

A small step by you...

A secure retirement for your members

IndiaFirst Group Superannuation Plan
(Deferred annuity plan for members of a Group)



IndiaFirst
LIFE INSURANCE

A Joint Venture of



Before you start reading

Important Note

IndiaFirst Group Superannuation Plan is referred to as the Plan throughout the brochure.

How will this brochure help you?

This brochure gives you details of how the Plan works throughout its lifetime. It's an important document to refer to.

To help your understanding

We've done our best to explain everything as simply as possible; however you're likely to come across some terms you're unfamiliar with. Where possible, we've explained these where they are used.

We have used plain language that's easy to understand and believe this brochure is a good place to start when considering an investment.

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Introduction

For Employers/Trustee wanting to secure liability of Employees/Members

A small step by you... A secure retirement for your members

We know that your members are your most important assets. Organizations work with and exist only because of their members. No matter what your area of work, the value that individual members bring to your organization cannot be underestimated.

While being an important part of your organization, your members are also an essential part of their family. It hence becomes your responsibility to ensure basic financial security for them.

Our IndiaFirst Group Superannuation Plan helps you to invest the funds set aside towards your member's retirement benefit such as pension, during their employment period, payable at retirement or early separation or death.

With the IndiaFirst Group Superannuation Plan, you can now ensure that your members can spend the rest of their lives peacefully after all the hard work.

Please note that IndiaFirst Life Insurance Company will manage your fund on behalf of your members. However, you will be required to take appropriate decision on how to utilize the fund available at the time of exit or retirement or death, in consultation with your members.

Executive Summary

Key Features

You, the Master Policyholder

- You may choose to cover the retirement benefit of all your members
- You may choose to pay the entire contribution on behalf of your members, or it can be paid by both you and your member as defined by the scheme rules. All investment on behalf of your member's pension benefit is secure and earns a minimum guaranteed return of 0.5 percent p.a. The assured return will only be applicable in case of retirement or unfortunate event of life assured's demise

- You should take the decision in consultation with your members
- Any additional returns over and above the minimum guaranteed return will be declared at the end of the financial year
- Your contribution is a deductible business expense in term of Section 36(1) (iv) of the Income Tax Act
- Any income received by the master policyholder on behalf of a Pension Fund is exempt from tax under Section 10 (25) (iii)

Your Member's

- Enjoy a minimum guaranteed return of 0.5 percent on an annual basis. You can watch your money grow as we share bonus at the end of each financial year
- Once the returns are credited into individual account/ pooled account the amount is guaranteed

Risk Factors

- Bonus may vary from time to time and size of the fund
- Tax benefits are subject to changes in tax laws from time to time
- You have to form a trust to get the tax rebate

1. What is the IndiaFirst Group Superannuation Plan?

IndiaFirst Group Superannuation Plan is a non-linked, participating group superannuation plan. Under this plan you, the master policyholder can invest your funds kept aside towards your member's retirement benefits such as Pension in a fund that will help you to -

- Secure your member benefits
- Earn attractive returns by providing security and stability on your contribution towards Pension for your members as per the scheme rules

This plan also offers an assured return of 0.5% of the contribution paid on an annual basis. However, any additional earnings will be shared through declaration of bonus at the end of each financial year.

2. How does Superannuation work?

- The scheme provides for the contribution either from you, the Master policyholder or from both you and your member(s)

Defined Benefit Pension Scheme: The benefits to the members are defined by the scheme rules. Benefits will be paid from the scheme account as per the scheme rules subject to availability of funds in the scheme account

Defined Contribution Pension Scheme: The contribution in respect of each member is fixed as per the scheme rules. An individual account will be maintained for each member of the group.

- The member benefits are defined by the scheme rules. Benefits will be paid from the individual account/ scheme account as per the scheme rules. All investment on behalf of your member's pension benefit is secure and earns a minimum guaranteed return of 0.5 percent p.a. The assured return will only be applicable in case of retirement or unfortunate event of life assured's demise
- Any additional returns over and above the minimum guaranteed return will be declared at the end of the financial year depending on the size of the fund through bonus
- In case of the member's unfortunate demise, you, the master policyholder(s) may pay a lump sum amount to the nominee or beneficiary as per the scheme rules. You may also like to secure the family of the member in case of death under IndiaFirst Group Term Plan (UIN:143N006V01)
- In case of the member's termination/ resignation from the membership a lump sum benefit will be payable to the member as per the scheme rules
- In case of separation from the company through retirement a lump sum benefit from the scheme will be payable to the member as per the scheme rules provided the plan is in force
- IndiaFirst will manage your fund through this scheme during the accumulation period.
- You are empowered to take decision at the time of exit or retirement of your member in consultation with your member or in case of death of member, with their nominee, how to utilize the fund as per the scheme rules.

