SEB Pension contract
Terms and conditions

Valid from 01.11.2016

Here is an overview of SEB Pension Contract Terms and Conditions with definitions used. Please set aside some time to read through the Terms and Conditions. If you have any questions, please do not hesitate to call us at 665 8020 or visit an SEB branch.

The Terms and Conditions of the SEB Pension Contract are only valid together with the general terms and conditions. In the event of any ambiguities or discrepancies, the terms and conditions of the SEB Pension Contract are adhered to.

Definitions

Insurance premium (hereinafter 'Contribution') is the payment made by the policyholder to the insurer. The registrar makes the Contribution on behalf of the policyholder.

Policyholder is a person who is entitled to mandatory funded pension and who enters into the Pension contract. The policyholder is also the insured person.

SEB Pension contract (hereinafter 'Contract') is a mandatory funded pension contract. Based on the Contract, the policyholder pays Contribution to the insurer and the insurer makes pension payments to the policyholder until their death.

Pension payment is a monthly or quarterly payment made by the insurer to the policyholder.

Registrar is AS Eesti Väärtpaberikeskus.

Beneficiary is the person appointed in the Contract who will receive pension payments in the event of death of policyholder during the guaranteed period. The policyholder has the right to change the beneficiary.

Conclusion of contract and contribution

1. The policyholder can conclude the Contract if the total value of their pension fund units is at least 50 times the rate of the national pension.
2. With making a contribution, all the pension fund units or units corresponding to at least 700 times the rate of the national pension of the policyholder are redeemed. The amount received from the redemption of units is transferred as a single Contribution by the registrar to the insurer.
3. The Pension Contract takes effect on the day it is concluded.
4. The pension fund units acquired after concluding the Contract are redeemed at the beginning of April, and the registrar makes an additional contribution. If the policyholder wishes to make an additional Contribution sooner, they must submit an application to the insurer.

Pension payment

5. The insurer calculates pension payments on the basis of applicable rates. The pension payment is affected by the policyholder's age, amount of the Contribution, guaranteed interest rate, duration of the guaranteed period, Contract fees, and the frequency and start of pension payments.
6. The entry and management fees used in calculating pension payments are specified on the policy.
7. The amount of the pension payment is defined upon concluding the Contract or upon receiving an additional Contribution.
8. The insurer transfers pension payments exclusively to the policyholder's current account marked in the Contract.
9. The first pension payment is made on the day set out in the Contract, but not before receiving the first Contribution.
10. The insurer may make inquiries and demand complementary documents to verify that the policyholder is alive.
11. The insurer may withhold international bank transfer costs related to the pension payment, if the policyholder wishes the pension payments to be transferred to a current account in a foreign country.
12. In case of a delay with a pension payment, the insurer is required to pay a fine for the delay.

Guaranteed period

13. The guaranteed period is a period of time appointed in the Contract during which, in the event of death of policyholder, pension payments are made to the beneficiary.
14. Policyholder chooses the guaranteed period and its duration upon concluding the Contract.
15. The guaranteed period starts the day of the first pension payment.
16. The beneficiary notifies the insurer about the death of the policyholder as soon as possible.
17. In the event of death of the beneficiary, the right to receive pension payments is transferred to their heirs.
18. If the policyholder dies after receiving the Contribution but before the beginning of pension payments, the beneficiary is paid pension payments until the end of the guaranteed period.

Information delivery

19. The insurer notifies the policyholder once a year about:
    - the pension payments made;
    - the fees charged;
    - the profit designated for all pension Contracts;
    - the share in profit determined for the policyholder;
    - the redemption value.
20. At the request of the policyholder, the insurer notifies them about the current redemption value.

Termination of the contract

21. The Contract is terminated on the day of death of the policyholder.
22. If the Contract has a guaranteed period and the policyholder dies during that period, the Contract is terminated on the last day of the guaranteed period.

Withdrawal from and cancellation of the contract

23. The policyholder may withdraw from the Contract within 14 days after concluding the Contract by submitting an application.
24. The policyholder may cancel the Contract if at least three years have passed since concluding the Contract. The application is submitted at least three months before the end of a pension year. The application may be withdrawn before the termination of the Contract.
25. Upon cancellation of the Contract, the insurer calculates the Contract redemption value that is transferred as a Contribution to the policyholder's new pension contract.
26. The insurer notifies the policyholder about the Contract redemption value at the moment of termination within five working days after submission of the cancellation application.
27. The redemption value is the greater of current values of future cash flows:
    - current value that has been calculated based on the guaranteed interest rate of the Contract, minus the cancellation fee identified on the policy;
    - current value that has been calculated based on the risk-free interest curve established in the Insurance Activities Act, minus the cancellation fee identified on the policy.
28. Calculating current value of future cash flows is based on the pension payments and mortality indicators describing life expectancy.

Profit sharing

29. The insurer shares at least 50% of the pension Contracts' profit between pension Contracts for each financial year. Profit sharing is based on the share of the pension Contract in the profit generated by all Pension Contracts.
30. Upon concluding the Contract the policyholder chooses whether pension payments are increased by the profit share or it is paid out as lump sum.
31. The insurer notifies the policyholder on the amount of previous calendar year's profit by 1 July of the following year at the latest.

Prohibition on encumbrance

32. Proprietary rights arising from the Contract may not serve as a security or be encumbered in any other way; neither do these belong to the joint property of spouses.

Taxation

33. Pension payments are subject to income tax according to Income Tax Act.