



Executive Pension Life Cover

Brochure

Tax-efficient life insurance for the people you employ

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IMPORTANT NOTICE: This brochure is designed to help you understand our Executive Pension Life Cover policy. To make it easier to read, we haven't included all of the technical details which apply to your policy here. This is an advertisement.

You can find the full details in your policy conditions, which form part of your legal contract with us. This contract is provided by AIB life and governed by Irish law. This brochure doesn't form part of any contract between you and AIB life, and if there's any conflict between this brochure and your policy conditions, your policy conditions apply.

Section 1

Executive Pension Life Cover at a glance

1.1 Why choose AIB life?

We all want to feel financially secure, but it can be hard to know if you're on track. At AIB life, we help you feel better about your future.

We put power into your plans, whether you're looking to prepare for retirement, protect your loved ones or invest your money in a flexible way. If you run a business, we can support you too.

As a partnership between AIB and the Great-West Lifeco group of companies, we're built on over a century of experience. Now we're taking that experience further, with the help of AIB's Financial Advisors and smart financial tools that live on the AIB Mobile Banking app.

1.2 What's the difference between AIB and AIB life?

Allied Irish Banks, p.l.c. (AIB) is a separate company from AIB life, which was launched in 2023. AIB life provides protection, pension and investment products. AIB has a 50% holding in AIB life. AIB provides advice on these products.

1.3 What is Executive Pension Life Cover?

If you employ people, most of them will plan on working until retirement. You can take out our Executive Pension Life Cover to provide financial protection for your staff. With this type of life insurance policy, we'll pay out a lump sum if they die while in your employment. This could help those closest to them to pay bills and other debts.

This policy is approved by the Revenue Commissioners (under Chapter 1 of Part 30 of the Taxes Consolidation Act 1997), so the premiums could be a tax-deductible expense for you as an employer.

We've explained the claims process in section 5 and answered a range of common questions in section 6. Your AIB Advisor can provide more detail on this type of policy and help you decide how much cover you need.

1.4 Who's Executive Pension Life Cover for?

You as an employer can take out Executive Pension Life Cover for your employees who are aged between 18 and 64 and who are not members of an occupational pension scheme. With this policy, the people you employ can be covered for between two and 40 years. Employees' cover cannot continue past their retirement or their 70th birthday, whichever is first.



Section 2

Your cover explained

2.1 How does Executive Pension Life Cover work?

With Executive Pension Life Cover, you as an employer choose the cover amount and specifies the employee's planned retirement age, between 55 and 70. The cover amount and premium will remain unchanged throughout the policy, unless the Annual Increase Option is chosen, which means we'll increase your employee's cover by 3% and your premium by 4.5% yearly.

Executive Pension Life Cover is set up under trust in an occupational pension scheme. The trustee, either you as the employer or someone appointed by you, is the owner of the policy. The employee will be the only member of the scheme. If they die while they are still employed by you and before their planned retirement age, we'll pay out a lump sum. In accordance with the scheme rules, the trustee may provide a cash amount to the employee's dependents. They may also buy an annuity for them or transfer the funds to an Approved Retirement Fund (ARF).

Policy premiums don't form part of the income of the employee, so there is no tax implication for them. Under current regulations, premiums can normally be treated as a tax-deductible expense for you as an employer.

2.2 How much will it cost?

The cost of the AIB life Executive Pension Life Cover policy won't increase before the end date you have chosen, unless you have selected the Annual Increase Option.

The exact premium you'll pay depends on factors like:

- The amount of cover you want for the employee
- When you want the cover to end
- The employee's age when you apply for the cover
- Whether the employee smokes
- The employee's health

2.3 Can I change the policy?

It may be possible to change the cover amount and/or the benefit term. In some instances, you might be able to use the Life Changes feature which will allow you to increase the cover amount when the employee experiences certain life changes. Alternatively, you as the employer can ask us to make changes to the benefits. If it involves an increase in cover and/or extension of your benefit term, you and the employee will have to complete another application and the employee will have to answer questions about their health.

