Stepping Stones Personal Retirement Bond

terms and conditions booklet

This plan is provided by Irish Life Assurance plc.

This is your Terms and Conditions booklet for your **Stepping Stones PRB. You should read the document carefully as it contains detailed and important information.**

Please keep it safe in your welcome pack, as you will need it in the future

What is the Stepping Stones PRB plan?

This pension plan is a contract between you and Irish Life Assurance plc and is designed by us to provide certain benefits from a chosen retirement age.

Details of the plan can be found in this Terms and Conditions booklet, the schedule and the application form. These terms and conditions may be varied by us from time to time. In the event that a material change is made you will be notified in advance. Any conditions or extra rules (endorsements) which we add in the future will also form part of the plan and may only be added by authorised staff at our Head Office. Together these documents, and any appendices, form the terms and conditions of the plan.

We have issued this plan to you on the understanding that the information in the application form and any related correspondence is true and complete and that we have been given all relevant information. If this is not the case we will be entitled to declare the plan void. If this happens, you will lose all rights under the plan, we will not pay any claim and we may not refund the contribution made. Information is relevant if it would influence the judgement of a reputable insurer when fixing the payment or the level of benefits.

We will pay benefits from our Head Office in Ireland, the Irish Life Centre, Lower Abbey Street, Dublin 1. All contributions and benefits under this plan will normally be paid in the currency of Ireland.

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.

In the event of extraordinary circumstances beyond our control including, without limitation, act of civil or military authority; sabotage; crime; terrorist attack; war or other government action; civil disturbance or riot; strike or other industrial dispute; an act of god; national emergency; epidemic; flood, earthquake, fire or other catastrophe, we may be prevented from fulfilling our obligations to you or from doing so in a timely manner. If this happens, we are not liable for any loss, damage or inconvenience caused.

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

How does the plan work?

A single contribution will be shown on the schedule at the start of the plan. The funds you have chosen to invest your contribution in are also shown. The level of benefit will depend on the contribution made and the return on investments.

When will the benefits be paid?

We will normally pay the benefits when you retire at the normal retirement age of your original scheme. This chosen retirement age is shown in the plan schedule. We must pay benefits as a lump sum to your estate or as an annuity to your spouse / registered civil partner if you die before this age.

How are the benefits paid?

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).

You, or your chosen dependants, are entitled to receive all of the benefits outlined in this plan except the death benefit. If you die, we will pay the death benefit to your administrators or executors of your estate.

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 and refund any single contribution (or contributions), subject to taking off any losses that may have been incurred as a result of falls in the value of assets relating to the investment for the period that it was in force to the transferring trustees or the existing Personal Retirement Bond provider, and in accordance with Revenue rules. We strongly recommend that you contact your IFG Private Client Consultant before you cancel the plan.

Can the policy be cancelled or amended by the insurer?

Irish Life can alter the plan (or issue another plan in its place) if at any time any of the following happens:

- The Revenue Commissioners remove their approval of this contract.
- It becomes impossible or impracticable to carry out any of the plan provisions because of a change in the law or other circumstances beyond our control.
- The tax treatment of Irish Life or this plan is altered or we have to pay a government levy. If the cost of administering your Stepping Stones PRB increases unexpectedly we may need to increase the charges on your plan. Before we alter the plan (or issue another in its place), we will send a notice to your last known address explaining the change and your options.

You must provide any information or evidence which we need to administer the plan.

The pension plan will end if you die.

Complaints

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

Financial Services Ombudsman
3rd Floor
Lincoln House
Lincoln Place
Dublin 2
Lo-call: 1890 88 20 90
Fax: 01 6620890
Email: enquiries@financialombudsman.ie
Website: www.financialombudsman.ie

The trustee of the transferring scheme should write to us at the address provided if they have any queries or complaints in relation to setting up this plan.

If the trustee feels that their complaint has not been properly dealt with, they can contact the Financial Services Ombudsman at the address shown above.

If you believe you have suffered a financial loss as a result of the poor administration of the original scheme, or if there is a dispute of fact or law, you must contact the trustee.

Family law and pensions

If you are involved in a judicial separation, divorce, dissolution of a civil partnership or ending of a relationship with a qualified cohabitant, a pension adjustment order may be granted by the courts over the benefits we may 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. You can reach The Pensions Board at the following address:

The Pensions Board,
Verschoyle House,
28-30 Mount Street,
Dublin 2
Phone: 01 613 1900
Lo call: 1890 65 65 65
Email: info@pensionsboard.ie
Website: www.pensionsboard.ie

Contents:

Section 1

Definitions

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

Section 2

Contributions

This section describes the way in which you can make contributions.

