

smart *Future*

Occupational
Pension Plan

Member's Guide

EuroLife





We inspire reliability

The future and quality of your life during your retirement, are determined to a great extent by the decisions you are called to take today regarding your retirement planning. Even if this may seem quite distant to you, you should be aware that the right decisions that you take today are the ones that will make the difference tomorrow.

Being well aware of the questions and concerns that arise in the search of the right pension plan for you, we encourage you to carefully read the “Member’s Guide” in order for you to start planning for your retirement. The Guide explains the important features and options of Smart Future Occupational Pension Plan (the «Plan»), whilst also providing you with useful advice on planning for your retirement.

For a better understanding of the relevant definitions and expressions referred to in the Plan, please consult our pension dictionary.

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.

Let's talk about your Plan

Our pension Plan is one of your greatest life investments. 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 your Plan better.

What you want and need to know

05. Why is it important to plan for my retirement?

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Why is it important to plan for my retirement?



We all think of the day when we will be able to break free from the routine of our job upon our retirement, having ensured our comfort and quality of life in advance. For this reason, taking action today gives you the opportunity to achieve your goals and desires during your retirement.

How much money will I need for my retirement?



If your retirement is still far away, it may be difficult to calculate exactly how much money you will need during your retirement.

It is also difficult to answer questions such as:

- Do you think you will spend more money during your retirement than you do today?
- Would you like to spend your savings on dream vacations, to repay any loans or to live a simple life?

EuroLife provides you with useful advice and tools that you can use to better understand the amount of money that you may need during your retirement, and what you can do to accumulate sufficient savings. Industry experts and relevant studies generally indicate that in order to secure your standard of living, you should aim at a retirement income of 70% to 80% of the income before retirement (including the pensions received from Social Insurance).



When would you like to retire?

The time of your retirement may depend on many factors - such as your interests, your savings and your health. The usual retirement age is the age of 65. Nevertheless, many people may decide that they want to extend their employment with their company's consent (at least part time) for much longer.

It is important for you to think about your retirement plans, as well as how many years you have left to make savings:

- Do you need to increase your pension contributions to achieve your goals?
- Do you need to undertake more risk with your investments, in order to try to increase your pension benefits?
- Would it help if you delayed your retirement day in order to give yourself more time to make savings?

Enhance your pension benefits

Enhancing your pension benefits is a great start to make your dreams come true. The state offers tax relief in order to encourage citizens to save for their retirement. The tax benefits of saving for retirement are quite generous within certain limits. To find out more about the taxation of your Plan please read page 11.



What is Smart Future, EuroLife's Occupational Pension Plan?

EuroLife Occupational Pension Plan Smart Future is a comprehensive pension plan.

Legislative 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.

The piggy bank for your retirement!

Your Plan is like a piggy bank specifically designed to provide you with an income during your retirement. By saving money today, you can secure the amount you will need in order to live the life you want upon your retirement.

How does the Plan work?

Smart Future helps you to make savings in a simple and effective manner for your retirement.



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

Your Pension Account



As a Member of the Plan, you have your own defined contribution pension Account. This means that the money in your Account is invested in order to assist you to increase your savings.

To find out more on how to operate and manage your Account, please read page 15.

Your Employer's Contribution for your retirement



It is very likely that your employer will be contributing to this Plan. This means that in addition to your salary, your employer may also contribute by making an additional payment in the Plan until your retirement.

Your own additional contributions



Even though your employer may be contributing to your pension Plan, this money may not be enough for you to achieve your savings goals. If your financial situation allows it, you may wish to consider the possibility of making additional voluntary contributions into your Account.

Transfer from another Pension Provider



If you already have retirement savings in another plan or provider, you may transfer them to your Plan if you wish so and provided that it is possible for you to do so.



Your investment options

Your Plan gives you the opportunity to choose where you wish to invest your accumulated money.
The amount that you will receive upon your retirement will greatly depend on the return of your investments.
To find out more about your investment options, please read page 17.

Borrowing flexibility

The Plan offers you, in specific cases, the possibility of borrowing by cashing out units from your account with zero interest rate.

Your Pension Benefits

When you retire, the savings in your account could be used to secure a retirement income.
On the basis of the existing legislation, you could also receive your entire savings as a tax-free lump sum payment.

Specialised support tools


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

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

Access to your Account 365 days per year


Through myeurolife portal, you have instant access to all the information of your account and also the ability for alterations.

What are my Tax Incentives?



The State provides a series of tax incentives in order to encourage you to save for your retirement. To ensure the proper usage of these tax incentives there are some limits and restrictions.

Income tax on the amount that you contribute



If you pay your own contributions to the pension Plan, the amount of these contributions will be deducted from your income for tax calculation purposes.

This means that you pay income tax on your remaining income only - ensuring a great way to save for towards your retirement, as well as reducing your tax costs.