It is important to discuss any changes you want to make to the policy with your AIB Advisor to ensure it doesn't affect the tax treatment of the policy.



Section 3

Other benefits

There are additional benefits available with our Executive Pension Life Cover policy, making this policy far-reaching and flexible.

3.1 Life Changes

Major changes in the employee's life can impact how they'd like to protect the people they care about.

That's why if you, the employer, take out a policy, then the employee:

- gets married
- has a child
- takes out a new or increased mortgage
- starts earning more when they get a promotion

You can ask us to extend the benefit term and/or increase the cover amount by the lower of:

1. €150,000
2. Half of the current cover amount

If you want to take advantage of the option to increase the cover or extend the benefit term, you'll need to do so before the employee turns 55. The total increase in cover amount over the life of a policy is limited to €200,000.

You won't have to provide any information about the employee's health. However, if you want to use this option, you'll have to do so within one year of their life change. You'll also have to give us proof of the life change.

For example:

- a marriage certificate
- a birth certificate
- an adoption or guardianship court order
- a new job offer
- a promotion letter
- a confirmation of mortgage approval

This option will not apply if any claims have been made on any other AIB life policies that provide cover for the employee. Please see the policy conditions for full details of this option, including any restrictions or other exclusions which may apply.

3.2 Annual Increase Option

With this option, we'll increase the cover by 3% each year to help keep it in line with the cost of living. This is sometimes called 'indexation'. The employee doesn't need to provide us with evidence of their health for these increases. The premiums will also increase by 4.5% each year.

We'll let you know when an increase is coming up and you'll have the option to decline an increase in cover in any year. If you turn down this option two years in a row, we'll stop offering you any further increases. You can also ask us to stop applying annual increases to the cover amount altogether. If you haven't chosen this option from the start or it has ended, you can ask us to add it to the policy. Such a request will be subject to full underwriting.

Section 4

Tax advantages explained

The information in this section provides a general summary of taxation implications based on our understanding of Irish tax legislation as at the time of publication. It is important to discuss the tax implications of all financial decisions with a tax specialist.

The AIB life Executive Pension Life Cover policy premiums may qualify you as an employer for some Corporation Tax relief. This means the actual cost of paying your employee's life cover will be reduced.

4.1 What tax incentives are you as an employer entitled to?

As an employer, you may be eligible for Corporation Tax relief on the premiums you pay for this policy. These premiums aren't considered a benefit in kind (BIK) by Revenue and therefore the employee won't be required to pay any income tax on them.

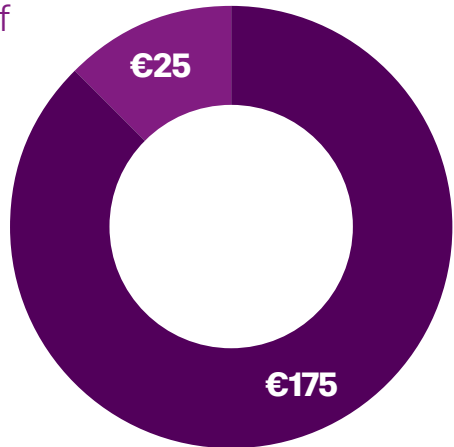
4.2 Example:

Meet Employer A who wishes to take out AIB life Executive Pension Life Cover for an employee. The premium they will need to pay for this employee is €200 per month. The Corporation Tax rate is currently 12.5%, meaning that a payment of €200 would have an actual cost of €175 after Corporation Tax relief.

Employer A's AIB life Pension Life Cover Premium	Employer A's Potential Corporation Tax Relief	The actual cost of the premium
€200	12.5%	€175

Company A Potential Tax Relief

- **€175** Actual Cost to Company A
- **€25** Company A's tax Relief



Section 5

Making a claim

5.1 What do I need to know?

If the trustee (owner of the policy or someone appointed by the owner) needs to make a claim, we're here to make the process as easy as possible.

If the employee covered by the AIB life Executive Pension Cover dies before the policy ends, the trustee will need to make a claim on behalf of the deceased's dependants. The person making the claim should contact an AIB Advisor or call us at **01 912 4455**. After that, we'll send them a claim form and explain the next steps.