Section 3

Benefits

This section explains the benefits that we provide.

Section 4

Funds and unit prices

This section explains how the investment funds work.

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.

Section 6

Claims

This section deals with the procedure for making a claim under the plan and our requirements for assessing the claim.

Section 7

Tax and Approval

This section summarises this plan's approval and gives a summary of the current tax.

Section 8

Law

This section defines the law that will govern this plan.

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 into the plan;

multiplied by

- the unit price of the units of the funds.

Additional Voluntary Contributions (AVCs)

Any extra contributions which you made into the original scheme.

AVC Fund

The part of your fund value built up by your additional voluntary contributions (AVCs) to the scheme.

Annuity

A guaranteed payment made every month, for the month, until death.

Application form

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

Approval

Approval from the Revenue Commissioners.

Approved minimum retirement fund

A fund which is managed by a qualifying fund manager and which keeps to the conditions of Chapter 2 of part 30 of the Taxes Consolidation Act 1997 for this type of fund. You are only allowed to own one AMRF at any time.

Approved retirement fund

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.

At Arms Length

The term “At Arms Length” is as provided for under Section 779A of the TCA. All property investments by pension plans must be on an arms length basis. In broad terms this means that the property cannot be used for your own or a connected person's personal use. Acquisitions, disposals and lettings must also be on an arms length basis. If you invest in property you:

- must be at arms-length from the property;
- cannot purchase the property at any time;

- cannot own the property;
- do not have the right to place tenants in any particular residential property.

Investments must not be a transaction that is deemed to be a pension in payment in accordance with Section 784A, TCA.

Chosen retirement date

The date shown in the plan schedule which is the normal retirement date of your original scheme. This is the date on which the accumulated fund will be available to buy retirement benefits in line with the terms of section 3.

Connected Person

The term “connected person” is defined in accordance with section 10 of the TCA and includes:

- Your spouse or registered civil partner;
- ‘Relatives’ of you or your spouse or registered civil partner, which includes brothers, sisters, parents, grandparents, children and grandchildren;
- The spouse or registered civil partner of your relative, or your spouse or registered civil partner’s relative;
- The trustees of any settlement set up by you;
- Individuals involved in a business partnership with you or your spouse or registered civil partner, and those business partners’ spouses or registered civil partners and relatives;
- Any company over which you, or a person connected with you, have control;
- Any person with whom you act to secure or exercise control of, or acquire a holding in a company, are connected with you in relation to that company.

Consumer Price Index

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

5% Director

means a director who, either alone or together with his or her spouse or registered civil partner and his or her minor children and the minor children of his or her spouse or registered civil partner is or was, at any time within 3 years of the date of:

- the specified normal retirement date;
- an earlier retirement date, where applicable;
- leaving service; or
- in the case of a pension or part of a pension payable in accordance with a pension adjustment order, the relevant date in relation to that order;

the beneficial owner of shares which, when added to any shares held by the trustees of any settlement to which the director or his or her spouse or registered civil partner had transferred assets, carry more than 5 per cent of the voting rights in the company providing the benefits or in a company which controls that company.

Dependant

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

Endorsement

If the terms and conditions of the plan have been changed or are different to the standard terms, we set the new or amended terms or conditions out in a separate document which we will attach 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 which the plan is linked to.

Head Office

This is Irish Life Assurance plc, Irish Life Centre, Lower Abbey Street, Dublin 1. If this changes, we will let you know.

Investment date

Generally the date on which we receive a contribution and all relevant information.

Percentage of contribution invested

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

Member (also known as the customer in the plan schedule)

You, the individual named on the plan schedule and who was a member of the original occupational pension scheme.

Panel of funds

This includes the following funds and any other funds that we may add from time to time:

Northern Trust UK Equity Index Fund
Northern Trust North America Equity Index Fund
Northern Trust Europe (ex UK) Equity Index Fund
Northern Trust Pacific (ex Japan) Equity Index Fund
Northern Trust Emerging Markets Index Fund
Northern Trust Euro Government Bond Index Fund
Northern Trust Euro Government Inflation Linked Index Fund
Northern Trust Euro Global Investments Linked Index Fund
Global Cash Fund

At any stage we can change the range of fund options that are available. We reserve the right to close a fund to new contributions, or to close a fund entirely and move existing clients to other funds open at that time. If you are invested in that fund, we will give you at least one month's advance notice. It may happen however that, in order to protect client values, we have to close a fund immediately without any advance notice. In this event, we will notify you as soon as possible after the fund closes.

