

pension **term assurance**

protect your family's income and benefit from full tax relief



Irish Life

www.irishlife.ie



Irish Life Assurance plc is regulated by the Irish Financial Services Regulatory Authority.



Irish Life

made for life



About us

Founded in 1939, we have been taking care of our customers' financial futures for over 60 years. We are proud to be part of the Irish Life & Permanent group of companies, one of Ireland's largest and most successful financial organisations. As the leading life assurer in Ireland, our vision for the future is to be your first and best choice for all your savings, investment, pensions and protection needs. We understand that your lifestyle and financial circumstances are specific to you and so we aim to offer you, over your lifetime, a better combination of choice, value and service than any other company. We will do our best to provide you with the flexibility to manage your finances and the freedom to live your life the way you want to.

The Honesty Crystal Mark

Because financial products can be complicated and difficult to understand, we are committed to using clear and straightforward language in all our customer communications. We work with Plain English Campaign, an independent company who specialise in testing the text and layout of our documents to make sure that all our customer communications meet the highest standards of clarity, openness and honesty. Irish Life is the first financial company in Ireland to sign the Plain English Campaign's declaration of honesty. This means we make certain everything you need to know is included in this booklet and is written in language you can easily understand.

Irish Life's pensions

In terms of pensions, more Irish people choose us to manage their pension plan than any other company. In fact, we manage over €10 billion on behalf of pension customers. Every week of every year, we pay out more retirement benefits than anybody else (except the State), because as the pension experts, our experience has led us to design smart solutions for pension customers.

No wonder we're Ireland's number one choice for pensions.



Products we offer

Investments

- Low risk options
- Tracker bonds
- With-profit bonds

Higher growth options

- Property bonds
- Unit-linked share investments

Protection

- Term life cover
- Mortgage protection
- Flexible family protection
- Income protection
- Inheritance tax planning

Savings

- Savings plan

Pensions

- Personal pensions
- Company pensions
- Pension life cover
- Post-retirement options

Keeping in contact

Each year, we will send you a statement, which keeps you up to date on your policy, explaining the benefits, cash-in values (where appropriate) and other relevant information concerning your plan.

You can call us six days a week on our customer helpline where we will do our best to answer your question. Our websites are available 24 hours a day, seven days a week. You can keep track of your Scope funds at www.escope.ie. At www.irishlife.ie, you can, among other things, find your nearest financial adviser or get a quick quote on any of our products.

Personal financial advice

It takes just a short time for a professional financial adviser to sit down with you and review your personal finances. An adviser will tell you the most suitable ways for you to get the most benefit from your money, taking account of all your existing financial commitments.

How to contact our Customer Service Department

Call or fax us at:

tel: 01 704 1010 fax: 01 704 1900

Email us at:

customerservice@irishlife.ie

Visit our website at:

www.irishlife.ie

Or write to us at:

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

Lines are open between 8am and 8pm Monday to Thursday, 8am and 6pm on Fridays and from 9am and 1pm on Saturdays.

Calls may be recorded or monitored to help improve customer service.

the pension experts

pension term assurance

A plan that provides the life cover to protect your family's standard of living, if you should die before you retire. The plan also allows you to benefit from full tax relief.

contents



1	Introduction	Page 2
2	How it works	Page 4
3	Eligibility	Page 6
4	Tax advantages	Page 8
5	Extra options	Page 14
6	Your questions answered	Page 16

introduction



You work hard to provide a certain standard of living for your family, not only to cover the essentials such as the mortgage and all the bills, but also to make sure your lifestyle is comfortable.

It's important to protect your family's standard of living. If you were to die before retiring, many of the same bills would be rolling in, but your family's income would be drastically reduced.

Life cover will give your family a lump sum that can be used to boost the income they get from the state and other earnings and so help ease the financial pressure. What's more, in the same way the Government gives tax relief on pensions, they also give tax relief on life cover, if it is used to protect your pre-retirement income.

This special form of life cover is called 'Pension Term Assurance' and, because of the tax relief available, it offers excellent value for money.

2 how it works



Pension Term Assurance is life cover that pays your dependants a guaranteed lump sum if you die during the term of the plan. The advantage of this type of life cover is that it costs you less, because if you are eligible, you can claim tax relief on your contributions.

