

Self Invested Personal Pension



Product providers for financial advisors



.....A simple guide to securing your future

Who are we?

Wealth Options Ltd. is a leading distributor of innovative products to the Irish financial services industry. We were established in 2003. We source, produce and promote a diverse range of products to Ireland's independent financial broker network. Our customers are financial brokers, financial advisors and other intermediaries who are authorised to give advice to consumers by the Central Bank of Ireland. Wealth Options has already established a reputation for introducing innovative investment products aimed at individual, corporate, and institutional customers. We distribute a wide range of self administered pension products which will appeal to employees, company directors, the self employed and people who have retired.

We fundamentally believe in the value of independent advice and we strongly recommend that if you are reading this document that you also consult your financial broker.

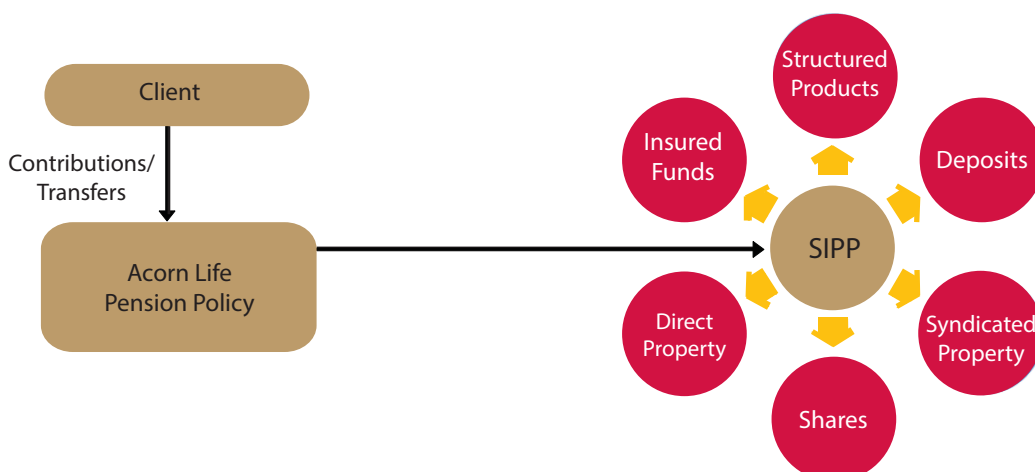
Background

For the self-employed, a Self Invested Personal Pension (SIPP) should be a consideration for the individual who wants control and choice of investments to fund for their retirement.

A SIPP provides a tax-efficient environment in which earnings can be invested to provide retirement benefits for the self employed. Also, if you are an employee, but not a member of your employer's pension facility, then the responsibility is yours for your retirement.

A SIPP gives you the opportunity to maximise your pension funds prior to retirement by giving you control over your investments. Unlike other pension schemes you can control and choose your investments. The range of investment options are extensive and include things like: property, structured deposits, direct investment in stocks and shares etc...

Self Employment SIPP Structure



What is a Self Invested Personal Pension?

A Self Invested Personal Pension (SIPP) is a personal pension set up for the self employed and individuals in non pensionable employment. This is a flexible arrangement with a transparent charging structure.

Acorn Life Limited provide the pension contract and Wealth Options Trustees Limited (WOTL) administer the exempt unit trust which holds your SIPP investments on your behalf providing all ongoing services e.g. annual accounting and valuations etc.

Your financial broker will be able to assist you in putting in place a suitable investment portfolio for your SIPP.

Who are the parties to the SIPP?

You - the Beneficial Owner

You are the beneficial owner of the SIPP. You give instructions as to where you want your pension money invested.

Acorn Life Limited

Acorn Life Limited provides the self employed pension contract that you need in order to access the unit trust and invest in assets that you want.

Wealth Options Trustees Limited

Wealth Options Trustees Limited is a Revenue approved Pensioner Trustee and will administer the unit trust on behalf of you and Acorn Life Limited. They provide all the legal documentation required to set up the unit trust, and provide all ongoing services e.g. annual accounting and valuations etc.

What are the Tax benefits of a SIPP?

A SIPP is established under a pension contract. This provides the member with considerable tax advantages as follows:

- 🔄 Your contributions qualify for tax relief (subject to limits)
- 🔄 Investments grow free from Capital Gains Tax and Income Tax*
- 🔄 Deposits grow free from DIRT Tax
- 🔄 A tax-free cash lump sum can be taken at retirement
- 🔄 Any balance can be transferred into an Approved (Minimum) Retirement Fund

*Tax treatment of overseas investments will depend on tax rules applying in the jurisdiction where the investment is made, and how the investment is structured.



Types of Investments

Here are some examples of what investments can and cannot be made by your SIPP. These are not exhaustive lists but give you an indication of the flexibility and range of your investment choice under a SIPP. With some of the investments there are specific Revenue rules which you can discuss with your financial broker.

