

PRSA *standard* plan

Form: Std. W CRYWSAA/ CRZWSAA (1% & 5%)

TC 1045 (REV 06-07)



terms & conditions booklet

This is the terms and conditions booklet for your **PRSA** *standard* plan. Please keep it safe in your welcome pack, as you will need it in the future.

What is a personal retirement savings account?

Your Personal Retirement Savings Account (PRSA) is a contract between you (the contributor) and Irish Life Assurance plc (we, us), the provider. This contract is in the form of an insurance policy and is approved under the Pensions Act, 1990 as amended and Chapter 2A, Part 30 of the TCA.

This PRSA contract is designed to provide you with an accumulated fund when you retire which can be used to provide retirement benefits. We will pay the accumulated fund to your estate if you die before your chosen retirement date.

You will find details of the plan in these terms and conditions, the schedule, the application form, and any extra conditions (endorsements) we may add to it. Any conditions or extra rules we add in the future, if you agree, will also form part of the plan. Only authorised staff at our head office may add extra rules. Together they form the terms and conditions of the plan.

We will pay benefits from our head office in Ireland at:

Irish Life Assurance plc
Irish Life Centre
Lower Abbey Street
Dublin 1.

You must pay all contributions, and we will normally pay all benefits, under this plan in euro.

In legal disputes Irish law will apply. The only terms or conditions that are legally binding are those specified in our contract with you.

You can find more detailed information on all these matters in the relevant sections of these terms and conditions.

How does the plan work?

You have agreed to pay the contributions outlined on the schedule on the dates described. The funds you have chosen to invest these contributions in are also shown. You can choose to alter contributions over the term of the plan.

When will we pay the benefits?

We will normally pay the benefits when you retire at your chosen retirement date. Your chosen retirement date is shown on your schedule. If you are paying additional voluntary contributions (AVCs), we will pay your benefits at the date you take benefits from your main pension scheme at work. We will normally pay the accumulated fund to your estate if you die before this date. If you have paid AVCs, we will follow the rules of your main pension scheme at work and the maximum benefit rules laid down by the Revenue Commissioners. We describe the benefits in greater detail later on in these terms and conditions.

This PRSA will allow for PRSA assets to be paid to you as they become due (whether in Ireland or in any other member country of the European Union) after taking off any taxes and transaction charges which may apply (as under section 101(4) of the Pensions Act, 1990 as amended).

How will we pay the benefits?

We will pay you the benefits in the way you choose to receive them. However, you must choose one of the options outlined in section 3 (or any other options that are available at the time you retire).

We will follow the rules set out in the Pensions Act, 1990 as amended and Chapter 2A of Part 30 of the TCA. Also if you have paid AVCs, we will follow the rules of your main pension scheme at work and the maximum benefit rules laid down by the Revenue Commissioners.

Writing to us

If you need to write to us about this plan, please address your letter to:

Irish Life Assurance plc
Irish Life Centre
Lower Abbey Street
Dublin 1.

Cooling-off period

If, after taking out this plan, you feel it is not suitable, you may cancel it by writing to us at the address shown above. If you do this within 30 days from the date you receive your Statement of Reasonable Projection, we will cancel your plan and refund your regular contribution. We will also refund any single contributions or transfer values paid, less any decrease in investment values over the period of the investment.

Your contributions, including any SSIA contribution, cannot be refunded after the cooling-off period.

We strongly recommend that you contact your financial adviser before you cancel your plan.

Complaints

If you believe that you have suffered a financial loss as a result of poor administration or if there is a dispute of fact or law, you should contact us. As a provider of PRSAs, we must set up an internal disputes resolution procedure. At any time, you can ask for a copy of this. After you have told us about your complaint in writing, we will issue a decision on the matter. If you are unhappy with this decision, you have the right, under Part XI of the Pensions Act, 1990 as amended to refer this complaint or dispute to the Pensions Ombudsman at the following address.

The Office of the Pensions Ombudsman
36 Upper Mount Street
Dublin 2.
Phone: 01 6471650
Fax: 01 6769577
Email: info@pensionsombudsman.ie
Web: www.pensionsombudsman.ie

The Pensions Ombudsman will investigate the matter for you. We and you can appeal against the Ombudsman's decision to the High Court. For more information on your rights, please contact the Ombudsman's office at the address above.