- You, the master policyholder may also choose to opt for any of the following additional funding options -
 - i. 3 percent of the initial contribution at inception as additional funding.
 - ii. 2 percent of the initial contribution at inception as additional funding.
 - iii. 1 percent of the initial contribution at inception as additional funding.
 - iv. 0 percent of the initial contribution at inception as additional funding

In this case, the year on year bonus will be reduced by 0.5 percent p.a. till the whole amount of additional funding borne by the company is recovered. No such reduction will be made if the master policyholder chooses 0 percent as additional funding.

3. Who can be a part of this plan?

This plan includes the 'Master Policyholder and the 'Member'.

Who is the Master Policyholder?

- Master Policyholder is you, the organization who sets aside a fund for your members in order to secure their retirement benefits such as Pension
- The benefits payable under this plan are governed by the scheme rules. This specifies the amount and time of the benefit payment to your member(s). The amount and time of the benefit may vary. Under the Income Tax Act 1961, the trustees appointed by the employer may act as the Master Policyholder
- The Master Policyholder holds and operates the Master Plan. It is the Master Policyholder who will decide how to utilize the fund at the time of exit or retirement or death of the member under this group scheme.

Who is the Member?

The Member is a member of the organization or a part of an organized group. The member is the life assured under this plan. The benefits are payable on the member's life. The age limits for a member are -

Age	At Entry	At Normal Exit
Minimum	18 years as on last birthday	-
Maximum	As per scheme rules	Retirement age of the member or as per the scheme rules

What is the group size to whom the cover can be offered?

Minimum Group Size	10
Maximum Group Size	No limit

4. Who pays the contribution under this plan?

You, the master policyholder will make the contribution on behalf of your members under the plan. Your members can also contribute along with you under Defined Contribution scheme.

Life cover premium, if any, shall be paid by annual mode. The life cover premium rate is explicit and would be collected separately every year. If you want to take the life cover for your members then you can do so through our Group Term Plan (UIN:143N006V01). For more details, please refer IndiaFirst Group Term Plan brochure.

What is the minimum and maximum contribution under this plan?

Minimum Annual Contribution including any Initial Contribution	₹ 50,000
Maximum Contribution	No limit
Maximum Size of the Fund	No limit

What happens on discontinuance of contribution?

If you, the master policyholder wish to discontinue/ terminate the plan, you may surrender the plan at any time. In case you, the master policyholder wishes to discontinue/ terminate the plan before full recovery of the additional funding, the balance amount will be recovered from the surrender value after application of Market Value Reduction, if any.

Surrender value should be determined by applying market value reduction if any to the account value. In case surrender value after applying market value reduction, if any, is less than 50% of (total contributions less any withdrawals), then surrender value is the 50% of (total contributions less any withdrawal).

Market Value Reduction will also be applicable on Bulk Exit. If at any financial year the accumulated withdrawal amount is more than 25% of the fund at the beginning of that financial year then it will be considered as Bulk Exit. Market Value Reduction will be applicable on withdrawals over 25% of account value except in withdrawals for case of death and retirement.

5. What happens when the benefit falls due?

The benefits will be paid to you, the master policyholder, as per the scheme rules on the exit of the member from the scheme or can be directly paid to the members subject to prior authorization from you.

Benefit payable on separation from the scheme by retirement	The lump sum amount towards pension benefit will be paid from the individual account/ pooled account as per the scheme rules
Benefit Payable on resignation/ early termination from the service	The lump sum amount towards pension benefit will be paid from the individual account / pooled account as per the scheme rules of the master policyholder
Benefit payable on death	The lump sum amount towards pension benefit will be paid from the individual account/pooled account as per the scheme rules of the master policyholder.

Is there any assured return under this plan?

