

# Davy Executive Pension Portfolio

The Davy Executive Pension Portfolio ('EPP') is a tax efficient occupational pension scheme which is set up under trust for the benefit of a single member. Contributions made by you and the company will qualify for tax relief (within certain limits). All Davy EPPs are approved by the Revenue Commissioners and registered with the Pensions Authority.

## The Davy EPP Service:

- ▶ Approved by the Revenue Commissioners
- ▶ Full **administration** services
- ▶ Access to the Davy **retirement planning service**
- ▶ Access to the Davy **investment platform**

With a Davy EPP, you will be given access to a wide range of asset classes, including:

<b>CASH</b>	<b>BONDS</b>	<b>EQUITIES</b>
<b>PROPERTY</b>	<b>PRIVATE EQUITY</b>	<b>ALTERNATIVES</b>

In addition, you can also invest with other investment managers through your EPP. The selection of investments must be in line with Revenue pension investment guidelines.

## Eligibility

In order to qualify for an EPP, you must be an employee or director of a company in receipt of Schedule E remuneration for income tax purposes.

## Who contributes to my EPP?

Both you and your employer can contribute to your EPP. As a condition of Revenue approval of the scheme, your employer is obliged to make a 'meaningful' contribution.

## Contributions

The maximum contributions that can be paid to your Scheme by you and/or your employer will depend on your personal circumstances including company service and salary and may be restricted by Revenue limits.

Subject to the above, there is no limit to how much you can contribute but tax relief on contributions is restricted. Only contributions paid by you will be considered for the purposes of determining maximum contribution limits for tax relief purposes.

You will receive full income tax relief at your marginal rate on contributions within the limits set out in the table opposite.

Age in Tax Year	Maximum Contribution as a % of Net Relevant Earnings*
Under 30	15%
30-39	20%
40-49	25%
50-54	30%**
55-59	35%
Over 60	40%

Source: Davy

**\* Net Relevant Earnings:**  
Earnings from a trade, profession, office or employment which are subject to income tax. Net relevant earnings are capped at €115,000 for 2014. (Part 30 of the Taxes Consolidation Act (TCA) 1997 as amended.)

\*\*The rate of 30% applies to certain specified occupations irrespective of age.

Your company can make contributions on your behalf. Such contributions are not subject to tax in the hands of employees and are not considered for the purposes of determining maximum personal contribution limits for tax relief purposes.

## Transfers In

Transfers can be accepted from other pension arrangements including:

- i. Other Occupational Pension Schemes;
- ii. Retirement Bonds;
- iii. Personal Retirement Savings Accounts ('PRSAs');
- iv. Retirement benefits established outside of the State to the extent that transfers are permitted from that Scheme.

## Transfers Out

The full value of your Davy EPP is available to transfer to another pension arrangement such as:

- i. An Occupational Pension Scheme;
- ii. A PRSA (subject to certain restrictions);
- iii. A Retirement Bond.
- iv. Arrangements for the provision of retirement benefits established outside of the State to the extent that transfers are permitted to that Scheme.

There are no exit penalties for transferring your benefits out of the EPP.

## Benefits

You can normally start taking your benefits from age 60 (and up to age 70). In certain circumstances, you can take benefits earlier such as if you retire from employment at age 50 or over or if you can no longer work because of a serious illness or disability.

The amount of your benefits on retirement depends on the value of your fund which will depend on the level of contributions paid and the investment return earned on those contributions. The Davy EPP offers flexible retirement options.

You are entitled to take benefits in one of two ways:

### Option 1

- ▶ A once-off lump sum of up to one and a half times final salary\*;
- and
- ▶ The balance of the fund must be used to purchase an annuity.

### Option 2

- ▶ A once-off lump sum of up to 25% of the value of the assets\*;
- and
- ▶ The balance of the fund must be transferred to an Approved Retirement Fund ('ARF').

*\*The first €200,000 of a lump sum is tax free and the next €300,000 is subject to tax at the standard rate (20% at January 2015). The maximum*

*lump sum is subject to the limits applicable to your occupational or statutory scheme and limits set down by the Revenue Commissioners.*

## Death Benefits

The value of your fund at death may be used to provide the following benefits:

- ▶ A tax free lump sum of up to four times final salary is payable to your Estate; and/or
- ▶ The balance of the fund (if any) is used to secure an annuity for your spouse or dependants.

## Risks

The value of your investment may go down as well as up. You may lose some or all of the money invested. Past performance is not a reliable guide to future performance. The EPP may be invested in particular securities, such as stocks or bonds, which can fall in value at any time due to the value in global stock markets.

There is no guarantee that the EPP will meet its objectives of providing for your longer term income needs.

In most cases, you cannot access your Executive Pension Portfolio before your Normal Retirement Age (i.e. at retirement).

## Charges

- i. There are no set up charges.
- ii. There are no contribution or transfer charges.
- iii. For Execution-Only accounts, there will be an annual dealing charge for any number of transactions, subject to overseas charges for non-Irish/non-UK listed instruments.

In all cases, other charges apply.

Full information on fees and charges is available at <http://www.daviselect.ie/charges/fees-and-charges.html>

**WARNING: The information contained herein is in line with current Irish Pension legislation and Revenue guidelines. It is not comprehensive and is for information purposes only. The information is subject to change without notice and is not a substitute for professional advice. Please consult your professional advisor for the rules that apply in your individual circumstances. This is not applicable to UK residents.**

**The information contained herein does not purport to be comprehensive, all inclusive or to contain all of the information that a prospective investor might reasonably require in considering the Investment. It is strictly for information purposes only and must be read in conjunction with your Application Pack. No one in receipt of this document shall treat any of its contents as constituting advice or a recommendation in any way.**

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**The information on this factsheet is summary information only. Full information is set out in the relevant application pack.**

## Davy Select

Davy House, 49 Dawson Street, Dublin 2, Ireland

Phone **1890 30 30 30**

Email [daviselect@davy.ie](mailto:daviselect@davy.ie)

[www.daviselect.ie](http://www.daviselect.ie)

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