

Approved Retirement Fund (ARF)

Providing personalised tax approved pension structures that offer clients investment flexibility, control and transparency.



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Introduction

At Cantor Fitzgerald Ireland, we provide personalised tax approved pension structures that offer clients investment flexibility, control and transparency.

Cantor Fitzgerald is approved by the Revenue Commissioners to act as a Qualifying Fund Manager (QFM) for the management of Approved Retirement Funds (ARFs). The role of the QFM is to ensure your ARF is managed in line with prevailing Revenue guidelines and legislation.

1. What is an Approved Retirement Fund (ARF)?

Established under the Finance Act 1999, an ARF is a post-retirement tax exempt investment vehicle into which you can transfer the balance of your pension fund, after you receive your lump sum. Prior to the introduction of the ARF, the only option was to purchase an annual income or an annuity from a life assurance company. As an ARF holder, you retain full ownership of your retirement fund and you remain the beneficial owner of all assets in your ARF from which you can draw down a regular income.

2. Structure of your ARF

Under an ARF, you will enter into a contract with a Qualifying Fund Manager (QFM). The role of the QFM is to ensure your ARF is managed in line with prevailing Revenue guidelines and legislation, and to account for any tax that may be due on distributions from your ARF. Cantor Fitzgerald Ireland is approved by the Revenue Commissioners to act as QFM for the management of ARFs. The ARF is held in your name by Cantor Fitzgerald as the QFM.

3. Who can invest in an ARF?

The following pension investors may avail of the ARF option at retirement:

- Personal Pension Plan or Retirement Annuity Contract (RAC) investors;
- Members of a Small Self-Administered Scheme (SSAS);
- Personal Retirement Savings Account (PRSA) investors;
- Members of Defined Contribution pension schemes, subject to scheme rules;
- Members of employer sponsored pension schemes who have made Additional Voluntary Contributions (AVC);
- Investors where assets are transferring from another ARF held by you (or your deceased spouse/registered civil partner);
- Investors where the pension asset transfer is subject to a court order; and
- Holders of Buy-Out-Bonds (also known as Personal Retirement Bonds).
- Holders of Approved Minimum Retirement Funds (AMRFs)

4. Can I contribute to my ARF?

An ARF is a post retirement product which is designed to provide an income for you in retirement. It can only accept transfers from the existing pension arrangements listed above in section 3.

5. Discretionary Drawdowns from your ARF

You can withdraw funds from your ARF as and when you require. You may make regular withdrawals or single ad hoc withdrawals. The ARF offers you the flexibility to vary your income drawdown to meet your changing needs in retirement.

Any withdrawal you make from your ARF is subject to statutory deductions (PAYE, USC and PRSI where applicable) and Cantor Fitzgerald, as QFM to your ARF, is obliged to make the appropriate statutory deductions. Taxation will be applied at your marginal rate, unless Cantor Fitzgerald has received confirmation from the Revenue Commissioners that your tax credits have been assigned to Cantor Fitzgerald Ireland Limited (approved employer number 9547032R).

6. Mandatory Drawdowns from your ARF- Imputed Distribution Requirement

The Finance Act 2006 introduced an annual taxable 'imputed distribution' which applies to the value of assets in ARFs. This means that appropriate statutory deductions (PAYE, USC and PRSI where applicable) will be payable on an amount which is assumed to be taken out of your ARF by you. The imputed distribution rates are as follows:

- 4% for individuals with combined ARF and/or vested PRSA assets less than €2 million, and who are aged between 60 and 69 for the full tax year.
- 5% for individuals with combined ARF and/or vested PRSA assets less than €2 million, and who are aged 70 or over for the full tax year.
- 6% for individuals with combined ARF and vested PRSA assets of more than €2 million, and who are 60 or over for the full tax year. **Note: the higher rate of 6% will apply to the entire aggregate value of the assets held in an ARF(s) and/or Vested PRSA(s) (not just that portion in excess of €2 million).**
- The Finance Act 2012 made it compulsory for an individual to appoint a Nominee QFM, where they have a number of ARFs and/or Vested PRSAs with different providers with a total value in excess of €2 million. The role of the Nominee QFM is to ensure that the distribution is paid on the total amount. **If you hold an ARF(s) and/or vested PRSA(s) with other QFMs, please note that Cantor Fitzgerald will only accept responsibility for the imputed distribution arising on the ARF(s) and/or vested PRSA(s) where the aggregate value of assets is over €2 million and Cantor Fitzgerald is the nominated QFM in accordance with Section 790D, Taxes Consolidation Act 1997.**
- The imputed distribution is applicable to ARF holders who are 60 or over for the full tax year.

Actual distributions made during the year from the ARF may be deducted from the imputed distribution to arrive at the net imputed amount, if any, to be regarded as a distribution.