You pay a regular amount of money into your Pension Term Assurance plan. Your payment provides the level of life cover you choose until the date you have chosen for retirement. Your financial adviser can help you decide how much cover you need. The cost is guaranteed not to increase before that date, giving you added security. If you do want to increase your cover every year to take account of inflation, you can choose the indexation option (see page 15). This option is important, as without it, your cover cannot increase unless you start a new plan.

The cost of life cover depends on the following.

- The level of cover you need.
- Your age and sex, and whether or not you smoke.
- The age at which you want your cover to end.
- Your state of health.
- Whether you choose the indexation option.
- Whether you want your cover to be able to continue after you retire.

If you are interested in Pension Term Assurance, your financial advisor will be able to give you a quotation. Terms and conditions apply.

eligibility



You need to meet certain conditions in order to take out this special form of life cover with added tax benefits.

Your age

- Normally you must be between 19 and 68 to take out this cover. The maximum age is 73 if you qualify for a personal pension.
- You choose the age you will be when your cover ends, but as this plan aims to replace your income if you were to die before retiring, you must choose a term that ends when you are aged between 60 and 70. This term is extended to age 75 if you qualify for a personal pension. This will be your chosen retirement age. The term you choose must be between 2 and 40 years so, for example, a 25 year old must choose a retirement age of between 60 and 65.

Your tax situation

- You must be living in Ireland for tax purposes.
- Your income must be from paid work. You cannot take out a plan if your earnings are from, for example, renting out property, dividend payments or interest on investments. This is because these forms of income will probably continue after your death.
- How tax relief will work in practice depends on whether you would qualify for a personal pension, company pension or additional voluntary contribution (AVC) plan. This is all summarised on pages 12 and 13.

Who is taking out the plan

- You can only take out cover on your own life as it is your income that this plan aims to protect. You cannot take it out on your partner's life or take out joint life cover.

4 tax advantages

Your payments qualify for tax relief up to certain limits. This means that the cost of your life cover will be greatly reduced. Exactly how the tax relief works depends on whether you qualify to take out a personal pension, join a company pension arrangement or pay additional voluntary contributions (AVCs). To check which applies to you, look at pages 12 and 13. Your financial adviser will be able to talk you through the option that applies to you and how it will work in your case.

● Pension Term Assurance for personal pensions

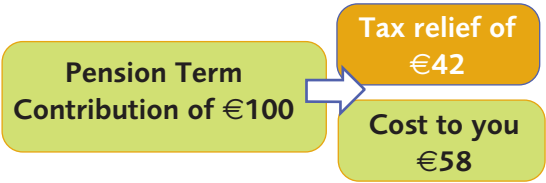
For people who are self-employed or don't have a company pension scheme

If you are eligible to take out a personal pension plan, you can claim tax relief on your contributions of up to 30% of your net relevant earnings in any one year. (Net relevant earnings means your income during a tax year, less allowances or losses and also less certain charges and deductions, such as mortgage interest for which you can claim tax relief. Relief is not available on net relevant earnings which are more than €254,000.) The maximum contribution you can claim tax relief on is known as your 'allowance' and it depends on your age, as set out on the next page.

Your age	Maximum payment you can claim tax relief on
Up to 30	15% of your net relevant earnings
30 to 39	20% of your net relevant earnings
40 to 49	25% of your net relevant earnings
Over 50	30% of your net relevant earnings

These limits apply to the amount of tax relief you can claim on your payments to this plan and any personal pension you have.

You can use any of your allowance to buy Pension Term Assurance and get tax relief. So, a 45 year-old with net relevant earnings of €30,000 can get tax-relief on total payments of up to €7,500 a year (25%) towards a pension or a Pension Term Assurance plan (or a combination of both).



For people who pay tax at 20%, the cost after tax relief would be €80 and the taxman would pay the remaining €20. To claim relief, you will receive a tax-relief certificate from us, which you can submit to the Revenue at the end of the tax year.

