



National Solidarity Bond (Series 1) 4 Year Bond & 10 Year Bond

Frequently Asked Questions

Q1. What is the National Solidarity Bond?

The National Solidarity Bond is a unique product offered by the National Treasury Management Agency and available in all post offices - An Post is an agent of the NTMA for the sale of this bond.

Your money is held by the Irish Government and managed by the National Treasury Management Agency (NTMA).

Gross Return Before Tax	NEW 4 year National Solidarity Bond	Net Return After Tax
4%	Annual 1% interest payments over 4 years*	2.8%
11%	Tax free bonus at the end of 4 years	11.0%
15%	Total Return	13.8%
3.56%	AER (annual equivalent rate)	3.31%

* Subject to DIRT (Deposit Interest Retention Tax 30% Jan 2012)

Gross Return Before Tax	10 year National Solidarity Bond	Net Return After Tax
10%	Annual 1% interest payments over 10 years*	7.0%
40%	Tax free bonus at the end of 10 years	40.0%
50%	Total Return	47.0%
4.14%	AER (annual equivalent rate)	3.93%

* Subject to DIRT (Deposit Interest Retention Tax 30% Jan 2012)

AER calculated on assumption that saver does not reinvest the annual 1% interest payments

- No fees, charges or sales commissions and you can access your money at any time by giving 7 days notice.
- You may save by monthly salary deduction (if your employer facilitates it).

Q2. Who can purchase the National Solidarity Bond?

- An individual (aged 16 or more).
- Two or more individuals jointly.
- One or more individuals in trust for another individual
- A child under 16 years of age (as a sole, joint or trust applicant) provided that a parent / guardian gives written consent.

Subject to prior approval, a charity, unincorporated body or friendly society can also purchase bonds.



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Q3. What is the minimum & maximum amount needed to purchase the Bond?

The minimum amount is €100 but we provide a facility for you to make regular savings of €1 (or more) until you accumulate the minimum €100, at which stage we will automatically purchase the National Solidarity Bond in your name unless you have specified alternative instructions.

The maximum value of an individual holding is €250,000 in each Series of the Bond. An individual may place up to €250,000 in the 4 year Bond and may place an additional €250,000 in the 10 year Bond.

Two individuals may place €500,000 in the 4 year bond, held jointly and an additional €500,000 in the 10 year bond.

(see NTMA Brochure 3 of January 2012)

Any holdings that an individual has in the National Solidarity Bond, in their sole name, will be taken into account when calculating maximum limits on joint accounts.

Q4. Do I get paid annual interest on the National Solidarity Bond?

Yes, you will earn 1% per annum and this will be paid over to you on the 1st anniversary of the date of your purchase of the bond and every year thereafter. This interest is subject to DIRT at the prevailing rate – currently 30% (January 2012). If you qualify for exemption from DIRT please telephone our customer services (see page 8 for contact details).

Q5. Do I get paid a tax free bonus on maturity?

4 year Bond - you will receive a tax free bonus payment of 11% after 4 years. There is no bonus payable on encashments made before the end of the 4 year term.

10 year Bond - you will receive a tax free bonus payment of 40% after 10 years. If you cash in your 10 year Bond early, you will be entitled to a tax free bonus of

- 10% at the end of 5 years (or in years 6 or 7) or
- 22% at the end of 7 years (or in years 8 or 9)

No bonus is payable if this Bond is encashed before the end of year 5.

Q6. Is my money spent on a specific infrastructure project?

No, the money invested in this bond will be an additional source of funding for capital investment, it will not be ring-fenced for expenditure on a specific project.

Q7. Is there a closing date for the National Solidarity Bond?

No, but the Minister for Finance could, at some future date, close this 1st Series and offer a 2nd Series with different terms & conditions or could decide not to close the bond to **new** money.



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Q8. If I already have a 10 year National Solidarity Bond can I also purchase the new 4 year bond?

