

We plan ahead for your early ideal retirement



Golden Years Income Plan offers guaranteed monthly income for your retirement.



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Everyone looks for a stable and financially independent life. With AIA's Golden Years Income Plan, you can choose to receive Monthly Income for 10 years, 15 years, or until the age of 110, just like a regular salary. This will enable you to enjoy a life of leisure during your retirement.

Stable returns for retirement

Golden Years Income Plan is a **participating insurance plan** that provides you with guaranteed cash value, a guaranteed cash payment, and Monthly Income as well as non-guaranteed annual cash amounts called Annual Dividends. You may choose to receive the Monthly Income and Annual Dividends in cash or use the Annual Dividends to reduce any premium due under this policy. Otherwise, the sum of Monthly Income and Annual Dividends shall accumulate in your policy, potentially earning interest.

Monthly Income is comprised of both guaranteed and non-guaranteed portions. The guaranteed cash value of this plan will decrease when your guaranteed Monthly Income payments begin. Annual Dividends accumulated in your policy with interest will be used to pay the non-guaranteed portion of your Monthly Income, and the amount of accumulated Annual Dividends with interest will decrease accordingly. However, the future projected non-guaranteed portion of the Monthly Income will be re-calculated if you have withdrawn any Annual Dividends under this policy.

These options give you the flexibility to finance your needs as they arise, enabling you to live life to the fullest.

Flexible premium payment terms

While the premium payment term for policies denominated in HK dollars or Macau pataca is 12 years, you may also select from 5 premium payment terms for policies denominated in US dollars for flexible financial planning (see table below). Premium amounts are guaranteed to remain level throughout the payment term.

Your choice of Monthly Income amount and income period

Golden Years Income Plan offers 3 choices of income periods (10 years, 15 years, or until the age of 110), enabling you to enjoy a life of leisure during your retirement.

You can select the income period when you apply, however the income period cannot be changed once the policy is issued. After the end of the premium payment term, the income period will begin according to the table below and you will receive Monthly Income throughout the income period.

Insured's Age at Policy Issue			Income Period		
			10 years	15 years	To age 110
			15 days to age 60	15 days to age 60	Age 18 - 60
Premium Payment Term	Policy Currency	Income Period Begins (after the end of policy year)	Benefit Term		
3 years	USD	10th	20 years	25 years	To age 110
5 years	USD				
8 years	USD	12th	22 years	27 years	
12 years	USD/HKD/MOP				
18 years	USD	18th	28 years	33 years	

You can pre-set the amount of guaranteed Monthly Income at the time of your application. The amount of non-guaranteed Monthly Income may fluctuate during the income period.

Before we make payments to you, including Monthly Income, guaranteed cash payment, maturity benefit, death benefit and Terminal Illness Advance Payment Benefit, we will deduct all outstanding debt under your policy.

Guaranteed cash payment

You will receive a guaranteed cash payment in a lump sum at the start of the income period.

The cash payment amount is based on the income period and the amount of the guaranteed Monthly Income (see table below). You can choose to receive the payment in cash. Otherwise, it shall be left with us, potentially earning interest.

Income Period	Guaranteed Cash Payment Amount
10 years	Guaranteed Monthly Income amount x 10
15 years	Guaranteed Monthly Income amount x 15
To age 110	Guaranteed Monthly Income amount x 20

