

Tax efficient estate planning with Regular Savings from Zurich

€522m was paid in Capital Acquisition Tax (CAT) in Ireland in 2018.¹ Estate planning can be a complex area, but planning for it in advance will help minimise the burden of Capital Acquisition Tax for your loved ones and maximise how much you can pass on so your gift has the greatest value. A savings plan can be used to avail of the annual Small Gift Exemption and to extract wealth from your estate.

For adults over 17, due to inherit an estate, they can take out a Regular Savings policy with Zurich in their own names. The persons who wish to minimise their estate may contribute to the savings plan utilising the Small Gifts Exemption of €3,000. The accumulated fund then is not treated as a gift or inheritance when encashed and does not give rise to a CAT liability.

You've worked hard for your money and now it's time to make your money work for you. If you want the potential to earn a good return, a Regular Savings Plan from Zurich can help.

Join the **23,000 people** who already have a savings plan with Zurich.²



The key features and benefits of Regular Savings with Zurich

- Once the policy owner is a minimum age of 17 (18 next birthday) he/she is legally able to affect his/her own savings policy.
- Whether the policy owner is your child, grandchild or your favourite niece or nephew - the Small Gift Exemption applies from any one person to another.
- Maximise your wealth extraction – up to €3,000 can be gifted per person per calendar year (or €6,000 from two parents to one adult child, for example).
- The Small Gift Exemption does not reduce the CAT Thresholds applying.
- Save from as little as €75 per month.
- It's a medium to long-term investment option – ideally held for five years or longer.
- There is an excellent investment fund choice available.
- No problems arise if the policy owner needs access to the money as there are options available that provide easy access without incurring any penalties.
- Keep track of fund performance at any time by logging on to Zurich's online Client Centre.
- Option to vary the regular payments if required and to make a once-off lump-sum injection.
- The policy owner can switch and move between a range of investment funds.
- The Direct Debit mandate can come straight from the estate owner's account.



How Capital Acquisition Tax has changed in the last decade¹

	Tax liability in 2009	Tax liability in 2020
Amount a child can inherit tax free from a parent	€434,000.00	€335,000.00
Tax rate applicable on money over the tax-free threshold	25%	33%

Let's look at an example

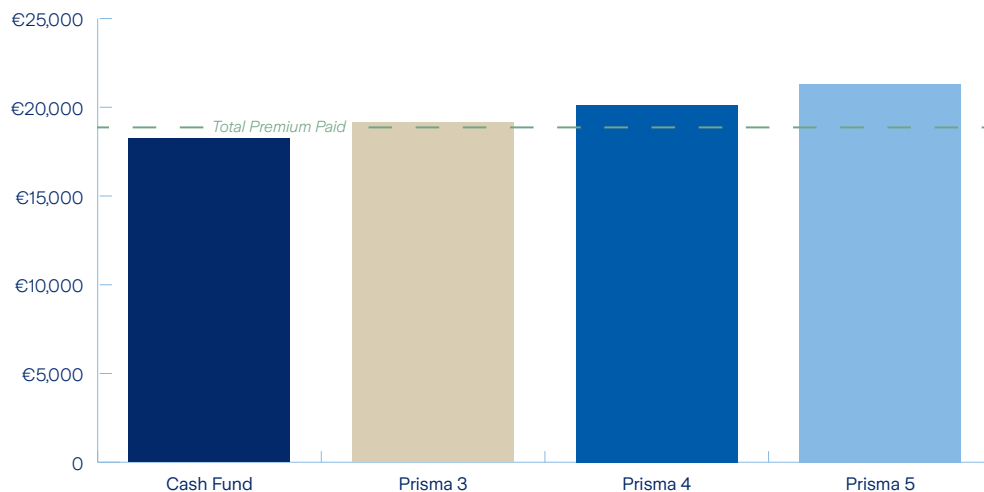
Value of parent's estate	€600,000.00	€600,000.00
Net estate after threshold (assuming 1 child)	€166,000.00	€265,000.00
Tax payable by child	€41,500.00	€87,450.00

If a parent distributes some of their estate to children through a savings plan and utilises the Small Gifts Exemption, the value of their estate will reduce and the overall tax liability will be reduced. The child however has an accumulated fund of his/her own with no CAT liability.



