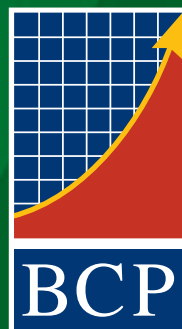


# BCP PERSONAL RETIREMENT BONDS



Take **Control**  
of your **Pension...**



Asset Management

Serving investors since 1969

BCP SERVING INVESTORS FOR OVER 40 YEARS

PLEASE CONTACT YOUR BROKER OR CALL BCP ON 01 6684688

WWW.BCP.IE

# OVERVIEW OF PERSONAL RETIREMENT BONDS (PRB)

## What is a Personal Retirement Bond?

A PRB is a lump sum retirement bond purchased by the trustees of a pension scheme, that allows the scheme member to take ownership of their pension benefits that they may have through their ex employer's pension scheme.

## Who can invest in the BCP Personal Retirement Bond

The BCP PRB is available to existing retirement bond holders, ex scheme members with retained benefits and all scheme members on a scheme wind up.

## Why transfer to a Personal Retirement Bond

### Benefits for Members

- ✔ Allows the member to take ownership of their retirement portfolio
- ✔ Allows the member to review their portfolio on a regular basis
- ✔ Allows the member to make the investment decisions
- ✔ Ease of transfer from group scheme to a retirement bond

### Benefits for Trustees

- ✔ Removes the responsibility of investment decision making for a former employee
- ✔ Removes the responsibility of annual reporting
- ✔ Removes the need to maintain the members assets until their retirement
- ✔ Ease of transfer from group scheme to members retirement bond

## Personal Retirement Bond (PRB) Conditions

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

No benefit payable by this contract 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 maximum permitted by the Revenue Commissioners.

Your PRB investment is subject to the General Conditions contained in this document, any investment specific terms and conditions and any terms contained within any confirmation of investment you may receive.

Your confirmation is evidence of a contract of Investment between us (BCP Asset Management) and you (the PRB Holder) based on the Application you made to us.

Please keep this document, your Investment Confirmation and any subsequent Confirmations or Schedules in a safe place as they may be required to facilitate a retirement claim or transfer in the future.

### CONTENTS

---

PAGES 4 & 5	Definitions
PAGE 6	Payment of Premiums
PAGE 6	Charges
PAGE 7	Transfer Benefit
PAGE 7	Death Benefit
PAGE 8	Retirement Benefit
PAGE 9	Annuity Options & Elections
PAGES 10 & 11	Revenue Limits
PAGE 12	Supplementary PRB Conditions

## 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 as contracted by BCP and any decision, determination or exercise or any powers given to him hereunder shall be at his absolute discretion and binding on the parties to this agreement.

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

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

**“BCP”** means BCP Asset Management Limited.

**“Bond”** means the Personal Retirement Bond “PRB” that you are effecting through BCP in its entirety. This PRB will be registered in your name as the “Bondholder”.

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

**“Charge(s)”** mean amounts that BCP may deduct from the value of the Funds. Further details are provided in Section 2 - Charges and in Fund specific literature.

**“Dependant”** means the Bondholder's spouse, child or other person where such other person is wholly or substantially dependant 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 Retirement Date as defined in Section 5 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 BCP Capital Secure Bonds, investment funds or deposits to which BCP may permit the benefits under this Agreement to be linked. The Fund in each case is a separately identifiable account maintained by BCP for the purpose of calculating benefits under this Agreement and certain other contracts issued by BCP.

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

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

**“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 €330 per annum or such greater amount as the Revenue Commissioners shall permit.

**“Retained Lump Sum Benefit”** 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 Benefit”** means benefits 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) pensions, whether deferred or already in payment, including any part of a deferred pension which is commutable.
- (ii) the annuity equivalent of lump sums received or receivable, including any already received in commutation of a 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 shares 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 than 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 conditions in relation to the 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 BCP. Where the Single Transfer Payment is the proceeds of another Revenue Approved PRB it is the Bondholder's responsibility to ensure the Single Transfer Payment is received by BCP.
2. A receipt for any premiums paid will be issued by BCP. Receipts will only be valid if issued in BCP's printed form or on BCP headed paper.
3. Your Single Transfer Payment is due on the start date as shown in the PRB certificate. Unless this is received, BCP will have no liability in respect of this agreement.

