

Sales Literature- Reliance Traditional Group Superannuation Plan

A Non-Linked Non-Par Variable Fund Based Insurance Product

Introduction

As an employer, you want to provide the best opportunity to your employees while ensuring the interest of your company. It is important to strike a balance between these twin objectives without compromising on either.

Presenting, Reliance Traditional Group Superannuation Plan that provides you with Superannuation benefits and fund management services to meet your liabilities towards your employees based on your Scheme Rules.

With Reliance Traditional Group Superannuation Plan

1	Avail expert professional fund management services	2	Get guaranteed returns with an upside	3	Opt for additional protection at competitive rates	4	Get free of administrative hassles of the scheme	5	Avail tax benefits as per applicable tax laws
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Reliance Traditional Group Superannuation Plan is a yearly renewable fund based group product. It enables employers to outsource fund management and related administration to Reliance Life Insurance Company Ltd. for their Superannuation scheme.

The benefits payable under this product are governed by the scheme rules of the individual employer's superannuation scheme.

Key Features

- **Expert fund management services:** We will assist you to manage your fund liabilities for your superannuation schemes
- **Guaranteed Interest Rate:** Get a Minimum Floor Rate, guaranteed at 2.50% p.a. on your Policy Account for the entire policy term
- **Additional Interest Rate:** Receive Additional Interest Rate, if any, on your Policy Account in the beginning of every financial quarter during the policy term
- **Additional Protection:** You may opt for rider coverage. For details refer to the section on riders.
- **Tax benefits:** Get tax benefits as per applicable tax laws

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Reliance Traditional Group Superannuation Plan at a glance

	Minimum	Maximum
Size of the Group	10 members	No limit
Age at entry (years)	18	69
Age at maturity (years)	19	70
Contribution (Rs.)	2,00,000	No limit
Contribution frequency	Yearly, Half-yearly, Quarterly, Monthly	
Policy term (years)	1 year (yearly renewable)	

All references to age are as on last birthday.

How does the plan work?

How to enroll for Reliance Traditional Group Superannuation Plan?

- Sparsh India Solutions (SIS) is a manufacturing company. They want to outsource their group superannuation fund management to Reliance Life Insurance Company Limited (RLIC). For this, they shared the scheme details and employee data in the prescribed format.
- The employer, SIS, is the Master Policyholder for this Master Policy.
- RLIC accepted the contribution amount based on the actuarial valuations, provided by an independent qualified actuary. The contributions can be made in monthly, quarterly, half yearly or yearly mode or as a lump sum at periodic intervals as agreed with RLIC, depending on the funding requirements. Also, the past service liability contribution can be paid either in a lump sum or in installments. Contributions are accepted only through the employer, SIS.
- SIS has opted for a cover of their employees under Group Accidental Additional Death Benefit rider (UIN:121B007V02) & Group Accidental Total and Permanent Disablement rider (UIN:121B005V02) for their employees. The rider premiums will be deducted on a monthly basis from the Policy Account and it is the responsibility of SIS to ensure sufficient funds are available for the same.
- RLIC undertakes fund management and administration of the SIS's group superannuation scheme
- SIS is able to manage their superannuation funds without any administrative hassles
- Employees who exit the group receive their superannuation amount within a given timeframe

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How does the Policy Account work?

- **Policy Account**

- The Policy Account will be credited with
 - Regular contributions paid by the Master Policyholder, at inception and subsequent intervals
 - Guaranteed interest amount derived from the Minimum Floor rate (**MFR**) of 2.50% p.a.
 - Additional interest amount derived from applicable rate (**AIR**) after allowing fund management charge (FMC) along with applicable service tax and education cess on FMC, if any, which is over and above the minimum floor rate. AIR once declared, becomes guaranteed for that financial quarter.
 - Non-zero positive residual additions, if any, at the end of each policy year from year 5

MFR and **AIR** shall be credited to the Policy Account on a pro-rata basis at the beginning of each financial quarter and inception/renewal of the policy. In case of surrender of the scheme or exit of members before the end of the quarter, the unearned investment income, if any, would be recovered from the Policy Account. Non-zero positive residual additions would not be applicable under the proposed charging structure.

