



Retirement Solutions

Tata AIA Life Insurance

Smart Annuity Plan

A Single Premium Non Linked, Non Participating Individual Annuity Plan

TATA AIA
— LIFE INSURANCE

Tata AIA Life Insurance Company Limited (IRDAI Regn. No.110)
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(local charges apply) or write to us at **customercare@tataaia.com**.
Visit us at: **www.tataaia.com** or SMS '**LIFE**' to **58888**.
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Tata AIA Life Insurance Smart Annuity Plan

(A Single Premium Non-Linked, Non-Participating Individual Annuity Plan)

Your retirement years are your second innings, a new life where you leave behind your working life and find time for yourself. During this time, you want to be empowered to do all that you could not while working – going on vacations, fulfill your dreams, pursue hobbies, spending time with friends and family, pilgrimage etc. However, to enable yourself to have a worry free retirement, you need to plan right, so that you can truly enjoy your golden years.

Presenting, Tata AIA Life Insurance Smart Annuity plan that helps you gain financial freedom during your second innings. The plan offers you regular income to help you manage your expenses post retirement.

Key Features

- Flexible annuity options to meet your future needs
 - Immediate Life Annuity
 - Immediate Life Annuity with Return of Purchase Price
 - Deferred Life Annuity with Return of Purchase Price
- Option of Single or Joint Life annuity
- Flexibility to choose the Annuity Payouts mode
- Option of Top Up to enhance your Annuity Payout

How does the Plan Work?

- a) Plan your Annuity needs –
 - i. Choose the Purchase Price to buy Annuity; or
 - ii. Choose the Annuity Amount to be received
- b) Choose your Plan Option and Annuity mode – monthly, quarterly, half-yearly or yearly
- c) Receive Annuity payouts at the chosen mode

Eligibility Criteria

	Parameters	Minimum	Maximum
Entry Age [#]	Immediate Life Annuity	45 years	85 years
	Immediate Life Annuity with Return of Purchase Price		
	Deferred Life Annuity with Return of Purchase Price		
Annuity Purchase Price	Immediate Life Annuity	85,227/-	No Limit, subject to Board Approved Underwriting Policy
	Immediate Life Annuity with Return of Purchase Price	1,93,128/-	
	Deferred Life Annuity with Return of Purchase Price	99,751/-	

	Parameters	Minimum	Maximum
Annuity Payout (₹)	Annually	12,000	No Limit
	Half-yearly	6,000	
	Quarterly	3,000	
	Monthly	1,000	
Premium payment period		Single Premium	

*Any reference to Age is as on last birthday. In case of Joint life Annuities, age limits apply to both lives.

The Purchase Price referred above excludes applicable taxes and other statutory levies, if applicable.

The minimum Purchase Price that will produce the minimum annuity mentioned above will depend on the minimum annuity rates, as applicable. **“Annuity Rate”** is guaranteed at the time of annuity purchase and it depends upon the Option chosen, Entry Age of annuitants (primary Annuitant and secondary annuitant in case of Joint Life), Purchase Price and Deferment Period, if any. Annuity rates may be reviewed by the company subject to IRDAI approval on a periodic basis and the revised rates will be applicable for future new business including Top-ups, if any.

If this product is purchased as Qualifying Recognised Overseas Pension Scheme (QROPS) through transfer of UK tax relieved assets, the minimum entry age for payment of annuity will be governed by the rules defined by Her Majesty’s Revenue and Customs (HMRC) from time to time.

Choose from the Annuity Options

The Annuity Options available to you under this product are:

1. Immediate Life Annuity
2. Immediate Life Annuity with Return of Purchase Price
3. Deferred Life Annuity with Return of Purchase Price

The Annuitant can choose to take the product for Single Life or Joint Life for any Plan Options. In case of Joint Life, the Primary Annuitant will be the primary person entitled to receive the Annuity Payouts, while the Secondary Annuitant will be entitled to receive the Annuity Payouts in the event of death of the Primary Annuitant only if opted for.

In case of Joint Life, the Secondary Annuitant can be the spouse/child/parent/parent-in-law or sibling of the Primary Annuitant. Other relationships maybe considered as long as there is an insurable interest³ between the Annuitants. It will be ensured that there shall be insurable interest between the lives.

³Annuitants are said to have an ‘insurable interest’ in the other when they stand to gain or benefit from the continued existence and wellbeing of the other, and would suffer a financial loss due to non-existence of the other.

