



GET LIFE RIGHT

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## **IVALIFE Insurance Limited**

**IVApension**

Personal Pension Plan

Key Features Document

[www.iva.life](http://www.iva.life)

# 1. PURPOSE

This Key Features Document provides a summary of the main features of IVApension Personal Pension Plan. IVALIFE Insurance Limited ("IVALIFE") is committed to ensure that **You** purchase a **Policy** that meets **Your** requirements. The **Plan** aims to provide **You** with a tax-efficient way to save regularly towards **Your** retirement through a selection of available strategies with the aim of long term capital growth, and to convert **Your** retirement savings into pension income when **You** retire.

## HOW IT WORKS

As **You** save towards retirement, **You** may be eligible to tax credits on part of the amount **You** save each year (currently up to €3,000 annually). This part of **Your** savings will go into **Your** Pension Sub-Account, where restrictions apply on how and when **You** can cash in the money. Any savings over and above what is eligible to tax credits will be saved in the Access Sub-Account or as otherwise directed by **You**, which will give greater flexibility on managing and accessing **Your** money. This will ensure that **You** enjoy a balance between tax-efficiency and flexibility without too much effort.

The **Policy** will continue to be effective throughout **Your** life, as **Your** circumstances change, so **You** will be able to change **Your** savings amount (**Premium**) over time or take a break from saving (**Premium Holiday**) for some time if **You** need to do so. **You** will also be able to choose the strategy which suits **You** best from those made available to **You** by IVALIFE and will be able to include an option so that **Your** investments automatically reduce in risk gradually as **You** get closer to retirement (the LifeSteps Option).

When **You** are between the ages stated by the **Regulations** (currently between 61 and 69 years of age) **You** will need to inform IVALIFE to switch **Your Policy** to 'retirement mode'. **You** may wish to immediately receive payment of part of **Your** savings, as allowed by the **Regulations**. **You** will then be given the option between receiving the balance as a fixed amount of pension income which remains the same year on year, or a variable pension income which is adjusted each year based on a number of factors with the intention of extending payments over **Your** lifetime even as market factors change. The **Policy** will terminate when **Your** savings run out or on the death of the **Policy Owner** if this comes earlier, in which case any remaining balance will be paid out to **Your Beneficiaries**.

## ADDITIONAL DOCUMENTS YOU SHOULD CONSIDER READING

This Key Features Document is designed to give **You** key information required to make an informed purchase decision but should be read in conjunction with:

- the **About Us** information document,
- Your Personal Illustration**,
- the **Key Information Documents**, and
- the **Strategy Fact Sheets**.

We recommend that **You** read the **IVApension Personal Pension Plan Policy Booklet** which includes the full **Policy** terms and conditions.

<b>Product Name</b>	IVApension (the "Plan")
<b>Manufacturer</b>	IVALIFE Insurance Limited
<b>Regulator</b>	Malta Financial Services Authority
<b>Publish Date</b>	1 February 2024

# 2. THE PRODUCT

<b>Product Type</b>	Unit Linked Regular Premium Personal Pension Plan
<b>Classification</b>	The Pension Sub-Account is recognised as a Qualifying Personal Retirement Scheme under the current <b>Regulations</b>
<b>Basis of Life Cover</b>	Single Life only, where the <b>Life Insured</b> is the <b>Policy Owner</b>
<b>Premium Payment Frequency</b>	Monthly, Quarterly, Semi-Annually and Annually
<b>Minimum Contributions</b>	€25 Monthly, €75 Quarterly, €150 Semi-annually or €300 Annually
<b>Additional Contributions and Single Premium Top-Ups</b>	The minimum additional contribution is €120
<b>Capital Guarantee</b>	No guarantee is applicable on amounts invested in the <b>Policy</b>



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### 3. POLICY TERMS/LIMITS

Strategies available	IVALIFE Conservative Strategy IVALIFE Balanced Strategy IVALIFE Adventurous Strategy
Minimum Term to Retirement Date	10 years
Maximum Term to Retirement Date	51 years
Minimum Age of Policy Owner at inception	18 years old
Maximum Age of Policy Owner at inception	59 years old
Minimum Age of Policy Owner on Retirement Date	61 years old
Maximum Age of Policy Owner on Retirement Date	69 years old

