

EXECUTIVE PENSION TERM INSURANCE

Executive Pension Term Insurance is an Executive Pension Term insurance policy that has been approved under Section 785 of the Taxes Consolidation Act, 1997. Premiums paid into Executive Pension Term Assurance are eligible for tax relief at the appropriate corporate rate, subject to certain limits.

WHO IS EXECUTIVE PENSION TERM INSURANCE SUITABLE FOR

- If you are a director of a company or are an employere.
- If you are a member of a group occupational pension scheme and your employer has set up a group AVC scheme.

RESTRICTIONS ON EXECUTIVE PENSION TERM INSURANCE

Due to the generous tax relief available on premiums, The Revenue Commissioners have imposed a number of restrictions:

- The policy can not be used as security for a loan and can not be assigned.
- Can not be taken out in a joint or dual life capacity i.e. policy can only be taken out in a single life capacity.

FEATURES OF EXECUTIVE PENSION TERM INSURANCE

- Taken up to a normal retirement age of maximum age of 70.
- The policy must be set up under trust where typically the employer will act as trustee.
- For members of occupational pension schemes, the maximum amount of life cover that is allowed by the Revenue Commissioners is four times your salary* plus an allowance for dependants' pension.
- The expiry date or term of your Executive Pension Term insurance plan cannot go beyond your normal retirement age (NRA) of your company pension plan. In other words the term of the life cover must correspond to the normal retirement age of your company (occupational) pension scheme. Also, if you leave employment earlier than your NRA, the cover will cease at that date.
- If premiums are paid by a company on your behalf, there are no Benefit-in-Kind implications for the policy holder (life insured).

* **Salary** - there are a number of defintions regarding salary, please consult with your financial adviser regarding which applies to you.



BREON MANNING

Financial Advisor

Breon is a Qualified Financial Adviser (QFA) and a TMITI Registered Tax Consultant. He holds specialist Diplomas in Wealth Management (Institute of Bankers) and Pensions (LIA) and is a Fellow of the Life Insurance Association of Ireland (FLIA). Breon also holds the designation of Registered Stockbroker (not practising).

Specialisations: financial planning, investment monitoring, portfolio construction and management, annuities and protection planning.