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| **Arion Supplementary Savings- Lífeyrisauki** |  |
| Agreement on supplementary savings |  |

Acc. no. 329-26-001080, ID-No. 640699-9069, lsjnr. 286

**The undersigned beneficiary and Lífeyrisauki, representing Arion Bank hf, hereby enter into the following agreement on supplementary savings.**

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| Name of beneficiary |  | ID-No. of beneficiary |
|  |  |  |
| Name of employer |  | ID-No. of employer |

DECIDE HOW MUCH YOU WANT TO SAVE

Choose how much of your salary you want to put into supplementary savings.

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| --- | --- | --- |
|  |  | 4% of salary |
|  |  | 2% of salary |
|  |  | Other: |

CHOOSE YOUR INVESTMENT PLAN

Your choice of investment plan now supersedes earlier choices of investment plan and may mean you transfer to a different investment plan if you choose Life Line (Ævilína). See Article 6 of the rules on Lífeyrisauki. Further information on investment plans, asset allocation and investment policy can be found on the Arion Bank’s website. The investment policy is reviewed at least once a year and may change according to changes in legislation and/or decisions made by the custodian.

**In Life Line you are automatically transferred between investment plans 1 to 5 as you get older.**

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|  |  | **Investment Plan** | **Age in Life Line** |
|  |  | Life Line | Lífeyrisauki 1-5 |
|  |  | Lífeyrisauki 1 | 30 years old and younger |
|  |  | Lífeyrisauki 2 | 31-40 years old |
|  |  | Lífeyrisauki 3 | 41-54 years old |
|  |  | Lífeyrisauki 4 | 55-60 years old |
|  |  | Lífeyrisauki 5 domestic bonds | 61 or older |
|  |  | Lífeyrisauki deposits |  |
|  |  | Lífeyrisauki international securities |  |

The undersigned agrees to get the key information on the fund’s investment plans on Arion Bank’s website, i.e. <https://www.arionbanki.is/einstaklingar/sparnadur/vidbotarsparnadur/fjarfestingarleidir/#lykilupplysingar>. It is also possible to get the key information on paper free of charge by contacting Arion Bank Pension Services on 444 7000. By signing below I confirm that I have read the key information on the fund’s investment plans.

The undersigned authorizes Arion Bank to obtain basic information on their supplementary savings at other custodians and to arrange the termination of their current supplementary savings, if applicable. The undersigned confirms to have read Lífeyrisauki’s investment policy and the rules on the indexation of savings and credit, which stipulate, amongst other things, the fixed investment term of indexed deposits. Arion Bank will send the above employer a copy of an agreement on supplementary savings when the agreement is signed. If Arion Bank receives information on the new employer from the beneficiary, Arion Bank will send the new employer a copy of this agreement. The employer is required to deduct pension contributions from their employees' salaries and submit them together with their corresponding contributions in accordance with Article 7 of Act No. 129/1997 with subsequent amendments.

By signing the agreement I confirm that I’m aware that in order to fulfil their obligations pursuant to this agreement Arion Bank is required to collect and process personal information pursuant to laws and regulations. Further information on processing of personal data is available at https://www.arionbanki.is/bankinn/starfsemi/personuvernd/.

**By signing below I confirm the contents of this agreement and agree to comply with the applicable rules.**

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| Place and date | Signature of beneficiary |
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|  | Signature of parent/guardian if beneficiary is under 18 | |

If the customer chooses to sign this document electronically instead of physically, all the persons signing must sign the document electronically. In such case this document is signed in confirmation of the above with a valid electronic signature. The electronic signature of this document is in accordance with Act No. 55/2019 on Electronic Identification and Trust Services for Electronic Transactions. This document is signed electronically and is then stored and accessible to customers under Digital documents in Online Banking and/or sent to the customer by e-mail.

