

# Self Administered Personal Retirement Bond

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Irish Market

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## PERSONAL RETIREMENT BOND (PRB) CONDITIONS

Your PRB Investment consists of these general conditions and the Investment Certificate and any other schedule issued at a later date which refers to these conditions.

This certificate is evidence of a contract of Investment between us (Wealth Options Ltd) and you (the PRB Holder) based on the Application you made to us.

This Bond is a contract approved by the Revenue Commissioners under Part 30 Chapter 2 Taxes Consolidated Acts 1997 and no alteration to the terms of this policy can be permitted unless prior approval has been received from the Revenue Commissioners.

No benefit payable by this policy shall be capable of being surrendered, commuted or assigned except as permitted under Part 30 Chapter 1 Taxes Consolidation Act 1997.

The amount of any benefits payable shall not exceed the maxima permitted by the Revenue Commissioners.

Please keep these conditions and all schedules in a safe place as payment of your Benefits may be delayed if they are lost.

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## Definitions

In this document, the following words or expressions shall have the meanings respectively ascribed to them. Except where inconsistent with the context, words importing the masculine shall include the feminine and words importing the singular shall include the plural and vice versa.

**“Actuary”** means the Actuary for the time being of the Company and any decision, determination or exercise or any powers given to him hereunder shall be at his absolute discretion and finding on the parties to this agreement.

**“Alternative Provider”** means any person or firm (other than the Company) authorised by law to transact PRB business in Ireland.

**“Application Date”** means the Application date shown in the Schedule in respect of the initial or any subsequent premium.

**“Company”** means Wealth Options Limited.

**“Dependent”** means the Bondholder’s spouse, child or other person where such other person is wholly or substantially dependent on the Bondholder for the ordinary necessities of life.

**“Employer”** means the Employer specified on the Schedule and in respect of withdrawal from whose service, or other circumstances, a premium has been applied to the Bond on behalf of the Bondholder.

**“Final Remuneration”** means the Bondholder’s final remuneration at the date of withdrawal from the service of the Employer as specified in the Application Form appropriately averaged in the case of a 20% Director and calculated in such a manner as is in accordance with the practice of the Revenue Commissioners, increased in proportion to the increase in the cost of living as measured by the Consumer Price Index from the date of withdrawal from the service of the Employer up to the Vesting Date as defined in Section 3 hereof or the date of death of the Bondholder if earlier. Where the Bondholder is a 20% Director, his remuneration will be increased as detailed above only in the case of death or where at least two thirds of the benefits to which he is entitled from all schemes of the Employer and all annuity policies derived from the same pensionable employment are taken in a non commutable annuity form.

**“Fund”** means such unit trust or funds to which the Company may from time to time permit the benefits under this Agreement to be linked. The Fund in each case is a separately identifiable account maintained by the company for the purpose of calculating benefits under this Agreement and certain other contracts issued by the Company.

**“Management Charge(s)”** mean amounts that the Company deducts at regular intervals from the value of the Funds. Further details are provided in Section 2 - Charges.

**“Normal Retirement Date”** means the date specified on the Schedule.

**“Bond Anniversary”** means any anniversary of the Application Date.

**“Premium”** means any amount paid at an Application Date under the terms of this Agreement including the Initial Premium.

**“Purchasing Scheme”** means the retirement benefits scheme as specified on the schedule where the Trustees thereof have directly or indirectly paid a Premium on behalf of the Bondholder.

**“Retained Dependant’s Pension”** means a pension to which the respective Dependant of the Bondholder is entitled on his death under other schemes of the Employer and all annuity policies derived from the same pensionable employment or under schemes of previous employers or by virtue of a Self-employed Contract and exceeding ? per annum or such greater amount as the Revenue Commissioners shall permit.

**“Retained Lump Sum Benefits”** means lump sums to which the Bondholder is entitled under other schemes of the Employer and all annuity policies derived from the same pensionable employment or under schemes of previous employers and includes;

- (i) lump sums received or receivable from any scheme including sums received or receivable in commutation of pension.
- (ii) Sums received or receivable in commutation of retirement annuities under a Self-employed Contract.

Provided that benefits at (i) and (ii) may be ignored if they do not exceed €1,270 in all or such greater amount as the Revenue Commissioners shall permit.

**“Retained Pension Benefits”** means benefits to which the Agreement holder is entitled under other schemes of the Employer and all annuity policies derived from the same pensionable employment or under schemes of previous employers and includes:

- (i) pensions, whether deferred or already in payment, including any part or a deferred pension which is commutable.
- (ii) the annuity equivalent of lump sums received or receivable, including any already received in commutation of pension.
- (iii) where so required by the Revenue Commissioners retirement annuities under a self-employed Contract.