Benefit received when policy matures

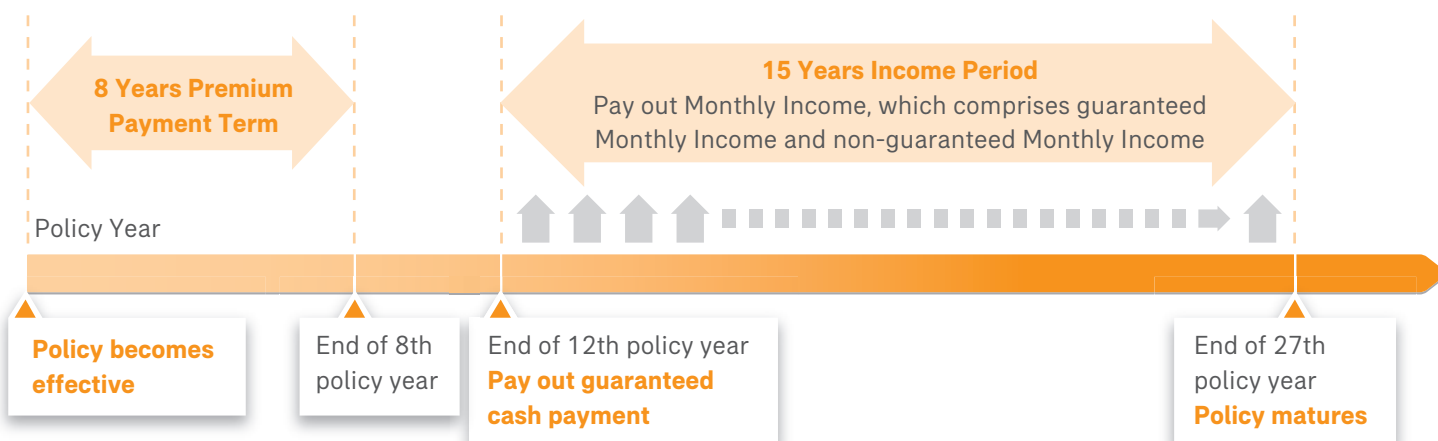
Provided that the insured is alive at the end of the benefit term, the policy will mature and we will pay you a maturity benefit. This benefit will include:

- i. any accumulated guaranteed cash payment with interest; and
- ii. any accumulated Monthly Income with interest.

Illustration

Example

Mr Lee has selected a USD policy with 8-year premium payment term, and the income period begins after the end of 12th policy year for 15 years.



Protection for your loved ones

If the insured, who is the person protected under the policy, passes away, we will pay the death benefit to the person whom you select in your policy as beneficiary. The amount of death benefit will be calculated according to the tables below.

Golden Years Income Plan also helps alleviate the financial burden of medical expenses by providing the Terminal Illness Advance Payment Benefit. In the unfortunate event that two registered medical practitioners confirm that the insured is expected to pass away within 12 months due to a terminal illness, you may choose to receive a one-off advance payment. The amount of the Terminal Illness Advance Payment Benefit will be calculated according to the tables below.

If the insured passes away, or if the date of second certification of terminal illness by a registered medical practitioner occurs, within the first 2 policy years

- i. 101% of the total annual premiums paid for the basic plan with no extra premium loading; plus
- ii. any accumulated Annual Dividends with interest.

If the insured passes away, or if the date of such second certification occurs, after the 2nd policy year but before the income period begins

- i. 110% of the total annual premiums paid for the basic plan with no extra premium loading; plus
- ii. any accumulated Annual Dividends with interest.

If the insured passes away, or if the date of such second certification occurs, on or after the commencement of the income period but before the policy matures

- i. The higher of :
 - a. 101% of the guaranteed cash value; and
 - b. total annual premiums paid for the basic plan with no extra premium loading minus guaranteed Monthly Income declared up to the date of death of the insured (without interest) and guaranteed cash payment declared (without interest);
- ii. any accumulated Annual Dividends with interest;
- iii. any accumulated guaranteed cash payment with interest; plus
- iv. any accumulated Monthly Income with interest.

In any of the above cases, we will deduct all outstanding debt under your policy before we make the payment of death benefit or Terminal Illness Advance Payment Benefit to the beneficiary or to you respectively. The Terminal Illness Advance Payment Benefit will be subject to our underwriting decision.

Easy to join

No medical examination is required for new applications, as long as the total annual premiums do not exceed the aggregate limit set for each insured, subject to our prevailing rules and regulations.

Unemployment Benefit

During your premium payment term, if you are laid off and become unemployed, we will extend the grace period of late premium payment from 31 days to 365 days to give you a buffer.

