

Important Information about the life assurance 1% premium levy

The Minister for Finance announced the introduction of a new 1% levy on premiums to Life Assurance policies in the supplementary budget in April 2009. As a result of this announcement, Phoenix Ireland must collect an additional 1% of the premium invested in life assurance policies on or after the 1st August and pass this onto the Government.

For more information please see our Questions & Answers below:

What is the new life assurance premium levy?

It is a 1% levy on all premiums invested in life assurance policies which includes Pensions, Investment and savings plans

When is it effect from?

The new 1% levy is effective from 1 August 2009

What types of policies are affected?

- Protection policies (including mortgage protection and group policies)
- Savings and Investments
- Pension Plans which include ARF's, Annuities, Buy out Bonds and PRSA's

How will the levy be calculated?

It will be calculated as 1% of the premium invested – i.e. if your premium is €10 a month, your premium will increase by 1% (€10 x 1% = 0.10c) Therefore your revised premium will be €10.10 per month.

How will this affect my policy?

The levy will not affect the benefits under your policy. However premiums invested will increase by 1% on or after the 1 August 2009 and the additional 1% collected will be paid to the government.

When will Phoenix Ireland start to collect the 1% levy?

We will start to collect an additional 1% of your premium from October 2009. However, due to the time required to program and document the 1% levy changes into our administration systems, we will be collecting the outstanding levy from your premiums in arrears and thereafter as premiums are paid. We will not deduct the levy from any premiums invested during August & September 2009; the cost of this will be absorbed by the company.

What do I have to do?

If you pay by direct debit, you don't have to take any action as we can adjust your premium by the 1% required. If you pay by cheque or standing order, you will need to increase your payment by 1% in October 2009.