

easyLIFE Pension - Security formula

Type of life insurance	easyLIFE Pension - Security formula is classic retirement insurance contract with a guaranteed rate and profit sharing.																								
Guarantees	<p>Main guarantees</p> <p>If the insured person is alive at the end of the contract, they may opt for an outright payment of part or all of the capital, with the remainder being paid in the form of a monthly life annuity.</p> <p>If the initial duration of the contract is greater or equal to 10 years the sum of the premiums paid will be guaranteed at the end of the contract. This guarantee however ceases if the contract was liberated of premium payments before the end of the contract or if the premium level has been reduced significantly.</p> <p>In the event of disability or serious illness in accordance with the provisions of the Grand-Ducal Regulation relating to Article 111bis of the L.I.R., the insured person can opt for the payment of a reduced immediate pension based on the savings accumulated at that time. This type of contract is commercialised as a single life policy.</p> <p>Note: the term of the contract (i.e. when the pension will be paid) is fixed at the earliest at age 60 and at the latest at age 75.</p> <p>In case of death of the insured person before the end of the contract, a death benefit equal to the acquired savings will be paid at the time of death of the insured person.</p> <p>The premiums of this death guarantee are deductible within the context of Article 111bis of the L.I.R.</p>																								
Target audience	This product is intended for clients who wish to build up a pension supplement in complete security and benefit from the tax deductions offered by Article 111bis of the L.I.R.																								
Yield	<p>Guaranteed interest rate</p> <p>The guaranteed interest rate of 0,00% applies to all premiums of the main guarantee paid up until the end of the contract.</p> <p>At the end of the contract, the optional conversion into a monthly life annuity will be made according to the rules and rates applied by LA LUXEMBOURGEOISE-VIE at that time.</p> <p>Profit sharing</p> <p>In addition to the interest rate guaranteed by the contract, the insurer allows its clients to benefit from the financial results it has achieved.</p> <p>The amount granted (profit sharing) makes it possible to finance an additional small capital entirely at the insurer's expense. Once allocated, the amounts are fully and definitively vested.</p> <p>The profit-sharing is reserved exclusively for contracts that have been running for at least two years and that have not been redeemed or exempted from the payment of premiums at the time of allocation.</p> <p>The profit sharing granted is determined year after year on the basis of the insurance company's financial results. The amount of the supplements that will supplement the capital in the future is therefore by nature unknown in advance and cannot be covered by a guarantee from the insurer to the client: past rates therefore do not constitute a commitment for the future.</p> <p>If the life benefit at the end of the contract with the guarantee of the sum of the premiums paid increased by the profit sharing is less than the sum of the premiums paid, than the sum of the premiums paid will be paid out.</p>																								
Past performance	<p>Depending on the performance of the financial markets, a profit-sharing rate is added to the guaranteed interest rate. The profit-sharing rate is applied to the provision set up at the insurer on 31 December of the year of allocation. In previous years, the following total returns were allocated:</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 15%;">Year</th> <th style="width: 15%;">Guaranteed rate (1)</th> <th style="width: 15%;">Profit-sharing rates (2)</th> <th style="width: 15%;">Overall return (1) + (2)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>0,00%</td> <td>0,500%</td> <td>0,500%</td> </tr> <tr> <td>2018</td> <td>0,00%</td> <td>0,350%</td> <td>0,350%</td> </tr> <tr> <td>2019</td> <td>0,00%</td> <td>0,350%</td> <td>0,350%</td> </tr> <tr> <td>2020</td> <td>0,00%</td> <td>0,750%</td> <td>0,750%</td> </tr> <tr> <td>2021</td> <td>0,00%</td> <td>0,500%</td> <td>0,500%</td> </tr> </tbody> </table>	Year	Guaranteed rate (1)	Profit-sharing rates (2)	Overall return (1) + (2)	2017	0,00%	0,500%	0,500%	2018	0,00%	0,350%	0,350%	2019	0,00%	0,350%	0,350%	2020	0,00%	0,750%	0,750%	2021	0,00%	0,500%	0,500%
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<p>Expenses and risk premiums</p>	<p>The amount of the premium and the sum insured at the end of the contract resumed in the special conditions of the contract are calculated taking into account all the costs associated with the contract. No other costs reduce the contractually guaranteed capital. The net reduction amounts are indicated in the contract.</p>
<p>Duration</p>	<p>It is left to the initiative of the insured person to determine the maturity of the contract, as long as:</p> <ul style="list-style-type: none"> ▪ the duration of the contract is at least 10 years, ▪ at the end of the contract, the insured person's age is at least 60 or maximum 75. <p>The main guarantee can be cancelled early:</p> <ul style="list-style-type: none"> ▪ in the event of death of the insured person, ▪ in the event of disability or serious illness in accordance with the provisions of the Grand-Ducal Regulation relating to Article 111bis of the L.I.R.
<p>Premium</p>	<p>The policyholder can choose the frequency of the premium payments: annual, semi-annual, quarterly or monthly.</p>
<p>Taxation (Luxembourg residents)</p>	<p>The taxation as described below is subject to regulation and is provided for information purposes only. It applies only to residents. Non-residents must refer to the legislation of their country of residence.</p> <p>The premium of the main guarantee is deductible from taxable income within the framework of Article 111bis of the L.I.R. As from 01 January 2017, the maximum amount deductible is € 3 200 per taxpayer.</p> <p>Article 111bis L.I.R. further provides that:</p> <ul style="list-style-type: none"> ▪ the duration of the contract must be at least 10 years, ▪ at the end of the contract, the insured person must be between 60 and 75 years of age, ▪ the subscriber must be the policyholder, the taxpayer and the insured person, ▪ the subscriber has the option of requesting payment at maturity of all or part of the accumulated savings in the form of capital (taxed at half of the average tax-rate). The balance is paid in the form of a life annuity, 50% of which is tax-exempt, ▪ the premium is not subject to tax, ▪ the taxpayer may have several contracts, but the transfer of accumulated savings from one contract to another is not possible, ▪ when collectively taxable spouses each subscribe to a retirement insurance contract, the maximum amount deductible is € 3 200 per taxpayer.
<p>Redemption Information</p>	<p>For tax reasons, total or partial redemptions are not allowed.</p> <p>The policyholder receives annually:</p> <ul style="list-style-type: none"> ▪ a tax certificate showing the amount of premiums paid during the year, the savings acquired, the guaranteed capital, ▪ from the third year onwards, a document containing information about the level of profit-sharing (guaranteed interest rate, profit-sharing rate, new guaranteed amount, estimated pension at term), ▪ the reduction values net of fees are indicated in the contract.