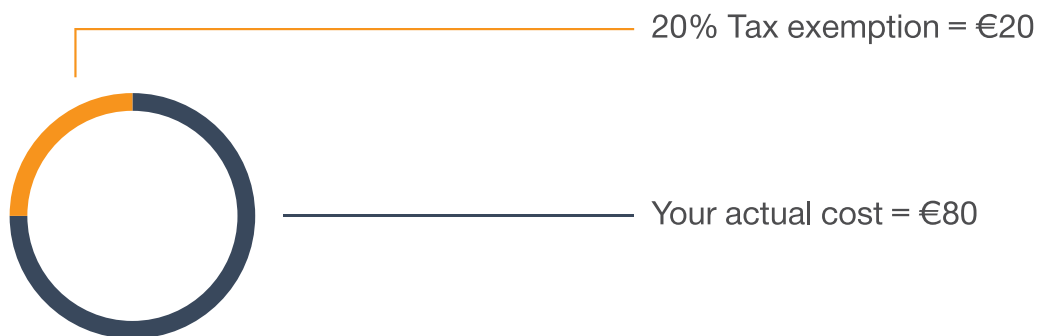


Convert €80 to €100 with tax relief on your contributions

If you make your own contributions to your pension Plan, the State will give a small boost to your savings in the form of tax relief.

For instance, investing €100 in your pension Plan, may cost you €80 after tax or as little as €65, for example, if you fall within the highest taxation rate.

Taxed at 20% by making a contribution of €100



Taxed at 35% by making a contribution of €100



Limits on tax relief

To ensure the proper usage of these tax incentives there are some limits and restrictions.

Existing legislation limits the amount that you can contribute in your Plan every year as well as the amount of tax relief to which you are entitled. This amount is 10% of your gross annual income annual income after taking into account the relevant provision which limits this amount to the 1/5th of the income. You may contribute a larger amount, but your contributions above the limits mentioned above will be taxed with income tax.

	Example A	Example B
Annual income	€ 20.000	€ 30.000
(a) Social Security Insurance (note 1)	€ 1.660	€ 2.490
Annual Percentage of Personal Contributions to the Plan	5%	10%
(b) Annual Percentage of Personal Contributions to the Plan	€ 1.000	€ 3.000
Total (a) & (b)	€ 2.660	€ 5.490
Maximum amount of Tax exemption (note 2)	€ 4.000	€ 6.000
Taxable income	€ 17.340	€ 24.510

(1) 8.3% on income with a limit of up to €54.864

(2) 1/5th of income

For more information about tax relief, please visit the Tax Department website.

The above is given for informational purposes only and does not constitute tax advice. Please consult your tax advisor if you need tax advice.



Tax deductions on investments

Unlike many other ways of making savings according to the existing legislation, the Plan has the potential for tax deductions on investments. This means that the Plan benefits from additional income from investments which are credited to your Account until the date of your retirement when you will finally receive your pension benefits.

Tax treatment of your pension benefits

Your pension benefits are tax free.

How does my Pension Account work?



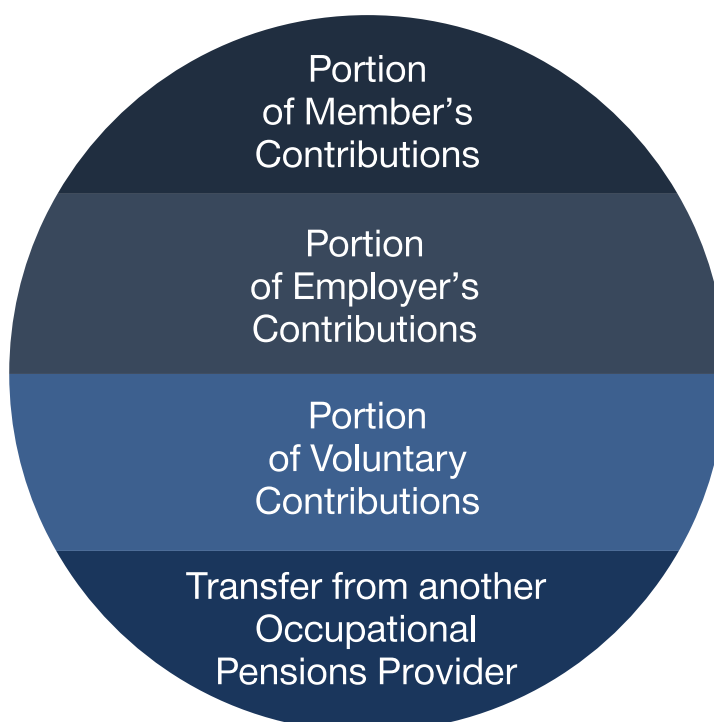
Participation in the Plan is ensured by a defined contribution pension account.

