Understanding Your Enhanced Transfer Value Offer

Step-by-step guide

Contents

About This Guide

This step-by-step guide contains information about the Enhanced Transfer Value (ETV) Offer that Zurich is extending to you in relation to your pension entitlements in the Zurich Ireland Group Pension Scheme, (the Scheme).

This guide explains:

- The Enhanced Transfer Value offer.
- The key items that need to be considered before you make your decision on whether or not to accept the offer.
- Where to get further information, including how to arrange a meeting with an independent financial advisor.
- The key stages of the process and when these will occur.

We have used some technical terms throughout this guide, an explanation of each can be found in the Glossary.

Disclaimer

Every effort has been made to ensure that this guide is as accurate as possible. However, if there are any discrepancies or conflicts between the information contained in this guide and the Trust Deed and Rules (which are the legal documents which govern the Scheme) or law, then the Trust Deed and Rules and the law will take priority.

Rights to contributions and benefits are conferred solely on the terms and subject to the conditions of the Scheme's Trust Deed and Rules and Revenue Commissioners' limits and requirements.

The Trustee is aware of the ETV Offer being made.

A. Key Steps and Important Dates

Key Steps

1	2	3	4
Carefully read your offer letter and this guide. If any of your pension information is incorrect please contact the Zurich ETV Team immediately on (01) 209 2388 or via email to ZurichIrelandETV@zurich.com	Attend the optional briefing session (refer to Offer Letter for details).	If you are interested in this offer, you must contact Mercer Financial Services Limited (MFS), the appointed independent financial advisor to arrange your appointment.	If you wish to accept the ETV Offer, you will need to complete and return all relevant forms and documentation by 5pm on the closing date. **Your Transfer Value will not be paid until after a 14-day cooling off period has expired.**

*Please refer to your personal offer letter for details of the offer period and key dates.

B. The Enhanced Transfer Value (ETV) Offer

The Scheme is a defined benefit pension arrangement, which provides a pension at retirement based on the length of time you were in the Scheme and your Pensionable Salary history with either Zurich Life Assurance plc, Zurich Insurance Company, Eagle Star Insurance Company Ltd, Shield Insurance Company Ltd, Zurich Insurance plc or Irish National Insurance Company plc.

As a deferred member of the Scheme, you currently have three options with respect to your pension benefits. You can:

1		2		3
Retain your pension under the Scheme and it will become payable to you when you reach your Normal Retirement Age, subject to the Scheme's governing provisions.	**OR**	With the consent of the Trustee, you may elect to retire prior to Normal Pension Date at any time after attaining age 50. This pension will be actuarially reduced to reflect the additional payment period between the date of retirement and the Normal Pension Date;	**OR**	Choose to transfer the monetary value of your deferred pension benefits to another pension arrangement – this is known as taking a 'transfer value'.

For a limited period only, Zurich is proposing to enhance the transfer value that would otherwise be payable from the Scheme.

Scheme Transfer Value + **Enhancement from Zurich** = **Total Enhanced Transfer Value Offer**

This offer is available for a limited time only. You are under no obligation to accept the offer; it is up to you to decide if the offer is appropriate for your circumstances. If you wish to avail of this offer, **you must contact** Mercer Financial Services Limited (MFS) on **1890 944 518** to arrange your appointment.

Your Scheme Transfer Value, the Enhancement from Zurich and the Total Enhanced Transfer Value Offer are detailed in your personal offer letter.

The Scheme Transfer Value shown, represents the monetary value of your deferred pension benefits (without enhancement), as calculated by the Scheme Actuary. It is not guaranteed and may change with market conditions. The Enhanced Transfer Value Offer amount is the total transfer amount available to you for the Offer Period.

The Trustee of the Scheme is aware of this offer but is not responsible for the enhancement to the Scheme Transfer Value. While the full ETV amount would be processed by the Scheme Administrator on behalf of the Trustee, this enhancement offer is being made by and funded by Zurich.

After the Offer Period ends, there will be no changes to your current Scheme benefits and you can still transfer out at any time (prior to accessing retirement benefits and subject to the Scheme's governing provisions) but no enhancement will apply to the Scheme Transfer Value.

If you accept the ETV Offer, this means that you will transfer your benefits out of the Scheme and once the transfer is made, you and your dependants (if any) will no longer have any benefit entitlements under the Scheme.

If you decide to take the ETV Offer you must return all necessary documentation by 5pm on the closing date to the Zurich ETV Team.