Details of how we work out fund prices can be found in our Fund Operating Procedures governing the funds. These are available online at *www.irishlife.ie* or from the Irish Life Head Office.

Pensions Act

Pensions Act, 1990 as amended.

Personal Retirement Bond

Is a contract used by the trustees of a pension scheme to buy retirement benefits for deferred members of their pension scheme. After the trustee takes out a Personal Retirement Bond on your behalf you can then transfer your fund to another approved Personal Retirement Bond.

Qualifying fund manager

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

Retirement benefits

Cash, annuity or other benefits provided by the accumulated fund.

Schedule

The schedule that forms part of this plan.

Scheme

The original occupational pension scheme whose trustees bought a Personal Retirement Bond on your (the member's) behalf.

Single contribution

A contribution which is not a regular contribution.

Specified income

A pension or annuity which is paid for the life of the individual including a pension paid under the Social Welfare (Consolidation) Act 2005. Specified income is defined in Chapter 2 of Part 30 of the TCA

Start date of the plan

The date shown in the plan schedule.

TCA

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

Third Party

In connection with this plan, this is a person or persons other than you or us or one of our group companies.

Trustee

The person, people or organisation who were the trustee of the original scheme and took out a Personal Retirement Bond on your behalf.

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 set aside for the plan in each fund.

Unit 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 unit price on any given date is the price which Irish Life has determined for that date.

We, us, our

Irish Life Assurance plc.

Your, you

The person named as the customer in the plan schedule.

Section 2

Contributions

This section describes the way in which you can make contributions.

The transfer made at the start of the plan as a single contribution and any subsequent transfer made from a company pension scheme or personal retirement bond relating to the same employment are the only contributions that can be paid under this policy.

Each time you make a contribution we place units from one or more of the funds into the plan according to the terms of the latest fund link and in the way described in section 5. We use the unit price of each fund to work out the number of units from each fund, which we will place in the plan.

In certain funds there may be a maximum amount that you are allowed to invest.

Section 3

Benefits

This section explains the benefits that we provide.

Family law and pensions

The benefits we pay below are decided by you, and are only provided if you decide. However, if you are involved in a judicial separation or divorce or dissolution of a civil partnership or ending of a relationship with a qualified cohabitant, a pension adjustment order may be granted by the court. This will direct us to pay all or part of the benefits under this plan when you retire or die, to any person named in the pension adjustment order. A pension adjustment order issued by the court will override the terms and conditions of this plan.

This section explains the benefits that are provided by the plan.

3.1 When is it possible to take retirement benefits?

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

a) Your 70th birthday.

b) The first day of the month (on or after your chosen retirement date) after we are told in writing that retirement benefits are being claimed.

c) The first day of the month (before your chosen retirement date) after you give us evidence of your disability and you tell us in writing that you want to claim retirement benefits because of serious ill health. The Revenue's current definition of serious ill health is 'physical or mental deterioration which is serious enough to prevent the individual from following his/her normal employment or which very seriously impairs his/her earning capacity. It does not mean simply a decline in energy or ability.'

d) If you are retiring from your occupation, the first day of the month (between your 50th birthday and your chosen retirement date) after we are told in writing that you are going to claim retirement benefits.

All payments made under this plan must be within the Revenue Commissioners limits. The same Revenue Commissioners limits apply to this Personal Retirement Bond and to your original scheme. The benefits cannot exceed those which would have been paid out under your original scheme. If there should be a surplus amount after providing the maximum approvable pension benefits under the Personal Retirement Bond, it should be used to provide or augment other approvable benefits within maximum limits. Post-retirement increases on pensions may also be provided for.

The accumulated fund will stay invested in the funds you have chosen until:

- retirement benefits are taken; or
- we are told of your death;

whichever is earliest.

Certain payments are subject to tax. We must pay out benefits in accordance with tax legislation at the time of payment. The current maximum fund limits for tax purposes are outlined in Part 30 of the TCA and summarised in Section 7.

If you have more than one Personal Retirement Bond, from the same employment scheme then you must take your benefits from these at the same time.

What options are available when you retire?

3.2 The accumulated fund at normal retirement date will be available to provide retirement benefits under one of the following options (depending on the conditions of sections 3.1, 3.3, 3.4, 3.5, 3.6 and 3.7).

