

 Retirement Solutions

Tata AIA Life Insurance

Group Employee Benefit Plan

A Unit Linked, Non Participating Group Insurance Plan



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In this Policy, the investment risks in the investment portfolio are borne by the Policyholder.

To help you meet your statutory obligations as an employer and secure the welfare of your employees we bring to you Tata AIA Life Insurance Group Employee Benefit Plan. This is a unit-linked group insurance plan offered to employer-employee groups that not only helps manage your employee gratuity and leave encashment benefit funds but also provides the opportunity for investment growth.

Key features

- Set up separate funds for your Gratuity/ Leave Encashment benefits
- Choice of 5 investment funds to suit your investment needs
- Benefits payable to employees in the event of retirement/ resignation/ termination/ any other exit as per scheme rules
- Loyalty additions for funds above ₹ 1 crore
- Life Cover for all enrolled members
- Tax benefits[^] as per applicable tax laws

How does it work?

- The employer (who is the Master Policyholder) creates a trust and appoints Trustees for maintaining the Gratuity/ Leave Encashment fund.
- The Employer pays the contributions towards the Gratuity/ Leave Encashment liability based on Actuarial Valuation to meet the past service gratuity liability/ leave encashment liability of the Company.
- The Employer invests the contributions in the chosen funds out of the 5 investment funds options available with Tata AIA Life Insurance (the Insurer). The units are allocated post the receipt of contributions.
- In the event of an enrolled member's retirement (early or otherwise) / resignation/ termination of service / exit other than normal death or any other exit as per scheme rules up to the selected policy term or during the policy term, Tata AIA Life Insurance will redeem the units in the investment funds to pay the gratuity/ leave encashment benefit.
- In case of death of an enrolled member, an additional amount equal to the Sum Assured (₹ 5,000), is payable to the nominee.

Eligibility

Group	Employer - employee
Group Size	10 and above
Entry Age (last birthday)	Min: 18 years Max: As per scheme rules, subject to maximum of 79 years
Maturity Age	As per scheme rules, subject to maximum of 80 years
Policy Term	1 year (yearly renewable)
Sum Assured	₹ 5,000 per member

Contribution/ Premium (the amount paid by the trustee towards the Gratuity/ Leave Encashment liability of the Master Policyholder)	Min: ₹ 2,00,000 at inception Annual Contribution: In accordance with the Actuary's certificate submitted by the employer as per AS15 (revised) Max: No limit
Contribution Frequency	Annually/ Half-yearly/ Quarterly/ Monthly

Benefits payable to the enrolled member:

On exit from the Scheme:

- The gratuity/ leave encashment benefit as decided by employer and stated in the scheme rules will be paid on exit due to retirement (early or otherwise), resignation, termination of service, exit other than normal death, or any other exit as per scheme rules.
- This benefit will be paid by cancellation of units from the Unit Fund Value of the chosen investment funds. Unit Fund Value is the total value of the units at that point of time in a segregated fund.

On death:

On death of the enrolled member, the following will be payable:

- The Sum Assured; and
- The gratuity/ leave encashment benefit in accordance with the scheme rules (by cancellation of units from the Unit Fund Value)

If the policyholder's Unit Fund Value is not sufficient to cover the Gratuity/ leave encashment amount, the liability of the insurer will be limited to the Unit Fund Value of the scheme. However, the insurer is liable to pay the life insurance amount to each enrolled member as assured in the scheme, in case of death of the member.

[^]Tax benefits:

For employer:

- Contributions to an approved Gratuity fund is deductible under section 36 (1)(v) of the Income Tax Act, 1961, subject to the conditions contained therein
- Income earned from investments received by an approved Gratuity fund is tax-exempt under Section 10(25)(iv) of the Income Tax Act, 1961
- The cash equivalent of the Leave Encashment Benefit as and when paid by the employer is deductible from his income under section 43B(f) of the Income Tax Act, 1961.

