



An Bille um Blianachtaí Saoil (Éire), 2026
Life Annuity (Ireland) Bill 2026

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Explanatory Memorandum



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EXPLANATORY MEMORANDUM

Introduction and rationale

This Bill seeks to introduce a regulated legal framework in Ireland for Life Annuity-style property transactions, enabling older homeowners to unlock the value of their homes while remaining in residence for life. It provides a consumer-friendly alternative to high-interest equity release products currently available in the Irish market.

Ireland currently lacks a structured mechanism for lifetime property income arrangements comparable to the French viager system. Existing products, such as equity release schemes, often involve compound interest, significantly erode property value, and provide limited flexibility. This Bill aims to create a fairer, transparent alternative.

Purpose of the Bill

The purpose of this Bill is to:

- Establish a regulated framework for lifetime housing transactions.
- Provide an alternative to existing equity release products that is consumer-focused.
- Distribute longevity risk between the purchaser and the vendor.

Key elements

- **Lifetime Security:** The vendor retains a legally protected right to remain in their home for life.
- **Income in Later Life:** The model provides an upfront lump sum and/or regular income payments.
- **Risk Sharing:** Unlike traditional lending, Life Annuity arrangements distribute longevity risk between the purchaser and vendor.

Consumer protection measures

The Bill introduces strong safeguards, including:

- Mandatory independent legal and financial advice;
- A statutory cooling-off period;
- Standardised disclosure requirements;
- Regulatory oversight by the Central Bank.

Regulatory oversight

Commercial operators offering Life Annuity products will be regulated to ensure:

- Fair pricing;
- Transparency;
- Consumer protection.

Property law considerations

The Bill ensures:

- The right of residence is legally enforceable and registered;
- Priority is given to the vendor's lifetime occupation rights.

Social and economic impact

The Bill is expected to:

- Reduce financial pressure on older homeowners;
- Provide alternatives to downsizing;
- Reduce reliance on State supports;
- Increase housing market fluidity over time.

Taxation

Tax treatment will be clarified by Revenue but is expected to reflect:

- Income versus capital distinctions;
- Existing CAT thresholds where applicable.

Conclusion

This Bill introduces a balanced and modern framework for lifetime housing transactions in Ireland, combining:

- Dignity in ageing;
- Financial flexibility;
- Strong consumer protection.

It reflects international best practice while adapting the model to Irish legal and regulatory structures.

Catherine Ardagh, TD,

Aibreán, 2026.