3.3 Depending on your circumstances, one or both of the following options (option A or B) will be available.

Where the Transfer Value came from a Defined Contribution scheme after 6 February 2011 and the scheme rules allowed you to choose an ARF/AMRF, you have a choice of retirement options (A) or (B). Where the Transfer Value came from a Defined Contribution scheme after 6 February 2011 and the scheme rules do not allow you to choose an ARF/AMRF only option (A) is available. Where the Transfer Value came from a Defined Contribution scheme before 6 February 2011, only option (A) is available. Where the Transfer Value came from a Defined Benefit scheme, only option (A) is available. If you were a 5% director you have a choice of retirement options (A) or (B).

Retirement Benefits Option A

3.4 Retirement Lump sum

A retirement lump sum of up to one and a half times final remuneration can be taken at the chosen retirement age, subject to limits set out by the Revenue Commissioners and under the TCA (see Section 7). This maximum is based on you completing 20 or more years' service at normal retirement age. A sliding scale applies where less than 20 years' service has been completed by retirement. This sliding scale is currently as follows:

Completed years' service	**Fraction of final remuneration**
1 to 8	3/80ths for each year of service
9	30/80ths
10	36/80ths
11	42/80ths
12	48/80ths
13	54/80ths
14	63/80ths
15	72/80ths
16	81/80ths
17	90/80ths
18	99/80ths
19	108/80ths
20	120/80ths

We will always take any retained benefits accruing to you into account when calculating the maximum retirement lump sum.

The overall maximum fund allowed to be taken as a lump sum is outlined in the TCA.

Where a retirement lump sum is taken on retirement, the maximum pension must be reduced by the equivalent pension value of the lump sum taken.

All payments made under this plan must be within the Revenue Commissioners limits.

Part or all of the retirement lump sum may be paid to you tax-free as described in Section 7.

If you have more than one Personal Retirement Bond relating to the same employment it is only possible to take a retirement lump sum from the benefits provided by one of these bonds. If a retirement lump sum is not payable under this Personal Retirement Bond then any arrangement to which a transfer payment is made must have the same restriction.

3.5 Annuity (pension) benefit

With the accumulated fund, or the accumulated fund less the retirement lump sum, an immediate single or joint-life annuity option that is available at the time you retire must be chosen. Annuity rates available at the time the benefits are chosen will be used to work out the amount of benefit that you will receive. The benefits we pay cannot be greater than the limits set by the Revenue Commissioners. Irish Life normally pays annuities monthly in advance.

Some extra annuity features may also be available.

a) 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.

b) You can choose a dependant's annuity. This means that if you die before your dependant, a pension will be paid to your dependant until they die. Irish Life 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 spouse or registered civil partner, the maximum length of time for which Irish Life will pay the annuity must be approved by the Revenue Commissioners.

c) You can choose a children's annuity for one or more children. This means if you die before your children, an annuity will be paid to your children 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.

d) For each type of annuity, the option may be chosen 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 percentage of up to 3% a year.

   This will depend on Revenue limits. The Revenue Commissioners may place restrictions on the amount of fixed percentage increases from time to time, when these go above increases in the Consumer Price Index.

   All payments we make under this plan must be within the Revenue limits. Annuity payments are subject to income tax at your highest rate on withdrawal, Universal Social Charge and any other charges or levies ("tax") applicable at that time.

Additional options in respect of additional voluntary contributions:

The AMRF, ARF and taxed cash options described under Option B may also be taken in respect of any proportion of the accumulated fund built up from additional voluntary contributions.

3.6 Retirement Benefits Option B

Instead of the options outlined in “Retirement Benefits Option A” you may choose the following options as long as all Revenue and legislative requirements have been met.

- Retirement lump sum of 25% of pension fund value
- Annuity
- Approved minimum retirement fund
- Approved retirement fund
- Taxable Cash

Retirement lump sum

You can take a retirement lump sum of up to 25% of the plan value subject to Revenue limits and overall maximum limits for tax purposes as outlined in the TCA and summarised in Section 7. If you have more than one Personal Retirement Bond, from the same employment scheme then you must take your benefits from these at the same time.

Annuity (pension) benefit

Some or all of the accumulated fund can be used to purchase an annuity as described in section 3.5. The member may also be able to avail of an investment protection option which allows for the payment to their estate of any surplus capital not already paid out as an annuity on their death. This option may not be available when the member retires.

Approved minimum retirement fund

We will transfer to an approved minimum retirement fund (AMRF) with a qualifying fund manager:

- the balance of the equivalent value of your maximum approvable pension benefits under the plan (after receiving the lump sum payment); or
- the amount required at that time in accordance with Section 772 of the TCA;

whichever is lower. Otherwise, it must be used to buy an annuity.

This condition is on the basis that you are not receiving a specified income for life as defined in Chapter 2 of Part 30 of the TCA when you retire.

