

Shriram Life Group Traditional Employee Benefit Plan Brochure
A non linked non participating group variable insurance plan (UIN: 128N054V01)

Annexure VI

As a caring employer you are paying the employee benefits like Gratuity and Leave Encashment Benefits from the company's revenue. These benefits increase every year as the employees' salary and their service increase each year. A prudent financial planning and long term investment strategy can be ensured by setting up a fund with Shriram Life. We value your employees as your most important assets and present ***Shriram Life Group Traditional Employee Benefit plan, a non linked non participating variable insurance plan.***

KEY FEATURES

- Management and administration of employee benefit liabilities in a more efficient manner
- Capital guarantee on the fund under management
- Minimum guaranteed interest rate of 1% p.a. for entire term of the policy
- Additional interest credits at end of each quarter
- Tax Benefits to both Employee and the Employer of the group

Employers who can buy this plan

- Employers who currently do not have a scheme and wish to set up one
- Employers who have a scheme with another life insurance company and looking for a switch over
- Employers who have a scheme with another life insurance company but wish to maintain funds with more than one Insurer

To set up the scheme with SLIC

- Submit Master proposal form, copy of Trust Deed/Scheme rules, employees data etc along with the payment towards scheme liabilities
- Once the proposal is accepted, the employer/trustee(s) will become the policyholder

ELIGIBILITY CONDITIONS

✓ Eligible groups	Employer-employee groups
✓ Minimum Group size	10 employees
✓ Minimum Age at entry	14 years age last birthday
✓ Maximum Age at entry	75 years age last birthday
✓ Maximum Exit age	76 years last birthday
✓ Policy term	Annually renewable
✓ Mode	Yearly
✓ Life Insurance Cover	Rs. 1,000/- (fixed) per member
✓ Minimum Initial Contribution	Rs. 100,000/- per policy
✓ Maximum Contribution	As per the actuary's certificate submitted by the group policyholder in accordance with AS-15 (Revised) for gratuity liability and as per actuarial valuations for leave encashment liability

CONTRIBUTIONS

- Initial and regular contributions will be paid as determined by the actuary's certificate submitted by the group policyholder in accordance with AS 15(Revised) for gratuity liability and as per actuarial valuations for leave encashment liability.
- The regular contributions can be made in any of the following mode i.e. annual.
"Nil Contributions" will be allowed when the funding status of the scheme is in surplus and the same is supported by an actuary's certificate in accordance with AS-15 (Revised) for gratuity liability and as per actuarial valuations for leave encashment liabilities.

CHARGES:

1. **Mortality Charge** – Re. 1 per Rs. 1000 Life Insurance Cover per member is applicable on the life Insurance Cover
2. **Fund Management Charge** – A fund management charge based on the size of the policy account value of the scheme shall be charged to the policy account value at the end of each quarter/at the time of exit. The charge structure is as follows:

Policy Account Value - Band	Fund Management Charge(p.a.)
1 lakh to 50 Lakhs	0.75%
Above 50 lakhs to 1 Crore	0.70%
Above 1 Crore to 10 Crores	0.65%
Above 10 Crores to 50 Crores	0.45%
Above 50 Crores to 100 Crores	0.35%
Above 100 Crores	0.30%

This charge shall be levied slab-wise.

For Example: Initial Contribution is 45 lakhs the applicable charge will be 0.75%. Once the policy account value grows beyond 50 lakhs but below 1 crore, then 0.75% will be charged for amount up to 50 lakhs and 0.70% will be charged on the rest.

**Service tax and any other tax as applicable shall be levied as per the tax laws in force from time to time.*

3. **Surrender Charge** – A surrender charge of 0.05% of the policy account value as on date of surrender subject to a maximum of Rs.5, 00,000 will be levied provided the policy is surrendered within third policy anniversary

BENEFITS:

a) **Benefits payable on death:**

Upon death of the scheme member the following benefits shall be paid to the group policyholder:

- I. Any amount requested by the group policyholder to be able to pay employee benefits as per the scheme rules. This amount will be debited from the policy account subject to maximum available in the policy account.
- II. Life Insurance Cover of Rs. 1,000/-

b) **Benefits payable on Maturity:**

There is no maturity benefit under this policy.

c) **Benefits payable on exits other than death:**

Upon exit of the scheme member from the group due to reason other than death, amount requested by the group policyholder will be paid to the group policyholder to be able to pay employee benefits as per the scheme rules. This amount will be debited from the policy account subject to maximum available in the policy account.

