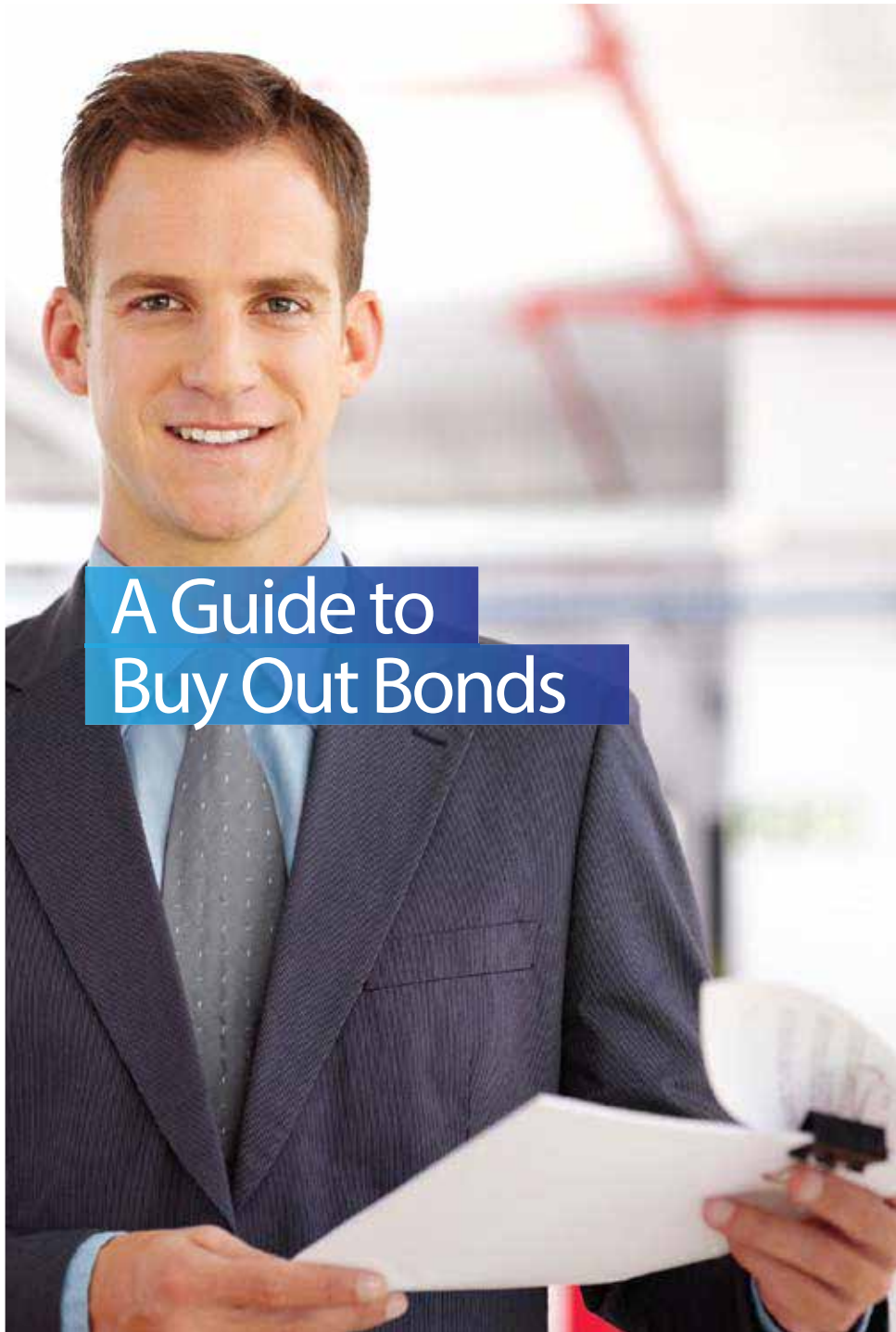


**FINANCIAL
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Financial Planning & Guidance

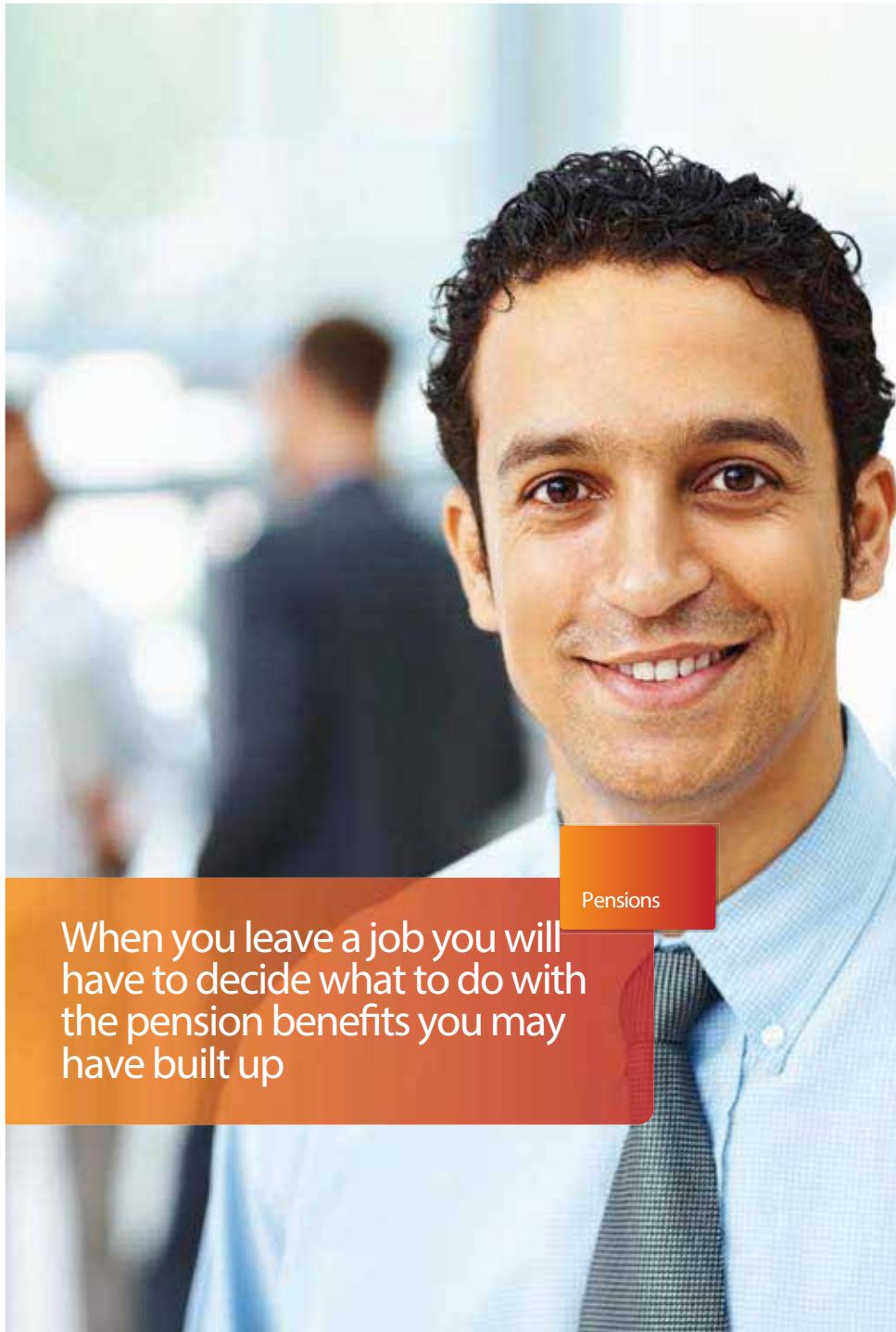


A Guide to Buy Out Bonds



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Pensions

When you leave a job you will have to decide what to do with the pension benefits you may have built up

I've moved jobs a couple of times over the years, how do I keep track of my pensions?

As you move jobs you may start to accumulate small pension benefits in different employer pension schemes. When you leave a job you will have to decide what to do with the pension benefits you may have built up in your former employer's pension scheme. There are three basic options:

- You can leave the benefits to grow in that scheme until you retire. This option can throw up a challenge when it comes to your retirement as you may have to go back and try and contact these former employers to gain access to your pension benefits.
- You can transfer your benefits to your new employer's pension scheme, if you will be joining such a scheme. You will get these benefits when you retire from your new employer.
- You can transfer your benefits to a Buy Out Bond (also called a Personal Retirement Bond). A series of Buy Out Bonds in your name can become the hub for all the pension benefits you may have built up over the years at your different jobs.