7. Taxation of an ARF on Death

In the event of your death, your ARF becomes an asset of your estate and will therefore be subject to the terms of your will. Should you die without leaving a valid will, it will be dealt with in accordance with the intestacy provisions of the Succession Act 1965. A transfer of ARF assets after your death is taxed as follows:

ARF inherited by	Income tax due	Capital Acquisitions Tax ('CAT') due
Surviving spouse or registered civil partner.	None where transferred into an ARF of the surviving spouse/registered civil partner. Subsequent withdrawals by the spouse/registered civil partner are subject to income tax and any other taxes due at the time.	None.
Child aged 21+ at date of your death.	Yes. Income tax at a rate of 30%.	None.
Child aged less than 21 at date of your death.	None.	Yes. Normal CAT thresholds apply.
Stranger in blood (anyone else not being your surviving spouse/ registered civil partner or children).	Yes. This will be treated as a taxable distribution by the deceased in his/her year of death.	Yes. Normal CAT thresholds apply.

It should be noted that an ARF can only remain an ARF where it passes to a surviving spouse/registered civil partner. In all other cases the ARF will be wound up and the assets of the ARF distributed.

8. ARF Target Market & Key Factors

Inside The Target Market	Outside the Target Market
You are a Retail or Professional Client.	
You are over 50 years of age and have retired, or over 60 years and have access to your retirement benefits.	You are under age 50.
You have retired from a Personal Pension Plan, Occupational Pension Scheme, PRSA, Personal Retirement Bond (PRB) or AVC arrangement.	You have not yet retired.
You have some knowledge or experience of similar investments, the financial markets and their functioning and the risks associated with investing in this type of product.	
You are prepared to accept investment risk and to invest for the long term.	You are not willing to risk any capital.
	You have a short investment horizon or require immediate access to funds.

9. Cantor ARF Investments

With a Cantor ARF you will have access to Cantor Fitzgerald's wealth management services tailored to your investment objectives and risk profile. You will also have access to a wide range of asset classes, including:

Equities	Unit Funds	Loan Notes
Investment Trusts	Corporate/ Sovereign Bonds	Private Equity (subject to limits)
Exchange Traded Funds	Structured Products	Insurance Company Funds

10. Why choose a Cantor Fitzgerald ARF?

- Personalised pension and investment advice.
- A dedicated Portfolio Manager.
- A bespoke investment approach to each client's ARF portfolio.
- A competitive and transparent ARF fee structure.
- Excellent administration, reporting and client service tailored to your requirements.
- No set up costs or exit charges.
- Online portfolio access.



DEDICATED PENSIONS TEAM



Laura Reidy, Head of Pensions

Laura is Head of Pensions with over 15 years' experience within the industry. Prior to joining Cantor Fitzgerald in 2017, Laura was Head of Pensions in Merrion Capital Group. During this time, she has developed extensive technical expertise in all areas of pension planning. Laura is a qualified Certified Financial Planner Professional (CFP®) which is the leading international qualification for financial planners worldwide, and is a Pension Trustee Practitioner (PTP). Laura also holds a Graduate Diploma in Financial Planning, a Bachelor of Arts Degree, a Higher Diploma in Science, is a Qualified Financial Adviser (QFA), a Specialist Investment Adviser (SIA) and holds a Professional Certificate in Compliance and an ISE Certificate in Stockbroking.

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Caroline McQuaid, Pensions Administrator

Caroline is Pension Administrator and has been part of the pensions team for 4 years. Caroline originally joined Merrion Private as a receptionist in 2014 and worked as a client services administrator, prior to joining the pensions team. Caroline became a Qualified Financial Adviser (QFA) in 2016.

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Jean Masterson, Pensions Manager

Jean is Pensions Manager and was previously Head of Pensions with Merrion Private, prior to its acquisition by Cantor Fitzgerald Ireland in 2018. She has over 9 years' experience in financial services and pensions and provides retirement planning advice to our pension clients. Jean holds a Degree in Accounting and Finance, is a Qualified Financial Adviser (QFA) & Retirement Planning Adviser.

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Marie Morton, Pensions Administrator

Marie joined Merrion Stockbrokers in 2007, having previously worked with an alternative investment firm for a number of years. She has over 25 years experience in the financial services industry, in a variety of roles including Business Analyst, Assistant Portfolio Manager & Structured Investments Client Services Manager. She joined the pensions team in 2019. Marie is a Qualified Financial Adviser and a Registered Stockbroker.

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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: All investment carries risk and your capital is not guaranteed.

Warning: The ARF may be affected by changes in currency exchange rates depending on the underlying assets held in your ARF.

Warning: There is a risk that the ARF investor who takes regular withdrawals and/or imputed distributions over the life of his/her retirement is exposed to "bomb out" risk. This is the risk that the income needs of an investor may not be met by the value of his/her ARF.



With a proud history of stockbroking and servicing our private clients and financial advisors in Ireland since 1995, we provide a full suite of investment services, primarily in personalised share dealing, pensions and wealth management, fund management, debt capital markets and corporate finance. Our clients include private individuals and corporate entities, financial institutions, investment funds, credit unions and charities.

Cantor Fitzgerald Ireland is one of the largest wealth management and stockbroking firms in the country, formed through the acquisition of Dolmen Stockbrokers in 2012, L&P Group in 2017 and Merrion Capital Group in 2018.



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