Authorised Investments

- 🌀 Approved property
- 🌀 Land
- 🌀 Property syndicates
- 🌀 Quoted equities on recognised worldwide stock exchanges
- 🌀 Gilts, bonds and fixed interest stocks
- 🌀 Investment trusts
- 🌀 Unit trusts
- 🌀 Insurance company funds
- 🌀 Bank and building society deposits
- 🌀 Offshore managed funds
- 🌀 Loan notes

Prohibited Investments

- 🌀 Holiday homes for personal usage
- 🌀 Loans to connected parties
- 🌀 Rare books and stamps
- 🌀 Works of art and antiques
- 🌀 Fine wines
- 🌀 Loans to trustees or their families
- 🌀 Assets that could be used for member personal gain, e.g. golf membership
- 🌀 Furniture and oriental rugs
- 🌀 Yachts and vintage cars
- 🌀 Jewellery and gem stones
- 🌀 Gold bullion
- 🌀 Foreign holiday homes

The seller of any asset must be at arms length from the beneficial owner of the pension fund. If the asset is a property the property must be let, and eventually sold, on an arms length basis and all rents received must be lodged to the pension account. Property development is generally not permitted as the Revenue regard this as trading and not investment.

How are the assets held?

The assets are held in a specific unit trust. They are not held on the balance sheet of Wealth Options Trustees and are separate from any accounts of Wealth Options Trustees Limited. Acorn Life Limited own the units in the unit trust on behalf of the Beneficiary and these units are held on Acorn Life's balance sheet.



Funding the SIPP

Contributions

The maximum contribution that can be made to a SIPP in any one year is determined by Revenue rules and limits. You can benefit from tax relief on the contributions you make, up to a maximum of 40% of your relevant earnings each year, depending on your age*.

For example:

Age	% of Net Relevant Earnings
Under 30	15%
30 - 39	20%
40 - 49	25%
50 - 54	30%
55 - 59	35%
60 + over	40%

* Subject to Revenue limits and conditions. It is important to note tax relief is not automatically guaranteed, you must apply to and satisfy the Revenue requirements.

An earnings cap applies to pension contributions for the purposes of tax relief. Your financial broker will be able to advise you of the earnings cap, which may change every year.

Existing Pension Arrangements

It is likely that you will have existing personal pension arrangements in the form of insured policies with a life assurance company. These funds can be transferred into a SIPP to provide you with investment control of existing funds going forward.

How much does it cost to set up a SIPP?

The cost of running a SIPP is an important factor to everyone. Wealth Options charge a one-off set-up fee and an annual administration fee. The life company will also charge an annual fee. Your financial broker will advise you of the charging structure. All annual fees are charged within the contract.

What are the inheritance considerations?

Death before retirement: Your SIPP assets will be realised upon death and valued based on the realised amounts as at date of receipt of written notification of the death; this value will form part of your estate and be payable to your legal personal representatives.

Death after retirement where you have an Approved Retirement Plan (ARF) in place: your spouse or estate is entitled to the benefits from the ARF. Any draw downs will be taxed.

Death after retirement where an ARF is in place and where your spouse dies: the balance of the ARF forms part of the estate and rules relating to the age of the children affect the Tax position. Your financial broker will explain these to you.

Retirement Options

Normal Retirement Age: You can select a retirement age for the SIPP, between ages 60 and 75 (or earlier in certain limited circumstances).

Tax-free Cash: You may take a lump sum of up to 25% (subject to a maximum tax-free amount of €200,000) of the accumulated fund at retirement. The balance of the fund can be invested in an Approved Retirement Fund under which the retiree can exercise investment control subject to certain Revenue limits.

In Summary Key Benefits of a SIPP

Control

A SIPP allows you to control where the assets are invested. There is an unlimited range of investments* that the beneficiary can choose from.

Security

All assets are held off balance sheet in a specific trust readily identifiable for the beneficiary

Transparency

You can clearly see what assets are in the scheme and what the associated costs are.

Charges

All charges are transparent.

Portable

You can transfer the assets of your SIPP to a self administered Approved Retirement Fund (ARF) without having to liquidate any assets as long as there is sufficient liquidity to pay charges.

The above is based on our understanding of Revenue rules and practice.