Yes, you can purchase either the new 4 year Bond or may also purchase additional 10 year Bonds – subject to the maximum limit. If you have your personalised National Solidarity Bond card (see picture on page 8), then you have already completed all of the required forms and supplied all of the necessary supporting documentation.

There is no need to complete a further application form – simply present yourself at a post office with your National Solidarity Bond card. Alternatively you may enter just your card number and payment details on the National Solidarity Bond Application Form, sign it and mail FREEPOST to State Savings, GPO, Dublin 1 (no stamp required).

Q9. If I do not already hold any 10 year National Solidarity Bonds, what must I do?

First you will need to complete an application form and sign it. To comply with anti money laundering legislation we need to verify both your identity and your current permanent address. We also need proof of your tax / PPS number. Failure to provide the necessary proof of identity will result in your application being returned to you.

Q10. Where do I get an application form for the National Solidarity Bond?

There are three ways to get a National Solidarity Bond application form

- 1. Online** - at www.StateSavings.ie
- 2. Telephone** - 1850 30 50 60 or SMS Text to 0852 30 50 60 and we will be happy to post or email a blank application form to you.
- 3. Post Office** - Collect a blank application form at any post office.

Q11. What photo ID do I need to prove my identity?

You will need either your valid **Passport** or current **Driving Licence** which contains your photograph and bring the original to the post office or send a certified photocopy by post.

Post Office - If you present your completed application form personally at a post office counter you must bring your **valid Passport** or **current Driving Licence** with you.

By post - if you are posting your application you must enclose a **certified photocopy**¹ of your **valid Passport** or **current Driving Licence** together with a personal cheque or direct debit instruction (contained within the application form) drawn on an Irish bank account.

If you cannot supply the required documentation then contact us (details on page 8) as you may have alternative documentation which may be accepted instead.

¹ Photocopies can be certified by a Postmaster, Solicitor, Commissioner of Oaths or Garda Síochána,



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Q12. What do I need to prove my permanent address?

A utility bill (telephone, gas, electricity), bank / building society / credit card statement, insurance document, Revenue document* or Social Welfare document*. The document must be an original, or a certified copy, and issued in the last six months. The name on this document proving your permanent address must exactly match the name on your photo identity (Passport or Driving Licence).

Q13. Do I need to provide verification of my tax number?

Yes, we are obliged by law to ask you for your tax number – for individuals this is your Personal Public Service Number (PPSN).

You must provide verification of the tax number by supplying us with an original, or certified copy, document issued by the Revenue Commissioners* or the Department of Social and Family Affairs*, (*within the last twelve months) and this should show your name, address & PPSN.

For example

P60, Tax Return, Tax Assessment Form or a PAYE Notice of Tax Credits.

A Charity, which must provide a Revenue Registration Number and / or a Friendly Society must be registered with the Registrar of Friendly Societies or an unincorporated body must have prior written approval from An Post, acting on behalf of the NTMA, before an account can be opened.

Q14. What happens if I fail to forward the necessary identification documentation in respect of Name, Address or PPSN?

Where one or more of the necessary documents is missing, the account opening cannot proceed. You will be advised of any missing document and what is necessary to complete the application. NTMA reserves the right to refuse to open any account at its sole discretion and to refund any deposits made.

Q15. Can I hold more than one National Solidarity Bond?

Yes, but subject to an overall limit of €250,000 per individual which you can hold in each Series of each the National Solidarity Bond, or €500,000 from 2 Joint Applicants or €750,000 from 3 Joint Applicants, provided always that each holder is compliant with the maximum personal holding of €250,000.

An individual may hold €250,000 in the 4 year Bond **and** €250,000 in the 10 year Bond.

Each bond can have a different start date and be for a different amount.

Q16. Do you facilitate Employer Group Savings Schemes?

Yes, we do – you must ask your employer whether it provides employees with the facility to make regular deductions directly from their salary. Terms and conditions apply –



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available from your employer. If your employer does not then you could consider completing a Direct Debit Mandate on your personal bank account.

