



life



Income Protection

Brochure

Protection for the money you earn

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IMPORTANT NOTICE: This brochure is designed to help you understand our Income Protection policy. To make it easier to read, we haven't included all of the technical details which apply to your policy here.

You can find the full details in your policy conditions, which form part of your legal contract with us. This contract is provided by AIB life and governed by Irish law. This brochure doesn't form part of any contract between you and AIB life, and if there's any conflict between this brochure and your policy conditions, your policy conditions apply.

SECTION 1

INCOME PROTECTION AT A GLANCE

WHY CHOOSE AIB LIFE?

We all want to feel financially secure, but it can be hard to know if you're on track. At AIB life, we help you feel better about your future.

We put power into your plans, whether you're looking to prepare for retirement, protect your loved ones or invest your money in a flexible way. If you run a business, we can support you too.

As a partnership between AIB and Great-West Lifeco, we're built on over a century of experience. Now we're taking that experience further, with the help of AIB's Financial Advisors and smart financial tools that live on the AIB Mobile Banking app.

WHAT'S THE DIFFERENCE BETWEEN AIB AND AIB LIFE?

Allied Irish Banks, p.l.c. (AIB) is a separate company from AIB life, which was launched in 2023. AIB life provides protection, pension and investment products. AIB provides advice on these products.



WHAT IS INCOME PROTECTION?

The vast majority of us pay for our rent or mortgages, our car payments and all other bills with our salary. When we rely upon this income to cover those payments, being unable to work due to an injury or illness can make them far more difficult to afford. This is especially true if it continues for an extended period.

Our Income Protection policy is designed to protect against such eventualities by filling the gap of that missing income with a replacement regular payment. The deferred period is the period for which you must be unable to work before we'll start to pay benefits. After your chosen deferred period, an amount will be paid to you monthly if you are totally unable to perform the duties of your own occupation. You must also not be performing any other occupation and must be losing income as a result.

You'll continue to receive this income until you are able to return to work again, or if not, until your chosen retirement age.

We've explained the claims process in section 5 and answered a range of common questions in section 6. Your AIB Advisor can provide more detail on this type of policy and help you decide how much cover you need.

WHAT TYPES OF INCOME PROTECTION ARE AVAILABLE?

There are two types of Income Protection available: Personal Income Protection and Executive Income Protection. For both types of cover you, the life covered, will get a regular payment if you are unable to work and lose income as a result. So, what's the difference?

Personal Income Protection is purchased by you to cover your own income. Executive Income Protection is generally taken out by a company on behalf of a director or employee, known as the life covered, to protect their income.

You can only take out AIB life Income Protection on your own life. Dual cover isn't available, meaning your partner cannot be covered under the same policy.

SECTION 2

YOUR COVER EXPLAINED

HOW DOES INCOME PROTECTION WORK?

For Personal Income Protection, you choose the cover amount and for Executive Income Protection, your employer chooses the cover. We provide cover up to 75% of your gross earned income. The amount will depend on several factors including the level of earnings to be protected and the costs you expect to need to cover if you are unable to continue working. The following factors should be considered when deciding the appropriate level of cover:

- Your level of income
- Your mortgage or rent payments
- Your bills and loan repayments
- Your income shortfall that will be covered by state benefits
- Other lifestyle costs you may not be able to reduce or may want to maintain

Your AIB Advisor will help determine the amount of cover that's right for you. It's important to note that your replacement regular income can't result in you earning more than before you became unwell. An Income Protection claim will be limited to 75% of your total gross annual earnings, as described in the policy conditions, minus:

- any salary or earned income you continue to receive
- any benefits the state pays for disability (excluding child benefits)
- any other disability income you may have
- any income you receive from a pension fund

If you return to work in a limited capacity or take up another occupation earning a lower income, we'll consider extending your claim on a partial basis. The claim will be limited as described above. We'll only consider paying a partial claim if, in our opinion, you're medically unable to fully carry out the duties of your own occupation.

WHAT IS A DEFERRED PERIOD?

The deferred period is the length of time you need to be continuously unable to work due to injury or illness before we'll start paying a claim. When setting up your AIB life Personal Income Protection policy, you choose a deferred period of either 4, 8, 13, 26 or 52 weeks. For Executive Income Protection this decision is made by your employer.

