

GROUP LIFE ASSURANCE SCHEME

POLICY DOCUMENT

FOR

National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme

Underwritten By: Zurich Life Assurance plc

Zurich Life Assurance plc

Zurich House,
Blackrock,
Co. Dublin.

AGREES

to pay, to the person or persons entitled, any sums which may become payable by it in accordance with the terms of this Policy.

GROUP LIFE COVER POLICY NUMBER G004787

POLICYHOLDER	Trustees of the National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme
PREMIUMS	In accordance with the provisions of this Policy
EFFECTIVE DATE	1st December 2019
RENEWAL DATE	1st December
REVISION DATE	1 st December
NEXT REVISION DATE	1st December 2023

SIGNED for **Zurich Life Assurance plc**



This 28th day of January 2020.

PROVISION 1 - DEFINITIONS

In this Policy wherever used:

- 1.1 "The Company" means Zurich Life Assurance plc.
- 1.2 "NFVSP" means the National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme.
- 1.3 "Benefit" in respect of any Member means the Benefits as defined in Provision 5 and Schedule A to be provided in respect of each Member.
- 1.4 "Member" means any member of the NFVSP who has been notified to and accepted by the Company and in respect of whom the appropriate premiums have been paid.
- 1.5 "Policy" and "Scheme" mean Group Life Cover Policy Number G004787
- 1.6 "Policyholder", "Effective Date", "Renewal Date", and "Revision Date" have the meanings given on the front page of this Policy.
- 1.7 "Salary" and "Terminal Age" have the meanings given in Schedule A.
- 1.8 Words importing the masculine gender include the feminine.

PROVISION 2 - GENERAL

2.1 Entire Contract Contained Herein - This Policy, the application for it, the Members individual application forms, any health declarations and any amendment to the Policy agreed upon in writing after the Policy is issued constitute the entire contract.

2.2 Currency and Place of Payment - All amounts payable under this Policy, either to or by the Company, shall be paid in the currency of Ireland at the Company's Head Office.

2.3 Law - This Policy shall be governed by and construed in accordance with the laws of Ireland.

2.4 In the event of any dispute between the Company and the Policyholder concerning any matters arising from this Policy the dispute will be referred to an Arbitrator agreed by both parties. The Arbitrator will regard this agreement rather from the standpoint of practical business and equity than from that of strict law and their award will have regard to these principles. Otherwise the Arbitrator will hear and determine the dispute pursuant to the provisions of the Arbitration Act 1954 and 1980 and any amendments thereof.

In the event of a dispute between the Company and an individual Member the dispute will be referred to the Financial Services Ombudsman for adjudication in accordance with Section 16 and schedules 6 & 7 of the Central Bank and Financial Services Authority of Ireland Act 2004.

2.5 In the event that any one or more of the provisions contained in this Policy shall be invalid or unenforceable, the validity and enforceability of the remaining provisions contained herein shall not in any way be affected and the Policy shall apply as if the invalid an/or unenforceable provisions had not been included.

2.6 Subsequent Legislation

If at any future time as a result of current or subsequent legislation the investment rights of the Company are restricted or removed or it becomes impossible or impractical to carry out any or all the procedures laid down in this policy, or a premium or additional tax, stamp duty or levy is imposed, then the Company shall have the right to make such adjustment in the premiums or the basis of calculating the benefits under the policy as the Actuary shall determine.

PROVISION 3 - PREMIUMS

Payment and Amount of Premiums

- 3.1 Premiums due from the Policyholder shall be payable monthly in arrears, with the first instalment of the Premium falling due on the Renewal Date, or for new entrants on the next payment date following acceptance by the Company. The rate of the Premium is shown in Schedule B.

Insurance On Special Terms.

- 3.2 Where the Company charges an additional Premium in respect of a Member under Provision that Premium will not be charged to the member but shall be added to the overall premium rate calculated at the next renewal date.

Days of Grace

- 3.3 Thirty days of grace are allowed for the payment of any instalment of Premium. Should the Member die during the said period of grace, any instalment then due and unpaid shall be deducted from the amount otherwise payable on settlement of the claim. The Company shall have no liability in respect of any claim for benefit occurring after the period of grace has expired except in the case of inadvertent non-payment of Premium, if the Company in its absolute discretion agrees to admit liability.

