



Power to People

IndiaFirst Employee Benefit Plan

PROMOTED BY



Bank of Baroda



Andhra Bank



IndiaFirst
LIFE INSURANCE

Before You Start Reading

Important Note

IndiaFirst Employee Benefit 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.

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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UNDER THIS PLAN THE INVESTMENT RISK IN THE INVESTMENT PORTFOLIO IS BORNE BY THE MASTER POLICYHOLDER

Introduction

Power to People...

Organizations work with and exist only because of their employees. No matter what your area of work, the value that individual employees bring to your organization cannot be underestimated.

Our IndiaFirst Employee Benefit Plan helps you to invest the funds set aside to cover your employee liabilities such as Gratuity and Leave Encashment into market linked investments. This plan offers a life cover for all your employees, securing their families against uncertainties of life.

With IndiaFirst Employee Benefit Plan, you can now ensure that your employees receive the benefits they deserve.

Executive Summary

Key Features - You, the Master Policyholder

- You can now manage your future liabilities towards your employee such as Gratuity and Leave Encashment
- The plan offers a life cover of ₹ 1000 to all your employees,
- You may optimize your investment returns by choosing between four funds across asset classes
- Additionally under

Gratuity

- You may choose to cover the future service gratuity benefit of all your employees
- Your contribution is a deductible business expense
- Gratuity benefits are tax free up to ₹10,00,000 in the hands of the employee
- Any death benefit under the group insurance is tax exempt under Section 10 (10D) of the Income Tax Act 1961.

Leave Encashment

- You may choose to cover the leave encashment liability of all your employees
- You may provide a perfect balance between a life cover for all your employees and best in class investment of Leave Encashment liability contributions

Risks Factors

- The premium/contribution paid in unit linked life insurance plans are subject to investment risks associated with capital markets and are not guaranteed
- The value of the units may go up or down based on the performance of the fund
- IndiaFirst Employee Benefit Plan does not participate in the profits made by the Company
- Factors influencing the capital market also affect the value. Hence, you are responsible for all your decisions
- The past performance of funds does not necessarily indicate the future performance of any of the funds provided under this plan
- Payment of Gratuity and Leave Encashment liability other than life cover benefit will be limited to the fund Value
- Tax benefits are subject to changes in tax laws

1. What is IndiaFirst Employee Benefit Plan?

IndiaFirst Employee Benefit Plan is a unit linked, non-participating, yearly renewable group plan that helps you provide for all your liability payments such as Gratuity and Leave Encashment. This plan offers additional life cover to your employees.

2. How does Gratuity work?

- You, the master policyholder, make annual contributions based on the employee's salary, for each completed year of service of the employee

¹¹Please consult your tax advisor for details.

towards gratuity. On the exit of the employee, he is paid his due from the fund of the scheme, accumulated from the contribution by the employer

- Gratuity is payable if the employee retires or exit from service due to any cause. It is also payable on death in service due to any cause
- As per Gratuity Act, 1972, the gratuity payable to an employee is 15 days wages (basic plus dearness allowance) for every year that he/ she completes or part of a year in excess of 6 months. This is subject to a maximum of ₹ 10 lakh. This is a mandatory benefit payable to the employee after five completed years of service or on the employee's demise at any point in time
- However, the Gratuity Act allows you the flexibility to pay the gratuity benefit before completion of 5 years of service of the employee and in excess of the maximum limit set under the Act

3. How does Leave Encashment work?

- You may choose to offer your employee leave encashment benefits as an acknowledgement of his/her loyalty
- Leave encashment is the amount payable for the employee's leave period, depending upon the leaves to his credit and his salary at the time of termination of employment. This amount may be paid to the employee (or dependent) on retirement, death or disability
- You, the master policyholder, make annual contributions on behalf of your employees. On the exit of the employee, he is paid his due from the fund of the scheme, accumulated from the contribution by you

4. 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 the organization that provides a life cover for all its employees while

investing its funds set aside to cover its employee liabilities such as Gratuity and Leave Encashment into market linked investments, through this plan. In case a Trust is formed under the Income Tax Act 1961, the trustees appointed by the employer act as the Master Policyholder

- The Master Policyholder holds and operates the Master Plan

Who is the Member?

The Member is an employee of the organization. The member is the Life Assured under this plan. The insurance cover is on the member's life.

The age limits for a member are -

Age	At entry	At normal exit
Minimum	18 years	-
Maximum	70 years as on last birthday	71 years as on last birthday

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

Minimum Group Size	50 members (only 10 members for approved Gratuity scheme)
Maximum Group Size	No limit

5. Who pays the contribution under this Plan?

You, the Master Policyholder will make the contribution on behalf of your members under the plan.

Life cover premium will be deducted annually from the contribution or fund.

What is the minimum and maximum contribution under this Plan?

Minimum initial contribution	₹ 50,000
Minimum annual contribution	No limit
Maximum contribution	No limit
Maximum size of the fund	No limit

What happens on discontinuance of contribution?

