

# Pension Fund Levy

## Questions and answers



### What is the Government Pension Levy?

The Finance (No.2) Act was signed into law on the 22 June 2011 and introduced a four year annual levy of 0.6% on “the market value of pension scheme assets” under management.

### Why is the Government introducing it?

The government wants to raise approximately €470 million each year to fund a jobs initiative that was announced in May 2011.

### What are the principle features of the pensions levy?

- The levy is payable to the Revenue once a year at a rate of 0.6%
- The value of the assets subject to the levy is the market value of the pension funds at 30th June each year up to 2014
- Standard Life is responsible for the payment of the levy to the Revenue because it has the responsibility of managing the assets of pension schemes or plans

### How is the levy calculated?

The 0.6% levy is based on the market value of your pension on the 30th June each year from 2011 to 2014. The levy calculation is based on the Transfer Value of policies before any product exit/investment content penalty deductions.

### How will you deduct the levy?

The current proposal is that this will be done by deducting the appropriate number of units from your policy. The deduction will be proportioned according to the investment split within your policy.

For Self Directed Options, the levy will be deducted from your policy cash account.

### What type of policies does the levy apply to?

The levy applies to all pension policies i.e. company pension schemes, buy out bonds, personal pensions and PRSAs.

### What products are exempt from the levy?

The levy does not apply to ARF/AMRF, annuity and vested (post-retirement) PRSA contracts (PRSAs where the pension lump sum has been taken). Nor does it apply to savings or investment policies.

### If I take my retirement benefits this year, will I be subject to this levy next year?

If you have taken your benefits on or before the 30 June 2011, there is no levy payable.

If your policy is in force on the 30 June each year from 2011 to 2014 then the levy will be applicable for each of those years.

### What if I have any other questions?

If you have any further questions contact your financial adviser or call us on 01 639 7000 to speak to a customer service representative.

**Warning: The value of this investment may go down as well as up**