Where you hold a pension in a former employer's defined benefit pension scheme, there are a number of factors to consider before making a decision to transfer your funds to a new employer's scheme or to a Buy Out Bond. You should talk to your Financial Broker about the pros and cons of transferring now or waiting to get the pension from the scheme when you retire.

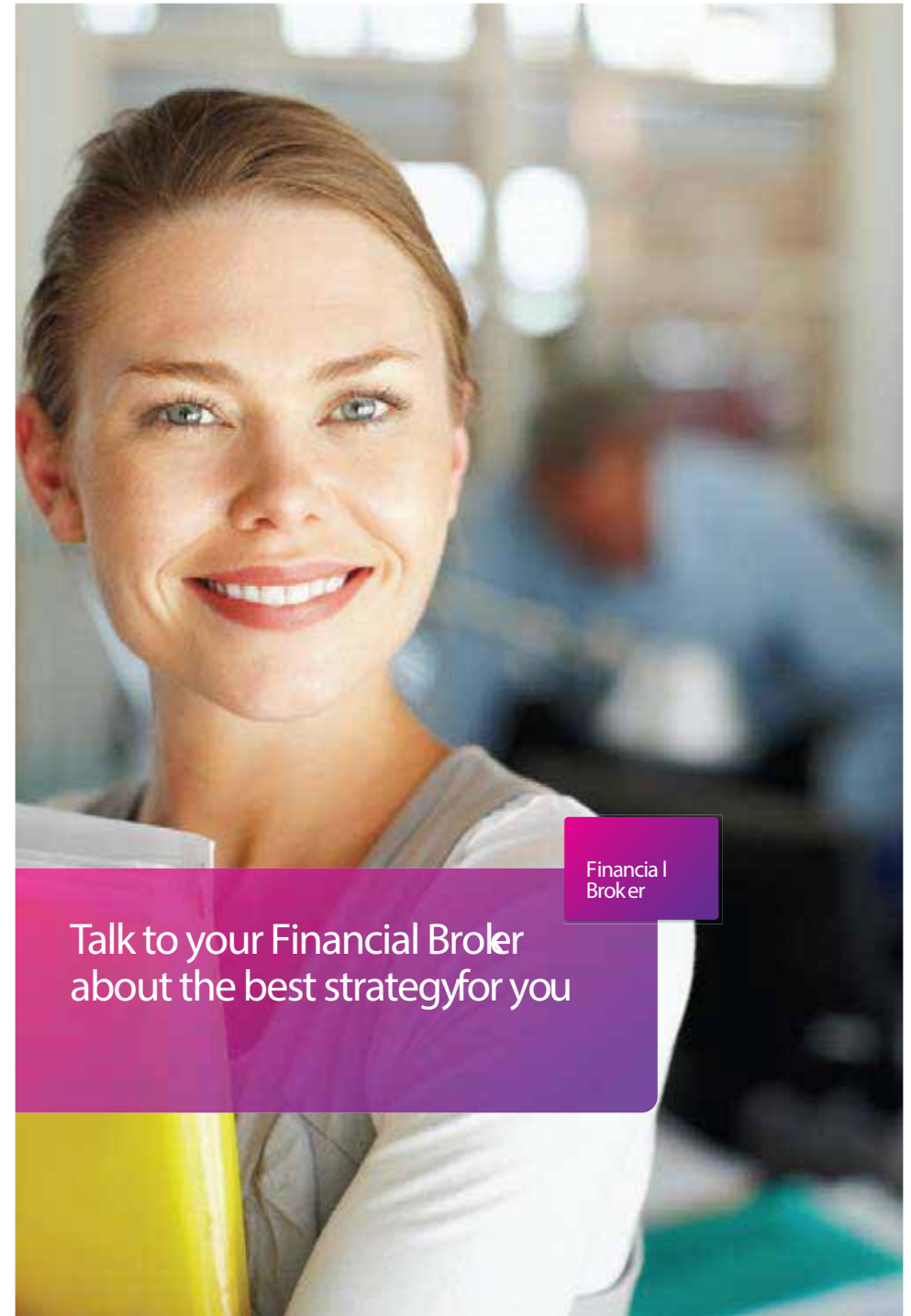
My former employer is winding up its defined benefit pension scheme. What are my options?