HOW MUCH WILL IT COST ME?

The exact premium you or, in the case of Executive Income Protection, your employer will pay depends on a number of factors including:

- Your age
- Your job
- Your health
- Whether you smoke
- The deferred period you choose
- The age you choose your cover to end
- Whether you select the Claim Escalation Option, which we describe in the next section

You can choose to add the Annual Increase Option to your policy. That means your cover amount will increase by 3% and your premium will increase by 3.5% every year on your policy anniversary. This is also described in more detail in the next section.

If you don't choose the Annual Increase Option, your premium will stay the same throughout your policy. This gives you the additional security to know how much your premium will be at all times.

The premiums will also include our charges which cover the cost of setting up and administering your policy and the cost of the Income Protection cover.

For Personal Income Protection, you will be the owner and life covered under the policy and you will be responsible for premium payments. For Executive Income Protection, the employer is the policyholder and will pay the premiums and an employee will be the life covered under the policy.

SECTION 3

OTHER BENEFITS

Along with your main Income Protection benefit, there's a handful of other options available, which make this policy far-reaching and flexible. The Life Changes and Converting Your Policy features are automatically available on your policy.

The Claim Escalation Option is available to you at an additional cost and if you select the Annual Increase Option, your cover amount and premium will increase on your policy anniversary each year.

1. LIFE CHANGES

Major changes in your life can impact how you'd like to insure yourself and the people you care about. That's why if you:

- get married
- have a child
- take out a new or extra mortgage
- start earning more when you start a new job or get a promotion

you can ask us to extend your benefit term and/or increase your cover amount by a maximum of 50% your cover amount.

If you want to take advantage of the option to increase your cover or extend this benefit term, you'll need to do so before

you turn 55. You can't increase your cover by more than 100% of your initial cover amount over the life of your policy. Your cover will always be limited to our Income Protection product limit of 75% of your gross earnings or €250,000 per year, whichever is lower.

You won't have to provide any information about your health. However, if you want to use this option, you'll have to do so within one year of the life change. You'll also have to give us proof of the life change. For example:

- a marriage certificate
- a birth certificate
- an adoption or guardianship court order
- a new job offer
- a promotion letter
- a confirmation of mortgage approval

This option won't apply if you have claimed or if you are claiming on any of your AIB life policies. Please see the policy conditions for full details of this option, including any restrictions or other exclusions which may apply.

2. CONVERTING YOUR POLICY

Personal Income Protection

If you have a Personal Income Protection policy and start working for a company that offers to pay your Income Protection premiums, you can convert to a new Executive Income Protection policy. You won't need to provide any information about your health.

Once complete, your Executive Income Protection policy will have the same level of cover, deferred period, benefit terms and optional benefit selections as your personal policy. The premium your employer will pay going forward will be based on your age at the start of the new policy. You must ask us to convert the policy within 90 days of the end date of the Personal Income Protection policy.

Executive Income Protection

If an employer has taken out an Executive Income Protection policy for you it could end because you stop being employed by them or your employer no longer wishes to pay the premiums. If either happens, you'll have the option to convert this policy to a Personal Income Protection policy. You must ask us to convert the policy within 90 days of the end date of the Executive Income Protection policy.

3. ANNUAL INCREASE OPTION

With this option, we'll increase your cover by 3% each year to help keep it in line with the cost of living. This is sometimes called 'indexation'. You don't need to provide us with evidence of your health for these increases. Your premiums will also increase by 3.5% each year.

We'll let you know when an increase is coming up and you'll have the option to decline an increase in cover in any year. If you turn down this option two years in a row, we'll stop offering you any further increases. You can also ask us to stop applying annual increases to your cover amount altogether. If you haven't chosen this option from the start or it has ended, you can ask us to add it to your policy. Such a request will be subject to full underwriting.

4. CLAIM ESCALATION OPTION

This option means that if you ever make a valid claim, the monthly amount we pay you will increase by 3% each year. You can choose to add the Claim Escalation Option to your policy at the beginning at an additional cost. You can't add this option after your cover has started.