However, where payment of your premium is being covered by a policy loan automatically taken out on the policy, we will instead waive the relevant loan interest for up to 365 days.

Offer of this benefit will be subject to our underwriting decision.

Extra cover for more protection

To support you against unfortunate circumstances, you may select an add-on plan under which we will waive the future premiums for **Golden Years Income Plan** if the insured becomes totally and permanently disabled before the age of 60.

In addition, you may select the **Payor Benefit Rider** under which we will waive the future premiums for the basic plan until the insured reaches the age of 25 should you pass away or suffer total and permanent disability before the age of 60.

All add-on plans are subject to additional premiums, underwriting and exclusions. All benefits under add-on plans will be terminated when your **Golden Years Income Plan** terminates.

A currency that suits you

For your convenience, we offer this policy in US dollars and HK dollars. If the policy is issued in Macau, you can also choose Macau pataca as the currency.

Important Information

This brochure is for reference only. It is not, and does not form part of, a contract of insurance and is designed to provide an overview of the key features of this product. The precise terms and conditions of this plan are specified in the policy contract. Please refer to the policy contract for the definitions of capitalised terms, and the exact and complete terms and conditions of cover. This brochure should be read along with the illustrative document (if any) and other relevant marketing materials, which include additional information and important considerations about this product. We would like to remind you to review the relevant product materials provided to you and seek independent professional advice if necessary.

This brochure is for distribution in Hong Kong / Macau only.

Dividend Philosophy

This is a participating insurance plan designed to be held long term. Your premiums will be invested in a variety of assets according to our investment strategy, with the cost of policy benefits and expenses deducted as appropriate from premiums or assets. Your policy can share the divisible surplus (if any) from related product groups determined by us. We aim to ensure a fair sharing of profits between policy owners and shareholders, and among different groups of policy owners.

Future investment performance is unpredictable. Through our smoothing process, we aim to deliver more stable dividend payments, by spreading out the gains and losses over a longer period of time. Stable dividend payments will ease your financial planning.

We will review and determine the dividend amounts to be payable to policy owners at least once per year. The actual dividends declared may be different from those illustrated in any product information provided (e.g. benefit illustrations). If there are any changes in the actual dividends against the illustration or in the projected future dividends, such changes will be reflected in the policy anniversary statement.

A committee has been set up to provide independent advice on the determination of the dividend amounts to the Board of the Company. The committee is comprised of members from different control functions or departments within the organisation both at AIA Group level as well as Hong Kong local level, such as office of the Chief Executive, legal, compliance, finance and risk management. Each member of the committee will exercise due care, diligence and skill in the performance of his or her duties as a member. The committee will utilise the knowledge, experience, and perspectives of each individual member to assist the Board in the discharge of its duty to make independent decision and to manage the risk of conflict of interests, in order to ensure fair treatment between policy owners and shareholders, and among different groups of policy owners. The actual dividends, which are recommended by the Appointed Actuary, will be decided upon the deliberation of the committee and finally approved by the Board of Directors of the Company, including one or more Independent Non-Executive Directors.

To determine the dividends of the policy, we consider both past experiences and the future outlook for all the factors including, but not limited to, the following:

Investment returns: include interest earnings, dividends and any changes in the market value of the product's backing assets. Depending on the asset allocation adopted for the product, investment returns could be affected by fluctuations in interest income (both interest earnings and the outlook for interest rates) and various market risks, including credit spread and default risk, fluctuations in equity prices, property prices and foreign exchange currency fluctuation of the backing asset against the policy currency.

Claims: include the cost of providing death benefits and other insured benefits under the product(s).

Surrenders: include policy surrenders, partial surrenders and policy lapses; and the corresponding impact on the investments backing the product(s).

Expenses: include both expenses directly related to the policy (e.g. commission, underwriting, issue and premium collection expenses) and indirect expenses allocated to the product group (e.g. general administrative costs).