The potential to grow your savings with Zurich's Prisma Funds

The Prisma Funds are Zurich's most popular investment funds with customers. Compare the positive returns of an investment of €300 per month in the Zurich Prisma 3, 4 and 5 Funds over five years Vs the Cash Fund.³



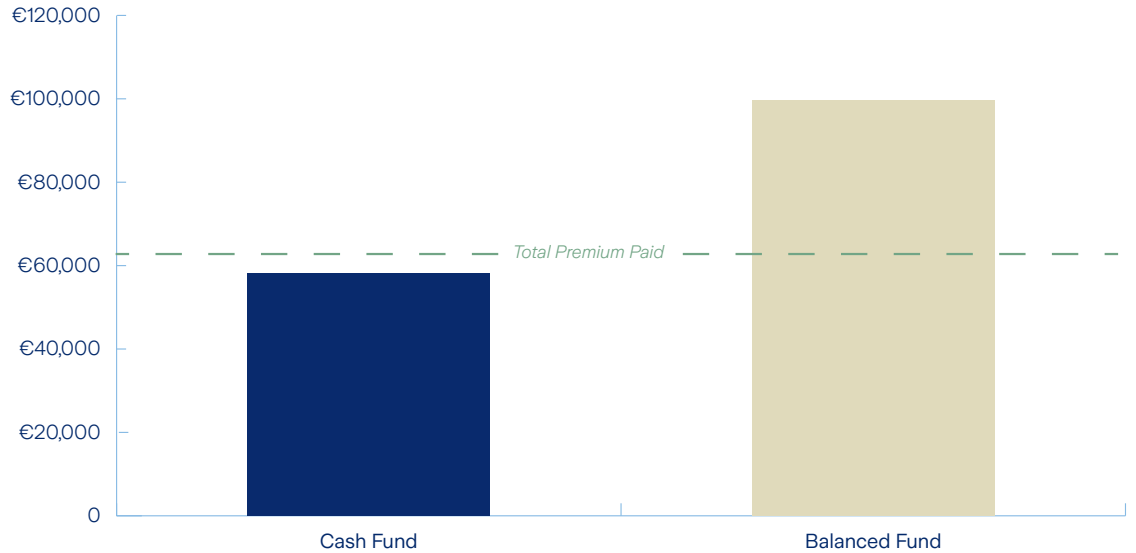
Zurich No.1

for investment performance
six years in a row⁴



Cash isn't always king

Regular contributions of €300 per month in the Zurich Balanced Fund for the last fifteen years would have delivered cumulative returns of over 88% compared to -4% if you had saved your money in the Zurich Cash Fund.⁵



Benefit from the effects of compounding⁶

	Savings fund after 5 years	Savings fund after 10 years	Savings fund after 15 years
Regular contributions of €300 per month	€19,878.93	€44,176.61	€73,723.32
Lump sum of €10,000 & regular contributions of €300 per month	€30,746.55	€56,054.13	€86,704.76



Over the long-term, holding money in riskier assets is rewarded⁷

In any **ten year period** the odds of equities posting positive returns is

96%

In any **ten year period** our multi-asset funds have never made a loss

In any twenty year period global equities have never made a loss



Warning: These figures are estimates only. They are not a reliable guide to the future performance of your investment.

Warning: Past performance is not a reliable guide to future performance.

Warning: The value of your investment may go down as well as up.

