Complete Solutions ARF

Form: CARFSAA

TC 1144 (REV 11-06)

terms & conditions
booklet

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Crystal Mark
Honesty and clarity approved by Plain English Campaign

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

Introduction

We (Irish Life Assurance plc) provide this plan, the **Complete Solutions** ARF, to you (the customer named in the schedule) as an investment for your Approved Retirement Fund on the basis of the application form and declaration you signed in line with section 784B of the TCA.

You will find details of the plan in this terms and conditions booklet, the schedule, the application form, the fund rules (we will send these to you if you ask for them) and any extra rules that we may add in the future with your approval. Only authorised staff at our head office may add these rules in writing. Together, they form the terms and conditions of the plan.

We pay benefits in return for the single payment you made as shown on your schedule, and any additional single payments we receive (as described in section 4).

We will pay claims only from the assets we hold to make payments due to customers. Benefits will be paid from our head office in Ireland, Lower Abbey Street, Dublin 1. All payments and benefits under this plan will normally be paid in euro.

In legal disputes Irish law will apply and the Irish courts are the only courts which are entitled to hear any disputes. The only rules, terms or conditions that are legally binding are those shown in our contract with you.

More detailed information on all these matters is in the relevant sections of these terms and conditions.

Who receives the money we pay out?

We will normally pay any benefits due under the plan to you. If you die, we will follow the instructions about payment from the person who is legally entitled to deal with your estate. We may have to take off tax before paying a benefit on death. We explain this in section 8.2.

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 that 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 we send you your welcome pack (or a copy), we will cancel your plan. We will return your payment, less any reduction in investment values over the period of the plan. We strongly recommend that you consult your financial adviser before you cancel your plan.

Complaints

We will do our best to sort out any complaints you have. If you are not satisfied after complaining to us, you can take your complaints to the Financial Services Ombudsman. You can get more information from:

Financial Services Ombudsman
3rd Floor
Lincoln House
Lincoln Place
Dublin 2.

Family law and pensions

If you are involved in a judicial separation or a divorce, a pension adjustment order may be granted by the courts over the benefits from this plan for the benefit of your husband or wife. You can get more information on how pension adjustment orders work from the Pensions Board or your solicitor.

Transferring your plan

You cannot transfer your plan to anyone else in any circumstances.

CONTENTS

Section 1

Definitions

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

Certain words and phrases used in this terms and conditions booklet have specific meanings, which might be different from the meaning they would have in general use. These words are shown in **bold** and listed 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:

- the number of units we place in the plan; multiplied by
- the investment price of the units of the funds.

We may use a market value adjuster to work out any part of the accumulated fund that is invested in the Secured Performance Fund or the Exempt Guaranteed Fund (see sections 2.4 and 2.5).

Allocation amount
This is your single payment multiplied by the investment percentage shown in the schedule.

Approved retirement fund (ARF)
A fund managed by a qualifying fund manager and which keeps to the conditions of chapter 2 of part 30 of the TCA for this type of fund.

Fund
Any fund in the panel of funds available to your plan and any other funds (we refer to as extra funds) that we add to the plan.

The panel of funds currently includes the following.

Global Opportunities Fund Series V
Active Managed Fund Series V
Pension Protection Fund Series V
Exempt Guaranteed Fund Series V
Exempt Property Fund Series V
Exempt Cash Fund Series V
Exempt Indexed Irish Equity Fund Series V
Exempt Indexed Japanese Equity Fund Series V
Exempt Indexed European Equity Fund Series V
Exempt Indexed Fixed Interest Fund Series V
Exempt Indexed North American Equity Fund Series V
Exempt Pacific Equity Indexed Fund Series V
Exempt UK Equity Indexed Fund Series V
Ethical Global Equity Fund Series V
Secured Performance Fund Series V
Consensus Fund Series V
Indexed Global Equity Fund Series V
Fidelity India China Fund Series V
Fidelity Portfolio Select Growth Fund Series V
Fidelity European Opportunities Fund Series V
Fidelity Managed International Fund Series V
Bloxham's High Yield Fund SeriesV
Bloxham's Contrarian Fund Series V
Bloxham's Intrinsic Value Fund Series V
UK Property Fund Series Q
PI International Share Fund Series V
Property Portfolio Fund Series E

The number of funds may increase or reduce in the future.

You can ask us to send you a copy of the rules creating these funds and describing how they work.