If your former employer winds up its defined benefit pension scheme, you have three choices:

- You can transfer your benefits to your current employer's pension scheme, if you are a member of such a scheme.
- You can transfer your benefits to a Buy Out Bond, which you can take out in your own name with a life insurance company.
- You can transfer your benefits to a PRSA provided you have less than 15 years service in that pension scheme.

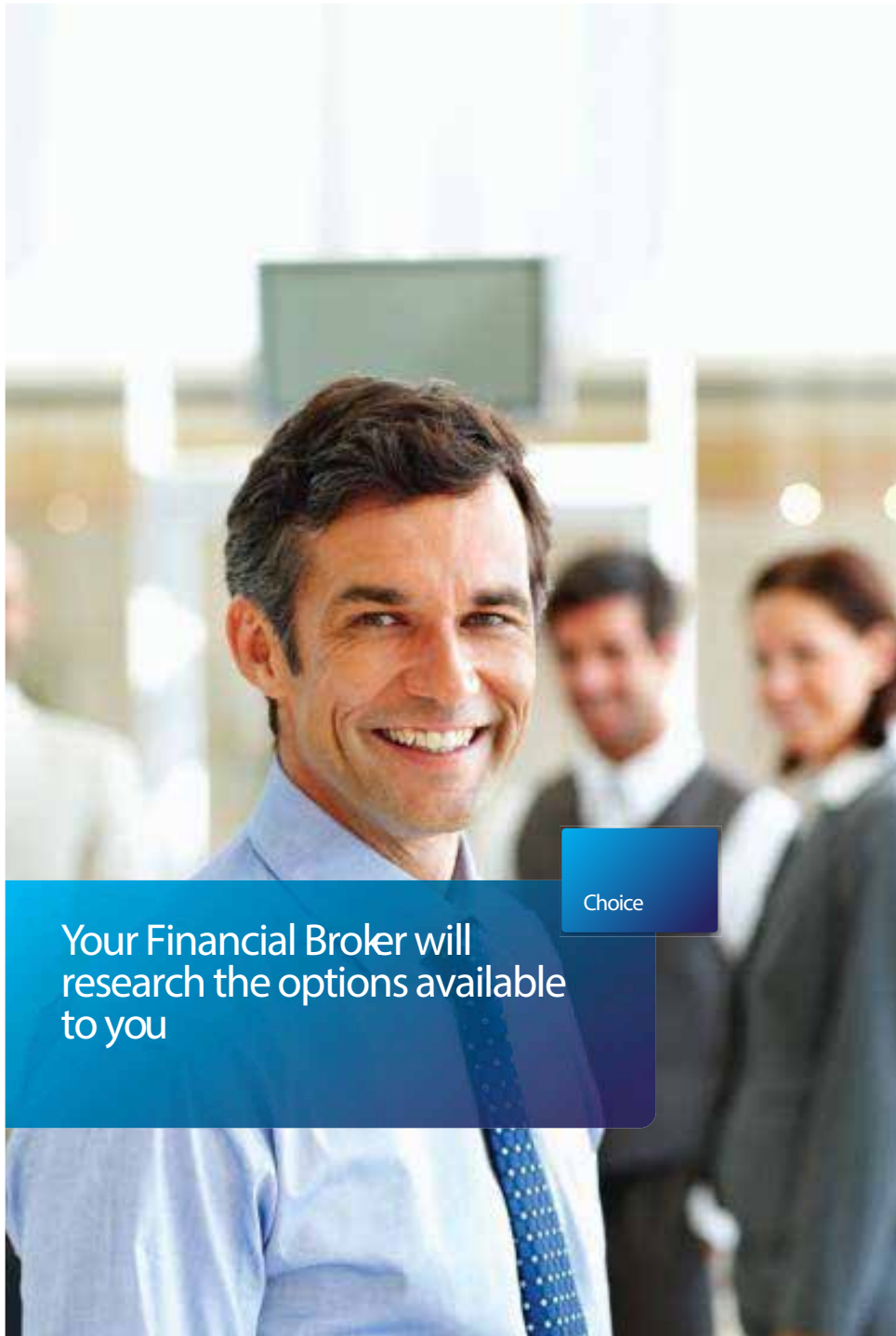
Remember: If you fail to make a decision, the trustees of your former employer's pension scheme will transfer your benefits to a Buy Out Bond of their choosing, for you.

Talk to your Financial Broker about the best strategy for you. They will assess your situation, your personal circumstances and ultimate plans for retirement and advise on the best option for you.