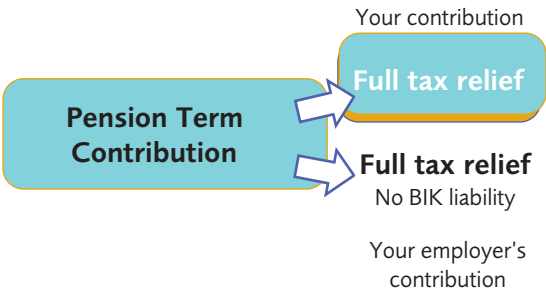
Pension Term Assurance for company pensions

For employees whose company will contribute to the cost

To take out Pension Term Assurance for company pensions, your employer must pay at least one tenth of the contribution. However, they can pay any amount up to the full contribution.

Your employer's contribution

The amount your employer pays is a tax-deductible expense for them, just like any other business expense (your income includes overtime, bonuses and benefits in kind as well as your salary). This contribution is not treated as a (benefit in kind) and so you are not taxed on it. You can get tax relief on your payments up to a certain percentage depending on your age. See the table on this page to get your maximum contribution level. This limit applies to your contribution to this plan and any pension plan you have and cannot be more than this amount. Your contributions may be deducted from your salary by your employer before you are taxed. Tax relief is immediate and you will also benefit from PRSI relief.



Pension Term Assurance for additional voluntary contributions (AVCs)

For employees already in company pension schemes and who wish to pay for separate life cover themselves

When you contribute towards this life cover plan, you can claim tax and PRSI relief on your contributions of up to 30% of your income in any one year (your income includes overtime, bonuses and benefits in kind as well as your salary). The 30% of your earnings limit (depending on your age) applies to your contribution to this plan and any pension plan you have. Your contributions may be deducted from your salary by your employer before you are taxed. Tax relief is immediate and you will also benefit from PRSI relief. Otherwise, when you pay contributions from your bank account, you can submit a tax relief certificate to the Revenue to claim income tax relief. See the table on page 9 to find out your maximum contribution level.



	Eligible to take out a personal pension
Your personal circumstances:	<ul style="list-style-type: none"> - You are self-employed (paying tax under schedule D Case I or II); or - you are in non-pensionable employment. This means that you are an employee who pays tax under the PAYE system, are not in a company pension plan and your employer will not contribute to this plan.
Who pays payments to the plan?	You.
What tax relief is available?	You will get income tax relief on payments of up to the limits set out on page 9.
What is the maximum amount of life cover I can have?	There is no limit on the amount of cover you can have.
What is the maximum I can pay into the plan?	There is no limit, but tax relief is only available up to the limits set out on page 9.

Eligible to take out a company pension	Eligible to pay additional voluntary contributions (AVCs)
<p>You are an employee and your employer will pay at least $\frac{1}{10}$ of the payment to your Pension Term Assurance plan.</p>	<p>You are an employee who is a member of a company pension plan, but your company do not intend contributing towards this AVC Pension Term Assurance plan.</p>
<ul style="list-style-type: none"> - Your employer must pay at least $\frac{1}{10}$ - You must pay the remaining payment (if any). 	<p>You.</p>
<ul style="list-style-type: none"> - Your employer will get corporation tax relief on their payment. - You will get income tax and PRSI relief (if payments deducted at source) on your payment of up to 30% of your income in any one year. This 30% includes any payments made towards your main company pension and AVCs, and cannot be more than this amount. See the table on page 9 to find out your maximum payment level. 	<p>You will get income tax and PRSI relief (if payments deducted at source) on your payment of up to 30% of your income in any one year. This 30% includes any payments towards any pension plan and cannot be more than this amount. See the table on page 9 to find out your maximum payment level.</p>
<ul style="list-style-type: none"> - The maximum life cover you can have is four times your salary, plus allowances for a spouse's pension. Your financial adviser can tell you how much this will be in your case. - This limit on life cover includes any life cover you have through your pension and any AVC plan. 	<ul style="list-style-type: none"> - The maximum life cover you can have is four times your salary, plus allowances for a spouse's pension. Your financial adviser can tell you how much this will be in your case. - This limit on life cover includes any life cover you have through your pension and any AVC plan.
<ul style="list-style-type: none"> - Your employer must pay at least $\frac{1}{10}$ of the total payments towards your retirement benefits. - Your employer must not pay more than the amount needed to pay for maximum benefits you can receive. - Your payments towards life cover and pensions (through both your main company pension plan and any AVC plan) cannot total more than 30% of your income in any one year. See table on page 9 to find out your maximum payment level. 	<p>All payments towards life cover and pensions (through both your main company pension plan and any AVC plan) cannot total more than 30% of your income in any one year. See the table on page 9 to find out your maximum payment level.</p>

5 extra options



Indexation option

Protecting your life cover against inflation

When you take out a Pension Term Assurance plan, you can take the inflation protection option. If you choose this option, your level of life cover will increase by 5% every year to protect against the effects of inflation. This increase will happen automatically, regardless of your state of health.

