



# PERSONAL RETIREMENT SAVINGS ACCOUNT

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*Non-Standard PRSA Brochure*



# About - Quest Retirement Solutions

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Quest Retirement Solutions Ltd, with over 20 years' experience in the Irish financial industry, is one of the leading providers of self-directed pension structures in Ireland. We strive to make pensions work harder for our clients.

We offer a full suite of self-directed pre and post retirement pension structures, delivered through our focused administration service. Self-directed structures allow you to control the investment decisions made within your pension. These structures offer a large selection of investment options and are highly flexible arrangements.

You, working with your Financial Broker, decide the most suitable investment strategy based on your financial needs.

We operate through a 'Broker Only Model', therefore our products are exclusively available through regulated Financial Brokers. We do not deal with the public directly. In order to set up a Quest Retirement Solutions Ltd self-directed structure you must appoint a regulated Financial Broker, who will discuss your options and create a financial plan for you, based on your needs.



## Background

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As a nation we are living longer which makes retiring planning more important than ever. No matter what your age, retirement seems like a long way off. However, retirement could account for anything up to 40 years of your lifetime, depending on your circumstances so now is the time you need to start putting plans into action to ensure you can enjoy your retirement to the full.

A Personal Retirement Savings Account ("PRSA") affords everyone the opportunity to efficiently plan for their retirement and is designed to suit all types of people. It allows you take the opportunity to control how your pension plan is invested; the range of investment options are extensive and include deposits, structured products, shares in private and public companies, government and corporate bonds, insurance company funds and various property investment options.

## What is a non-standard PRSA?

A non-standard Personal Retirement Savings Account (PRSA) is a tax-efficient, flexible pension plan set up by you to save for your retirement. Our non-standard PRSA gives you complete control over the investment of your pension scheme.



### *You - the PRSA Holder*

You are the beneficial owner of the PRSA. You give instructions as to where you want your PRSA funds invested, in line with Revenue guidelines. We recommend that you consult your Financial Broker before making any investment decisions.



### *Your Financial Broker*

Your Financial Broker will assist you with the setting up of your PRSA and will provide ongoing advice about suitable investments and strategies tailored for your individual circumstances.



### *Us - Quest Retirement Solutions Ltd*

As your PRSA provider, Quest Retirement Solutions Ltd will set up and administer the exempt unit trust which will hold the PRSA investments on your behalf. We will provide all the legal documentation required to set up the PRSA as well as the ongoing services of annual reporting, annual Statements of Reasonable Projection and valuations. We will administer the PRSA on your behalf and will act on your investment instructions.

## What are the tax benefits of a PRSA?

A PRSA provides the beneficial owner with considerable tax advantages as follows:

### 1. INCOME TAX RELIEF:

There is income tax relief available on all personal contributions made to your PRSA. You can claim tax relief within the following limits set by the Revenue Commissioners:

Age attained during year	Tax Relief Limit (% of Net Relevant Earnings)
Less than 30	15%
30 – 39	20%
40 – 49	25%
50 – 54	30%
55 – 59	35%
60 and over	40%

The maximum Net Relevant Earnings limit is currently €115,000.

If the total amount of your personal contributions exceed the limits above, the excess may be available for relief in future years subject to relevant limits in each year. Relevant earnings is broadly defined as any remuneration from an office or employment or income from a trade or profession chargeable to income tax; net relevant earnings are relevant earnings less losses, capital allowances, and certain payments that reduce your income for tax purposes, such as tax-efficient covenants.

Employer contributions to your PRSA, from 1st January 2023, are no longer treated as a Benefit in Kind for Income Tax purposes and do not attract a tax liability for you.

The limits set out above are inclusive of all personal contributions which you may make to other pension schemes – other PRSAs, Personal Pension Plans, Section 785 policies and Occupational Pension Schemes. You can carry forward and backdate income tax relief for PRSAs subject to certain conditions.

Independent tax advice should be sought to determine your Net Relevant Earnings and allowable limits.