Financial
Broker

Talk to your Financial Broker
about the best strategy for you



Choice

Your Financial Broker will research the options available to you

What is a Financial Broker?

A Financial Broker is an expert in financial matters who works with you to understand your financial goals and helps you create a plan to meet those goals. In helping you to make a decision about your pension benefits built up in former employer schemes, your Financial Broker will research the options available to you.

If you decide a Buy Out Bond would be the most suitable option for you, your Financial Broker will recommend a Buy Out Bond from the range of companies they deal with, providing you with a “fair analysis” of the market.

Why would I need to use a Financial Broker?

Choosing the right option can be a daunting task. Your Financial Broker will be able to explain the choices available to you in simple language allowing you to make an informed decision.

Your Financial Broker will get to know you, your personal and financial circumstances, retirement plans and your attitude to and capacity for risk – products like Buy Out Bonds, for example, contain a certain level of risk that you need to be aware of.

Your Financial Broker will guide you through the process of setting up your Buy Out Bond and help you to make sense of charges, tax obligations and benefit options. They will advise and assist you in developing a well-researched and structured investment strategy for your Buy Out Bond, which is compatible with your attitude to and capacity for risk and designed to achieve your goals as far as possible.

What is a Buy Out Bond?

You can consolidate your pension benefits from the various jobs you may have held throughout your career into Buy Out Bonds, which you own and control. The value of benefits you may have built up in a former employer's pension scheme are calculated and this 'transfer value' is then paid into your Buy Out Bond.

Once in the Buy Out Bond, the 'transfer value' is then invested in a fund or series of funds. Because you control the Buy Out Bond, you choose how to invest this money and when you can draw on it. This level of control is a great benefit of a Buy Out Bond. If you leave your pension benefits in former employers' schemes you have no control over how the funds are invested.

Buy Out Bonds are also a flexible product. You can transfer the funds built up in your Buy Out Bond to another Buy Out Bond with a different life insurance company at any stage or you can transfer them into another employer pension scheme, if you join one at a later date.

If you die before drawing on the Buy Out Bond, the value of the funds in your Buy Out Bond at that stage will be paid to your estate, for the benefit of your next of kin.

How do I decide where to invest my Buy Out Bond?

You may be relying on your Buy Out Bond to provide an important source of income in retirement, so it's vital that you invest it wisely. There are many options available to you, from low and high risk funds investing in particular types of assets, to managed or mixed funds investing in a spread of assets and self-directed funds where you choose the funds or assets in which you invest.

The funds you decide to invest in should offer you a diversified range of investment options that can meet your changing circumstances over time.

Any choice you make should be based on the level of investment risk you are comfortable with and should take into account your financial circumstances and goals. It is important to understand that the value of your Buy Out Bond can fall as well as rise, depending on which funds or assets you invest in.

How your Financial Broker can help you with your investment choice

Your Financial Broker will get to know you, your financial needs, attitudes to and capacity for investment risk and ultimate goals. They will guide you through the basic elements of investing – risk and return, diversification and your own attitude to risk – and ensure you understand what's at stake.

With help from your Financial Broker you can create a diversified range of investments within your Buy Out Bond. This means you can spread your money in a way that suits your needs and is in line with your risk and return expectations.



Your
Adviser
For Life

With help from your Financial Broker you can create a diversified range of investments within your Buy Out Bond