This is a no-obligation offer. Zurich reserves the right to withdraw this offer before any transfer value payment is made. Please read this guide in conjunction with your personal offer letter.

C. Considering Your Options

Independent Financial Advice

To help you make your decision, Mercer Financial Services Limited (MFS) has been appointed by Zurich to provide you with independent financial advice. This advice will be tailored to your individual circumstances and will be provided at no cost to you. We encourage you to take up the opportunity to examine the offer further and learn more about your pension options.

It is essential that you fully understand the potential consequences of transferring out of the Scheme. For this reason, **members will be required to take independent financial advice from MFS before they can avail of the Enhanced Transfer Value Offer**. You are also free to take your own financial advice but this will be at your cost.

You should make an appointment with MFS by calling **1890 944 518.**

MFS is authorised by the Central Bank of Ireland under the Investment Intermediaries Act, 1995, to provide broad-based investment advice. MFS will receive a fixed fee from Zurich and will not receive any commission, or be incentivised in any other way to make a recommendation that you should accept the ETV Offer to transfer out of the Scheme. MFS has been engaged to give you impartial, independent advice based on your circumstances and retirement objectives.

Briefing

There will be a group Briefing Session held to provide you with general information on the ETV Offer and to address any initial questions that you may have. While not compulsory, we recommend that you take this opportunity to attend this session if you are considering the ETV Offer. The details of the Briefing Session are outlined in your covering letter.

Helpline & Website

The Zurich ETV Team is available Monday to Friday, from 9am to 5pm, throughout the Offer Period to answer any basic questions you may have. Helpline: (01) 209 2388.

Zurich has also set up a special website containing information about the ETV Offer process and we encourage you to visit it at www.zurich.ie/zurich-ireland-etv.

Frequently Asked Questions (FAQs)

An extensive list of FAQs and answers is provided later in this guide.

D. Important Factors to Consider

The information provided in this section is a general guide as to why certain members might find the ETV Offer appealing, while others might prefer to leave their pension in the Scheme. It does not substitute for independent, individual financial advice. During your meeting with MFS, your advisor will comprehensively examine your particular circumstances so that you can make a fully informed decision.

The transfer option is generally more suitable for members who are prepared to accept some risk in exchange for the benefits below:

A potentially higher tax-efficient retirement lump sum (and potentially higher retirement income).

Greater flexibility in to how retirement benefits are taken.

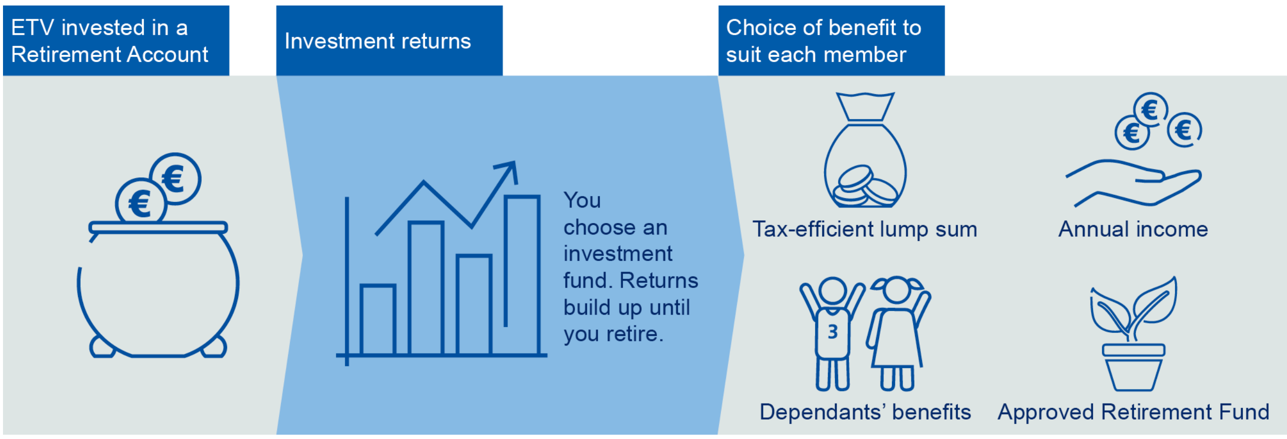
As outlined in your offer letter regarding the potential pros and cons of the ETV Offer, there is no guarantee that your nominated pension arrangement will deliver the same level of benefit at retirement as promised under the Scheme.