We may ask for birth and/or death certificates, proof of right to act as trustee, medical evidence, or information from a GP, a coroner, or another medical professional.

Once we've accepted the claim and received all of the supporting evidence and documents we need, we'll aim to pay the claim within five days. Additional material may be needed along with an investigation of medical details.

Section 6

Questions and answers

6.1 How do I decide what level of cover to take out?

If you're considering taking out Pension Life Cover for an employee, an AIB Advisor can offer you advice and help determine the amount of cover they need.

6.2 Is there a maximum amount of life cover an employee can have?

For Executive Pension Life Cover there is no limit to the amount of life cover. The maximum amount that can be paid out by the trustee as a lump sum is four times the employee's final salary taking into account all other lump sums paid out. If there is money left over after this, the trustee can provide an annuity or transfer the money to an Approved Retirement Fund.

6.3 Who must pay the premiums?

For Executive Pension Life Cover you, the employer, must pay the premiums.

If the employee leaves your company and you will no longer be paying the premiums, please notify us promptly so we can cancel the policy.

6.4 Do the employee's dependents have to pay tax on the policy proceeds?

In most circumstances the employee's spouse or registered civil partner will not have to pay inheritance tax on the lump sum they may receive from Executive Pension Life Cover. Other dependents may have to pay tax on the lump sum pay-out.

If a portion of the policy proceeds was used to provide a pension in the form of an annuity for the spouse, registered civil partner or dependants, the pension income will be treated like normal income and will be subject to income tax and any other taxes due.

6.5 What tax incentives is the employee entitled to?

As the employee isn't responsible for paying the premium, they'll not be able to benefit from any tax incentives.

6.6 Why might the policy end or be cancelled?

If the policy has reached the end of its term, the policy will end.

The policy could also end as a result of a claim in the event of the employee's death.

If you don't keep up with the premium payments, the cover will end.

We may end the cover, deny a claim or reduce the cover if the information the employee has provided during the application isn't fully accurate or truthful, as outlined in the policy conditions. They may also find it difficult to purchase insurance elsewhere.

6.7 Can I cancel the policy?

You may cancel the policy at any time if you feel it is no longer suitable. This will end the cover you have put in place for your employee, so it is important to discuss this decision with your AIB Advisor.

After taking out the policy you have a 30 day cooling-off period during which you can cancel the policy. You may do this by sending a signed and dated instruction to **hello@help.aiblife.ie** or AIB life, Customer Service Team, PO Box 8172, Blackrock, Co. Dublin, Ireland within 30 days of the date you receive your Welcome Pack. We will refund any premiums you have paid.

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

A financial service or product being provided on a distance basis means that it didn't involve face-to-face contact. If we provide a product on a distance basis, we're obliged to provide certain information. We have included this information under various sections in the documents we have provided to you, including this brochure. All information we provide will be written in English.


Section 7


Contacting us

We're always on hand to help.

But who you contact will depend on what you're trying to do.


If you want to speak to an AIB Advisor:


 Book a callback:
→ aib.ie/make-a-plan

 Or call:
→ **+353 (0)1 771 5867**
Mon – Fri, 09:00 - 17:00


 Visit a branch:
→ aib.ie/branchlocator

For all other queries speak to AIB life:

 Email:
→ hello@help.aiblife.ie

 Or call:
→ **+353 (0)1 912 4455**
Mon – Fri, 08:00 - 18:00

If you want to update your contact details or view your documents, it's easy in the AIB Mobile Banking app:

 Just click **AIB life** in the **Products** tab or directly from your accounts list, then:

- **Update details:**
Visit **AIB life Policies** tab and choose **Make Changes**
- **View advice documents:**
Visit **AIB Advice** tab and choose **Advice Documents**
- **View policy documents:**
Visit **AIB life Policies** tab, choose **Policy Details** and scroll down to **Documents**

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



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Pension Life Cover Product Brochure Executive V002_202603 PPT01 (021)