Your Account Operation



Your Account consists of two main parts: the part of your employer's Contributions and the part of your own Contributions. There may be a third part in case you wish to enhance your pension benefits, by contributing voluntarily and in addition to the contributions that may be stated in your employment agreement with your employer. Finally a forth part might be the transfer of Contributions to your account from another Occupational Pensions Provider.

Your Pension Account



The Value of your Account

By paying each Contribution into the Plan, your Account is credited with Investment Units.

The value of your Account at any time is the number of Investment Units which are credited to your account times the price of the Units. The price of the Units varies on the basis of the Investment Fund and the return on its investments.



Flexibility in your Plan

Your Plan allows you to modify your Account at any time as follows:

- **Modification of Contributions:** You and your employer may reduce or increase your Contributions at any time.
- **Additional Lump Sum Contribution:** Provided that there are no delays in paying Contributions, you may make any additional Lump Sum Contributions at any time, hence increasing the number of Investment Units which are credited to your Account.
- **Change of the Allocation of Contributions:** After the initial allocation choice of your Contribution to our Investment Funds, you may change the allocation of your future Contributions at any time.
- **Exchange of Investment Units:** You may exchange Investment Units between Investment Funds at any time. The number of Investment Units allocated will be calculated in such a way so that their value is equal to the value of Investment Units that are being exchanged.

What Investment Options do I have?

You may choose the manner in which your Account is invested through a variety of investment options. The amount that you will receive upon your retirement will greatly depend on the performance of your investment choices as well as the amount of contributions made into Plan.

Your investment approach!

Your Investment options will depend on the approach that you want to pursue, as well as your investment profile. Realising your need for selecting an investment strategy that will make you feel at ease, the Company has adopted two different philosophies concerning your investment choices and desires: Hands-On & Hands-Off.



Hands-On



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

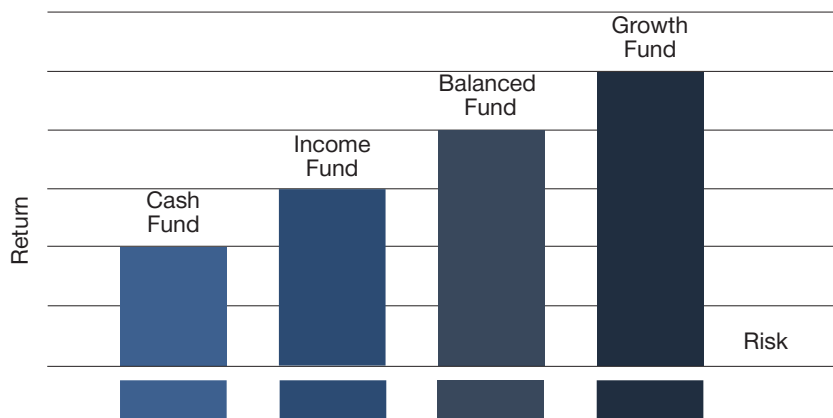
“Hands-On”

Active Choice amongst Investment Funds

You 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 you in making your selection of the most suitable fund, we have designed a specialised tool which is aimed at achieving the best possible long-term objective set by you, upon your retirement. With this tool, you can identify the fund that corresponds to your 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 advantages of market trends to achieve higher returns



Hands-Off



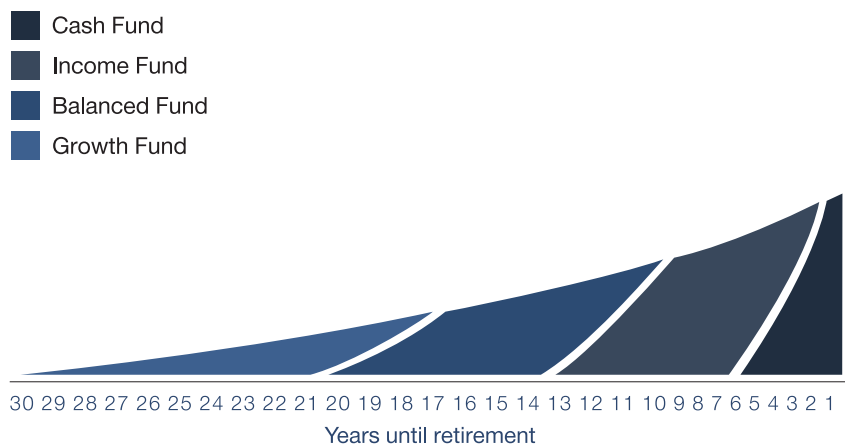
Automated identification of your investment percentages in the different investment funds, adapted to your own personal risk and return profile, as well as to the number of years remaining until your retirement age.

“Hands-Off”

The innovative Lifestyle choice!

The Plan gives you access to a new innovative approach concerning your investment choices. The Lifestyle strategy offers you 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.

