SUD Life
Group Employee Benefit Plan

Star Union Dai-ichi Life Insurance
A joint venture of Bank of India | Union Bank of India | Dai-ichi Life

Secure the ones who grows your business – Your Employees

- Group Gratuity
- Leave Encashment
- Post-Retirement Medical Benefit
- Superannuation

WHY READ THIS BROCHURE?

This brochure helps you understand if this is the right plan for you to meet liabilities associated with Group Gratuity, Leave Encashment, Superannuation, Post-Retirement Medical benefit. It gives you details about how it will work throughout the term. We believe this is an important document to understand before you decide to buy the Group saving life insurance policy.

IDEAL STEPS TO FOLLOW

1. Read the brochure carefully
2. Understand the benefits in detail
3. Meet our representatives or call 1800 266 8833 to clarify any pending doubts

You will come across the following sections in the brochure

1. Is this the right plan for you?
2. Know your plan better
3. Things you should remember!
4. Terms & Conditions

01 Is This The Right Plan For You?

What is SUD Life Group Employee Benefit Plan?

SUD Life Group Employee Benefit Plan is a Non-Linked Non-Participating yearly renewable group savings insurance product, which is especially designed to cater to the needs of employers who want to fund group member's retirement benefits (Defined Benefit Liabilities only) such as Group Gratuity, Leave Encashment, Superannuation, Post-Retirement Medical liabilities.

When is this plan right for you (Master Policyholder)?

This plan is right for you if:

- You want to manage your member's liabilities through a flexible, transparent and value for money plan.
- You are looking for high investment returns.

02 Know Your Plan Better

How the plan works:

- Only the Employer or their Trust can be the Master Policyholder.
- The employer/their Trust can opt for Group Gratuity, Leave Encashment, Superannuation or Post-Retirement Medical liabilities.
- The regular contribution required for the chosen scheme will be determined as per Scheme rules.
- A uniform life cover of ₹ 5,000 per member will be provided. A charge of ₹ 1 per 1000 sum assured per member per annum will be deducted from the Policy Account Value at the start of each month.
- A Guaranteed interest rate (minimum floor rate) of 0.10% per annum plus non-negative additional interest rate (if any) will be declared at the end of each financial year and will apply on the Policy Account Value every day on a pro-rata basis to determine the total investment income accruing to the policy account for the financial year. It will be credited into the policy account at the end of the year.
- Allocation Charges and Mortality Charges will be deducted from the fund as mentioned under section "Charges" below.
- A policy account statement will be issued at the end of each financial year to the employer (master policy holder) giving the breakup of the closing balance, premium received, deduction towards charges, minimum guaranteed interest earned, additional interest earned as applicable, non-negative residual interest rate credited (if any) and closing balance.
- Benefits under the policy will be paid as described in 'Benefits' below.
- This product shall not be available for sale through online mode.

What are the Benefit Options offered?

Death:

- **Gratuity, Leave Encashment and Post-Retirement Medical Benefit:** Benefit is payable in accordance with the scheme rules of the employer, subject to a maximum of the Policy Account Value. An additional benefit of ₹ 5,000 is payable per member.

  The insurance cover is compulsory for Gratuity, Leave Encashment and Post-Retirement Medical Benefit.

- **Superannuation:** Amount payable as per Scheme rules. Nominee can purchase an annuity out of the available annuity options from SUD or any one of the insurer with whom the Master Policyholder maintains superannuation funds, with or without commutation (in accordance with the provisions of Rule 90 of Income Tax Rules 1962).

If the Group Policyholder wants higher risk cover, the same may be arranged through a separate one year renewable Group Scheme of the Company for sale from time to time.

Exits due to Retirement/Early retirement/Termination/Resignation and other events:

- **Gratuity, Leave Encashment:** Benefit is payable in accordance with the scheme rules of the employer, subject to a maximum of the Policy Account Value.

- **Superannuation:** Amount payable as per Scheme rules. Member (Employee) can purchase an annuity out of the available annuity options from SUD or any one of the insurer with whom the Master policyholder maintains superannuation funds, with or without commutation (in accordance with the provisions of Rule 90 of Income Tax Rules 1962).

Post-Retirement Medical Benefit

- In case of post-retirement medical benefit schemes, on happening of the defined event as per scheme rules, benefits will be payable from the policy account of the master policyholder, subject to a maximum of the Policy Account Value.

