

# Reliance Guaranteed Return Plan Series I – Pension (New)

assured returns  
+  
pension  
=  
safe today and  
secure tomorrow

guaranteed



**RELIANCE** Life Insurance  
Anil Dhirubhai Ambani Group

A Reliance Capital Company

## Reliance Guaranteed Return Plan Series I – Pension (New)

Even in these uncertain times, while you take care of your present, we take care of your retirement.

For select few like you, the Reliance Guaranteed Return Plan Series I – Pension (New) provides guaranteed security towards your retirement. This plan is a single premium unit linked pension plan with guaranteed maturity benefit. The guaranteed maturity benefit is also available on death during the fifth policy year.

The guaranteed maturity benefit plan is the single premium paid (excluding any extra or additional premiums) less charges (Allocation charge, Policy administration charge and service tax on these charges) accumulated at the rate of 6.85% p.a from the date of issue of the policy up to the maturity date.

You need to pay only once and your golden years get secured.

**Under this plan the investment risk in the investment portfolio is borne by the policyholder.**

## Key features

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- Guaranteed return on maturity and @ 6.85% compounded annually. The guaranteed maturity is also available on death during the fifth policy year
- Apart from the returns guaranteed, the policyholder also benefits from growth, if any, in the fund value in excess of the guaranteed amount
- Pensions can start as early as 23 years of age
- Pay only once and secure your retirement
- Unmatched flexibility through our "Exchange Option" to move between suites of Reliance Unit Linked products

## How does the plan work?

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Single premium net of Policy administration, allocation charge and service tax on these charges is invested in the Guaranteed Bond Fund Series I (New) at the inception. No charges are deducted thereafter through cancellation of units.

The plan works in two parts - the Accumulation Period (i.e. the Policy Term) and the Distribution Period. The Accumulation Period is the time when you build up your funds through premium payment.

During the distribution period i.e after the vesting date, the annuity payments begin.

### On Maturity / Vesting:

- 1) The policyholder can purchase Annuity Plan for full Fund Value.
- 2) The policyholder may commute up to one third of Fund Value as lump sum and the balance can be used for the purchase of annuity
- 3) **Open Market Option:** Policyholder can purchase an annuity either from Reliance Life Insurance Company Limited or from any other registered life insurance company.

The Policy will be terminated on maturity.

## Benefits in details

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### Death Benefit:

#### On death before the vesting date:

On death of the policyholder during the first four policy years and before the vesting date, the fund value is payable. On death of the policyholder during the fifth policy year, maximum of fund value and guaranteed maturity benefit is payable. The fund value will be calculated on the date of intimation of death to the company.

The spouse (or nominated beneficiary) of the policyholder may take the death benefit as a lump sum or apply the benefit to purchase an annuity from Reliance Life Insurance Company Limited or from another registered life insurance company.

The policy terminates on payment of the death benefit.

## Maturity Benefit:

On survival of the policyholder to the end of the policy term - On maturity of the policy, the maturity value is payable. The maturity benefit will be maximum of Fund value and the guaranteed maturity benefit.

The policyholder may take one third of the benefit as a cash lump sum. The remainder of the benefit must be applied to purchase an annuity from Reliance Life Insurance Company Limited or from another registered life insurance company.

## Investment options

Reliance Life Insurance Company Limited understands the value of your hard earned money. In our endeavor to help you grow your wealth, we offer you Guaranteed Bond Fund Series I (New).

The Fund, investment objective, risk profile and assets allocation details available under this plan are detailed in the table below:

Fund Name	Investment Objectives	Asset Category
Guaranteed Bond Fund Series I (New)	To achieve predictable investment return. This will be achieved through 100% investments in the fixed interest securities, maturing closer to the maturity of the fund.	Bank Deposits/ Money Market Instruments/ Gilts/ Bonds and Debentures and other Corporate Debt Papers

## Unit pricing, fund valuation and cut off timings

**Unit Price:** The unit price of the fund is arrived at by dividing the Net Asset Value (NAV) of the fund by the number of units existing in the fund at the valuation date (before any new unit is allocated or cancelled)

**Fund Value:** The Fund Value is equal to the number of units under this policy multiplied by respective Unit Price on the relevant Valuation Date.

**Valuation Date:** The Company aims to value the fund on each day the financial markets are open. However, the company reserves the right to value less frequently than every day in extreme circumstances, where the value of the assets may be too uncertain. In such circumstances, the Company may defer valuation of assets until normality returns.

