



# **Synergy approved retirement funds**

## **Key features**

This is an important document.  
Please read and keep for future reference.

For new policies and top ups from 3 July 2017.

When buying a financial product, it is important that you understand what the product is, how it works and what a decision to buy could mean for you.

Before choosing investment options or products, you should consider the risks of the investment as well as the potential for growth. Standard Life recommends that you seek professional advice.



**The key features of the Synergy approved retirement fund (ARF) and approved minimum retirement fund (AMRF) are described in this document, which must be read with your Personal Illustration, Self-directed Options Guide (SYSDO1) and Investment Options guide (SYIO1).**

These documents give information required under Schedule 1 of the Life Assurance (Provision of Information) Regulations 2001.

### **Make sure the policy meets your needs!**

An ARF is a pension policy that only accepts lump sum/single premiums. Its primary purpose is to provide a retirement income fund, using the pension fund from:

- ▶ a personal pension policy (retirement annuity contract)
- ▶ a Personal Retirement Savings Account
- ▶ additional voluntary contributions
- ▶ another ARF
- ▶ a defined contribution occupational pension scheme, or
- ▶ a defined contribution occupational pension scheme buy out bond.

To invest in an ARF you must have a guaranteed minimum pension in payment of at least €12,700 a year for life. If this minimum is not in place then €63,500 must be invested in an Approved Minimum Retirement Fund (AMRF) or be used to purchase an Annuity payable immediately. An AMRF is an ARF with a Revenue restriction on withdrawals. You may take one withdrawal of up to 4% of the value of your AMRF in each tax year. You cannot withdraw additional amounts from your AMRF until age 75 or meet the guaranteed minimum pension in payment for life. If either event happens the AMRF automatically becomes an ARF.

This ARF is designed to provide an income and you may have to make withdrawals each year. Refer to the Withdrawals section for more detail.

Your policy is linked to a mixture of assets. You pay a premium to purchase the policy which gives you rights to receive the policy proceeds or death benefits. The amount of money you get back will depend on the investment performance of the assets linked to the policy less charges and taxes applied. The assets linked to the policy are legally owned by Standard Life.

Taking out an ARF is a long term commitment and you should only enter into this contract if you are satisfied that it meets your needs and circumstances. Standard Life recommends that the minimum investment period for this policy is five years.

**WARNING: If you propose to take 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 that you are aware of the financial consequences of replacing your existing policy. If you are in doubt about this, please consult your insurer or insurance intermediary.**

### **What happens if you want to cash in the policy early?**

You can make a withdrawal or transfer your ARF at any time. If you have an AMRF, by law, you may only take one withdrawal of up to 4% of the value in each tax year. You can transfer the AMRF to another AMRF or buy an annuity at any time.

The value of your policy may be less than what you paid in especially in the early years.

### Early encashment charge

If you make a withdrawal or transfer your policy before the third or fifth anniversary of the date your premium is allocated, this charge may apply depending on what you've agreed with your financial adviser. Any additional single premiums may also be subject to this charge, if you choose to transfer or surrender from your policy.

This charge does not apply in the following circumstances:

- ▶ exercising your right to cancel the policy in the cooling-off period (please refer to **Your right of cancellation**)
- ▶ on regular income withdrawals
- ▶ a claim on death
- ▶ switches
- ▶ if agreed with your financial adviser

The early encashment charge is:

Early encashment within		Charge* (as a % of value cashed in)
5 years	3 years	
Year 1		5%
Year 2		4%
Year 3	Year 1	3%
Year 4	Year 2	2%
Year 5	Year 3	1%

\*This charge applies on a first in first out basis.

### What are the projected benefits under the policy?

Refer to your Personal Illustration for details.

### What intermediary/sales remuneration is payable?

Refer to your Personal Illustration for details.

### Are returns guaranteed and can the premium be reviewed?

The figures in your Personal Illustration are only examples and are not guaranteed, they are not minimum or maximum amounts. You could get back more or less than the projected benefits.

What you get back depends on the investment performance of the assets linked to your policy less charges and taxes applied.

### Can the policy be cancelled or amended by the insurer?

If you make withdrawals from your policy to such an extent that the value left would be less than €2,500, we can cancel your policy and pay you its value.

We may change the terms of the policy (or issue another in its place) if;

- ▶ the Revenue amends or requires Standard Life to amend this policy; or
- ▶ it becomes impossible or impracticable to carry out any of the Policy provisions because of a change in the law or other circumstances beyond our control; or
- ▶ the tax rules have changed or are due to change; or
- ▶ we have to pay a government levy; or
- ▶ the type of assets which may be linked to the policy is varied with the effect that there may be a different range of assets which the holdings can be composed of.

