



# Shriram Life Group Superannuation Plan

A non linked non participating yearly renewable  
group pension variable insurance plan

UIN: 128N064V01

As a caring employer you can ensure a prudent financial planning and long term investment strategy can be ensured by setting up a fund with Shriram Life. Shriram Life presents “**Shriram Life Group Superannuation plan**”, a non linked non participating variable fund based plan which can be taken by you to manage pension fund for your employees. This scheme helps in building a substantial retirement fund, to ensure a secure regular income flow after retirement so that your employees feel a sense of financially secured, stable and independent post retirement life.

#### **KEY FEATURES**

- Management and administration of Superannuation liabilities in a more efficient manner
- Assured Benefit on individual/pooled superannuation fund.
- Minimum guaranteed interest rate of 1% p.a. for entire term of the policy
- Additional interest credits at end of each quarter
- Tax Benefits as per prevailing tax laws 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 master 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
- ✓ Minimum Initial Contribution : As per the actuary's certificate
- ✓ Maximum Contribution : As per the actuary's certificate

#### **How does the plan work:**

- The initial/regular contribution shall be paid by the master policyholder as determined by the independent actuary's certificate submitted by the master policyholder in accordance with AS 15(Revised) superannuation liability.
- The company shall maintain separate policy account which shall record all receipts and payments made in respect of this product.
- The policy Account value shall be maintained in compliance with Reg. 13a, 13b and 13c of IRDA(Non Linked Insurance Products) Reg 2013.
- 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. In case of Defined Contribution Scheme, individual member-wise Policy Account will also be maintained.
- All the claims 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 company will earmark assets for this product separately and the above mentioned policy account value under this product shall be displayed in the company's website on daily basis through a Specifically Assigned Identification Number (SAIN). The SAIN would be UIN followed by the three digits running number (128N064V01). The separation of assets shall be in compliance with Reg. 15 of IRDA(Non Linked Insurance Products) Reg 2013.
- The fund management charge as mentioned under section 7(d), will be deducted from the policy account value.

Where the policy account value is the accumulated value of the Contributions received at the rate/s of Guaranteed Interest Rate and Additional Interest Rate less the Fund Management Charge and any applicable service tax & cess plus non negative residual additions/claw back additions, if any

### Additions:

#### Interest credits:

In addition to the contributions received, the policy accounts will be credited with the below mentioned interest credits

- **A Minimum Floor Rate:** The plan offers a minimum floor rate of 1% pa, which is guaranteed to accrue at the end of each quarter. This minimum floor rate is guaranteed interest rate that Policy Account shall earn during the entire policy term accumulating on the balance of the policy account. Such accumulation shall be on quarterly basis on the balance of the policy account at the beginning of each such quarter.
- **An Additional non - zero positive Interest Rate:** This rate shall be declared at the beginning of every financial quarter depending on the prevailing yields. This additional interest rate shall remain guaranteed for that quarter. The beginning of the financial quarter would mean the first business working day for that quarter. The non-zero positive additional interest rate shall be declared based on the formula given below. The rate for the quarter will be effective quarterly return.

Additional interest rate = 90% \*(actual return earned during the previous quarter by the assets which are separately earmarked for this product less minimum floor rate).

At each interval, after the minimum floor rate is credited, the non-zero positive additional interest rate shall be credited to the balance of the policy account value.

The company shall ensure that the minimum guaranteed interest rate and the additional non - zero positive interest shall be credited as per regulations 10(b) and 10(c) of IRDA (Non linked Insurance Products) Regulations 2013.

- **Non-zero positive residual additions:**

In the process to comply with the reduction in yield as stipulated in Reg 37 of IRDA (Linked Insurance Products) Reg 2013, and subsequent clarifications, after the minimum floor rate and non zero positive additional interest rate are credited, non zero positive residual additions/claw back additions, if any shall be credited to the policy account value at various durations of time after first five years of the contract.

### Deductions:

- **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 death/retirement/surrender/withdrawal
- **Service Tax** - Service tax and any other tax as applicable shall be levied as per the tax laws in force from time to time.