Payment of Premiums in the Event of Sick Leave and Career Breaks

- 3.4 Where a member becomes absent from work due to illness or injury, premiums must continue to be paid for that member while he is in receipt of sick pay. Premium will be waived by Zurich in the following cases:

SPS Members:

Where a member is on sick leave and is a member of the National Federation's Pension Scheme and Salary Protection Scheme (SPS), and while serving his deferred period under the SPS (i.e. 6 months), life cover will be maintained when:

- the member is in receipt of sick pay during his deferred period and the employer continues to pay the group life premium to Cornmarket.
- the member is not in receipt of sick pay, Zurich have agreed to waive the group life premium for any length of time during the deferred period the member is on unpaid sick leave.

Once the SPS member goes into claim after serving their deferred period, the Employer will submit the member's life premium to Cornmarket from the 12% pension contribution the employer receives from the SPS provider, currently, Aviva.

When the Salary Protection Scheme ceases at age 60, Zurich will waive the premiums due under the Group Life Scheme for these claimants until age 65 or their return to work if earlier.

There will be a waiver of the NFVSP Group Life premium for members who are claimants of the NFVSP Salary Protection Scheme and their claim is in appeal / declined but remains on sick leave.

If a member is claiming from the Salary Protection Scheme and if they are issued with a notice of termination of employment, their group life cover is maintained as the 12% pension payment includes their group life premium. However, waiver of premium does not apply to Salary Protection Scheme claimants who take Ill Health Early Retirement and draw down their pension. Their group life will cease immediately if a member draws down their pension.

Life Cover Only Members:

Where a member is a Life Cover Only member (i.e. member of National Federation's Pension Scheme but not a member of the Salary Protection Scheme), the following should be noted:

- When the member is in receipt of sick pay from his employer, life cover premiums must continue to be submitted to Cornmarket by the employer.
- When the life cover only member's sick pay is exhausted and they commence unpaid sick leave, their life cover will be extended and premium waived by Zurich for all new unpaid sick leave members commencing on or after 1/10/18.
- If any member commenced unpaid sick leave prior to 1/10/18, they must have been included in the 1/10/18 Employers submission list sent to Cornmarket in order to be covered for group life and their premiums waived.

Zurich will waive the premiums due under the Group Life Scheme for life cover only members on unpaid sick leave until age 65 or their return to work if earlier, provided the above conditions are met. However, where a member on unpaid sick leave or unpaid protected leave has his employment terminated his life cover will cease immediately.

Where a death claim arises for an unpaid sick leave member post 01/10/2018, Zurich will require proof at date of death that the member was a continuing employed member on unpaid sick leave which commenced after this date.

Protected Leave:

Protected leave includes Maternity Leave; Adoptive Leave; Parental Leave; Paternity Leave; Carer's Leave; Health & Safety Leave; Force Majeure Leave. If any member is on paid protected leave their group life premium should continue to be remitted by their employer to Cornmarket. Those on unpaid protected leave will be covered for group life and their premiums will be waived by Zurich, if the protected leave commenced on or after 1/10/18.

Career Breaks:

Individuals who take a career break will not be covered for group life with effect from the Scheme's review date i.e. 1st December, 2019. Members who commenced their career break between the period 1st January, 2018 and 30th November, 2019, will continue to be covered for group life until the end of their career break up to a maximum of 5 years in total.

PROVISION 4 - MEMBERSHIP

Eligibility

- 4.1 All existing Members of the previous scheme as advised to the Company by the Policyholder became Members of the Scheme at the Effective Date. Membership of the Scheme is automatic for all new employees of participating employers who are members of the NFVSP Pension Scheme.

Commencement of Insurance

- 4.2 All new applicants for membership are automatically covered for Benefit from the date of joining service, provided premiums are being paid for that member, if due.