SECTION 4

TAX ADVANTAGES EXPLAINED

1. PERSONAL INCOME PROTECTION TAX RELIEF

One of the major benefits of this policy is that the premiums you pay for this cover may qualify you for some income tax relief. This means the actual cost of your Income Protection cover will be reduced.

CAN I BENEFIT FROM TAX RELIEF?

Under current Irish law, you may be eligible to claim tax relief of up to 40% on your premiums. We'll give you a tax certificate each year, which you can use to claim tax relief on your premiums directly from Revenue. The relief you can receive is limited to 10% of your total income for a given tax year. We'll deduct any relevant income tax, Pay Related Social Insurance (PRSI) and Universal Social Charge (USC) due under the Pay As You Earn (PAYE) system before paying you any income tax benefits. Net relevant earnings are your total income during a tax year, minus any credits, losses and certain charges and deductions for which you can claim income tax relief.

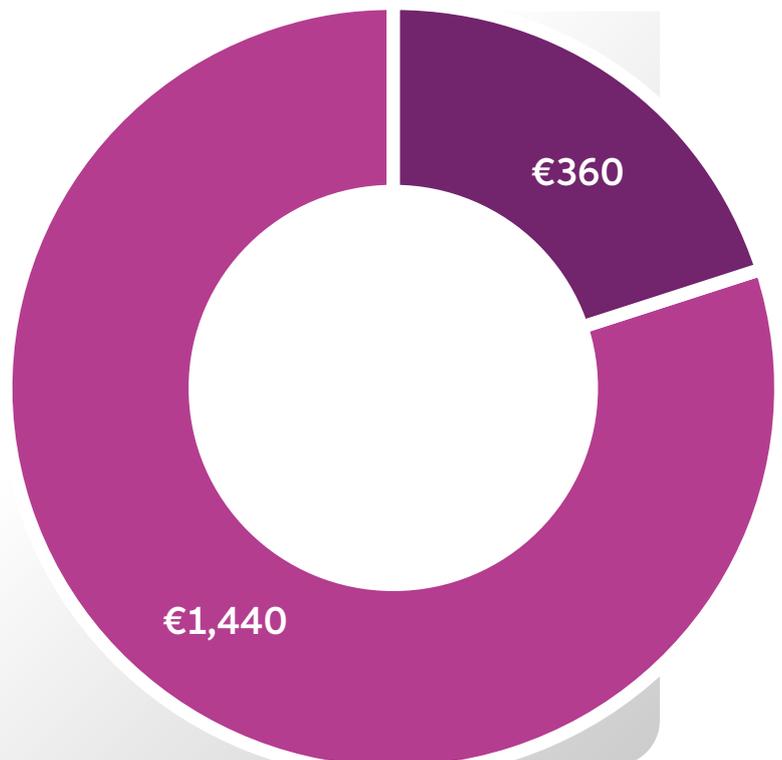
INCOME TAX EXAMPLE:

Meet Mary. Mary is a hypothetical AIB life customer. Mary pays the lower rate of income tax which is currently 20%. If she was to pay €1,800 yearly in Income Protection premiums, she would benefit from tax relief of 20% meaning her premiums would have an actual cost of €1,440. If Mary got a new job and began to pay the higher rate of income tax on the same premium, she would get 40% income tax relief. This would mean her yearly premium of €1,800 would have an actual cost of €1,080.

MARY'S AIB LIFE PERSONAL INCOME PROTECTION PREMIUM	MARY'S POTENTIAL INCOME TAX RELIEF	THE ACTUAL COST TO MARY OF CONTRIBUTING €1,800 PER YEAR
€1,800	20% (based on lower rate of income tax)	€1,440
€1,800	40% (based on higher rate of income tax)	€1,080