For all other complaints, our Customer Services Department has an internal complaints procedure, and any other complaints you may have will, in the first instance, be fully reviewed by them. If you are not satisfied, you have further options and we will let you know about these at that stage.

It may be that you are not certain whether the complaint you have is one that the Pensions Ombudsman can investigate. You should contact their for more information. They will tell your if your complaint is one that another office needs to deal with, This other office could be the Pensions Board, the Financial Service Ombudsman or the Financial Regulator.

Family law and pensions

If you are involved in a judicial separation or a divorce, the courts may grant a pension adjustment order over the benefits we can pay from this plan when you retire or die. You can get more information on how pension adjustment orders work from the Pensions Board or your solicitor.

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Section 1

Definitions

This section defines some of the words and phrases we use in the terms and conditions.

Some of the words and phrases we use in these terms and conditions have specific meanings, which might be different from the meaning they would have in general use. These words are shown in **bold** below together with an explanation of their meanings in relation to this plan.

Accumulated fund

The plan's value at a point in time. We work this out as follows.

The number of units in the plan
multiplied by
the investment price of the units of the funds.

Additional voluntary contribution (AVC)

Any contribution you make to this PRSA while you are a member of a main pension scheme at work.

If AVCs are paid into this PRSA, it is as a separately arranged scheme which is associated with the main scheme. This is in line with section 770(1)(ii) of the TCA. AVCs will have the same meaning as additional voluntary PRSA contributions defined in that section.

Annuity

A guaranteed payment made every month (for the month to come) until you die.

Application form

The application form for this plan. It includes any extra information you give to us about the plan or any other relevant information.

Approval

This personal retirement savings account plan is approved under Part X of the Pensions Act, 1990 as amended and Chapter 2A, Part 30 of the TCA. This plan has been approved by the Pensions Board and the Revenue Commissioners.

Approved minimum retirement fund

A fund which is managed by a qualifying fund manager and which meets the conditions of Chapter 2 of Part 30 of the TCA for this type of fund.

Approved retirement fund

A fund managed by a qualifying fund manager and which meets the conditions of Chapter 2 of Part 30 of the TCA for this type of fund.

Chosen retirement date

The date shown in your schedule, which is the date when the accumulated fund will normally be made available to buy retirement benefits, in line with the terms of section 3. If you use your PRSA to pay AVCs, this date must be the same as your normal retirement date under your main pension scheme at work.

Consumer Price Index

The Consumer Price Index published by the Irish Government to measure inflation. (If this is not available, we will use an appropriate alternative.)

Contributor

Under section 91(1) of the Pensions Act, 1990 as amended this is someone who enters into a PRSA contract with a PRSA provider. It includes someone in whose name a PRSA contract is set up by the trustees of a scheme distributing the appropriate assets of the scheme if the scheme is wound up.

Contribution due date

The date on which you or your employer should pay contributions to us. You will choose how often you pay contributions, and this will be shown on the application form. There will be no contribution due date later than your 75th birthday. Contributions will cease on your death, if earlier.

Dependant

Your husband, wife or child or any other person who depends on you financially immediately before your death. For this purpose, a child includes a stepchild or a legally adopted child.

Employee

A person who has a contract of employment with an employer. We will use the precise definition of this term set out in Part 1 of the Pensions Act, 1990 as amended.

Employer

A person or organisation who is liable to pay the wages of a person they have offered a contract of employment to. We will use the precise definition of this term set out in Part 1 of the Pensions Act, 1990 as amended.

Endorsement

If the terms and conditions of the plan have been changed or are different to the standard terms, the new or amended terms or conditions will be set out in a separate document which will be attached to the plan. This is called an endorsement.

Fund

Any of the funds described in the panel of funds.

Fund link

The fund (or combination of funds) in the panel of funds that the plan is linked to. Your initial fund link will be shown on your schedule. However, this may change in the future.

Investment contribution

The percentage of the contribution that we invest for you as described in section 5.

Investment date

The date on which we receive a contribution.

Investment price

The price of a unit of a fund, which we use to work out the value of the plan for each fund. This is the price we use when buying and selling units in the fund. The investment price on any given date is the price which Irish Life has determined for that date.