**Cut-off Timings:** Currently, the cut off timings is 3:00 pm for applicability of Unit Price of a particular day for allocation of units, redemption and publication of Unit Price

## Method of calculation of unit values:

The unit pricing shall be computed based on whether the company is purchasing (appropriation price) or selling (expropriation price) the assets in order to meet the day to day transactions of unit allocations and unit redemptions i.e. the company shall be required to sell/purchase the assets if unit redemptions/allocations exceed unit allocations/redemptions at the valuation date.

The **Appropriation price** shall apply in a situation when the company is required to purchase the assets to allocate the units at the valuation date as stated above. This shall be the amount of money that the company should put into the fund in respect of each unit it allocates in order to preserve the interests of the existing policyholders.

The **Expropriation price** shall apply in a situation when the company is required to sell assets to redeem the units at the valuation date as stated as above. This shall be the amount of money that the company should take out of the fund in respect of each unit it cancels in order to preserve the interests of the continuing policyholders.

## Computation of NAV

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**When Appropriation price is applied:** The NAV for a particular fund shall be computed as Market value of investment held by the fund plus the expenses incurred in the purchase of the assets plus the value of any current assets plus any accrued income net of fund management charges less the value of any current liabilities less provisions, if any. This gives the net asset value of the fund. Dividing by the number of units existing at the valuation date (before any new units are allocated), gives the unit price of the fund under consideration.

**When Expropriation price is applied:** The NAV for a particular fund shall be computed as Market Value of investment held by the fund less the expenses incurred in the sale of the assets plus the value of any current assets plus any accrued income net of fund management charges less the value of any current liabilities less provisions, if any. This gives the net asset value of the fund. Dividing by the number of units existing at the valuation date (before any units are redeemed), gives the unit price of the fund under consideration.

In case the valuation day falls on a holiday, then the exercise will be done the following working day.

We reserve the right to value less frequently than every day in extreme circumstances, where the value of the assets may be too uncertain. In such circumstances we may defer valuation of assets until normality returns. Examples of such circumstances are:

- a) When one or more stock exchanges which provide a basis for valuation for a substantial portion of the assets of the fund are closed otherwise than for ordinary holidays
- b) When, as a result of political, economic, monetary or any circumstances out of our control, the disposal of the assets of the unit fund are not reasonable or would not reasonably be practicable without being detrimental to the interests of the remaining unit holders.
- c) During periods of extreme volatility of markets during which surrenders and switches would, in our opinion, be detrimental to the interests of the existing unit holders of the fund.

- d) In the case of natural calamities, strikes, war, civil unrest, riots and bandhs.
- e) In the event of any force majeure or disaster that affects our normal functioning.
- f) If so directed by the IRDA.

### **Allocation of units:**

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The company applies premiums to allocate units in the unit linked fund offered under this plan. The allotment of units to the policyholders will be done only after the receipt of premium proceeds as stated below;

In case of New Business, units shall only be allocated on the day the proposal is completed and results into a policy by the application of money towards premium.

In respect of premiums received up to 3.00 p.m. currently by the company along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing unit price of the day on which the premium is received shall be applicable.

In respect of premiums received after 3.00 p.m. currently by the company along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing unit price of the next business day shall be applicable.

In respect of premiums received with outstation cheques or demand drafts at the place where the premium is received, the closing unit price of the day on which cheques / demand draft is realised shall be applicable.

### **Redemptions:**

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In respect of valid applications received (e.g. surrender, maturity claim, etc) up to 3.00 p.m. currently by the insurer, the same day's closing unit price shall be applicable.

In respect of valid applications received (e.g. surrender, maturity claim, etc) after 3.00 p.m. currently by the insurer, the closing unit price of the next business day shall be applicable.

The unit price for the segregated fund provided under this product shall be made available to the public in the print media on a daily basis. The unit price will also be displayed in the web portal of the company.

### **Cancellation of units:**

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To pay benefits, the company will cancel sufficient units to meet the amount of the payments which are due. The units will be cancelled at the prevailing unit price.

### **The value of a policyholder's fund:**

The value of a policyholder's fund at any time is the number of units allocated to the contract at that time multiplied by the applicable unit price.