Yes, IndiaFirst Group Superannuation Plan offers an assured return of 0.5 percent on an annual basis. The assured return will be added to the individual account/ pooled account on a yearly basis. The assured

return will only be applicable in case of retirement or unfortunate event of life assured's demise. However, any additional earnings will be shared through annual bonus. The bonus will be declared at the end of each financial year and may vary depending upon the size of the fund. The rate of return once declared, will be credited to the individual account/pooled account at the end of every financial year. Once credited to the account, it will be guaranteed and the account value will increase accordingly.

6. What happens in case of the member's demise?

In case of the member's unfortunate death, you, the master policyholder may withdraw a lump sum amount from the individual account / pooled account as per the scheme rules and pay to the nominee of the group member under this scheme.

However you, the master policyholder may also like to secure the member's family in case of the member's unfortunate death under IndiaFirst Group Term Plan (UIN: 143N006V01). The lump sum amount opted for will also be payable to the nominee along with the superannuation benefits.

7. What are the tax benefits under this plan?

Currently you and your members are eligible for the below mentioned tax benefits. These are subject to change from time to time. However, you are advised to consult your tax consultant.

Pension

For you, the Master Policyholder

- Initial contribution as well as annual contribution will be treated as a business expense under Section 36(1)(iv)
- Any income received by trustees, on behalf of Superannuation is exempted from tax under Section 10 (25)(iii)
- In case ordinary annual contribution does not exceed ₹ 1,00,000 per member per annum, no Fringe Benefit Tax is payable by the employer on the amount of contribution

Members

- Any contribution made by the member(s) towards the Superannuation will be entitled for deduction under Section 80 (C)
- Any payment made by you, the master policyholder on the member's death is exempted from tax under Section 10(13)

8. What are the charges under this plan?

Type of Charge	Charge Details	Description
Scheme Administration Fee	0.5 percent of the contribution made by you, the Master Policyholder subject to a maximum of ₹ 10,000 per scheme	This will be charged at the time of making any contribution

Also, the account value will be subject to the market value reduction at the time of applying for bulk exits or in case of complete surrender by you, the master policyholder. If at any point of time during a plan year, the total amount of withdrawal from the account through retirement, death or any earlier exit for any reason whatsoever exceeds 25 percent of the remaining account value, then any future withdrawals, except for withdrawals in case of death and retirement, during the plan year will be treated as bulk exit and market value reduction will apply.

Is service tax applicable? If yes, who bears it?

The service tax will be borne by you, the master policyholder.

9. What happens in case the life assured commits suicide?

There is no suicide clause applicable under this product. In case of defined benefit scheme, the benefit will be payable to the Master Policyholder as per the scheme rules. In case of defined contribution scheme the account value for the member will be paid to the Master Policyholder or nominee as per the scheme rules.

10. You are prohibited from accepting rebate in any form

Prohibition of Rebate: Section 41 of the Insurance Act, 1938 states

- 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. 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.
- Any person making default in complying with the provisions of this section shall be punishable with a fine which may extend to five hundred rupees.

11. What happens in case of submission of information which is false or incorrect?

Indisputability Clause: Section 45 of the Insurance Act, 1938 states

- No policy of Life Insurance 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 a statement made in the proposal for insurance or any report of a medical officer or referee or friend of the Insurer or in any other document leading to the issue of the Policy, was inaccurate or false, unless the insurer shows such

statement Was on 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 and conditions of the policy are adjusted on subsequent proof that that the age of the life insured was incorrectly stated in the proposal.

12. About IndiaFirst Life Insurance

IndiaFirst Life Insurance Company is a joint venture between Bank of Baroda, Andhra Bank and Legal and General (UK).

Bank of Baroda is one of the largest public sector banks in the country with an enviable network of over 3900 branches that spreads across the geography of India and over 70 branches across 25 countries globally. This behemoth financial institution is over 100 years old and has been built on financial prudence, corporate governance and most importantly - the trust of valuable customers like you.

Andhra Bank has been serving the Indian customer for over 89 years and currently has a network of over 1716 branches. The bank has developed best in class deposit and lending schemes for its valued customers.

Both the banks are nationalized and provide best in class products and services to every Indian citizen.

Legal & General is one of UK's leading financial institutions with a heritage of over 150 years. It provides life assurance, pensions, investments and general insurance plans to over 5.5 million customers across UK. It brings rich fund management and insurance experience to India.