On the other hand, if you are less comfortable with taking investment risk and/or take more comfort in the security of a regular pension amount from the Scheme from your Normal Retirement Age (subject to the Scheme's governing provisions), then you might prefer to leave your pension in the Scheme.

Currently your Scheme benefits are provided by a Defined Benefit (DB) pension scheme. If you accept the ETV Offer, the transfer value amount will be paid to either a Zurich Personal Retirement Bond (PRB), or the pension scheme of your current employer (more details in the FAQs section). If you take the ETV Offer and choose the Zurich PRB option, your transfer value amount will be invested on a Defined Contribution (DC) basis. If instead you choose to transfer to your current employer's pension scheme, it is also possible that your transfer value amount will be invested in this way.

The ETV Offer at a Glance

This diagram illustrates the dynamics of the ETV being invested on a Defined Contribution (DC) basis.



Defined Benefit versus Defined Contribution

It is important to understand the differences between the DB and DC pension arrangements, as they work very differently in practice. The key characteristics of each type of arrangement are set out in the following table.

Leaving your benefits in the Zurich DB Scheme	Taking the ETV Offer and transferring your benefits
Defined Benefit	**Defined Contribution**
Provides for a pension at retirement to be paid to you based on your pensionable salary and the length of time you were a member of the Scheme.	The accumulated value of your pension account at retirement is used to purchase an annuity (i.e. a pension), or, assuming you meet certain criteria, can be invested in an Approved Retirement Fund (ARF).
If you die in retirement, a reduced pension is provided to a surviving spouse (or other nominated dependants).	Your income in retirement may be higher or lower than the pension you would receive from the DB Scheme. If you are drawing your benefits from an ARF, this income also would not be guaranteed.
Increases to pensions in payment are granted in accordance with Rules of the Scheme. Note that some pension increases may be granted at the discretion of the Trustee and the Company, meaning that there is no guarantee that these pension increases will be paid in any particular year.	The amount of your income in retirement will depend on the amount paid into your Retirement Account, investment returns (net of charges) up to your retirement, and either the cost of purchasing an annuity when you retire, or, if using an ARF, the investment return and how long you live in retirement.
The Scheme is funded by contributions paid by Zurich and actuarial advice is taken when setting these contributions.	When purchasing an annuity, you choose how your pension increases in retirement. You can also tailor the death benefits to suit your particular circumstances – e.g. if you are single, you may choose not to have any death benefits and receive a higher pension instead.

E. Financial Advice

We recognise the complexity surrounding considering an offer like this, so to help you decide if this is right for you, Zurich has engaged Mercer Financial Services Limited (MFS) to provide you with independent financial advice, tailored to your specific circumstances. MFS is authorised by the Central Bank of Ireland under the Investment Intermediaries Act, 1995, to provide broad-based investment advice.

Zurich will pay MFS's fees, however, it is very important to note that the advice provided to you will be completely independent of Zurich, and will be between you and MFS. All of the information you provide to MFS, will be treated confidentially and will not be shared with Zurich, the Trustee of the Scheme, or used for any other purposes. MFS will only provide high-level, summary information to Zurich to help it monitor the take-up of the offer – this summary information will be completely anonymised and none of your personal details will be shared with Zurich.

It is essential that you fully understand the potential consequences if you decide to transfer out of the Scheme. For this reason, **you are required to take independent financial advice from MFS before you can avail of the Enhanced Transfer Value Offer**.

To arrange an independent individual financial advice meeting, please contact Mercer Financial Services at **1890 944 518**.

Once your financial advice meeting has been scheduled, you will receive the following:

1	2	3
Confirmation of your appointment with MFS.	A "Factfind" document, which you will need to complete and return to MFS prior to your appointment, or bring with you to your meeting with MFS.	A Terms of Business document.

Why do I need to complete a factfind?

The factfind is very important as, without it, the MFS financial advisor will not be able to advise you on your options and make a recommendation. The factfind will ask you to provide personal data such as information about your spouse and dependants (if any), your attitude to investment risk and any other pension arrangements you may have.

Completing a factfind will enable the financial advisor to tailor advice to your specific circumstances and help you get the most out of your meeting. It is important that you complete the factfind as best you can in advance, however, the independent financial advisor will talk you through the document and address any queries you might have.

What will happen at the independent financial advisor meeting?