Main pension scheme at work

An occupational pension scheme that is an approved scheme or statutory scheme under Chapter 1 of Part 30 of the TCA.

Minister

The Minister for Social and Family Affairs.

Panel of funds

The panel of funds includes the following funds and any other funds that we may add from time to time.

Consensus Fund (Series S)

Pension Protection Fund (Series S)

Cash Fund (Series S)

Pension Incentive Tax Credits (PITCs) Scheme

A scheme offered by the Government to eligible SSIA-holders who wish to invest some or all of their SSIA funds into an approved pension plan. Full details of the scheme are given in the Finance Act 2006.

Pension Incentive Tax Credits Scheme eligibility

This is determined by the Government. You are required to sign a statutory declaration confirming your eligibility prior to the investment of payments made on your behalf by the Government.

Qualifying fund manager

This is defined in Chapter 2 of Part 30 of the TCA. We are a qualifying fund manager.

Regular contributions

Any regular contribution as shown in the schedule or otherwise paid in line with the terms of this plan. They include any increases in regular contributions (see paragraphs 2.4 and 2.5). They do not include any single contributions paid on a one-off basis.

Retirement benefits

Cash, annuities or other benefits provided by the

accumulated fund.

Single contribution

A contribution which is not a regular contribution.

Schedule

The schedule that forms part of this plan.

Special Savings Investment Account (SSIA) contribution

A contribution paid by you from your SSIA fund into your PRSA plan. This is treated as a single contribution

Specified income

This is a pension or an annuity that you are entitled to for life, including a pension you are entitled to under the Social Welfare (Consolidation) Act 2005. Specified income is defined in Chapter 2 of Part 30 of the TCA.

SSIA additional maturity tax credit

An amount paid by the Government to your PRSA. Such a payment is based on your eligibility to take part in the Pension Incentive Tax Credits Scheme.

SSIA top-up tax credit

An amount paid by the Government to your PRSA. Such a payment is based on your eligibility to take part in the Pension Incentive Tax Credits Scheme.

Start date of the plan

This is the date shown in the schedule.

TCA

The Taxes Consolidation Act 1997 – including any amendments to it.

Unit

Each fund in the panel of funds contains a number of identical units. We will work out the value of each unit by referring to the net value of the assets of the fund after deductions. We set aside a number of these units for the plan to work out its value.

Unit account

The number of units belonging to your plan in each fund.

We, us, our

Irish Life Assurance plc.

Your, you

The person who is named as the customer in the schedule and who is the contributor under the plan.

Section 2

Contribution payments

This section describes how you can pay contributions.

- 2.1 The amount you have chosen to pay and how often you have chosen to pay are set out in the schedule. These are known as regular contributions.

If you are an employee and your employer has chosen to make contributions to the plan, the split of contributions between you both will be shown on your schedule. We must be told about any change in the split of contributions.

- 2.2 If you are paying AVCs, we must check that the benefits expected to be paid under this contract are not more than the maximum benefits allowed by the Revenue Commissioners. We will do this:
- before the contract starts; and
 - if you start paying AVCs during the contract; and
 - before we pay benefits to you.

We may choose to do this check at other times.

You must tell us if you are no longer a member of a main pension scheme at work.

You must tell us if at any stage during your PRSA you become a member of a main pension scheme at work. Any contributions paid during

this time will be AVCs. We will not accept employer contributions if you are paying AVCs.

- 2.3 Each time we receive a contribution, we place units from one or more of the funds into the plan in line with the terms of the latest fund link and in the way described in section 5. We use the investment price of each fund on the day we receive the contribution, to work out the number of units from each fund that we will place in the plan.

Changing your contributions

- 2.4 You may write to us and ask us to increase the regular contribution by giving us at least one calendar month's notice. If your contributions are being taken from your salary, you must tell your employer about any increase so they can make the appropriate change to your payroll deduction.

If you are a member of a main pension scheme at work and you want to increase your AVCs, we will check that the increase is within the limits allowed by the Revenue Commissioners.

- 2.5 If you pay regular contributions through a personal bank account, you may choose to increase contributions in line with inflation. If your contributions are made by being taken from your salary through your employer's bank account, you cannot increase contributions in line with inflation.