Discontinuance of contribution can happen when the fund is overfunded or in surplus as per Actuary's certificate submitted by you in accordance with the AS15(Revised). In such cases, we will allow nil contributions/premiums under the plan and the plan shall not be treated as discontinued. Life cover premium shall be recovered from the fund or contribution. At any point of time if the fund value falls below life cover premiums then plan terminates.

6. How is the sum assured calculated?

This plan will have a life cover of ₹ 1000 for the members as additional death benefit.

7. What happens when the benefits fall due?

The benefits will be paid to you, the master policyholder, as per the scheme rules on exit of the member from the scheme. You can accordingly pass the same to your member(s).

Retirement benefit (separation from the scheme by retirement)	The accrued gratuity or accrued leave encashment benefit as per scheme rules of the employer.
Benefit payable on resignation/early termination from the service	The accrued gratuity or accrued leave encashment benefit as per scheme rules of the employer

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

We will pay the nominee a lump sum amount through you, the master policyholder in the unfortunate event of the member's demise. This amount is calculated as below -

Death benefit	In case of death in service, the accrued gratuity or accrued leave encashment benefit as per scheme rules of the employer is paid
Additional death benefit	This is equal to the sum assured of ₹1000 for each member

9. What are the tax benefits under this Plan?

Currently you and your employee 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.

Gratuity

Some employers do not create any fund for Gratuity. They simply create a provision for Gratuity in their accounts. Such provisions do not earn any Income Tax relief. Only the Gratuity paid to the employee is eligible for tax deduction.

On the other hand, if you create a fund for Gratuity, there will be a number of tax benefits available, such as:

- Annual contribution towards gratuity will be treated as a business expense
- Initial Contribution towards past service gratuity will earn income tax relief
- The income of an approved gratuity fund is exempt under Section 10(25) (iv)
- Gratuity payable to an employee is taxed as part of the employee's salary income under Section 17 (I) (iii). However, Gratuity is tax free up to half months (15/26) average salary (of last 10 months) for each year of service, subject to a maximum of ₹10,00,000 under Section 10(10)
- All claims paid out from bundled life cover are eligible for tax deductions under Section 10(10)D

For the Gratuity fund to be approved by the Income Tax Commissioner,

- It is necessary to set up an irrevocable Trust
- The Gratuity trust can invest its funds by making a contribution under a Group Gratuity Scheme of an insurer

Leave Encashment

- The cash equivalent of the leave encashment benefit as and when paid by the employer is deductible from the income under Section 43B (f) of the Income Tax Act, 1961
- Benefit received by the employee at the time of retirement gets tax relief as per section 10(10AA) of the Income Tax Act, 1961 subject to maximum of ten months leave

10. What are the different fund options available

We provide you with four fund options. You may choose what percentage of contribution you as the master policyholder would like to allocate to each of these funds.

Fund name	What does the fund do?	Asset allocation			Risk profile
		Equity	Debt	Money market	
Equity Advantage Fund (SFIN: ULGF001240111EBPE QADFND143)	Provides you high real rate of return in the long term by investing more in equity investments. There is a high probability though, of negative returns in the short term.	80% to 100%	0%	0% to 20%	High
Bond Fund (SFIN: ULGF002240111EBP BDNDFUND143)	Provides you investment returns that exceed the rate of inflation in the long term. There is a low probability of negative returns in the short term.	0%	70% to 100%	0% to 30%	Medium
Cash Fund (SFIN: ULGF003240111EBP CSHFUND143)	Provides steady investment returns achieved through high investment in money market securities. There is a low probability of negative returns in the short term.	0%	0%-20 %	80%-100%	Low
Dynamic Moderator Fund(SFIN: ULGF006300713DY NMODFUND143)	Aim to deliver high returns comparable to the Benchmark Indices and with an objective of a balanced and sustainable growth over a medium to long term	0% to 80%	20% to 80%	0% to 20%	Medium to High

11. How do you move from one fund to another?

As a master policyholder, you will have the flexibility to alter the allocation of your investments among the funds offered in order to suit your changing investment needs anytime during the plan term. You may do so, either by switching or by redirecting your future contributions.

What is switching?

Switching is the option under which you can move some or all the units from one unit linked fund to another.

Are there any limits for switching?

Minimum Switching Amount	₹ 10,000
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What are the charges for switching between funds?

You can switch between funds at any time. There is no limit to the number of switches. Currently, there is no switching charge.

What is contribution redirection?

Under contribution redirection, you, the master policyholder can redirect your future investments towards a different fund or set of funds. However, under the contribution redirection option your past allocation of contribution does not change.

12. What are the charges under this Plan?

There will be no Allocation Charge, Policy Administration charge, switching charge or

contribution redirection charge under the IndiaFirst Employee Benefit Plan. The mortality charges will depend on the attained age of the member. The mortality charges per annum under this plan per ₹ 1000/- sum at risk are given in Annexure A.