## 2. TAX-FREE INVESTMENT GROWTH

Any Investments made using funds from your PRSA grow free from Capital Gains Tax and Income Tax. In addition, deposits grow free from DIRT Tax. However, if you invest some overseas investments there may be withholding taxes deducted at source from income or dividends which may be due from such investments. In most cases, these withholding taxes can be reclaimed.

## 3. MAXIMUM PENSION FUND AND TAX-FREE LUMP SUM

If all your pension arrangements at retirement exceed €2 million the excess is taxed at the higher rate of income tax. This is known as the Standard Fund Threshold (SFT). You may have a higher Personal Fund Threshold (PFT) also. Further income tax will be payable on income drawdowns in retirement.

The maximum total tax-free lump sum that can be taken at retirement is €200,000 currently. Retirement lump sums between €200,000 and €500,000 will be taxed at the standard rate. Any balance can be transferred to an Approved Retirement Fund, used to purchase an annuity, or taken as a taxable lump sum.

## How much does it cost to manage a PRSA?

The cost of running a PRSA is an important factor to any beneficial owner. There is an annual administration charge (“fee”), which will be outlined in your Preliminary Disclosure Certificate which will be provided to you via your Financial Broker. PRSAs are very keenly priced when compared to more traditional pension plans.

The underlying investments selected by the PRSA Holder may have additional fees and these will be disclosed in advance to the contributor.

## How can I contribute to a PRSA?

With a Quest Retirement Solutions PRSA you can control the frequency and level of the contributions that you wish to make.

PRSA contributions can be made monthly by cheque or on a single contribution basis. Single contributions can be made by cheque or electronic fund transfer.

The contribution amount can be amended at any time and contributions can also be ceased but Quest Retirement Solutions Ltd will need to be notified if either of these circumstances are to occur.

In addition, once-off contributions can be made at any time by yourself and/or your employer on your behalf. Such flexibility allows you to constantly control how much you would like contribute to your PRSA, without any penalty.

# Transfers

## TRANSFERS INTO YOUR PRSA

It is important to note the rules around transferring into a PRSA. Funds may be transferred from an existing PRSA, Occupational Pension Schemes (subject to the provision of a certificate of benefit comparison where required) and Personal Pension Plans. There will be no contribution charge for transferring from an existing pension arrangement into a Quest Retirement Solutions Ltd PRSA. However, you should check with your current provider regarding early exit charges that may apply. A PRSA does not provide protection benefits (e.g. Death in Service benefit). If you are planning on transferring from an occupational pension scheme with protection benefits this is an item to consider.

A transfer will not be accepted if the members benefits have already become payable.

## TRANSFERS OUT OF YOUR PRSA

If you are seeking to transfer your PRSA from Quest Retirement Solutions Ltd to another provider this will only be allowed if the transfer is to another PRSA scheme or an Occupational Pension Scheme which has been approved for transfer.

## How much can I contribute to a PRSA?

There is no maximum limit as to what you can contribute to your PRSA. However, it is worth bearing in mind the income tax relief limits that are in place (please refer to “What are the Tax benefits of a PRSA?” for information). PRSA contributions can qualify for income tax relief against relevant earnings, so you may wish to tailor your contributions to avail of the tax relief available.



## How are the assets held?

Your PRSA assets are purchased through an Exempt Unit Trust. This Exempt Unit Trust is a close ended umbrella unit trust which was established under a Declaration of Trust dated 1st October 2009 and is approved by the Revenue Commissioners as a tax exempt unit trust. Quest Retirement Solutions Ltd are the trustees to this Exempt Unit Trust. Each PRSA will have its own individual series of the Unit Trust called a Sub Trust i.e. the PRSA assets of different PRSA Contributors will not be pooled together. There are many benefits to using an Exempt Unit Trust to purchase assets, from ease of administration to a simple transfer of assets to another PRSA Provider, if required by you. None of the your PRSA assets sit on the balance sheet of the PRSA Provider and your assets are ring-fenced in the trust for your benefit as the PRSA Contributor. All requests to invest will be administered through the Unit Trust, where Quest Retirement Solutions Ltd act as trustees to the Exempt Unit Trust.