Q17. Can I request my money back early without penalty?

Yes, while the bond is attractively priced to encourage you to leave your money for the full term (4 years or 10 years respectively), you may withdraw your cash at any time and you will always get your original amount (principal) back in full.

Q18. If I do request my money back early what happens my (a) interest and (b) bonus?

(a) Annual Interest - if you encash your bond before your next annual interest payment date you will not get any of the 1% annual interest for that immediately preceding year.

For example in respect of the **4 year bond**, if you encash your 4 year bond after 3 years and 6 months you will not receive any of the 4th year's 1% interest as your money was not with us for the full 12 months of year 4. You will, however, already have been paid the annual 1% interest at the end of years 1, 2 and 3.

Similarly, if you encash your **10 year bond** after 4 years and 11 months you will not receive any of the 5th year's 1% interest as your money was not with us for the full 12 months of year 5. You will however already have been paid the annual 1% interest at the end of years 1, 2, 3 and 4.

(b) Once off tax free Bonus

4 year Bond – If you encash your 4 year National Solidarity Bond before the end of the 4th year you will not qualify for any tax free bonus

Tax Free Bonus

11% at the end of 4 years

10 year Bond - If you encash your 10 year National Solidarity Bond before the end of the 5th year you will not qualify for any tax free bonus.

Tax Free Bonus

10% at the end of 5 years (or in years 6 or 7) or

22% at the end of 7 years (or in years 8 or 9) or

40% at the end of 10 years

Q19. Can I make a partial encashment and still avail of the interest & bonus?

Yes. The amount withdrawn will qualify for interest & bonus due, if any, depending on the savings term chosen, as shown above.

Only the remaining principal amount will continue to earn annual interest of 1% until maturity and qualify for the tax free encashment bonus, as applicable.



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Q20. What is the purpose of the linked State Savings™ Account?

Upon receipt of your completed National Solidarity Bond application form and supporting documentation and on approval of the application by the NTMA, we will automatically open an interest bearing State Savings™ Account in your name(s), operated by An Post.

You can use your State Savings™ Account to receive payments in three ways –

1. To accept monthly **Direct Debits** if you have completed a Direct Debit Mandate.
2. To facilitate **periodic savings** so that you can accumulate enough money to meet the minimum savings amount of €100. The minimum amount you can lodge to your State Savings™ Account is €1.
3. To receive **other payments** -
 - annual interest, paid on your National Solidarity Bond
 - payments made on maturity, whether capital or tax free bonus amounts
 - repayments prior to maturity

If you prefer, you may give us alternative instructions (which must be specified by you in Section 7 of the Application Form) to make payments directly to your external bank account or to the registered address detailed in Section 4, Panel 1 of your application form.

You can withdraw money from your State Savings™ Account at any time (but with 7 days notice) by completing a withdrawal form and bringing it into a Post Office or by mailing it to State Savings, GPO, Dublin 1 (no stamp required). Money will be paid into your bank account or by cheque according to your instructions to us as set out in Section 7 of the Application Form.

Q21. What is the interest rate on the State Savings™ Account?

The variable interest rate is currently 1% per annum (subject to DIRT). It is subject to change as determined by the NTMA and in accordance with the Terms and Conditions. Current interest rates are available on our website www.StateSavings.ie or at any post office.

The interest is calculated on a daily basis on the balance in the account including any interest paid from your National Solidarity Bond and is credited to your account on 31 December each year.

Q22. If I do not have €100 now, can I use regular savings over a period of time to accumulate to the minimum amount of €100?

Yes, you can do so either by regular savings or periodic lodgements into your State Savings™ Account.

1. Regular Savings - you decide how much and how often you want to save. Complete a Direct Debit mandate form (available on our website www.StateSavings.ie or contact us to request one – details on page 8) authorising your bank to make regular monthly deductions (of the agreed amount) from your bank account and to transfer that amount to us for lodgement to your State Savings™ Account. Post it to State Savings, GPO, Dublin 1 or bring it into any Post Office.



