Approved Retirement Fund (ARF)

This Customer Guide should be read in conjunction with the Fund Guide.



Introduction

This guide applies to the **Approved Retirement Fund (ARF)** and is issued by Zurich Life as an authorised "Qualifying Fund Manager". Zurich Life wants to make sure that you purchase a policy that meets exactly with your requirements. This guide is designed to give you all the information required to make an informed purchase decision.

Part Two of this guide must be fully completed by your financial advisor. If your financial advisor charges a service fee, written details of the amount and nature of the fee will be provided separately by your financial advisor.

Note: This Customer Guide should be read in conjuction with the separate accompanying Fund Guide.

Part One

A. Information about the policy

1. Make sure the policy meets your needs

i. The Target Market for this product is individuals maturing a pre-retirement pension savings policy or drawing down retirement benefits from an occupational pension scheme who wish to retain control over how their funds are invested and at what rate they draw down benefits. This product is not suitable for individuals who wish to have a guaranteed income for their future lifetime.

ii. The ARF is a retirement benefit plan under which a single premium or a series of single premiums are paid from a pension plan approved by the Revenue Commissioners and income is drawn down from the fund during your retirement. You have control over your policy and you can draw down funds as income as you wish. However, if you take too large an income too early, you could exhaust your fund. If you do not want to take this risk you should consider purchasing an annuity, which will provide you with a guaranteed income for life.

iii. Although you may choose to encash your policy at any time, a retirement investment policy is a long-term financial commitment. Depending on the fund or combination of funds you select, you may be exposed to fluctuating capital values in the short-term. Therefore, these investments are unsuitable if you require a guaranteed income for life. You should be satisfied as to the long-term nature of this commitment with regard to your needs, resources and circumstances before entering into a contract.

iv. Legal or beneficial assignment of this policy is prohibited without prior consent from Zurich Life.

v. **Reviewing your policy and your investment options:** It is important that you regularly review whether the investment options you have selected and any premium you are paying into your policy remain appropriate for you. Your financial circumstances may change over time and this may impact the suitability of your policy and the options you have selected. For example, you may have a lower or higher appetite for risk, you may have a longer or shorter investment time horizon or your taxation or earnings situation may have changed. If you wish to review the appropriateness of your investment options, the premium you are paying into this policy, or any other aspect of your policy, you should contact your financial advisor.

vi. It is possible to transfer your Approved Retirement Fund product into an annuity product at any stage. An annuity product provides a guaranteed income for life. You may wish to consider this option in the future if your financial circumstances have changed. You should contact your financial advisor to discuss this option.

vii. **Warning**: If you have taken out this policy in complete or partial replacement of an existing policy, please take special care to satisfy yourself that this policy meets your needs. In particular, please make sure you are aware of the financial consequences of replacing your existing policy and of any possible financial loss as a result. If you are in doubt about this please contact your insurer or insurance intermediary.

2. What happens if you want to cash in the policy early or stop paying premiums?

i. This policy acquires an encashment value immediately. You may also transfer the value of your unit account to another Qualifying Fund Manager or use it to purchase an annuity at any stage.

ii. Please note that policy values are related to the value of the underlying investments and are therefore not guaranteed. The value of the underlying investments can fall in value as well as rise.

3. What are the projected benefits under the policy?

These illustrations are based on an initial investment of €200,000 in managed funds and a regular income of €6,000 per annum, increasing at 2% per annum, and payable monthly in arrears from the beginning of year one. Zurich Life will provide you with illustrations based on your own exact details when your policy is issued.

Illustrative table of projected benefits and charges assuming a return of 6% per annum

End of year	A Total amount of premiums paid into the policy to date €	B Projected investment growth to date €	C Projected expenses & charges to date €	D Projected total income to date €	E = A+B-C-D Projected policy value €	F Projected income taken in year €
1	200,000.00	11,694.82	14,101.73	6,000.00	191,593.09	6,000.00
2	200,000.00	23,545.89	15,250.07	12,120.00	196,175.82	6,120.00
3	200,000.00	35,552.90	16,385.00	18,362.40	200,805.50	6,242.40
4	200,000.00	47,715.40	17,506.54	24,729.65	205,479.21	6,367.25
5	200,000.00	60,032.75	18,614.78	31,224.24	210,193.72	6,494.59
10	200,000.00	123,906.93	32,974.52	65,698.33	225,234.09	7,170.56
15	200,000.00	191,441.21	50,401.92	103,760.50	237,278.79	7,916.87
20	200,000.00	262,294.99	68,685.92	145,784.22	247,824.85	8,740.87

Important: This illustration assumes a return of 6% per annum. This rate is for illustration purposes only and is not guaranteed. Actual investment growth will depend on the performance of the underlying investments and may be more or less than illustrated.

