



Protection

AIB Pension Life Insurance

Tax efficient life cover

This product is provided by Irish Life Assurance plc.

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AIB has chosen Irish Life, Ireland's leading life and pensions provider, to provide its customers with a range of pension, protection, investments and savings products. Irish Life is part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations. As well as offering advice when you take out a plan, AIB will also help you with any questions about your plans and offer you a financial review every year in return for the fee AIB receive from Irish Life.

Allied Irish Banks, p.l.c. is a tied agent of Irish Life Assurance plc, for life and pensions business. This means that although AIB are distributing this product, the product information in this booklet has been written by Irish Life as product provider. If you choose this product, it will be provided by Irish Life. So, any reference to 'we' or 'us' refers to Irish Life. If you have any questions, your AIB Financial Adviser will be happy to help.



AIB Pension Life Insurance



Aim

To help protect your family's standard of living if you die before you retire.



Cost of Cover

The cost of your cover will stay the same throughout the term of your plan (unless you choose indexation, see page 18).



Time Period

At least five years and no more than 40 years. You cannot be older than 65 to take out AIB Executive Pension Life Insurance (company pensions) and 70 for AIB Pension Life Insurance (personal pensions).



Jargon Free

Yes

All information including the Terms and Conditions of your plan will be provided in English.

The information in this booklet was correct as at March 2016 but may change.



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Introduction

This booklet will give you details of the benefits of AIB Pension Life Insurance. It is designed as a guide that allows us to explain the product to you in simple terms. There will be more specific details and rules in your Terms and Conditions booklet which you should read carefully.

Putting you first

We are committed to providing excellent customer service to you at all times, from the moment you apply for cover right throughout the life of your plan.

When you ring us, we'll be on hand to listen to your queries and help you when you are looking for answers. The following sections show just a sample of the services we offer.

Keeping it simple – clear communication

Because financial products can be complicated and difficult to understand, we are committed to using clear and straightforward language in all our communications to you. As a result, we work with Plain English Campaign to make sure all our customer communications meet the highest standards of clarity, openness and honesty.

Keeping you up to date

We are committed to keeping you informed about your plan. Because of this, every year we will send you a statement to tell you what your protection benefits are.

You can change your mind

We want to make sure that you are happy with your decision to take out AIB Pension Life Insurance. If after taking out this plan you feel it is not suitable, you have 30 days to cancel the plan. If you decide to do this, we guarantee to refund any payments you have made within the first 30 days of sending you details of your plan. The 30-day period starts from the day we send you your AIB Pension Life Insurance welcome pack.

European Communities (Distance Marketing of Consumer Financial Services) Regulations 2004

If a financial service or product is provided on a 'distance basis' (in other words, with no face-to-face contact) we have to give you certain information. We have included this information under various headings in this booklet, in the Terms and Conditions booklet and in your terms of business letter. All information (including the terms and conditions of your plan) will be in English.

Online services

There are a range of online services available for you. You can check the details of your plan by visiting the website, www.myonlineservices.ie which is provided by Irish Life Assurance plc. You will need a PIN (Personal Identification Number), which you would have received when you started your plan. If you have lost your PIN or need a new one, contact the AIB service team in Irish Life on 1890 719 390.

How to contact us

If you want to talk to us, just phone the AIB service team in Irish Life on 1890 719 390. They can answer questions about your plan.

Our lines are open:

8am to 8pm Monday to Thursday

10am to 6pm Friday

9am to 1pm Saturday.

In the interest of customer service, we will record and monitor calls.

You can also contact us in the following ways:

Email: aibserviceteam@irishlife.ie

Fax: 01 704 1900

Write to: AIB service team, Irish Life,
Lower Abbey Street, Dublin 1.



AIB Pension Life Insurance

About AIB Pension Life Insurance

AIB Pension Life Insurance is a life cover plan that you can take out before you retire. It pays your family a guaranteed lump sum if you die during the term of the plan. They can use this as they want, to pay bills, loans – whatever matters most. It gives you peace of mind in knowing that if you die during the term of your plan, your family could be protected financially. Your AIB Financial Adviser can help you decide how much cover you need. The advantage of a pension life insurance plan, such as this AIB Pension Life Insurance plan, over other life cover plans is that it could cost you less. This is because, if you are eligible, you can claim income tax relief on your payments.