It should be noted that pension money invested in a unit trust is not subject to the Investor Compensation Scheme or the Deposit Guarantee Scheme, which is designed to protect consumers.

# Types of Investments

With a Quest Retirement Solutions Ltd non-standard PRSA you will be permitted to invest in a greater variety of investment options than a standard PRSA. Our PRSA allows you to control where the assets are invested. If you do not select an investment option for your PRSA, the Default Investment Strategy will apply. The Default Investment Strategy is the New Ireland PRIME 3 fund.

Here are some examples of what investments can and cannot be made by your PRSA. These are not exhaustive lists but give you an indication of the flexibility and range of your investment choice under a PRSA. 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
- ✔ Shares in private companies (subject to limits)
- ✔ 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
- ✔ Copyrights
- ✔ Loan notes

## Prohibited Investments:



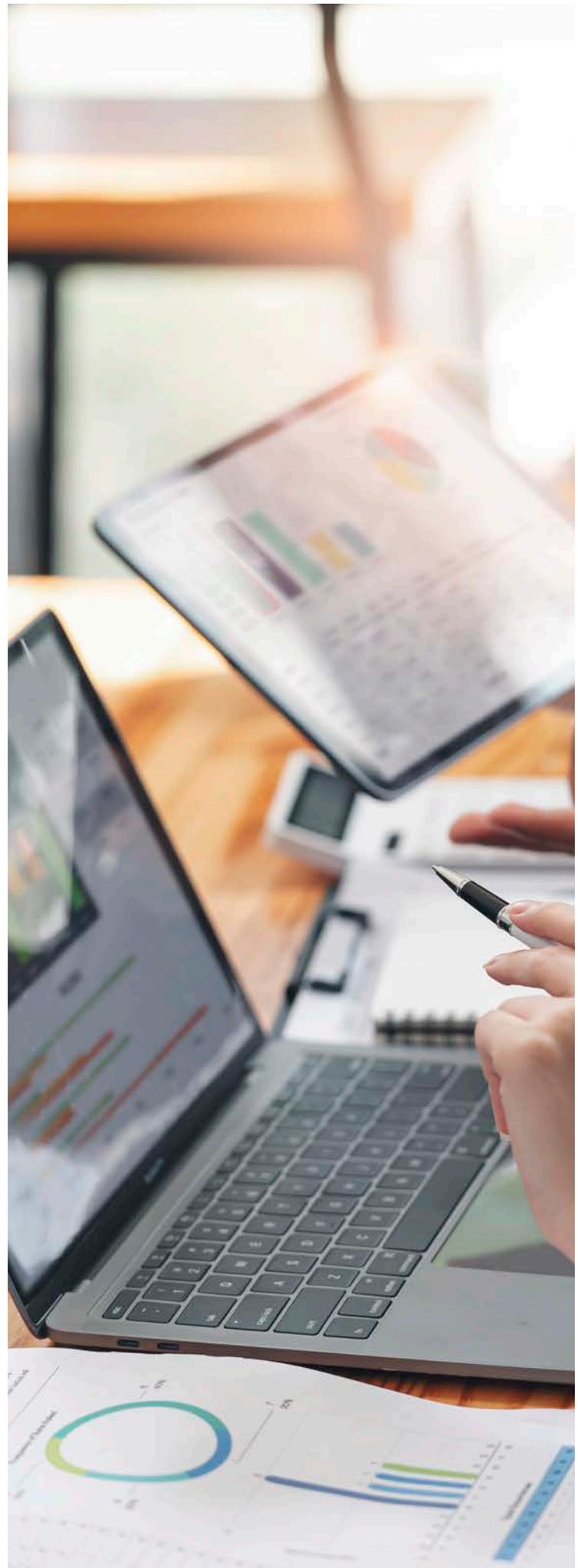
- ✘ Holidays homes with personal usage
- ✘ Shares in an associated employer
- ✘ Rare books and stamps
- ✘ Works of art and antiques
- ✘ Fine wines
- ✘ Loans to PRSA holders or their families
- ✘ Secured and unsecured loans to an associated employer or connected person
- ✘ Assets that could be used for PRSA holder's personal gain, e.g. golf membership
- ✘ Furniture and oriental rugs
- ✘ Yachts and vintage cars
- ✘ Jewellery and gem stones
- ✘ Gold bullion