For employee:

Under Section 10(10) of the Income Tax Act, 1961

- The gratuity settlement for retirement (early or otherwise)/ resignation/ termination of service/ exit other than normal death/ any other exit as per scheme rules will be settled as per the Scheme Rules:
 - For Government employees, Gratuity receipts at the time of retirement are completely tax free.
 - For Non-government employees, Gratuity receipts are tax-exempt up to the limit specified under the Income Tax Act, 1961 from time to time.

Under Section 10(10AA) of the Income Tax Act, 1961

- For Government employees, the leave encashment benefits received at the time of retirement are tax free

- For non-government employees, leave encashment benefits are exempt from taxes subject to the least of the following amounts:
 - ₹ 3 lakh
 - Ten months' average salary (the average of the salary drawn during the last ten months prior to retirement)
 - Cash equivalent of salary in respect of the leave due at the time of retirement
 - Leave encashment actually received at the time of retirement
- Leave salary paid to legal heirs of deceased employee in respect of privilege leave standing to the credit of such employee at the time of death is exempt from tax.

- The death benefit will be ₹ 5,000 (Sum Assured) plus Gratuity settlement as per the Scheme Rules. Death benefits payable to the employees are exempted from tax.

Note:

1. The Sum Assured of ₹ 5,000 as on the date of death shall be payable.

Other Features:

Loyalty additions:

Loyalty additions (as a % of fund value) will be regularly made for schemes where the fund value is higher than ₹ 1 crore. Loyalty Additions (p.a), vary by fund size and type of fund, will be added in the form of additional units at the end of each calendar month after date of commencement of policy, as follows:

Type of Fund					
Fund size (in Crore)	Group Premier Equity Fund	Group Defensive Managed Fund	Group Growth Advantage Fund	Group Income Advantage Fund	Group Short Term Debt Fund
Less than 1	0.00%	0.00%	0.00%	0.00%	0.00%
1 to < 5	0.60%	0.37%	0.36%	0.35%	0.35%
5 to < 10	0.70%	0.47%	0.46%	0.45%	0.45%
10 to < 25	0.80%	0.62%	0.61%	0.55%	0.55%
25 to < 50	0.90%	0.67%	0.66%	0.65%	0.60%
50 and above	1.00%	0.77%	0.76%	0.70%	0.60%

Surrender Value:

This policy may be surrendered by the Master Policyholder and the Insurer will pay the Surrender Value i.e. the Unit Fund Value as on the date of surrender after deduction of Surrender Charge if, any. No Surrender Charge is applicable on surrendering the Policy after completion of three policy years. The policy shall terminate once the Surrender Value has been paid.

Investment options:

The plan offers you the flexibility to choose from five funds, as per your Risk-Return Profile that will enable you to maximize the earnings potential. You can also switch or change future premium allocation between fund options as per your needs and investment objectives.

Fund Name	Risk Profile	Instrument	Asset Allocation	Objective
Group Premier Equity Fund (ULGF00928/03/18 GRPPREMEQU110)	High	Equity and Equity linked instruments	80% - 100%	The primary investments objective of the fund is to generate long term capital appreciation from the portfolio that is invested predominantly in equity and equity linked securities.
		Cash/ Money Market Instruments	0% - 20%	
Group Income Advantage Fund (ULGF01028/03/18 GRPINCADVT110)	Low	Debt instruments	60% - 100%	This fund will invest in a range of debt and money market instruments of various maturities. The primary investment objective of the fund is to generate income with a view to maximizing the optimal balance between yield, safety and liquidity. The fund will have no investments in equity or equity linked instruments at any point in time.
		Cash/ Money Market Instruments	0% - 40%	
Group Short Term Debt Fund (ULGF01128/03/18 GRPSHTRMDB110)	Low	Debt instruments	60% - 100%	This fund is a unit linked fund devised with the objective of generating stable returns by investing in fixed income securities having shorter maturity periods. At all points of time, the average maturity of the fund may be in the range of 1-3 years
		Cash/ Money Market Instruments	0% - 40%	
Group Defensive Managed Fund (ULGF01228/03/18 GRPDEFMNGD110)	Low	Equity and Equity linked instruments	0% - 20%	The objective of the fund is to supplement the income generation from the fixed income instruments with Capital appreciation of the equity assets
		Debt Instruments, Including Cash/Money Market Instruments	60% - 100%	
		Cash/ Money Market Instruments	0% - 40%	