Your independent financial advisor will explain the ETV Offer in more detail and discuss the risks associated in order to help you make your decision. The independent financial advisor will also answer any questions you might have about completing the necessary forms. They will make a recommendation as to whether or not they believe the offer is right for you.

We recommend that you discuss this offer with your spouse or dependants (if any) before proceeding, because your decision affects them too. You may also take additional advice from your own financial advisor, which will be at your own expense.

If you are currently a member of another pension scheme it is important that you bring along the scheme booklet and your last annual benefit statement to your financial advice meeting.

Written report

After your financial advice meeting, MFS will send you a written report by post, setting out a recommendation based on your circumstances and personal preferences.

Making your decision

Once you have considered the MFS advice, you need to decide whether to accept the offer. You do not have to follow the recommendation given by the financial advisor, however, you should carefully consider the financial advice received, before making your decision.

If MFS recommends that you accept the ETV Offer, you can choose to either accept the ETV Offer or remain in the Scheme. Alternatively, if MFS recommends that you stay in the Scheme, you can choose to remain in the Scheme or still elect to accept the ETV Offer. We would strongly suggest that you think very carefully before accepting the ETV Offer if the independent financial advice does not recommend it for your circumstances.

If you decide not to accept the offer, you do not need to do anything further.

F. Accepting the Offer

To accept the ETV Offer, you **must**:

1	2
Arrange your financial advice meeting with MFS.	Complete all of the necessary forms and return them to the Zurich ETV Team.

If you decide to accept the Enhanced Transfer Value Offer:

1. Complete the acceptance forms (which MFS will send to you). Should you require it, MFS will be available to provide support in completing the forms.
2. Send the completed acceptance forms to the Zurich ETV Team (along with any other required documentation) by 5pm on the closing date.
3. The Zurich ETV Team will email you to confirm receipt of your documents. From the date of confirmation, a 14 **day cooling off period** will commence. If you change your mind during the cooling off period you should contact the Zurich ETV Team and advise that you wish to remain in the Scheme.
4. At the end of the cooling off period, the transfer will be processed within the timeframe communicated to you, subject always to Zurich's right to withdraw the offer at any time up to the date the transfer is paid.

G. Frequently Asked Questions

In this section, we have included what we believe are some of the important questions members may have regarding the Enhanced Transfer Value Offer. If you have other questions not covered here please contact the Zurich ETV Team, using the contact details provided at the bottom of each page of this guide, or ask your financial advisor.

About the Offer

1. What is the Enhanced Transfer Value (ETV) Offer?

For details of your personal offer, please see your offer letter.

Scheme Transfer Value + **Enhancement from Zurich** = **Total Enhanced Transfer Value Offer**

2. How long is the ETV Offer open to me?

The ETV Offer is open for 8 weeks. Please refer to your personal offer letter for details of the offer period and key dates.

If you accept the ETV Offer, your acceptance will be deemed to be a valid transfer request on the closing date, subject to Zurich's rights to vary or withdraw and any cooling off period that may apply to you.

3. Will the ETV Offer be repeated?

This may be repeated at a later date, but the current offer is based on market conditions as at the offer date and there is no guarantee that this level of enhancement would be on offer at a later date.

4. How do I accept the ETV Offer?

If you would like to accept the ETV Offer, you must, in the first instance, have an individual financial advice meeting with MFS.

After your financial advice meeting, MFS will send you a recommendation by post including the documentation to be completed in order to accept the Enhanced Transfer Value Offer. You will need to return the completed documentation to the Zurich ETV Team by 5 pm on the closing date.

5. Why do I need to return the acceptance forms by 5pm on the closing date?

The ETV Offer is available for a limited period only and expires at 5pm on the closing date.

6. What happens if I decide to transfer after the closing date?

After the closing date, you will still retain the option to transfer your benefits out of the Scheme, subject to the consent of the Trustee where necessary, but there will be no enhancement to the standard terms, the offer of free financial advice will no longer be available and the transfer value will be calculated at the time of your request, and may be less or more than the Scheme Transfer Value that has been quoted as part of the Enhanced Transfer Value Offer.

7. What happens if I do nothing or if I do not want to transfer out of the Scheme?

If you do nothing then your pension will remain in the Scheme, where it is due to be paid to you when you retire (subject to the provisions governing the Scheme).