How AIB Pension Life Insurance works

You pay a regular amount of money into your plan. You can make your payment by direct debit every month, three months, six months or every year. Your payment provides the level of life cover you choose until the date you have chosen for your cover to end. When the plan ends, your cover will automatically end, unless you chose the option to continue cover when you took out the plan. See page 19 for more details on this guaranteed cover again option. Once you stop

making regular payments, the plan will end and you will not receive any refund or benefit from the plan.

The cost of your AIB Pension Life Insurance plan is guaranteed not to increase before the date you choose for your cover to end, giving you added security. If you want to increase your cover every year to take account of inflation, you can choose the inflation protection option (see page 19). This option is important as, without it, your cover cannot increase unless you start a new plan.

How much will it cost?

The cost of life cover depends on the following:

- The amount of cover you need.
- Your age and whether or not you smoke.
- Your state of health.
- Whether you choose the inflation protection option (see page 19 for details).

- Whether you want your cover to be able to continue after you retire (using the 'guaranteed cover again' option. See page 19 for details).
- The age at which you want your cover to end.

If you are interested in AIB Pension Life Insurance, your AIB Financial Adviser will be able to give you a quotation. Terms and conditions apply.

We will include the following charges in your payments:

- The cost of setting up and managing the plan, including sales and commission costs.
- The cost of the life cover benefit.

Family law and pensions

If you go through a separation or divorce, a court application for a pension adjustment order for the death benefits due under this plan may be made. You can get more information from the Pensions Authority at the address given on page 23.

Suitability snapshot

Below we have set out some important points for you to consider to help you decide if this plan is suitable for you. If you are in any doubt, you should contact your AIB Financial Adviser.

AIB Pension Life Insurance might suit you if you:

- ✓ want to leave your dependants a guaranteed lump sum if you die during the term of your plan;
- ✓ are able to claim income tax relief on your payments;
- ✓ want security in knowing that your regular payments are guaranteed to stay the same throughout the term of the plan (unless you choose the indexation option);
- ✓ are self-employed or in employment and are not a member of a pension scheme (for AIB Pension Life Insurance for personal pensions); or
- ✓ your employer wants to take out a life cover plan for you and pay on your behalf (AIB Executive Pension Life Insurance for company pensions).

AIB Pension Life Insurance might not suit you if you:

- ✗ are looking for an income in retirement;
- ✗ need it as security for a loan;
- ✗ want to take out a plan in two names (although two people can take out one each, if they both qualify);
- ✗ need cover with a cash-in value; or
- ✗ are currently not working.



Eligibility for AIB Pension Life Insurance

You need to meet certain criteria to be eligible to take out AIB Pension Life Insurance, a special form of life cover with added income tax benefits. These include the following:

Your age

AIB Pension Life Insurance (personal pensions)

- Normally you must be aged between 20 and 70 to take out this cover and you cannot have cover under this plan beyond age 75.
- You must take out cover for at least five years.
- The maximum amount of time we will provide cover for is 40 years.

If you have an AIB Pension Life Insurance (personal pensions) plan, you own the plan. If a claim is made, we will pay your benefits to your personal representatives.

AIB Executive Pension Life Insurance (company pensions)

- Normally you must be aged between 20 and 65 to take out this cover.
- If you qualify for a company pension plan, the expiry date of your AIB Executive Pension Life Insurance plan cannot go beyond your normal retirement age of your company pension plan. This age will be between 60 and 70.
- You must take out cover for at least five years.
- The maximum amount of time we will provide cover for is 40 years and you cannot have cover under this plan beyond age 70.
- If you have an AIB Executive Pension Life Insurance plan, the trustee (normally your employer) owns the plan. If a claim is made, we will pay the benefits to the trustee. (See page 21 for details on how to make a claim).