Fund link
The fund or combination of funds in the panel of funds which the plan is linked to.

Imputed distribution
A specified amount of the value of your plan that will be subject to income tax. The specified amount will be the relevant percentage for that year of assessment, less any withdrawals, deemed distributions or income payments made to you in that year. The specified amount will be calculated in accordance with Section 784A (1BA) of the TCA.

Investment price
This is 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.

Market value adjuster
An adjustment to reduce the value of units of the Exempt Guaranteed Fund or the Secured Performance Fund in certain circumstances as set out in sections 2.4 and 2.5.

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

Schedule
The schedule that forms part of this plan.

Single payment
The amount initially paid to us. The amount is shown on your schedule. If you make additional single payments, the amounts will be shown separately.

Start date
The date when we invest your single payment. It is shown on your schedule.

TCA
The Taxes Consolidation Act 1997 and any amendment or re-enactment.

Units
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 value of the assets of the fund after taking off fund charges. We set aside a number of these units for the plan so we can work out its value.

We, us, our
Irish Life Assurance plc.

You, your
The person named as customer in the schedule.

Section 2

Funds and unit prices

This section explains how the investment funds work.

2.1 **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 defined in section 1. The plan can be linked to up to ten funds.

If you have chosen to invest in the Property Portfolio Fund, the Secured Performance Fund or the UK Property Fund there may be a maximum amount that you are allowed to invest in each fund.

2.2 **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.

When there are more customers moving out of a property fund (either the Exempt Property Fund, the UK Property Fund or the Property Portfolio Fund) than there are customers making new investments in it, we will reduce the value of the units in the fund relating to the property to reflect the percentage of the costs associated with buying and selling properties. The rate of reduction in the value of the affected assets will be different for each property fund. The reduction for any part of the fund invested with external fund managers may happen at a different time to the reduction for the rest of the fund.

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 head office.

2.3 **Fund charges**

We have summarised our current charges for each fund in the following table.

Panel of funds	Fund charge each year
Global Opportunities Fund Series V	1.50%
Active Managed Fund Series V	1.50%
Pension Protection Fund Series V	1.50%
Exempt Guaranteed Fund Series V	1.75%
Exempt Property Fund Series V	1.75%
Exempt Cash Fund Series V	1.50%
Exempt Irish Equity Indexed Fund Series V	1.50%
Exempt Japanese Equity Indexed Fund Series V	1.50%
Exempt European Equity Indexed Fund Series V	1.50%
Exempt Fixed Interest Indexed Fund Series V	1.50%
Exempt North American Equity Indexed Fund Series V	1.50%
Exempt Pacific Equity Indexed Fund Series V	1.50%
Exempt UK Equity Indexed Fund Series V	1.50%
Ethical Global Equity Fund Series V	1.50%
Secured Performance Fund Series V	2.00%
Consensus Fund Series V	1.50%

Indexed Global Equity Fund Series V		1.50%	
Fidelity Managed International Fund Series V		2.25%	
Fidelity India China Fund Series V		2.25%	
Fidelity Portfolio Select Growth Fund Series V		2.25%	
Fidelity European Opportunities Fund Series V		2.25%	
PI International Share Fund Series V		1.75%	
Bloxham's High Yield Fund Series V		1.75%	
Bloxham's Contrarian Fund Series V		1.75%	
Bloxham's Intrinsic Value Fund Series V		1.75%	
UK Property Fund Series Q – Irish Life charge	1.75%		
UK Property Fund Series Q – External managers' average charge	0.375%		
UK Property Fund Series Q – Total average charge			2.125%
Property Portfolio Fund Series E – Irish Life charge	1.30%		
Property Portfolio Fund Series E – External managers' average charge	1.10%		
Property Portfolio Fund Series E – Total average charge		2.40%	

We can increase the rate of any fund charge on any fund in the panel of funds only if our board of directors passes a resolution. We would need to increase the fund charge if the cost of dealing with those plans linked to the funds rose higher than expected.

The external managers' charges on the UK Property Fund and the Property Portfolio Fund can vary. Please see the section 'External managers' charges on the UK Property Fund and the Property Portfolio Fund' below for more details on this variability.

UK Property Fund and Property Portfolio Fund

This section is only relevant if you are investing in the UK Property Fund or the Property Portfolio Fund.

