

PENSIONS  
INVESTMENTS  
LIFE INSURANCE



Irish Life | 75 Years of Experience

# PERSONAL RETIREMENT BONDS (PRBS)

POLICY DOCUMENT TERMS AND CONDITIONS

DRAFT

## ABOUT US

Established in Ireland in 1939, Irish Life is now part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations.

Great-West Lifeco and its subsidiaries, including The Great-West Life Assurance Company, have a record for financial strength, earnings stability and consistently high ratings from the independent rating agencies. The Great-West Life Assurance Company has an AA rating for insurer financial strength from Standard & Poor's.

Information correct as of January 2015. For the latest information, please see [www.irishlifecorporatebusiness.ie](http://www.irishlifecorporatebusiness.ie).

DRAFT

## CONTENTS

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INTRODUCTION	2
POLICY DETAILS	3
1. INTERPRETATIONS	3
2. THE SCHEME	3
3. AGE	3
4. THE POLICY	3
5. DEFINITIONS	3
6. INVESTMENT	6
7. CHANGE OF INVESTMENT	6
8. CHARGES	6
9. RETIREMENT DAY	6
10. BENEFITS	7
11. SURRENDER, COMMUTATION OR ASSIGNMENT	8
12. TRANSFER OUT	8
13. OPEN MARKET OPTION	8
14. TAXATION	9
15. COMMUNICATIONS	9
16. STAMP DUTY	9
17. NEW SCHEDULES	9
18. CHANGE OF ADDRESS	9
19. INVESTMENT ADVICE	9
20. FORCE MAJEURE	10
21. COMPLAINTS	10

## INTRODUCTION

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This document should be read together with the Schedule for this Policy which is included in your policy pack.

These benefits will be paid only from our Life Business Fund and the Capital Stock of the Life Company.

Details of your Policy are contained in these terms and conditions, the Schedule described above, the Trustee Application form and any additional rules (endorsements) made to it.



David Harney  
Managing Director  
Irish Life Corporate Business

We (Irish Life Assurance plc) grant the benefits described in the Schedule in return for payment of the Transfer Payment as shown in the Schedule. These benefits are described in greater detail in the terms and conditions of this document.

Signed for and on behalf of Irish Life Assurance plc.

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

The provisions set out in this policy are based on our understanding of Irish law as at January 2015 and are subject to any subsequent changes in such law.

These benefits will be paid to you from our Head Office at the Irish Life Centre, Lower Abbey Street, Dublin 1 when you decide to receive them (subject to conditions laid down by the Revenue Commissioners).

## POLICY DETAILS

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### 1. INTERPRETATIONS

The Schedule and Policy Document will explain the interpretations used for your Personal Retirement Bond.

### 2. THE SCHEME

We have issued this Policy to you (the Grantee) on behalf of the Trustees of the Scheme. The Scheme is an exempt Revenue approved scheme as defined by the Taxes Consolidation Act 1997.

The scheme is being treated by the Revenue Commissioners as an exempt approved scheme as set out in Section 771 and 772 of the Taxes Consolidation Act 1997. The scheme may also be an arrangement from which the Revenue Commissioners approve of transfers to this Policy.

The Trustees of the Scheme have chosen to purchase this Policy in accordance with the provisions of the Scheme and statute law. We will accept no liability or loss as a result of any action or omission by or on behalf of you or the Trustees.

### 3. AGE

Evidence of age will be required when you wish to claim any benefits.

### 4. THE POLICY

The document contains all the benefits, terms and conditions of the Policy. No representations, benefits, terms, privileges, conditions or alterations will serve to bind us unless included in the Policy or endorsed at our Head Office.

### 5. DEFINITIONS

The following words or phrases have the meanings set out below for the purposes of this document:

**"Personal Retirement Bond" (PRB)** is used by the Trustees of a pension scheme to buy retirement benefits for deferred members of their pension scheme.

**"AVC fund"** that part of your fund value that represents your Additional Voluntary Contributions (AVC) to the Scheme.

**"Dependant"** means your spouse/civil partner, child or any other person who is financially dependant on you.

**"Date of Investment of Transfer Payment"** is the date on which the units held under this PRB were purchased.

**"Dependant's Annuity after Retirement Day"** is the annual pension paid to the spouse/civil partner of the policy holder from the date of the policy holder's death.