Note

Under Superannuation Scheme the amount payable or purchase price is insufficient to purchase an annuity of at least ₹ 1,000 per month, the amount or purchase price will be paid to the employee/beneficiary/nominee in a lump sum, subject to the provisions of the Income Tax Act, 1961 and the Income Tax Rules, 1962

How investment return will be determined?

- At the end of each financial year, the company shall declare an investment return subject to minimum guaranteed interest rate of 0.10% per annum and the same will be credited to the policy account. The crediting of interest will be dependent on the Policy Account Value at the end of previous Financial Year and any contributions received thereafter, net of any premium allocation charge, mortality charge, any withdrawals and Goods & Service Tax/any other applicable tax levied subsequently, subject to changes in tax laws. The crediting will only be to the extent and duration for which the money was invested with the company. The crediting interest rate will be based on the gross yield earned in the underlying fund.

Interest will be calculated on the funds from the day when the funds are credited with SUD Life. The interest rate credited to each fund and expenses charged to such funds shall be in accordance with the Board approved policy of the Company

Crediting interest rate = Max (Guaranteed Interest Rate, Gross Yield earned in the underlying fund - Deduction (mentioned below))

Average Policy Account Value	Deduction
Below 25 cr	30 bps
25 – 100 cr	25 bps
Above 100 cr	20 bps

Where

- Average Policy Account Value is average of Policy Account Value of all the schemes of Master Policyholder with SUD Life over last 12 months.
- 'Underlying Fund' stated in the above formula represents fund for pension scheme (superannuation benefit) named Pension Fund and life scheme (other than superannuation benefits) named Life Fund, as applicable.
- "Gross Yield Earned" will be calculated separately for Pension Fund and Life Fund under this product. The Gross Yield of respective fund will be applicable to all schemes under that fund.

The funds under management are defined as the total net contributions received plus interest credited to the fund at the end of each year less claims paid (if any) and these funds are guaranteed.

This minimum floor rate of 0.10% per annum shall be:

Guaranteed for the entire term of the policy accumulating on the balance of the policy account; and such accumulation shall be at a daily basis on the balance of the policy account at the end of each day and credited at the end of financial year

What is Bulk Exit?

If the total amount on exit, due to any event including complete policy surrender, as defined in the scheme rules, in a policy year (including the current exit amount) exceeds 25% of the Policy Account Value as at the beginning of that policy year, such an exit shall be termed as a bulk exit. Market Value Adjustment (MVA) may be applicable only to the amount which is over & above the amount representing bulk exit and surrender charge.

What is Market Value Adjustment?

The market value adjustment is a factor used to cover the market value losses of the underlying investment in relation to the balance in the Policy Account. Market Value adjustment shall be applicable for bulk exits and complete surrender.

Market value adjustment shall be applied only if:

i) The assets are earmarked separately for the product.

ii) The revaluation of assets at the time of market value adjustment is carried out on the entire portfolio of assets.

Market Value Adjustment (MVA) will be calculated as per the formula below:

MVA amount = [Maximum (0, Total Scheme Account Value – Market Value) / Total Scheme Account Value] * (Amount Withdrawn on Exit – 25% of Policy Account Value – Surrender Charges (if applicable))

Where

- Total Scheme Account Value is the sum of the Scheme Account Value (including the Interim Interest accrued) of all the schemes written under the product at the time the market value adjustment is carried out.
- Policy Account Value will include Interim Interest Accrued.
- Market Value is derived from the revaluation of entire assets earmarked separately for the product at the time market value adjustment is carried out.

What are the charges under this Policy?

Mortality charges:

Mortality charge of ₹ 1 per 1000 sum assured per annum per member will be deducted from Policy Account Value at the start of each month.

Allocation Charges:

Distribution Channel	Allocation Charges
Individual Agents, Corporate Agents, Brokers	0.5% of contribution paid during the year or ₹ 10,00,000 whichever is less
Direct Marketing	No Allocation charges

This charge would be aligned to the commission payable.

Surrender Charge:

- The Master Policy can be surrendered any time by serving one month notice. The amount payable on surrender will be the Policy Account Value less the applicable surrender penalty less Market Value Adjustment, if any. Applicable surrender penalty is as follows:

Policy Year	Surrender Charges as a Percentage of Policy Account Value
1 – 3	0.05%, subject to a maximum of ₹ 5,00,000
4 onwards	Nil

An interim interest rate shall be declared for surrender of policy during the financial year for which regular interest rate is not yet declared. The interim interest rate for this product shall be in accordance with the board approved policy of the company. Deductions as per average policy account value will be applied on interim interest rate.