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If the monthly deduction is €100 or more it will be immediately used to purchase a 4 year or a 10 year National Solidarity Bond in your name (according to your instructions to us as set out in Section 6 of the Application Form).

If less than the minimum €100 then your money will be lodged in your State Savings™ Account. The balance in your State Savings™ Account will grow as you make additional lodgements and will earn a variable interest rate – currently 1% per annum.

2. Periodic lodgements into your State Savings™ Account

(a) pay cash, personal cheque or use a debit card at any post office using your personalised National Solidarity Bond card.

(b) post a personal cheque to State Savings, GPO, Dublin 1 (no stamp required) and quote your National Solidarity Bond reference number.

(c) Pay at www.Billpay.ie and make lodgements to your State Savings™ account at your convenience.

We will check the balance on your account daily and when your lodgements into your State Savings™ Account reach €100, or for any alternative amount greater than €100 as specified by you, we will automatically purchase a National Solidarity Bond in your name.

Q23. How are payments made to me?

All payments (whether of annual interest, capital on maturity or early encashment amounts) in respect of the National Solidarity Bond are automatically paid into your interest bearing State Savings™ Account, which will be opened for you as part of your National Solidarity Bond application. You may seek repayment of any sum in your State Savings™ Account on seven days notice from State Savings, GPO, Dublin 1. Alternatively, if you prefer, you may request payments directly into your bank account or by cheque (see Section 7 of the Application Form).

Q24. Can I get a statement of my savings at any time?

Statements will automatically be issued to you in January and July each year.

If you need a statement at other times then contact Customer Service on 1850 30 50 60 or SMS Text 0852 30 50 60, quoting your National Solidarity Bond reference number and we will post a statement to you.

Q25. What happens to my savings if I die?

In the event of your death, savings in your sole name can be claimed by your Legal Personal Representative(s). Savings held in Joint Accounts or Trust Applicants can be claimed by the survivor(s) in the Account, subject to tax law.

Please contact our Customer Service team on 1850 30 50 60 for further details or write to State Savings, GPO, Dublin 1.



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Q26. First time applicant - How do I buy the National Solidarity Bond?

- 1. Direct by post** - send a personal cheque / Bank Draft (drawn on your Irish bank account) made payable to "**NTMA State Savings**" and post it (no stamp needed) to State Savings, GPO, Dublin 1 with a completed National Solidarity Bond application form and necessary proof of name, address and tax identification number (PPSN).
- 2. Post Office** - Provide cash, lodge a personal cheque or use your debit card at a post office along with a completed application form and necessary proof of name, address and tax identification number (PPSN).

You will be issued with a National Solidarity Bond Card to facilitate further lodgements. This card can be used for lodgements to both the 4 year Bonds and the 10 year Bonds. It is not necessary to complete a new application form for each subsequent lodgement.

Q27. What is my National Solidarity Bond reference number?

When we receive and validate your signed National Solidarity Bond application form and supporting documentation, we issue you with your unique National Solidarity Bond Card which contains a reference number. This card should be used when making subsequent lodgements. This unique number links all your National Solidarity Bond transactions together – your bond holdings, interest payments and withdrawals and all transactions on your linked State Savings™ Account.



Q28. Where can I get more information on all the State Savings™ products?

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| Web | - www.StateSavings.ie |
| Telephone | - 1850 30 50 60 |
| SMS Text | - 0852 30 50 60 |
| E-mail | - Service@StateSavings.ie |
| Visit | - any post office |
| Mail to | - State Savings, GPO, Dublin 1 |



An Post is an agent of the NTMA for the sale of the National Solidarity Bond
National Treasury Management Agency
Treasury Building
Grand Canal Street
Dublin 2
Monday 31 January 2011