Fund Name	Risk Profile	Instrument	Asset Allocation	Objective
Group Growth Advantage Fund (ULGF01328/03/18 GRPGWTADVT110)	Medium	Equity and Equity linked instruments	0% - 60%	The objective of the fund is to generate Instrument Industry/Rating % of NAV superior returns by taking active asset allocation calls between equity, Corporate Bonds/PSU Bonds/Securitized paper and government securities and other assets depending upon market conditions.
		Debt Instruments	40% - 100%	
		Cash/ Money Market Instruments	0% - 60%	

Switching:

The master policyholder may send a written request to switch the investment between available Funds. The written request must specify the Fund(s) in which Units are to be redeemed and the Fund(s) in which Units are to be allocated. The change will be effected on the applicable unit price as specified under the paragraph "NAV Calculation".

Premium/Contribution re-direction:

Annual contributions can be re-directed into any other fund(s), i.e. initial investment pattern can be changed.

Increase/Decrease in Benefits:

Increase or Decrease in benefits will be as per the Trust Deed/ Scheme Rules, as amended from time to time.

Change in the Premium mode/Contribution:

Master policyholder may change the frequency of Premium/Contribution payments by written request anytime when policy is in force, subject to the minimum premium/contribution requirements in the employer's funding plan and approval. Premiums/ contributions may be paid on annual, semi-annual, quarterly or monthly modes.

Charges:

1. Premium Allocation Charges:

This is charged as a percentage of the contribution. The net premium is then allocated at the Net Asset Value (NAV) prevailing on the date of receipt of premiums as per the NAV Calculation Clause.

Premium Allocation Charge
0.5%*

*0.5% of the contribution, subject to maximum of ₹10 lacs

Note: For policies sourced through Direct Sales, there will be no allocation charge.

2. Policy Administration Charges:

There is no Policy Administration Charge.

3. Fund Management Charge (FMC):

The annual fund management charge will be as follows:

Fund Name	FMC (p.a.)
Group Premier Equity Fund	1.35%
Group Income Advantage Fund	1.00%
Group Short Term Debt Fund	0.90%
Group Defensive Managed Fund	1.07%
Group Growth Advantage Fund	1.06%

All Fund Management Charges are subject to revision by Company with prior approval of the Insurance Regulatory and Development Authority of India but shall not exceed 1.35% per annum in respect of each of the segregated funds.

4. Mortality Charge:

Mortality charge is ₹ 1.25 per 1000 sum assured for standard lives. This will be deducted by cancellation of units from the Fund. The charge is deducted monthly from the Policy Account at the beginning of each month.

5. Switching charges:

There is no Switching Charge.

6. Redirection Charge

There is no redirection Charge.

7. Surrender Charges

This is a charge levied on the Fund Value at the time of surrender of Policy.

Following charges are applicable depending on year of Surrender:

Policy Surrendered in Policy Year	% of fund value
1 to 3	0.05%, subject to maximum of ₹ 5,00,000
4+	0%

All the policy charges are exclusive of applicable taxes, duties, surcharge, cesses or levies which will be entirely borne/ paid by the master policyholder.

The company may alter all the above charges (except premium allocation, mortality and surrender) by giving an advance notice of at least 3 months to the master policyholder subject to prior approval of IRDAI and will have prospective effect. In case of

Fund Management Charge, such alteration shall not exceed 1.35% per annum in respect of each of the segregated funds.

- For applications received AFTER 3.00 pm on the last business day, the same shall fall into the next Financial Year and NAV of the immediate next business day would be applicable.