Provided that benefits at (i), (ii) and (iii) may be ignored if their annuity equivalent does not exceed €330 per annum in all, or such greater amount as the revenue commissioners shall permit.

**“20% Director”** means an individual who, either alone or together with his spouse and minor children, is or was within three years before withdrawal from service of the Employer, the beneficial owner of share which, when added to any shares held by the Trustees or any settlement to which the Director or his spouse had transferred assets carry more that 20% of the voting rights in the Employer or in a company which controls the Employer.

## Section One – Payment of Premiums

This section describes the condition in relation to payment of premiums.

1. Where the Single Transfer Payment is being received from Purchasing Trustees, it is the responsibility of the Purchasing trustees to ensure the Single Transfer Payment is received by Wealth Options Limited. Where the Single Transfer Payment is the proceeds of another Revenue Approved Buy-out-Bond it is your responsibility to ensure the Single Transfer Payment is received by Wealth Options Limited.
2. A receipt for any premiums paid will not be valid unless it is on Wealth Options Limited's printed form.
3. Your Single Transfer Payment is due on the Start Date as shown in the Policy certificate. Unless this is received, Wealth Options Limited will have no liability in respect of this agreement.

## Section Two – Charges

This section set out the different types of charge made by Wealth Options Limited.

### Management Charge

1. Wealth Options Limited will deduct a management charge expressed as a percentage of your Investments. The management charge percentage is specified in the Investment Certificate.

Wealth Options Limited will deduct the management charge either directly from the Unit Funds or from your PRB Bank Account or by a combination of these methods.

Wealth Options Limited may increase the management charge to allow for the effect of inflation on expenses, as measured by the Consumer Price index or some other suitable index of inflation. Wealth Options Limited will inform you in writing before any change in the management charge is made.

2. Wealth Options Limited will deduct the amount of any Government stamp duty and levies, if any, from your Bank Account.
3. Any difference between premium received and the Allocated Premium is a charge made by Wealth Options Limited.

## Section Three – Retirement benefit

This section explains what is payable on retirement.

### Benefit at Retirement

1. You may retire at any time after age 50 provided rules imposed by the Revenue Commissioners at the time are complied with.
2. The benefit is the value of your Investments. This benefit (less any lump sum benefit taken) is multiplied by an annuity rate to produce a retirement annuity. You will be informed of this annuity rate at the date of retirement. scheme.
3. Bondholders have the same entitlement under this scheme as under the previous pension

### Options available on Retirement

4. Provided rules imposed by the Revenue Commissioners at the time are complied with, you may choose to provide benefits on retirement, in one or more of the following forms:
  - (i) a tax-free Lump Sum Retirement Benefit;
  - (ii) a taxable Lump Sum Retirement Benefit;
  - (iii) a Pension;
  - (iv) a contingent Pension payable to your spouse or other dependants on your death;
  - (v) an Approved Minimum Retirement Fund; an/or
  - (vi) an Approved retirement Fund.

The calculation of the annuity rate will take into account the form in which you take your benefits. Before you can select options (ii) or (vi) above, certain Revenue requirements concerning minimum guaranteed lifetime income and minimum investment in an annuity and/or an Approved Minimum Retirement Fund, must be met. The amount of the Fund that you can take as a tax-free Lump Sum Retirement benefit will depend on whether or not you were a Proprietary Director of the company from whose Pension Scheme a transfer payment was made into this contract. Options (ii) , (v) and (vi) above are only available if you were a Proprietary Director. These options may also be available on that part of your fund represented by Additional Voluntary Contribution.

### Open Market Option

5. At the date of retirement, you may elect to receive your annuity from another approved provider. In this instance, Wealth Options Limited would make available to the other provider the value of your Investments (less any lump sum benefit taken), to which will be applied an annuity rate calculated by the other provider. Wealth Options Limited's liability under this contract will cease at this date.

### Form of Benefits

6. Wealth Options Limited will ensure that the benefits which are paid conform with the Trustees' requirement regarding the form of benefits, as specified in the application form.
7. In the event that this policy has been affected by a transfer payment from another Revenue Approved Buy-out-Bond, then, unless Wealth Options Limited has been furnished with the original application form which was completed by the Trustees, Wealth Options Limited will not be responsible for ensuring that the benefits which are paid conform with the Trustees' requirements.