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| Agreement on supplementary savings |  |

RULES ON LÍFEYRISAUKI

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| **Article 1 Custody agreements on pension savings**  These rules apply to agreements on pension savings created on the basis of Section II of Act no. 129/1997 on the Mandatory Insurance of Pension Rights and the Activities of Pension Funds. Anyone fulfilling the provisions of the aforementioned Act on the payment of contributions for minimum insurance benefits at a pension fund can become a member of Lífeyrisauki. By signing an agreement on Lífeyrisauki, the beneficiary agrees to abide by these rules.  **Article 2 The employer receives a copy of the agreement**  When an agreement on pension savings has been signed, Arion Bank hf. will send a copy of the agreement to the employer.  **Article 3 Contributions**  Contributions shall be paid monthly. Contributions for each period are due on the 10th day of the following month. The final due date shall be the last day of the month in which the contribution falls due. In the agreement on Lífeyrisauki the amount shall be specified in Icelandic krónur (ISK) or as a percentage of salary. Contributions shall start being paid no less than two months after the signing of the agreement on Lífeyrisauki. Contributions are made as set out in the agreement on Lífeyrisauki, unless agreed otherwise in a separate agreement later.  Arion Bank hf. must invest paid contributions as specified in this agreement from the day that the bank receives contributions from the beneficiary. If the breakdown sheet (Icelandic: skilagrein) is received from the employer later than the contribution, Arion Bank is obliged to calculate interest from the date the breakdown sheet is registered in accordance with the investment plan specified in the agreement, provided that the Bank has not been able to specifically identify the funds of the beneficiary for whom the employer is paying a contribution. Contributions bear the same interest as paid on Arion Bank's “Fjárhæðaþrep” account from the time they are received by the custodian until the breakdown sheet is registered.  **Article 4 Investment of contributions**  Under this agreement on Lífeyrisauki the beneficiary decides how the contribution is invested in accordance with a pre-determined investment strategy. It is permitted to use some of the contribution to buy health insurance. The payment of insurance benefits is covered by Article 7 of these rules. Until benefits are paid out they should be invested in accordance with the investment plan decided by the beneficiary. The beneficiary can change their decision with respect to future contributions by informing Arion Bank hf. in writing.  **Article 5 Investment plans**  Beneficiaries of Lífeyrisauki can choose between a number of different investment plans to invest their savings. The investment options vary in the proportion of equities to other financial instruments such as bonds and bills and bank deposits in the asset portfolio. Beneficiaries can transfer their assets between different investment plans. The cost of transferring assets shall be in accordance with Arion Bank’s current list of rates and charges but can be a maximum of 0.5% of the beneficiary’s savings. Beneficiaries can also choose to be transferred automatically between these investment plans according to Life Line at no cost. This means that the funds are transferred between investment plans in equal stages over a period of five years. Contributions which are received after savings have been transferred between investment plans, are deposited entirely into the new investment plan. In cases where investments are made in foreign currencies, the policy is to use currency hedges in order to reduce the risk posed by changes in the exchange rate. Arion Bank hf. undertakes asset management in accordance with the fund's strategy, but it is permitted to outsource asset management to Stefnir hf.  **Article 6 Investment of contributions relating to new agreement**  If there is already an agreement with the beneficiary on this matter or if the beneficiary’s contributions have been received without an agreement having been made, then the new agreement supersedes the old agreement or arrangement, i.e. future contributions from all employers will be invested in accordance with the most recent agreement of the beneficiary. If the beneficiary chooses the investment plan Life Line but has accumulated savings in another investment plan, these savings will be transferred to the investment plan under Life Line. However, savings In plans which do not belong to Life Line will not be transferred according to the above. If, however, the beneficiary chooses a different investment plan to Life Line but has accumulated savings in Life Line, these savings will remain in the investment plan under Life Line but will not subsequently be transferred in accordance with the rules on Life Line.  **Article 7 Paying out savings**  Savings can only be paid out on account of the beneficiary's age, disability or death. The beneficiary may begin to withdraw savings or enter into a special payout agreement two years after making the first contributions. When the beneficiary reaches the age of 60, pension savings plus interest can be paid out. | Should a beneficiary die before the savings are fully paid out, the savings shall become the property of their heirs and be divided amongst them in accordance with the rules of the Inheritance Act. Should a beneficiary have neither a spouse nor children the savings shall accrue to the beneficiary’s estate, in which case the limitation in the second sentence of the second paragraph of Article 8 of Act No. 129/1997 shall not apply.  Should a beneficiary become disabled and suffer 100% loss of ability, they shall have the right to have their pension savings and interest paid out in equal annual instalments over a period of seven years. The annual payouts decrease and the withdrawal period lengthens in proportion to the decrease in the level of disability (expressed in %), cf. paragraph 3 of Article 11 of Act No. 129/1997. Payouts can only be made when a certificate showing the disability and loss of ability has been issued. If the savings of a beneficiary who has suffered a loss of ability are below ISK 500,000 when a payout is due then this sum can be paid out in a single lump sum if so requested.  This reference amount shall change each year in relation to changes in the consumer price index and based on a basic index value of 173.5. It is possible to negotiate a longer payout period than the one specified above. Equal payments, as specified above, refer to payments equalled out over the number of years of payment in such a way that the beneficiary shall receive, each year, that portion of the savings plus interest equal to the number of years remaining of the repayment period.  **Article 8 Termination of the agreement**  The signature of the beneficiary on this agreement is not binding until 14 days after it is signed and the beneficiary is entitled to terminate the agreement before that date. This agreement can be terminated with two months’ notice. It must be terminated in writing and signed by the beneficiary. Termination does not entitle the beneficiary to a payout. If contributions stop being received by Arion Bank for any reason, the savings plus interest will continue to be invested at the Bank and will be paid out in accordance with the provisions of Article 7.  **Article 9 Transfer between custodians**  It is permitted to transfer the savings to another custodian who is able to offer agreements of this type, cf. paragraph 3 of Article 8 of Act No. 129/1997, if the beneficiary submits a written request to Arion Bank hf. The savings shall be transferred within two months of receiving such a request from the beneficiary. The cost of transferring assets shall be in accordance with Arion Bank’s current list of rates and charges but can be a maximum of 0.5% of the beneficiary’s savings and a minimum of ISK 5,000.  **Article 10 Transfer of rights**  The beneficiary is not permitted to transfer, pledge or dispose of in any other way the savings or rights pursuant to the agreement on membership of Lífeyrisauki, except as provided for in sub-paragraphs 1-3 of paragraph 3 of Article 14 of Act No. 129/1997.  **Article 11 Amending the rules**  Arion Bank hf. is permitted to amend these rules with the prior consent of the Minister of Finance.  **Article 12 Collection**  The beneficiary is responsible for ensuring that the employer makes pension contributions. If the beneficiary requests the assistance of Arion Bank hf. to collect contributions in arrears, this request should be made in writing and accompanied by pay slips showing the due contributions. In the event that the employer is declared insolvent, the Wage Guarantee Fund covers claims for due contributions provided that certain conditions have been met, cf. Chapter III of Rules no. 462/2003 on the Wage Guarantee Fund, www.arionbanki.is/lifeyrir..  **Rules which only apply to beneficiaries who have made an agreement on disability insurance from Vörður**  **Article 1 General terms**  The general insurance terms of Vörður Tryggingar apply to disability insurance due to accident and illness (disability insurance). Arion Bank hf., which is the custodian of Lífeyrisauki, undertakes to use part of the contributions of the beneficiary, who is between 20 and 60 years of age, to pay contributions for disability insurance in accordance with an agreement between the beneficiary and Vörður Tryggingar hf. In the event that Vörður líftryggingar hf. is required to pay insurance benefits in accordance with an insurance policy, Arion Bank hf. will receive the payment and invest it in the beneficiary’s investment plan/s in Lífeyrisauki. Once the terms on pay-outs of Article 11 of Act No. 129/1997 have been met, and in accordance with the current tax laws, supplementary pensions savings will be paid from Lífeyrisauki to the beneficiary.  **Article 2 Termination of disability insurance from Vörður.**  The termination of Lífeyrisauki also results in the termination of disability insurance from Vörður.  **Entry into force**  The rules will come into force at the beginning of next year following confirmation by the Ministry and simultaneous to the updated of Lífeyrisauki’s investment policy in accordance with Article 36 of Act No. 129/1997. |