

Gratify your employee's loyalty with a secure and rewarding future

Gratuity: is a statutory benefit paid to the employees under the payment of Gratuity Act 1972. The Act prescribes the payment of gratuity to employees on leaving the service either on death, resignation, retirement etc. Your employees are as important for their families as you are for your organisation. As an enlightened and caring employer you are paying the gratuity benefits as per the Act or even higher than the statutory benefits from the company revenue. The gratuity benefits increase every year as the employees' salary and their service increases 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 asset and present **Shriram Life New Group Gratuity Plan**, a unit linked non participating group insurance plan that offers a comprehensive solution to fund the gratuity liability in a cost effective manner, and also avail applicable tax benefits.

KEY FEATURES

- Absolute Transparency
- Choice of unit linked funds
- Switching option between the funds
- Premium redirection
- Optional life insurance cover
- Assistance with annual actuarial valuation of the Gratuity liabilities

Employers who can buy this plan:

- Employers who want to set up a gratuity fund for the first time.
- Employers who already have a self managed gratuity fund.
- Employers who have a gratuity fund managed by another life insurance company and contemplating a transfer of the scheme to Shriram Life.

To set up the scheme with SLIC : Submit Master proposal form, Copy of scheme rules, employees data etc along with the payment towards gratuity fund and life insurance cover. Once the proposal is accepted, the trustee(s)/employer will become the Group policyholder.

Eligibility criteria

Eligible groups	Employer-employee groups
Minimum Group size	20 employees
Age at entry	14 years to 74 years last birthday
Maximum Exit age	75 years last birthday
Policy term	Annually renewable
Premium payment mode	yearly, half yearly, quarterly or monthly
Minimum Life Insurance Cover	Rs. 1000/- per member,
Minimum Life Insurance Cover	No limit, subject to underwriting considerations as per Board approved underwriting policy and reinsurance capacity.
Contribution	As per the Actuary's certificate in accordance with AS-15 submitted by the Group policyholder

Life Insurance Cover: The policyholder can opt the insurance cover which can be flexible depending on the needs of the Group

Rider benefits: Besides the basic life insurance cover the plan offers additional protection through Shriram Group Critical Illness Rider on payment of additional premium. Please refer the rider brochure for complete details.

Benefits offered under the plan

Retirement/Disability/Withdrawal benefit: The gratuity benefit as per the Group Policy holder's scheme rules shall be payable.

Death Benefit: Lump sum Life insurance Cover opted along with the gratuity benefit as per the Group policy holder's scheme rules shall be payable in the event of death of the member. The gratuity payment liability of Shriram Life is limited to the policy holder's fund value.

Payment of gratuity benefits: The gratuity benefits shall be paid out of the policyholders' unit fund as and when the policyholder requests for payment.

Payment of insurance benefits: The insurance benefits shall be paid within one month of receipt of the valid claim forms from the policyholder to the nominee directly by SLIC. However, the policyholder shall be required to assist SLIC in reaching and payment of benefits to the nominee.

Contributions/Premiums

Initial Contribution: The initial contribution to provide for the past service liability of the members of the scheme can be paid in one lump sum or in not more than 5 annual instalments based on the actuarial valuation of the employees data. This will be invested in the funds selected after deducting applicable premium allocation charge.

Regular Contribution: Regular contributions will be determined by the Actuary's certificate submitted by the master policyholder in accordance with AS 15. If the policyholder does not pay the regular contribution in any year, the policy will continue without lapse while the fund is over funded/in surplus. Where the fund is overfunded/in surplus as per Actuary's certificate submitted by the employer in accordance with AS 15, the regular contribution can be nil.

Mortality charges for the Life Insurance Cover : Mortality charges for the Life insurance cover will be collected separately each year in addition to the gratuity contribution based on the employees' data submitted by the policyholder provided they meet insurability criteria. These charges are age specific and guaranteed for one year only. Each year the policyholder has to submit the members' data in the prescribed format to arrive at the mortality charge to be paid. The mortality charge will be determined based on risk factors such as age, occupation, geographical region in which the company operates and any other such factors that may affect group risk. Where the mortality charges are collected by a mode other than yearly mode, the annual mortality charge will be multiplied by the appropriate factor as shown below.

Mode	Factor
Half Yearly	0.52
Quarterly	0.265
Monthly	0.09

Fund options and Investment policy :

The plan has three fund options which have different risk-return profiles and different asset allocation patterns. The gratuity liability contributions will be utilised to purchase units in the unit linked funds in the proportion chosen by the group policyholder at the time of proposal. The funds and their investment pattern are as given below:-

Fund Name (SFIN)	Asset Allocation		Objective	Returns
	Equity related	Debt, money market instruments and cash		
Group Protector (SFIN: ULGF00222/03/10 GRPPROTECT128)	Not more than 30%	Not less than 70%	Steady stream of expected Income	Low to Medium
Group Guardian (SFIN: ULGF00322/03/10 GRPGUARDIN128)	Not more than 50%-	Not less than 50%	Balanced expected Returns	Medium
Group Elevator (SFIN: ULGF00422/03/10 GRPELVATOR128)	Not more than 60%	Not less than 40%	High expected Returns	Medium to High

CHARGES

Premium allocation charges: 2% plus service tax of contributions received subject to a ceiling of Rs 2 lakhs per annum plus service tax. A discount of 50% of premium allocation charges is applicable in case of business sourced by direct business.

