LIFE INSURANCE

Savings Solutions

Tata AIA Life Insurance

Traditional Group Corporate **Benefit Plan**

An Annually Renewable Non-Linked, Non-Participating Group Savings Plan

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LIFE INSURANCE

Tata AIA Life Insurance Company Limited (IRDAI Regn. No.110) CIN: U66010MH2000PLC128403. **Registered & Corporate Office:** 14th Floor, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400013. Trade logo displayed above belongs to Tata Sons Ltd and AIA Group Ltd. and is used by Tata AIA Life Insurance Company Ltd under a license. For any information including cancellation, claims and complaints, please contact our Insurance Advisor / Intermediary or visit Tata AIA Life's nearest branch office or call **1-860-266-9966** (local charges apply) or write to us at **customercare@tataaia.com.** Visit us at: **www.tataaia.com**.

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Tata AIA Life Insurance Traditional Group Corporate Benefit Plan

An Annually Renewable Non-Linked, Non-Participating Group Savings Plan

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 Traditional Group Corporate Benefit Plan. This is an annually renewable non-linked, non-participating group savings plan offered to employer-employee groups that helps you build and manage funds to meet your employee benefit liabilities.

Key Features

- Set up separate funds for each of your long-term employee benefits and superannuation benefits
- Benefits payable to employees in the event of termination of service, resignation, retirement (early or otherwise), exit other than normal death or any other exit of the members as per scheme rules
- Assured return of 1% per annum on Policyholder Account Value for the Policy Term
- Additional interest rate will be declared by us at the end of every calendar month
- Life Cover for all enrolled members
- Income Tax benefits would be available as per the prevailing income tax laws

How does it work?

- The Employer (who is the Master Policyholder) pays the contributions in accordance with the funding requirements as per the scheme rules. The Master Policyholder shall confirm that such funding is required as per the Actuary's certificate based on extant accounting standard governing the measurement of long term employee benefits. All scheme rules shall be compliant to respective Acts, Regulations, circulars & guidelines as applicable.
- The Insurer will maintain a pooled fund (policy account) at the Master Policy level. The benefits will be settled from the respective Policy Account as per the scheme rules.
- Each master policyholder will have a separate policy account, according to the nature of the scheme. The policy account will be credited with the premiums paid, net of all applicable charges under the policy, to which the following will be credited:
    - The policy account will be credited with the premiums paid, net of all applicable charges under the policy, on which the guaranteed minimum interest rate and a non-negative additional interest rate, if any, will be credited. A Minimum Floor Rate is 1% per annum on the Policyholder Account Value and is guaranteed for the entire policy term. The Minimum Floor Rate shall be credited to the balance of the policy account at the end of each calendar month. In case policy account is maintained at an individual member level, then the MFR shall get credited for the proportionate time since the end of last calendar month at the time of the member exit or scheme surrender.

      The policy account accruing with the MFR shall constitute as the Assured Benefit for schemes backing superannuation liabilities.
    - The policy account will be credited with the premiums paid, net of all applicable charges under the policy, on which the guaranteed minimum interest rate and a non-negative additional interest rate, if any, will be credited. The non-negative additional interest rate (AIR) on the Policyholder Account Value will be declared at the end of every calendar month. At each interval, after the minimum floor rate is credited, the non-negative additional interest rate shall be credited to the balance of the policy account value. The non-negative additional interest rate is not guaranteed at inception and will be declared at the end of every calendar month.

All withdrawals, payouts etc. made will also be deducted from the policy account.

At all times, the liability of the company is limited to the extent of the balance in the Policy Account. The declaration of interest rates shall be in accordance with Section 19 (l) of the IRDAI (Non-Linked Insurance Products) Regulations, 2019.

Annuitisation of Benefits

Annuitisation provisions in respect of the superannuation liabilities of the Master Policyholder are described below:

For schemes where member level accounts are maintained with the company:

a. **Death Benefits -** The nominee of the deceased member shall be entitled:
   i. To utilise the death benefits, fully or partly, for purchasing an immediate annuity, at the then prevailing annuity rate offered; or
   ii. To withdraw the entire death benefit.

b. **Vesting Benefits -** The member shall be entitled:
   i. To commute to the extent allowed under the Income Tax laws and to utilise the residual amount to purchase an immediate annuity, at the then prevailing annuity rate offered or
   ii. To utilise the vesting/maturity benefit to purchase a single premium deferred pension product.

c. **Exit on the grounds such as resignation, early retirement, termination etc. -** The member shall be entitled:
   i. To transfer his/her account value to an approved superannuation fund or NPS account; or
   ii. To continue his/her account with the company; or
   iii. To commute to the extent allowed under the Income

Tax laws and to utilise the residual amount to purchase an immediate annuity at the then prevailing annuity rate offered; or

iv. To purchase a single premium deferred pension plan.

d. **Surrender by master policyholder -** The member shall be entitled subject to scheme rules:

i. To transfer his/her Account Value to an approved superannuation fund or NPS account; or

ii. To commute to the extent allowed under the Income Tax laws and to utilise the residual amount to purchase an immediate annuity at the then prevailing annuity/pension rate offered; or

iii. To utilise the proceeds to purchase a single premium deferred pension product.