Illustrative table of projected benefits and charges assuming a return of 3.2% per annum

End of year	A Total amount of premiums paid into the policy to date €	B Projected investment growth to date €	C Projected expenses & charges to date €	D Projected total income to date €	E = A+B-C-D Projected policy value €	F Projected income taken in year €
1	200,000.00	6,237.02	13,787.18	6,000.00	186,449.84	6,000.00
2	200,000.00	12,385.32	14,640.15	12,120.00	185,625.17	6,120.00
3	200,000.00	18,439.57	15,501.18	18,362.40	184,575.98	6,242.40
4	200,000.00	24,394.28	16,372.72	24,729.65	183,291.91	6,367.25
5	200,000.00	30,243.79	17,257.31	31,224.24	181,762.24	6,494.59
10	200,000.00	57,702.94	28,514.83	65,698.33	163,489.78	7,170.56
15	200,000.00	81,577.78	39,899.21	103,760.50	137,918.06	7,916.87
20	200,000.00	100,941.59	49,132.58	145,784.22	106,024.80	8,740.87

Important: This illustration assumes a return of 3.2% per annum. This rate is for illustration purposes only and is not guaranteed. Actual investment growth will depend on the performance of the underlying investments and may be more or less than illustrated.

The effect of deductions is to reduce the projected investment yield by 1.6% per annum. The premium payable includes the cost of all charges, expenses and intermediary/sales remuneration. The draw down payment shown can be supported for more than 40 years (based on an assumed return of 6.0%) or 28 years and 9 months (based on an assumed return of 3.2%) before the fund is exhausted. The figures for the projected policy values are based on the continuation of current expense charges.

Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.
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.
Warning: The value of your investment may go down as well as up.
Warning: The income you earn from this investment may go down as well as up.

4. What intermediary/sales remuneration is payable?

Illustrative table of intermediary/sales remuneration

End of year	Premium payable in that year €	Projected total intermediary/sales remuneration payable in that year €
1	200,000.00	8,512.58
2	0	1,532.62
3	0	1,552.62
4	0	1,572.54
5	0	1,592.38
10	0	1,689.26
15	0	1,779.59
20	0	1,858.69

The figures in the above table assume a growth rate of 6.0% per annum.

End of year	Premium payable in that year €	Projected total intermediary/sales remuneration payable in that year €
1	200,000.00	8,471.97
2	0	1,450.20
3	0	1,427.13
4	0	1,402.74
5	0	1,376.99
10	0	1,226.17
15	0	1,034.39
20	0	795.19

The figures in the above table assume a growth rate of 3.2% per annum.

5. Are returns guaranteed and can the premium be reviewed?

Please note that the sample illustrations assume a rate of return on investment. This rate is for illustration purposes only and is not guaranteed. Actual investment growth will depend on the performance of the underlying investments and may be more or less than illustrated. The value of the underlying investments can fall as well as rise. **You may need to review your overall retirement arrangements to meet your desired retirement income levels should investment performance be less than that assumed.**

6. Can the policy be cancelled or amended by the insurer?

i. The policy can normally only be cancelled or materially amended by Zurich Life as a result of changes required by Government legislation and/or requirements imposed by the Revenue Commissioners.

ii. Zurich Life has the right to increase the level of charges deducted from your policy in certain circumstances. These circumstances are described in the Policy Document, which you will receive when your policy is issued. A copy of the Policy Document is available from Zurich Life on request.

7. Information on taxation issues

i. Benefits

Taxation of income

Any income drawn from an ARF is taxable in the hands of the recipient as income for the tax year in which it is paid. Zurich Life is required to operate PAYE (Pay As You Earn), USC (Universal Social Charge) and PRSI (Pay Related Social Insurance) (if applicable) on the income. A tax on a deemed withdrawal from ARFs created on or after 6 April 2000 applies where the ARF holder is 60 years of age or older for the whole of the tax year. PAYE, USC and PRSI (if applicable) is due on a deemed withdrawal of 4% of the fund value at 30 November each year, or 5% where the ARF holder is aged 70 years or more for the whole of the tax year (or 6% where the total value of your ARF(s) and vested PRSAs (Personal Retirement Savings Accounts) exceeds €2 million). Any actual income or encashment taken from the ARF during the year will be deducted from the deemed withdrawal for the purpose of calculating tax/USC/PRSI. If the actual withdrawal equals or exceeds the deemed withdrawal then no further tax/USC/PRSI is payable in relation to that particular year. For tax efficiency purposes it is advisable to take an income from your ARF at least equal to the 4%/5%/6% deemed withdrawal each year.

ii. Taxation of encashment proceeds

Encashment of all or part of this policy will be taxable in the hands of the recipient in the same manner as any income for the tax year in which it is paid. Zurich Life is required to operate PAYE, USC and PRSI (if applicable) on the income.

iii. Taxation of death benefit

Any death benefit may be liable to Income Tax and Capital Acquisitions Tax (CAT).