The UK Property Fund and the Property Portfolio Fund are managed at an overall level by Irish Life. Within these funds, a part of the assets are managed by companies (external managers) other than Irish Life. There are charges taken from these funds by both Irish Life and these external fund managers. For example, the Property Portfolio Fund invests in property in Ireland, the UK and Europe. Whilst the Irish properties are managed by Irish Life Investment Managers (ILIM), some of the UK property investments, and currently all of the European property investments, are invested with external fund managers, rather than through holding the properties involved directly.

Irish Life charges on the UK Property Fund and the Property Portfolio Fund

Each month, we make a charge of 1/12 of 1.75% of the part of your fund value invested in the UK Property Fund and a charge of 1/12 of 1.30% of the part of your fund value invested in the Property Portfolio Fund.

For property funds, we take off the costs of maintaining and valuing the properties and the costs of collecting rent before we take any charges.

We won't increase our charges unless we need to because of an increase in the costs of dealing with the investment. If this happens, we will give you notice of the increase.

External managers' charges on the UK Property Fund and the Property Portfolio Fund

The external fund managers take their costs and charges from the assets they manage. These charges are reflected in how the fund performs. The level of the charges, as a percentage of the overall fund, can vary for three reasons.

- The first reason is the fact that the percentage of the fund that is managed by external managers will change over time. This split can change in the future mainly due to the availability of property and also the amount of money coming into and out of the fund.

- The second reason is that the level of the charges applied by external fund managers can vary according to the fund manager we choose in the future. We may also pay the external property managers an incentive fee if they achieve better investment returns on the funds they manage than we expected.

- The third reason is that the property funds managed by external fund managers may borrow to increase the amount of property that the funds can invest in. Borrowing increases the chance of achieving improved returns if the properties perform well. However, it also increases the level of risk of the investment. The external managers' charges in relation to property investments are based on the total value of the properties held rather than on the funds they manage. The level of these charges as a percentage of the funds managed will depend on the amount of borrowing relative to the value of the properties held.

If the level of borrowing increases by more than the value of properties, the level of charges as a percentage of funds managed would increase. For example, a significant fall in property values could result in a significant increase in the average level of this charge as a percentage of funds managed. This is because a fall in property values means that the amounts borrowed would represent a higher percentage of the property value.

Equally, if the level of borrowing reduces by more than the value of properties, then the level of charges as a percentage of funds managed would also reduce. For example, a significant rise in property values could result in a significant reduction in the average level of this charge as a percentage of the funds managed. This is because a rise in property values means that the amounts borrowed would represent a lower percentage of the property value.

Taking account of these three factors, we estimate that the expected average level of external managers' charges over the long term will be 1.1% a year for the Property Portfolio Fund and 0.375% a year for the UK Property Fund. The actual level of the external managers' charges may be higher or lower than this depending on the factors outlined above. If the external fund managers' charges taken for the Property Portfolio Fund did equal 1.1% of the overall fund value in a given year, this would bring the total charge for the Property Portfolio Fund to 2.40% a year. If the external fund managers' charges taken for the UK Property Fund did equal 0.375% of the overall fund value in a given year, this would bring the total charge for the UK Property Fund to 2.125% a year.

An incentive fee will also be paid to the external fund managers if they achieve superior investment returns on the funds they manage. For incentive fees to be paid, the investment returns would have to exceed 8% a year. These fees would reduce the unit price.

2.4 The Exempt Guaranteed Fund

Working out the unit price

The investment price of units in the Exempt Guaranteed Fund cannot fall. We also guarantee the growth each calendar year to equal at least a minimum rate we declare (upfront) each year. We work out this minimum by taking account of:

- the value of the assets of the Exempt Guaranteed Fund;
- the investment price of all the units of the fund; and
- the expected future return on these assets.

The market value adjuster

We may reduce the value of your fund within the Exempt Guaranteed Fund by applying a market value adjuster if you choose to move your investment out of the Exempt Guaranteed Fund.

We then work out the value of the units in the Exempt Guaranteed Fund as follows.

- The number of units in the Exempt Guaranteed Fund;
  multiplied by
- the investment price of units in the Exempt Guaranteed Fund;
  multiplied by
- the market value adjuster.

If we use the market value adjuster, it will reduce your fund value to reflect any shortfall between the value of the assets in the fund and the investment price of all the units in the fund.