You have to pay an extra charge for this option. That charge will be included in the payment quoted, if you've chosen this option.

If you take this option, your payment will also increase by about 8% every year to reflect the cost of providing the increased level of cover.

If you do not take this option, your cover will stay the same. If you want to increase your cover in the future, you will have to apply for a new plan. Whether or not we accept your application will depend on your health at that time.

Conversion option

Allowing you to keep life cover after your chosen retirement age

When you take out a Pension Term Assurance plan, you can take the conversion option. This guarantees that you will be able to convert your plan to another type of life cover at any time before the plan ends, regardless of your state of health, provided that all payments due have been paid.

This option guarantees you can get another type of life cover up to the amount of cover you have under your Pension Term Assurance plan. If you want a higher level of life cover on the new plan, you will have to provide information about your state of health.

You have to pay an extra charge for this option. That charge will be included in the payment you will be quoted, if you choose this option.

If you take this option, your payment will change when you convert to the new plan. The change in payment will reflect your age at any time and the term of the new plan.

your questions answered



What happens after I apply for Pension Term Assurance?

We will assess your application to see if we think you are an acceptable risk. The answers you give on the application form give us the information we need to decide whether or not to accept your application. So it is important that you tell us everything relevant when you answer those questions.

We accept most applications after assessing just the application form. However, if you have a history of ill health or want a high level of cover, we may need a report from your doctor. Once you have signed the application form, you have given us your permission to ask for this report (which we will pay for). The report will be made from your medical records and will include details of your visits, results of any investigations, details of any current medication and information on your habits such as smoking, drinking or taking drugs. The fact that we may get a report does not mean that you do not need to give us full information on the application form. In a small number of cases, you may also need to have a medical examination by an independent doctor. All the information we receive will be kept strictly confidential.

If we accept your application, we will send you the following.

- Your terms and conditions booklet (which give you detailed information about your plan).

- A schedule (which sets out how much you need to pay, and what cover you have).
- A customer information notice, which gives you extra information about the plan (applicable to personal pensions only).
- A photocopy of your application form or a summary of the medical information contained in it.
- If you are eligible for a personal pension, a tax certificate to enable you to claim tax relief from your inspector of taxes.

When you receive these items, you should make sure that the details in them are correct and that you are happy with the plan, taking account of the fact that a life assurance plan is a long-term commitment. If you are not happy with the plan, you have 15 days after we send you this information to cancel it. If you decide to do this, we will refund any payments you have paid, in line with Revenue rules.

Do I need a medical?

You may need a medical before we accept your application for this plan, especially if you have a history of ill health, if you want to take out a lot of cover or if you are over a certain age. If you need a medical, we will tell you to make an appointment in our medical centre in Lower Abbey Street, Dublin 1. Or we can arrange for you to attend a medical near your home or work. The medical will be paid for by us.



Can I use this life cover plan as security for a loan?

No. You cannot use your Pension Term Assurance plan as security for a loan because of its tax benefits. The Government provides tax relief to help replace your income if you were to die. If you are interested in a life cover plan that you can use as security, you should contact your financial adviser.

Will I receive any money from my plan when it ends?

No. Like car or household insurance, all your payment goes towards providing your cover so there is no cash value at the end of the term. This keeps the cost of your cover as low as possible.

What happens when the plan ends?

Unless you have chosen the conversion option, your cover will automatically end when the plan ends. At that stage, you may decide to take out another life cover plan. If so, you will have to provide information about your state of health.

However, if you chose the conversion option when you took out the plan you can convert your plan to another type of life cover at any time before the plan ends, regardless of your state of health.

How often do I make payments?

You can pay your payments by direct debit every month, every 3 months, twice a year or once a year.

Can I cancel my cover?