Administration charges: Nil

Fund Management charges: The NAV of each fund will be calculated on a daily basis adjusting for a fund management charge of 0.4% pa plus service tax. The fund management charges may be revised subject to a maximum of 1.35%pa with prior approval of the IRDA. Premium allocation charges and mortality charges are guaranteed for the policy term of one year.

Switching charges: Nil

Surrender charges: If the policy is surrendered within three years from the date of commencement of the policy, surrender charge of 0.05% of the fund subject to a maximum of Rs. 5,00,000/- is applicable. No surrender charges are levied if the policy is surrendered after three years.

New members : New members are allowed to join on the 1st of the month following the month in which the member will become eligible or as specified by the scheme rules. The mortality charges will be charged based on pro-rata basis and the insurance cover will commence from the date of joining the group or as specified in the scheme rules.

Cut - off timings: In respect of contributions/Top-up premiums/ request for fund switches/premium redirection/redemptions received up to 3 p.m. by the insurer along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the business day on which premium is received shall be applicable. In respect of contributions / Top-up premiums / request for fund switches/premium redirection/redemptions received after 3 p.m. by the insurer along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the next business day shall be applicable. In respect of contributions/Top-up premiums / premium redirection received by the insurer along with outstation cheque or demand draft at the place where the premium is received, the closing NAV of the business day on which Cheque / Demand Draft is realized shall be applicable. Cut-off timings are subject to change by IRDA

NAV and Unit price: The Net Asset Value (NAV) is determined on each business day for each investment fund based on (the market value of the investments held by the fund plus the value of any current assets less the value of any current liabilities and provisions. The unit price is determined on each business day for each investment fund by dividing the Net Asset Value (NAV) of the investment fund by the number of units existing at valuation time before creation or redemption of units. The unit prices shall be published on Shriramlife's website for all investment funds.

Switching Option: The Policyholder can switch units from one fund to another to suit his varying investment needs. The policyholder can switch units any number of times in a year without any charge. The application for switch should come to the office of the Company where the policy is being serviced. The Company will give effect to this switch by cancelling units in the old fund and allocating units in the chosen new fund.

Partial withdrawals are not allowed

Top-up premiums : will only be allowed as required as per the Actuary's certificate in accordance with AS-15

Premium Redirection : The contributions can be redirected in any proportion between the various funds at the choice of the policyholder without any charge

Introduction of new unit linked fund: New Unit Linked Fund(s) may be established by the Company from time to time with the prior approval of the IRDA and the policyholder shall be notified of such new Funds if they are made available to this policy. The Company may offer the Policyholder the option to switch to the new Fund(s) at such a price and subject to such terms and conditions as may be imposed by the Company at that time.

Closure of existing unit linked fund

Although the Unit Linked Funds are open ended, the Company may, with prior approval from the IRDA close any of the funds available under this policy. The Policyholder shall at least be given four weeks prior written notice of the Company's intention to close any of the Unit Linked Funds. In such an event the Policyholder needs to inform the Company his/her preferred Unit Linked Fund to which the Fund Value is to be switched before the Unit Linked Fund closure date. If the Policyholder does not inform the company before this date, the Company will switch the Fund Value of the Fund being closed to the available Fund which is the most similar to the Fund being closed. No Fee will be charged for the switching of funds in the case of the closure of a Unit Linked Fund..

Changes to terms and conditions

The Company reserves the right to change these Terms and Conditions, the Rules for the Unit Linked Funds and the benefits covered by the policy if there is a change in the law, legislation or taxation affecting the Company or the Unit Linked Funds or the Policy, or if there is a change in circumstances which makes it impossible or impractical to follow these Terms and Conditions with prior approval from the IRDA. The Company will intimate to the Policyholder any changes to the Terms and Conditions, Rules for the Unit Linked Funds and benefits within four weeks from the date of the change. If the policyholder does not intimate to the Company about the acceptance of the change within four weeks after the Company has sent notification, he/she will be deemed to have accepted the change. If the policyholder does not agree with the change and intimate to the company within four weeks after the Company has sent notification thereof, he/she will be allowed to surrender and terminate the policy

without any charge or penalty.

Tax Benefits to the Members of the Group: Gratuity received is exempt from tax up to half a month salary for every completed year of service or INR 10 lakh, whichever is less u/s 10(10)(D) of Income Tax Act, 1961
Life insurance claim amounts received are exempt u/s 10(10)(D) of Income tax act, 1961

Tax Benefits to the Employer : Income earned from investments by an approved gratuity fund is exempt under section 10(25) (iv) of the Income Tax Act, 1961.

Employer's Contribution to approved Gratuity Fund is a deductible business expenditure u/s 36(1) (v) as under:

Initial Contribution is eligible as deductible business expense to the extent of 8.33% of the salary for each year of past service (Rule 104).