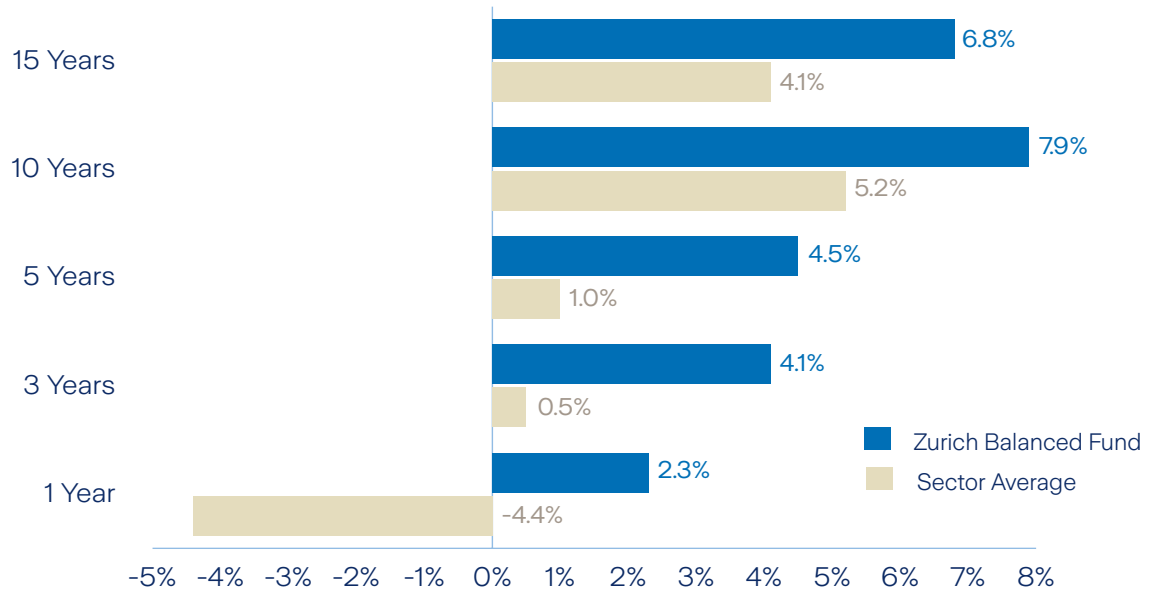
Warning: If you invest in this product you may lose some or all of the money you invest.

Warning: This product may be affected by changes in currency exchange rates.



There's nothing average about Zurich's annualised returns

We believe that the funds you are invested in should be the bedrock of your regular savings plan. At Zurich, our Dublin based investment team have a strong track record of delivering long-term consistent fund performance and make investment decisions every day that they think will lead to better outcomes for investors.⁸



A Regular Savings Plan with Zurich can help you to pass on as much as possible to your loved ones and give you peace of mind.

For more information speak to your Financial Broker or Advisor or visit zurich.ie.

Source:
¹Revenue.ie, May 2020
²Zurich Life, May 2020.
³Zurich Prisma 3, 4, 5 V Zurich Cash, cumulative returns figures quoted 01/05/2015 to 01/05/2020. Regular contributions of €300pm. Returns based on offer to offer performance and do not represent the return achieved by individual policies linked to the fund. Contribution increases of 2.5% per annum are assumed. Allocation rate 100%. AMC is assumed at 1% (0.4% AMC is included in the price).
⁴Brokers Ireland Excellence Survey, 2019.
⁵Zurich Life Cash Fund Vs Balanced Fund, Cumulative returns figures quoted from 1/11/05 - 18/5/20. Returns based on offer to offer performance and do not represent the return achieved by individual policies linked to the fund. Regular contributions of €300pm. Contribution increases of 2.5% per annum are assumed. Allocation rate 100%. AMC is assumed at 1% (0.4% AMC is included in the price).
⁶Zurich Life, May 2020. A gross investment return of 4.2% per annum is assumed. On encashment, partial encashment, assignment, death or on each 8th anniversary of the policy, tax is deducted on gains made. The figures shown allow for the deduction of tax (currently 41%). Contribution increases of 2.5% per annum are assumed. An annual management charge of 1.25% and an allocation rate of 101% apply. A 1% government insurance levy applies on all contributions.
⁷Zurich Life, 2020.
⁸Financial Express, Annualised Performance to 30 April 2020 (0.4% AMC is included in the price).

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

The information contained herein is based on Zurich Life's understanding of current Revenue practice as at March 2021 and may change in the future.