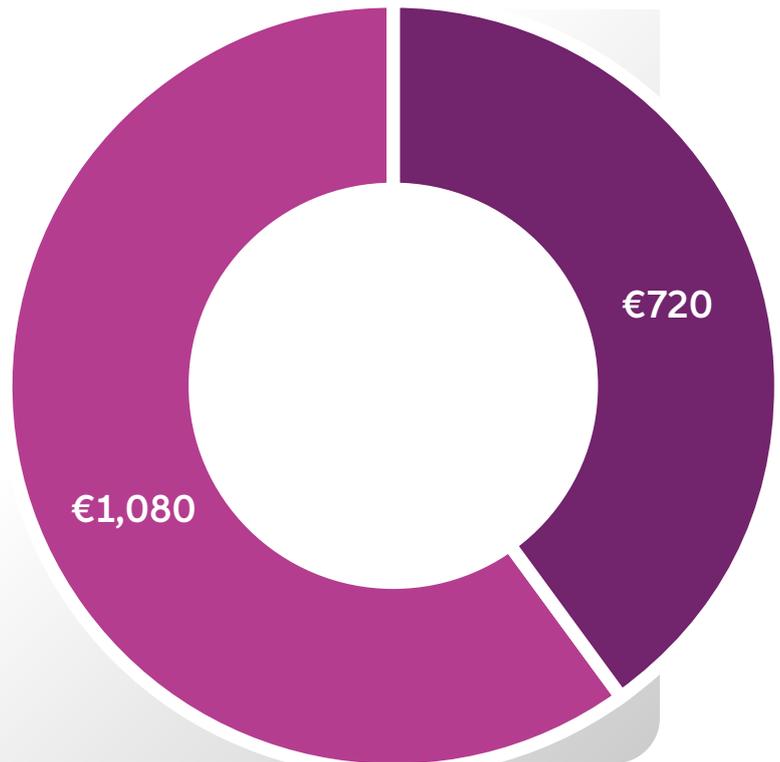
MARY'S POTENTIAL TAX RELIEF - LOWER RATE OF TAX

- €360 Mary's Tax Relief
- €1,440 Actual Cost to Mary



MARY'S POTENTIAL TAX RELIEF - HIGHER RATE OF TAX

- €720 Mary's Tax Relief
- €1,080 Actual Cost to Mary



2. EXECUTIVE INCOME PROTECTION TAX RELIEF

The AIB life Executive Income Protection policy premiums may qualify your employer for some Corporation Tax relief. This means the actual cost to them of paying the Executive Income Protection cover will be reduced.

WHAT TAX INCENTIVES IS THE COMPANY ENTITLED TO?

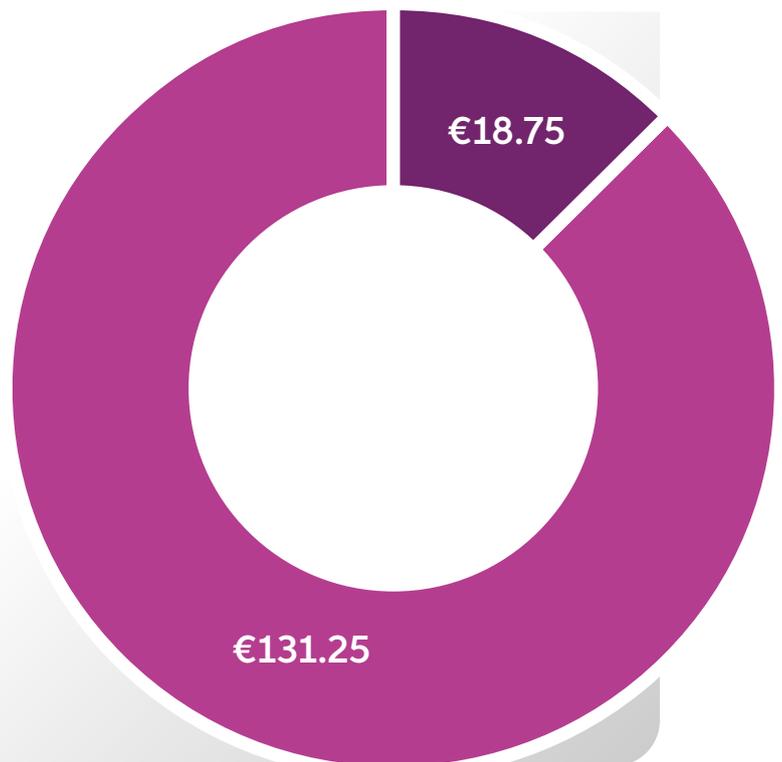
Under current Irish law, the employer must pay the premiums, and these are eligible to be offset against Corporation Tax as a business expense. We'll pay out the gross benefit of any claim to the employer for an Executive Income Protection policy. It'll then be the company's responsibility to deduct the relevant income tax, PRSI and USC under the PAYE system before they pay the benefit to you, the life covered. A government levy may also be applied on the premiums paid.



