

# *smart* **Future**

*Occupational  
Pension Plan*

## Employer's Guide

**EuroLife**





## *We are reliable*



We hold a **leading Market position** with years of experience in the field of retirement benefits.

We offer a **simple and complete solution**, ensuring the pension needs of your employees.

We provide **flexibility** in setting and modifying the characteristics of the plan, according to your specific wishes and those of your employees.

We provide **investment options** for your employees based on their investment horizon and their risk profile.

Cooperation with BOC Asset Management for the **professional investment management** of the retirement funds offered.

Diversification of investments with a **global exposure to achieve investment returns** in line with global markets

We have available **professional personnel** for the purpose of offering the best possible service and support to you and your employees.

We provide **specialized support tools** for the best possible retirement planning for your employees and for forecasting the evolution of their occupational pension benefits.

We offer very **competitive fees**.

# Dictionary



## **Company**

EuroLife Ltd which is also referred to as 'us', 'we', 'our'.

## **Member**

Any physical person who fulfills the criteria for participation in the Plan.

## **BOCAM**

Means BOC Asset management, which manages the investments of the Plan (Licence from the Cyprus Securities and Exchange Commission with No. MC UCITS 5/78/2012. BOCAM is a limited liability company registered in Cyprus with registration number HE358706.

## **Participation**

Means the participation of a Member in the benefits provided by the Plan.

## **Member Account (Account)**

Means the account in which a Member's Investment Units are credited.

## **Contribution**

Means the amount paid as consideration for the Benefits provided by the Policy.

## **Fund**

Means the Investment Fund or Funds of the Company in which a Member may participate.

## **Investment Units**

The units into which the Fund or the Funds are split.

## **Investment Unit Price**

The price at which Units are credited and/or cashed out.

## **Fund Valuation**

The process through which the values of the Investment Units of the Funds are calculated.

## **Pension Benefits (Benefits)**

Means the amounts which are payable upon retirement.

# *Advantages and benefits of creating the Smart Future, EuroLife's Occupational Pension Plan for you and your employees*

---

- It creates a positive image and reputation for your business, helping to attract new employees.
- It increases the motivation and the productivity of employees in the event that your contributions are linked to the performance of the profits made by your employees and/or your company's profits.
- It creates a sense of responsibility and concern for your employees, hence reducing the potential of them moving to another company.
- As far as taxation is concerned, it is an effective way to increase the benefits and the income of your employees.
- It helps employees to save in order to have a better income during retirement.

## *Let's talk about the Plan*

---

The pension plan is one of the biggest life investments for your company's employees. It is therefore time, to study the plan in more detail in order to be able to fully exploit the benefits and the flexibility that it offers. Follow these simple steps in order to understand the Plan better.

## *What you want and need to know*

---

**05.** Smart Future, EuroLife's Occupational Pension Plan

**08.** Investment Philosophy

**09.** Investment Options

**12.** Administration and Servicing

**13.** Tax Benefits

**14.** Plan Fees



# Smart Future, EuroLife's Occupational Pension Plan

05.



EuroLife offers you a comprehensive pension plan for your employees in order to provide them an effective way to save money for their retirement.

How the Plan Works:

- Each employee has his own defined contribution Pension Account. It consists of two main parts: the employee's share and the employer's share.
- Each member can choose his investments based on his personal investment profile. A member can also modify his investment choices at any time at no extra cost.
- When a member retires, the savings on his account may be used in order to ensure a retirement income.

## Legal and Tax Framework of the Plan



EuroLife is subject to the supervision of the Superintendent of Insurance who reports to the Ministry of Finance. The Plan is governed by Class VII of the insurance legislation "Management of Group Pension Funds". It is considered to be an approved Provident Fund for tax treatment purposes.

BOC Asset Management Ltd who manages the investments of the Plan is subject to the supervision of the Cyprus Securities & Exchange Commission.





Employer contributions  
(if any)



Employee contributions  
(if any)



Transfers from another  
Pension Provider  
(if any)



Additional Voluntary  
Contribution



Employee's  
Pension  
Account



Investment  
Options



Returns  
on Investment



Employee's  
Pension  
Benefits

## Plan Characteristics



### Flexibility of design

You can set your own criteria and the level of your contributions for the participation of your employees in the Plan.



### Flexibility with regards to contributions

Each member of the Plan may choose the amount of the contribution. Both you and your employees can increase or reduce your contributions at any time. You can also make a lump sum payment whenever you want. As an employer you have the right not to contribute, thus offering the Plan to your employees on a voluntary basis.



### Flexibility to transfer from another Pension provider

If an employee already has retirement savings in another plan or provider, he/she can transfer them to your plan if he/she wishes without any extra charge provided there is a possibility to do so.



