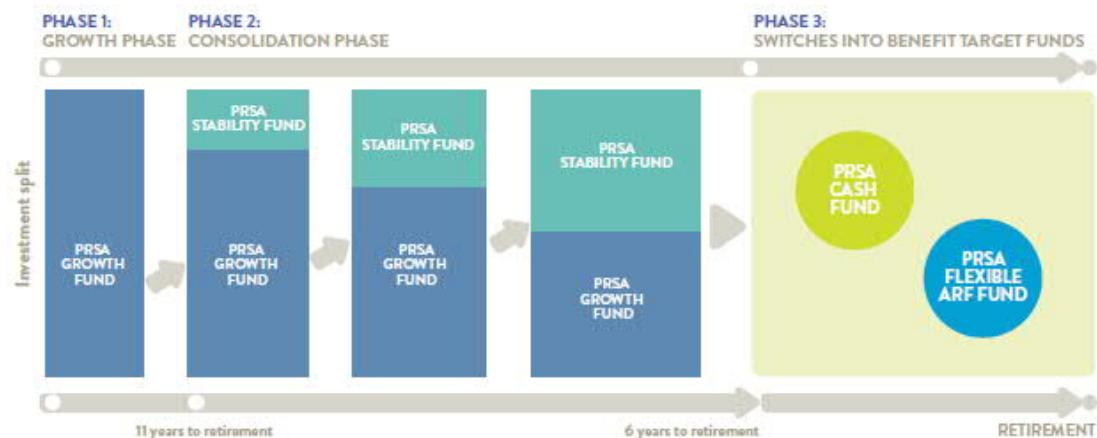
1. Where will the contributions be invested?

All contributions will be invested in your chosen fund with Irish Life.

2. What investment funds are available under the plan?

There are two options available to choose from

Default Investment Strategy - known as the Personal Lifestyle Strategy. This strategy consists of three phases, which span the years of your pension savings. It starts from the moment you join the strategy up to your retirement date.



Phase 1 puts you in funds suitable to achieve investment growth while at the same time balancing investment risk. Initially you will be completely invested in the PRSA Growth Fund

Phase 2 with 11 years to retirement Irish Life will start to gradually move part of your fund into the PRSA Stability Fund. This helps to protect your pension fund against volatile markets

Phase 3 moves your pension fund into funds that will be most suitable for how you are most likely to use your PRSA savings upon reaching retirement. For example, you may take a lump sum benefit and keep part of your fund for a post retirement investment. Depending on your individual circumstances, Irish Life will switch your savings into investment funds that target the benefits most suitable to you.

OR

Self Select. If you are comfortable making investment, decisions you may wish to adopt this approach and select (up to a maximum of five funds) from the following

- PRSA Cash Fund
- PRSA Pension Stability Fund
- PRSA Flexible Fund
- PRSA Fixed Interest Fund
- PRSA Consensus Cautious Fund
- PRSA Pension Protection Fund
- PRSA Pension for Life Fund
- PRSA Active Managed Fund
- PRSA Consensus Fund
- PRSA Consensus Plus Fund
- PRSA Equity Fund
- PRSA Indexed North American Equity Fund
- PRSA Indexed 50/50 Equity Fund
- PRSA Indexed European Equity Fund
- PRSA Indexed Global Equity Fund
- PRSA Indexed Japanese Equity Fund
- PRSA Indexed UK Equity Fund
- PRSA Indexed World Equity Fund
- PRSA Indexed Pacific Equity Fund

Further information on all funds is available

<http://www.irishlifecorporatebusiness.ie/investment-documents?fund=prsa-funds>

3. Can I switch between funds and is there a cost for this?

Yes, you can switch your funds at any time and can avail of six free fund switches per annum.

4. Can I switch funds online?

Yes – it is possible to switch online. You must be registered on

<https://www.pensionplanetinteractive.ie/empower/login>

5. Could the value of my pension fund be less than the contributions I have paid?

Yes – depending on the investment fund, you choose and how markets have performed during the time that you were in the PRSA.

6. Can I choose which stocks are bought?

No – Irish Life are the investment managers to the PRSA plan and they determine the asset allocation and what stocks are purchased.

7. Should the stock market crash are our funds guaranteed?

The fund are not guaranteed. There are a number of funds available depending on what level of risk you wish to take.

8. What the management costs on the funds?

The annual management fee is 0.75% for all funds. There are no charges on contributions paid into the plan.

9. How do the charges under the plan compare to individual plans that I could take out?

The charges under this plan will be substantially lower than under a standard individual policy.

Benefits at retirement

1. How much will I get when I retire?

In a PRSA the benefits you receive when you retire are based on the following

- Contributions paid by you and PayPal.
- The investment returns received over your time in the pension plan.
- The cost of buying a pension at retirement.

It is vitally important to ensure that you are paying sufficient contributions in order to have an adequate income when you retire. Your bi-annual Benefit Statement sets out the likely level of income you will have when you retire.

2. What options are open to me at retirement?

The following options are open to you on retirement

- **Tax Free Cash lump sum** (typically 25% of the fund value) and / or

- **Annuity (Pension income at retirement)**

When you retire, some or all of your pension fund may be used to purchase a lifetime retirement pension, which is also called an annuity.