8. Why is Zurich making this ETV Offer?

Zurich believes in pensions and enabling people to provide for their retirement. We have always put great importance on the funding and governance of our own pension scheme, and we are fully committed to doing so in the future. In the current low interest rate environment, there is a higher level of volatility associated with how we account for the assets and liabilities of the pension scheme. The potential to reduce this volatility provides scope for Zurich to make a contribution to the Scheme to enable the Scheme Trustee to pay a total transfer value in excess of what you would usually get if you ordinarily elected to take a transfer value. We believe it may suit some members to take an Enhanced Transfer Value thereby accessing their benefits in a more flexible manner, rather than the fixed structure of a Defined Benefit pension scheme. A reduction in the Scheme's membership will also assist Zurich in managing the volatility of the Company balance sheet in future years.

9. What is the current financial position of the Scheme?

The Scheme comfortably meets the Pension Authority's statutory funding measure. A full actuarial review of the Scheme as at 1 January 2018, was undertaken. This review determined the level of contributions that are required to ensure the Scheme continues to maintain its strong financial position into the future. Zurich has always recognised the importance of maintaining a well-funded, well-managed pension scheme, and safeguarding the security of members' retirement savings will remain a high priority.

Further information on the position of the Scheme can also be obtained from the most recent Trustee Annual Report for the year ended 31 December 2017. Members can request a copy of this report at any time.

10. Who is the Trustee of the Scheme?

The Trustee of the Scheme is Zurich Pension Trustees Ireland Limited. The directors of the trustee company are:

Joe Creegan

Paul Croghan

Brendan Johnston

Michael Ainsworth

David Kenny

Rose Leonard

Sean O'Hurley

Mark Thornburgh

11. Is the Trustee involved in the ETV Offer?

The ETV Offer will be made by Zurich (not the Trustee) and Zurich will pay the cost of the enhancements. However, the Trustee has been consulted by Zurich and will be kept informed throughout the ETV Offer process.

The Trustee is not responsible for the terms of the ETV Offer and while the transfer (should you choose to accept the ETV Offer), will be processed by the Scheme's Administrator on behalf of the Trustee, the offer is made only by Zurich.

Considering the Offer

12. What supports are available to me to help make a decision in relation to the ETV Offer?

- ✓ Independent Individual Financial Advice
- ✓ Member Briefing(s)
- ✓ Zurich ETV Offer website at www.zurich.ie/zurich-ireland-etv
- ✓ Zurich ETV Helpline on (01) 209 2388 and by email at ZurichIrelandETV@zurich.com
- ✓ Zurich ETV Team Assistance
- ✓ Understanding your ETV Offer (step-by-step guide)

13. How can the Zurich ETV Team assist me?

The Zurich ETV Team will answer any general queries you may have about the ETV Offer and your pension in the Scheme , however, the ETV Team is not available to provide advice.

The Zurich ETV Team is available Monday to Friday, from 9am to 5pm, for the duration of the Offer.

14. Why must I have a financial advice meeting with MFS?

If you would like to accept the offer, you must take financial advice from MFS. This is to ensure that (i) you receive comprehensive independent financial advice and (ii) a consistent approach is taken with each member in providing information about the ETV Offer.

You may also take additional advice from your own financial advisor if you wish, but this will be at your own expense.

15. Can I bring my spouse or a friend to my meeting with MFS?

Yes, members may bring their spouse or a friend to their individual meeting.

16. Will it be suitable for me to transfer out?

MFS can provide you with advice on whether to keep your benefits in the Scheme or avail of the ETV Offer.

17. If I accept the ETV Offer when can I access my benefits?

If you accept the ETV Offer you have the following options, depending on your circumstances:

1	2
If you are over age 50, depending on the rules of the arrangement that receives the transfer, you could retire immediately.	If you are under age 50, or you do not wish to retire immediately, you could invest your Enhanced Transfer Value in another pension arrangement until you retire.

18. What are the risks if I accept the Enhanced Transfer Value Offer?

If you accept the ETV Offer, you will transfer your benefits out of the Scheme, and once the transfer is made, you and your dependants (where relevant) will extinguish the right to any entitlement from the Scheme and to any benefits associated with benefits from the Scheme, such as pension increases at the discretion of the Trustee and Zurich.

You would then have the following options, depending on your circumstances:

1	2
If you are over age 50, depending on the rules of the arrangement that receives the transfer, you could use your Enhanced Transfer Value to retire immediately.	If you are under age 50, or you do not wish to retire immediately, you could invest your Enhanced Transfer Value in another pension arrangement.