If, after taking out this plan, you feel that it is not suitable, you may cancel it by writing to us at:

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

If you do this within 15 days from the date we send you the plan (or a copy), we will cancel the plan. The payment(s) will be refunded in line with Revenue rules. We strongly recommend that you contact your financial adviser before you cancel it.

If you cancel the plan after 15 days, your cover will end and you will not receive any refund or benefit from the plan.

Who owns the plan?

If you take out a personal pension term assurance, you own the plan. In the event of a claim, we will pay out the benefits to your personal representatives. If you take out a company or AVC pension term assurance, the trustee, who is normally your employer, owns the plan on your behalf. In the event of a claim, we will pay out the benefits to the trustee (see 'How does my family make a claim?' below).

What happens if I stop making payments?

If you stop making payments, the plan will end and you will not receive any refund or benefit from the plan.

How does my family make a claim?

If you have taken out a personal pension term assurance, and if you die before this plan ends, your family should contact your financial adviser, or phone our Customer Service Department. We will send a claim form and tell them what they need to do. They must fill in the claim form and send it to us with the plan schedule and the

original death certificate. If you leave a will, we may also need a certified copy of that will and a Grant of Probate. If you do not leave a will, we may need Letters of Administration.

If you have taken out a company or AVC pension term assurance, and if you die before this plan ends, the trustee (normally your employer) will initiate a claim on behalf of the beneficiaries under the plan, usually your family. We require similar documentation as described above, including proof from the trustee that he/she has the right to act as such.

When we receive all the documents and information we need, we would normally make a payment to your personal representatives, family or trustee, whichever is appropriate, within five days. If our payment is delayed, we will pay interest from the date of your death.



Will any **tax** have to be paid on the proceeds of the plan?

Tax does not usually have to be paid on the proceeds of this plan, but in some circumstances tax may have to be paid. For example, if your life cover is paid to your estate or someone other than your spouse, inheritance tax may have to be paid. You should ask your financial adviser to explain the tax situation to you.

Are there any situations in which the plan would **not** provide benefit?

The plan would not pay out benefit in the situations explained below.

- If, when you first took out the plan, you gave us incorrect information or did not tell us something that would have affected our decision to accept your application. You must tell us everything relevant about your health on your application form. If you do not and your family then makes a claim, we may not pay any benefit. When we accept your application form, we will send you a photocopy of it or a summary of the medical information contained in it. You

should check this to make sure that you have answered all the health questions accurately.

- We will not pay a claim if you commit suicide or are executed within a year of the plan starting.

Who should I talk to if I have any **questions or complaints**?

Personal Pension Term Assurance

If you have any questions about your Pension Term Assurance plan, you should talk to your financial adviser, or phone our Customer Service Department. After taking out the plan, if you think it is not right for you, or if you have any questions or complaints, please contact your financial adviser or phone our Customer Service Department.

If you feel that we have not dealt with your complaint properly, you can contact the Insurance Ombudsman. This will not affect your right to take legal action. For more information, contact the Insurance Ombudsman at: 32 Upper Merrion Street, Dublin 2.



Company and AVC Pension Term Assurance

If you have any questions about your Pension Term Assurance plan, or you think it is not right for you, or you have a complaint about the plan, you should talk to the trustee of the scheme (usually your employer) or to your financial adviser. You can also phone our Customer Service Department. We will try our best to sort out your query.

Family law and pensions

In the event of a judicial separation or divorce, a court application for a pension adjustment order in respect of the death benefits payable under this policy may be made for the benefit of your spouse. Further information may be obtained from the Pensions Board at the address given opposite.

The Pensions Board

The Government set up the Pensions Board under the Pensions Act 1990. The Pensions Board's main job is to make sure that company and AVC pension schemes are run in line with the Pensions Act 1990. The address is:

The Pensions Board, Verschoyle House,
28-30 Lower Mount Street, Dublin 2.
Phone: 01 6131900 Fax: 01 6318602

The Pension Ombudsman

You may refer disagreements about mismanagement or disagreements about the fact and law in relation to your Pension Term Assurance to the office of Pensions Ombudsman. The Pensions Ombudsman is a statutory organisation. Either you can or we can appeal against decisions of the Office to the High Court.

This will not affect your right to take legal action.