## Flexibility available under this plan:

### a) Premium Payment Option

For your convenience we are providing only Single premium option. The minimum single premium amount is Rs. 45,000. There is no limit on the maximum single premium amount.

You can pay the premium by cash, cheque, debit/credit card, ECS & direct debit.

### b) Exchange option:

This option is available for existing policyholders under "Reliance Guaranteed Return Plan Series I - Pension (New)" after completion of three policy years from the date of commencement. Under this option, the policy holder can transfer policy benefits (surrender, maturity etc.) either fully or partially to another plan wherein exchange option is available. This option must be exercised at least 30 days before the receipt of benefit under the policy. The terms and conditions as specified in the opted policy document would apply to the policy holder opting for the 'Exchange Option'. The new plan would be offered on the life of the policy holder.

If the policy holder is opting for transfers from other policies to "Reliance Guaranteed Return Plan Series I - Pension (New)" under exchange option, the allocation charge in the year of exchange will be reduced. The reduced allocation charge applicable in the year of exchange is 2% of the Single Premium.

## Reliance Guaranteed Return Plan Series I - Pension (New) at a glance

Basic Plan	Minimum	Maximum
Age at Entry	18 years last birthday	70 years last birthday
Age at Vesting	23 years last birthday	75 years last birthday
Policy Term	5 years fixed	
Single Premium	45,000	No limit

## Charges and Recovery of Charges under this plan

### Premium Allocation Charge:

This is a percentage of the premium appropriated towards charges from the premium received. The Premium Allocation Charges will be deducted from the premium amount before allocation of units.

The allocation charge depends on the size of the Single Premium

Single Premium (SP) (Rs.)	Allocation Charge as percentage of Single premium
45,000 - 1,00,000	4%
Above 1,00,001 (i.e proportion of single premium above 1,00,000)	3%

If the policyholder is opting for transfer from other plan to Reliance Guaranteed Return Plan Series I - Pension under exchange option, the reduced allocation charge in the year of exchange will be 2% of Single Premium

### Fund management charge

Fund Name	Annual Rate
Guaranteed Bond Fund Series I (New)	1.50%

The Fund Management charges will be priced in the unit price of each Fund.

### Policy administration charge

Policy administration charge of Rs.500 will be deducted at the outset from the single premium before allocation of units.

### Surrender charge

This will apply on the fund value at the time of surrender. Surrender Charge will be deducted in rupees from surrendered amount.

Year of Surrender	Surrender charge as percentage of fund value
1-3 years	Surrender Value not payable
4th year	10%
5th year	6%

### Service tax:

The service tax will be levied on Fund Management Charge, Policy administration charge and Allocation charges. The level of this tax will be as per the rate of Service Tax declared by the Government from time to time. The current rate of service tax is 12.36% (Service tax of 12% along with education cess of 3%).

**The service tax is collected as below.**

- The Service Tax on Fund Management Charge will be priced in the unit price of each Fund on a daily basis.
- The Service Tax on allocation charge will be deducted from the Single premium/contribution along with the allocation charge.
- The Service Tax on Policy administration charge will be deducted from the Single premium/contribution along with the policy administration charge..

### Additional charges levied by Government in future

In future the Company may decide to pass on any additional charges levied by the governmental or any statutory authority to the policyholder. Whenever the company decides to pass on the additional charges to the policy holder, the method of collection of these charges shall be informed to them.



## Revision of charges

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The revision in charges will take place only after obtaining specific approval of the IRDA. A notice of three months will be given to the policyholders before any revision in the charges. If the policyholder does not agree with the modified charges, he/she shall be allowed to withdraw the units in the plan at the then prevailing unit value after paying surrender charge if any and terminate the Policy.

- The Fund management Charge may be increased up to 2.5% p.a.

The Premium Allocation charges, Policy Administration charge and Surrender charges are guaranteed throughout the policy term.

## How safe is your investment?

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Unit Linked Life Insurance products are different from the traditional insurance products and are subject to the risk factors.