If you have chosen to increase contributions in line with inflation, your regular contribution will

automatically increase each year on the anniversary of your start date (as shown on the schedule). Your regular contributions will increase each year in line with the Consumer Price Index. When the Consumer Price Index is low, we may set the increase at a slightly higher minimum amount. (This is currently 5% but this percentage is a guide only. The actual percentage increase may be different when we work out the increase in your contribution.) We will tell you what this increase will be.

If the Consumer Price Index stops being published, we will decide on a suitable rate of increase, taking account of investors' reasonable expectations and other current increases in the insurance industry.

If we do not receive the increased contribution within 10 days of your plan anniversary (30 days for yearly contributions), we will assume you have turned down the increase in contribution for that year. However, we will offer you a similar increase in the following year. If you decide that you do not want us to offer you this option in the future, you must tell us in writing.

- 2.6 You may write to us and ask us to reduce the regular contribution at any stage by giving us one month's notice. The reduced regular contribution must be at least as large as the minimum contribution for PRSAs set by the Minister under the Pensions Act, 1990 as amended. If your contributions are being taken from your salary, you must tell your employer about any reduction so they can make the appropriate change to your payroll deduction.

There is no charge if you decide to increase or decrease your contribution.

2.7 Option to pay single contributions

You may add single contributions to your regular contributions at any time. You can pay single contributions without paying regular contributions if you want. It is not possible to add regular contributions to a plan if you start with a single contribution.

You can invest some or all of your SSIA fund into your PRSA. That payment will be treated as a single contribution to your plan. On the basis that you are eligible for the PITCs scheme, the Government will pay Irish Life a certain amount to be invested on your behalf. This is called a top-up tax credit. Also, if SSIA maturity tax has been deducted from your SSIA maturity value, the Government may also pay an additional maturity tax credit, according to the rules of the PITCs scheme.

If you are an employee and your employer is contributing, we must be told the split of the contribution between you both.

The investment terms that apply to single contributions will be those available at the time you pay your single contribution(s).

We will add units to your account in return for your single contribution based on the investment price of units on the day we receive your contribution and all the documents we need. This will also apply to your SSIA

contribution. The Government top-up or maturity tax credit payments, if any, will be invested on the same day as we invest your SSIA contribution. If, after we issue your PRSA contract to you, it is established that you are not eligible for the PITCs scheme, the units purchased by the Government top-up or maturity tax credit payments will be cancelled. It will not be possible to receive a refund of your SSIA investment if it is established that you are not eligible after the cooling-off period.

The single contributions may not be less than the minimum contribution for PRSAs set by the Minister under the Pensions Act, 1990 as amended.

2.8 Option to invest a transfer value from another pension contract

This contract can (depending on restrictions set down in law) accept transfer values from other approved PRSAs, from approved occupational pension schemes within the state, from retirement annuity contracts and from pension arrangements overseas. Certain restrictions apply to transfers from occupational pension schemes and overseas arrangements. You will be told about these restrictions before a transfer takes place. No entry charge applies to transfers.

If a transfer payment is made up of additional voluntary contributions paid under an occupational pension scheme and you are a member of that scheme when you take your benefits, we will have to pay the benefits from

this transfer in line with the main scheme pension benefits. This will be decided by the Revenue Commissioners.

We will add units to your account in return for your transfer value based on the investment price of units on the day we receive all the documents we need and the transfer value.

2.9 Stopping regular contributions

You can stop paying your regular contributions at any time. If you want to stop paying contributions temporarily, you must give us written notice at least one month before the next contribution is due. We will then automatically ask that you start paying the regular contribution again at the end of the suspension period. Or, you can decide to stop paying contributions for an indefinite period.

In both these cases, the account will continue in force and yearly fund charges will continue to apply. You can choose to start paying contributions again at any time. If your contributions are being taken from your salary, you must tell your employer if you want to stop contributions so they can make the appropriate change to your payroll deduction.

Section 3

Benefits

When is it possible to take retirement benefits?

You may normally take benefits on the dates outlined in section 3.1. If you have paid AVCs into your PRSA at any stage, we may have to pay benefits instead in line with your main pension scheme at work. This is outlined in section 3.2.

