



Removal of the Eligible Liabilities Guarantee Scheme (ELG) Self-Invested Fund (SIF) - Deposits Q&A

June 2013

What is the Deposit Guarantee Scheme (DGS)

It is the primary retail deposit guarantee in Ireland covering bank deposits of up to €100,000 per individual, per institution. It is operated by the Central Bank and has no end date. **Life Assurance and Pension contracts investing in deposits do not qualify for protection under the Deposit Guarantee Scheme.**

Does the Deposit Guarantee Scheme apply to deposit investments in the Self-Invested Fund?

No, as deposit investments in the Self-Invested Fund are part of a pension plan they are owned by Irish Life Assurance plc (Irish Life) and are separate from any other deposit investment a client may have with any institution on our panel. **The deposits held in the Self-Invested Fund are not covered under the Deposit Guarantee Scheme.**

What was the ELG Scheme?

The Irish Government ELG Scheme commenced on 9 December 2009 as a temporary measure which was introduced in response to the financial crisis (the scheme was extended several times). On 26 February 2013 the Minister for Finance announced that the ELG Scheme would end for all new liabilities from midnight on 28 March 2013. **Deposits held in the Self-Invested Fund prior to midnight 28 March 2013 are covered by the ELG provided they are with covered institutions and of an appropriate term.**

The following are the institutions that were covered by the ELG:

- Allied Irish Bank (AIB)
- Bank of Ireland (BOI)
- EBS Building Society (EBS)
- Permanent TSB (PTSB)

What did the ELG Scheme guarantee?

The ELG covers amounts over €100,000 on deposit (or deposits that do not qualify for the DGS protection) by the participating institutions above up to a maximum maturity term of five years. **Therefore, deposits held in the Self-Invested Fund by midnight on 28 March 2013 with a term of five years or less with the participating institutions are covered by the ELG Scheme.**

In practice, this means that the guarantee will apply until the date of maturity of the qualifying deposit (up to a max of five years). For example, a qualifying deposit existing or made on 28 March 2013, which matures one year after that date, will continue to be guaranteed for that one year period. **Deposits made after 28 March 2013 are not covered by the ELG.**

How does this affect the various SIF deposit accounts?

Demand Deposit Accounts*

Funds in these accounts are no longer covered by the ELG Scheme as at midnight 28 March 2013.

One Month Deposit Accounts*

One month deposit funds in place as at 28 March 2013 were covered by the ELG until the one month term expired. The ELG no longer applies to these accounts.

Fixed Term Deposit Accounts*

Funds invested prior to midnight 28 March 2013 are covered by the ELG until the fixed term maturity date (up to a maximum term of five years). Funds invested after 28 March 2013 are not covered by the ELG.

** with participating institutions covered by the ELG Scheme.*



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What insured pension vehicles are covered by the ELG?

Deposit investments in the Self-Invested Fund are owned by Irish Life. The type of plans available within Irish Life (pension plan or Approved Retirement Fund (ARF) / Approved Minimum Retirement Fund (AMRF)) do not impact on any guarantee (ELG Scheme) that may be in place. Fixed term deposits with a term of less than five years, invested via the Self-Invested Fund in a participating institution before midnight 28 March 2013, are covered by the ELG Scheme to the maturity of the deposit.

Warning: This fund 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.

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

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