Before we alter the policy, we will give you at least one month's notice explaining the change and your options.

You must provide any information or evidence which we need to set up and administer the policy. The policy may be ended if you withhold material information or make an incorrect statement in your application form.

## Information on taxation issues

Premiums into approved retirement funds do not qualify for personal tax relief.

If you transfer the policy proceeds to buy an annuity or invest in another approved retirement fund, there is no tax payable.

Any withdrawals made from your policy are treated as income and taxed under the PAYE system.

On death, the tax assessment varies, depending on who benefits:



Tax rules may change in the future.

Beneficiary	Inheritance tax	Income tax
Child aged 21 or over	No	Yes – 30%
Child aged under 21	Yes	No
Spouse/Civil partner (direct)	No	Yes, treated as income paid to you during the year of your death and taxed under the PAYE system
Spouse/Civil Partner's ARF	No	No, but subsequent withdrawals by your spouse/Civil Partner's are treated as income paid to them and taxed under the PAYE system
Other	Yes	Yes

### Additional information in relation to your policy

You can invest in a choice of:

- a) Funds; or
- b) Self-Directed Options,

or a combination of the above. For more information please refer to your Investment Options Guide (SYIO1) and Self-Directed Options Guide (SYSDO1).

If you only invest in Funds, all charges and withdrawals will be made from those funds.

If you choose to invest in a Self-Directed Options, a policy cash account will be set up to manage the charges, investment transactions and withdrawals.

#### The policy cash account

If you invest in a Self-Directed Option, a policy cash account will be set up within your policy to facilitate your Self-Directed Options and from which payments are credited and deducted.

The policy cash account is a deposit provided by a third party. We may alter the provider of the policy cash account from time to time. Please contact your financial adviser or Standard Life should you wish to know the details of the policy cash account provider at any time.

#### Deductions from the policy cash account

The following may be deducted from the policy cash account if applicable to your investments:

- ▶ Switches between investment options
- ▶ Policy Cash Account management charge
- ▶ Deposits management charge

- ▶ Execution-Only Stockbroking management charge
- ▶ Property set up charge
- ▶ Property renewal charge
- ▶ Property sale charge
- ▶ Third party property charges
- ▶ Allocation rate charge
- ▶ Fund based charge
- ▶ Withdrawals
- ▶ Early encashment charge
- ▶ Switch charge

Refer to your Personal Illustration and the Self-Directed Options Guide (SYSDO1) for more information on these charges.

#### Credits to the policy cash account

The following may be credited to the policy cash account if applicable to your investments:

- ▶ Switches between investment options
- ▶ Interest payments on balances in the policy cash account
- ▶ Interest payments on balances on deposits
- ▶ Rental income
- ▶ Annual management charge rebate

The interest rate payable on balances in the policy cash account is variable. Depending on economic circumstances, it is possible that interest may not be payable on money held in the policy cash account.

It is also possible that instead of interest being payable you may be charged to operate the policy cash account. This may be because, for example, the policy cash account provider may charge Standard Life to operate the policy cash account. If an additional charge is payable by you we will give you as much notice as possible. We may not be able to give you one month notice if the policy cash account provider changes the terms without giving Standard Life sufficient notice.

To find out the current rate of interest on the policy cash account please contact your financial adviser or Standard Life.

### **Maintaining the policy cash account**

It is important to keep a balance in the policy cash account to cover the costs of managing the investments held in your policy.

There is a minimum balance set by Standard Life to be held in the policy cash account. It depends on which investment option you choose, regular income withdrawals and the commission you have agreed with your financial adviser. The relevant minimum balance required at any time is available by contacting Standard Life.

If the policy cash account falls below the minimum set by Standard Life, we will contact you requesting you to pay additional premiums; failing this we may sell some of the assets of your policy in order to bring the policy cash account up to the minimum balance set by Standard Life.

### **Risks**

All investment choices are made at your own risk so it is important to seek appropriate financial advice.

Standard Life is not responsible for the performance or solvency of providers (other than Standard Life) of the investments available through the policy.

Should you invest in a Self-Directed Option, or have money in the policy cash account, we will not be liable for any loss suffered by you in the event that a provider defaults. This means that you bear the risk in the event of default of a provider of the Self-Directed Options or the policy cash account.