3.1 You can use your accumulated fund to provide retirement benefits at the earliest of the times set out below.

- a) Your 75th birthday or other chosen retirement date you have told us about.
- b) The first day of the month (between your 60th and 75th birthdays) after you tell us in writing that you want to claim retirement benefits.
- c) If you are an employee, and you are not a member of an occupational pension scheme you can take your benefits from age 60 and continue to work. You also have the option to take benefits from 50, but if you do so you must retire from your job. If you do this between age 50 and 60 you must retire from your job. We will pay the benefits on the first day of the month after you tell us in writing that you want to claim retirement benefits.

d) If your job is one in which people usually retire before their 60th birthday, we will pay benefit on the first day of the month (between your 50th and 60th birthdays) after you give us evidence that your job falls under this category, and you tell us in writing that you want to claim retirement benefits. You must have reached the age which has been approved by the Revenue Commissioners as defined in Chapter 2 of Part 30 of the TCA.

e) The first day of the month (before the earliest age at which you can normally retire) after you give us evidence of your disability and you tell us in writing that you want to claim retirement benefits due to serious ill health. Revenue will allow you to take your benefits at an earlier age, as long as we receive medical evidence to show that you are in serious ill health. The TCA (section 787K(2)) defines this as being an individual who becomes "permanently incapable through infirmity of mind or body of carrying on his or her own occupation or any occupation of a similar nature for which he or she is trained or fitted". This definition may change.

3.2 If you have paid AVCs, we may have to pay out the benefits in line with the rules of your main pension scheme at work. We will always pay benefits in line with the law and Revenue guidance.

3.3 The accumulated fund will stay invested with us until you decide to take retirement benefits or

have reached age 75 or until death benefits are paid. This PRSA will allow for PRSA assets to be paid to you as they become due (whether in Ireland or in any other member country of the European Union) after taking off any taxes and transaction charges which may apply (as under section 101(4) of the Pensions Act, 1990 as amended).

What benefits are currently available?

The benefits available under this PRSA are outlined in sections 3.4 to 3.8. If you have paid AVCs into your PRSA at any stage, we may have to pay benefits instead in line with your main pension scheme at work. This is outlined in section 3.9

3.4 Tax-free lump sum

You can take a lump sum of up to 25% of your accumulated fund as a cash amount tax-free. This is subject to limits as described in section 8.6.

If you take a tax-free lump sum and you choose to remain invested in your PRSA (see section 3.5), you will not be able to take a further tax-free lump sum under this PRSA even though you may pay further contributions into it.

You must use the rest of your fund to provide one or more of the other options described below. You do not have to take a tax-free lump sum. You could choose to use your full accumulated fund to provide one or more of the options described below.

3.5 Stay invested in your PRSA

You can choose to stay invested in your PRSA and take an income when you decide. Certain restrictions apply and appropriate income tax deductions will be made from any income paid out. If you choose this option, but you do not have a specified income of €12,700 each year for life at retirement, you must keep the lowest of the following amounts in your PRSA, transfer it to an AMRF or use it to buy an annuity.

- The balance of your accumulated fund (after you receive your tax-free lump sum payment, if you choose to take it) or
- €63,500

You cannot normally make withdrawals from your PRSA if it will bring the value below this amount before you reach age 75. You can take any amount over this as income.

3.6 Buy an annuity

You can choose to take an immediate single- or joint-life annuity option that we have available at the time you take your benefits. However, you cannot surrender (cash in), assign (transfer ownership of), or commute (give up part for a lump sum) part or all of your annuity. We will use our annuity rates at the time you choose the benefits to work out how much benefit you will receive. The Revenue Commissioners may place restrictions on the amount of benefit we may pay. We normally pay annuities each month for the month to come.

Some extra annuity features may also be available.

- Your annuity may have a guarantee period of up to 10 years. This means that if you die during the guarantee period, your annuity will continue to be paid to your dependants up to the end of the guarantee period.
- You can choose a dependant's annuity. This means that if you die before your dependant, we will pay your dependant a pension until he or she dies. We will pay this to someone you choose (other than your child) if we are satisfied that they depend on you. If this person is not your husband or wife, the maximum length of time we will pay the annuity for must be approved by the Revenue Commissioners.
- You can choose a children's annuity for one or more children. This means that if you die before your children, we will pay your children annuities until the child or children reach age 18 (or 21 if they are in full-time education), or until the child's death (if this is earlier).
- For each type of annuity, you can choose for it to increase each year. The annuity can increase by the Consumer Price Index to take account of inflation or can increase by a fixed amount (for example, 3% or 5%) each year.