One of the main risks of transferring to a Defined Contribution arrangement is that the amount of money in your pension account could decrease if there was poor investment performance and this could mean that you could have less money to provide for your income in retirement. Other risks to consider depend on the choices you make at retirement. If you choose to buy an annuity (i.e. buy a pension), it may cost more to buy that pension by the time you reach retirement age. If you choose **an Approved Retirement Fund (ARF) as the vehicle to provide your retirement income, you will need to manage your money to ensure you have sufficient income in later years**.

In taking up the ETV Offer, you would no longer benefit from the security of a regular income for life from the Scheme (subject always to the provisions governing the Scheme, and the possibility of increases to your pension in retirement). This means that your savings could run out before you die. Depending on how you take your benefits, you could also face larger tax charges or take on investment risks in retirement.

Your financial advisor will go through the risks with you in detail to help you make your decision, here relevant, we encourage you to discuss this with your spouse and/or dependants (if any) before proceeding, because your decision affects them too.

19. Where will the ETV transfer amount be transferred to?

The ETV will transfer to a Zurich Personal Retirement Bond (PRB), which is provided on preferential charging terms with an Annual Management Charge of 0.35%. Alternatively, you may transfer the amount to your current employer's pension scheme (if permitted). We will not facilitate a transfer including the increased amount payable by Zurich to other pension arrangements. You still have the right to take the normal Scheme Transfer Value to a product of your choosing.

20. Where can I get more information with regard to the Personal Retirement Bond (PRB) option?

Further information relating to the PRB option will be provided during your meeting with MFS. This will cover important topics such as the investment choices available to you under the PRB, the charging terms and the options for drawing your benefits.

Financial Advice

21. Can I appoint a financial advisor of my choice?

You are required to receive advice from MFS. It is important that you fully understand the consequences of taking a transfer value in lieu of your pension from the Scheme and you cannot accept the offer until you have received financial advice from MFS (irrespective of whether you also seek advice from your own financial advisor).

You are welcome to consult with your own financial advisor before making a decision, but Zurich will not cover this cost. If you do use your own financial advisor, we strongly recommend that you check whether your financial advisor is a pension specialist and is fully qualified to deliver the advice you require.

22. Do I have to follow the MFS recommendation to accept the ETV Offer?

No. It is entirely your decision whether you decide to accept the ETV Offer. You may still decide to keep your pension in the Scheme even if MFS recommends that you accept the ETV Offer or alternatively if MFS do not recommend you accept the ETV Offer, you may still decide to proceed.

23. Can I speak to the MFS financial advisor over the phone rather than face-to-face?

Yes. If you find it difficult to visit Mercer for financial advice, we can arrange for the financial advice meeting to be conducted by phone. However, as this is such an important decision, it is highly recommended that you attend the advice meeting in person.

24. Can I take the costs of the financial advisor meeting as cash?

No. We are only willing to meet the costs of advice from MFS.

Other Pension Savings

25. What if I have paid Additional Voluntary Contributions (AVCs) to the Scheme?

If you decide to accept the ETV Offer and transfer your benefits out of the Scheme, the value of your AVCs (including any investment return achieved) would be transferred at the same time to your chosen pension arrangement. No enhancement will be applied to the AVC element of the transfer value payment.

Please note that the AVC amount is not guaranteed, as it will depend on market movements and the ultimate value will not be known until the date of encashment.

26. I have previously transferred benefits into the Scheme. What will happen to these if I transfer my benefits out of the Scheme?

Any previously transferred-in benefits you have in the Scheme would be transferred out with your Scheme benefits. If the previous transfer-in purchased additional years, then the value of these is included in the Scheme Transfer Value shown on the first page of your offer letter. Alternatively, they have been invested in the Zurich Group DC and AVC Scheme and are shown on your offer letter.

27. Could the ETV Offer affect any other pensions or benefits I am receiving?

If you are in receipt of means-tested benefits provided by the State, or have any other pension benefits (such as the State pension or other employer pension arrangements) that may be in payment now or come into payment later, then you may need to consider the impact that accepting the ETV Offer would have on your overall benefits, including any tax paid on those benefits.

You should raise this in your meeting with MFS.

28. Tax issues for high earners – what happens if I am affected by the Standard Fund Threshold?

The Standard Fund Threshold (or 'lifetime limit') is €2m. If the value of your total tax-approved pension benefits (those from Zurich and any other retirement benefits that you have) exceed this limit, then you may incur an additional tax liability when you come to process your retirement benefits. If you are affected by this legislation (or think you might be), you should raise this with the Zurich ETV Team. An additional meeting with a qualified tax advisor can be arranged for these cases.