Past service liability if funded by payment of single or in instalments not exceeding FIVE, then the whole contribution is eligible for tax relief in the year of payment.

Ordinary regular contributions are eligible for tax relief to the extent of 8.33% of the salary (Rule 103)

Under section 40 A(7), no deduction shall be allowed in respect of any provision made by the employer for the payment of gratuity to his employees on retirement or termination of their employment.

Deduction in computing the income of the assessee for any assessment year is available only on actual contribution of the liability to an approved gratuity fund.

Get approval of the Trust deed by the Income Tax Commissioner for claiming income tax benefits

Tax benefits may be subject to change from time to time.

Grace Period: A grace period of 30 days for Half yearly and Quarterly modes and 15 days for monthly mode is allowed for payment of mortality charges. During the grace period the life cover is active and the life insurance benefit is payable as per the policy terms subject to deduction of due mortality charges. If the policyholder does not pay the mortality charges before expiry of the grace period, the life insurance cover will cease and the insurance benefits will not become payable. There is no grace period for yearly mode.

Revival: The life insurance cover can be revived within the policy term of one year by paying the mortality charges based on the employer's data and other revival requirements as per the Board approved underwriting policy.

Exclusions

Suicide- If the member commits suicide for any reason, while sane or insane, within one year from the date of joining the scheme /revival, 80% of the mortality charges paid will be paid to the nominee and the gratuity benefit as per the Group policy holder's company scheme rules will be paid.

Alterations: The alterations like change of mode and change of amount of life insurance cover will be allowed at an annual renewal date.

Termination of the policy: The policy will be terminated on surrender of the policy, or When the fund becomes insufficient to pay for the gratuity benefits, or termination of the membership.

Termination of the membership

A member will be terminated from the group either on Death/disability/resignation/retirement, or Surrender of the master policy.

Service Tax: Service tax and any other tax as applicable shall be levied as per the prevailing tax laws.

Free look period: If the policyholder is 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/30 days if the sale is done through distance marketing from the date of receipt of the bond. However, the company will pay the fund value along with the premium allocation charge and mortality and rider charges after deducting proportionate mortality and rider charges for the time the company has provided life cover and expenses incurred on medical examination, if any, and stamp duty charges. Distance marketing involves any sale like marketing through e-mails, telephonic calls except through personal interaction.

Risks inherent in unit linked contracts

- Unit Linked Life Insurance products are different from the Traditional Life Insurance products and are subject to the market risk factors.
- The contribution paid in Unit Linked Life Insurance policies are subject to investment risks associated with capital markets and the NAVs of the units may go up or down based on the performance of fund and factors influencing the capital market and the insured is responsible for his/her decisions.
- Shriram Life is only the name of the insurance company and Shriram Life New Group Gratuity Plan is only the name of the unit linked insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns.
- Please know the associated risks and the applicable charges, from your insurance agent or the Intermediary or policy document of the insurer.
- The various funds offered under this contract are the names of the funds and do not in any way indicate the quality of these plans, their future prospects and returns.
- The past performance of the funds of the company is not necessarily an indication of the future performance of any of the funds.

For feiture regulations

- If any material information given by any member is found wrong or untrue averment, on the basis of which the benefits or assurances have been affected on the life of the member shall render void the particular assurances by SLIC subject to section 45 of the Insurance Act 1938.
- In case of fraud or misrepresentation by the Group Policyholder in respect of any information or declaration, the policy shall be cancelled by Shriram Life Insurance Company immediately by paying the surrender value, if any, subject to the fraud or misrepresentation being established by Shriram Life Insurance Company Ltd in accordance with the section 45 of the Insurance Act 1938.

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.

Provided that acceptance by an insurance agent of commission in

connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bonafide insurance agent employed by the insurer. Any person making default in complying with the provisions of this section shall be punishable with fine, which may be extending to five hundred rupees.

Section 45 of the Insurance Act, 1938:

No policy of life insurance effected before the commencement of this Act shall, after the expiry of two years from the date of commencement of this Act, and no policy of life insurance effected after the coming into force of this Act shall, after the expiry of two years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed fact which it was material to disclose and that it was fraudulently made by the policyholder and that the policyholder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose. Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the Policy are adjusted on subsequent proof that the age of the person insured was incorrectly stated in the proposal.

About the Company:

With a pan India presence of 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.



IN PARTNERSHIP WITH THE Sanlam GROUP

Shriram Life Insurance Co. Ltd.

Plot No. 31 & 32, 5th Floor, Ramky Selenium, Beside Andhra Bank Training Centre
Financial District, Gachibowli, Hyderabad - 500 032.
Phone: +91 40 23009400 (Board) Web: www.shriramlife.in

Toll Free No : 1800 3000 6116 SMS "SHRIRAM LIFE" <msg> to 56263

Online Payments : Make your payments online at 'www.shriramlife.in'
Simple and Secure...

Insurance is the subject matter of solicitation

SHRIRAM LIFE

New Group Gratuity Plan

(UIN128L043V01)

In this policy, the investment
risk in the investment portfolio
is borne by the policyholder.



UIR No.: SLIC/BROC/JUNE/2013/2