Sample Illustration

Age (years)	Maturity Age (years)	Policy Term (years)	Premium Paying Term (years)	Premium p.a. (₹)	Sum Assured (₹)	Fund Value at maturity (at 4%) (₹)	Fund Value at maturity (at 8%) (₹)
30	40	10	10	2,00,000	50,000	2,331,853	2,911,278
30	45	15	15	5,00,000	50,000	9,403,494	13,264,720
30	50	20	20	10,00,000	50,000	27,893,535	44,083,951

Disclaimers:

1. This is only an indicative illustration. Rates may vary for each group.
2. Some benefits are guaranteed and some benefits are variable (non-guaranteed) with returns based on the future performance of the opted funds and fulfillment of other applicable policy conditions.
3. Fund value at Maturity is inclusive of Loyalty Additions and exclusive of applicable taxes, cesses & levies.
4. The life cover is assumed as ₹ 5000 per member and the mortality charge is ₹ 1.25 per ₹ 1000 Sum Assured. The group size assumed is of 10 members.
5. Premiums are allocated in Group Income Advantage Fund (SFIN: ULGF01028/03/18GRPINCADVT110). Loyalty additions, as applicable are added to the fund value.

Terms and Conditions:

1. **Suicide exclusion:** In case of death of a group member due to suicide, within 12 months from the date of his/her inception as group member, the nominee or the beneficiary of the group member shall be entitled to the Unit Fund Value as per Scheme Rules, as available on the date of death. Any charges pertaining to the group member recovered subsequent to the date of death shall be paid-back to the nominee or beneficiary of the group member along with death benefit.

However, any claim for the Basic Sum Assured shall not be payable on death due to suicide during such period. The liability of the Insurer will be limited to the fund value of the scheme.

2. **Partial withdrawal:** Partial withdrawals are not allowed in this plan
3. **Nomination:** Nomination will be allowed under the plan as per the provisions of Section 39 of the Insurance Act, 1938 and amendments thereto from time to time.
4. **NAV Computation:** All the contributions will be applied to buy units in the funds selected by the Master Policyholder according to the following rules:

- Applicable NAV for the applications received on the last business day of the Financial Year:

- For applications received on the last business day of the financial year UP TO 3.00 pm shall be processed with NAV of the last business day (irrespective of the payment instrument is local or outstation)

- The insurer shall declare NAV for the last business day of a Financial Year, even if it is a non-business day.

- **For allotment of units, the applicable NAV shall be as per the date of commencement of policy for new policy contracts and date of receipt of premium for renewals.**

- For allotment of units to a new policy contract, the NAV shall be applicable as at the date of commencement of the policy contract. The premium in such case shall have to be received on or before the date of commencement of policy contract.

- For renewals of existing policy contract, the NAV shall be applicable as at the date of renewal where the date of receipt of premium is on or before due date and as at the date of receipt of premium where the premium is received after the due date of renewal.

- For revivals, the date of revival shall be the reference date for application of NAV through allotment of units.

- The date of receipt of premium for reasons such as top-up or any other provision for payment of premium apart from regular payment schedule as approved by the Authority through 'File & Use', application shall be the reference date for application of NAV.

- **The Net Asset Value (NAV) of the segregated funds shall be computed as:**

[Market value of investment held by the fund + value of current assets - (value of current liabilities and provisions, if any)]/Number of units existing on Valuation Date (before creation/ redemption of units)

- Fund Value is the product of the total number of units under a policy and the NAV. The NAV calculated above will be used with respect to portfolio valuations for policyholders in addition to terms for Gratuity Benefit, Leave Encashment Benefit, Surrender Value and for recovering the applicable charges. The NAVs will be calculated on each business day.

- The Net Asset value (NAV) will be determined and published daily in various financial newspapers and will also be available on www.tataaia.com, the official website of Tata AIA Life.