Where the Master Policyholder maintains **superannuation funds with more than one insurer,** the master policyholder shall have the option to choose the insurer to purchase the immediate annuity.

In case the proceeds of the policy either on surrender or vesting are not sufficient to purchase minimum annuity as defined in Regulation 3(a) of IRDAI (Minimum Limits for Annuities and Other Benefits) Regulations, 2015, as amended from time to time, such proceeds of the policy may be paid to the claimant as lump sum.

In case annuity is purchased from the company, then the annuity rates will be as available then under Tata AIA Life Smart Annuity Plan (UIN: 110N150V05 or any later approved version) or any other annuity product as approved by the Authority.

For schemes where **member level accounts are not maintained with the company** and the Master Policyholder only maintains a superannuation fund, the benefits being paid out on exits such as death, retirement, termination etc. shall be payable to the master policyholder to be utilised in accordance with the scheme rules of the employer.

For any schemes backing superannuation liabilities, the master policyholder will have an option to maintain separate policy accounts for individual members (Defined Contribution Schemes) and any benefit payout with respect to the member will be from the respective individual policy accounts.

Eligibility:

Group	Employer – employee (which can include directors, temporary staff, contractual staff etc.)
Group Size	10 lives per scheme and above New members/employees can join at any well-defined date as per the rules of the scheme with the policyholder.
Entry Age (last birthday)	Min: 18 years Max: 99 years This shall follow the eligibility conditions as per scheme rules.
Maturity Age	100 years as on last birthday This shall follow the eligibility conditions as per scheme rules
Premium Paying Term	Unlimited as long as the policy is in-force
Policy Term	1 year (annually renewable) The master policy shall continue indefinitely on an annually renewable basis till the Master Policyholder decides to surrender the policy. The renewability clause shall apply automatically subject to non-forfeiture clauses.
Basic Sum Assured	**Minimum:** ₹ 1,000 per member **Maximum:** ₹ 5,000 per member However, if the scheme is purchased to cover for superannuation liabilities, then the amount for Basic Sum Assured shall be zero.
Contribution/ Premium (the amount paid by the trustee towards the liability of the Master Policyholder)	**Min:** ₹1,00,000 at inception, Contribution in any year will be in accordance with funding requirements as per scheme rules **Max:** No limit, In accordance with funding requirements as per scheme rules.
Contribution Frequency	Annually/ Half–yearly/ Quarterly/ Monthly or as desired by the master policyholder as per scheme rules

Benefits payable:

A) On death

- **For schemes backing other than superannuation liabilities**

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

- Basic Sum Assured and
- the amount as per the Scheme rules. Such benefits will be deducted from the policy account of the master policyholder as applicable, subject to availability of funds in the policy account.

- **For schemes backing superannuation liabilities**

For schemes where individual member level accounts are not maintained such as Defined Benefit Schemes, the benefit payable is the amount as per the Scheme rules. Such benefits will be deducted from the policy account of the master policyholder as applicable, subject to availability of funds in the policy account.

For schemes where individual member level accounts are maintained such as Defined Contribution Schemes, the benefit payable is the individual policy account value. On payment of the death benefit, all benefits in respect of the member will cease.

B) Benefits Payable when a Member exits the Scheme

- **For schemes backing other than superannuation liabilities**

Depending on the scheme rules, the benefits in the event of exit due to termination of service, resignation, retirement (early or otherwise), exit other than normal death or any other exit of the members as per scheme rules will be payable.

Such benefits will be deducted from the policy account of the master policyholder as applicable, subject to availability of funds in the policy account.

- **For schemes backing superannuation liabilities**

Depending on the scheme rules, the benefits in the event of exit due to termination of service, resignation, retirement (early or otherwise), exit other than normal death or any other exit of the members as per scheme rules will be payable.

Such benefits will be deducted from the policy account of the master policyholder or individual policy account, as applicable, subject to availability of funds in the policy account.

In case individual policy account is maintained, all benefits in respect of the member will cease on payment of this benefit.

Except for exits or provisions as allowed as per the scheme rules, no other withdrawals shall be allowed.