3.7 Invest in an approved minimum retirement fund (AMRF)

If you do not take the options described in 3.5 or 3.6 above and you do not have a specified income of €12,700 each year for life at

retirement, you must transfer the following to an AMRF or use it to buy an annuity:

- the balance of your accumulated fund (after you receive your tax-free lump-sum cash payment, if you choose to take it); or
- €63,500;

whichever is lower.

You cannot normally make withdrawals from your AMRF before you reach age 75. The only exceptions to this are that:

- you may withdraw income or profits from your AMRF;
- you may transfer the proceeds of your AMRF to another qualifying fund manager; and
- you may use the proceeds of your AMRF to buy an annuity.

3.8 Taxed cash lump sum and approved retirement fund

After investing in an AMRF or an annuity, or if you can show that you have a specified income of €12,700 a year, you can use the rest (if any) of your accumulated fund in one of the following ways.

- You may take it as a lump sum. You will have to pay income tax on this lump sum for the year of assessment in which you receive it.
- You can invest in an approved retirement fund (ARF).

3.9 Paying AVCs and your retirement benefits

If your last contribution before taking retirement benefits is an AVC, we will pay out the benefits in line with the rules of your main pension scheme at work. Maximum tax-free lump sum and maximum pension benefits apply. Also, it may be possible to choose options under sections 3.7 and 3.8.

This is based on our understanding of current law and Revenue rules. This may change over time. We will always pay benefits in line with the law and Revenue guidance.

3.10 Taking benefits and continuing contributions into your PRSA

You have the option to take benefits under your plan (as outlined in sections 3.4 to 3.9) and continue your contributions into your PRSA, up to age 75. The benefits arising from these contributions will be as outlined in sections 3.4 to 3.9 except for your tax-free lump-sum option under section 3.4. No further tax-free lump sum is allowed.

3.11 Open-market option

You can also choose to buy your annuity benefit from a life office other than us. The life office must be authorised to carry out life assurance business in the Republic of Ireland. If you decide to do this, we will pay your accumulated fund (less any cash payment made to you) to the other life office.

You could also invest in an ARF or an AMRF that is run by another qualifying fund manager. If you decide to do this, we will pay your accumulated fund (less any cash payment made to you) to the other qualifying fund manager.

3.12 Cashing in or assigning (transferring ownership of) the benefit

Other than retirement benefits, you can take the accumulated value of your plan only if the value is €650 or less and you have not paid any contributions in the previous two years.

We have the right under section 109 of the Pensions Act, 1990 as amended to pay this value to you without your permission as long as:

- the value is less than or equal to €650;
- you have not paid any contribution to the plan in the two years before our decision to pay the value to you; and
- we have advised you in writing to transfer your assets to another PRSA or pension arrangement or to make further contributions, and you do not take this advice.

We will wait for three months after we advise you in writing. We will then pay the value to you if you do not take our advice or if we do not hear from you within that time.

It is not possible to assign (transfer ownership of) the benefits under this plan to anyone else.

3.13 Transferring your fund to another pension plan

You may transfer your accumulated fund to another approved PRSA, an approved occupational pension scheme or an approved overseas pension arrangement, as long as:

- a) you are a member of the receiving scheme or plan;
- b) that scheme or plan is able to receive a transfer value; and
- c) everyone involved agrees.

You must transfer all of your fund value. Your PRSA will end when the transfer is complete. There is no charge if you want to transfer your accumulated fund out of your PRSA.

Section 4

Funds and unit prices

This section explains how the investment funds work.

4.1 Introduction

This plan is unit-linked. Unit-linking is simply a way of working out the value of your plan on any date. You do not own the units. The plan will be linked to units in one or more of the funds in the panel of funds as explained in section 1.

4.2 Working out unit prices

We work out the investment price of units in all of the funds by using the market value of the assets of the fund and taking off the fund charge. Unit prices may go down as well as up.