External investment managers are responsible for the management of certain Funds, including what they invest in. This means that Standard Life is not responsible for the performance of these Funds, or the solvency of the external investment manager.

In order to maintain fairness between those remaining in and those leaving a Fund, we may, in exceptional circumstances, delay selling or switching all or part of your funds.

The delay could be for up to one month, or for those Funds which invest directly or indirectly in buildings or land one year because property can be difficult to sell.

If we delay selling or switching a Fund, we will use the fund prices that apply on the day on which the selling or switching actually takes place. The prices on that day could be very different from the prices on the day that you made your request.

The value of investments linked to this policy may be affected by fluctuations in interest rates, exchange rates and/or economic and political situations.

### **Premiums and switching**

At the start of your policy, you decide on the proportion of each premium to be invested in your choice of investments.

These proportions and the allocation rate are shown on your Personal Illustration. You can change your existing investments at any time.

See the Investment Options guide (SYIO1) for more information on your investment choices.

This policy only accepts single premium payments. You can add further single premiums subject to our minimum levels. For details of the minimums please contact your financial adviser or Standard Life.

Premiums must be paid by cheque or by credit transfer.

### **Charges**

The charges that apply to your policy are outlined in your Personal Illustration. For the charges that may apply to Self Directed Options, please see the Self Directed Options Guide (SYSDO1).

Switching between assets is free for the first 12 switches in any 12 month period. Currently, each subsequent switch within the same period costs €60.

If you choose to make an occasional withdrawal or transfer your policy there may be a charge. Please see **“What happens if you want to cash in the policy early or stop paying premiums?”** for more information.

If you invest in Funds, an Annual Management Charge will be deducted each day before the fund price is calculated. See the Investment Options Guide (SYIO1) for the charge that applies.

We may also deduct charges based on the commission you have agreed with your financial adviser;

- ▶ An Allocation rate charge may apply
- ▶ A fund based charge may be payable

These charges are shown in your Personal Illustration.

These are our charges as at June 2017. We regularly review charges and sometimes we need to increase them to reflect changes in our overall costs or assumptions. Any increase will be fair and reasonable and we will notify you of such changes.

### **Annual management charge rebate**

This rebate applies to Funds and Self Directed Options and the policy cash account.

### **Withdrawals**

You can request a withdrawal at any time and it will be deducted on the 6th day (or the next business day) of the month. A request must be received three working days before the 6th day of the month in order to be paid that month.

Withdrawals can also be made from your AMRF but, by law, you may only take one withdrawal of up to 4% of the value in each tax year.

Withdrawals will only be paid to your own or your jointly owned Irish personal bank account, and may take up to 5 working days to reach your account.

You must withdraw a percentage of your policy based on its value (as at the 30th November), the percentage is:

- ▶ 4%, if you are 60 years of age or over for the full tax year, or
- ▶ 5%, if you are 70 years of age or over for the full tax year, or
- ▶ 6%, if you have combined ARF and vested PRSA assets of €2 million or more, and are aged 60 or over for the full tax year.

If you don't make withdrawals of at least this amount during each year, in December we will make a withdrawal and pay it into your bank account.

See the **'Information on taxation issues'** section for information on taxation of withdrawals.

### **Occasional withdrawals**

The minimum occasional withdrawal is €900 (before taxes are deducted).

If you make withdrawals from your policy to such an extent that the value left would be less than €2,500, we can cancel your policy and pay you its value.

Please refer to the earlier section **'What happens if you want to cash in the policy early or stop paying premiums?'** to see when an early encashment charge or an allocation rate reclaim applies.

### **Regular income withdrawals (ARF only)**

You can take a regular income either as a fixed amount after tax (maximum 10% per annum of investment), or as a percentage of your policy value before tax (maximum 10% per annum of value).

Regular income can be paid monthly, quarterly, half-yearly or yearly. The minimum income you can withdraw is €900 per annum.

If you have invested in Funds only, or in a combination of Funds and Self-Directed Options, regular income withdrawals are taken from all of the Funds in which you are invested, in proportion to the value of your funds on the date of withdrawal.

If you have invested in the Self-Directed Options only, regular income withdrawals are taken from your policy cash account.

If you choose to take fixed amount regular withdrawals, you cannot switch to percentage of policy value regular withdrawals at a later stage or vice versa.

### **Death benefit**

On your death the full value of your policy is payable to your estate.