Other Features:

Surrender Value:

The policy may be surrendered by the master policyholder by giving three months prior notice in writing to us. On the expiration of the notice period, we will pay the Surrender Value i.e. the balance in the Policy Account less surrender penalty (if any), less Market Value Adjustment (if any) shall be paid and the policy will terminate.

The Surrender Charge, as mentioned below, is levied on the Policy Account Value at the time of surrender of the contract.

- **For schemes backing other than superannuation liabilities**

The market value adjustment is a factor to cover the market value losses of the underlying investment in relation to the balance in the Policy Account. Market Value Adjustment (MVA) means the amount calculated in accordance with the following formula which is deducted from the Policy Account Value:

MVA = MVA Factor x Amount over and above 25% of the Policy Account Value at the beginning of that Financial Year.

The MVA Factor shall be calculated as (Policy Account Value less Market Value) / Policy Account Value, floored to zero.

- **For schemes backing superannuation liabilities**

For schemes where individual member level accounts are maintained, the balance of the Policy Account shall be computed as the aggregate sum of the individual policy accounts at the time of surrender, with the surrender penalty and MVA (if any) being applied at the aggregate sum level.

The market value adjustment is a factor to cover the market value losses of the underlying investment in relation to the balance in the Policy Account. Market Value Adjustment (MVA) means the amount calculated in accordance with the following

formula which is deducted from the Policy Account Value:

MVA = MVA Factor x Amount over and above 25% of the Policy Account Value at the beginning of that Financial Year.

The MVA Factor shall be calculated as (Policy Account Value less Market Value) / Policy Account Value, floored to zero.

Scheme Rules:

Scheme rules are the set of rules governing the benefit structure, eligibility of membership & other terms of the scheme. The scheme rules will provide the details of benefits such as type and size of benefits, how and when benefits are payable. The scheme rules would be submitted along with the Proposal Form. All scheme rules shall be compliant to respective Acts, Regulations, circulars & guidelines as applicable to the product.

For schemes to fund and support superannuation liabilities, the master policyholder will have an option to maintain individual member level accounts such as Defined Contribution Schemes.

As per Implementation of IRDAI (Non-Linked Insurance Products) Regulations, 2019 and IRDAI (Unit Linked Insurance Products) Regulations, 2019 circular, no new members can be added to the existing policies under the following withdrawn plans:

- Tata AIA Life Insurance Traditional Group Employee Benefit Plan (UIN:110N149V01)
- Tata AIA Life Comprehensive Gratuity Scheme (UIN: 110N017V01)
- Tata AIA Life Comprehensive Superannuation Scheme [DB] (UIN: 110N018V01)
- Tata AIA Life Comprehensive Superannuation Scheme [DC] (UIN: 110N019V01)

However, all group policyholders at the time of renewal of such policy shall be given an option to switch over to this product, once introduced. Those group policies where the policyholders do not switch over to the modified version, shall follow the procedure stated below:

(a) The group policy may continue to be renewed under the UIN of the old product;

(b) The group policy will be closed to new members from the renewal date of the policy immediately after the effective date of said circular

(c) The insurer shall obtain written consent from the group policyholder to continue in the old policy.

Premium

- The Premium shall be paid by the master policyholder as per the funding valuation report (wherever applicable) in accordance with scheme rules. Where the fund is overfunded/in surplus as per such certificate, “nil contributions/premiums" shall be allowed under the policy and in all such cases, the policy shall not be treated as discontinued. Where the master policyholder maintains the employee benefit funds with more than one insurer, the master policyholder shall have the option to not pay in to this policy as per agreed frequency if it is permissible under the scheme rules, subject to non-forfeiture clauses.

- Premiums/Contributions can be made as per any permissible frequency mode as desired by the master policyholder in line with the scheme rules.

Non-forfeiture benefits:

If regular contribution in any policy year is not received on the due date as per agreed arrangement, then the balance in the Policy Account shall keep on accumulating subject to deduction of charges, at the MFR plus AIR (if any), till the balance in the Policy Account falls to the level of ₹1,00,000 (due to payment of benefits for the reason of death, retirement, exits etc. as per scheme rules). Once the Policy Account reaches 1,10,000, the company will intimate the policyholder to make a contribution. If the balance in the Policy Account falls below 1,00,000, the policy will be terminated and the surrender value as on date of termination shall be paid.

Policy Charges:

1. Mortality Charge:

The Mortality Charge is applied on the Basic Sum Assured and will be deducted from the Policy Account at the beginning of each policy year. The Mortality Charge is ₹1.25 per 1000 Basic Sum Assured per member and is guaranteed throughout the term of the policy.