We will not use the market value adjuster for units of the Exempt Guaranteed Fund if:

- you choose to move the investment out of the Exempt Guaranteed Fund on the fifth anniversary of the plan or the plan anniversary every five years after this;
- we are cashing in units to pay you a regular income; or
- you die.

2.5 The Secured Performance Fund

Working out the unit price

The investment price of units in the Secured Performance Fund cannot fall. Also, the investment price is guaranteed to increase in a set way throughout the calendar year at a rate we declare at the beginning of each calendar year.

We will work out the rate of increase we declare by taking account of the value of the assets of the Secured Performance Fund, the investment price of all the units in the fund and the expected future return on these assets.

The market value adjuster

We will reduce the value of the fund within the Secured Performance Fund by applying a market value adjuster if you choose to move your investment out of the Secured Performance Fund.

We then work out the value of the units in the Secured Performance Fund as follows.

- The number of units in the Secured Performance Fund;
  multiplied by
- the investment price of units in the Secured Performance Fund;
  multiplied by
- the market value adjuster.

If we use the market value adjuster, it will reduce your fund value to reflect any shortfall between the value of the assets in the fund and the investment price of all the units in the fund.

We will not use the market value adjuster for units of the Secured Performance Fund if

- you choose to move the investment out of the Secured Performance Fund on the fifth anniversary of the plan or the plan anniversary every five years after this;
- we are cashing in units to pay you a regular income; or
- you die.

Restrictions on investing in the Secured Performance Fund

You can invest in the Secured Performance Fund only if you are transferring money from a pension plan you hold with us that is already invested in the fund. We need this condition to protect the interests of customers already invested in the fund. You cannot switch into the Secured Performance Fund.

2.6 Switching between funds

You may choose to switch the accumulated fund to another fund. We do not currently charge for this option. We may charge in the future to cover our administration costs. The investment prices we use for your switch will be those on the same working day we receive your request.

Before you switch from your original fund choice or choices, please remember that the funds in the panel of funds have different levels of risk and possible returns and they may also have different yearly fund charges.

At any stage, we can change the range of fund options that are available. For example, we may add new ones or close existing ones. You can only switch into a fund if it is open for switches at the time we receive your request.

If you are switching out of the Secured Performance Fund or the Exempt Guaranteed Fund, we take the value of units in the fund after using the market value adjuster as described in sections 2.4 and 2.5. You cannot switch into the Secured Performance Fund.

In certain circumstances, we may delay switches. These circumstances can include the following.
- If a large number of customers want to switch out of the same fund at the same time.
- If there are practical problems selling the assets in which the fund is invested.

In particular, we may delay switches to or from the Property Portfolio Fund, the UK Property Fund or the Exempt Property Fund for up to six months from the time we receive your request. We need this notice period because of the high cost and time involved in selling properties.

When there are more customers moving out of a property fund than there are customers making new investments in it, we will reduce the value of the units in the fund relating to the property to reflect the percentage of the costs associated with buying and selling properties. The rate of reduction in the value of the affected assets will be different for each property fund. The reduction for any part of the fund invested with external fund managers may happen at a different time to the reduction for the rest of the fund.

Delayed switches will be based on the value of units at the end of the period.

Once you have given us notice that you wish to switch between funds you cannot change your mind during any notice period.

Section 3

Charges

This section deals with the amount of the payment 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.

3.1 The percentage of your single payment invested is shown in your schedule. If the percentage invested is less than 100%, the amount of money not invested is a charge.

3.2 We will take fund charges and these will depend on the fund link you have chosen. You will find these charges in detail in section 2.3.

3.3 In certain cases we may add extra units to your investment each month so we can reduce the effect of your fund charge. If this applies to you, you will find details in your schedule. This reduction may be different for additional payments you make.

3.4 If you want to take money out of your plan less than five years after you put it in, we will take an 'early withdrawal' charge from your fund value. This charge is a percentage of your accumulated fund which depends on the number of years (or part of a year) between the date you take your money out and the fifth anniversary of the date you put your money in. This means that you may have different early withdrawal charges on different parts of your accumulated fund if you have made additional payments. We do not make this charge if you cancel during the cooling-off period. The percentages are as follows.

Number of years (or part years) to fifth anniversary*	Withdrawal charge percentage
1	1%
2	3%
3	5%
4	5%
5	5%

*This refers to the anniversary of the date you put the money in. For example, if you made an additional investment during year three and you cash in all of your investment during year four, we will take a 5% charge from your additional investment, but a 3% charge from your initial single payment.