*Subject to normal Revenue restrictions

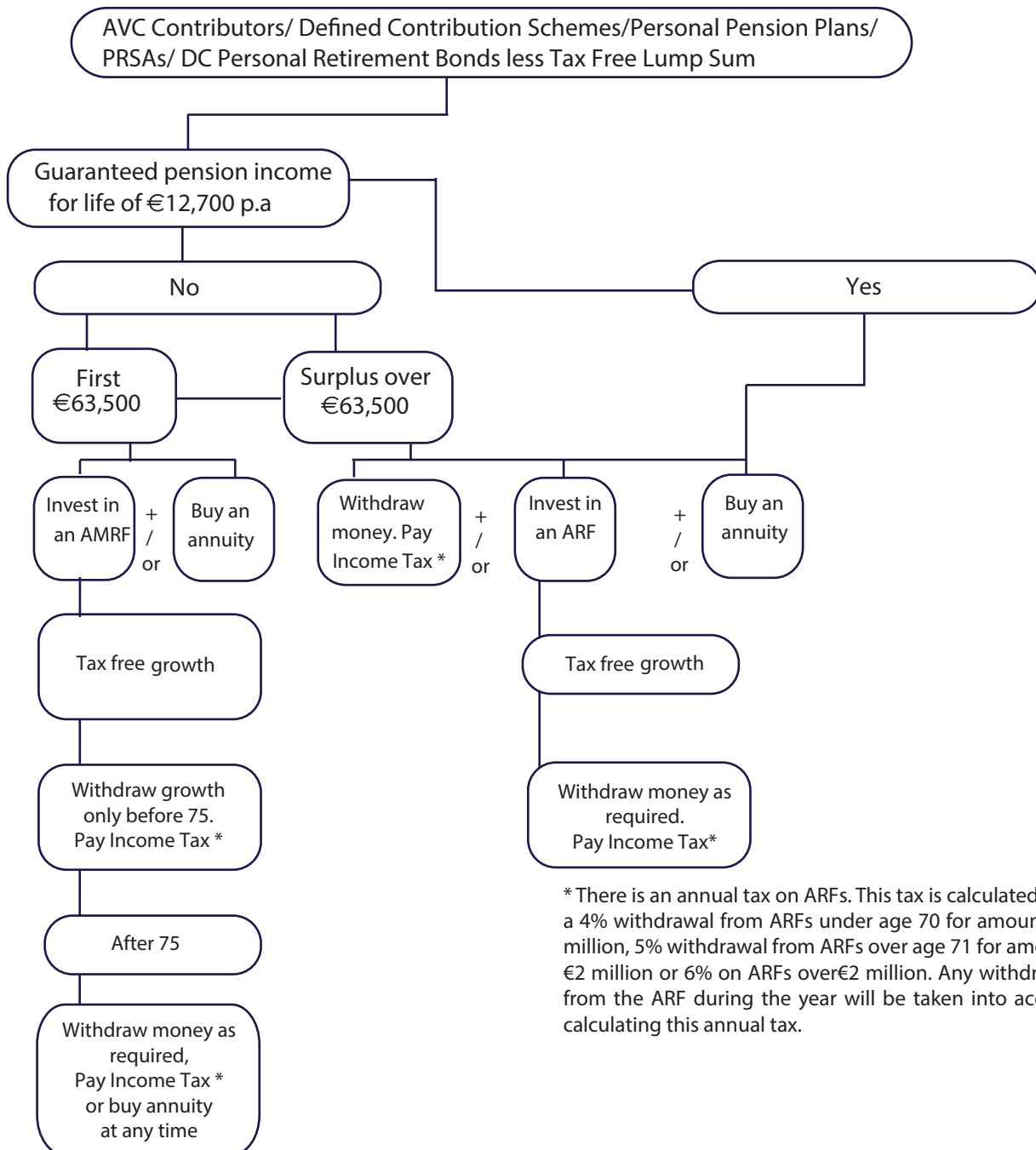


What should I do if I am not happy with my SIPP?

Our aim is to provide you with the best possible service. If you have a complaint about your SIPP, we will try to resolve it to your satisfaction. However, if the complaint is not resolved to your satisfaction you can refer it to the Financial Services Ombudsman. Details of the service provided by the Financial Services Ombudsman may be obtained from www.financialombudsman.ie or Acorn Life. The Financial Services Ombudsman may be contacted at 3rd Floor – Lincoln House, Lincoln Place, Dublin 2. T: 01 662 0899

Warning: Please note that pension money invested in a unit trust is not subject to the investor compensation scheme designed to protect consumers.

Investment Options at Retirement



Whilst great care has been taken in its preparation, this brochure is of a general nature and should not be relied on in relation to a specific issue without taking financial, insurance or other professional advice. If any conflict arises between this brochure and the Acorn Life Limited Policy Provisions, the Policy Provisions will apply. Terms and conditions apply.



Wealth Options Ltd.

Wealth Options distribute a range of financial services from leading product manufacturers exclusively to intermediaries. Wealth Options Limited does not distribute products directly to the public. For further information please contact your financial broker.

Acorn Life Limited

Established in 1989, Acorn Life Limited is licensed under the Insurance Act 1936 and authorised under the European Communities (Life Assurance) Framework Regulations 1994 to transact life assurance business in the Republic of Ireland. Acorn Life Limited is regulated by the Central Bank of Ireland and is a member of Insurance Ireland (www.insuranceireland.eu). It is an independent Irish owned company with its Head Office based in Galway.