In case of standard lives: Mortality charges = Basic Sum Assured * 1.25/1000

In case of substandard lives extra mortality loading will apply on mortality charge:

Mortality Charge = Basic Sum Assured * 1.25 (1 + x%) /1000 where x is the extra mortality loading.

For members joining mid-way during the policy year, proportionate mortality charges shall get deducted.

2. Fund Management Charge:

A Fund Management Charge (FMC) will apply as follows:

Policy Account Value		% of Policy Account Value (p.a.)
From (₹)	To (₹)	
0	99,999,999	0.75%
100,000,000	249,999,999	0.60%
250,000,000	499,999,999	0.50%
500,000,000	999,999,999	0.40%
1,000,000,000	Onwards	0.30%

The Fund Management Charge is a charge levied as a percentage of the policy account value and shall be appropriated to the policy account value, after the MFR and the AIR (if any) have been credited at the end of every calendar

month. In case individual member policy accounts are maintained, then FMC shall get debited for the proportionate time since the end of last calendar month at the time of the member exit or scheme surrender.

The Fund Management Charge is subject to revision by the Company with prior approval of IRDAI but shall not exceed 1.35% per annum of the Policy Account Value.

All Premiums and charges payable under the policy are exclusive of applicable taxes, duties, surcharge, cesses or levies which will be entirely borne/ paid by the master Policyholder, in addition to the payment of such Premium and charges.

3. Surrender Charges

The surrender charge is as follows:

Policy Year of Surrender	% of Policy Account Value
1 to 3	0.05% subject to maximum of ₹ 5,00,000
4+	Nil

Terms and Conditions:

1. **Bulk Exits:** If the amount to be paid on total exits in any event exceeds 25% of the total fund of the scheme at the beginning of the year, such transactions shall be treated as bulk exits, where exit shall be as per the scheme rules, and exit shall mean exit of the member from the group. The benefit payable shall be the aggregate value of the amount due to the exiting members as per scheme rules, subject to a Market Value Adjustment (MVA), as described earlier, being applied.
2. **Maturity:**
   - **For schemes backing other than superannuation liabilities**

     The master policy has an indefinite term and hence does not have a specified maturity date.

     However, the master policyholder can surrender the scheme at any time and benefits payable are as described above.
   - **For schemes backing superannuation liabilities**

     The master policy has an indefinite term and hence does not have a specified maturity/vesting date. However, the master policyholder can surrender the scheme at any time and benefits payable are as described above.

   The vesting benefits for members will payable only on the normal retirement date as per the scheme rules of the employer.
3. No Top-up or additional premium is allowed unless required as per the funding valuation report in accordance with funding requirements as per scheme rules and as per extant accounting standard governing the measurement of long term employee benefits (wherever applicable), to address underfunding of the scheme.

4. **Suicide exclusion:** Not applicable
5. **Grace Period:** Premiums/Contributions can be made as per any permissible frequency mode as desired by the master policyholder in line with the scheme rules. Accordingly, no grace period provision is applicable.
6. **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.
7. **Free Look Period:** The master policyholder has a period of 15 days from the date of receipt of policy document to review the terms and conditions of the policy and where the master policyholder disagrees to any of the terms and conditions, the master policyholder has the option to return the policy for cancellation, stating the objections/ reasons, in which case the master policyholder shall be entitled to a refund of the contribution made after deducting the proportionate mortality charges and stamp duty.
8. **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
9. **Termination of Master Policy:** The Master Policy will terminate on:
   - Upon acceptance of free look cancellation request
   - On payment of surrender value
10. **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.
11. **Fraud & Misrepresentation:** Fraud and Misrepresentation would be dealt with in accordance with provisions of Section 45 of the Insurance Act 1938, as amended from time to time.
12. **Assignment:** Assignment shall be as per Section 38 of the Insurance Act, 1938 as amended from time to time.
13. This product is not available online.
14. There is no Free Cover Limit in this product.

Disclaimers:

- Please know the associated risks and the applicable charges, from your Insurance agent or the Intermediary or policy document issued by the insurance company.
- 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.
- Insurance cover is available under this product (for long term benefits).
- All charges under the policy is subject to applicable taxes, levies, duties, cesses which will entirely be borne by the master policyholder and will always be paid by the master policyholder 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 master policyholder. Alternatively, the insurer shall also have a right to deduct the amount from the benefits payable under the Policy.
- This product is underwritten by Tata AIA Life Insurance Company Limited. This plan is not a guaranteed Issuance plan and it will be subject to Company's underwriting and acceptance.

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 percent) in the company and AIA holds 49 percent 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

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CIN: U66010MH2000PLC128403. **Registered & Corporate Office:**
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