- The Policy Account will be debited by
 - Benefits paid as and when these arise (except payment of rider benefits)
 - Taxes, duties or surcharges levied by any statutory authority
 - Rider charges, if any

- **Policy Account Management**

- The Company will earmark assets for this product separately and the Policy Account under the product shall be disclosed on a daily basis on the company's website through specifically assigned identification number (SAIN) for the fund for this product.
- Shadow Policy Account Value shall be maintained on daily basis. Such Shadow Policy Account shall be computed based on the actual accruals of all income elements like contributions, income from investments as and when received and all actual debits from the Policy Account Value as and when debited, to arrive at the actual gross investment return and reduction in yield to the Policy Account Value, at the end of each policy year.

- **Policy renewal**

- The policy will be renewed annually on annual renewal date through an endorsement, subject to the Company's Board approved underwriting norms. A communication about the renewal will be sent to the Employer.
- Periodically, we will intimate the employer on the status of the Policy Account Value and request for funding, if required.

Where the Policy Account is overfunded/in surplus as per the AS 15 (Revised) certificate submitted by the Employer, we may allow 'nil contributions/premiums' under the Master policy, until such time that further contributions are required under the policy.

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Plan features in detail

- **Benefits payable based on the scheme rules**

The exact benefits under a scheme are governed by the trust deed and rules of the individual employer's superannuation scheme. Generally, the contingencies for benefit payments will be as given below:

1. Death of the employee in service
2. Disability of the employee in service
3. Retirement of the employee
4. Resignations / terminations of service of the employee

At the time of benefit payout, Reliance life Insurance Company shall provide the following options to the members/beneficiaries of the scheme subject to the Trust deed and rules of the individual employer's superannuation scheme:-

- To commute to the extent allowed under Income Tax Act and the remainder of the balance amount must be applied to purchase an immediate annuity, which shall be guaranteed for life from Reliance Life Insurance Company Ltd at the then prevailing annuity rate. However, upon benefit payout for death of the employee, the nominee shall be entitled to withdraw the entire proceeds from the policy or utilize the entire proceeds from the policy or part thereof for purchasing an immediate annuity. Where the group policyholder maintains superannuation funds with more than one insurer, the group policyholder shall have the option to choose the insurer to purchase the immediate annuity.
- To utilize the entire proceeds to purchase a single premium deferred pension product from Reliance Life Insurance Company Ltd., if any.
- Transfer the entire proceeds to any other approved superannuation fund.
- Retain the entire proceeds within Policy Account until retirement or till the policy is in force if applicable as per the trust deed and rules.

The members/beneficiaries shall have the following annuity options:

- i. A life annuity
- ii. A life annuity with return of purchase price on death of the annuitant
- iii. An annuity guaranteed for 5, 10 or 15 years and payable for life thereafter

Currently, RLIC offers the above options under Reliance Immediate Annuity Plan (UIN: 121N012V02) which may be revised from time to time with the approval from the regulatory authority, i.e. IRDA. **If the Company launches a new annuity plan to replace the current annuity plan on or before the vesting date for any member, then such a member will be eligible for annuity under the new annuity plan only.**

For more details on immediate annuity, you can refer to our website www.reliancelife.com and visit the "Products" section.

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- **Accounts Statement**

Policy account statement shall be issued at the end of each financial year to the employer giving the breakup of the opening balance, premium received, deductions towards charges, minimum floor interest earned, additional interest earned and closing balance in the prescribed format.

- **Surrender of the policy by the Employer**

If the employer / trustees decide to surrender their policy, we will pay a surrender benefit subject to the Market Value Adjustment (MVA) as described below.

The surrender value will be the Policy Account value, less the MVA amount (if any), Unearned investment income and the surrender charges (if any) including service tax and education cess.

If the policy is being surrendered within 3 years of policy inception, then Surrender Charge is 0.05% of the fund, with a maximum of Rs. 5,00,000. The calculation of MVA Amount is provided in the section below.

There is no other charge on surrender except the surrender charge and the MVA.

- **Market Value Adjustment (MVA)**

MVA shall be applied only on the amount which is over and above the amount representing the bulk exit and in case of complete surrender of the Master Policy. If the amount to be paid on total exits in any event exceeds 25% of the total Policy Account Value of the scheme at the beginning of the policy year, such transactions shall be treated as bulk exits, where exit shall be as per the scheme and exit shall mean exit of the member from the group as per the scheme rule exit.