**Warning: Past performance is not a reliable guide to the future performance.**

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

**Warning: The product may be affected by changes in currency exchange rates.**

**Warning: If you invest in this product you may lose some or all of the money you invest**



# Arm's Length Rule

The seller of any asset must be at arm's length from the beneficial owner. If the asset you intend to invest in is a property the property must be let, and eventually sold, on an arm's length basis and all rents received must be lodged to a PRSA account. Property development is not permitted as the Revenue regards this as trading and not investment.

# Default Investment Strategy

Under the Pensions Act, each PRSA product must provide a Default Investment Strategy ('DIS'), which is the investment approach to be used unless you specify otherwise. The DIS is designed to meet the reasonable aims of a typical PRSA contributor for the purposes of saving for retirement.

The DIS for the Quest Retirement Solutions PRSA is the New Ireland PRIME 3 fund ("PRIME 3"). If you adopt this strategy, it is assumed that you intend to take a cash lump sum of 25% on your retirement and invest the balance in an ARF. This may not be appropriate if you intend purchasing an annuity or taking all your funds as a taxable lump sum at retirement.

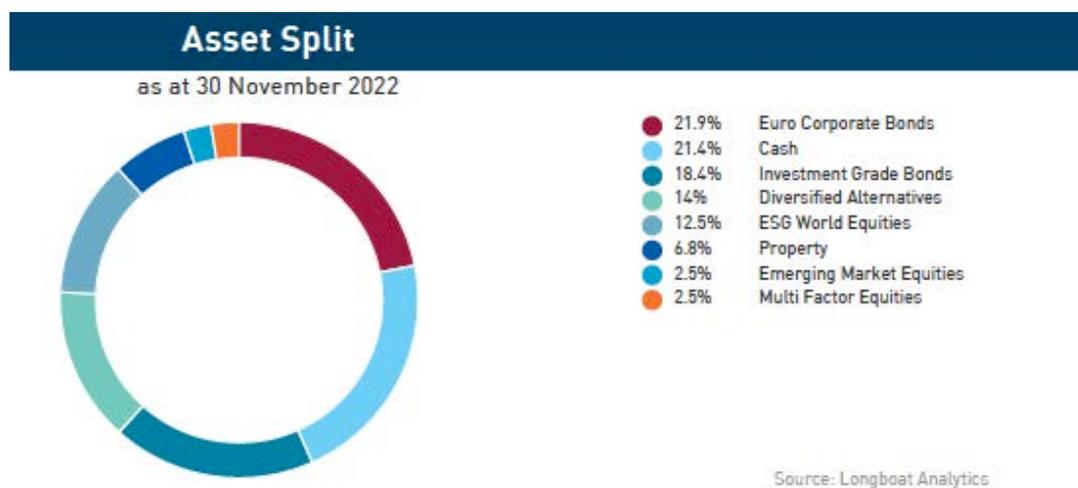
PRIME 3 invests in equities, bonds, cash and alternative investments. PRIME 3 is managed by State Street Global Advisors. The fund aims to generate an investment return which is reflective of the risk profile of the fund. New Ireland's risk rating for PRIME 3 is classified as low to medium risk and invests in a range of passive funds.

PRIME 3 aims to achieve returns by using a multi-asset approach which offers investors possible returns that can arise from investing in a variety of asset classes. The fund aims to reduce the risk of investment loss by reducing the amount invested in equities when equity market volatility is high and investing in a broader range of asset classes.

PRIME 3 uses a Passive investment approach which tracks a market weighted index or portfolio, as opposed to relying on a fund manager to make the investment decisions. PRIME 3 is broadly a passively managed fund but it is important to note that any investment in property will primarily be actively managed.

The DIS is designed to meet the needs of a Typical Contributor to a self-directed PRSA who does not make an active investment decision. You should note that the DIS adopts a stable risk profile over time and does not de-risk into lower risk assets as an investor approaches retirement. In this way it assumes the investment horizon for the typical contributor is to remain invested after retirement age.