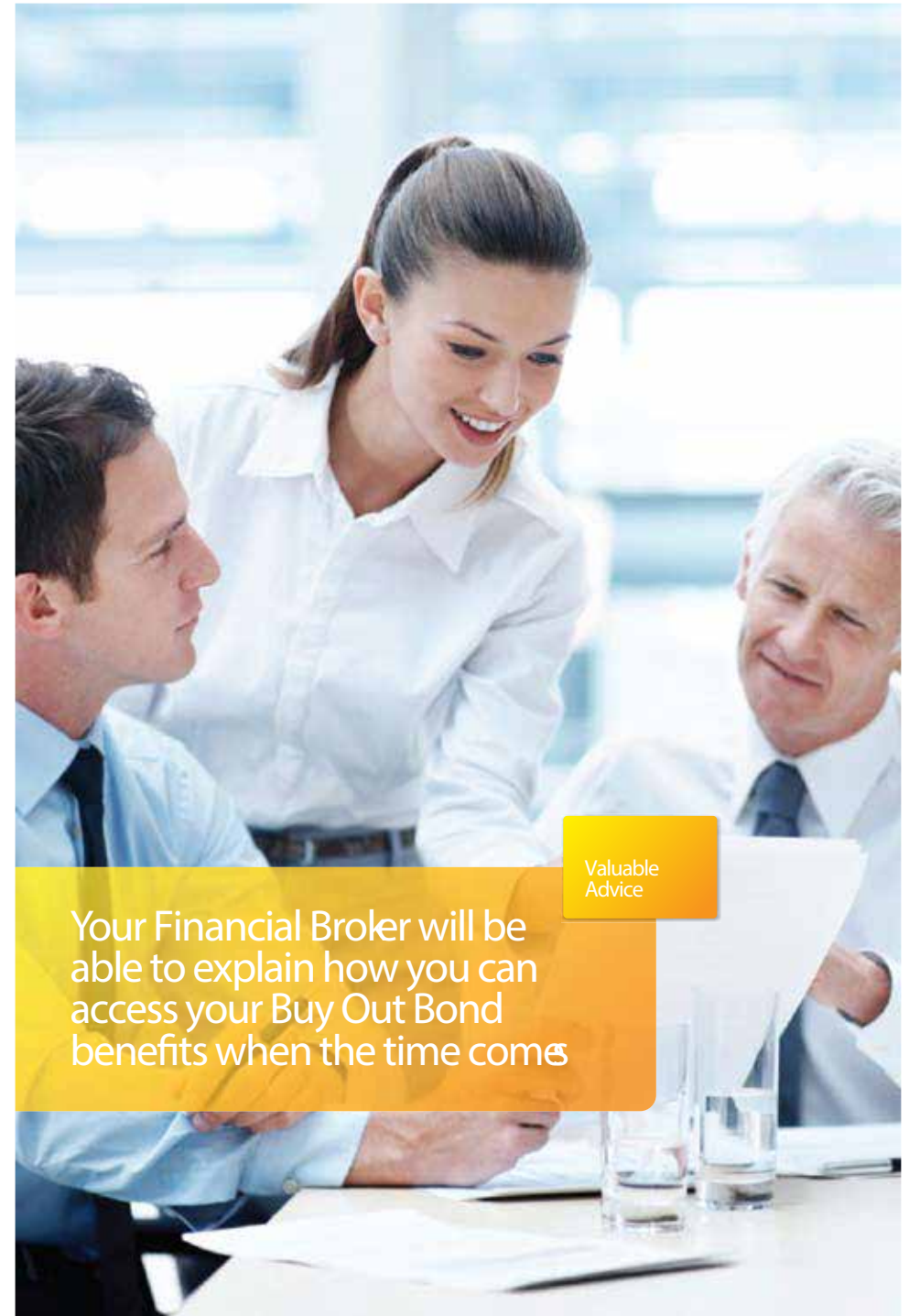
How can I access the funds from my Buy Out Bond?

Depending on the type of pension scheme from which the transfer value paid into your Buy Out Bond came from, you will have a number of options when it comes to taking your retirement benefits:

- You may be able to take part of the fund as a lump sum
- You may be able to use the balance to buy an annuity, or
- You may be able to transfer the balance to a mix of an Approved Retirement Fund (ARF) and an Approved Minimum Retirement Fund (AMRF) in your own name. This depends on whether the pension scheme, you took the transfer value from, provided this option to you at the time of transfer to your Buy Out Bond.

Remember: You can draw on your Buy Out Bond from age 50 onwards. If you become seriously ill before the age of 50, you may be able to draw on your Buy Out Bond immediately.

Your Financial Broker will be able to explain how you can access your Buy Out Bond benefits when the time comes.



Valuable
Advice

Your Financial Broker will be able to explain how you can access your Buy Out Bond benefits when the time comes

FINANCIAL BROKER

Financial Planning & Guidance

Contact your Financial Broker for more information on the following products:

- A guide to Approved Retirement Funds
- A guide to Annuities
- A guide to Buy Out Bonds
- A guide to Personal Savings Plans
- A guide to Executive Pensions
- A guide to Personal Retirement Savings Accounts (PRSAs)
- A guide to Life Assurance
- A guide to Income Protection
- A guide to Serious Illness Cover
- A guide to Savings & Investments

Creating your success through
Financial Planning