MVA Calculation:

MVA Amount is given by the following formula:

MVA Amount = MVA Factor * Amount over and above the 25% of the Policy Account Value at the beginning of the policy year

Where, MVA Factor = Maximum (0, Account Value – Market Value)/ 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.

Other features

- **Payment Options**

The contributions may be made monthly, quarterly, half yearly, yearly or as a lump sum at periodic intervals as agreed with RLIC, depending on the scheme requirements under AS 15 (Revised).

Top ups are not allowed, unless required as per the actuary's certificate in accordance with the AS 15 (Revised), to address the underfunding of the scheme. It is the responsibility of the employer to provide

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regular contribution in order to ensure adequate funding of the scheme. If the scheme is overfunded, as per the actuary's certificate, the insurer may allow 'nil contributions' under the policy.

- **Renewal of the Policy**

The policy may be renewed on the next policy anniversary date by giving intimation to RLIC, at the then existing terms and conditions, provided there is sufficient balance in the Policy Account as per the scheme rules, subject to the Company's Board approved underwriting norms.

- **Past service Superannuation contribution**

The past liability contribution can be paid either in a lump sum or in installments spread over not more than 5 years.

- **Rider Benefit**

This product provides two optional riders that can be attached to enhance coverage benefit. Riders available are as follows:

- Reliance Group Accidental Additional Death Benefit Rider (UIN:121B007V02)
- Reliance Group Accidental Total and Permanent Disablement Rider (UIN:121B005V02)

The Sum Assured under any rider shall not exceed the Policy Account Value at the time of rider attachment for each member.

These rider(s) are annually renewable and can be selected on commencement of the policy or on any policy anniversary during the policy term. The frequency of rider premium will be same as frequency of premium under base plan. When the base policy terminates, the rider benefits attaching to the basic policy will also terminate. Refer to the rider policy documents for rider specific terms and conditions.

- **Grace period**

A grace period of 30 days for payment of contribution will be allowed for all modes other than the annual mode within the policy term. The policy will lapse if the contributions are not received within the grace period.

- **Revival/reinstatement of the policy**

Revival or reinstatement is allowed within the policy term, as per the Board approved underwriting policy of the Company.

Charges

- **Rider Premium**

Rider premium will be deducted on a monthly basis along with other charges, if any. The rider premium payment term will be either equal to or lower than the premium payment term of this policy. If the Policy Account Value falls below the minimum amount required for the deduction of rider charges, if any, the insurance benefits shall cease immediately, the policy will be terminated and the remaining Policy Account Value, if any, will be paid back to the Master Policyholder.

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- **Surrender charges**

If the policy is being surrendered within 3 years of policy inception, then surrender charge is 0.05% of the fund, with a maximum of Rs. 5,00,000.

After the third policy anniversary, there is no surrender charge except the Market Value Adjustment (MVA), if any.

- **Fund Management Charge**

A Fund Management charges will apply as per the table given below:

Policy Account Value	Fund Management Charge (FMC) (p.a.)exclusive of Service Tax & education cess
Up to 5 crores	1.00%
More than Rs.5 crores but less than or equal to Rs.10 Crores	0.75%
More than Rs.10 crores but less than or equal to Rs.15 Crores	0.65%
More than Rs.15 crores but less than or equal to Rs.20 Crores	0.60%
More than Rs.20 crores but less than or equal to Rs.25 Crores	0.55%
More than Rs.25 crores but less than or equal to Rs.50 Crores	0.50%
More than Rs.50 crores but less than or equal to Rs.100 Crores	0.40%
More than Rs.100 crores but less than or equal to Rs.200 Crores	0.30%
More than Rs.200 Crores	0.25%

Term and Conditions (T&C)

- **Loans**

No loan facility is available under this plan.