The Annual Management Charge ("AMC") for PRIME 3 is 0.5% PA. This is additional to the Quest Retirement Solutions Ltd fee. You do have the option of switching to another investment approach at any time if you feel that the DIS does not meet your needs. You should consult your Financial Broker to assess if the PRIME 3 Fund is suitable for you.



Source: New Ireland PRIME 3 Performance Factsheet dated 24 January 2023. The splits shown are as 30 November 2022. Over time all asset class exposure levels will move in line with changes in the markets. This may cause the actual exposure levels of PRIME 3 to deviate from the original levels for a period of time. A rebalancing process will occur to bring these levels back into line. The exposure to developed world and multi factor equities will also be determined by the dynamic risk adjustment mechanism.

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**Warning: If you invest in this product you may lose some or all of the money you invest.**

# What happens if I die?

If you die before retirement, the value of the PRSA can be used to provide a pension for your spouse or can be paid as a lump sum to your estate.

## Retirement Options

### NORMAL RETIREMENT AGE

You may retire at any time after age 60 and before age 75, provided rules imposed by the Irish Revenue Commissioners at the time are complied with. You may retire at any time after 50 if you are an employee and retire from employment.

### EARLY RETIREMENT

If you are an employee and retire from employment, or your occupation is one which persons customarily retire before the age of 60, you may be able to take your retirement benefits earlier than aged 60, but not before aged 50.

### ILL-HEALTH RETIREMENT

Should you become permanently incapable of continuing your current occupation, you can retire on ill-health grounds. Before you take ill-health retirement, you must provide us with appropriate evidence that supports your ill-health claim.

### BENEFIT AT RETIREMENT

1. Your retirement benefit will be the value of your investments. You will have a choice as to how you would like to take your retirement benefits, details of which can be found below.
2. If you make Additional Voluntary PRSA Contributions (“AVCs”) only, you may take these benefits only when you retire from the Occupation Pension Scheme to which your AVCs relate. All benefits must be taken on or before your 75th birthday.
3. Provided the rules imposed by the Revenue Commissioners at the time are complied with, you may choose to provide benefits on retirement in one or more of the following forms:

### LUMP SUM AT RETIREMENT

- A retiring member may take a lump sum of up to 25% (subject to a maximum lifetime tax-free amount of €200,000) of the accumulated fund at retirement.
- Lump Sums under an AVC PRSA are determined in conjunction with the benefits under the main occupational pension scheme.

### BALANCE OF FUNDS AFTER LUMP SUM HAS BEEN TAKEN

- A taxable Lump Sum Retirement Benefit: You can take all of your retirement proceeds as a taxable lump sum
- Purchase an Annuity (guaranteed pension for life)
- Establish an Approved Retirement Fund (ARF)
- Vested PRSA – Instead of opting to transfer any balance to an ARF, the PRSA holder can alternatively opt to retain the balance in the PRSA until age 75.

A PRSA from which the 25% lump sum is taken but where funds are retained in the PRSA is called a ‘vested’ PRSA. Vested PRSAs are subject to the same imputed distributions applying to ARFs. This means that in effect the vested PRSA holder must withdraw at least 4% p.a. up to age 70, and 5% p.a. thereafter. Combined ARFs and vested PRSAs over €2 million must withdraw 6% per annum. At age 75 a PRSA holder may have the following options in relation to the balance in a vested PRSA:

- Leave the balance in the PRSA. In this case the individual can take no further withdrawal from the PRSA during his/her lifetime, but the imputed distribution tax charge continues to apply
- Take as a taxable lump sum, subject to relevant taxes
- Use to purchase an Annuity, or
- Transfer to an ARF

We believe that it is important that you make sure that this investment is suitable for you. We recommend that you talk to a Financial Broker before deciding whether to invest in this particular investment and a specialist tax advisor if you require advice on tax.