### 4. BENEFITS

Death Benefit	Free life cover of €1,000 in addition to the <b>Policy Account</b> payable on death of the <b>Life Insured</b> before the <b>Retirement Date</b> or 100% of the <b>Policy Account</b> payable if death occurs after the <b>Retirement Date</b>
Invalidity Benefit	Free cover of €1,000 in addition to the <b>Policy Account</b> payable if, before reaching the <b>Retirement Date</b> , the <b>Life Insured</b> is diagnosed with a permanent disability which results in the inability to continue performing any employment
Alterations	<b>You</b> may make changes to <b>Your Policy</b> free of charge, including changes to the <b>Premium</b> , or to the strategy <b>You</b> have selected through a <b>Switch</b> or <b>Redirection</b>
Premium Holiday	<b>You</b> may pause and resume payment of <b>Premiums</b> at any time, without additional charges
Inflation Protection Option	If <b>You</b> select this option, <b>Your Premium</b> will automatically be increased by 5% at each <b>Policy Renewal</b> in order to counter the impact of inflation
LifeSteps Option	Available at no cost, if <b>You</b> select this option, the <b>Company</b> will automatically <b>Switch Your</b> investments and <b>Redirect Premiums</b> towards less volatile strategies as the <b>Retirement Date</b> approaches, thus gradually reducing investment volatility closer to retirement
Transfer of Pension Sub-Account	The Pension Sub-Account may be transferred to another recognised <b>Qualifying Scheme</b> at any time before retirement, subject to applicable charges
Full/Partial Cash Surrender of Access Sub-Account	This is available on the Access Sub-Account at any time, subject to retaining a minimum of €1,000 on the <b>Policy</b> and withdrawing a minimum of €1000 in the case of a partial withdrawal, and subject to applicable charges as per Section 5 Product Charges
Lump Sum Retirement Benefit	Payment of up to 30% of the Pension Sub-Account value and up to 100% of the Access Sub-Account value on reaching the <b>Retirement Date</b>
Fixed Pension Drawdown Benefit	On the <b>Retirement Date</b> , the <b>Policy Owner</b> may choose to receive the balance after taking the Lump Sum Retirement Benefit as a fixed pension income which is calculated on the basis of the <b>Company's Fixed Drawdown Rate</b> applicable on the <b>Retirement Date</b> , where the amount does not change from year to year
Variable Pension Drawdown Benefit	On the <b>Retirement Date</b> , the <b>Policy Owner</b> may choose to receive the balance after taking the Lump Sum Retirement Benefit as a pension income which varies from year to year based on a number of factors with the intention of extending payments over <b>Your</b> lifetime, which is calculated on the basis of the <b>Company's Variable Drawdown Rate</b> applicable at the time the income is paid
Cooling-Off Period	30 days from <b>Policy</b> inception
Beneficiaries	Option to appoint specific persons to receive payment of the <b>Death Benefit</b> under the <b>Policy</b> , without the need to be confirmed in a will, at no cost and with the possibility to make changes at any time
Tax Credits	25% of the <b>Premiums</b> allocated to the Pension Sub-Account may be claimed as a tax credit against income tax chargeable during the year, subject to the <b>Regulations</b>



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## 5. PRODUCT CHARGES

<b>Annual Management Charge</b>	1.0% of the <b>Policy Account</b> value each year, deducted pro-rata on a fortnightly basis through the cancellation of units
<b>Drawdown Charge</b>	1.0% of the amount payable is deducted from the pension income before it is paid
<b>Transfer Charges</b>	A percentage deduction made from the value of the Pension Sub-Account in the case of a transfer, based on the number of years the <b>Policy</b> has been in force. Year 1 to 3            20%, minimum €100 Year 4 to 5            10%, minimum €100 Year 6 onwards        €100
<b>Surrender Charges</b>	A percentage deduction made from the value of the Access Sub-Account in the case of a surrender or partial surrender, based on the number of years the <b>Policy</b> has been in force. Year 1 to 3            20%, minimum €100 Year 4 to 5            10%, minimum €100 Year 6 onwards        €100

## 6. RISK FACTORS

- The value of **Your** savings will rise and fall over time based on the performance of the selected investment strategy. The strategies made available by **IVALIFE** have different levels of risk – a higher risk means that the value is likely to change by higher amounts, both upwards and downwards. Past performance is not necessarily a guide to future performance and the value of **Your Policy** is not guaranteed.
- If you transfer your Pension Sub-Account to another provider or cash in any part of your Access Sub-Account, you may receive less than the value of your **Policy Account** as a result of the transfer and surrender charges applicable.
- Inflation will reduce the real value of any cash amount received in the future since the price of goods in the economy normally increases over time, reducing **Your** purchasing power with the same amount of money.
- Since the Pension Sub-Account is a **Qualifying Scheme** where the **Policy Owner** may be eligible to tax credits on the **Premium** paid, certain conditions apply:
  - Savings made in the Pension Sub-Account can only be accessed when the **Policy Owner** is between the ages of 61 and 69 (or any other age which the **Regulations** may specify in future), unless in the case of death or permanent invalidity.
  - On the **Retirement Date**, whilst up to 30% of the savings made in the Pension Sub-Account can be accessed immediately, the remaining balance must be used to provide the **Policy Owner** with a pension income and will be paid out gradually.