Your tax situation

Before taking out AIB Pension Life Insurance:

- you must be living in Ireland for income tax purposes; and
- your income must be from paid work. You cannot take out a plan

if your income is from, for example, renting out property, dividend payments or interest on investments. This is because these forms of income will probably continue after your death.

How income tax relief will work for you depends on whether you would qualify for a personal pension or company pension plan. We summarise this on page 15.

You can only take out AIB Pension Life Insurance on your own life (single cover) as it is your income that this plan aims to protect. You cannot take it out on your partner's life or take out joint life cover.



Tax advantages of AIB Pension Life Insurance

Your payments to your AIB Pension Life Insurance plan qualify for income tax relief up to certain limits. This means that the cost of your life cover will be greatly reduced. Exactly how the income tax relief works depends on whether you qualify to take out a personal pension or join a company pension arrangement. To check which applies to you, look at page 15. Your AIB Financial Adviser will be able to talk you through the option that applies to you and how it will work in your case.

AIB Pension Life Insurance (personal pensions) – income tax advantages

This will apply to you if you are self-employed or an employee who does not have a company pension scheme. If you are eligible to take out a personal pension plan, you can claim income tax relief on your payments up to a certain percentage of your net relevant earnings in any one year. Net relevant earnings means your income during a tax year, less allowances, losses and certain charges and deductions, such as mortgage interest for which you can claim income tax relief (if this applies to you).

The maximum payment you can claim income tax relief on depends on your age and this is outlined in the table below.

Maximum payment you can claim income tax relief on

If you're under 30	Up to 15 % of your net relevant earnings
If you're 30 to 39	Up to 20 % of your net relevant earnings
If you're 40 to 49	Up to 25 % of your net relevant earnings
If you're 50 to 54	Up to 30 % of your net relevant earnings
If you're 55 to 59	Up to 35 % of your net relevant earnings
If you're 60 and over	Up to 40 % of your net relevant earnings

These percentages are capped at an earnings limit of €115,000 (current at March 2016). They include payments made to other approved pension arrangements. The Government may change this limit in the future. Some people may be entitled to get income tax relief of 30 % of earnings, no matter how old they are. In general, these tend to be professional sportspeople who earn their income from a particular occupation such as athletes, boxers, footballers, golfers, jockeys and so on.

If you are an employee and your payments are taken from your bank account you can apply to your local Inspector of Taxes to have your tax credits adjusted to reflect your pension payment. If you are self employed, you must include your pension payments in your self assessment tax returns in order to get income tax relief.

So, a 45-year-old with net relevant earnings of €30,000 can get tax relief on total payments of up to €7,500 a year (25 % of net relevant earnings) towards a pension or an AIB Pension Life Insurance plan (or a combination of both).

Examples of the income tax advantages available with AIB Pension Life Insurance

John pays income tax at the higher rate of 40%:

John's story

John pays income tax at the higher rate (currently 40 % in March 2016). A payment of €100 to an AIB Pension Life Insurance plan could cost him €60 after income tax relief.

AIB Pension Life Insurance payment
of €100

Income tax relief of 40 %
Cost to John €60

Emma pays income tax at the lower rate of 20%:

Emma's story

Emma pays income tax at the lower rate (currently 20 % in March 2016). A payment of €100 could cost her €80 after income tax relief.

AIB Pension Life Insurance payment
of €100

Income tax relief of 20 %
Cost to Emma €80

If you leave your job:

With Pension Life Insurance for personal pensions, you could become ineligible for the income tax relief on your plan if you no longer have an income from being self-employed or from non-pensionable employment. If this happens, you can continue with your plan payments but you cannot claim income tax relief. Your plan will not stop if you continue to make payments.

AIB Executive Pension Life Insurance-tax advantages

This will apply if your company will cover the cost. To take out AIB Executive Pension Life Insurance, your employer must pay

the full payment.

Your employers payment

Employers receive Corporation Tax Relief on the payments they make to the plan on your behalf. Employer payments are not considered benefit in kind (BIK), so you do not have to pay income tax on these payments.

