ZURICH

Personal Retirement Bond

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

Introduction

This guide applies to the **Personal Retirement Bond**. Zurich Life Assurance plc (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.

This guide is incomplete unless Part B is completed by your financial advisor. If your financial advisor charges a service fee, then 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.

A. Information about the policy

1. Make sure the policy meets your needs

i. The Target Market for this product is individuals who wish to move deferred occupational pension benefits into a pension product in their own name and leave the money invested in a tax efficient product to provide an income and/or tax free lump sum when they retire, and who do not expect to need access to the money invested until they retire.

ii. The Personal Retirement Bond is a pension plan into which trustees of a retirement benefits scheme can choose to pay one premium to provide future retirement benefits for you or into which you can transfer the proceeds of an existing Personal Retirment bond..

iii. The Personal Retirement Bond is a long-term financial commitment designed to provide an income and/or lump sum on your retirement.

iv. Your income at retirement will depend on the total amount invested, less your policy charges, the investment returns earned and the cost of the pension at retirement. 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.

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. **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 such replacement and of possible financial loss as a result. If you are in doubt about this, please contact your insurer or insurance intermediary/financial advisor.

vii. You should know the advantages and disadvantages of selecting a Personal Retirement Bond compared to the other forms of preserved benefit within the original pension scheme. Some of these are summarised on the following pages.

Advantages for employee

The employee is issued with a policy in his or her own name.

The employee has more control over the manner and timing of benefit payments and can opt to receive the benefits at any time, from the earliest date retirement is permitted under the scheme that paid out the transfer value (normally age 50) up to the normal pension date or age 70 if remaining in employment.

There is flexibility with regard to the investment of assets. Increased investment options may result in opportunities for higher investment returns.

Disadvantages for employee

The employee carries the investment risk. In the same way that higher investment returns can produce enhanced benefits, lower investment returns can produce diminished benefits when compared with those promised under the pension scheme that paid out the transfer value.

An employee may take longer to acquire a leaving service benefit with a new employer where a transfer is made to a Personal Retirement Bond rather than to the new employer's pension scheme.

The employee may lose out on any benefit improvements for pensioners or deferred pensioners introduced into his or her former employer's plan at a later stage.

If a purchaser of a bond dies before normal retirement date, the dependant benefit payable will be based on the value of the fund, which may not realise the same benefit as that payable by the pension scheme that paid out the transfer value.

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

i. As this is an approved Personal Retirement Bond, it cannot be surrendered, encashed or assigned due to Revenue requirements. You may transfer the value of your policy at any stage to another Personal Retirement Bond approved by the Revenue Commissioners or to the trustees of another retirement benefits scheme if you are now a member of this other scheme.

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.

iii. An early encashment charge may apply to your policy. Details of this charge will be stated in your policy document and policy certificate.

3. What are the projected benefits under the policy?

The following illustrative tables are based on a client aged 39 years and six months with current earnings of €65,000 per annum retiring at age 65 and a single premium of €25,000. Zurich Life will provide you with illustrative tables based on your own exact details when your policy is issued.

Illustrative table of projected benefits and charges

	A	B	C	D = A+B-C
End of year	Total amount of premiums paid into the policy to date €	Projected investment growth to date €	Projected expenses & charges to date €	Projected policy value €
1	25,000	1,142	1,670	24,472
2	25,000	2,319	1,837	25,482
3	25,000	3,531	2,001	26,531
4	25,000	4,781	2,161	27,620
5	25,000	6,068	2,318	28,750
10	25,000	13,118	4,383	33,734
15	25,000	21,306	7,120	39,187
20	25,000	30,818	10,298	45,520
25	25,000	41,868	13,990	52,877
MATURITY	25,000	43,066	14,391	53,676

Important: This illustration assumes a return of 4.6%% 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.

- The effect of deductions is to reduce the projected investment yield by 1.6% per annum.
- The projected maturity values above are after an investment term of 25 years and six months.
- The premium payable includes the cost of all charges, expenses and intermediary/sales remuneration.

