



## **Media Q&A**

**21 March 2026**

### **Can I cash in an annuity or switch it to an ARF?**

**I'll be retiring next year and am deciding whether to use my retirement savings to buy an annuity or invest in an Approved Retirement Fund (ARF). If I change my mind about the annuity shortly after I buy it, can I cash it in at that stage or switch to an ARF?**

Under current Revenue Commissioner rules, it is not possible to cash in or surrender an annuity once it's up and running. Neither is it possible to make any changes to the annuity - such as the rate of escalation. This applies if you've bought an annuity and your annual pension increases at a fixed rate each year, or change it from a single life annuity, where your pension simply stops when you die to a joint survivor annuity. This annuity suits married couples, where an annuity continues to be paid to the surviving partner when the other spouse dies, or a guaranteed annuity where a pension continues to be paid to the annuity holder's estate for a certain amount of time after they die. Annuities are designed to provide security and consistency of income during retirement – and it is this peace of mind which is the reason annuities are often favoured over ARFs. Be mindful of the impact of interest rates on annuities though. For example, when interest rates are low, it is usually expensive to buy annuities.

It's worth knowing that you can opt for an ARF at retirement and then subsequently switch to an annuity – however, the opposite is not possible. Note too that a big advantage of ARFs is that any money remaining in your ARF after your death can be left to your next of kin or family. This isn't always the case with annuities, unless you have set up your annuity to continue to be paid to your spouse or dependents after your death.

It is always a good idea to seek professional advice from a Financial Broker before deciding between an annuity and ARF and choosing the best retirement option to suit your own personal circumstances.

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**About Royal London Ireland:**

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\*Based on total 2022 premium income. ICMIF Global 500, 2024