The benefits and features available under different Plan Options, on both single life and joint life basis, are explained in detail:

1. Immediate Life Annuity Option

a) Single Life

- The annuity shall be payable in arrears as per payment mode chosen by you, for as long as the Annuitant is alive
- On death of the Annuitant, the annuity payments will cease and no further benefits will be payable

b) Joint Life

- The annuity shall be payable in arrears as per payment mode chosen by you, for as long as either of the Primary or the Secondary Annuitant is alive
- On the death of both annuitants, the annuity payments will cease and no further benefits will be payable

2. Immediate Life Annuity with Return of Purchase Price Option

a) Single Life

- The annuity shall be payable in arrears as per payment mode chosen by you, for as long as the annuitant is alive.
- On death of the Annuitant, Death benefit is payable as lump sum to the nominee and no further amount will be payable. Upon payment of the death benefit, the policy shall terminate and all other benefits shall cease. Kindly refer the Death benefit section below for further details.

b) Joint Life

- The annuity shall be payable in arrears as per payment mode chosen by you, for as long as either of the primary or the secondary annuitant is alive.
- Death benefit is payable as a lumpsum to the nominee, on later of the deaths of the two Annuitants. Upon payment of the death benefit, the policy shall terminate and all other benefits shall cease. Kindly refer the Death benefit section below for further details.

3. Deferred Life Annuity with Return of Purchase Price Option

Deferment Period may be between 1 to 10 years (Integer values), as chosen by you at inception. The Annuity Rate shall be as guaranteed at the inception of the Policy.

a) Single Life

- The annuity shall be payable in arrears post deferment period as per payment mode chosen by you, for as long as the Annuitant is alive.
- On death of the Annuitant, death benefit is payable as lumpsum to the nominee and no further amount will be payable. Upon payment of the death benefit, the policy shall terminate and all other benefits shall cease. Kindly refer the Death benefit section below for further details.

b) Joint Life

- The annuity shall be payable in arrears post deferment period as per payment mode chosen by you, for as long as either of the Primary or the Secondary Annuitant is alive.
- Death benefit is payable as a lumpsum to the nominee, on later of the deaths of the two Annuitants. Upon payment of the death benefit, the policy shall terminate and all other benefits shall cease. Kindly refer the death benefit section below for further details.

Your Annuity Payout

Purchase Price is payable in advance at the start of a contract. Your annuity (for annual mode) will be calculated

as follows:

- Annuity Payout =

Yearly Annuity (Single Life) = Rate A * (Purchase Price up to ₹ 125,000) + Rate B * (Purchase price in excess of ₹ 125,000).

Yearly Annuity (Joint Life) = Rate A * (Purchase Price up to ₹ 150,000) + Rate B * (Purchase price in excess of ₹ 150,000).

The Purchase Price referred above excludes applicable taxes and other statutory levies if applicable.

- Your annuity shall be payable in arrears at the end of chosen annuity payment mode from the date of purchase of the plan. This implies that -
 - For yearly mode the annuity payout will be after one year from the purchase.
 - For half-yearly mode the annuity payout will be after 6 months from the purchase.
 - For quarterly mode the annuity payout will be after 3 months from the purchase.
 - For monthly mode the annuity payout will be one month from date of purchase.

Annuity instalments shall be as specified below:

Mode	Annuity Instalment (per mode selected)
Yearly	Yearly Annuity
Half-yearly	98% of Yearly Annuity x 1/2
Quarterly	97% of Yearly Annuity x 1/4
Monthly	96% of Yearly Annuity x 1/12

Note: Yearly Annuity refers to the annuity paid in respect of annual mode.

Sample Annuity Amount:

Age (years)	Purchase Price	Immediate Life Annuity	Immediate Life Annuity with Return of Purchase Price	Deferred Life Annuity with Return of Purchase Price (Deferment Period 10 years)
50	20,00,000	1,40,288	1,22,888	2,29,988
55	20,00,000	1,47,713	1,23,713	2,38,213
60	20,00,000	1,56,538	1,24,538	2,45,038
65	20,00,000	1,68,363	1,25,950	2,47,888
70	20,00,000	1,86,175	1,26,375	2,45,725

The above annual annuity amount is for male, standard life for purchase price exclusive of applicable taxes, cesses & levies.

Top Up Option

The plan offers a choice to increase your annuity payouts through top-up option.