Transfer on death to:	Income Tax	Capital Acquistions Tax (CAT)*
ARF of Spouse/Civil partner	No	No
Spouse/Civil partner	Yes	No
Child aged 21/21+	Yes (30%)	No
Child aged under 21	No	Yes
Others	Yes	Yes
*The usual CAT thresholds apply.		

Zurich Life will deduct any taxes from the death benefit as required of it by the Revenue Commissioners.

iv. Tax treatment of ARFs

ARFs are tax-exempt. As such, they are not subject to Capital Gains Tax and Income Tax. This ensures the maximum possible growth for your investment contributions.

However, withholding taxes may be deducted at source from dividends and other income arising from investments in certain countries in which the funds invest. In a number of cases, part or all of these withholding taxes can be reclaimed, but where they cannot, the income of the funds will be reduced by such taxes.

8. Additional information in relation to your policy

i. Descriptions of benefits and options

Partial encashment

You can encash part of your ARF policy at any time provided the partial encashment is at least €1,000 and subject to the residual value of your policy after partial encashments being greater than €2,500. There is a charge for a partial encashment, which is currently set at €20. It is guaranteed not to increase by more than the increase in the Consumer Price Index since the charge was last set.

If you choose to make a partial encashment out of the SuperCAPP Fund, a market level adjustment may be applied in order to protect the interests of all SuperCAPP Fund investors.

Full encashment

You may choose to make a full encashment of your policy at any time. If you make a full encashment of your policy before it is at least five years in force, an early encashment charge may apply. Unless otherwise stated in your policy certificate, the early encashment charge will be as follows:

Year one: 5% of the full encashment amount

Year two: 4% of the full encashment amount

Year three: 3% of the full encashment amount

Year four: 2% of the full encashment amount

Year five: 1% of the full encashment amount

If your full encashment includes units in the SuperCAPP Fund, a market level adjustment may be applied in order to protect the interests of all SuperCAPP Fund investors.

Full or partial transfer

If you choose to transfer some or all of the value of your unit account to another ARF before your policy is at least five years in force, a transfer charge applies. Unless otherwise stated in your policy certificate, the transfer charge will be as follows:

Year one: 5% of the transfer amount

Year two: 4% of the transfer amount

Year three: 3% of the transfer amount

Year four: 2% of the transfer amount

Year five: 1% of the transfer amount

Death benefit

The death benefit on your policy is the value of your unit account at the date of notification of death. Zurich Life will pay the death benefit on proof that the policy owner has died. As an alternative to payment of the death benefit, ownership of your policy can be transferred to your spouse/civil partner on your death, subject to the Revenue Commissioner's approval. Zurich Life will not charge for this change of ownership, but will deduct any taxes as required of it by the Revenue Commissioners.

Regular income

You may choose to draw down a regular income at outset that is a percentage of the value of your ARF at the date of payment or a regular income that is fixed in monetary terms. There is no charge for this regular income option. No more than 10% per annum of the value of your fund holding can be taken through regular income. You can choose to have your regular income paid monthly, quarterly, half-yearly or yearly in arrears. The minimum amount that Zurich Life will pay in regular income regardless of the frequency of payment is currently €200. If you select this income option, Zurich Life will encash enough units to pay the income you request, provided of course there are enough units to pay the requested income each time. This will mean that the number of units attaching to your ARF will fall with each income payment. Your regular income facility will cease if the value of your unit account falls below €2,500 or would do so if the regular income were paid. Units will be encashed at the ruling bid price. A market level adjustment may be applied in order to protect the interests of all SuperCAPP Fund investors. Zurich Life will not apply any early encashment charge to regular income taken in this manner.

RetireRight

RetireRight is an investment strategy which gradually moves your money from an initial fund choice into a lower risk fund. The initial fund is selected at the outset based on your personal risk appetite. The strategy automatically moves your money from your initial fund choice into a lower risk fund over the course of 15 years until your defined strategy end date.

You will find more information on RetireRight in the Zurich Life 'Fund Guide'.

Fund Rebalancing

Fund Rebalancing is an investment strategy which periodically rebalances the weighting of the funds in your investment portfolio. The portfolio will rebalance at a frequency of your choice and in accordance with the fund split you selected at outset. The strategy automatically rebalances your funds to your selected fund split throughout the lifetime of the policy.

You will find more information on Fund Rebalancing in the Zurich Life 'Fund Guide'.