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

Projected pension details

Estimated fund at retirement from table above:
€53,676 i.e. 39.4% of final salary

Member's pension per month:
€151.60 i.e. 1.3% of final salary

Where the final salary is €136,095.57 and is calculated using 3.0% salary.

Important notes

The figures for the illustrative retirement fund and pension benefits are based on the following:

(a) the continuation of current expense charges; and

(b) in relation to the pension figure(s), the assumed annuity rate assumes 2.0% escalation, a five-year guarantee and is payable monthly in advance. The actual annuity rate will depend on the selection of the dependant's pension, guaranteed period and the escalation rate, as well as interest rates prevailing when the annuity is purchased. The actual annuity rate at retirement is likely to differ from the annuity rate used in the illustration.

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	25,000	1,504
2	0	133
3	0	137
4	0	141
5	0	145
10	0	169
15	0	196
20	0	228
25	0	264
MATURITY	0	134

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 underlying investments can fall as well as rise.

You may need to review your overall pension arrangements to meet your desired retirement benefits 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. Premiums

The maximum approvable benefits payable under the Personal Retirement Bond are detailed in Chapter 1, Part 30 of the Taxes Consolidation Act, 1997. Tax relief is not available on single premium transfer payments as typically tax relief was granted on the original pension.

ii. Benefits

Taxation of retirement benefits

A pension/annuity purchased by the maturity proceeds of an approved Personal Retirement Bond is taxable in the hands of the recipient as income for the tax year in which it is paid. The life insurance company providing the pension/annuity is required to operate PAYE (Pay As You Earn) on the income 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 2010 applies where the ARF holder is 60 years of age or older for the whole of the tax year.

A pension/annuity purchased by the maturity proceeds of an approved Personal Retirement Bond is taxable in the hands of the recipient as income for the tax year in which it is paid. The life insurance company providing the pension/annuity is required to operate PAYE, USC and PRSI (if applicable) on the income.

On retirement with at least 20 years' service, you may decide to receive up to 1.5 times your final salary as a tax-free lump sum (under current legislation) with the balance of the maturity value used to purchase an annuity. A reduced tax-free lump sum is available with less than 20 years' service. (The maximum benefits payable will include any retained benefits applicable and will be subject to the maximum allowable under the prevailing Revenue limits.). There is a lifetime limit of €200,000 on retirement tax-free lump sums (under current legislation). Where the lump sum exceeds €200,000 tax is due. The portion between €200,000 and €500,000 is taxable at 20% with the excess being fully liable to income tax and Universal Social Charge (USC) under the PAYE system.

Taxation of death benefit

The benefit payable from the Personal Retirement Bond would be regarded as a preserved benefit and is payable to your estate without the deduction of any tax. Capital Acquisitions Tax may apply on subsequent payments to beneficiaries.

iii. Pension Funds

Zurich Life pension funds are tax exempt. As such, they are not subject to Capital Gains Tax and Income Tax as they accumulate.

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 most 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

Retirement benefit

You may retire at any time after age 50 provided rules imposed by the Revenue Commissioners at the time are complied with or if the transfer payment received UK tax relief, then you may retire at any time after age 55 unless you are retiring due to ill health.

An early encashment charge may apply to your policy. Details of this charge will be stated in your policy document and policy certificate.

Under current legislation, and subject to the trustees' requirements regarding the form of benefits, you may choose to use your pension fund's maturity value to purchase a retirement benefit in one or more of the following forms:

- a tax-free lump sum retirement benefit of up to 1.5 times your final salary;
- a pension annuity with or without annual increases in payment;
- a contingent pension annuity payable to your spouse or other dependants on your death;
- investing in an ARF from which you can draw down income during your retirement; and or
- a deferred pension annuity.

The exact range of benefits available to you will depend, amongst other things, on whether your transfer value into this policy came from a defined benefit or defined contribution plan and the date the transfer was made.