You will find exact details of how we work out fund prices in the resolutions and rules governing the funds. You can ask us for a copy of these from our chief office.

4.3 Fund charges

Our current charges are summarised for each fund in the following table.

Panel of funds	Fund charge each year
Consensus Fund	1%
Pension Protection Fund	1%
Cash Fund	1%

4.4 Switching between funds

You may choose to change the funds we place units into for future contributions. You may also choose to switch where the accumulated fund is invested. You need to ask us in writing for us to do this. We do not charge for these options. We will carry out the switch based on unit prices on the day we receive your written request.

We may choose to delay any switch for up to six months if there are practical difficulties in selling the assets in the original fund. If a switch is delayed, we will carry out the switch based on unit prices at the end of the delay period.

4.5 Automatic switching between funds

Default Investment Strategy

The Default Investment Strategy (DIS) is intended to meet the needs of a typical contributor and invests through pooled unit-linked funds, the underlying assets of which will provide for diversification, liquidity, transparency of charges and frequent valuation and pricing. We will review this strategy at least every five years.

If the Default Investment Strategy (DIS) is chosen, we will invest your money in the Consensus Fund until you are within five years of your chosen retirement date and then gradually switch 25% of the fund into the Cash Fund and 75% into the Pension Protection Fund, as you approach retirement.

The Consensus Fund is based on the combined wisdom of the main Irish pension investment managers. The fund matches the investments they make in shares, property, bonds and cash. The Consensus Fund aims to provide performance that is consistently in line with the average of all funds in the market.

The Cash Fund invests in cash type investments and the Pension Protection Fund is a fixed interest fund that mainly invests in government backed bonds. One tenth of your fund will be switched every six months into these two more secure funds. When you are six months from retirement your full fund will be invested in these two funds.

You can switch in and out of the DIS at any time. There is no charge for any of the switches made within the DIS.

The purpose of the default investment strategy is mainly to generate a retirement income by buying an annuity rather than drawing down your retirement fund.

Table of investment split between the funds in the DIS

Years to normal retirement date	Consensus fund	25% Cash Fund and 75% Pension Protection Fund
more than 5 years	100%	0%
5	90%	10%
4.5	80%	20%
4	70%	30%
3.5	60%	40%
3	50%	50%
2.5	40%	60%
2	30%	70%
1.5	20%	80%
1	10%	90%
0.5	0%	100%

Alternative Investment Strategy

You can choose not to avail of the Default Investment Strategy. An Alternative Investment Strategy can be chosen from the outset or at a later date. The funds available are outlined in section 4.3. The Default Investment Strategy would then no longer apply to your plan and you will be responsible for selection of the entire fund mix. If you want to vary the fund choice, you can switch some or all of your money from one fund to another at any time by writing to us to request a switch. In certain circumstances, there may be a delay in switching.

Section 5

Charges

This section deals with the amount of the contributions that we will place in the funds on your behalf and the charges you will have to pay. You must read this section and your plan schedule together.

- 5.1 We will take an entry charge of 5% of each contribution you pay. The only exceptions to this are transfer values into this contract. You will not have to pay any up-front charges on funds transferred into your PRSA from an approved pension arrangement.
- 5.2 We will take a entry charge of 5% of your SSIA contribution (if any). You will not have to pay any up-front charges on the top-up tax credit and additional maturity tax credit paid to us by the Government on your behalf.
- 5.3 Each month we take a fund charge of 1/12 of 1% of the value of each of your chosen funds. We take this charge from the investment price evenly over the month.
- 5.4 As your fund gets bigger, the level of the fund charge reduces. It falls by 0.05% when your fund reaches €150,000, then by another 0.05% when it reaches €250,000 and a further 0.05% when it reaches €500,000. For example, the fund charge is 1% therefore the first reduction is to 0.95%, the second is to 0.90% and the third is to 0.85%. This reduction in charges is allowed

for by adding extra units to your account each month.

- 5.5 If the cost of managing your PRSA standard plan increases unexpectedly, we may need to change the levels at which the reductions described in 5.4 above apply or even remove them altogether. At least two months before we change the charges on your account, we will send a notice to your last known address explaining the change and your options. We will also send you a revised Statement of Reasonable Projection.
- 5.6 The maximum allowed level of charges on a standard PRSA such as this is limited by law to 5% of each contribution and 1% a year of the assets in the account.

