

RELIANCE

Life Insurance

# Reliance Life Insurance Traditional Group Superannuation Plan

A step towards creating  
value for your employees



## **Reliance Life Insurance Traditional Group Superannuation Plan**

This is a traditional, non-participating Group Superannuation product.

The premiums/contributions received from the master policyholder will be invested according to the IRDA Investment Regulations in respect of Pension and General Annuity Business.

## Key Features

- ▶ A minimum guaranteed interest rate of 0.01% on the premiums/contributions paid into the Superannuation Account on a pro-rata basis
- ▶ Lower Account Maintenance Fee (AMF) for higher Superannuation Account values
- ▶ Interest Rates declared quarterly in advance
- ▶ The benefits payable under the product are governed by the trust deed and rules of the individual employer's Superannuation scheme and the quantum of benefits payable will vary for each individual employer

## How does this Plan work?

This is a traditional non-participating Group Superannuation product which provides a minimum guaranteed interest rate of 0.01% on the premiums/contributions paid into the Superannuation Account on a pro-rata basis. The exact benefits under the product are governed by the trust deed and rules of the individual employer's superannuation scheme. However, the liability of the insurer under any of the contingencies under this plan will be limited to the maximum of the Superannuation Account value or the premiums/contributions accumulated (on pro-rata basis) at the minimum guaranteed interest rate less any surrender charges and applicable service tax and education cess.

### **The Superannuation Account will be credited with**

1. Premiums/contributions paid by the Master Policyholder
2. Interest amounts, after allowing for Account Maintenance Fee (AMF) along with applicable service tax and education cess on AMF, at the end of every calendar month/time of separation, whichever is earlier, on a pro-rata basis.

Withdrawals for members other than scheme rules are not allowed. Separation includes death / disability of employee in service, retirement / termination / resignation of employees, withdrawals for any other reasons as per scheme rules from the Superannuation Account and the Surrender of Policy.

### **The Superannuation Account will be debited with**

1. Benefits paid as and when these arise.
2. Service Tax and Education cess on the Surrender charges, if applicable.
3. Taxes, duties or surcharges of whatever description levied by any statutory authority.

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 Limited at the then prevailing annuity rate. However, in the event of unfortunate 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 at the then prevailing rate.
- ▶ To utilize the entire proceeds to purchase a single premium deferred pension product from Reliance Life Insurance Company Limited, if any.
- ▶ Transfer the entire proceeds to any other approved superannuation fund.
- ▶ Retain the entire proceeds within Superannuation Account until retirement or till the policy is in force if applicable as per the trust deed and rules.

### **Immediate annuity for Members/Beneficiaries:**

Currently Reliance Life Insurance Company Limited offers the following options under **Reliance Immediate Annuity Plan (UIN: 121N012V01)** and will revise the options and annuity rates from time to time post IRDA approval.

#### **The members/beneficiaries shall have the following annuity options:**

- 1) A life annuity
- 2) A life annuity with return of purchase price on death
- 3) An annuity guaranteed for 5, 10 or 15 years and payable for life thereafter

For more immediate annuity details, you can refer to our website [www.reliancelife.com](http://www.reliancelife.com) and visit the product details under "Products" section.

### **Declaration of Interest Rate:**

Interest rate will be declared quarterly in advance for every financial year by the company and credited, after allowing for Account Maintenance Fee (AMF) along with applicable service tax and education cess on AMF, to the Superannuation Account at the end of every calendar month /time of separation, whichever is earlier, on a pro-rata basis.

Where,

### **Account Maintenance Fee (AMF):**

<b>Superannuation Account Value</b>	<b>Account Maintenance Fee (AMF) (p.a.) exclusive of Service Tax &amp; Education Cess</b>
Upto 5 crores	1.00%
More than ₹ 5 crores but less than or equal to ₹ 10 Crores	0.75%
More than ₹ 10 crores but less than or equal to ₹ 15 Crores	0.65%
More than ₹ 15 crores but less than or equal to ₹ 20 Crores	0.60%
More than ₹ 20 crores but less than or equal to ₹ 25 Crores	0.55%
More than ₹ 25 crores but less than or equal to ₹ 50 Crores	0.50%
More than ₹ 50 crores but less than or equal to ₹ 100 Crores	0.40%
More than ₹ 100 crores but less than or equal to ₹ 200 Crores	0.30%
More Than ₹ 200 Crores	0.25%

The applicable Account Maintenance Fee shall be based on the Superannuation Account Value as at the end of the calendar month.

### **Payout on Surrender of the policy by Master Policyholder:**

If the employer / trustees decide to surrender the policy , the company will pay the maximum of the Superannuation Account value or premiums/ contributions accumulated (on pro-rata basis) at the minimum guaranteed interest rate less applicable surrender charges including service tax and education cess on surrender charges and Market Value Adjustment (MVA) as applicable.