How AIB Executive Pension Life Insurance payments are taxed

- Your payment gets income tax relief
- Your employers' payment gets Corporation Tax relief.
- No liability as a result of benefit in kind

If you leave your job

With AIB Executive Pension Life Insurance, if you leave your job, the payments from your employer must end. You or your employer should let us know if this happens. The cover can only continue if your new employer is willing to take it over and make at least the minimum payment or if you have Guaranteed Cover Again.

How AIB Pension Life Insurance works depending on the type of pension plan:

	Eligible to take out a personal pension plan	Eligible to take out a company pension plan
Your personal circumstances:	<ul style="list-style-type: none"> You are self-employed (paying income tax under schedule D Case I or II); or You are in non-pensionable employment. This means that you are an employee who pays income tax under the Pay As You Earn (PAYE) system, are not in a company pension plan and your employer will not contribute to this plan. 	You are an employee and your employer will pay all of the payments to your AIB Executive Pension Life Insurance plan.
Who pays payments to the plan?	You.	Your employer must pay 100% of the payments.
What income tax relief is available?	You will get income tax relief on your payment with the limits outlined on page 12.	
What is the maximum amount of life cover I can have?	There is no limit on the amount of cover you can have.	<p>The maximum life cover you can have is four times your salary, plus allowances for a spouse, or registered civil partner's pension. Your AIB Financial Adviser can tell you how much this will be in your case.</p> <p>This limit on life cover includes the value of your main pension from employer payments and any life cover you have through your pension.</p>
What is the maximum I can pay into this plan?	There is no limit, but income tax relief is only available up to the limits set out on page 12.	<p>Your employer must pay 100% of the total payments towards your retirement benefits.</p> <p>Your employer must not pay more than the amount needed to pay for maximum benefits you can receive.</p>



Extra benefits and other services

There is a wide range of added benefits with no extra cost and optional benefits with an extra cost that are available with AIB Pension Life Insurance, we have explained them in this section.

Added benefits

You pay no extra charge for the added benefits listed below.

Protection flexibility

We know that when you take out one of our plans, sometimes your needs and circumstances can change. So, up to the fifth plan anniversary, we have introduced a flexibility option into the AIB Pension Life Insurance plans. This allows you to make significant changes to your level of benefits or the term of your benefits without going through the hassle of cancelling your existing plan and taking out a new one. This flexibility option is available at no extra charge. However, when you change your benefits or plan term we will work

out a new plan payment at that time. This means the cost and payments on your plan could go up or down.

With this flexibility option you can:

- Reduce or increase the term of your plan; and
- Reduce or increase your existing cover.

The main rules that apply to the flexibility option are as follows:

- You can only change the term if the original term you chose was more than 10 years.

To increase benefit or extend the term:

- you must be aged under 50;
- your current life cover must not be more than €500,000.
- You cannot increase your benefit by more than 20 % of the current benefit.
- You cannot extend the term by more than five years.

- You can only increase a benefit, or extend its term, or a combination of both, once.

There are detailed rules, restrictions and requirements related to this functionality set out in your terms and conditions.

Guaranteed insurability

If you take out AIB Pension Life Insurance and before the age of 55 you then get married, have a child, take out a new or increase your existing mortgage or get an increase in salary, you can ask us to set up a new life cover plan for:

- €125,000;
- half of your current benefit; or
- half of your original benefit; whichever is lower.

You won't have to provide any information about your health. This option is only available twice. Please see your Terms and Conditions booklet for detailed information.

Comprehensive range of services through LifeCare

The **LifeCare** range of services come as standard on a range of Life insurance plans and offers you the following, at zero extra cost:

NurseCare: gives you access to two confidential helpline services provided by Intana Assist which provide help and advice from experienced nursing professionals – NurseAssist 24/7 and Women's Health Centre.

MedCare: access to a Medical Second Opinion service from MediGuide. You can have an independent review of your diagnosis and treatment plan from one of a range of leading medical centres around the world.

ClaimsCare: access to an expert claims service and a post-claims counselling service with the Clanwilliam Institute to help you through difficult times when you've had a claim.