CORPORATION TAX EXAMPLE:

Meet Company A. Company A wishes to take out AIB life Executive Income Protection on an employee. The premium they'll need to pay for this employee is €150 per month. The Corporation Tax rate is currently 12.5%, meaning that a payment of €150 would have an actual cost of €131.25 after Corporation Tax relief.

COMPANY A'S AIB LIFE EXECUTIVE INCOME PROTECTION PREMIUM	COMPANY A'S POTENTIAL CORPORATION TAX RELIEF	THE ACTUAL COST TO COMPANY A OF CONTRIBUTING €150
€150	12.5%	€131.25



WHAT TAX INCENTIVES IS THE EMPLOYEE ENTITLED TO?

As you, the employee, aren't responsible for paying the premiums for Executive Income Protection, you won't be able to get of any tax incentives.

WHAT IF THE EMPLOYEE LEAVES THEIR JOB?

With AIB life Executive Income Protection policy, the premiums paid by the employer must stop once you, the employee, leave your job. The cover can continue provided you choose to convert your policy. This was covered in more detail in Section 3.

SECTION 5

MAKING A CLAIM

WHAT DO I NEED TO KNOW?

If you or somebody acting on behalf of you or your family needs to make a claim, we're here to make the process as easy as possible. The person making the claim should contact your AIB Advisor or call us at **01 912 4455**. After that, we'll send a claim form and explain the next steps.

We may ask for:

- birth certificates
- signed consent allowing us to request medical information
- proof of your earnings
- a claim form completed by your doctor
- certificates, tests, information or evidence which we reasonably need to prove your claim

Once we've accepted your claim and received all of the supporting evidence and documents we need, we'll aim to pay the claim within five days. Additional material may be required along with an investigation of medical details.

WHEN SHOULD YOU TELL US?

You should notify us if you become ill or injured as soon as possible. Please contact us:

- two weeks before the end of the deferred period if the deferred period is four weeks
- three weeks before the end of the deferred period if the deferred period is eight weeks
- five weeks before the end of the deferred period if the deferred period is 13 weeks
- 10 weeks before the end of the deferred period if the deferred period is 26 weeks
- 22 weeks before the end of the deferred period if the deferred period is 52 weeks

If we receive the completed claim forms late but it has not been over 180 days since the deferred period ended, we'll start paying any valid claim from the date that we receive the forms.

SECTION 6

QUESTIONS AND ANSWERS

DOES MY JOB IMPACT HOW MUCH MY PREMIUMS ARE?

Yes. Your job is one of the factors that we consider when deciding the cost of your premium. This is because certain jobs are more dangerous and physical than others, making injury or illness more likely. Your AIB Advisor will tell you what your options are based on your current job. We don't provide cover for all occupations.

ARE THERE ANY AGE OR BENEFIT TERM RESTRICTIONS?

You can apply for Income Protection if you're between 18 and 59 years old. With this policy, you can be covered for between five and 50 years but you cannot be covered past your 70th birthday.

HOW ARE MY EARNINGS CALCULATED?

If you are employed, we consider your gross earnings in the previous 12 months. This is your annual income before tax, including any overtime and regular bonuses. These will be your earnings as detailed on your “Employment Details Summary” or equivalent Revenue document or previous 12 months’ payslips.

If you are self-employed, we look at the share of the gross annual profit that belongs to you. Your gross annual profit is your total business income minus any expenses from running your business as permitted under Revenue guidelines. If you have been self-employed for three years or more, we calculate these earnings based on your average gross annual profit over the last three complete years. If you have been self-employed fewer than three years, we’ll calculate based on your average gross annual profit over the total period you have been self-employed.

WHAT IF I BECOME UNEMPLOYED?