There are no such restrictions applicable on the Access Sub-Account.

- On the **Retirement Date**, the savings under the **Policy** which are not immediately cashed out will be converted into **Programmed Withdrawals**. This means that **Your** savings will continue to be invested, with the goal of medium to long term growth, whilst **You** receive an income from the **Policy Account**. The amount **You** receive as a pension income will be calculated on the basis of **Your** expected lifetime at the time and a number of other factors. If the strategies perform less favourably or **You** live longer than expected, **Your** savings may become exhausted during your retirement and you may no longer have any funds available on **Your Policy**.



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## 7. TAX STATUS

- Under current legislation, payment of the **Death Benefit** or the **Invalidity Benefit** are not taxable.
- Under the **Regulations**, individuals who are domiciled and/or tax resident in Malta may be eligible to a tax credit equal to 25% of payments made by them or their spouse to the Pension Sub-Account each year, up to a maximum which is currently set at €3,000 annually, which is credited against the income tax chargeable for the year during which the **Premium** was paid.
- **You** may access up to 30% of the Pension Sub-Account free from tax on the **Retirement Date**.
- The income you receive at retirement from **Your** Pension Sub-Account may be subject to income tax at **Your** marginal rate of tax applicable at the time.
- Gains made on investments in the Pension Sub-Account are not taxable, but tax at the rate of 15% is payable by the **Policy Owner** on gains made on any **Non-Prescribed Funds** linked to your investment strategy when they are cashed in from the Access Sub-Account.
- It is important to note that tax treatment depends on **Your** individual circumstances and that tax legislation may change in future. It is suggested that **You** contact **Your** professional tax advisor for specific advice on **Your** personal tax status.

## 8. FINANCIAL ADVICE

This document is not designed to offer financial advice and should not be used in isolation when making a decision about **Your** financial planning. **You** may wish to seek financial advice before starting a long-term savings contract.

## 9. SUSTAINABILITY RELATED DISCLOSURES

### ENTITY LEVEL

**IVALIFE** does not at this stage consider the integration of 'sustainability risks' (as defined under Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector) into its investment decision-making and/or insurance advisory processes as being directly relevant to the offering of its insurance-based investment products and/or any insurance advice provided in relation thereto. Nor does **IVALIFE** consider the likely impacts of sustainability risks on the returns it offers to **You**, as this does not fall within any of the current investment strategies of **IVALIFE** and/or of the financial instruments linked to the products of **IVALIFE**.

However, **IVALIFE** remains committed to stable and resilient social, environmental, and economic outcomes and believes that sustainable investments are central to successful long-term investor outcomes. In the short-term, **IVALIFE** shall continue developing an Environmental, Social and Governance ("ESG") framework with the objective of steadily embedding processes which will enable it to allocate ever-increasing importance to ESG issues. The **Company** shall develop and define criteria to identify, where possible, any activities or industries that should be excluded from its investment decision-making and/or insurance advisory processes. The **Company** does not directly invest in companies or holds securities that are listed in the Norges Bank Exclusion List. Furthermore, it shall continue working on implementing and improving its assessment of adverse impacts of its investments on sustainability factors and undertake efforts to mitigate these impacts in a manner leading to satisfactory sustainable outcomes.

In so far as the current position may change in the future, **IVALIFE** will amend this Key Features Document to this effect.

### PRODUCT LEVEL

The investments underlying the **Plan** do not take into account the EU criteria for environmentally sustainable investments. In line with the entity level sustainability-related disclosure mentioned above, the **Plan** does not consider the principal adverse impacts (PAIs) and the sustainability risks.



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## 10. DEFINITION OF TERMS

The following interpretation applies to the words and terms which appear in this Key Features Document in **black bold**:

### DEFINITIONS

**Beneficiary** means any person designated as a Beneficiary of the Policy to whom policy proceeds are payable in the event of death of the Life Insured and includes the Policy Owner's heirs or legatees, as the case may be.

