



Eagle Star Child's Savings Plus Plan



ensures they have the best start possible when beginning adult life



Why invest for a child?

Have you ever considered the money a child may need when they reach the age of 18?

A good education is the basis of a good solid career and future employment but it certainly does not come cheap. College registration fees are high and the expenses of books, accommodation, food and transport must also be taken into account. A four year course at university could end up costing tens of thousands of euro.

Of course, while a good education is often first priority, there are many other expenses which a child may be faced with in early adulthood. You may also want to give them a headstart with buying their first home, buying their first car, starting their own business or becoming personally wealthy. All of these are things you will need to start planning for now if you are to meet the financial and other goals you may have in mind for a child.

The Eagle Star solution

One solution to providing for a child's needs is to start saving for the child now, to ensure that they have funds available to help them with their financial requirements and to give them the best start possible as they begin their adult life.

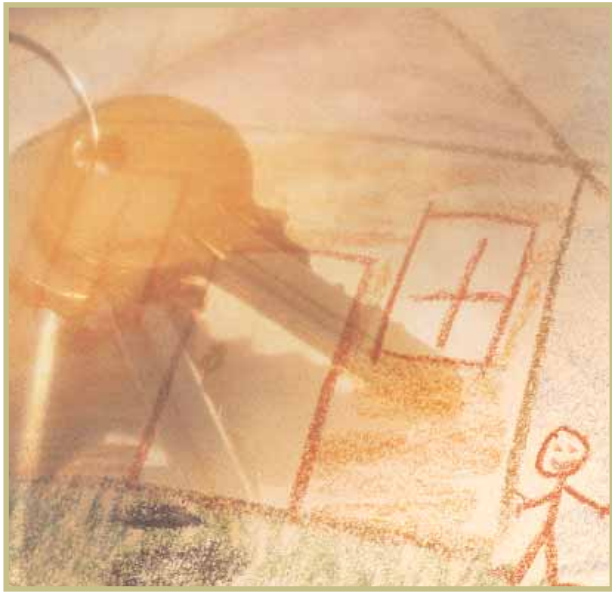
Eagle Star has developed the Eagle Star Child's Savings Plus Plan, a unique savings vehicle which allows you to invest in the highly successful Matrix range of investment funds. By saving through this plan, you can build up a fund for the child and by assigning the plan to the child you can make full use of the annual Gift Tax exemption of €3,000 from any one individual (€6,000 from a married couple).

For example, if the current children's allowance of €141.60 per month was invested in an Eagle Star Child's Savings Plus policy from when the child is born, it could build up to a fund of €41,160* by the time the child reaches adulthood at the age of 18. Your child could then access this fund and use it to give themselves a better start in life.

*This assumes level premiums and 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.

The Eagle Star Child's Savings Plus Plan is designed to enable you to save for the child in this way and this innovative product is available to parents, grandparents, godparents or any adult relation or friend of a child.





The Tax benefits of Eagle Star's Child's Savings Plus Plan

Capital Acquisitions Tax incorporates a Gift Tax and an Inheritance Tax:

Gift Tax: May apply when a person receives a gift from another.

Inheritance Tax: May apply when a person receives an inheritance following the death of another.

Gifts and inheritances up to a certain value can be taken without incurring any Capital Acquisitions Tax liability depending on both the relationship between the donor and the recipient and the total value of the gifts/inheritances received from donors in that donor group on or after 5th December 1991.

Capital Acquisitions Tax is charged at 20% on the amount above the thresholds; the tax rate is the same for gifts and inheritances.

Capital Acquisition Tax Thresholds	
Threshold	Relationship of donor to the recipient (Donor Group)
€478,155	Parent
€47,815	Child*
	Brother/sister
	Niece/nephew
	Grandchild
€23,908	Any relationship not listed above

* Note that in certain circumstances, a parent taking an inheritance/gift from a child can qualify for the €478,155 threshold.

These thresholds apply to the total gifts and inheritances received by any individual on or after 5th December 1991. The first €3,000 of gifts in any one year, from any one donor, is not taxed (this does not apply to inheritances). In the case of a married couple, the Gift Tax limit is €6,000.

If you legally assign an Eagle Star Child's Savings Plus Plan to a child, your contributions count as gifts to that child. Provided you stay within the annual Gift Tax exemption limit, the child will not incur any Gift Tax, either when you make the contributions or when the plan is encashed.

How does Eagle Star's Child's Savings Plus Plan work?

You pay a regular contribution into the plan (minimum monthly contribution of €50) which will be invested in your choice of Eagle Star's Matrix range of funds. Once you make your choice of funds when taking out the Eagle Star Child's Savings Plus policy, the fund choice applies for the life of the plan.

To ensure the Eagle Star Child's Savings Plus policy maximises the Gift Tax savings for the child, you can then legally assign the policy to the child. Eagle Star will provide you with the documentation necessary to assign the policy.

By assigning the policy to the child, the child will be entitled to the proceeds of the policy because they are the owners of the policy as assignees. In addition, if you have chosen life cover on your policy, this benefit is also payable to the child, as assignee.



The Advantages of Eagle Star's Child's Savings Plus Plan

Tax-free growth you can build on

Investment in Eagle Star's Child's Savings Plus Plan is allowed to grow free of all Irish taxes until encashed. Whenever monies are paid out of the policy (on death, encashment or partial encashment), exit tax is payable on any difference between the value of the savings plan and the premiums paid. The rate of exit tax (currently 23%) is equal to the standard rate of income tax plus 3%. If you choose to include life cover on your plan, no exit tax is currently payable on this benefit.

Savings flexibility

You can start off with a premium of as little as €50 a month and you can vary the amounts of your regular premiums as often as you like. You can make lump sum injections into the plan at any time, for example on special occasions like birthdays.

Excellent fund choice through Matrix

Eagle Star has designed the Child's Savings Plus Plan to make investing in equity and bond markets simple for you. When you invest with Eagle Star, your money is placed in your choice of Eagle Star's Matrix range of funds. Through these funds, you can access a broader portfolio of assets than could be achieved by an individual saver.

You can choose a fund which matches your investor profile, in terms of the level of risk you wish to take.

The value of your investment is linked to the value of the underlying assets in the funds you select, and it is important to note that this value may decrease as well as increase. Although investment returns are not guaranteed, you can rest assured that your investment is expertly managed by Eagle Star's award-winning investment team.

Start saving now!

The Eagle Star Child's Savings Plus plan is an innovative new option from Eagle Star which helps you to give a child a head start when it comes to financial matters. The Eagle Star Child's Savings Plus Plan also allows you to maximise the Gift Tax saving for the child by enabling you to legally assign the plan to the child, thus making full use of the annual Gift Tax exemption limit of €3,000 from any individual (€6,000 from a married couple).

For more information, simply contact your
Broker or Financial Advisor.



EAGLE STAR

A member of the  Zurich Financial Services Group

EAGLE STAR HOUSE FRASCATI ROAD BLACKROCK CO DUBLIN IRELAND TELEPHONE 01 283 1301 FAX 01 283 1578 WEBSITE www.eaglestarlife.ie

EAGLE STAR LIFE ASSURANCE COMPANY OF IRELAND LIMITED IS REGULATED BY THE FINANCIAL REGULATOR

Intended for distribution within the Republic of Ireland. This brochure is based on Eagle Star's current understanding of Irish Law and Revenue Practice as at January 2006.