### Flexibility with regards to investments

Each member of the Plan may choose his investments on the basis of his/her personal investment profile and horizon. He/she may also modify his/her investment choices at any time at no additional cost (see the options in detail at page 8).



### Flexibility with regards to the manner of payment upon retirement

When a member of the Plan retires, the savings in his account may be used to guarantee a retirement income for him/her.

The member has a choice as to the way in which his/her tax-free pension benefits will be paid:

- As a lump sum
- Withdrawals at regular intervals through a personal insurance plan
- Transfer to another similar plan



### Flexibility with regards to the payment of benefits in the event of withdrawal from the Plan

In case of early withdrawal, the member has the possibility to immediately collect his/her benefits or to transfer them to another occupational pension plan or to a personal investment plan.

## *Investment philosophy*

The investment management of the funds is undertaken by BOC Asset Management ("BOCAM"), operating under a license from the Cyprus Securities and Exchange Commission (license number MC UCITS 5/78/2012). BOCAM is limited liability company registered in Cyprus with registration number HE358707. BOCAM is a leader in the provision of investment services to institutional pension and provident funds adding long-term value in their investment portfolios.

The investment approach followed in the Investment Funds of the Plan focuses in the following areas:

### **Diversification**

Diversification of investments in the global markets.

### **Investment movements**

Medium to long term horizon in investment decisions.  
Tactical rebalancing of the funds to their strategic target.

### **Investment risks**

Global diversification in different asset classes, geographical area and sectors.

### **Investment procedures**

Strict internal investment procedures and monitoring of the Investment Funds at the level of an Investment Committee.


### **Liquidity**

Maintaining adequate liquidity in cash and cash equivalents. The Investment Funds are invested in highly liquid financial instruments.

### **External investment managers**

Use of reputable global investment funds with a focus on low cost passive funds.





Each member of the Plan may choose the manner in which his/her Account is invested through a variety of investment options.

The amount that the member will receive upon retirement, will greatly depend on the performance of his/her investment choices as well as the amounts of contributions made into Plan.

## *Your employees' investment approach*



Investment options will depend on the approach that a member wants to pursue, as well as his/her investment profile. Realizing the need for selecting an investment strategy that will make everyone feel at ease, EuroLife has adopted two different philosophies concerning each member's investment choices and desires: Hands-On & Hands-Off.



# Hands-On



Active management of investment percentages by the member amongst different investment funds, each of which has its own investment policy and different risk and return profile.

## “Hands-On”

### Active Choice amongst Investment Funds

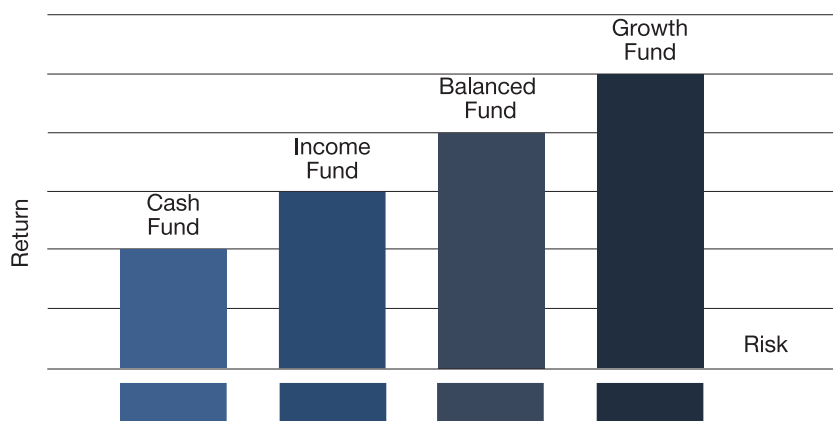
Each member can actively select and allocate the investment percentages amongst four different investment funds. The expected return of each Fund in relation to its risk is reflected in the following graph:

### Performance

To assist the member in making his/her selection of the most suitable fund, we have designed a specialized tool which is aimed at achieving the best possible long-term objective set by the member upon his retirement.

With this tool, the member can identify the fund that corresponds to his/her own risk and return profile.

This tool is available on our website.



### Why should a member choose the «Hands-On» approach?

The «Hands-On» approach gives the following advantages:

- More control over investments with specific fund options
- Ability to take advantage of market trends to achieve higher returns



# Hands-Off



Automated identification of the member's investment percentages in the different investment funds, adapted to his/her own personal risk and return profile, as well as to the number of years remaining until the member's retirement age.