### **Your right of cancellation**

If you take out a Synergy approved retirement fund and you change your mind about keeping it, you can cancel the policy within 30 days from when you get your policy schedule and statement of reasonable projection. A refund will be made to your originating pension provider or Qualifying Fund Manager.

If the value of the assets linked to it has fallen between the time your premium was invested and your instructions to cancel are received, there will be a deduction to cover this fall in value. If applicable, the deposit or stockbroking provider may also deduct their early withdrawal charge or dealing charge before we refund any payment. Any property related charges will also be deducted if applicable.

### **Handling complaints**

If you have a complaint please write to the Operations Director, Standard Life, 90 St Stephen's Green, Dublin 2. If you want information on our complaint handling procedure, please ask us.

If you aren't satisfied with our reply, you can refer your complaint to the Financial Services Ombudsman. This won't affect your legal rights.

### Policy holder protection

Standard Life in Ireland operates as a branch of our parent company. This means that any policies taken out since 1 December 2001 are covered by the UK's Financial Services Compensation Scheme (FSCS) in the event that Standard Life is in default. So if you invest in a Standard Life pension or investment policy, 100% of the claim is covered, without any upper limit.

For information on FSCS cover on investment options through the Synergy product range, see Your policy is protected (FSCSFAQ).

### Data Protection Notice

All personal information connected with your application will be collected, processed and maintained by Standard Life Assurance Limited, acting as a registered data controller in accordance with the Data Protection Acts (1988 and 2003). By submitting your application, you are consenting to the collection, use and sharing of your personal information by us for the purposes set out in this notice. If you provide information which relates to another person, you must explain to them why their information has been provided and how it may be used. By signing the application, you are confirming that you have their consent, having given them an opportunity to read this notice.

We may use your personal information to:

- ▶ process your application
- ▶ set up, administer and manage your policy (including, but not limited to, underwriting, processing, servicing and claims handling)
- ▶ to provide services relating to your policy and to work on improving our services to you (including insight, research, surveys and feedback)
- ▶ to comply with all legal and regulatory requirements
- ▶ where you've given us permission, contact you from time to time to keep you up to date with limited offers, new products and services, company news and other promotions.

If your application does not proceed or your policy ends, your information may be retained, used and shared in accordance with this notice, for as long as the law allows.

Your personal information may be shared with for the purposes above

- ▶ other companies within Standard Life group
- ▶ your financial adviser
- ▶ third party service providers
- ▶ regulatory authorities
- ▶ auditors
- ▶ relevant industry bodies
- ▶ professional advisers

- ▶ others, where it is permitted by law, or where we have your consent

Where we share your information outside the European Economic Area, we take measures to ensure adequate controls are in place in order to protect it.

If you have appointed a financial adviser, we may share information about your policy with them to enable them to give you advice. Your financial adviser will hold, use and process your personal information in accordance with their data protection notice.

If we collect sensitive personal information about you, (for example, information relating to physical or mental health), it will only be used to assess, administer or manage your application, policy or claim.

You have the right to request a copy of the information we hold about you. To do so, you should submit a request in writing to our Data Protection Officer. We may charge a fee for providing it (the maximum fee is set by law). If your information is incorrect, we'll correct it.

We may make changes to this notice. If we do, we will update our privacy policy on [www.standardlife.ie](http://www.standardlife.ie)

### General Information

The Synergy approved retirement funds are underwritten by Standard Life Assurance Limited in Ireland, a branch of Standard Life Assurance Limited, whose head office is based in Scotland.

During the term of your policy, Standard Life will tell you if we change:

- ▶ our name,
- ▶ our legal form,
- ▶ our main address, or
- ▶ your policy (with the exception of the taxation issues please refer to the earlier section '**Information on Taxation Issues**').

Each year, we will send you a statement detailing the value of your policy.

The Synergy approved retirement funds are subject to the laws of Ireland. This Key Features document aims to give you information on the main features, benefits and risks of the Synergy approved retirement funds. The Terms and conditions of your policy will be contained in your policy schedule, policy provisions (SYARF60) and statement of reasonable projection, which you will receive when the policy is set up.

Laws and tax rules may change in the future. The information here is based on our understanding in June 2017. Your personal circumstances also have an impact on tax treatment.

## Find out more

**Talk to your financial adviser about how to plan for your future, they'll give you the information you need to get you started. Also, you can call us or visit our website.**

**(01) 639 7000**

Mon-Fri, 9am to 5pm. Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

**[www.standardlife.ie](http://www.standardlife.ie)**