You cannot make withdrawals from your AMRF before you reach age 75 unless any of the conditions below apply.

- If you are withdrawing any income or profits from your AMRF above your original AMRF investment. This is subject to income tax and any levies payable at that time.
- If you are transferring the proceeds of your AMRF to an AMRF with another qualifying fund manager.
- If you use the proceeds of your AMRF to buy an annuity.

- The AMRF becomes an ARF if the specified income requirement as defined in Chapter 2 of Part 30 of the TCA is met from other sources

Approved retirement fund and taxed cash lump sum

After investing in an AMRF or an annuity, or if you can show that you are currently receiving a specified income for life from other sources as defined in Chapter 2 of Part 30 of the TCA, you can use the rest (if any) of your accumulated fund equal to your maximum approvable retirement benefits under the plan in either of the following ways.

a) You may take it as a lump sum. You will pay income tax (and any other taxes or levies payable at that time) on this lump sum in the year of assessment in which you receive it.

b) You can invest the fund in an approved retirement fund (ARF).

An ARF can be used to purchase an annuity at any stage, see section 3.5. If you take retirement benefits under option B you can also avail of the investment protection annuity. This means that any surplus capital can be paid over to the your estate if you die before all the capital is used up.

Taxable Cash

After taking the maximum retirement lump sum, you may be able to take the rest of the fund as a taxable cash sum. There are certain legal restrictions on taking up this option. If you can show that you are receiving a specified income for life as defined in Chapter 2 of Part 30 of the TCA, you may take the rest of your pension fund as cash. You will have to pay tax on this at your highest rate of income tax and any other taxes or levies due at that time.

If you are not receiving a specified income for life as defined in Chapter 2 of Part 30 of the TCA, you must invest a certain amount as under Section 772 of the TCA (or the rest of the fund, whichever is lower) in an AMRF, or buy a pension with the same amount. You can take any fund left as cash, which you will pay tax on.

3.7 Open-market option

The annuity may be bought from a life office other than us (Irish Life). The life office must be authorised to carry on life assurance business in the Republic of Ireland. If this option is chosen we will pay your accumulated fund, less any cash payment we have made, on your behalf, to the other life office.

It is also possible to invest in an ARF or AMRF that is run by another qualifying fund manager. If this option is chosen, we will pay your accumulated fund, less any cash payment we have made on your behalf, to the other qualifying fund manager.

3.8 Transfers out of your plan

You may transfer this plan to

- a Defined Contribution company pension scheme with a new employer;
- a Defined Benefit company pension scheme with a new employer ;
- another PRB; or
- an overseas pension scheme.

The transfer payment will be the value of the accumulated fund at the date the transfer takes place less any exit charge that applies. Please see section 5.6.

In certain circumstances, we may need to delay transfers from your plan. The circumstances in which we may delay a transfer can include the following:

- If a large number of clients want to take money out of the same fund at the same time.
- If there are practical problems selling the assets in which the fund is invested.
- For an externally managed fund, if the external manager imposes a delay.

Due to the high cost and time involved in selling properties, a delay of this sort is most likely to happen if you are invested in a property fund (or a fund with a high proportion of property assets). The length of any delay will depend on how long it takes us to sell the assets in the fund. A minimum delay of six months would be likely to apply in this situation.

Once you have given us notice that you wish to make a transfer payment you cannot change your mind during any notice period.

If a transfer is delayed, we will carry out the transfer based on unit prices at the end of the notice period.

If a retirement lump sum is not payable under this Personal Retirement Bond then any arrangement to which a transfer payment is made must have the same restriction.

3.9 Transfers into your plan

This plan can receive a transfer value from another company pension scheme or a Personal Retirement Bond which is in your name and relates to the same employment. Any transfer payment will be treated like a single contribution.

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

It is not possible to cash in or assign any of the benefits under this plan to anyone else except in the case of a pension adjustment order being granted by the Court.

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 the 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 maximum number of funds the plan may be linked to is 10.

4.2 Working out unit prices

We work out the unit 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. These may go down as well as up.

When there are more clients moving out of a fund than making new investments in it, we may reduce the value of the units in the fund to reflect the percentage of the costs associated with buying and selling the assets of the fund. The reduction in the value of the affected assets will be different for each fund and is likely to be most significant for the proportion of any fund invested in property. 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.

Some funds may be invested in other funds where the above reduction would apply. As described above, when more clients are moving out of these funds than making new investments, the value of the units may undergo a reduction to reflect a proportion of the costs associated with buying and selling the assets. This in turn will lead to a reduction in the value of the units of the fund.