For further information, please visit our website at <http://www.aia.com.hk/en/dividend-philosophy.html>

For the historical fulfillment ratio, please visit our website at <http://www.aia.com.hk/en/fulfillment-ratio.html>

Dividend and Bonus Philosophy	Historical Fulfillment Ratio
	

Investment Philosophy, Policy and Strategy

Our investment philosophy is to deliver stable returns in line with the product's investment objectives and AIA's business and financial objectives.

Our investment policy aims to achieve the targeted long-term investment results and minimise volatility in investment returns over time. It also aims to control and diversify risk exposures, maintain adequate liquidity and manage the assets with respect to the liabilities.

Our current long-term target strategy is to allocate assets attributed to this product as follows:

Asset Class	Target Asset Mix (%)
<i>Bonds and other fixed income instruments</i>	65% - 85%
<i>Equity-like assets</i>	15% - 35%

Our investment strategy is to actively manage the investment portfolio i.e.: adjust the asset mix in response to the external market conditions. The proportion of equity-like assets would be lower when interest rate level is low and would be even lower than the long-term target strategy so to protect the guaranteed liability and to minimise volatility in investment returns over time, and vice versa when interest rate is high.

The bonds and other fixed income instruments predominantly include government and corporate bonds, and are mainly invested in the geographic region of the United States and Asia-Pacific (excluding Japan). Equity-like assets may include listed equity, mutual funds and direct / indirect investment in commercial / residential properties, and are mainly invested in Asia. Returns of equity-like assets are generally more volatile than bonds and other fixed income instruments. Subject to our investment policy, derivatives may be utilised to manage our investment risk exposure and for matching between assets and liabilities.

Our currency strategy is to minimise currency mismatches. For bonds or other fixed income instruments, our current practice is to currency-match their bond purchases with the underlying policy denomination on best-efforts basis (i.e.: US Dollar assets will be used to support US Dollar liabilities and HK Dollar assets will be used to support HK Dollar liabilities). Subject to market availability and opportunity, bonds may be invested in currency other than the underlying policy denomination and currency swap will be used to minimise the currency risks. Currently assets are mainly invested in US Dollar. For equity-like assets, currency exposure depends on the geographic location of the underlying investment where the selection is done according to our investment philosophy, investment policy and mandate.

Effective from 1 January 2018, all policy owners are required to pay a levy on each premium payment made for both new and in-force Hong Kong policies to the Insurance Authority (IA). For levy details, please visit our website at www.aia.com.hk/useful-information-ia-en or IA's website at www.ia.org.hk.

We will pool the investment returns from other long term insurance products (excluding investment linked assurance schemes and pension schemes) together with this participating insurance plan for determining the actual investment and the return will subsequently be allocated with reference to the target asset mix of the respective participating products. Actual investments (e.g. geographical mix, currency mix) would depend on market opportunities at the time of purchase. Hence it may differ from the target asset mix.

The investment strategy may be subject to change depending on the market conditions and economic outlook. Should there be any material changes in the investment strategy, we will inform policy owners of the changes, with underlying reasons and impact to the policies.