## Section Two - Charges

This section sets out the different types of charges which may be made by BCP.

### Charges

1. BCP do not charge any fees for the provision of the PRB contract; no set up fees, no ongoing administration or management charges and no charge to switch to an alternative PRB Provider.
2. BCP will deduct the amount of any Government stamp duty and levies, if applicable, from your BCP Client Account and forward to the Revenue on your behalf.
3. Any charges relating to the specific investments made by your PRB will be contained within the terms and conditions of the relevant investment.

## Section Three - Transfer Benefit

This section explains the Transfer Benefit available.

1. Before a retirement benefit becomes payable you can elect to encash your Investments subject to the term of the investments held and pay the proceeds as a transfer value to:
  - (i) the Trustees of another Retirement Benefit Scheme approved by the Revenue Commissioners if you have become a Member of this other scheme;
  - or
  - (ii) A Personal Retirement Bond issued by an Alternative Provider which is approved by the Revenue Commissioners
2. On payment of a transfer value, BCP is no longer responsible for ensuring that benefits in respect of this transfer value are paid in accordance with any Trustees' requirements.

## Section Four - Death Benefit

This section explains the Death Benefit and related conditions.

### Amount Payable on Death

1. BCP will pay a Death Benefit on receipt of a certified copy of the death certificate and grant of probate. This death benefit is subject to Section 7 - 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 a lump sum, 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 to the increase in the Consumer Price Index between the date of leaving service and the 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 Five - Retirement Benefit

This section explains what benefits are 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 will be equal to 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.
3. Should you choose to purchase an ARF/AMRF, the value available for investment will be the value of your fund less any lump sum benefit taken.
4. Bondholders have the same entitlement under this contract as under the previous pension scheme.

### Options available on Retirement

5. 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; and/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.

### Open Market Option

6. At the date of retirement, should you choose to purchase an annuity, you will elect to receive your annuity from an approved provider. In this instance, BCP 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. If you choose to purchase an ARF/AMRF you will elect to purchase your ARF/AMRF from a Qualifying Fund Manager (of which BCP is one). BCP's liability under this contract will cease at this date.

### Form of Benefits

7. BCP will ensure that the benefits which are paid conform with the Purchasing Trustees' requirement regarding the form of benefits, as specified in the application form.
8. In the event that this policy has been effected by a transfer payment from another Revenue Approved PRB, then, unless BCP has been furnished with the original application form which was completed by the Trustees, BCP will not be responsible for ensuring that the benefits which are paid conform with the Trustees' requirements.

## Section Six - 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.

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.

Where 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).

### Dependant's 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 7.
- (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 of age 18, or age 21, if in receipt of full time education.

## Section Seven - 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 this Agreement.

- (a) The amount of the Bondholder's annuity payable under this 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 of the Bondholders 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). This is known as the uplifted 60ths scale.

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	2/10th	8/60ths
3	3/10th	12/60ths
4	4/10th	16/60ths
5	5/10th	20/60ths
6	6/10th	24/60ths
7	7/10th	28/60ths
8	8/10th	32/60ths
9	9/10th	36/60ths
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-eightieths 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). This is known as the uplifted scale.

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

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 BCP is satisfied that the Bondholder is in exceptional circumstances of ill health;

- (c) The amount of any 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 4 may not exceed;
- (i) Four times the Bondholder's 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 Eight - Supplementary PRB Conditions

This section sets out some additional 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:

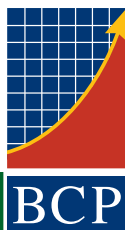
- (i) the Investment Certificate;
- (ii) where a Benefit is payable on your death, the death certificate;
- (iii) proof that the person making a claim is entitled to do so;
- (iv) your birth certificate;
- (v) any other documents relevant to the PRB Investment;
- (vi) any other information that is appropriate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

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 (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 is altered by legislation;
- (d) It becomes impossible or impractical to administer the PRB.



**BCP**  
Asset Management  
Serving investors since 1969

### **BCP Asset Management Limited**

71 Upper Leeson Street, Dublin 4, Ireland. Tel: (01) 668 4688. Fax (01) 668 4246.

Email: [invest@bcp.ie](mailto:invest@bcp.ie) Web: [www.bcp.ie](http://www.bcp.ie)

BCP Asset Management Limited is regulated by the Central Bank of Ireland.