Buying an Annuity?

You may be entitled to enhanced rates

When you reach retirement, you will have some important decisions to make. Perhaps the most important decision is how to use your retirement savings to provide a regular income for the rest of your life. Buying an annuity (an income for life) is one option but there may be other options available to you, so it is worth getting financial advice before making any decision. Furthermore, it is worth noting that once you buy an annuity you do not have the option to change your mind.

An annuity can be bought with your retirement savings to provide you with an income for life. Typically, a standard annuity is bought, which does not take into account your specific lifestyle or health circumstances in calculating the amount of monthly income payable to you.

Depending on your circumstances, you may be entitled to a higher income through what is known as an enhanced annuity.

What is an annuity?

An annuity, commonly known as a pension, provides you with security of income for life during your retirement. It is paid monthly into your bank account. It is purchased with some (or all) of the retirement savings you have built up throughout your working life.

An annuity can be an attractive option if:

- **Your pension fund will be your main source of income in retirement**
- **Your main priority in retirement is a secure regular income rather than passing on your fund to your dependants**

The amount of income you receive depends on the size of your pension fund and the annuity rates in force at the time you purchase your annuity.

What is an enhanced annuity?

An enhanced annuity is the same as a standard annuity, except that it takes into account your health status and lifestyle health risks (e.g. smoking) in determining the level of regular income payable to you. With an enhanced annuity you may be entitled to a higher regular income than you would under a standard annuity.

Enhanced annuity vs standard annuity

The examples below illustrate the level of income that an enhanced annuity can provide, given the conditions noted.
A standard annuity would pay each of the following €500 per month.

MOTOR NEURONE DISEASE
Age 60
€602 per month

DIABETES
Age 65
€555 per month

SMOKER
Age 70
€554 per month

taking care of you...

Do you qualify?

The following medical conditions* and lifestyle factors* may mean you are entitled to an enhanced annuity:

- Lifestyle factors (obesity and smoking)
- Diabetes
- Heart conditions (heart attack, coronary artery bypass graft, coronary angioplasty, cardiomyopathy, heart valve replacement, atrial fibrillation, heart transplant)
- Stroke, brain haemorrhage, transient ischaemic attack (TIA) or subarachnoid haemorrhage
- Cancer
- Neurological conditions (multiple sclerosis, Parkinson's disease, Alzheimer's disease, motor neurone disease)
- Respiratory conditions (chronic obstructive airways or pulmonary disease, lung transplant)
- Peripheral vascular disease
- Kidney conditions (chronic kidney failure, kidney transplant)
- Liver transplant

***subject to specified criteria being satisfied**

If you choose an enhanced annuity, it is important that the details you have given us are accurate. We may seek confirmation from your doctor. It is important to note that if the information provided by you is inaccurate, or we cannot verify it within 90 days from the date we request verification, we may reduce your annuity payment to the standard annuity rate and recover any over-payments we have already made.

Personalising your annuity

There are some important options to consider when purchasing an annuity:

Escalation:	You can choose to have your income payments increase at a fixed rate each year, or they can remain level. Choosing to increase your income payments means that your initial income will be lower than the alternative level income on Day 1, but will increase over the term. The aim of escalation is to help your income keep up with inflation over time.
Guaranteed period:	Choosing a guarantee period means that your retirement income will continue to be paid in full to your dependants, even if you die. You can have a guaranteed period (up to a maximum of ten years) starting from when you retire.
Dependant's pension:	A dependant's pension which ensures a specified proportion of your income payments will continue to be paid to your spouse/civil partner after your death in retirement.
Children's pension:	A children's pension pays an income to your children if you (or both you and your spouse) die (subject to policy conditions).
Overlap:	This option is available to you if you have chosen both a guaranteed period and a dependant's pension. The overlap options means that if you die within the guaranteed period, your dependant's pension becomes payable immediately and your full pension continues to be paid until the end of the guaranteed period. 'Without overlap' means that the dependant's pension does not become payable until the end of the guaranteed period.

You can avail of an open market option which means that at retirement, you can choose to buy a pension from a different life company to the one you saved for your retirement with.

To find out more about New Ireland's enhanced annuity offering talk to your Financial Broker or Advisor.