Evidence of Insurability

- 4.3.1 Evidence of insurability shall be submitted to the Company in respect of any person who is not an automatic entrant and joining at their first opportunity, at the time he applies to become a Member.
- 4.3.2 Where evidence of insurability submitted to the Company under provision 4.3.1 is not satisfactory to the Company, the Company may:
- (a) impose such restrictions on the Benefit in respect of that Member as the Company thinks fit but so that, where such evidence of insurability was required in connection with a proposed increase in Benefit, such restrictions shall not reduce the Benefit in respect of the Member so that they are less than they were immediately before that increase was proposed.
 - or
 - (b) with the consent of the Member, charge an additional Premium in respect of that Member.
 - or
 - (c) decline acceptance of the application for membership
- 4.3.3 Where evidence of insurability submitted to the Company under provision 4.3.1 in respect of any Member is satisfactory to the Company, the Company shall not request fresh evidence of insurability in respect of that Member unless and until the total annual amount of Benefit in respect of that Member has been increased by such amount as the Company shall from time to time notify to the Policyholder
- 4.3.4 The Company shall not cancel a Member's membership of the Scheme on account of any incorrect declaration or statement made in connection with application for membership or in respect of an increase in Benefit under Provision 4.3.2, unless such declaration or statement can be shown by the Company to have been knowingly or recklessly untrue. Where membership is cancelled under this Provision, all Premiums paid by the Member from the later of the Effective Date or the date of commencement of Insurance, shall be refunded to the Member, and the contract in respect of that Member shall be void.

Cessation of Insurance

- 4.4 The insurance of any Member shall immediately terminate upon the happening of any one of the following events:-
- (a) discontinuance of payment of Premiums by the employer under this Policy except as provided for in Provision 3.3.
 - (b) cancellation of this Policy under Provision 6.
 - (c) the date on which the Member ceases to be a member of the National Federation of Voluntary Service Providers (NFVSP) or ceases to be an employee of one of the participating employers of the NFVSP, unless that member is an insured member in receipt of Salary Protection.
 - (d) the date of attainment by the Member of the Terminal Age.
 - (e) cancellation of membership under Provision 4.3.4.

PROVISION 5 - BENEFITS

- 5.1 Subject to the provisions of this Policy, the Company will, on proof of a member's death, pay the Death Benefits to the Policyholder

On proof of the diagnosis of a Terminal Illness of a Member after the Effective Date and before the Member's 62nd birthday exact, 25% of the Death Benefit for that member will be paid in a lump sum and thereafter the life cover for that member will reduce by the amount of the Terminal Illness Benefit. Terminal Illness is defined as an advanced or rapidly progressing, incurable illness where, in the opinion of the Company's Chief Medical Officer, the member's life expectancy is no greater than 12 months. This diagnosis must be given to and accepted by Zurich at least 12 months before the members 62nd birthday.

- 5.2 The Benefit Payable shall be:

Three times applicable salary at time of member's death as specified in Schedule A

- 5.3 If for any reason the Benefit is not paid within 30 days of the date of receipt of written notification to the Company of the death of the Member, the Benefit shall be increased at a rate determined by the Company in respect of the period from the date of death to the date of payment.

Information

- 5.4 Proof of age of the Member must be submitted to the Company before any Benefits are paid in respect of that Member. Misstatement of the age of the Member will not invalidate this Policy, but if it is found that the age of the Member has been mis-stated and the Member was outside the age limits at his date of death no Benefit shall be payable.

- 5.5 The Grantee or the representatives of the deceased Member on the instructions of the Grantee shall furnish the Company with such information and documents as may reasonably be required to enable the Company to make payment of any Benefits claimed and liable under this Policy. The Company shall not avoid payment of benefit due in respect of a Member under this Policy on account of any incorrect declaration or statement unless such declaration or statement can be shown by the Company to have been knowingly and recklessly untrue. Should payment of benefit in respect of a Member be so avoided all premiums paid by the Member from the later of the Effective Date or the date of commencement of Insurance shall be refunded to the Member's Executors or Administrators and the contract in respect of that Member shall be void.

PROVISION 6 - VARIATION, AND CANCELLATION

Change of Premium Rate

- 6.1 The Premium Rate set out in Schedule B is guaranteed until the next Revision Date. Upon giving to the Policyholder 60 days previous notice in writing, the Company may vary any of the terms of Schedule B with effect from the date of expiry of the period of notice, or the next Revision Date if later.