For further information on the LifeCare range of services, log on to www.irishlife.ie/lifecare

LifeCare gives you access to services provided by other companies which are independent from Irish Life. These services are not designed to replace the advice provided by your doctor or your own health professional, but to give you information to help direct you toward the appropriate course of action. Your access to these third party services is subject to their terms and conditions. Irish Life and Allied Irish Banks, p.l.c. accept no liability for these services. Irish Life may change the service providers or withdraw access to these services in the future.

Optional benefits

You will have to pay an extra charge for the optional benefits listed below.

Inflation protection (indexation)

This option allows you to increase your cover every year (to keep in line with the cost of living). And, you do not have to provide evidence of your health. This is often called 'indexation'.

Why do I need inflation protection?

This option protects the real value of your cover as time passes. If you do not take this option, your cover will stay the same throughout the term of your plan.

How inflation protection works

- You will have to pay an extra charge for this benefit. This extra charge will depend on your age and the term of your plan. It will be included in your payment if you have chosen this option.
- At the moment, the amount you are covered for will increase by 3 % a year to protect against the effects of inflation. Your payment will go up by 5 % each year to reflect the extra cover and the fact that you are older.
- If you refuse this option two years in a row, we will not offer you any further increases.

Guaranteed cover again (conversion option)

Guaranteed cover again, also known as a conversion option allows you to convert your cover to another plan at any stage throughout the term of your plan. If you wish to avail of this option, you must take it at the start of your plan. Then you will not have to provide any new evidence of health for your new plan. You can avail of this option more than once. The payments you make will reflect this. This option is especially useful on AIB Pension Life Insurance if, at a later date, you want to extend your cover beyond retirement. You must be aged between 20 and 60 to take it out.

Why do I need guaranteed cover again?

In future years you can get cover without providing evidence of your health.

How guaranteed cover again works

- If you want to convert your cover, you can take out a new plan with guaranteed regular payments.
- The option to convert cover does not include any inflation protection on the extended cover. The payments you make will reflect this.
- You will have the option to add guaranteed cover again to the new plan you convert into, once you are aged between 20 and 60 at the time of setting up the plan you are converting into.
- The option will apply to a life cover sum assured of no more than €5,000,000. This limit applies to the total cover extended across all the policies you have with us. The payments you make will reflect this.



A guide to making a claim

In the unfortunate event that your family have to make a claim, this section shows you the best way to go about it.

AIB Pension Life Insurance (personal pensions) claims process

If you have taken out an AIB Pension Life Insurance (personal pensions) plan, and you die before this plan ends, your family should contact your AIB Financial Adviser or phone the AIB service team. We will send them a claim form and tell them what they need to do. They must fill in the claim form and send it to us with the plan schedule and the original death certificate. If you leave a will, we may also need a certified copy of it and a grant of probate. If you do not leave a will, we may need letters of administration. It is our policy to start paying interest on any claim from two months after the date of death. This is in line with industry standards. When we receive all the documents and information we need, we will normally make a payment within five days. If our payment is delayed, as a gesture of goodwill we will pay interest from the date of death rather than from two months after the date of death.

AIB Executive Pension Life Insurance (company pensions) claims process

If you have taken out an AIB Executive Pension Life Insurance (company pensions) plan, and if you die before this plan ends, the trustee (normally your employer) will make a claim on behalf of your beneficiaries under the plan. The beneficiaries are usually your family. We will send them a claim form and tell them what they need to do. They must fill in the claim form and send it to us with the plan schedule and the original death certificate. We will also need proof from the trustee that they have the right to act as trustee.

It is our policy to start paying interest on any claim from two months after the date of death. This is in line with industry standards. When we receive all the documents and information we need, we will normally make a payment within five days. If our payment is delayed, as a gesture of goodwill we will pay interest from the date of death rather than from two months after the date of death.

Tax on benefits

Inheritance tax does not have to be paid on life cover benefits paid to your spouse or registered civil partner. However, in some other circumstances, tax may have to be paid on the life cover benefits. For

example, if you die within the term of the plan and your life cover is paid to your estate, your beneficiaries may have to pay inheritance tax on the proceeds from the plan. If a pension is provided for your spouse, registered civil partner or dependants, the pension income is treated as income so they will have to pay income tax on it and any other taxes due at that time.