**"Lump sum"** is the lump sum benefit which may be taken.

**"Company"** any entity engaging in business such as proprietorship, partnership or corporation.

**"Life Office"** means any entity authorised to carry on life assurance business in the Republic of Ireland.

**"Employer"** as stated in your member schedule.

**"Grantee"** person to whom this Policy is granted.

**"Normal Pension Date"** as stated in your member schedule.

**"Legal Personal Representative"** is a generic term either for an Executor for the estate of a deceased person who has left a will or for an Administrator for the estate of a deceased person who has not left a will.

**"Pension Adjustment Order"** is a court order which directs the administrators of the policy of which one spouse is a member (member spouse) to pay to the other spouse (non-member spouse) part of the benefits accrued to the member spouse as the policy holder.

**"5% Director"** means any director who either alone or together with his/her spouse, and minor children, was, at any time within 3 years of the date of leaving the employment of the employer, the beneficial owner of shares which, when added to any shares held by the trustees of any settlement to which the director or his/her spouse/civil partner had transferred assets, carried more than 5% of the voting rights in the Employer or in a company which controls the Employer.

**"20% Director"** means any director who either alone or together with his/her spouse/civil partner, and minor children, was, at any time within 3 years of the date of leaving the employment of the employer, the beneficial owner of shares held by the trustees of any settlement to which the director or his/her spouse/civil partner had transferred assets, carried more than 20% of the voting rights in the Employer or in a company which controls the Employer.

**"Final Remuneration"** means your remuneration specified on the Trustee application form, appropriately averaged in the case of a 20% Director, increased in proportion to the increase in the cost of living as measured by the Consumer Price Index from the date of withdrawal from the service of the Employer up to Retirement Day as defined in Section 9 or your date of death, if earlier.

If you are a 20% Director your remuneration will be increased as detailed in the preceding paragraph only in the case of:

- your death,

OR

- where you are taking at least 2/3rds of the benefits to which you are entitled from all schemes of the Employer in non-commutable pension form.

**"Potential Service"** means the number of years between your date of entry into service with the Employer and Normal Pension Date (any years in excess of 40 are excluded).

The **"Panel of Funds"** is the list of unit linked funds available to invest in. A full list of these is available from Irish Life or on [www.irishlifecorporatebusiness.ie](http://www.irishlifecorporatebusiness.ie)

We may change the composition of the Panel of Funds from time to time. Restrictions may apply to accessing and exiting certain funds.

These funds may engage in securities lending to earn returns.

Copies of the documentation detailing the current procedures governing the operation of these funds are available on the Corporate Business website [www.irishlifecorporatebusiness.ie](http://www.irishlifecorporatebusiness.ie)

**"Fund"** means any fund in the Panel of Funds.

**"Fund Valuation"** is the value of the units held by the member on a particular date.

**"Fund Choice"** means the Fund or combination of Funds specified in the

Trustee Application form or such other Fund or combination of Funds into which a change is made under Section 7.

**"Unit"** means a Unit of the Fund Choice at the relevant time.

**"Your Pension"** means the pension which may be purchased for you on the Retirement Day at the terms current on that date. This is done after allowance is made for any specified Dependant's Annuity after Retirement Day on the Schedule.

This pension is purchased by the application of the value of the Units (if any) on that date.

**"ARF"** stands for the Approved Retirement Fund. This is a benefit that you may be able to purchase at retirement. This is a tax free investment fund held in your own name and managed by a Qualifying Fund Manager and may be invested in any manner you wish.

At our discretion, we may apply a factor to the Price of the Units in any Fund in the Panel of Funds. Such certain factors would reflect, among other issues, prevailing investment conditions.

It will accumulate tax-free. Income tax is payable and any other statutory deductions on any money you withdraw from the fund.

**"Market Value Adjustment"** is a negative adjustment that Life Companies reserve the right to apply to withdrawals from certain funds. It is normally applied when investment conditions adversely affect investment performance.

"Notice Period" might apply to a switch from a Fund. This means that any requests to switch investments will be processed using the fund price at the end of the notice period after the date when the request was made. The notice period does not apply to exits resulting from death or retirement.

## 6. INVESTMENT

We will allocate to the Policy on the Date of Investment of the Transfer Payment a number of Units. The number of Units so allocated will be that stated under "Number of Units Initially Allocated" in the Schedule to the Policy.

## 7. CHANGE OF INVESTMENT

### Change of Fund Choice

At any time you may decide, by giving notice in writing to us, to change the Fund Choice. The Units attaching to the Policy nominated for the purpose in the notice will then be changed for Units of the Fund nominated in the notice. This will be done on the basis that the value of the Units attaching immediately before the change will equal the value of the Units attaching immediately after the change.