Variation

- 6.2 Subject to Provision 6.1 the Company may, upon giving to the Policyholder 60 days previous notice in writing, vary any of the terms of this Policy with effect from the date of expiry of this period of notice or the next Revision Date if later.
- 6.3 Notwithstanding Provisions 6.1 and 6.2, the Company reserves the right to vary any of the terms of this Policy or to cancel this Policy at any time in the event of any or all of the following occurring:
- (a) if any Premium remains unpaid after the expiry of the days of grace or such longer period as may be allowed by the Company under Provision 3.3.
 - (b) if the total number of Members falls below the specified percentage reduction in membership as outlined in Schedule B.

Cancellation

- 6.4 Upon the cancellation of this Policy by the Company under provision 6.3 or by the Policyholder, the Policyholder shall remain liable for any Premiums due in respect of periods before the effective date of such cancellation.
- 6.5 Upon the cancellation of this Policy by the Company under Provision 6.3 or by the Policyholder, the Company shall not be liable to provide Benefit in accordance with the provisions of this Policy in respect of any Member whose Death occurs after the effective date of such cancellation.

SCHEDULE A

1. In this Policy:-

"Salary" of a Member means a members annual salary at date of death or in the case of Terminal Illness the members salary at the date the claims is accepted by Zurich Life.

Definition of Salary

The definition of salary for the purpose of life cover includes basic pay together with a number of fluctuating items (on which pension contributions are paid) as follows:

- i. Basic Pay – i.e. basic hourly rate applicable to grade in which staff member is contracted to work
- ii. Saturday Allowance
- iii. Sunday & Bank Holiday Premium
- iv. Un-Social Hours Premium
- v. Night Duty Premium
- vi. Holiday Premium
- vii. Sleepover Allowance
- viii. Acting Allowance
- ix. Responsibility Allowance
- x. Other Allowances as per Consolidated Pay Scales e.g. Local; On-Call; Qualification Allowance

but excluding (a) overtime paid at a premium rate (b) travel payments and (c) subsistence payments

In relation to the applicable salary to use on the death of an employed member prior to Normal Pension Date, the salary declared shall be the aggregate of the following:

- (a) Basic pay:
 - The annualised amount of basic pay, on which pension was paid, in month in which member passed away or the annualised amount of a higher normal monthly basic pay, on which pension was paid, in the previous **12 month period**; (12 month period includes the month that the member passed away); plus
- (b) Fluctuating Payments i.e. ii – x outlined above
 - The average of the above ii – x payments, on which pension contributions were paid, over the **3 years*** prior to death of the member (36 month period includes the month that the member passed away).
Calculation = Total fluctuating payments / 36 x 12.

** Three years to be used unless a shorter period applicable e.g. a member only commenced work and therefore worked less than a 3 year period. If a member worked less than a three year period, or has less than 3 years of fluctuating payments for example, due to a change in job / role, the average will be calculated based on the average of the number of months that these payments were received, multiplied by 12, to get the annual average for fluctuating payments i.e. Calculation = Total fluctuating payments received / number of months member received fluctuating payments x 12.*

On the death of an Member prior to Normal Pension Date, there shall be payable a lump sum equal to **three times** applicable Salary as defined above.

How to determine the applicable salary for a member who:

1. Dies while in service i.e. today:

Salary will comprise of the aggregate of (a) and (b) as follows:

(a) Basic pay:

The annualised amount of basic pay, on which pension was paid, in month in which the member passed away or the annualised amount of a higher normal monthly basic pay, on which pension was paid, in the previous **12 month period**; (12 month period includes the month that the member passed away); plus

(b) Fluctuating Payments i.e. ii – x outlined above

The average of the above ii – x payments, on which pension contributions were paid, over the **3 years*** prior to death of the member (36 month period includes the month that the member passed away).
Calculation = Total fluctuating payments / 36 x 12.