Section 4

Additional single payments

At any time, if you hold other pension assets it may be possible to transfer their value into this plan (depending on any laws in force at that time). We will not accept additional single payments of less than €1,000. In rare circumstances we may refuse to accept additional single payments. However, in that case we will tell you the reason for our refusal.

Assuming we accept, we will invest the additional single payment in the fund or funds of your choice (if they are available) and place extra units in your plan based on the investment prices on the same working day we receive your additional single payment. Your fund value will increase by the amount of your additional single payment multiplied by the investment percentage we will tell you at that time.

Section 5

Transfers out of your plan

You may transfer the fund value to another ARF at any time, or use the fund value to buy an annuity. This annuity must be an annuity for your life with the income paid to you from the date you buy the annuity. We will not take off any tax as shown in section 8.1 on these transfers. However, you are likely to have to pay income tax on any payments from your new plan.

You may have to pay an early withdrawal charge as described in section 3.4, a market value adjuster may apply as described in sections 2.4 and 2.5 and the transfer may be delayed as described in section 6.4. You also have the option of cashing in your plan as described in section 6.

Section 6

Cashing in your plan or taking a regular income

This section deals with what happens when you cash in all or part of your plan or you take a regular income.

6.1 **Cashing in your plan in full**

You may cash in your plan in full at any time (however the withdrawal may be delayed as described in section 6.4). If you take your money out more than five years after you put it in, we will pay you your accumulated fund although a market value adjuster may apply to any part of your fund invested in the Exempt Guaranteed Fund or the Secured Performance Fund. However, if you want to cash in your plan less than five years after putting your money in, we will reduce your fund value by taking off an 'early withdrawal' charge as described in section 3.4.

The investment prices we use to work out your withdrawal value will be those on the day we receive your filled-in claim form (depending on section 6.4) and any other documents we need. The plan will end after you have cashed it in.

Before we can pay a total or partial withdrawal, we will need:

- a filled-in claim form; and
- proof that you are entitled to claim the plan's proceeds. This will include these terms and conditions and the schedule.

See section 8 for details about tax on withdrawals.

6.2 **Cashing in part of your plan**

You may withdraw money from your plan at any time (however, the withdrawal may be delayed as described in section 6.4) as long as:

a the amount you ask for is not less than €350; and
b the accumulated fund after you have made a withdrawal is at least €1,000.

We will reduce your withdrawal by the amount of income tax we must take off (as described in section 8). You may have to declare your withdrawal for tax purposes.

When you cash in part of your plan the accumulated fund left will be:

- the accumulated fund before the withdrawal;

less

- the withdrawal amount you have asked for (before tax);
- any market adjustment that may apply as described in sections 2.4 and 2.5; and
- an early withdrawal charge as described in section 3.4 (if you are withdrawing money before the fifth anniversary of the date you put it in).

If you do not say which fund or funds you would like to withdraw your money from, we will cash in units in each fund as a percentage of the value of the units placed in your plan from each fund at the date you make the withdrawal.

6.3 Taking a regular income

If you have asked to receive a regular income from your plan, the details will be shown on your schedule in a section entitled 'Regular Income'.

1 We will pay you an income of the amount shown in your schedule on the payment dates (as given in your schedule). If you have chosen to receive a percentage amount, we will use the accumulated fund on the date the payment is due when working out how much income we should pay. You cannot take more than 9% of your accumulated fund each year as a regular income payment. We will treat the income payments as if you were cashing in part of your plan on each payment date. However, we will not apply any early withdrawal charge or market value adjustment to these payments.

2 If you want to change either the amounts of income or how often you receive them you must give us three months' notice in writing. We may charge a fee for this change to cover the administrative costs involved in changing the plan details.

3 You may cancel the regular income arrangement by giving us three months' notice in writing. If you then want to start this arrangement again, we may charge a fee to cover the administrative cost of making this change.

6.4 Power of delay

In exceptional circumstances, we may delay withdrawals. Exceptional circumstances would include the following.

- If a large number of customers want to switch out of the same fund at the same time.
- If there are practical problems selling the assets in which the fund is invested.