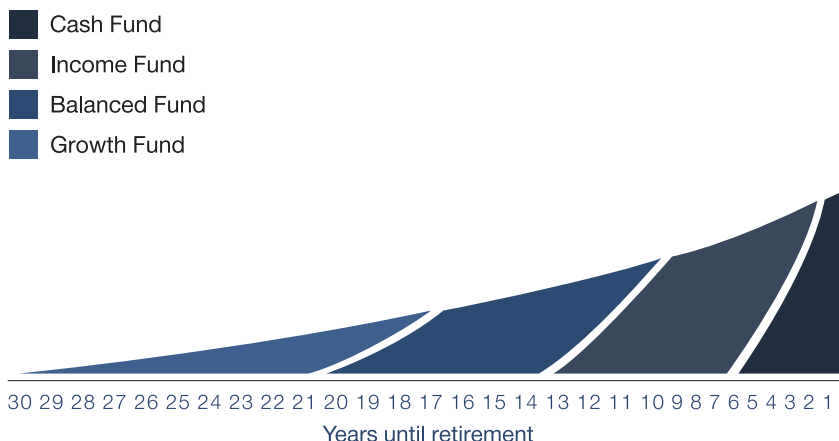
## “Hands-Off”

### The innovative Lifestyle choice!

The Plan gives access to a new innovative approach concerning each member's investment choices. The Lifestyle strategy offers the possibility to identify the investment percentages in any investment fund in an automated way. An example of the automatic identification of investment percentages is shown in the graph below:

## Investment analysis with your investment choice

Each member can choose between three “lifestyle” options. The low risk option, the medium risk option and the high risk option. A specialised tool is available on our website in order to enable a member to choose the most appropriate “lifestyle” option.



## Why should a member choose the «Hands-Off» approach?

The «hands-off» approach gives the following advantages:

- Elimination of incorrect investment decisions that are influenced by human factors
- An automated solution enabling a member not to waste time when managing his/her investments.



## Administration and Servicing

### Specialized personnel

We have a strong team which is composed of highly trained personnel with long experience and which, with the use of specialized systems, can provide for you and your employees the following:

- Support in choosing the Investment Fund which meets your goals and preferences
- High quality administration and management of the Plan and of the members accounts

### Call centre

We have a specialized call centre which is available to your members for any enquiries and clarifications.

### Information

Your members will be provided with annual statements of their account and they will have access to online information relating to their account via a secure website.

You and the members can also be given direct information at any time upon request.

### Specialized support tools

In order for your employees to be able to plan their retirement in the best possible way and to anticipate the evolution of their pension Account benefits, the following support tools are available on our website:

- analysis of investment profile tool
- projection of retirement benefits tool
- lifeneeds calculator





Smart Future is an approved Provident Fund for tax treatment purposes.

## ***Tax exemption on the amount of contribution made by the employer***

---

Any contributions made by you in the Plan as an employer are deductible from the taxable income up to the amount of 10% of the gross salary of each employee who is a member of the Plan.

## ***Tax exemption on the amount of contribution made by the employee***

---

If a member pays his own contributions in the pension Plan, the amount of these contributions is deducted from his/her income for tax calculation purposes. This means he/she will pay income tax only on his remaining income, ensuring a great way of making savings towards his/her retirement as well as reducing his tax costs. Applicable legislation limits the amount that each member can contribute in the Plan every year as well as the amount of tax relief to which he/she is entitled. This amount is 10% of the employee's annual gross income after taking into account the relevant provision which limits this amount to 1/5th of the income.

## ***Tax deductions on investments***

---

Unlike other saving methods, according to the applicable legislation, this Plan has the potential for tax deductions on investments. This means that the Plan can benefit from additional income from investments, which is credited to the member's account until the date of his/her retirement when he/she finally receives the pension benefits.



The total cost of the Plan arises from two separate fees:

- a) a plan implementation charge per member, charged only at the start of the Plan, based on the number of members that will join the Plan
- b) a monthly management and administration fee as a percentage of each member's account balance.

The fee does not add cost to the employer as it is deducted directly from the member's account.

## *In order to proceed with the Plan*



You can create the pension Plan for your employees in two simple steps.



### **Step 01.**

Fill out the application form.



### **Step 02.**

Send the application form to EuroLife.



[pensions@eurolife.bankofcyprus.com](mailto:pensions@eurolife.bankofcyprus.com)

The Plan is part of EuroLife Ltd's Corporate & Business Insurance EuroLife Ltd.  
Head Office Address: EuroLife House 4, Evrou Street, CY-2003 Strovolos P.O. Box 21655,  
CY-1511 Nicosia Tel.: 22 124000, Fax: 22 341090, [www.eurolife.com.cy](http://www.eurolife.com.cy), Contact Line 8000 8880