5. **Free Look Period:** In case the Policyholder is not agreeable to any of the provisions stated in the policy, then Policyholder has the option of returning the policy, stating the reasons thereof within 15 days from the date of the receipt of the policy. On receipt of letter along with the original policy document, we shall refund the non-allocated premium plus charges levied by cancellation of units plus fund value at the date of cancellation less the proportionate Mortality Charge and stamp duty.
6. **Termination of Life Cover:** Life cover in respect of any enrolled member will terminate on the earliest of the following:
 - The normal retirement age/ exit age of the member
 - The date of cessation of employment/ membership
 - The date on which the member attains the maximum maturity age/ cover ceasing age
 - The date of death of the member
 - The date the master policy is terminated
7. **Termination of Master Policy:** The Master Policy will terminate on:
 - Foreclosure of the policy
 - On payment of surrender value
8. **Taxes, cesses and levies:** Applicable taxes, cesses and levies will be levied as per the prevailing tax laws and/or any other laws. In case of any statutory levies, cess, duties etc., as may be levied by the Government of India from time to time, the Company reserves its right to recover such statutory charges from the policyholder(s) either by increasing the premium and / or by reducing the benefits payable under the plan.
9. **Fraud, Misrepresentation and Forfeiture:** Fraud, Misrepresentation and Forfeiture would be dealt with in accordance with provisions of Section 45 of the Insurance Act 1938, as amended from time to time.
10. **Assignment:** Assignment is not allowed under this plan.

Disclaimers:

- Investments are subject to market risks.
- Please know the associated risks and the applicable charges, from your Insurance agent or the Intermediary or policy document issued by the insurance company.
- Tata AIA Life Insurance Company Limited is only the name of the Insurance Company & Tata AIA Life Insurance Group Employee Benefit Plan is only the name of the Unit Linked Life Insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns.
- Unit Linked Life Insurance products are different from traditional insurance products and are subject to risk factors.

- The Premium paid in the 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.
- 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, there future prospects and returns. The underlying funds' NAV will be affected by interest rates and the performance of the underlying stocks.
- Income Tax benefits would be available as per the prevailing income tax laws, subject to fulfilment of conditions stipulated therein. Tata AIA Life Insurance Company Ltd. does not assume responsibility on tax implication mentioned anywhere in this document. Please consult your own tax consultant to know the tax benefits available to you.
- The performance of the managed portfolios and funds is not guaranteed and the value may increase or decrease in accordance with the future experience of the managed portfolios and funds. Past performance is not indicative of future performance.
- Insurance cover is available under this product.
- Participation by customers shall be on voluntary basis.
- All Contribution is subject to applicable taxes, levies, duties, cesses which will entirely be borne by the masterpolicyholder and will always be paid by the masterpolicyholder along with the payment of Contribution. If any imposition (tax or otherwise) is levied by any statutory or administrative body under the Policy, the insurer reserves a right to claim the same from the masterpolicyholder. Alternatively, the insurer shall also have a right to deduct the amount from the benefits payable under the Policy.

Prohibition of Rebates - Section 41 - of the Insurance Act, 1938, as amended from time to time

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.

2. Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

About Tata AIA Life

Tata AIA Life Insurance Company Limited (Tata AIA Life) is a joint venture company, formed by Tata Sons Ltd. and AIA Group Ltd (AIA). Tata AIA Life combines Tata's pre-eminent leadership position in India and AIA's presence as the largest, independent listed pan-Asia life insurance group in the world spanning 18 markets in Asia Pacific. Tata Sons holds a majority stake (51 per cent) in the company and AIA holds 49 per cent through an AIA International Limited. Tata AIA Life Insurance Company Limited was licensed to operate in India on February 12, 2001 and started operations on April 1, 2001.

**BEWARE OF SPURIOUS/
FRAUD PHONE CALLS!**

IRDAI is not involved in activities like selling insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.



Tata AIA Life Insurance Company Limited (IRDAI Regn. No.110) CIN: U66010MH2000PLC128403.

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