HOW THE PLAN WORKS

- The company shall maintain separate policy account which shall record all receipts and payments made in respect of this product.
- In addition to the policy account in respect of this product, scheme-wise policy accounts will also be maintained for each scheme in respect of all the members in that scheme. Individual member-wise records shall not be maintained. All the claims other than life insurance cover (i.e. Rs.1000) will be settled from this policy account. The company does not guarantee any adequacy of the value of such policy accounts and shall not bear any shortfall that might arise between the policy account value and the actual benefits as per the scheme rules.
- The mortality charges will be deducted from the policy account.
- In addition to the contributions received, the policy account will be credited with the below mentioned interest credits/additions.
 - **A minimum guaranteed interest rate** i.e. a minimum floor rate of 1% p.a. shall be credited to the policy account at the end of every financial quarter. This minimum floor rate is guaranteed throughout the term of the policy
 - **An additional non - zero positive interest rate** shall be declared at the start of every financial quarter. The non-zero positive additional rate shall be set equal to 80% of actual return by the assets earmarked for this product during the quarter, less minimum floor rate. Such interest shall be credited to the balance of the policy account at the end of each financial quarter.
 - **Non-zero positive residual additions** if any shall be credited to the policy account at the end of each year starting from year 1 to ensure maximum reduction in yield is not more than 0.75% per annum. Such non-negative residual additions will be determined as prescribed in IRDA (Linked Insurance Products) Regulations, 2013
- **On every Annual Renewal Date (ARD)**, group policyholder is required to submit a written declaration about the funding status of the scheme as per Actuary's Certificate given in accordance with AS-15 (Revised) for gratuity liability and as per actuarial valuations for leave encashment liability. "Nil Contributions" will be allowed when the funding status of the scheme is in surplus and the same is supported by an actuary's certificate in accordance with AS-15 (Revised) for gratuity liability and as per actuarial valuations for leave encashment liability. The policy will continue to accrue the declared interest from time to time and claims as per the scheme rules will be settled subject to availability of the policy account value.

SURRENDER OF THE POLICY

- If the policy is surrendered before third policy anniversary, surrender value payable will be: Policy account value less surrender charge less Market Value Adjustment as approved by IRDA, if any.
- No surrender charges except the Market Value Adjustment are levied if the policy is surrendered after three years.
- In case of bulk exits, the Market Value Adjustment will be made to the policy account value.

MARKET VALUE ADJUSTMENT (MVA)

MVA is applicable in the case of bulk exits and complete surrender of the policy. Bulk exit is defined as the transaction which involves the amount to be paid on total exits in any event that exceeds 25% of the total policy account value of the scheme at the beginning of the policy year where exit shall be as per the scheme rules and exit shall mean exit of the member from the group/scheme.

MVA Amount = MVA factor * policy account value which is over and above the amount representing bulk exit, net of surrender charges if any

MVA factor= Maximum (0, 1- (Market Value^{##} / policy account value))

Where market value is derived from the revaluation of assets earmarked separately for the product at the time of Market Value Adjustment is carried out.

MVA Amount, if any, will be deducted from policy account value as on date of surrender.

NEW MEMBERS

New members will be allowed to join on 1st of the following month in which the member will become eligible.

TERMINATION OF THE POLICY

The Policy will be deemed as terminated on occurrence of any of the following events:

- i. Upon mutual agreement by both Shriram Life Insurance Company and the Group Policyholder, or
- ii. Surrender of the policy, or
- iii. The policy account value becomes insufficient to pay for the scheme benefits

TAX BENEFITS

Tax benefits are available as per the provisions of the Act and may be subject to amendments from time to time. It is advised to consult your tax adviser in this regard.

SERVICE TAX

Service tax and any other tax as applicable shall be levied as per the tax laws in force from time to time.

EXCLUSIONS UNDER THE POLICY

Suicide - Not Applicable

FREELook PERIOD

If you are not satisfied with the 'Terms and Conditions' of the policy, the policy can be returned to the company for cancellation with reasons thereof within 15 days from the date of receipt of the bond. The company will refund the contribution after deducting proportionate mortality charge for the period the company has provided life insurance cover after deduction of stamp duty.

SECTION 41 OF THE INSURANCE ACT, 1938:

No person shall allow, or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance, in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses, or tables of the insurer.

Any person making default in complying with the provisions of this section shall be liable for penalty which may extend to ten lakh rupees.

ABOUT THE COMPANY:

With a pan India presence with over 200 offices, Shriram Life is your trusted partner for prosperity. At Shriram life we strive to provide our customers with elegant solutions tailored to individual needs.

For further details, Please contact our Insurance Advisor or our nearest Branch Office.

ADDRESS:

Shriram Life Insurance Company Limited, Plot no.31-32, Ramky Selenium, Financial District, Gachibowli, Hyderabad, A.P -500032

UIR No: 128XXXXXXX

Insurance is the subject matter of solicitation

IRDA Regn No. 128

BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS/ FRAUDULENT OFFERS

IRDA clarifies to public that

- ***IRDA or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums***
- ***IRDA does not announce any Bonus***

Public receiving such phone calls are requested to lodge a police complaint along with details of phone call, number.