The purpose of this pension annuity is to provide an income for the rest of your life, no matter how long you live.

An annuity suits those who have a low appetite for risk and demand certainty of income in retirement

- **Approved Retirement Fund (ARF)** and/or

An Approved Retirement Fund (ARF) is a personal retirement fund where you can keep your money invested after retirement as a lump sum.

With an ARF, you manage and control your retirement fund and can invest it in a wide range of different investment funds.

You can withdraw from it regularly to give yourself an income, on which you pay income tax, the Universal Social Charge (USC) and PRSI (if you are liable for this).

Any money left in the fund after your death will pass to your estate.

- **Approved Minimum Retirement Fund (AMRF)**

AMRF stands for an Approved Minimum Retirement Fund. It is similar to an Approved Retirement Fund (ARF) in many ways, except for the fact that you can only make limited withdrawal from your AMRF as set by legislation.

3. Can I retire early?

Yes, you may retire early under current revenue rules once you have reached age 50 and have left the employment of PayPal. Retirement benefits are paid as per Q2 above.

4. Is this pension in addition to the state pension?

Yes. The Irish State Retirement Pension is currently not linked in any way to private pension entitlements.

5. Am I taxed on my pension annuity or drawdown from an ARF?

Your pension or drawdown from an ARF is income in retirement. Depending on the amounts it may be subject to tax, PRSI and USC under the PAYE system.

In retirement, you will receive tax allowances and credits. The rate of tax depends on the size of your pension and any other income you may be entitled to whilst in retirement.

What happens if I leave?

1. What happens if I leave the employment of PayPal?

If you are a member of the PRSA, you have the following options

- you can leave your PRSA fund invested in the PayPal PRSA OR
- transfer your PRSA fund to another pension plan that you are a member of OR
- transfer your PRSA fund to an another PRSA, OR
- if you are over age 50 you may elect to use your PRSA fund to take retirement benefits OR
- You may be able to transfer your PRSA fund to another pension plan abroad

2. What are my options if I leave Ireland and move abroad?

There are two options if you leave Ireland and move abroad as follows

- Leave the existing pension paid up and then access on retirement (refer to section – Retirement Benefits above) The retirement benefits can be paid abroad.
- Transfer pension – In some cases it may be possible to transfer your PRSA fund abroad.

Should you wish to transfer your PRSA fund to an overseas pension arrangement it must be treated on a case-by-case basis, because of the differences in the laws governing pension plans from one country to the next.

In order to determine this, the PRSA provider may ask you to provide copies of the overseas plan's legal documentation (in English) and to provide the contact details of the overseas plan provider/administrator, or any other information, which they deem necessary in order to process the transfer.

3. Are there any fees in making the transfer?

There are no taxes or fees arising on transfer from Ireland, although there may be some tax liabilities in the country you transfer to.

4. How long will it take to transfer my pension benefits?

Due to these requirements, an overseas transfer can be a lengthy process, particularly where the transfer has been requested to a jurisdiction where local law and plan information is unfamiliar.

5. Will I have online access to my PRSA plan if I leave?

Yes, you can still view your PRSA on www.pensionplanetinteractive.ie. It is important to advise Irish Life of an active email address so that you can access your account online.

6. Who do I contact for further information?

If you are planning to transfer, please contact Mercer-elect@mercer.com

7. How will I be kept informed about my PRSA?

You will continue to receive a PRSA statement from Irish Life half yearly so it is important to ensure Irish Life have your most up to date home address.

What happens if I die?

1. What happens if I die?

If you die whilst you are an employee of PayPal a death benefit of 4 times basic salary would be payable to your dependents or estate.

In addition the value of your PRSA fund at the date of death would also be payable to your estate subject to Revenue limits.

If you are not an employee of PayPal at the date of death then the value of the PRSA would be payable to your estate subject to Revenue limits.

2. What happens in the event of death after retirement?

If you die after retirement, this will depend on the choices you made when drawing your benefits at retirement.

Transfers in

1. Can I transfer my previous pension to the PayPal's PRSA?

Yes but there are certain conditions. Please contact mercerelect@mercerc.com for more details.

2. If I have my own pension plan, will the company contribute to this instead of the company plan?

No – in order to receive your employer's contribution you must join the PayPal PRSA

Further information

1. Where can I go to get more information on the plan?

Further information is available from

- Bridge Site
- Mercer-Elect@mercer.com or phone 01 4118444
- <https://www.pensionplanetinteractive.ie/empower/login>
- <https://www.irishlifecorporatebusiness.ie/investment-documents?fund=prsa-funds>

2. What facilities are available to allow me to keep track of my pension plan?

Once you have joined, the PRSA Irish Life will provide you with:

- A member certificate to confirm your membership
- A bi-annual benefit statement. These are issued in February and August each year.
- On-line access to their Pension Planet Interactive facility.
<https://www.pensionplanetinteractive.ie/empower/login>

This allows members to check contributions paid, fund values, fund choice and fund performance. It also contains a Document Library where all Benefit Statement will be stored.

3. Can you explain the benefit statement?

I have provided a link to short video which explains the statement in more detail.