A charge can be deducted equal to 0.5% of the value of the Units changed (subject to a minimum charge of €12.70 and a maximum charge of €31.74).

At our discretion we may apply a Market Value Adjustment or notice period in any Fund in the Panel of Funds.

The date of the change will be the date of the next Fund Valuation following the date on which we, having received notice of your decision, agree to the request. Changing into or out of any Fund may be postponed or refused by us, subject to the requirements of the Fund.

## 8. CHARGES

There is an annual management charge on each fund. This charge is reflected in the unit price of the fund.

We reserve the right to amend charges on this policy which may arise from legislative changes.

Full details of the funds available can be seen on: [www.irishlifecorporatebusiness.ie](http://www.irishlifecorporatebusiness.ie)

## 9. RETIREMENT DAY

"Retirement Day" means Normal Pension Date unless you choose and notify us before that date of:

- an early Retirement Day occurring on or after your 50th birthday, or at any age on grounds of incapacity (provided satisfactory medical evidence is produced for us).

OR

- a late Retirement Day occurring at any age after Normal Pension Date but before your 70th birthday provided that you produce satisfactory evidence that you are still in employment.



No benefits will be payable under this Policy where you continue in the Employer's service after Retirement Day unless the Revenue Commissioners allow payment in such circumstances. Once benefits are paid under the Policy you are obliged to ensure that all benefits under other exempt approved arrangements which relate to the same period of employment are paid at the same time.

## 10. BENEFITS

All benefits will be paid in accordance with restrictions and regulations specified by the Revenue Commissioners.

### Retirement Benefits

Depending on whether you transfer your PRB from a Defined Benefit (DB) pension scheme or a Defined Contribution (DC) pension scheme you can choose between 2 options given below. Either option is available for 5% and 20% directors.

Option 1 is available for transfers both from Defined Benefit and Defined Contribution pension schemes.

You can take a maximum cash lump sum\* of up to 1.5 times salary (subject to 40 years service if you have left service before Normal Retirement Age).

For 20% directors the average of 3 consecutive years' salaries in the past 10 years must be used to calculate a tax free cash lump sum.

In both cases the balance of your pension fund must be used to buy a pension income for life/annuity.

If you have chosen to contribute extra amounts into an AVC fund, you also have the option to convert the AVC fund into ARF (Approved Retirement Fund).

Option 2 is available only for transfers from Defined Contribution schemes where the scheme rules allowed the transfer.

You can take a maximum immediate cash lump sum\* of up to 25% of your retirement fund and invest the next €63,500\*\* of your pension fund by purchasing an annuity to provide you with a pension income for life.

If you have provided us with a satisfactory proof that you have a guaranteed lifetime income of at least €12,700\*\* per annum (including any State Benefit applicable) you can:

- take the balance as a taxable lump sum

OR

- transfer the balance to an ARF

\*The lifetime limit on a tax free cash lump sum is currently €200,000 effective from December 2005.

\*\*These amounts may change (up or down) as specified by the Government. The amounts quoted are correct as at January 2015.

## Death before Retirement Day

On your death before Retirement Day the value of the units held in your fund will be paid to your Legal Personal Representative.

## Taxes

Benefits will be paid in accordance with conditions specified by the Revenue Commissioners and by reference to the Taxes Consolidation Act 1997.

## Early Encashment Charge

Irish Life reserves the right to impose an early encashment charge on transfer or taking of retirement benefits.

## 11. SURRENDER, COMMUTATION OR ASSIGNMENT

No pension payable or payment made under the Policy will be capable of a complete or partial surrender, commutation or assignment.

If you have not irrevocably surrendered the right to commute in whole or in part, your pension for a lump sum then you can make an election for such lump sum under this provision. However, if you have irrevocably surrendered the right to such commutation then you may only make such an election under this Provision as is consistent with such surrender.

If you choose to commute all or a part of your Pension with effect from Retirement Day then, subject to the appropriate taxes and any other statutory deductions

contained in Section 14, you will be paid a lump sum benefit on Retirement Day.

## 12. TRANSFER OUT

In the event of you becoming a member of another Revenue approved scheme or transferring your benefits to another PRB, you may at a subsequent date (the "Transfer Date") request us to make a transfer payment to the other scheme instead of the Provision of benefits as described in this Policy.

The transfer payment will be an amount equal to the value at the Transfer Date of the Price of the Units (if any) attaching to the Policy.