### BENEFITS:

For policies where individual member accounts are maintained (In respect of Defined Contribution Schemes)

Event on which benefit is payable	How and when benefits become payable	Benefit payable
Death	Immediately on death of the member as per scheme rules	Higher of (Policy account value in respect of the member, Assured benefit)
Retirement	On retirement of the member as specified in the scheme rules	Higher of (Policy account value in respect of the member, Assured benefit)
Surrender	On surrender of the policy by the master policy holder	Total policy Account value less surrender charge if any less Market Value Adjustment
Withdrawals strictly as defined in the scheme rules	Immediately on withdrawal as per scheme rules	Policy account value in respect of the member

There shall be an assured benefit that shall be applicable on the such individual accounts. Such Assured benefit shall be equal to 101% of contributions received in respect of the member.

For exits on account of death, retirement or any other exit allowed in accordance with the scheme rules as agreed at the inception of the contract with master policyholder, the insurer shall make payments from the superannuation funds, subject to the availability of such funds, as per the terms of the scheme rules applicable to the member who is exiting.

If the master policy holder maintains superannuation funds with more than one insurer, the master policy holder shall have the option to choose the insurer to purchase the immediate annuity. If the master policy holder maintains entire superannuation funds with Shriram Life Insurance Company, the master policy holder shall have to purchase the immediate annuity from Shriram Life Insurance Company.

Total Policy Account Value is the total of policy account values of all individual members.

For policies where individual member accounts are not maintained and maintains a pooled account only ( In respect of Defined Benefit Schemes)

Event on which benefit is payable	How and when benefits become payable	Benefit amount payable
Death	Immediately on death of the member as per scheme rules	Amount requested by the group master policyholder as per scheme rules
Retirement	On retirement of the member as specified in the scheme rules	Amount requested by the group master policyholder as per scheme rules
Surrender	On surrender of the policy by the master policyholder	Policy Account value less surrender charge if any less Market Value Adjustment
Withdrawals strictly as defined in the scheme rules	Immediately on withdrawal as per scheme rules	Amount requested by the group master policyholder as per scheme rules

There shall be an assured benefit that shall be applicable on the entire superannuation fund available with the insurer. Such Assured benefit shall be equal to 101% of contributions received in respect of the scheme after allowing for all benefits paid out of the policy account.

For exits on account of death, retirement or any withdrawal allowed in accordance with the scheme rules as agreed at the inception of the contract with master policyholder, the insurer shall make payments from the superannuation funds, subject to the availability of such funds, as per the terms of the scheme rules applicable to the member who is exiting.

If the master policy holder maintains superannuation funds with more than one insurer, the master policy holder shall have the option to choose the insurer to purchase the immediate annuity. If the master policy holder maintains entire superannuation funds with Shriram Life Insurance Company, the master policy holder shall have to purchase the immediate annuity from Shriram Life Insurance Company.

#### **CHARGES:**

**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 death/retirement/surrender/withdrawal. In case of death/retirement/surrender/withdrawal, the fund management charge will be charged for the period from start of current quarter to date of death/retirement/surrender/withdrawal. The charge structure is as follows

Policy Account Value	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.*

**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 renewal.

#### **Renewal of the policy:**

On every Annual Renewal Date (ARD), master 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 superannuation 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). 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 renewal, surrender value payable will be:
  - Policy account value less surrender charge less Market Value Adjustment as approved by IRDAI, 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.

#### **TERMINATION OF THE POLICY:**

The Policy will be deemed as terminated on occurrence of any of the following events by paying policy account value to the Master policyholder.

- Upon mutual agreement by both Shriram Life Insurance Company and the Group Policyholder, or
- On payment of surrender value

#### **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.

#### **FREELook PERIOD:**

If master 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 from the date of receipt of the bond. The company will refund the contribution after deducting 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.



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## About the Company

With a pan India presence with over 500 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.

## SHRIRAM LIFE INSURANCE COMPANY LIMITED

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- IRDAI does not announce any Bonus

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

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