1. The premium paid in unit linked life insurance policies are subject to investment risks associated with capital markets and NAVs of the units may go up or down based on the performance of fund and factors influencing the capital market and the insured/policyholder is responsible for his/her decisions.
2. The Unit Price of the units may fluctuate depending on factors and forces affecting the capital markets and the level of interest rates prevailing in the market.
3. All Benefits payable under the Policy are subject to tax laws and other fiscal enactments in effect from time to time.
4. Guaranteed Bond Fund Series I (New) is the name of the fund offered currently with Reliance Guaranteed Return Plan Series I - Pension (New), and in any manner does not indicate the quality of the fund, its future prospects or returns. Guaranteed Bond Fund Series I (New) offers a guaranteed or assured return at the rate of 6.85%.
5. Please note that Reliance Life Insurance Company Limited is only the name of the insurance Company and Reliance Guaranteed Return Plan Series I - Pension (New) is only the name of the unit linked life insurance Policy and does not in anyway indicate the quality of the Policy or its future prospects or returns.
6. The past performance of other funds of the company is not necessarily indicative of the future performance of the fund offered under this product.
7. The Company reserves the right to suspend the allocation, reallocation and/or cancellation of units under extraordinary circumstances such as extreme volatility of assets, extended suspension of trading on stock exchange, natural calamities, riots and other similar events or force majeure circumstances.

- Investments in units are subject to market and other risks. Investment risk in the investment portfolio is borne by the Policyholder.

### **What if I want to discontinue the policy?**

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Surrender Value will be acquired immediately on the payment of the single premium. However, the surrender value will be payable after the completion of three policy anniversaries.

The Surrender Value will be the Fund value less surrender charge.

### **15 day free look period:**

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In Case the Policy Holder disagrees with any of the terms and conditions of the policy, he/she may return the policy to the Company within 15 days of its receipt for cancellation , stating his/her objections in which case the company will refund an amount equal to the non allocated premium Plus the charges levied by Cancellation of units plus fund value as on the date of receipt of the request in writing for cancellation.

### **Tax benefit:**

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Contributions paid under Reliance Guaranteed Return Plan Series I - Pension (New) is eligible for tax deduction under Section 80C of the Income Tax Act, 1961 up to prescribed limits. The current limit is Rs.1,00,000 subject to overall limit of Rs.1,00,000 under section 80C of the Income Tax Act, 1961. On vesting, the policyholder can commute up to one third of the policy proceeds. This commuted value is exempted from tax under section 10(10A) iii of The Income Tax Act, 1961, subject to conditions. The non commuted pension taken in the form of an immediate annuity is currently taxable. Any death benefit received under the policy before vesting is exempted from tax. Tax laws are subject to changes with retrospective effect and consulting a tax expert for an opinion is recommended.

### **Nomination:**

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Nominations will be allowed under this plan as per Section 39 of the Insurance Act, 1938.

### **Assignment:**

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Assignment will not be allowed under this plan as per section 38 of the Insurance Act, 1938.

### **About us**

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Reliance Life Insurance Company Limited offers you products that fulfill your savings and protection needs. Our aim is to emerge as a transnational Life Insurer of global scale and standard.

Reliance Life Insurance Company Limited is an associate company of Reliance Capital Limited., a part of Reliance -

Anil Dhirubhai Ambani Group. Reliance Capital Limited is one of India's leading private sector financial services companies, and ranks among the top three private sector financial services and banking companies, in terms of net worth. Reliance Capital Limited has interests in asset management and mutual funds, stock broking, life and general insurance, proprietary investments, private equity and other activities in financial services.

Reliance - Anil Dhirubhai Ambani Group also has presence in Communications, Energy, Natural Resources, Media, Entertainment, Healthcare and Infrastructure.

### **Prohibition of Rebate: Section 41 of the Insurance Act, 1938 states:**

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- 1) 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 bona fide insurance agent employed by the insurer.

- 2) Any person making default in complying with the provisions of this section shall be punishable with a fine which may extend to five hundred rupees.

### **Section 45 of the Insurance Act, 1938: Policy not to be called in question on ground of mis-statement after two years**

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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 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 the policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policy-holder and that the policy-holder 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 life insured was incorrectly stated in the proposal.

**Note:** This product brochure gives only the salient features of the plan. For further details on all the conditions, exclusions related to **Reliance Guaranteed Return Plan Series I - Pension (New)** please contact our Insurance Advisors.

# RELIANCE Life Insurance

Anil Dhirubhai Ambani Group

sms **GRP** to **55454**

## Reliance Life Insurance Company Limited (Reg. No 121)

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UIN for Reliance Guaranteed Return Plan Series I - Pension (New): 121L042V02

**ISO 9001:2000**  
CERTIFIED COMPANY

Insurance is the subject matter of the solicitation.