As previously noted, we may apply (at our discretion) a Market Value Adjustment, notice period or early encashment charge to any Fund in the Panel of Unitised Funds.

We will bear no further liability in respect of the Policy on the completion of the transfer payment.

## 13. OPEN MARKET OPTION

You may purchase retirement benefits from a Life Office other than us.

In this event an amount equal to the value of the Units (if any) attaching to the Policy based on the Price will be paid by us to the other Life Office.

## **14. TAXATION**

We will deduct from the benefits payable under the Policy the appropriate tax due which will be paid to the Revenue Commissioners. In the event that tax is imposed on the Transfer Payment or on the Policy and/or on the capital or income of any Fund relevant to the Policy then we will have the right to vary the terms of the Policy to such extent and in such manner as we deem appropriate in view of such tax.

For the purpose of this Provision "tax" includes (but is not be limited to) income tax, corporation tax, capital gains tax, or any other tax or levy imposed or varied under statute and will include any payment (other than any payment made to any beneficiary under the terms of this Policy) made under any change in the law or regulation after that date.

## **15. COMMUNICATION**

Nothing in this Policy will be understood as placing an obligation on us to notify you or your Dependants or legal personal representative of any benefits becoming due under the Policy. Such notices will be given to us by you or your Dependants or legal personal representative (if appropriate).

Every notice intended to affect the Policy must be sent to our Head Office at Irish Life Centre, Lower Abbey Street, Dublin 1

## **16. STAMP DUTY**

We will pay the appropriate Stamp Duty in respect of this Policy to the Revenue Commissioners under the Statutes then in force.

## **17. NEW SCHEDULES**

When a "new Schedule" is issued under the terms of this Policy it will replace all earlier Schedules unless otherwise stated in the new Schedule.

## **18. CHANGE OF ADDRESS**

Any correspondence we send to you under this Policy will be sent to your last known address as notified to us in writing. We will not accept any liability or loss for failure to notify us of any change of address.

## **19. INVESTMENT ADVICE**

Where you are exercising your options under Section 7, we will not accept any liability or loss for any options chosen by you. You should consult your financial adviser before exercising any of your options.

## 20. FORCE MAJEURE

In the event of extraordinary circumstances beyond our control such as industrial disputes, war, riot, crime, pandemic, serious illness affecting a large number of staff, an act of God or an act of Government, 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.

## 21. COMPLAINTS



If you have a complaint concerning your PRB, you should contact:

**Irish Life Corporate Business**  
Lower Abbey Street  
Dublin 1.

**Phone:** 01 704 18 48

**Fax:** 01 704 19 05

**Email:** [code@irishlife.ie](mailto:code@irishlife.ie)

**Website:** [www.irishlifecorporatebusiness.ie](http://www.irishlifecorporatebusiness.ie)

If you are not satisfied with the outcome of your complaint you may refer the matter to the appropriate Ombudsman who will decide if the matter falls within their terms of reference. The appropriate Ombudsman may be the Pensions Ombudsman, or certain cases may be dealt with by the Financial Services Ombudsman. The Pensions Ombudsman can be contacted at:

**The Office of the Pensions Ombudsman,**  
36 Upper Mount Street,  
Dublin 2.

**Phone::** 01 647 16 50

**Fax:** 01 676 95 77

**Email:** [info@pensionsombudsman.ie](mailto:info@pensionsombudsman.ie)

**Website:** [www.pensionsombudsman.ie](http://www.pensionsombudsman.ie)

The Financial Services Ombudsman can be contacted at:

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

**Lo-call:** 1890 88 20 90

**Fax:** 01 662 0890

**Email:** [enquiries@financialombudsman.ie](mailto:enquiries@financialombudsman.ie)

**Website:** [www.financialombudsman.ie](http://www.financialombudsman.ie)

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## CONTACT US

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**PHONE:** 01 704 18 48  
**FAX:** 01 704 19 05  
**EMAIL:** [code@irishlife.ie](mailto:code@irishlife.ie)  
**WEBSITE:** [www.irishlifecorporatebusiness.ie](http://www.irishlifecorporatebusiness.ie)  
**WRITE TO:** Irish Life Corporate Business, Irish Life Centre, Lower Abbey Street, Dublin 1.

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Irish Life Assurance plc is regulated by the Central Bank of Ireland.

In the interest of customer service we will monitor calls.

Irish Life Assurance plc, Registered in Ireland number 152576, VAT number 9F55923G.

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