You should ask your tax adviser or your accountant to tell you about the tax situation.

Situations where we will not pay a benefit

We have listed a summary of these situations below:

- We may refuse to pay a claim if you have given incorrect information or did not tell us something that would have affected our assessment of your application when you first took out the plan.
- On the application form, you must tell us everything relevant about your health, occupation and hobbies. If you do not and you make a claim, we may not pay your benefit.
- We will send you a summary of the medical information you gave us in your application form. You should check this to make sure that you have answered all the health questions accurately.
- We will not pay life cover benefit if your death is caused by suicide or execution within a year of the plan starting.

Any problems?

We monitor our complaint process to make sure it is of the highest standards. We hope you never have to complain. However, if for any reason you do, we want to hear from you.

AIB Pension Life Insurance (personal pensions) complaints

We hope you do not experience any problems but if you do, please call your AIB Financial Adviser or contact the AIB service team. If, having contacted the AIB service team, you feel we have not dealt fairly with your complaint, you can contact:

The Financial Services Ombudsman

3rd Floor Lincoln House

Lincoln Place

Dublin 2.

Lo-call: 1890 88 20 90

Email: enquiries@financialombudsman.ie

Fax: 01 662 08 90

AIB Executive Pension Life Insurance (company pensions) complaints

If you have a company pension plan, you can also contact the trustee of the scheme (usually your employer). If, having contacted the AIB service team, you feel we have not dealt fairly with your complaint, you can contact the Pensions Authority.

The Pensions Authority

The Government set up the Pensions Authority under the Pensions Act 1990 as amended. The Pensions Authority's main job is to make sure that company and Additional Voluntary Contribution (AVC) pension schemes are run in line with the act.

Their address is:

The Pensions Authority

Verschoyle House

28-30 Lower Mount Street

Dublin 2.

Phone: 01 613 19 00

Fax: 01 631 86 02

THE PENSIONS OMBUDSMAN

If you believe that you have suffered a financial loss as a result of poor administration of your scheme, or if there is a dispute of fact or law, you should talk to the trustee. They can then refer you to the Pensions Ombudsman. You can find out more about this from the Pensions Ombudsman at:

The Office of the Pensions Ombudsman

4th floor Lincoln House

Lincoln Place

Dublin 2.

Phone: 01 647 1650

Fax: 01 676 9577

Email: info@pensionsombudsman.ie

Website: www.pensionsombudsman.ie

INFORMATION FOR THE TRUSTEE

If you have any questions or complaints about this plan, you should write to us at the address provided. If the employee believes they have suffered a financial loss as a result of the poor administration of the scheme, or if there is a dispute of fact or law, they must contact you first.

Under the Pensions Ombudsman Regulations 2003 (S.I. No. 397 of 2003), you must set up and follow an internal disputes resolution (IDR) procedure. You must publish this and make it available to the member if they ask for it. You can get more information from the Pensions Authority at the address shown below. You must then issue a decision on the matter.

The employee does not have to keep to your decision and can take the matter to the Pensions Ombudsman. You and the employee can appeal to the High Court against the decision of the Pensions Ombudsman.

You should refer all other complaints, which you cannot settle, to the Pensions Authority at:

Verschoyle House

28/30 Lower Mount Street

Dublin 2.

Phone: 01 613 19 00

Fax: 01 631 86 02



At AIB we are taking steps to reduce our impact on the environment. Small changes, taken together, add up to a greener world.

Find out more at: www.aib.ie/csr

How to get in touch



Call us 1890 724 724



Call into any branch



Click on aib.ie

If you have any questions, just ask.



Terms and conditions apply. If you have any questions, please contact your AIB Financial Adviser in your local branch or call the AIB service team at Irish Life on 1890 719 390. In the interest of customer service, Irish Life will record and monitor calls. Irish Life Assurance plc, Registered in Ireland number 152576, Vat number 9F55923G.

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