Your Deferred Pension

29. What is a deferred pension?

This is the pension that is due to be paid to you from the Scheme if you do not transfer out your benefits, subject to the provisions governing the Scheme. If you do not transfer your benefits from the Scheme, your pension will be paid in monthly installments from your Normal Retirement Date for the rest of your life.

30. Was the Government pension levy deducted from my deferred pension?

Your deferred pension partially reflects the adjustment made by the Scheme as a result of the Government pension levy from 2011 to 2015 inclusive. Future revaluation of your deferred pension will take account of any remaining adjustment required in respect of the Government pension levy.

31. Does my deferred pension increase before retirement?

Your deferred pension will be increased each complete calendar year, from your date of leaving up to the date payment commences (or when you transfer your benefits). The level of increase depends on the section of the Scheme to which you are a member – please refer to your offer letter for information on the terms applying to you.

32. Can I take my deferred pension before my Normal Retirement Date?

The Trustee is currently providing consent for members of the Scheme to take benefits from age 50. The pension will be reduced to allow for the early payment of the pension before Normal Retirement Date. Please refer to your offer letter for details of this pension. The consent to provide Early Retirement will be reviewed on a regular basis and the Trustee reserves its right to not consent to early retirement requests in the future.

33. After retirement does my pension increase, once in payment?

Your offer letter contains detailed information regarding the escalation terms that apply to your benefits.

34. Can I take a tax-efficient lump sum from my pension?

Provided you have not waived your entitlement to a retirement lump sum when you left Zurich, you will have built up an entitlement to take a tax-efficient lump sum from the Scheme when you retire. The lump sum will be based on your service and salary with Zurich and can be provided by foregoing some of your Scheme pension, or through a combination of your AVCs and by foregoing some of your Scheme pension. Under current legislation and Revenue rules, the first €200,000 of all pension lump sum entitlements can be paid tax free, with the next €300,000 taxed at 20%. If you have waived your right to a lump sum from the Scheme, that waiver will carry over to the receiving arrangement if you accept the ETV Offer.

Transfer Values

35. What is a Scheme Transfer Value?

This is the current cash value of your deferred entitlements in the Scheme. The assumptions used to calculate the Scheme Transfer Value are set by the Scheme Actuary. As the Scheme is comfortably funded under the Pensions Authority statutory funding measure, the Trustee has agreed to use a basis that would give a greater transfer value than required under the required minimum basis. This basis makes full allowance for payment of discretionary pension increases linked to inflation and uses a lower discount rate than the rate set out under the Pensions Authority prescribed guidance in relation to Section 34 of the Pensions Act 1990.

36. Can I take my Enhanced Transfer Value as cash?

No. The Enhanced Transfer Value must be paid into the Zurich Personal Retirement Bond (PRB) or to your current employer’s pension arrangement.

37. Does the amount of the Scheme Transfer Value depend on the financial position of the Scheme?

Yes. The Scheme Transfer Value is determined by the Scheme Actuary, taking account of the current financial position of the Scheme. The Scheme currently meets the statutory funding measure, therefore, no reduction is applied. In fact, the Trustee currently pays in excess of the minimum required transfer value. However, in the event that the Scheme is in deficit under the statutory measure in the future, Scheme Transfer Values may be reduced at that time to reflect the level of underfunding.

38. Can I take a transfer value to my current employer's pension scheme?

This would depend on the rules of your current employer's pension scheme. Not all pension schemes will accept a transfer in, or they may only allow inward transfers on a Defined Contribution basis. If you are interested in this option, you should look through any documents (e.g. the scheme booklet and your latest annual benefit statement) that you have in respect of your current employer's pension scheme, ask the administrator of that scheme about how transfers-in operate and discuss this with your appointed advisor during your meeting with MFS.

After bringing your Enhanced Transfer Value into your current employer’s scheme, the options available will depend on the rules of that scheme and how/when you intend on drawing them. If your current employer's scheme is a Defined Contribution scheme, then your transfer will have the same options as the fund you are building up and must be drawn at the same time. One of your options is likely to be taking a pension lump sum of up to 25% of the fund value with the balance being invested in an ARF.