Sample Illustration

Plan Year					Bonus accrued at the End of the Respective Year		Corpus at the End of the Respective Year	
	Initial Contribution	Annual Contribution	Scheme Administration Fees	Non-Zero positive Guaranteed Return @ 0.5% p.a.	Projected Bonus amount based on 4% p.a. interest Rate	Projected Bonus amount based on 8% p.a. interest Rate	Account Value at the end of the year with 4% p.a. interest rate	Account Value at the end of the year with 8% p.a. interest rate
1.	10,000,000	1,500,000	10,000	57,500	350,445	764,085	11,897,945	12,311,585
2.	-	1,500,000	7,500	65,000	408,409	917,972	13,863,854	14,787,057
3.	-	1,500,000	7,500	72,500	468,369	1,082,591	15,897,222	17,434,647
4.	-	1,500,000	7,500	80,000	530,387	1,258,655	18,000,109	20,265,802
5.	-	1,500,000	7,500	87,500	594,525	1,446,927	20,174,633	23,292,730
6.	-	1,500,000	7,500	95,000	660,848	1,648,218	22,422,981	26,528,447
7.	-	1,500,000	7,500	102,500	729,422	1,863,393	24,747,403	29,986,840
8.	-	1,500,000	7,500	110,000	800,317	2,093,376	27,150,220	33,682,716
9.	-	1,500,000	7,500	117,500	873,603	2,339,152	29,633,823	37,631,868
10.	-	1,500,000	7,500	125,000	949,353	2,601,770	32,200,676	41,851,139
11.	-	1,500,000	7,500	132,500	1,027,642	2,882,352	34,853,318	46,358,491
12.	-	1,500,000	7,500	140,000	1,108,547	3,182,091	37,594,365	51,173,082
13.	-	1,500,000	7,500	147,500	1,192,149	3,502,261	40,426,515	56,315,343
14.	-	1,500,000	7,500	155,000	1,278,530	3,844,222	43,352,545	61,807,064
15.	-	1,500,000	7,500	162,500	1,367,774	4,209,421	46,375,319	67,671,486
16.	-	1,500,000	7,500	170,000	1,459,968	4,599,405	49,497,787	73,933,391
17.	-	1,500,000	7,500	177,500	1,555,204	5,015,822	52,722,991	80,619,212
18.	-	1,500,000	7,500	185,000	1,653,572	5,460,429	56,054,063	87,757,141
19.	-	1,500,000	7,500	192,500	1,755,170	5,935,101	59,494,233	95,377,242
20.	-	1,500,000	7,500	200,000	1,860,095	6,441,838	63,046,829	103,511,580

Note: 1. This illustration have been illustrated assuming two investment return scenarios with the intention of allowing prospective policyholders to compare products on a consistent basis. The corpus projections shown are assuming gross investment returns of 4% (low) and 8% (high) on the account value. The illustrations are approved by the company and take into account the guidelines for illustrations set by the Life Insurance Council and the IRDA. 2. Under this illustration the assumed declared bonus rate considered is 3.05% under 4% p.a. gross investment return and 6.65% under 8% p.a. gross investment return scenarios. 3. The illustrations are based on a uniform annual contribution as given at the top. No benefit outgo due to resignation, retirement or death is assumed. In case of such outgo, the account value will be reduced by that benefit amount. 4. Scheme Administration fee: 0.50% p.a. of contribution subject to maximum of ₹10,000. 5. The illustrations are approved by the company and take into account the guidelines for illustrations set by the Life Insurance Council and the IRDA. 6. Tax Benefits available are as per applicable tax laws.

Disclaimer: Some benefits are guaranteed and some benefits are variable with returns based on the future performance of the company. If the plan offers guaranteed returns, then these will be clearly marked "Guaranteed" in the illustration table. If the plan offers variable returns, then the illustrations will show two different rates of assumed future investment returns. These assumed rates of return are not guaranteed and they are not the upper and lower limits of what you might get back as the value of your plan is dependent on a number of factors including future investment performance. The Company does not express any view as to future investment Market condition and these will have a significant impact on actual returns under the Plan.

*Bonus are not guaranteed and may vary from year to year depending upon the size and the performance of the fund.

Insurance is the subject matter of the solicitation

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