

# SSIAs: where to from here?

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If you are one of the 500,000 SSIA holders whose SSIA matures in March/April – then you may be facing into the pleasant task of deciding ‘What to do with my lump sum?’ and ‘Will I or can

I continue saving?’

Before we explore options there are some facts that we should look at: 90% of SSIAs are/were invested in deposits and would yield the following if invested at ECB rate €20,250 before tax, fixed rate 4.25% €21,288 before tax, inflation rate €20,780.

• The average deposit SSIA

before tax -- just kept abreast of Inflation.

• Bank shares rose over 100 percent in value in the same period.

• SSIAs invested in Equity Funds, Property Funds or Mixed Funds all outperformed deposits even allowing for recent drops in equity markets.

There was certainly a “no-brainer” in relation to the concept of SSIAs but sadly most of us carried this right into our investment strategy and invested in the “sure bet” which gives the least in terms of return and does not beat inflation and in real terms our money lost some of its value.

Sadly, there is a belief that in making that original investment decision most of us did not get individual advice and as a consequence whilst the Government provided the real return (25 percent guaranteed return), we who opted for Deposit SSIA got very little else. It is important that if you are considering future ongoing savings then some thought ought to be given to investments that will over time beat inflation and increase the real value of your money. With this in mind the Government has rolled out SSIA Pension Incentive whereby the Govt will fund 1 in 3 to a max of €2,500 whereby €7,500 of SSIA maturity is transferred to a Pension or PRSA of the SSIA holder.

In theory this is lovely, but for a young person this means locking the funds away until they are 60 years old, or in the case of the higher tax payer this new scheme would see them lose money as by availing of this incentive should a similar amount be paid into a pension or PRSA attracting tax relief at 41 percent they would in effect have €4,000 less in their pension as a result.

Other options include retaining some of the maturity value in a Capital Guaranteed Product with exposure to equities and continue saving or funding an alternative investment that would beat inflation. Depending on age, consumers could look at funding AVCs (voluntary contributions), be it to their own pension scheme or to a PRSA – which would give them ownership of their money when they reach 60 years of age and also funding would benefit from generous tax breaks. For the more short term depositor and more cautious of us who require capital security, then we ought to

try and get the best rates on deposit – Anglo Irish Bank currently offer 4.25% on 30 Day Notice deposits -- rate is variable. Alternatively those who intend continuing saving and are more cautious, then the various banks have regular savings schemes -- some offering seven percent variable on a two year saving commitment (max €1000 per month). In short there are significant options out there - you have earned the right to choose, now make your choice count for you.

\* Jim O Kelly is executive director and sole proprietary owner of Benchmark Financial Services BMW Ltd, The Square, Ballaghaderreen. Jim has 30 years experience in the Financial Services industry and has an Hons degree in Financial Services from UCD. Jim also holds Diplomas in Investment Advice and Wealth Management and is a member of both The Institute of Bankers in Ireland and Professional Insurance Brokers Assoc.

## SSIA ?

Do I Spend  
Do I Invest  
Can I get long term Capital

Do I Save  
How long can I Invest

Can I continue saving  
Can I get best rates  
What Return can I expect

### Will I get ‘Best Advice’

For independent Professional Advice

Contact

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## Black Sea capital offers excellent value

Kavarna, a region in Bulgaria known as the ‘Black Sea capital’ is currently offering excellent value for Irish investors.

Moy Holiday Village is located beside one of the most sought-after towns in Bulgaria, namely Kavarna. Unspoilt by commercialism and destined for growth, your future prosperity starts with laying the foundations in the right location. The complex is situated approximately 40 minutes from the international airport at Varna City which is served by numerous airports in Ireland, England and Europe. The area continues to attract new low-cost airlines to as the region is proving ever-more popular.

Kavarna is 60 km or 45 minutes north of Varna City and is known as the ‘Black Sea capital’, with a population of 460,000, which doubles during the high season. Varna is a vibrant city of old culture and living traditions. Its pedestrian streets are a joy to amble through, with a mix of old stall and cosmopolitan shops. Overall, it's a shoppers paradise.

Black Sea views from the site's vantage point, set on a cliff top overlooking the Black Sea, can be described as breathtaking and unrivalled. Potential buyers, holiday makers and investors will have some of the most spectacular and unimpeded seascapes available anywhere.

The Village has its own in-house comprehensive facilities, including swimming pools, restaurants, bars, beauty salons, hairdressers, shops, jacuzzis, spas and a play area. Three new golf courses are planned within 10 km of the Village and two of these are presently under construction.

The cost of eating out in the Varna region is very reasonable when compared to Irish prices. A midday lunch is available for just €2.60 and a la carte in the evening for just €7.50. In-house facilities at Moy Holiday Village will cater for all tastes and will

offer excellent cuisine with many dishes prepared for ecologically pure products. In house, there are two bars, two restaurants, a crèche and play areas, spas and swimming pools as well as 24-hour security.

Moy Holiday Village is being developed by Irish developers. An off-plan-project commenced in January 2007 and is due for completion in 2009. The price includes all purchase costs, VAT,

municipal tax, notary fees and furnishings. Rental income is guaranteed, at six percent for seven years, 5.5 percent for five years or five percent for three years. Up to 70 percent overseas mortgage finance is also available, subject to the usual terms and conditions. For further information on Moy Holiday Village, contact TJ Marketing Ltd., Belhavel, Golden Island, Athlone on (090) 64 71024 or email [kennegan@eircom.net](mailto:kennegan@eircom.net).

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**T.J. Marketing Ltd.**

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