## Annuity Options & Elections

### Bondholder's annuity

- (a) The annuity shall commence, and the first payment in respect thereof shall fall due, on the first day of the month following the Vesting Date.
- (b) At the election of the Bondholder, the annuity shall be paid on any one of the following basis;
  - (i) for his lifetime only
  - (ii) for his lifetime with a guaranteed period of 5 years from the commencement date of the annuity.
  - (iii) For his lifetime with a guaranteed period of 10 years from the commencement date of the annuity.

Provided that where the guaranteed period is five years and the Bondholder dies before five years instalments have been paid then the value of the outstanding instalments as determined by the Annuity Company shall be dealt with in accordance with Revenue Practice.

Provided further that were the guaranteed period is ten years and the Bondholder dies before ten years instalments have been paid then the annuity for the remainder of the guaranteed period shall continue to be paid to such person or persons, as if such benefit were in taxable lump sum form. All such benefits will be paid in accordance with current legislation and Revenue guidelines as currently set out in chapter 11 of the pensions manual.

- (c) At the election of the Bondholder the annuity may be of a level amount or may be of an amount increasing by a percentage not exceeding 3% per annum compound (or such other percentage as the Revenue Commissioners shall permit).

### Dependants annuity

- (d) At the election of the Bondholder on or before the Vesting Day an annuity may be paid to one or more of the Bondholder's Dependants subject to the limits as set out in Section 6.
- (e) Any such annuity shall commence on the death of the Bondholder on or after the Vesting Day except where the annuity payable to the Bondholder is guaranteed for 10 years and in such event the annuity shall commence on the day following the end of the guarantee period or on the death of the Bondholder (whichever is the later).
- (f) At the election of the Bondholder, any such annuity may be of a level amount or may be an amount increasing by a percentage not exceeding 3% per annum compound (or such other percentage as the Revenue Commissioners shall permit).
- (g) Any such annuity shall be payable for the life of the dependant except where the dependant is a child of the Bondholder in which event the annuity shall be payable until attainment by the child or age 18, or age 21, if in receipt of full time education, or on the child's earlier death.

## Section Four – Transfer Benefit

This section explains the Transfer Benefit available

1. Before a benefit becomes payable you can elect to encash your Investments and pay the proceeds as a transfer value to:
  - (i) the Trustees of another Retirement benefit Scheme approved by the Revenue Commissioners if you are now a Member of this other scheme;
  - or
  - (ii) A Personal Retirement Bond approved by the Revenue Commissioners
2. On payment of a transfer value, Wealth Options Limited is no longer responsible for ensuring that benefits in respect of this transfer value are paid in accordance with any Trustees' requirements.

## Section Five – Death Benefit

This section explains the Death Benefit and related conditions

### Amount Payable on Death

1. Wealth Options Limited will pay a Death Benefit on proof of your death subject to Section 6 - Revenue Limits.
2. The Death Benefit is equal to the value of your Investments on Death.
3. The amount of Death benefit which may be paid in lump sum form is limited under rules imposed by the Revenue commissioners. A lump sum of four times salary (plus a refund of your contributions) may be paid, unless subject to the Pensions Act 1990 preserved benefit rules.

However, if you are no longer working or if you are not entitled to a Death benefit from your current employment on your death before retirement, a lump sum of four times salary at the date of leaving service (increased in proportion of the increase in the Consumer Price Index between date of leaving service and date of death), together with an amount equal to any contributions made by you, may be paid. Any remaining Death Benefit must be paid in the form of annuities to your dependants.



## Section Six - Revenue Limits

The actual benefits payable under this Agreement to or in respect of the Bondholder shall be limited to such aggregate amounts as will not exceed the maximum benefits set out hereunder calculated separately by reference to each distinct employment in respect of which a premium has been paid under the Agreement.

- (a) The amount of the Bondholder's annuity payable under the Agreement may not exceed the greater of;
- (i) when aggregated with all annuities and the annuity equivalent of all non pension benefits received or receivable under all other retirement annuity policies derived from the same pensionable employment, one sixtieth or the Bondholder's Final remuneration for each year of service with the Employer subject to a maximum of forty years and,
  - (ii) after taking into account all Retained Pension Benefits such proportion of the amount which would be applicable under the following table as the number of years of service actually completed with the Employer bears to the number of years between the date of entry into service with the Employer and Normal Retirement Date (not exceeding forty years).