Details of how we work out fund prices can be found in our Fund Operating Procedures governing the funds. These are available online at *www.irishlife.ie* or from the Irish Life Head Office.

4.3 Fund charges

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

In the following Stepping Stones PRB funds, part of the fund charge can vary. It is typically the external manager’s part of the fund charge that varies. The following table shows, where relevant, the fixed charge, the estimated average level of the extra charge that can vary and the total average estimated fund charge.

Panel of Funds	Fixed charge	Estimated average level of variable charge	Total average estimated fund charge each year
Global Cash Fund	0.95%	0.00%	0.95%
Northern Trust Euro Government Bond Index Fund	0.85%	0.15%	1.00%
Northern Trust Euro Government Inflation Linked Index Fund	0.85%	0.15%	1.00%
Northern Trust Emerging Markets Index Fund	0.85%	0.45%	1.30%
Northern Trust Europe (ex UK) Equity Index Fund	0.85%	0.15%	1.00%
Northern Trust Japan Equity Index Fund	0.85%	0.15%	1.00%
Northern Trust North American Equity Index Fund	0.85%	0.15%	1.00%
Northern Trust Pacific (ex Japan) Equity Index Fund	0.85%	0.20%	1.05%
Northern Trust UK Equity Index Fund	0.85%	0.20%	1.05%

The estimated average levels of the variable charges shown above are those expected over the long-term. The actual level of charges may be higher or lower than this. The section on variable charges below explains the reasons for this.

Where the estimated average level of the variable charge is 0%, this indicates that the external managers may at some point choose to invest in assets which attract additional charges but the current expectation is that they will not.

We would need to increase the fund charge if the cost of running the plans linked to the funds rose higher than we expected.

Variable charges

As noted above the charge on a number of funds can vary and therefore is not fixed throughout the lifetime of your plan.

The charge noted in the above table reflects our best estimate of the total charges we expect will be incurred by the fund over the long term. However, the actual charges you incur may vary for the reasons given below.

Funds are administered at an overall level by Irish Life. For some funds, part or all 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.

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 several reasons.

- The first reason is the fact that the percentage of the fund that is managed by external managers can change over time. The weighting of individual investment types may also vary over time. Where the fund invests in other funds, the overall fund charge will also vary accordingly. This split can change in the future mainly due to the availability of assets and also the amount of money coming into and out of the fund. The actual level of the external manager charge will therefore vary depending on the weighting of these factors within 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 managers an incentive fee if they achieve positive investment returns on the funds they manage.
- The third reason is that the funds managed by external fund managers may borrow to increase the amount of assets that the funds can invest in. Borrowing increases the chance of achieving improved returns if the assets perform well. However, it also increases the level of risk of the investment. The external managers' charges in relation to investments are based on the total value of the assets held including any borrowings made 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 assets held.

  If the level of borrowing increases by more than the value of assets, the level of charges as a percentage of funds managed would increase. For example, a significant fall in asset 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 asset values means that the amounts borrowed would represent a higher percentage of the fund value.

  Equally, if the level of borrowing reduces by more than the value of assets, then the level of charges as a percentage of funds managed would also reduce. For example, a significant rise in asset 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 asset values means that the amounts borrowed would represent a lower percentage of the fund value.

Taking account of these factors, the estimated average level of the variable charge will reflect our best estimate of the total charges we expect will be incurred by the fund over the long term. However, the total charge may be higher or lower than this depending on the factors outlined above.

It is possible that the charge on some funds may vary in the future and therefore will not be fixed throughout the lifetime of the plan.

Some funds invest in other funds and the proportion invested in each fund may vary over time. Since fund charges vary between funds, the overall fund charge will vary depending on the weighting of individual investments in each fund. If the charges on individual funds vary, the overall fund charge will vary as a result.

Additional points to note

Increase in charges

We will only increase the charges given above, for one of the following reasons:

- there is an increase in the costs of dealing with the investment. If this happens, we will give you notice of the increase.
- the charges vary for one of the reasons given above in the section on variable charges.

Funds containing property

We take the costs of maintaining and valuing the properties in these funds and the costs of collecting rent off the fund before we take any charges.

Fund Guide

Please refer to your separate relevant fund guides for further information on the funds available on this plan.

Currency

Certain funds contain assets which are invested outside of the eurozone. The fund managers may use currency protection against any changes in the value of those currencies against the euro. The cost of any currency protection used is charged to your fund. Where the fund manager has not used currency protection, there is a risk that your plan value will be adversely affected by changes in currency exchange rates. Your separate Fund Guide contains details on currency protection.