Transfer benefit

Before a benefit becomes payable on retirement or on death, you can choose to encash your unit account and pay the proceeds as a transfer value to the following:

- the trustees of another retirement benefits scheme approved by the Revenue Commissioners if you are now a member of this other scheme; or
- a Revenue approved Personal Retirement Bond effected on your behalf (within the means of the Insurance Act, 1989) that is approved by the Revenue Commissioners under Chapter 1, Part 30 of the Taxes Consolidation Act, 1997.

On payment of a transfer value, Zurich Life is no longer responsible for ensuring that benefits in respect of this transfer value are paid in accordance with any trustees' requirements.

On the Personal Retirement Bond, if you transfer your pension to another pension provider an early encashment charge may apply to your policy. Details of this charge will be stated in your policy document and policy certificate.

Death benefit

Zurich Life will pay the death benefit to your estate on proof of your death before your normal retirement date (subject to Revenue limits). The full value of any units held by your policy is payable on death.

Late retirement

You may choose to retire after your selected retirement age, provided certain rules issued by the Revenue Commissioners are complied with. In such circumstances, you will have the same options available to you as described in the section 'Retirement benefit' above.

Other policy options

Personalised GuidePath

Personalised GuidePath is an investment strategy which gradually moves your money from growth funds which are matched to your personal risk appetite, into retirement planning funds which are tailored to your individual plans for retirement. If Personalised GuidePath is selected your pension will initially be invested in the default option, unless you specify otherwise on your application form, which is the medium risk / return growth stage, and a retirement planning split of 25% Tax-Free Cash and 75% annuity, with a strategy end date of your normal retirement age. You can then go online to your dashboard, where you can view your strategy, use the online tools and customise your Personalised GuidePath to match your personal needs. You will find more information on Personalised GuidePath in the Zurich Life 'Fund Guide'.

PensionSTAR

If PensionSTAR (Annuity) is selected, with five years to go to retirement, your unit holdings will be gradually switched into the Active Fixed Income Fund so that your policy will be fully invested in this fund at your normal retirement date.

If PensionSTAR (ARF) is selected, with five years to go to retirement, your unit holdings will be gradually switched into the Balanced Fund. If you choose this investment strategy, you should note that there are Revenue rules regarding investing in an Approved Retirement Fund. If your Personal Retirement Bond cannot be invested in an Approved Retirement Fund, this investment strategy may not be suitable for you.

ii. Unit Fund switching

You can move your unit holdings between the different Prisma Funds available. This gives you extra flexibility in funding for retirement. You can make four free switches each year; there is a charge for every subsequent switch made.

This charge is currently €20. It is guaranteed not to increase by more than the increase in the Consumer Price Index since the charge was last set. There is no charge if unit switching is done as part of the PensionSTAR option.

iii. Term of policy

Your policy will normally cease at your chosen retirement date, but you may choose to extend the term, subject to any Revenue rules at that time.

iv. 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, and you will be advised of the options available in accordance with the terms and conditions of the policy and any Revenue rules at that time.

v. 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**

vi. Satisfaction period

On receipt of your policy documentation, it may be possible for you to cancel the policy if you feel it will not meet with your requirements. This depends on whether your pension benefits were transferred by the purchasing trustees with or without your consent. If the transfer was without your consent then the policy cannot be cancelled. If, however, the benefits were transferred to this policy with your consent, then it is possible to cancel the policy without penalty by returning 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 to the purchasing trustees and Zurich Life's liability for any benefits will cease. Zurich Life may adjust the refund to cover any losses incurred as a result of negative fluctuations in the investment markets during the period.

vii. 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.

ix. 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 Ombudsman's Bureau. Details of the services provided by the Financial Services 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,
New Wapping Street,
North Wall Quay, 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

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 get from this investment may go down as well as up.**

B. Information about the insurer/financial advisor/sales employee and service fee

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 the product described in this guide.

1. 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

2. Information about the financial advisor

The name and status of the financial advisor and the nature of the relationship with Zurich Life is 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.

3. 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

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