You 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 you to choose the most appropriate “lifestyle” option.



Why should I choose the “Hands-Off” approach?

The «Hands-off» approach gives you the following advantages:

- Elimination of incorrect investment decisions that are influenced by human factors
- An automated solution enabling you not to waste time when managing your investments

Importance of Review

After you make your choice, do not forget to regularly review your investment options to make sure that they help you to achieve your savings goals.

What options do I have in the event of withdrawal?

Your options in the Plan before your retirement are described below.

Is it obligatory to remain a Member of the Plan?

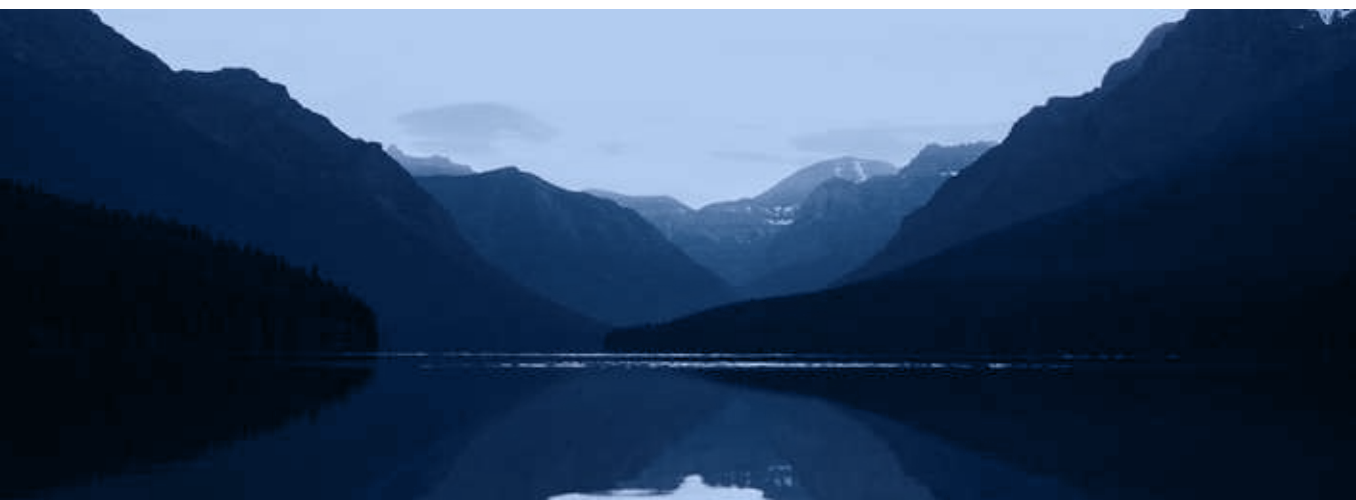
Provided that your employer allows it, you can withdraw from the Plan at any time. Nevertheless, it is very likely that you will lose some of your valuable benefits, such as the contributions that may be paid by the employer on your behalf. You can reinstate your participation in the Plan only after the employer's consent.

What happens if I leave from my employer before my retirement?

In case of early withdrawal from the Plan, your benefits may depend on the duration for which you were a member of the Plan. This will be determined mainly by the employment agreement with your employer. For instance, it is possible that you may not have the right to a share of your account which corresponds to the contributions made by the employer.

For the remaining portion of your account, you can choose to:

- Get the value of the account in a lump sum, or
- Transfer your account to another pension plan



What options do I have upon retirement?

Your savings with Smart Future may provide a substantial income during your retirement. Discover your options during your retirement as well as when you can have access to your pension benefits.

When can I have access to my pension benefits?

The usual retirement age is 65 years, but early retirement is available with your employer's consent. This means that you can have access to your pension benefits from the day that you retire from your employment.

What are my options when I retire?

There are a number of options available to you when you retire. The various options available are explained below.

- **Lump sum:** You may choose to get all your savings in one lump sum.
- **Withdrawal:** If you exercise this option, your Account will be transferred to an individual insurance plan in which we will pay you a pre-determined amount on an annual, semi-annual, quarterly or monthly basis, whilst in parallel reducing the Investment Units which are credited to your Plan.
- **Transfer:** Your Account may be transferred to another similar Plan under the terms of the Plan in which your Account is transferred.

Where to apply for further assistance?

Contact us by Mail

Customer Service Department
EuroLife House
4, Evrou Street, 2003 Strovolos
PO BOX 21655, 1511 Nicosia
Cyprus

Contact us Online

Visit our website

www.eurolife.com.cy/epixeiriseis/sintaxiodotika/smart-future for:

- Information about your Plan
- Details on your investments
- Forms for making amendments to your Plan
- Advice and access to support tools for a better planning of your retirement

Contact us by Phone

Customer Service Department
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