Key Product Risks

- You should pay premium(s) on time and according to the selected premium payment schedule. If you stop paying the premium before completion of the premium payment term, you may surrender the policy, otherwise, the premium will be covered by a loan taken out on the policy automatically. When the loan balance exceeds the sum of guaranteed cash value, the accumulated guaranteed cash payment with interest (if any), accumulated Monthly Income with interest (if any) and accumulated Annual Dividends with interest (if any) of the basic plan, the policy will terminate and you will lose the cover. The surrender value of the policy will be used to repay the loan balance, and we will refund any remaining value.
- The plan may make certain portion of its investment in equity-like assets. Returns of equity-like assets are generally more volatile than bonds and other fixed income instruments, you should note the target asset mix of the product as disclosed in this product brochure, which will affect the dividend on the product. The savings component of the plan is subject to risks and possible loss. Should you surrender the policy early, you may receive an amount considerably less than the total amount of premiums paid.
- We will terminate your policy and you / the insured will lose the cover when one of the following happens before the policy matures:
 - the insured passes away;
 - you do not pay the premium within 31 days (or 365 days under Unemployment Benefit) of the due date and the policy has no cash value;
 - any benefit is paid under an add-on plan that triggers termination of the policy;
 - the outstanding debt exceeds the guaranteed cash value of the policy. Where the premium is covered by a loan taken out on the policy automatically, the outstanding debt exceeds the sum of guaranteed cash value, the accumulated guaranteed cash payment with interest (if any), accumulated Monthly Income with interest (if any) and accumulated Annual Dividends with interest (if any) of your policy; or
 - the payment of the Terminal Illness Advance Payment Benefit triggers termination.
- We underwrite the plan and you are subject to our credit risk. If we are unable to satisfy the financial obligations of the policy, you may lose your premium paid and benefits.
- You are subject to exchange rate risks for plans denominated in currencies other than the local currency. Exchange rates fluctuate from time to time. You may suffer a loss of your benefit values and the subsequent premium payments (if any) may be higher than your initial premium payment as a result of exchange rate fluctuations. You should consider the exchange rate risks and decide whether to take such risks.
- Your current planned benefit may not be sufficient to meet your future needs since the future cost of living may become higher than they are today due to inflation. Where the actual rate of inflation is higher than expected, you may receive less in real terms even if we meet all of our contractual obligations.

Key Exclusions

Under this plan, we will not cover any terminal illnesses that result from any of the following events:

- AIDS or any complications associated with HIV infection
- any pre-existing condition or congenital defect that appears or is diagnosed before the insured reaches the age of 17
- self-inflicted injury
- any physical or mental condition existing before the issue date or commencement date of the plan (whichever is later) and which is not disclosed in the application before the cover begins

The above list is for reference only. Please refer to the policy contract of this plan for the complete list and details of exclusions.

Product Limitation

- Terminal Illness Advance Payment Benefit:** This benefit is valid if the sign or symptom of a terminal illness occurs after 90 days from the date of policy issue. However, it is not available if the 12-month period from the date of certification of terminal illness falls after the end of the policy year immediately following the insured's 80th birthday. Your policy will be terminated when this benefit is paid.
- Unemployment Benefit:** You must be employed under a continuous contract for not less than 24 months and be eligible for a severance payment upon termination under the laws of Hong Kong or Macau (as the case may be). Further, such employment cannot be self-employment, employment by a family member (including spouse, parent, grandparent, child or grandchild) or employment as a domestic servant. The Unemployment Benefit starts on the premium due date following the unemployment and continues for up to 365 days. Proof of continuous unemployment is required by you. The Unemployment Benefit is not available if you were informed of your pending involuntary unemployment on or before the issue date or commencement.

Suicide

If the insured commits suicide within one year from the date on which the policy takes effect, our liability will be limited to the refund of premiums paid (without interest) less any outstanding debt.

Incontestability

Except for fraud or non-payment of premiums, we will not contest the validity of this policy after it has been in force during the lifetime of the insured for a continuous period of two years from the date on which the policy takes effect. This provision does not apply to any add-on plan providing accident, hospitalisation or disability benefits.

Cancellation Right

You have the right to cancel and obtain a refund of any premiums and any levy paid by giving written notice to us. Such notice must be signed by you and submitted to the Customer Service Centre of AIA International Limited at 12/F, AIA Tower, 183 Electric Road, North Point, Hong Kong or the Customer Service Centre of AIA International Limited at Unit 1903, 19/F, AIA Tower, 251A-301 Avenida Comercial de Macau, Macau within 21 calendar days immediately following either the day of delivery of the policy or the Cooling-off Notice to you or your nominated representative, whichever is the earlier.

Please contact your financial planner or call AIA Customer Hotline for details

Hong Kong 📞 (852) 2232 8888
 📱 *1299
 (on Hong Kong mobile network only)
 Macau 📞 (853) 8988 1822
 🌐 aia.com.hk