**Note:** The PRSA structure is not regulated by the Central Bank of Ireland. The PRSA is subject to supervision by the Pensions Authority and is under the supervision of the Revenue Commissioners. Tax relief and benefits are granted by the Revenue Commissioners under the Taxes Consolidation Acts.

## Refund of Contributions

Refund of contributions can occur when:

1. The amount of the contributor's PRSA assets with that PRSA provider, at the time of a request by the contributor for or offer by the provider, does not exceed €650 and
2. No contributions have been received from the contributor for a period of at least 2 years prior to the said request or offer.

## Documentation

You can expect to receive two half-yearly statements of account. You will also receive an annual Statement of Reasonable Projection. These documents will allow you to monitor your PRSA performance and judge if your annual projections are in line to meet with your retirement benefit target.

### STATEMENT OF REASONABLE PROJECTION

The Statement of Reasonable Projection outlines the projected benefits at retirement that you can reasonably expect from your PRSA, based on certain assumptions. You will receive a copy of your Statement of Reasonable Projection within seven days after your contract commences and once a year after this, and on request. We will issue an updated Statement of Reasonable Projection if any changes are made to our annual administration charge. We will provide at least two months' notice of our intention to change the annual administration charge applicable to your PRSA.

### PRSA TAX CERTIFICATE

This certificate outlines the contributions you have agreed to pay and the contribution method you will use. You will receive it after you open your PRSA. If you are self-employed, you will need this certificate to avail of tax relief. If you are an employee and your contributions are to be deducted from your pay, you should give this certificate to your employer and keep a copy for yourself. All PRSA contributors will need this certificate to get their benefits.

### STATEMENT OF ACCOUNT

The Statement of Account outlines the contributions paid into your PRSA by you (and your employer, where applicable) and the transfer value of your PRSA at the date of the statement. You will receive a Statement of Account every six months. This document may be required by your local Inspector of Taxes.

## Cooling-off Period

A cooling off period of 30 days will apply from the date on which you are issued your first Statement of Reasonable Projection. You may cancel this contract at any time during that period by returning a signed instruction, Statement of Reasonable Projection and this Preliminary Disclosure Certificate to Quest Retirement Solutions Ltd, 2A Elm House, Millennium Park, Naas, Co. Kildare within 30 days of the date of issue.

## Complaints

We will do our best to resolve any complaints using our internal complaints procedure. If you have a complaint you should address it to: Quest Retirement Solutions Ltd, Complaints Officer, Elm House, Millennium Park, Naas, Co. Kildare. However, if you are not satisfied that a complaint has been properly dealt with, you have the right to refer your complaint to the Financial Services and Pensions Ombudsman at the following address: Pensions Ombudsman, Lincoln House, Lincoln Place, Dublin 2. Further details may be found at [www.fspo.ie](http://www.fspo.ie)

## Data Protection Notice

Quest Retirement Solutions Ltd ('QRSL') will keep the information you provide, for the purposes of, and in connection with, this application, about yourself and about third parties confidential. QRSL will use it to administer this application, and future requests associated with this application and any subsequent appointment (agreement), in order to comply with legal obligations imposed on it. QRSL is committed to safeguarding your personal data through its obligations under the Data Protection Acts. Further details of our data processing practices, and your data protection rights are included in our Data Protection Policy. This policy is available on our website and/or in hard copy format from Quest Retirement Solutions Ltd, 2A Elm House, Millennium Park, Naas, Co. Kildare.

## Authorisations

The Quest Retirement Solutions PRSA was approved by the Pensions Authority and the Revenue Commissioners under Part X, Pensions Act 2002, and is subject to guidance by the Society of Actuaries. You will enter into a contract with Quest Retirement Solutions Ltd as approved PRSA provider.

## Contract

The PRSA contract is made up of the following documentation; PRSA Application Form, PRSA Brochure, PRSA Preliminary Disclosure Certificate, Investment Management Agreement and the Quest Retirement Solutions Ltd General Terms of Business. By signing the above documentation, you accept the terms contained therein. The contract will commence following our review and approval of your application and our issuing of your individual Statement of Reasonable Projection. Changes to terms and conditions will be notified to you providing 30 days' notice. Your continued custom will signify acceptance to updated terms and conditions.