Unit Fund switching

You can move your unit holdings between the different funds available. This gives you extra flexibility to change the risk/return profile of your investment as your investment needs change. If a Unit Fund switch is made out of a Protected Fund the Protection described in your policy document will no longer apply. You can make four free switches each year; there is a charge for every subsequent switch made. The charge for a Unit Fund Switch is currently set at €20. This charge is guaranteed to increase by no more than the increase in the Consumer Price Index since the amount of the charge was last set. If you choose to switch out of the SuperCAPP Fund, a market level adjustment may be applied. There are also limits on the amount that may be switched into the SuperCAPP Fund in order to protect the interests of all SuperCAPP Fund investors. These limits vary from time to time. Details of current limits are available from Zurich Life on request at any time.

ii. Term of policy

The policy is a whole-of-life retirement investment contract.

iii. Circumstances under which the policy may be terminated

In the event that you wish to terminate the contract, you should write to your financial advisor or Zurich Life, quoting your policy number.

iv. Choice of funds

Your investment can buy units in one or more of the funds outlined in the accompanying Fund Guide. Each fund has a different degree of risk and potential return. For up-to-date information on the funds available visit the **Funds** section at **www.zurich.ie**

v. Satisfaction period

On receipt of your policy documentation, you will have an opportunity to cancel the policy if you feel it will not meet your needs. To do this, you must return your Policy Document, policy certificate and a signed cancellation request to Zurich Life within 30 days. On receipt of the above, Zurich Life will refund all the premiums paid on your policy, and Zurich Life's liability for any benefits will cease. Zurich Life may adjust any single premium refunded for any negative fluctuations in investment markets and any encashments or income which you have taken during this period.

vi. Law applicable to the policy

The information or any part of it contained in this notice does not form part of a contract of insurance between you and Zurich Life Assurance plc. The terms and conditions of your contract with Zurich Life are governed by the law of Ireland and will be contained in your Policy Document and accompanying policy certificate. Your Policy Document is evidence of a legal contract.

vii. Zurich Life's complaints procedure

Zurich Life has an unrivalled reputation for excellence in the insurance industry. If you are a policy owner, beneficiary or insured person, and are not satisfied in any way with this policy, you should contact Zurich Life Customer Services. If Zurich Life is unable to satisfy your complaint, you may have recourse to the Financial Services and Pensions Ombudsman's Bureau. Details of the services provided by the Financial Services and Pensions Ombudsman can be given by Zurich Life upon request.

Zurich Life Customer Services

Tel: (01) 799 2711
Fax: (01) 283 1578
Email: customerservices@zurich.com

Useful contacts

Central Bank of Ireland
PO Box 559,
Dublin 1
DO1 F7X3
Tel: (01) 224 6000

Insurance Ireland
Insurance Centre,
5 Harbourmaster Place,
IFSC, Dublin 1
D01 E7E8
Tel: (01) 676 1820

Financial Services and
Pensions Ombudsman
Lincoln House,
Lincoln Place, Dublin 2
D02 VH29
Tel: (01) 567 7000

B. Information on the service fee

You should consult Part Two of this guide for information on the service fee (if any) that your financial advisor charges.

C. Information about the insurer/insurance intermediary/ sales employee

You should consult Part Two of this guide for information about both Zurich Life and your financial advisor.

Warning: If you invest in this product you may lose some or all of the money you invest.
Warning: The value of your investment may go down as well as up.
Warning: This product may be affected by changes in currency exchange rates.
Warning: The income you earn from this investment may go down as well as up.

Please note that annual management fees apply to ARFs.

Part Two

This part of the guide provides information about Zurich Life, your insurance intermediary/ financial advisor and any service fee that he/she may charge you in respect of products described in this guide.

A. Information about Zurich Life

Zurich Life Assurance plc is registered in Ireland under number 58098 and licensed by the Central Bank of Ireland to transact life business in Ireland. Zurich Life is registered for Value Added Tax (VAT) under registration number 1410723M.

Zurich Life's head office is situated in Ireland at the address given below:

Zurich House, Frascati Road, Blackrock, Co. Dublin, A94 X9Y3.
Tel: (01) 283 1301
Fax: (01) 283 1578
Website: www.zurich.ie

For further information on your policy, please contact:
Customer Services
Tel: (01) 799 2711
Fax: (01) 283 1578
Email: customerservices@zurich.com

B. Information about the financial advisor

The name and status of the financial advisor and the nature of the relationship with Zurich Life are as follows:

Financial advisor details

Name:

Correspondence address:

Legal form (self-employed/company/partnership etc.):

Name of sales employee (where applicable):

Telephone:

Fax:

Email:

Financial advisor's agency agreement with Zurich Life

Broker ◯ Insurance agent* ◯ Tied agent* ◯ Employee ◯

* If agent, please state with what other insurance companies you have an agency.

C. Information on the service fee charged by your financial advisor

None ◯

OR

As per written details supplied by your financial advisor ◯

Zurich Life Assurance plc
Zurich House, Frascati Road, Blackrock, Co. Dublin, A94 X9Y3, Ireland.
Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie

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 and may change in the future.

Intended for distribution within the Republic of Ireland.

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