- The additional annuity amount payable is based on the top-up amount and the annuity rates prevailing at the time of top-up.
- Age considered for annuity rate would be the age at the time of availing top-up.
- Yearly Top Up Annuity shall be calculated as below:

Yearly Top-up Annuity (Single Life) = Rate A * Top-Up amount in excess of Purchase price (including existing top-up amount) up to ₹ 1,25,000 + Rate B * Top-Up amount in excess of Purchase price (including existing top-up amount) exceeding ₹ 1,25,000.

Yearly Top-up Annuity (Joint Life) = Rate A * Top-Up amount in excess of Purchase price (including existing top-up amount) up to ₹ 1,50,000 + Rate B * Top-Up amount in excess of Purchase price (including existing top-up amount) exceeding ₹ 1,50,000.

Please refer Company's website for more details on Rate A and Rate B.

What are the benefits?

You are eligible for the following benefits under this product:

1. Maturity Benefit

There is no maturity benefit in this plan.

2. Death Benefit

The Death Benefit will vary depending on the annuity option selected by the policy holder. The table below sets out the Death Benefits for different annuity options:

Sr. No.	Annuity Option	Death Benefits
1	Immediate Life Annuity Option	None
2	Immediate Life Annuity with Return of Purchase Price Option	100% of the Purchase Price of the annuity
3	Deferred Life Annuity with Return of Purchase Price Option	Higher of <ul style="list-style-type: none"> • Purchase Price + Guaranteed Additions (GA) – Total Annuity Payouts till date of death; or • 110% of Purchase Price (including Top-up amount, if any) Where, GA = Purchase Price X Annuity Rate / 12. Guaranteed Additions are accrued at the end of every policy month during the deferment period. GA stops accruing at the end of the deferment period.

Under the Deferred Life Annuity Option with Return of Purchase Price option, the nominee(s) will have to choose one of the following options for the payment of the death benefit.

- Lumpsum Death Benefit: Under this option the entire Death benefit shall be payable to the nominee(s) in lumpsum.
- Annuitisation of Death Benefit: Under this option the benefit amount payable on death shall be utilized for purchasing an Immediate Annuity from the Company for nominee(s). The annuity amount payable to the nominee(s) on the

admission of death claim shall be based on the age of nominee(s) and immediate annuity rates prevailing as on the date of death of Annuitant (last survivor in case of Joint Life Annuity). This option can be opted for full or part of the benefit amount payable on death. However, the annuity payments for each nominee(s) shall be subject to the eligibility conditions of the annuity plan available at that time and then prevailing Regulatory provisions on the minimum limits for annuities.

3. Surrender Benefit

It is advisable to continue your policy in order to enjoy full benefits of your plan. However we understand that in certain circumstances you may want to surrender your policy. Surrender benefit available under different plan options is as follows:

- **Immediate Life Annuity Option (Single and Joint life option):** No Surrender Benefits are available under this Option
- **Immediate and Deferred Life Annuity with Return of Purchase Price (Single and Joint life option):** Surrender value is available for the Immediate Life with Return of Purchase Price option and Deferred Life Annuity with Return of Purchase Price option.

The surrender value payable is higher of the Guaranteed Surrender Value (GSV) or Special Surrender Value (SSV).

Details of Surrender Value computation has been outlined in the Policy Document.

For the purpose of computing the Surrender Benefits, the Purchase Price shall exclude applicable taxes and other statutory levies, if applicable. Upon payment of the surrender benefit the policy shall terminate and all other benefits shall cease.

Illustration:

Age at entry	: 45 years (male)
Option	: Deferred Life Annuity with Return of Purchase Price (Single Life)
Deferment Period	: 10 years
Purchase Price	: ₹ 10,00,000
Annuity Rate	: 11.12%
Annual Frequency	: Annual

End of Policy Year	Surrender Value (At various interest rate prevailing at the time of surrender)		
	5.15%	6.15%	7.15%
1	8,31,362	7,50,000	7,50,000
5	10,95,845	9,35,077	9,00,000
10	15,47,585	13,83,455	12,49,702
15	15,32,594	13,74,245	12,45,360

Other plan features/ Terms and Conditions

Free Look

You have a free look period of 15 days from the date of receipt of the policy document and period of 30 days in case of Policy obtained through electronic or distance mode, to review the terms and conditions of the Policy and if You disagree to any of those terms or conditions, You have the option to return the Policy to the Us for cancellation, stating the reasons for Your objection, and be entitled to a refund of Purchase Price paid without interest after deduction of stamp duty cost along with applicable taxes, cesses and levies. Such notice must be signed by you and received directly by the Company.