Eligibility conditions:

Parameters	Plan Summary
Minimum age at entry	18 years
Maximum age at entry	79 years
Maximum age at maturity	80 years
Minimum Group Size	10 Members
Maximum Group Size	No Limit
Minimum initial contribution	₹ 1,00,000/-
Maximum contribution	No Limit
Sum Assured (other than Superannuation)	Flat ₹ 5,000/- per Member
Sum Assured (Superannuation)	Nil
Minimum policy term	1 year renewable insurance
Payment modes	Contribution to fund anytime throughout the policy term.

Tax:

Tax Benefits may be available as per the applicable laws as amended from time to time

Currently, GST of 18% is applicable, However GST, as applicable, will be levied as per the extant tax laws. The Master Policyholder will be liable to pay all applicable taxes as levied by the Government from time to time.

03 Things You Should Remember!

What if you realize this is not the right plan for you?

A period of 15 days is available to the Master Policyholder from the date of the receipt of the master policy document to review the terms and conditions of the policy. In case the Master Policyholder disagrees to any of those terms or conditions, he/she has the option to return the master policy stating the reasons for his/her objection.

The Insured Member shall then be entitled to a refund of the amount equal to

- Contribution
- Less stamp duty charges.
- Less proportionate risk charge for the period of life cover

04 Terms & Conditions

(A) Non-forfeiture

If the Policy Account Value falls below ₹ 50,000, the Company will intimate the master policyholder to make contribution within one month to keep the Policy Account Value above ₹ 50,000. Otherwise, the Policy will be terminated immediately & automatically, and the surrender value as on the date of termination shall be paid to the Master Policyholder.

(B) Termination of Policy:

Policy shall terminate on the occurrence of the earliest of the following:

a) The date on which you surrender/terminate the Policy

b) The date on which the Company terminates the Policy, as per Non-forfeiture condition

The Life Insurance Cover on the life of a Member shall terminate on the occurrence of the first of the following events:

a) Cancellation/Termination of the Master Policy

b) On attainment of retirement age as defined in the Master Policy or 80 years, whichever is earlier

c) Death of the member.

d) If the member ceases to be a member of the group as per the scheme rules

e) If Company terminates the policy, as per Non-forfeiture condition.

(C) Nomination

Nomination is allowed as per Section 39 of The Insurance Act 1938 as amended from time to time

(D) Assignment

Assignment is allowed as per Section 38 of The Insurance Act 1938 as amended from time to time

(E) 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 prospectus or tables of the insurer:

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

(F) Suicide Clause :

No Suicide exclusion is applicable. On death of an employee due to suicide, the full death benefit as stated under the benefit section shall be payable.

(G) Section 45 of the Insurance Act 1938

Provisions of Section 45 of the Insurance Act 1938, as amended from time to time will be applicable to all policies/ contracts issued under this products

Star Union Dai-ichi
Life Insurance
A joint venture of
Bank of India | Union Bank of India | Dai-ichi Life

For more details, contact the Branch Manager

1800 266 8833 www.sudlife.in

Star Union Dai-ichi Life Insurance Company Limited is the name of the Insurance Company and "SUD Life Group Employee Benefit Plan" is the name of the plan. Neither the name of the Insurance Company nor the name of the plan in anyway indicates the quality of the plan, its future prospects or returns.

SUD Life Group Employee Benefit Plan | UIN - 142N080V01 | Non-Linked Non-Participating Group Saving Insurance Plan
Star Union Dai-ichi Life Insurance Company Limited | IRDAI Regn. No: 142 | CIN: U66010MH2007PLC174472
Registered Office: 11th Floor, Vishwaroop I.T. Park, Plot No. 34, 35 & 38, Sector 30A of IIP, Vashi, Navi Mumbai-400 703 | Contact No: +91 22 7196 6200 (charges apply) | 1800 266 8833 (Toll Free) | Timing: 9:30 am - 6:30 pm (Mon - Sat) | Email ID: customercare@sudlife.in | Visit: www.sudlife.in | For more details on risk factors, terms and conditions, please refer to the sales brochure carefully, before concluding the sale. Tax benefits are as per prevailing tax laws and subject to change from time to time. Participation by the Bank's customers in Insurance Business shall be purely on a voluntary basis. It is strictly on a non-risk participation basis from the Bank. Trade-logo displayed belongs to M/s Bank of India, M/s Union Bank of India and M/s Dai-ichi Life Holding Inc. and are being used by Star Union Dai-ichi Life Insurance Co. Ltd. under license.

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SUD-SB-02-21-1524