If you become unemployed, your Income Protection cover will end. However, if you are incapacitated within 30 days of becoming unemployed, we’ll consider paying an Income Protection claim. If you become unemployed during the deferred period, we’ll pay a valid claim, starting at the end of the deferred period. The assessment will be against your own occupation immediately prior to becoming unemployed. The deferred period will start on the date you first attended a doctor for the illness or injury.

If you become unemployed while an Income Protection claim is being paid, and our Chief Medical Officer agrees, we’ll continue paying for as long as you remain incapacitated.



IF I GET INJURED OR FALL ILL, WHEN WILL MY BENEFIT PAYMENTS START?

This depends on your selected deferred period. We start paying your benefits one month after the deferred period ends but will backdate the payment to the end of the deferred period. From this point onward you'll receive your benefit every month.

WHEN WILL MY BENEFIT PAYMENTS STOP?

Your claim for Income Protection will end under any of the following circumstances that occur first:

Personal Income Protection

- You return to your occupation or take up a new occupation and no longer have a loss of earnings
- Our Chief Medical Officer determines that you are no longer incapacitated
- You become unemployed
- You reach the end of the benefit term
- You die during the benefit term

Executive Income Protection

- The life covered returns to their occupation or takes up a new occupation and no longer has a loss of earnings
- Our Chief Medical Officer determines that the life covered is no longer incapacitated
- The life covered stops being employed by the policy owner
- The life covered reaches the end of the benefit term
- The life covered dies during the benefit term

ARE THERE EXCLUSIONS?

Yes. There are a number of situations where we won't pay out a claim to you. We may refuse to pay your claim if your illness or injury was caused:

- Directly or indirectly from your own deliberate act
- Directly or indirectly by war, revolution or taking part in a riot or a similar event
- By taking part in a criminal act
- Directly or indirectly by the inappropriate use of alcohol or drugs
- By taking part in hazardous activities (for example: abseiling, boxing, horse racing, parachuting and rock climbing)

Furthermore, we'll refuse to pay your claim if you failed to follow reasonable medical advice.

A claim will only be paid if the life covered was working and earning an income before the illness started or the injury took place.

For the claim to be valid you must live in Ireland or the United Kingdom for tax purposes. If you live in one of the below accepted countries, we'll pay a claim for a maximum of 13 weeks and then may request you return to Ireland for the cover to continue. Accepted countries are:

- Australia
- Canada
- EU member states
- Iceland
- Liechtenstein
- New Zealand
- Norway
- South Africa
- Switzerland
- USA

WHEN SHOULD I LET YOU KNOW IF I RETURN TO WORK?

You must tell us of any plans to return to work immediately so that we can stop paying the claim.

WHAT IF I CAN RETURN TO WORK BUT ONLY PART-TIME OR FOR A POSITION WITH LOWER PAY?

If you have been receiving your Income Protection benefit and you return to work, either part-time or for a position with lower pay, we'll continue to pay you a partial benefit. This depends on us being satisfied that you are not able to return to work in full capacity.

EUROPEAN COMMUNITIES (DISTANCE MARKETING OF CONSUMER FINANCIAL SERVICES) REGULATIONS, 2004

A financial service or product being provided on a distance basis means that it didn't involve face-to-face contact. If we provide a product on a distance basis, we're obliged to provide certain information. We have included this information under various sections in the documents we have provided to you, including this brochure. All information we provide will be written in English.

SECTION 7

CONTACTING US

We're always on hand to help. But who you contact will depend on what you're trying to do.

If you want to speak to an AIB Advisor:



-  **Book a callback:** aib.ie/make-a-plan
-  **Visit a branch:** aib.ie/branchlocator
-  **or Call:** 01 771 5867 | Mon – Fri, 09:00 - 17:00

For all other queries speak to AIB life:



-  **Email:** hello@help.aiblife.ie
-  **or Call:** 01 912 4455 | Mon – Fri, 08:00 - 18:00

If you want to update your contact details or view your documents, it's easy in the AIB Mobile Banking app:



-  Just click **AIB life** in the **Products** tab or directly from your accounts list, then either of the below:
 - 1. Update details:** Visit **AIB life Changes** tab and make a request
 - 2. View documents:** Visit **AIB Advice** tab to download your brochure or policy conditions

In the interest of customer service we will record and monitor calls.



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