** Three years to be used unless a shorter period applicable e.g. a member only commenced work and therefore worked less than a 3 year period. If a member worked less than a three year period, or has less than 3 years of fluctuating payments for example, due to a change in job / role, the average will be calculated based on the average of the number of months that these payments were received, multiplied by 12, to get the annual average for fluctuating payments i.e. Calculation = Total fluctuating payments received / number of months member received fluctuating payments x 12.*

2. Dies while in receipt of salary protection:

Salary will be calculated from the 12% pension contributions the employer received from the SPS Provider on a monthly basis i.e. amount received from SPS Provider divided by 12% to get monthly salary; multiplied by 12 to get annualised salary.

Example:

Employer, prior to death of member, received €300 per month from SPS Provider in respect of member's monthly pension protection contribution.

Calculation:

Step 1: €300 / 12% = €2,500 (equals monthly salary)
Step 2: €2,500 x 12 = €30,000 (equals annualised salary)

3. Dies after their salary protection ceases i.e. (a) member attained cessation age of 60 years applicable to Salary Protection Scheme and member continues to remain on unpaid sick leave; (b) member did not satisfy requirements of functional assessment test but remains on unpaid sick leave.

Salary will be calculated from the 12% pension protection contributions the employer received from the Salary Protection Scheme Provider (SPS) on a monthly basis when the member was in receipt of salary protection i.e. amount received from SPS Provider divided by 12%; multiplied by 12 to get annualised salary.

Example:

Employer received €400 per month from SPS Provider for member who has deceased when they were a member of the salary protection scheme in respect of their monthly pension protection contribution.

Calculation:

Step 1: €400 / 12% = €3,333.33 (equals monthly salary)
Step 2: €3,333.33 x 12 = €40,000 (equals annualised salary)

4. Dies while on unpaid sick leave:

Salary will comprise of the aggregate of (a) and (b) as outlined:

(a) Basic pay

The annualised amount of basic pay, on which pension was paid, in month prior to commencement of sick leave or the annualised amount of a higher normal monthly basic pay, on which pension was paid, in the previous **12 month period** prior to commencement of sick leave; plus

(b) Fluctuating Payments i.e. ii – x outlined above

The average of the above ii – x payments, on which pension contributions were paid, over the **3 years*** prior to commencement of sick leave;

* *Three years to be used unless a shorter period applicable e.g. a member only commenced work and therefore worked less than a 3 year period. If a member worked less than a three year period, or has less than 3 years of fluctuating payments for example, due to a change in job / role, the average will be calculated based on the average of the number of months that these payments were received, multiplied by 12, to get the annual average for fluctuating payments i.e. Calculation = Total fluctuating payments received / number of months member received fluctuating payments x 12.*

"Terminal Age" means age 65 exact for all Life Cover and 62 exact for Terminal Illness Cover for all members.

5. Dies and member is a relief staff:

If a relief staff has a contract for a set number of hours, applicable salary will be defined as outlined in the different scenarios above.

However, if a relief staff does not have a basic salary or set contract hours, applicable salary will be defined as follows:

- Sum of their total earnings on which pension was paid over the previous 3 years prior to their death, divided by the number of weeks actually worked and paid over the 3 year period, multiplied by the average number of weeks worked over the 3 year period, to calculate their annualised average salary.

Example:

1. Relief Staff worked 1 week €500, over the last three years
Calculation = $\text{€}500 / 1 \times 1/3 = \text{€}166.66$
Death benefit 3 times $\text{€}166.66 = \text{€}500$
2. Relief Staff worked Year 1 (10 weeks x €500 = €5,000); Year 2 (20 weeks x €500 = €10,000); Year 3 (15 weeks x €500 = €7,500)
Calculation = $\text{€}22,500 / 45 \times 45/3 = \text{€}7,500$
Death benefit 3 times $\text{€}7,500 = \text{€}22,500$

SCHEDULE B

- | | |
|----------------------------------|--|
| (1) Premium Rates | The rate of premium applicable is €0.43 per €100 per annum of Salary, |
| (2) Rate Guarantee Period | The rate guarantee period is 4 years commencing on the Revision Date. The Company has the right to review the rate of premium if at a Scheme Renewal Date the membership of the Scheme changes by more than 20%. |
| (3) Frequency of Payment | Premiums shall be payable monthly the first instalment falling due on the Effective Date and monthly thereafter. |

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