However, if the policy has been purchased as QROPS, the proceeds from cancellation shall only be transferred back to the fund house from where the money was received.

Distance Marketing refers to insurance policies sold through any mode apart from face-to-face interactions such as telephone, internet, etc (Please refer to "Guidelines on Distance Marketing of Insurance Product" for exhaustive definition of Distance Marketing).

If this product is purchased through proceeds from subscriber's NPS funds, the proceeds from cancellation in the free-look period shall only be transferred back to the CRA from where the money was received.

Policy Loan

If You have chosen Deferred Life Annuity with Return of Purchase Price Option', You may apply for a loan during Deferment Period up to 80% of Surrender Value. On availing loan, the Policy must be assigned to Us. You shall be liable to pay interest on the loan as below:

- Daily interest shall accrue on loan at the prevailing State Bank of India (SBI) [or any other public sector undertaking bank] domestic term deposit interest rate for tenure '1 year to 455 days' + 2%. This formula will be reviewed annually and only altered subject to prior approval of IRDAI. The current interest rate from 1st October 2019 is 8.50% simple p.a. (i.e. SBI interest rate of 6.50% + 2%) compounded annually;
- Interest shall be payable on each Policy Anniversary after the loan date and until the loan is repaid;
- Any unpaid interest shall be added to the principal loan and bear interest at the same rate. At any time while this Policy is in-force, You may repay the principal loan and accrued interest, or any part of the loan;
- When the loan with accrued interest exceeds the Surrender Value, the Policy shall be terminated.
- If the Surrender Value exceeds the loan amount with accrued interest at the end of the Deferment Period, the excess amount shall be payable to You.

- There shall be no discretion of the Company in granting the loan to identical/similar Annuitants. Further, there shall be no discretion of the Company in the quantum of loan granted (subject to the quantum being within permissible limits).

Utilization of Return of Purchase option for NPS subscribers

In case this annuity option is purchased as a default option by a Government sector NPS subscriber through funds accumulated in his/her NPS scheme, the utilization of Death Benefit shall be as per Pension Fund Regulatory and Development Authority (Exits and Withdrawals Under the National Pension System) Regulations, 2015.

Annuity can be taken by NPS subscribers subject to terms and conditions prescribed by Pension Fund Regulatory and Development Authority (PFRDA) as applicable from time to time.

Exclusions

There are no exclusions under the Policy.

Access to benefits/payout if this product is purchased as QROPS (Qualifying Recognized Overseas Pension Scheme), through transfer of UK tax relieved assets

This plan can be purchased as QROPS, through transfer of UK tax relieved assets subject to listing and terms and conditions prescribed by HMRC (Her Majesty Revenue & Customs) such as:

- Minimum age for annuity payment shall be 55 years of age (i.e. under Immediate annuity the minimum age at entry shall be 55 years and under Deferred annuity, the minimum vesting age shall be 55 years).
- If the policy is cancelled during the Free Look Period, the proceeds from cancellation shall only be transferred back to the fund house from where the money was received.
- Other terms and conditions of HMRC shall also apply as applicable from time to time.

Tax Provisions

The Purchase Price under the policy is exclusive of applicable taxes, duties, surcharge, cesses or levies which will be entirely borne/ paid by the Annuitant, in addition to the payment of such Purchase Price. Tata AIA Life shall have the right to claim, deduct, adjust and recover the amount of any applicable tax or imposition, levied by any statutory or administrative body, from the benefits payable under the Policy.

Assignment

Assignment shall be as per Section 38 of the Insurance Act 1938 as amended from time to time.

Nomination

Nomination allowed as per provisions of Section 39 of the Insurance Act 1938 as amended from time to time.

Alterations:

No alterations can be made after the annuity has been purchased.

Termination of Policy:

This Policy will terminate upon the happening of any of the following events:

- On the date of acceptance of Free look request.
- On the date of payment of the benefits in accordance with the provisions of this Policy;
- On the date of payment of Surrender Benefit of this Policy;
- On the date when the loan amount with accrued interest exceeds the Surrender Value.

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.

DISCLAIMER:

- The brochure is not a contract of annuity. The precise terms and conditions of this plan are specified in the policy contract available on Tata AIA Life website.
- This product brochure should be read along with Benefit Illustration.
- This product is underwritten by Tata AIA Life Insurance Company Ltd. This plan is not a guaranteed issuance plan and it will be subject to Company's underwriting and acceptance.

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