Further Information

39. Is there anyone else I can speak to?

As outlined in your offer letter, there is a scheduled briefing session, which will address any general queries in relation to the ETV Offer. You may also contact the Zurich ETV Team to address any queries you may have. Information is also available on the designated ETV Offer website. Contact details and the web address are highlighted at the bottom of each page of this guide. You may also seek additional financial advice, at your own expense.

40. Is my personal data safe?

Yes. Your data will be processed by MFS, Zurich and its advisors (Willis Towers Watson) only in relation to the ETV Offer and will be used in accordance with the legal documentation governing the Scheme and the Data Protection Acts, 1988 and 2003 or any replacement legislation. All the information you give to MFS will be treated confidentially and will not be shared with Zurich or the Scheme Trustee or used for any other purposes.

MFS will provide anonymous, high-level summary information to Zurich to help monitor take-up of the ETV Offer.

41. Who makes sure my pension is looked after properly?

Pensions are a regulated area and there are a number of parties that provide protection in different ways. Here is an overview of the various regulatory bodies:

Central Bank of Ireland

The Central Bank of Ireland sets out the rules used by financial advisors, like MFS, to ensure that impartial and confidential advice is provided. You can find out more at www.centralbank.ie

The Pensions Authority

The Pensions Authority is the regulator of Irish occupational pension funds. You can find out more at www.pensionsauthority.ie

Financial Services and Pensions Ombudsman

The Financial Services and Pensions Ombudsman is set up under the Financial Services and Pensions Ombudsman Act 2017. The role of the Ombudsman is to investigate complaints about how pension funds are run and to provide an impartial method of resolving complaints. The service is free and open to all members. You can find out more at www.fspo.ie

H. Glossary

- **Additional Voluntary Contributions (AVCs)** – extra contributions which you may have paid to the Scheme to boost your retirement savings.
- **Annuity** – a policy bought from an insurance company when you draw down your Retirement Account. It would pay a regular amount monthly (i.e. a pension).
- **Approved Retirement Fund (ARF)** – this is a separate retirement fund allowing you to continue investing after you retire. With an ARF you manage and control your retirement fund and can invest it in a wide range of different investment funds. You can also make withdrawals, as you need them. You must pay income tax, PRSI (if applicable) and USC (Universal Social Charge) on all withdrawals. You can leave the rest of the fund to your dependants when you die.
- **Defined Benefit (DB)** – a Defined Benefit (DB) pension sets out the specific benefit that will be paid to a retiree. The calculations of benefits at retirement take into account factors such as the number of years an employee has worked and their salary, which then dictates the pension and/or lump sum that will be paid on retirement. Any contributions made to a DB pension will receive tax relief.
- **Defined Contribution (DC)** – a Defined Contribution (DC) pension is an accumulation of funds that makes up a person's pension pot. A person contributes a portion of their salary to a pension scheme. Ideally, although not always, their employer also contributes and these contributions are invested in a fund in order to provide retirement benefits. There is tax relief on this type of pension and the benefits at retirement will depend on a number of different factors such as the contribution levels, how the investment fund performs, plan charges and fees and the annuity rates available when you retire.
- **ETV** – Enhanced Transfer Value.
- **Offer Period: Open for 8 weeks, refer to your offer letter for dates.**

- **Personal Retirement Bond (PRB)** – a Personal Retirement Bond allows you to bring your pension benefits with you, if you leave a pension scheme. It is flexible – you have control over your pension plan and how it is invested. It is tax efficient – that is because any growth on your investment is tax free.
- **Retirement Account** – the funds held in a DC pension arrangement for each individual member.
- **The Scheme** – this is the Zurich Ireland Group Pension Scheme of which you are currently a deferred member. DB pension schemes provide benefits based on a set (or 'defined') formula. This formula is set out in the Scheme booklet and the legal documents governing the Scheme, which override the booklet where a discrepancy arises.
- **The Trustee** – Zurich Pension Trustees Ireland Limited.
- **"We" "us" "the Company" "Zurich"** – Zurich Insurance plc, Zurich Life Assurance plc and Zurich Insurance Company Ltd.

Disclaimer

Every effort has been made to ensure that this guide is as accurate as possible. However, if there are any discrepancies or conflicts between the information contained in this guide and the Trust Deed and Rules (which are the legal documents which govern the Scheme) or law, then the Trust Deed and Rules and the law will take priority.

Rights to contributions and benefits are conferred solely on the terms and subject to the conditions of the Scheme's Trust Deed and Rules and Revenue Commissioner's limits and requirements.

The Trustee is aware of the ETV Offer being made.

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