## Governing Law

This contract and any non-contractual obligations arising out of or in relation to this PRSA will be governed by and construed in accordance with Irish law. The parties agree that the courts of Ireland shall have exclusive jurisdiction to hear and settle any dispute which may arise out of or in relation to this contract and any non-contractual obligations and the parties irrevocably submit to such courts.

## Key Benefits of a PRSA: In Summary



### *Security*

All assets are held off our balance sheet in an individual Unit Trust readily identifiable for you.



### *Portable*

You can easily move the PRSA to another without having to liquidate assets. At retirement, you can transfer the assets to a Self-Directed ARF, without having to liquidate assets.



### *Control*

A Self-Directed PRSA allows you to control where your PRSA assets are invested. There is a vast range of investments that you can choose from.



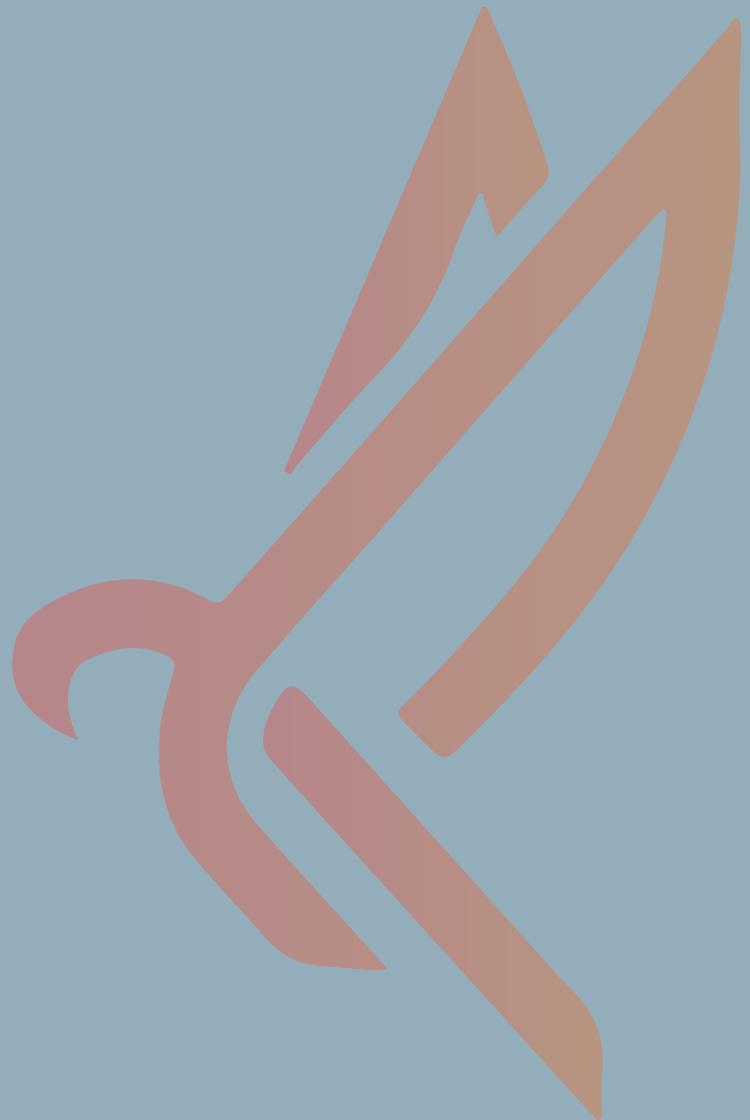
### *Transparency*

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

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

**Note: The PRSA structure is not regulated by the Central Bank of Ireland. The non-standard PRSA is not an insurance undertaking. It is under the supervision of the Revenue and the Pensions Authority. Tax relief and benefits are granted by the Revenue Commissioners under the Taxes Consolidation Acts.**

**We believe that it is important that you make sure that this investment is suitable for you. It is important that you talk to a Financial Broker before deciding whether to invest in this particular investment and a specialist tax advisor if you require advice on tax.**



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