## Surrender Charge:

Surrender charges are mentioned below:

Policy year of surrender since commencement of the Policy	Surrender Charge as a percentage of Withdrawal Amount exclusive of Service Tax & Education Cess
1	2%
2	1%
3	0.50%
4	0%
5th year onwards	0%

Surrender Charges will be applicable on surrender of Master Policy or any withdrawals from the Superannuation Account for reasons other than benefit payouts on contingencies for benefit payouts as specified in the trust deed and rules of the individual employer's superannuation scheme.

Withdrawals for members other than scheme rules are not allowed.

## Market Value Adjustment (MVA):

Market Value Adjustment (MVA) is applicable in the case of bulk exits\* and on the amount which is over and above the amount representing bulk exit.

The market value adjustment (MVA) may be applied to adjust the amount payable on bulk exits\*. MVA is related to the decrease in the value of the assets held by the insurance company at the time of exit. This decrease in value can be passed on to the policyholder.

*\*If the amount to be paid on total exits in any event exceeds 25% of the total 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 rules.*

## MVA Calculation:

MVA Amount is derived by following formula:

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

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

### Sample Illustration for the Plan:

a) The values shown in the following table are for illustrative purpose only and based on the assumption of nil Market Value Adjustment and portfolio yield of 4.00% p.a. Portfolio yield may vary in accordance with actual experience.

Year	Premium/ Contribution	Superannuation Account at the beginning @ Minimum Guaranteed Interest Rate	Superannuation Account at the beginning @ Interest Rate declared net of AMF and ST on AMF	Guaranteed Interest Amount	Interest on the superannuation account at the declared rate net of Account Maintenance Fee (AMF) & Service Tax* on AMF	Superannuation Account at the end @ Minimum Guaranteed Interest Rate	Superannuation Account at the end @ Interest Rate declared net of AMF and Service Tax* on AMF	Guaranteed Surrender Value on surrendering during the policy year	Surrender Charge incl of Service Tax*	Applicable Surrender Value on surrendering during the policy year net of Surrender Charges
1	200,000,000	200,000,000	200,000,000	20,000	6,651,680	200,020,000	206,651,680	206,651,680	4,643,877	202,007,803
2	50,000	200,070,000	206,651,680	20,007	6,989,001	200,090,007	213,640,681	213,640,681	2,400,467	211,240,214
3	50,000	200,140,007	213,640,681	20,014	7,225,371	200,160,021	220,866,052	220,866,052	1,240,825	219,625,226
4	50,000	200,210,021	220,866,052	20,021	7,469,734	200,230,042	228,335,786	228,335,786	—	228,335,786
5	50,000	200,280,042	228,335,786	20,028	7,722,362	200,300,070	236,058,148	236,058,148	—	236,058,148

b) The values shown in the following table are for illustrative purpose only and based on the assumption of nil Market Value Adjustment and portfolio yield of 8.00% p.a. Portfolio yield may vary in accordance with actual experience.

Year	Premium/ Contribution	Superannuation Account at the beginning @ Minimum Guaranteed Interest Rate	Superannuation Account at the beginning @ Interest Rate declared net of AMF and ST on AMF	Guaranteed Interest Amount	Interest on the superannuation account at the declared rate net of Account Maintenance Fee (AMF) & Service Tax* on AMF	Superannuation Account at the end @ Minimum Guaranteed Interest Rate	Superannuation Account at the end @ Interest Rate declared net of AMF and Service Tax* on AMF	Guaranteed Surrender Value on surrendering during the policy year	Surrender Charge incl of Service Tax*	Applicable Surrender Value on surrendering during the policy year net of Surrender Charges
1	200,000,000	200,000,000	200,000,000	20,000	14,651,680	200,020,000	214,651,680	214,651,680	4,823,653	209,828,027
2	50,000	200,070,000	214,651,680	20,007	15,845,630	200,090,007	230,497,310	230,497,310	2,589,868	227,907,442
3	50,000	200,140,007	230,497,310	20,014	17,015,358	200,160,021	247,512,667	247,512,667	1,390,526	246,122,141
4	50,000	200,210,021	247,512,667	20,021	18,271,435	200,230,042	265,784,102	265,784,102	—	265,784,102
5	50,000	200,280,042	265,784,102	20,028	19,769,553	200,300,070	285,553,655	285,553,655	—	285,553,655

\*The service tax and education cess shall be levied on the Account Maintenance Fee (AMF) and Surrender Charge. The level of this tax will be as per the rate 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% of Service Tax).

### Policy Limits:

**Minimum age at entry:** 18 years last birthday

**Maximum age at entry:** 69 years last birthday or one year prior to normal retirement age, whichever is lower

**Maximum age at maturity:** 70 years last birthday or normal retirement age, whichever is lower.

**Minimum size of Group:** 10

**Minimum annual premium/contribution:** ₹ 2,00,000/-

**Maximum annual premium/contribution:** No limit

**Maximum size of the Superannuation Account:** No limit

**Policy term:** Yearly renewable. On completion of every policy year, the Master Policyholder has an option to extend the Policy for another one year or take the higher of the Superannuation Account value or the premiums/ contributions accumulated at the minimum guaranteed interest rate on pro-rata basis subject to applicable surrender charges (if any) and MVA (if applicable).

