



Synergy Buy Out Bond

Key features

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

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 Buy Out Bond are described in this document, which you must read in conjunction with your Personal Illustration, Self-Directed Options Guide (SYSDO1) and the Investment Options guide (SYIO1). If you are transferring your pension from the UK, you must also read the UK pension transfers guide (SYUKPT1).

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

Make sure the policy meets your needs!

The Synergy Buy Out Bond is set up with a transfer payment whose primary purpose is to build up a retirement fund. A buy out bond (also known as a personal retirement bond) is a policy where you can transfer your pension fund if you leave a company pension scheme or if the pension scheme is being shut down. The trustees set up the buy out bond for you and put you in control, so they don't have to be involved any more.

Your policy is linked to a mixture of assets. You pay a transfer payment to purchase the policy which gives you rights to receive the policy proceeds or death benefits in accordance with Irish pensions legislation which may be in force at the time. 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 a Synergy Buy Out Bond is a long term commitment and you should only enter into this contract if you are satisfied that it meets your retirement needs and circumstances.

Transfers from a UK pension

Any UK pension benefit (including those in drawdown) can be transferred to any overseas jurisdiction provided the receiving scheme is recognised by HM Revenue & Customs (Her Majesty's Revenue & Customs) as a QROPS (Qualifying Recognised Overseas pension scheme). The Synergy Buy Out Bond has received QROPS status from HM Revenue & Customs.

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 cannot normally take pension benefits before age 60 and you cannot surrender a buy out bond for cash. However, you can transfer the value of a Synergy Buy Out Bond to another Revenue approved buy out bond or occupational pension scheme. Transfer values, particularly in the early years of the policy, may be less than your original investment.

Early encashment charge

If you transfer or retire your policy before the fifth anniversary of the date your transfer payment is allocated, an early encashment charge may apply.

An early encashment 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**)
- ▶ a claim on the selected retirement age chosen at the outset of your Synergy Buy Out Bond
- ▶ a claim on the death

The early encashment charge is:

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

What are the projected benefits under the policy?

Please refer to your Personal Illustration for details.

What intermediary/sales remuneration is payable?

Please refer to your Personal Illustration for details.

Are returns guaranteed and can the contribution 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 performance of the assets linked to your policy less charges and taxes applied.

Can the policy be cancelled or amended by the insurer?

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

- ▶ it becomes impossible or impractical to carry out any of the Policy provisions because of a change in the law or regulatory environment or other circumstances beyond our control, or
- ▶ the tax liability of the Life Office is altered or we have to pay a Government Levy.
- ▶ 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 your 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.

Information on taxation issues

On retirement, you can take a cash lump sum of up to 25% of your pension fund:

- ▶ The first €200,000 will be tax free
- ▶ The next €375,000 will be taxed at 20%
- ▶ Anything more than €575,000 will be treated as income and taxed under the PAYE system

and with the balance, subject to Revenue rules, you can buy:

- ▶ a guaranteed pension income for life (an annuity) or
- ▶ invest in a Approved (Minimum) Retirement Fund or
- ▶ draw down the entire fund as taxable cash or
- ▶ choose a combination of these options.

The annuity income, taxable lump sum and ARF/AMRF withdrawals are all treated as income and taxed under the PAYE system. If all your pension arrangements at retirement exceed €2,300,000 the excess is taxed at 41%. The maximum tax-free lump sum is €200,000 for all your pension arrangements.

If you have taken benefits from a pension already, then talk to your financial adviser as the limits that apply to you may differ.

Any death benefit payable may also be subject to Inheritance Tax in the hands of the beneficiary.

Tax legislation may change in the future.

Additional information in relation to your policy

You can invest in a choice of:

- a) Synergy Funds; or
- b) Self-Directed Options, or
- c) 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 Synergy Funds, all charges will be made from those funds.

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

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 will be deducted from the policy cash account if applicable to your investments:

- ▶ Switches between investment options
- ▶ Policy Cash Account management Charge
- ▶ Deposit management Charge
- ▶ Execution only Stock-broking management Charge
- ▶ Property set up Charge
- ▶ Property Renewal Charge
- ▶ Property Sale Charge
- ▶ Third party property charges
- ▶ Allocation Rate Charge

- ▶ Renewal charge
- ▶ Switch Charge
- ▶ Early Encashment Charge
- ▶ Pension Levy
- ▶ Policy Fee

Please refer to your Personal Illustration and the Self Directed Options Guide (SYSDO1) for more information on 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

The interest rate payable on balances in the policy cash account is variable. Depending on economic circumstances, it is possible that interest will 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 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 may sell some of the assets in 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 the 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.

Transfer payment and Switching

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

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

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

The policy can only accept one transfer payment. This payment can only be paid by cheque, bank draft or credit transfer.

Charges

The charges that apply to your policy are outlined in your Personal Illustration.

If you have invested in 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 retire or transfer out within five years of the transfer payment being allocated, there may be a charge. Please see **“What happens if you want to cash in the policy early?”** for more information.

If you invest in Synergy 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 will also deduct charges based on the type of commission you have agreed with your financial adviser:

- ▶ An allocation rate charge may apply
- ▶ A yearly renewal charge may be payable.

These charges are shown in your Personal Illustration.

These are our charges as at March 2012. We regularly review our 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.

Pension benefits

On retirement, you can take a cash lump sum of up to 25% of your pension fund

and with the balance, subject to Revenue rules, you can buy

- ▶ a guaranteed pension income for life (an annuity) or
- ▶ invest in a Approved (Minimum) Retirement Fund or
- ▶ draw down the entire fund as taxable cash or
- ▶ choose a combination of these options.

Death benefit

On your death, we will pay the value of your policy to your estate.

Your right of cancellation

If you take out a Synergy Buy Out Bond 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 and a refund will be paid to your original pension provider.

If the value of the assets linked to your transfer payment has fallen between the time the transfer payment 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 make 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.

Policyholder Protection

Standard Life in Ireland operates as a branch of our UK 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, 90% 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 parties named on your application form (SYBOB30) should know how Standard Life holds, uses and processes their personal information, which it does in accordance with the Data Protection Acts 1988-2003. They all should read this notice.

Standard Life will use your personal information to set up, administer and manage your policy and to comply with the law. Your personal information may be shared for these purposes with other companies within Standard Life group, third party service providers, regulators and auditors. If they are based outside the European Economic Area, measures will be taken to ensure adequate steps are in place to protect your personal information.

If you have appointed a financial adviser, we may share with them information about your policy 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 you want to request a copy of the personal information we hold about you, please write to Standard Life. We may charge you a fee for providing it.

General information

The Synergy Buy Out Bond is 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 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 Buy Out Bond is subject to the laws of Ireland. This Key Features document aims to give information on the main features, benefits and risks of the Synergy Buy Out Bond.

Terms and condition of your policy will be contained in your policy schedule (SYPOLSCH), policy provisions (SYBOB60) and statement of reasonable projection, which you will receive when the policy is set up.

All references to tax and legislation are based on Standard Life’s understanding of law and practice as at March 2012.

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 7080

(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