Securities lending

If you have chosen to invest in a fund that invests in equities or bonds, the equities or bonds within that fund may be used for the purpose of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within a fund it provides an opportunity to increase the investment return.

Incentive fees

An incentive fee may be paid to the external fund managers if they achieve positive investment returns on the funds they manage. Depending on the particular fund, circumstances in which an incentive fee may be paid to an external manager include the following:

- If the investment return is positive in any calendar quarter.
- If the investment returns exceed a certain level each year.
- If the investment returns achieved in a particular year are greater than the previous highest investment return.
- If the returns achieved by these funds exceed the performance of a benchmark fund.

If during the term of your plan an incentive fee is paid, this will be reflected in the unit price.

Counterparty Risk

It is important to note that the value of investments with any fund manager may be affected if any of the institutions with whom money is placed suffers insolvency or any other financial difficulties. Where a fund is managed by an external fund manager, the value of your units will reflect the value of the assets recovered from that manager. Irish Life will not use any of our assets to make up any shortfall.

External Fund Managers

Where a fund invests in an external fund, we will represent the key features of the external fund in our literature. However, the managers of external funds may retain discretion over the nature and choice of assets, custodians and institutions with whom they place money, and the expenses incurred, within any part of a fund they manage. The value of your units will reflect the value of the assets we receive from the external fund manager. We are not liable for any pricing inaccuracies related to the external providers.

Where funds are managed by external fund managers, the investments may be legally held in other countries other than Ireland. Where a fund is based will impact on how it is regulated.

4.4 Switching between funds - accumulated 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 unit prices we use for your switch will be determined according to our switching policy in place at the time of the switch. Our current policy is to use unit prices effective on the same working day we receive your written request unless your switch is subject to a delay period (see below). However, we reserve the right to change our switching policy in the future. We advise that you check with Irish Life or your IFG Private Client Consultant as to what our switching policy is at the time you switch.

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.

Please ensure that you are aware of the level of risk, possible returns and the yearly fund charge for a fund before switching into it.

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.

After a switch has taken place we will send you a switch letter which will include the charges of the current funds you are invested in. This switch letter forms part of your contract.

In certain circumstances, we may place restrictions on switches between funds. These restrictions may include, but are not limited to:

- Requiring a minimum period of time between switches;
- Limiting the amount that may be switched between funds at any one time;
- Not accepting switch requests from an agent acting on your behalf.

Delay Periods

In certain circumstances, we may need to delay switches. The circumstances in which we may delay a switch can include the following:

- If a large number of clients want to take money out of the same fund at the same time.
- If there are practical problems selling the assets in which the fund is invested.
- For an externally managed fund, if the external manager imposes a delay.

Due to the high cost and time involved in selling properties, a delay of this sort is most likely to happen if you are invested in a property fund (or a fund with a high proportion of property or property related assets). The length of any delay will depend on how long it takes us to sell the assets in the fund. A minimum delay of six months would be likely to apply in this situation.

Switches from the Self Invested Fund will be delayed until assets in the fund have been realised. Depending on the nature of the underlying assets any delay may be considerable.

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

Delayed switches will be based on the value of units at the end of the period when the switch actually takes place.

4.5 Automatic Switching between funds

Lifestyling involves a series of automatic switches which gradually move you to a mix of lower risk assets as you move closer to retirement.

There are two Lifestyling Strategies available; Annuity or ARF and three risk levels to choose from depending on your attitude to risk; Cautious, Balanced or Adventurous.

You should discuss your investment options with your IFG Private Client Consultant.

Please note that the first automatic fund switch will not take place before 30 June 2013; you will not automatically switch to lower risk assets during this period. We will provide you with more information on Lifestyling at this stage.

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.

5.1 Entry charge on your single contributions

For your single contribution the amount invested will be the single contribution multiplied by the percentage of contribution invested.

These percentages are shown on your plan schedule which is included in your Welcome Pack. The amount not invested is a charge.

5.2 Entry charge on future single contributions

If you choose to make an extra single contribution at any time, the percentage of contribution invested for the extra single contribution may be different from the percentage of contribution invested for your initial single contribution. The amount invested at that date will be your extra single contribution multiplied by the percentage of contribution invested.

The percentage of contribution invested for extra single contributions will be those available at the time you make the extra single contribution. This percentage will be shown on your top-up plan schedule at that date.

The amount not invested is a charge. Before making a single contribution, we advise that you check with Irish Life or your IFG Private Client Consultant as to what the percentage of contribution invested will be for your extra single contribution.