**Death Benefit** means the amount of the lump sum paid upon death of the Life Insured according to the terms of the Policy.

**Endorsement** means a document We issue showing any changes to the Policy Schedule and terms and conditions of the Policy.

**Fixed Drawdown Rate** means the rate established by the Company from time to time and on the basis of which the Fixed Pension Drawdown Benefit is calculated.

**Invalidity Benefit** means the amount of the lump sum paid upon confirmation of the permanent invalidity of the Life Insured according to the terms of the Policy.

**Life Insured** means the natural person whose life is covered under the Policy and whose death or invalidity will result in the Death Benefit or Invalidity Benefit under the Policy respectively becoming payable.

**Non-Prescribed Fund** means a fund which is not based in Malta or in which less than 85% of the value is invested in Malta or any other definition as may be specified under the Regulations. The underlying funds of the strategy which You select may include Non-Prescribed funds.

**Notice of Cancellation** means the notice of cancellation to be served to the Policy Owner by the Company in terms of law.

**Pension Drawdown Start Date** means the date on which the Policy Owner will start benefitting from the Pension Drawdown Benefit.

**Plan** means the life insurance product described in the Key Features Document of the IVApension Personal Pension **Plan**.

**Policy** means Your contract of insurance including the terms and conditions (and Policy Schedule) as described and agreed throughout Your application process.

**Policy Account** means the value of the amounts invested after deduction of applicable charges.

**Policy Owner, "You" or "Your"** means the owner of the Policy who is legally entitled to receive the amount of cover when a valid claim is made. This may include, assignee(s) or personal representative(s) (where appropriate) and may be the Life Insured.

**Policy Renewal** means the date falling one year from the date of commencement of the Policy and the same date of each year thereafter until the Retirement Date.

**Policy Schedule** means the summary attached to the Policy which includes details specific to Your Policy, including the Policy Owner, Life Insured, Beneficiaries, Death Benefit, Premium and the type of cover.

**Policy Start Date** means the date shown on the Policy Schedule when the Policy comes into force.

**Premium** means the amount stated in the Policy Schedule payable to the Company in the manner stated in the Policy to secure the benefits under the Policy.

**Prescribed Fund** means a fund in which at least 85% of the value is invested in Malta or any other definition as may be specified under the Regulations. The underlying funds of the strategy which You select may include Prescribed funds.

**Programmed Withdrawals** means the conversion of Your Policy Account value into income by keeping the money invested in the selected strategy and gradually accessing the value by receiving an income directly from the funds available.



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**Qualifying Contributions** means a contribution made to a Qualifying Scheme in respect of which a credit against the income tax chargeable in Malta may be claimed in terms of the Regulations.

**Qualifying Scheme** means a personal retirement scheme or a long term contract of insurance that fulfils the requirements of the Regulations.

**Redirection** means a written instruction by the Policy Owner to vary the allocation of future Premiums between strategies subject to the terms applicable under the Policy.

**Regulations** means the Personal Retirement Scheme Rules (S.L. 123.163 of the Laws of Malta) and any other legislations, rules and regulations which may supplement, complement and/or substitute them including, for the avoidance of doubt, the Income Tax Act (Cap. 123), the Voluntary Occupational Retirement Scheme Rules (S.L. 123.175) and any other legislation, rule and regulation which may be considered relevant.

**Retirement Benefit** means the amount of lump sum available on the Retirement Date and the pension income available after the Retirement date of the Policy, as specified in the terms and conditions.

**Retirement Date** means the date on which You intend to start accessing Your Retirement Benefits, as permitted by the Regulations, as indicated in Your Policy Schedule.

**Sum Insured** means the maximum pre-agreed amount payable under the Policy as stated in the Policy Schedule and any Endorsement issued.

**Statutory Notice** is a document issued by Us which informs You of Your right to cancel the Policy during the cooling-off period.

**Switch** means a written instruction by the Policy Owner to change the strategies in which previous Premiums were invested through the cancellation of units allocated to a strategy and the replacement of these units with other units in another strategy as specified in the instructions and subject to the terms applicable under the Policy.

**Variable Drawdown Rate** means the rate established by the Company from time to time, but at least yearly, and on the basis of which the Variable Pension Drawdown Benefit is calculated.

**We/Us/Our, Company, IVALIFE** means IVALIFE Insurance Limited, registered as a limited liability company under the Laws of Malta, bearing company registration number C94404, having Our Head Office situated at Centris Business Gateway II, Level 1D, Triq is-Salib tal-Imriehel, Central Business District, B'kara CBD 3020.



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