



# PRSA AVCs for members of the Trinity College Model Pension Scheme



## Why PRSA AVCs?

PRSA AVCs are Additional Voluntary Contributions made through a Personal Retirement Savings Account.

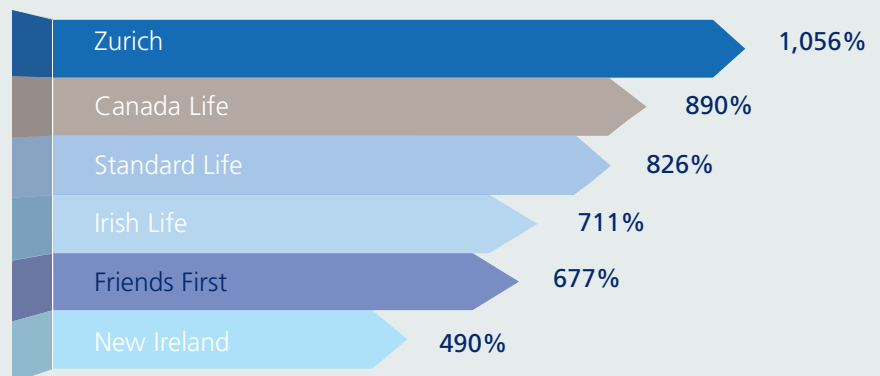
PRSA AVCs are a flexible and convenient method of making additional contributions to help strengthen your retirement benefits.

- Give you control over your choice of funds and provider.
- Tax relief on contributions.
- Potential for a larger tax-free lump sum at retirement.
- Access to an ARF/AMRF at retirement.
- PRSA AVCs are easy to understand and easy to set up.
- PRSA AVCs could help you retire early.
- Trinity College offers deductions through the payroll, with tax relief given at source.

The PRSA AVC provider is Zurich Life.

## Why Zurich Life for PRSA AVCs?

### How do we compare over 25 years?



**Source:** MoneyMate, September 2017. Graph shows the performance of Zurich Life's Balanced Fund versus the best performing fund from each competitor in the Managed Balanced & Managed Aggressive sectors. Figures quoted (01/09/92 to 01/09/17) are gross of Annual Management Charges. Returns are based on offer to offer performance and do not represent the return achieved by individual policies linked to the fund.

**Warning: If you invest in this product you may lose some or all of the money you invest.**  
**Warning: Past performance is not a reliable guide to future performance.**  
**Warning: The value of your investment may go down as well as up.**  
**Warning: Benefits may be affected by changes in currency exchange rates.**

## Scope to make PRSA AVCs and maximise retirement benefits

You can make PRSA AVCs if the benefits that you will receive at retirement from your superannuation scheme and any benefits retained from previous employments, are projected to be lower than the maximum allowed by Revenue. The following are examples of where there will be scope for providing additional benefits:

- **Missing Years**

If you do not expect to have full service, you could use PRSA AVCs to make up part or all of the difference between the maximum allowable tax-free lump sum and the tax-free lump sum based on shorter service.

Likewise, you could use PRSA AVCs to bring your pension up to the maximum allowed by Revenue.

**(Note: If your sole reason for making AVCs is to increase your pension income you should seriously consider the 'Purchasing Notional Service' (PNS) option offered by your superannuation scheme).**

- **Non-pensionable Earnings**

If you have non-pensionable earnings (e.g. overtime) you could use PRSA AVCs to fund for a pension based on your total earnings.

- **Social Welfare Integration**

Class A PRSI contributors have their pension benefit reduced to take account of their eligibility to receive the contributory retirement pension (single rate). The shortfall between the resultant pension and the maximum allowable pension under Revenue rules can be made up by PRSA AVCs.

- **Spouse's Pension (Death in Retirement)**

The amount of spouse's pension that can be provided is 100% of the maximum member's pension. Your superannuation scheme provides a spouse's pension of approximately 50% of your pension.

- **Additional Member's Pension**

The Revenue maximum pension is 2/3rds of remuneration reduced by the pension equivalent of the lump sum. This maximum pension after lump sum could be as high as 60% of remuneration which leaves significant scope for PRSA AVCs in the public service, where the maximum pension is 50% of pensionable pay.

PRSA AVCs, taken out for any of the reasons highlighted above, can be used to offset the effect of these reductions.

### PRSA AVC's are a very tax efficient means of saving money

TAX	PRSA AVC Contribution per month	Net Contribution per month	Tax Saving per month
40%	€300	€180	€120
20%	€300	€240	€60

For information on the PRSA AVC please contact Rockcourt for an appointment. Any consultation with a Rockcourt consultant is free of charge and our consultants can meet you on campus at your convenience.

For general information regarding your pension please contact pensions@tcd.ie or phone ext. 2422

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The tax and legislative information contained herein is based on Zurich Life's understanding of current practice as at September 2017 and may change in the future.

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