This plan can only receive a transfer value single contribution from another company pension scheme or a Personal Retirement Bond which is in your name and relates to the same employment.

5.3 Yearly fund charge

This charge is taken as a percentage of your fund value. It can be different for each fund that you are investing in. Each fund charge is shown in section 4 of this booklet. The charge is reflected in the unit price of each of the different funds you have invested in.

5.4 Yearly plan charge

If this charge applies, it will be shown on your plan schedule. This charge is taken as a percentage of your regular contribution fund value and/or your single contribution fund value (if applicable). This will apply as well as the fund charge referred to in sections 4.3 and 5.3.

We will take one twelfth of the plan charge every month by cancelling units from the unit account. We will cancel units from the unit account in the same percentage as the latest fund link for new regular contributions we have been told about.

5.5 Plan Fee

This charge will be deducted from the fund on a monthly basis. The fee of €4.38 a month (July 2012) will be increased each year in line with the increase in the Consumer Price Index for the previous year.

5.6 Exit charge

If you take your fund or retire more than 3 years after the investment start date of any contribution, the value of the fund will be the value of the accumulated fund at that date.

If we have increased the normal percentage of contribution invested for any reason as shown on your schedule, and you take your fund out or retire before the third anniversary of the start of your investment or the date you pay extra regular contributions (including automatic indexation) or single contributions, an percentage exit charge equal to the increase the percentage of the contribution invested will apply. So if we have increased the percentage of your contribution invested by 1%, the exit charge that applies will be 1%. If this applies this it will be shown on your plan schedule.

5.8 Pensions Board Fee

Pensions Board fees are currently charged on company pension plans that are approved under the TCA. If the Pensions Board or a similar organisation make a similar charge on personal pension plans (approved under the TCA), we will take the amount of the charge from the accumulated fund by cancelling units.

5.9 Future increases in charges

We won't increase the charges outlined above unless we need to because of an increase in the costs of dealing with the investment or if they vary as described in section 4.3.

Section 6

Claims

This section deals with the procedure for making a claim under the plan and our requirements for assessing the claim.

6.1 Before we will make the retirement benefits available, we must receive the following.

(a) A filled in claim form.

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

(c) The Terms and Conditions booklet and the plan schedule.

(d) On death before we will pay out a claim 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).

6.2 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'.

6.3 We pay the benefits under this plan by referring to your date of birth. If we have your incorrect date of birth, we will change the benefits to the correct level for the date of birth given on the application form.

If you die before taking retirement benefits as set out in section 3, death benefits will be paid in line with your instructions , Revenue Commissioners limits and the Pensions Act, 1990.

Section 7

Tax and Approval

This section summarises this plan's approval and gives a summary of the current tax.

Tax

7.1 We must pay benefits under this plan in line with current tax law. If tax laws or any other relevant laws change after the start date of this plan, we will pay benefits in line with these. Any taxes or levies imposed by the government will be collected by Irish Life and passed directly to the Revenue Commissioners.

7.2 Under current tax legislation, the maximum pension fund allowed for tax purposes is €2,300,000 (as of March 2012) or, if higher, the value of the fund on 7 December 2005 or on 7 December 2010 (subject to certain Revenue notification requirements). 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. The tax rate that applies may also change in the future.

7.3 Under current tax legislation, part of your pension fund may be taken as a retirement lump sum as described in section 3, some or all of which may be tax free.

- The maximum tax free amount that can be received is €200,000.
- Retirement lump sums between €200,000 and €575,000 will be subject to standard rate income tax currently 20%.

- Any retirement lump sums greater than €575,000 will be taxed at your marginal tax rate and will be liable to Universal Social Charge. PRSI may also apply.

  These are lifetime limits and apply in respect of all retirement lump sums received since 7th December 2005.

7.4 Funds containing overseas property or other overseas assets

For any investments in overseas assets, tax will be deducted on income or profits if this is required by the domestic tax rules of the relevant country. In some instances, withholding or other underlying taxes may apply, depending on the domestic tax rules of the relevant country.

Any tax due will be deducted from the fund and thus reflected in the fund performance. If tax legislation and practice changes during the term, this will be reflected in the fund value.

7.5 Approval

We will write and tell you about any changes made to the plan to keep it in line with the Revenue Commissioners' requirements and how (if at all) any benefits under the plan may be affected.

Section 8

Law

This section defines the law that will govern this plan.

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.

Contact us

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Write to: Irish Life Assurance plc, Lower Abbey St, Dublin 1.

Form: SPRBSAA

In the interest of customer service we will record and monitor calls.

TC 1664 NPI (07-12)