In particular, we may delay total or partial withdrawals from a property fund for up to six months from the time we receive your request. The property funds currently available are the UK Property Fund, the Property Portfolio Fund and the Exempt Property Fund. Delayed withdrawals will be based on the value of units at the end of the notice period. We may need a notice period due to the high cost and time involved in selling properties. Once you have given us notice that you wish to make a withdrawal you cannot change your mind during any notice period.

When there are more customers moving out of a property fund than there are customers making new investments in it, we will reduce the value of the units in the fund relating to the property to reflect the percentage of the costs associated with buying and selling properties. The rate of reduction in the value of the affected assets will be different for each property fund. The reduction for any part of the fund invested with external fund managers may happen at a different time to the reduction for the rest of the fund.

Section 7

Death benefit

This section deals with the procedure for making a claim under the plan and how we assess the claim.

7.1 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 101% of the value of the accumulated fund based on the unit price of the Cash Fund on the day we receive all the documents described in section 7.2.

If your husband or wife inherits your **Complete Solutions** ARF, they can take out a new ARF in their own name with the accumulated fund from this plan. There is no tax due if this happens. When your husband or wife dies, income tax may be due and we have to take off this tax as set out in section 8.2.

Income tax will not be paid if we pay the death benefit to any of your children under 21 years of age.

In any other situation where payments are made on death, we will take off any income tax which may apply before we make the payment (see section 8.2).

7.2 Before we will pay or make available the accumulated fund to provide benefits, we must receive the following.

a A filled-in claim form.

b Proof of your entitlement to claim the proceeds of the plan. This would include these terms and conditions and the schedule.

c Also, before we will pay the death benefit, we must receive proof of a valid death claim (including proof of death in the form of a death certificate and, if not previously produced, a birth certificate).

7.3 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'.

Section 8

Tax

8.1 **Tax on withdrawals and regular income**

Irish Life will deduct income tax from any distribution or deemed distributions from your fund. Distributions include withdrawals made from your fund including any income we pay you and certain other deemed distributions outlined in S784A of the TCA. We also have to take tax from your plan in respect of any imputed distributions.

Currently, an imputed distribution applies to the value of assets in your ARF at 31 December each year. The relevant rate is 1% of the value of fund in 2007, 2% in 2008 and 3% from 2009 onwards. This will not apply until you are aged 60 or over for the whole of the tax year.

Actual withdrawals and other deemed distributions during the year of assessment can be offset against the imputed value. Certain distributions cannot be offset and these are outlined in S784A of the TCA. The net amount, if any, is regarded as a distribution in the first month of the year of assessment following the year in which the ARF assets are valued and will be subject to income tax.

We take this income tax under the Pay As You Earn (PAYE) system. If we receive a certificate of tax and standard rate cut-off point or a tax deduction card for a particular tax year, we will take tax in line with this. If we do not receive a certificate of tax and standard rate cut-off point or a tax deduction card for a particular tax year, by law we have to take income tax at the higher rate (which is currently 42%).

Irish Life will deduct all relevant tax required by law in the manner described in Section 784A of the TCA.

8.2 Tax on your death

We treat any payments from your **Complete Solutions** ARF after you die as income for the tax year in which you die, and they are taxed under the PAYE system as outlined in section 8.1. We pass the rest, after tax, to your personal representatives. There are a number of exceptions to this rule.

We will not take income tax if either:

- the value of your **Complete Solutions** ARF after your death is transferred to an ARF owned by your husband or wife;
- the value of your **Complete Solutions** ARF after your death is transferred for the benefit of any of your children who are under 21 on the day you die; or
- the value of an ARF owned by your husband or wife which was set up on your death is transferred for the benefit of any of your children who are under 21 on the day your husband or wife dies.

We will take PAYE at the standard rate of tax (currently 20%) if either:

- the value of your **Complete Solutions** ARF after your death is transferred for the benefit of any of your children who are over 21 on the day you die; or
- the value of an ARF owned by your husband or wife which was set up on your death is paid out on their death.

As well as any income tax due, there may also be Capital Acquisitions Tax due on the value of your plan, if the value of your **Complete Solutions** ARF is not paid to your surviving husband or wife or to any of your children over 21 years of age. The beneficiaries are responsible for paying this tax.

Section 9

Law

This plan is governed by the laws of Ireland and the Irish courts are the only courts which are entitled to hear disputes.

We will deal with this plan in line with current laws. If tax laws or any other relevant laws change after the start date, we will change 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.