The past service liability of the scheme or deficit in the scheme, if any, can be paid into the Superannuation Account either in a lump sum or in instalments.

Where the scheme is at surplus, the insurer may allow “nil Contribution/Premium” under the insurance contract.

### **Modes of premium payment:**

The permitted modes of payment for Superannuation premiums/ contributions are Annual, Half Yearly, Quarterly and Monthly.

### **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. You are advised to consult a Tax expert.

### **Service Tax:**

The service tax & education cess shall be levied on the Account Maintenance Fee (AMF) and Surrender Charge. The level of this tax will be as per the rate 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% of Service Tax).

### **Charges Levied by the 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 Policyholder, the method of collection of these charges shall be informed to them.

### **Addition of New Members:**

New members are allowed to join at any time during the tenure of the policy. Notice of new members must be signed by the Master Policyholder. All employees are invited to join the Policy at the Master Policyholder's invitation.

### **Suicide Claim Provision:**

The benefit 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 Superannuation Account value or the premiums / contributions accumulated (on pro-rata basis) at the minimum guaranteed interest rate.

### **Policy loans:**

Not applicable

### **Nomination (Please see section 39 of the Insurance Act, 1938):**

Benefits upon death will be payable to the trustees. In case the trustees delegate to the company the authority to pay benefits directly to the nominee/beneficiary, we will pay the benefits to the nominee/beneficiary as recorded by the trustees and informed to us.

### **Free look Period:**

In the event, Master policyholder disagree with any of the terms and conditions of this policy, 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)
- 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.

## About Us

Reliance Life Insurance Company Limited offers you products that fulfil 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 a part of Reliance Capital, under Reliance Group. Reliance Capital is one of India's leading private sector financial services companies, and ranks among the top 3 private sector financial services and banking companies, in terms of net worth. Reliance Capital 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 Group also has presence in Communications, Energy, Natural Resources, Media, Entertainment, Healthcare and Infrastructure.

Nippon Life Insurance, also called Nissay, holds 26% stake in Reliance Life Insurance Company Limited.

Nippon Life Insurance is Japan's largest private life insurer with revenues of ₹ 346,834 crore (US\$ 80 Billion) and profits of over ₹ 12,199 crore (US\$ 3 billion). The Company has over 14 million policies in Japan, offers a wide range of products, including individual and group life and annuity policies through various distribution channels and mainly uses face-to-face sales channel for its traditional insurance products. The company primarily operated in Japan, North America, Europe and Asia and is headquartered in Osaka, Japan. It is ranked 81st in Global Fortune 500 firms in 2011.

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

- 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  
mis-statement 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 ground that 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 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:** Insurance is a subject matter of solicitation. This product brochure is indicative of the terms and conditions, warranties and exceptions in the insurance policy giving only the salient features of the plan. For further details please refer to the policy document before concluding the sale. In the event of conflict, if any, between the terms and conditions contained in this brochure and those contained in the policy document, the terms and conditions contained in the policy document shall prevail. For further details on all the conditions, exclusions related to **Reliance Life Insurance Traditional Group Superannuation Plan** please contact our employees.

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


 The logo for Reliance Life Insurance features the word "RELIANCE" in white, uppercase letters on a dark blue rectangular background. A small red triangle is positioned below the letter "A".
 

RELIANCE

Life Insurance


 The "All is well" logo consists of the text "All is well" in a white, serif font, with a small white cross symbol above the letter "i". The text is set against a dark blue background.
 

All is well™

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

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

**Corporate Office:** 9th & 10th Floor, Bldg. No. 2, R-Tech Park, Nirlon Compound, Next to Hub Mall, Behind Oracle Bldg, Goregaon (East), Mumbai, Maharashtra 400063.

- ▶ **Customer Care Number: 1800 300 08181 & 3033 8181**
- ▶ **Email: [rlife.customerservice@relianceada.com](mailto:rlife.customerservice@relianceada.com)**
- ▶ **Website: [www.reliancelife.com](http://www.reliancelife.com)**

This product brochure gives the salient features of the plan only. For further details on all the conditions, exclusions related to Reliance Life Insurance Traditional Group Superannuation Plan please contact our Insurance Advisors.

UIN for Reliance Life Insurance Traditional Group Superannuation Plan: 121N092V01  
Insurance is the subject matter of the solicitation.

- ▶ Income Tax Benefits under the income tax laws of 1961 are subject to amendments and interpretation
- ▶ Kindly consult a tax expert
- ▶ Kindly review the offer documents carefully before investing
- ▶ Conditions apply

**ISO 9001:2008**  
CERTIFIED COMPANY