- **Nomination of beneficiary – Section 39 of Insurance Act, 1938**

Nomination by individual members is allowed as per Section 39 of Insurance Act 1968. The Employer shall maintain an updated register for nomination details. The Employer shall forward the Bank Account details of the nominee to enable RLIC to directly credit the nominee's account with the claim amount. In the absence of the Bank Account details of the nominee, RLIC shall handover the instrument favouring the Nominee to the Employer who will act as a facilitator for onward delivery of the instrument to the nominee. In the absence of any of the above information RLIC shall pay the claim amount directly to the Claimant by utilizing the services of the Master Policyholder, who will act as a facilitator for claim settlement.

- **Assignment (Section 38 of Insurance Act, 1938)**

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Assignment is not allowed under this plan.

- **New Members**

New members will be allowed to join at any time during the tenure of the policy. The rider benefits, if any, in respect of members will start from the date of joining. Notice of new members must be signed by the employer. All members are invited to join the Policy at the Employers' invitation. If any new member is added post inception of the policy, the mortality charges and rider premiums, if any, will be deducted on a pro-rata basis for remaining period of the policy term.

We will provide the necessary administration forms to assist you in notifying our office when a new member is admitted to the Policy.

- **Service Tax**

Service tax will be levied on the Fund Management Charges, Rider Charges, if any, and Surrender charge. The level of the rate of Service Tax will be 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%).

- **Taxes levied by the Government in future**

In future, the Company shall pass on any additional taxes levied by the Government or any statutory authority to the policyholder. The method of collection of these taxes shall be informed to the policyholders under such circumstances.

- **Tax Benefits**

Tax benefits under the policy will be as per the prevailing Income Tax laws. Tax laws are subject to amendments from time to time and interpretations. Employers are advised to consult a tax expert.

- **Suicide Exclusions**

The benefits payable will be as specified in the trust deed and rules of the individual employer's superannuation scheme. The liability of the insurer will be limited to the maximum of the Policy Account value or the premiums / contributions accumulated (on pro-rata basis) at the minimum guaranteed interest rate.

- **Free Look Period**

In the event, the employer / Master Policyholder disagree with any of the terms and conditions of this policy, the Master Policyholder may cancel this policy by returning it to the Company within 15 days of receiving it, for all distribution channels except for Distance Marketing* channel, which will have 30 days of receiving it, subject to stating your objections. The Company will refund the Premiums paid by you, less a deduction for the proportionate risk premium for the time that the Company has provided cover up to the date of cancellation and for the expenses incurred by the Company on medical examination and stamp duty charges.

*Distance Marketing includes every activity of solicitation (including lead generation) and sale of insurance products through the following modes:

- i. Voice mode, which includes telephone-calling
- ii. Short Messaging services (SMS)

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- iii. Electronic mode which includes e-mail, internet and interactive television (DTH)
- iv. Physical mode which includes direct postal mail and newspaper & magazine inserts and
- v. Solicitation through any means of communication other than in person.

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

- 1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take 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 fine which may extend to five hundred rupees.

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

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 grounds that the statement made in the proposal 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 a statement was a material matter or suppressed facts 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 Life Insured was incorrectly stated in the proposal.

Note:

Insurance is the subject matter of solicitation. This product brochure gives only the salient features of the plan and it is only indicative of terms, conditions, warranties and exceptions. This brochure should be read in conjunction with the benefit illustration and policy exclusions.

Tax laws are subject to change, consulting a tax expert is advisable.

Reliance Life Insurance Company Ltd.

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IRDA Registration No: 121

CIN: U66010MH2001PLC167089

Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai, Maharashtra - 400710

Corporate Office: 9th floor/ 10th floor, Building No. 2, R-Tech Park, Nirlon Compound, Next to Hub Mall, Behind Oracle Building, Goregaon (East), Mumbai - 400 063

For more information or any grievance,

1. Call us at our 24 x 7 Call Centre number - 30338181(Local call charges apply) or our Toll Free Number 1800 300 08181 or
2. Fax number +91-22-30002222
3. Visit us at www.reliancelife.com or
4. Email us at: rlife.customerservice@relianceada.com

UIN for Reliance Traditional Group Superannuation Plan: 121NxxxVxx

SAIN: 121NXXXXXXXXXX

UIN for Reliance Group Accidental Additional Death Benefit Rider 121B007V02

UIN for Reliance Group Accidental Total and Permanent Disablement Rider 121B005V02

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- 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.

UIN – 121N092V03