Years of service to normal retirement age	Expressed as a fraction of maximum approvable pension for a full career	Expressed as a fraction of final remuneration
1	1/10th	4/60ths
2	2/10ths	8/60ths
3	3/10ths	12/60ths
4	4/10ths	16/60ths
5	5/10ths	20/60ths
6	6/10ths	24/60ths
7	7/10ths	28/60ths
8	8/10ths	32/10ths
9	9/10ths	36/10ths
10 or more		40/60ths

- (b) the amount of the Bondholder's annuity which may be taken in lump sum form must bear the same ratio to the annuity as at the date of withdrawal from service but may not exceed the greater of;
- (i) when aggregated with all other lump sum benefits received or receivable from all other retirement benefit schemes of the Employer and all other annuity policies derived from the same pensionable employment, three-eighths of the Bondholder's Final Remuneration for each year of service with the Employer subject to the maximum of forty years; and
  - (ii) after taking into account all Retained Lump Sum Benefits such proportion of the amount which would be applicable under the following table as the number of years of service completed with the Employer bears to the number of years between the date of entry into service with the Employer and Normal Retirement Date (not exceeding forty years).

Years of Actual Service	Fraction of Final Remuneration
1 – 8 years	3/80 ths for each year
9	30/80 ths
10	36/80 ths
11	42/80 ths
12	48/80 ths
13	54/80 ths
14	63/80 ths
15	72/80 ths
16	81/80 ths
17	90/80 ths
18	99/80 ths
19	108/80 ths
20 or more	120/80 ths

Provided always that the lump sum benefit is not restricted where the annuity equivalent of all benefits received or receivable under all retirement benefit schemes of the Employer and all other annuity policies derived from the same pensionable employment is less than €330 per annum (or such higher limit as may be prescribed by the Revenue Commissioners from time to time) or where the Company is satisfied that the Bondholder is in exceptional circumstances of ill health.

- (c) The amount of any one Dependant's annuity (including any Retained Dependant's Benefits) shall not exceed two-thirds of the maximum pension which could be provided for the Bondholder under this Agreement (exclusive of Retained Pension Benefits) and the aggregate amount of all Dependant's annuities (including aggregate Retained Dependant's Pensions) shall not exceed the maximum pension which could be provided for the Bondholder under this Agreement (exclusive of Retained Pension Benefits).
- (d) The amount of the lump sum death benefit under Section 5 may not exceed;
  - (i) Four times the Bondholders Final remuneration; plus
  - (ii) A return of the value as represented under the Agreement of the total of the Bondholder's own personal contributions.

Provided always that such lump sum is calculated after taking into account all other lump sums provided on death under all retirement benefit schemes of the Employer and all other annuity policies derived from the same pensionable schemes or a Self-employed Contract, except only such amounts as the Revenue Commissioners will permit to be ignored. Provided further that for the purposes of this sub-Clause the proviso in the definitions of "Final Remuneration" relating to 20% Directors need not apply.

- (e) The rate of increase in excess of 3% p.a. compound applied to any annuity in the course of payment shall be restricted so as not to cause the annuity at any time to exceed the maximum annuity payable under this Clause increased by the corresponding aggregate increase in the Consumer Price Index since the commencement of payment of the annuity.

## Section Seven - General Conditions

This section sets out the general terms relating to your PRB Investment. These should be read very carefully.

You must provide us with any information or evidence which we need to administer the PRB.

In order to pay Benefits we may need any one or more of the following:

- (i) the Investment Certificate;
- (ii) where a Benefit is payable on your death, the death certificate;
- (iii) proof that the person making a claim is entitled to do so;
- (iv) your birth certificate;
- (v) any other documents relevant to the PRB Investment;
- (vi) any other information that is appropriate to ensure that the Benefit is paid in accordance with the PRB.

We have relied on information given by you to us to set up this contract. If you did not disclose a material fact, we may not pay a claim or we may stop this investment or charge an increased fee. A material fact is one which is likely to influence our decision to accept an Application.

Any change in your circumstances between completing the Application and Start Date must also be disclosed.

We can alter this PRB Investment (or issue another in its place) if:

- (a) The Revenue Commissioners remove approval of the contract;
- (b) It becomes impossible or impractical to carry out any of the investment terms because of a change in the law or any other circumstance;
- (c) The tax treatment changes or this PRB Investment is altered by legislation;
- (d) It becomes impossible or impractical to administer the PRB.



## Wealth Options Limited

Wealth Options Limited is regulated by the Central Bank of Ireland. Wealth Options distribute a range of financial services products from leading product manufacturers exclusively to regulated financial advisors. Wealth Options do not distribute products directly to the public.

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