Section 6

Death benefit

This section deals with the procedure for paying your fund if you die while your PRSA plan is still with us.

- 6.1 On the date we are told about your death, we will switch the accumulated fund to the Cash Fund based on unit prices on that day. The death benefit we pay will be the value of the accumulated fund based on the unit price of the Cash Fund on the day we receive all the documents we need described in section 7. Tax may be due on any growth in the accumulated fund between the date of your death and the payment of the death benefit.
- 6.2 If you have taken part benefits but your PRSA is still in force when you die, the accumulated fund from your PRSA may be transferred to an ARF in the name of your surviving spouse (husband or wife). If not, it will be treated as income for the tax year in which you die in the same way as an ARF and be distributed to your estate.
- 6.3 If your PRSA is still in force and the last contribution to your PRSA before you die is an AVC, we may have to pay out the benefits in line with your main pension scheme at work and maximum Revenue benefit limits.

Section 7

Claims

- 7.1 Before we will pay or make available the accumulated fund to provide benefits we must receive the following.
 - A filled-in claim form.
 - Proof of entitlement to claim the proceeds of the plan. This would include these terms and conditions and the schedule.
 - Also before we will pay benefits on death we must receive proof of a valid death claim (including proof of death in the form of a death certificate and a birth certificate, if we have not seen one before).
- 7.2 To protect your entitlements, we may need other proof that the person claiming is entitled to the proceeds of the plan. This extra proof may include items such as a 'power of attorney' or a 'grant of probate' or 'letters of administration'.
- 7.3 If you are an employee and you are retiring between your 50th and 60th birthdays, we will need confirmation from your employer that you are retiring from your job at that time.
- 7.4 If you have paid AVCs, we may have to pay out the benefits in line with the rules of your main pension scheme at work. If this applies, we will check with the trustees that you are taking

benefits from that scheme at the same time. We must also check that overall benefits would not go over Revenue limits. We will always pay benefits in line with the law and Revenue guidance.

Section 8

Approval and tax

This section gives details about the approval of your plan and the effects of tax law on your benefits.

Approval

- 8.1 The PRSA standard plan is a standard Personal Retirement Savings Account approved under Part X of the Pensions Act, 1990 as amended and Chapter 2A, Part 30 of the TCA. This plan has been approved by the Pensions Board and the Revenue Commissioners. The Pensions Board approval reference for this plan is APP/K/935/S.
- 8.2 We do not have to accept additional contributions into this account if the PRSA standard plan is no longer treated by the Pensions Board or the Revenue Commissioners as an approved Personal Retirement Savings Account.
- 8.3 We will write and tell you about any changes we make to the plan to keep it in line with the requirements of the Pensions Board and the Revenue Commissioners and how (if at all) any benefits under the plan may be affected.

Tax

- 8.4 We must pay benefits under your PRSA in line with current tax law. The tax payable on these

benefits is outlined in Section 3, subject to the maximum levels outlined in 8.5 and 8.6.

If tax laws or any other relevant laws change after the start date, we will alter the terms and conditions of the plan if this is necessary to keep the plan in line with those changes. We will write and tell you about any alterations in the terms and conditions.

Section 8

Law

This plan will be governed by Irish law and the Irish courts are the only courts that are entitled to hear disputes.

8.5 Under current legislation, the maximum pension fund allowed for tax purposes is €5,165,000 (as at June 2007) or, if higher, the value of the fund on 7 December 2005. The relevant maximum will apply to the aggregate value of all pension provisions held by you. Any fund in excess of this amount will be liable to a once-off income tax charge at a 41 % tax rate (current rate) when it is drawn down on retirement. This limit will be adjusted annually in line with an earnings factor.

8.6 The maximum tax-free lump sum that can be taken on retirement is 25% of your fund subject to a lump sum limit. If the aggregate of lump sums drawn down from all pension provisions held by an individual exceeds the lump sum limit (€1,291,250 as at June 2007) then the excess lump sum will be taxed at your marginal rate as income. This limit will be adjusted annually in line with an earnings factor.