The Fund management charge varies depending upon the type of fund and fund size at any time up to the end of scheme tenure as mentioned in the table below.

Fund Name	FMC (p.a.)
Equity Advantage Fund	1.35%
Dynamic Moderator Fund	1.00%
Bond Fund	0.75%
Cash Fund	0.35%

Only one Unit price will be calculated on the basis of the above fund management charge for each fund. We will provide additional units depending upon the size of the fund. This additional unit will be calculated on daily additional unit multiplied by the daily unit price to get additional amount on daily basis by the following formulae:

{Fund Value*[(annual FMC for the fund chosen - effective annual rate for the chosen fund, as given below)/ 365.25]}

Fund Name	Effective Annual Rate for a scheme with total fund size					
	< 5 crore	Between 5 and less than 10 crore	Between 10 and less than 25 crore	Between 25 and less than 100 crore	Between 100 and less than 200 crore	200 crore and above
Equity Advantage Fund	1.35%	1.25%	1.00%	0.90%	0.80%	0.75%
Dynamic Moderator Fund	1.00%	0.85%	0.75%	0.65%	0.60%	0.50%
Bond Fund	0.75%	0.70%	0.60%	0.55%	0.50%	0.50%
Cash Fund	0.35%	0.30%	0.30%	0.25%	0.25%	0.25%

The above difference will be calculated on daily basis and the total amount for a calendar month will be converted into units on the last day of the month's unit price and credited to the fund at the end of every calendar month.

For example: Fund size of ₹ 6 crore which is between 5 crore and less than 10 crore

Fund Name	FMC used to calculate published unit price	Effective Annual Rate	Fund value split in unit Crore	Difference in FMC amount on daily basis in unit Rupees	Assumed published unit price at the end of month	Number of unit credited to the fund at the end of month assuming that there will be same difference in FMC on daily basis
Equity Advantage Fund	1.35%	1.25%	2	54.76 ^	12	136.8925
Bond Fund	0.75%	0.70%	1	13.69	10.5	39.1122
Cash Fund	0.35%	0.30%	1	13.69	10	41.0678
Dynamic Moderator Fund	1.00%	0.85%	2	82.14	10.9	226.0611

^^ Note: $54.76 = 20000000 \times ((1.35\% - 1.25\%) / 365.25)$

Surrender charge:

You can surrender the plan at any time during the year. Surrender charge will apply on the Fund Value at the time of surrender. The table below gives the surrender charge.

Month of surrender	Surrender Charge as percentage of fund value subject to maximum of Rs. 500,000
Up to 12	0.05%
13 - 24	0.05%
25 - 36	0.05%
37th month onwards	Nil

For example: If you want to surrender your plan before 37th month and the fund value at the time of surrender under IndiaFirst Employee Benefit Plan is ₹50,00,000.

Surrender Charge = $0.05\% \times ₹50,00,000 = ₹2,500$

In case of surrender on or after 37th month no surrender charge will be applicable.

Mortality Charge

The mortality charges is explicitly levied and charged annually either from the contribution or fund as mentioned in Annexure A.

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

The service tax will be borne by the master policyholder. It will be charged on the mortality charge, surrender charge and fund management charge. The service tax laws are subject to change from time to time as per Government Tax Laws.

13. How do we value units in your Plan?

We will value your units in line with the unit linked guidelines issued by the IRDA. As per the existing guidelines, the Unit Price will be calculated as follows -

Market value of the investment held by the fund

Plus: Value of current assets

Less: Value of current liabilities and provisions, if any,

Divided: by the number of units existing on the valuation date (before creation/ redemption of units).

14. Allocation of contributions to units

When and how does your contribution get allocated to units in your Plan?

The allotment of units to you, the master policyholder will be done only after we receive the contribution amount. The contribution allocation to the units varies according to the following situations -

New business	We will allocate new units on the day we receive contributions if we receive these before 3:00 p.m. They are allocated the next day if we receive them after 3:00 p.m.
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15. How do we value your units at the time of renewals and redemptions of your contributions?

We will value your units in line with the unit linked guidelines issued by the IRDA.

For funds switch received till 3:00 p.m.	We will apply the closing unit price of the day on which your funds switch request is received.
For funds switch received after 3:00 p.m.	We will apply the closing unit price of the next business day if we receive your funds switch request after 3:00 p.m.

16. Broad risks associated with your Plan

Is your plan prone to risks? If yes, who bears the risk?

Yes your plan does carry risks.

- Linked insurance products are different from the traditional insurance products and are subject to the risk factors
- The premiums paid in unit linked plans are subject to investment risks associated with capital markets. The NAVs of the units may go up or down based on the performance of the fund. Other factors influencing the capital market also affect the NAV. Hence you, as the master policyholder are responsible for all your decisions
- The premiums and funds are subject to certain charges related to the fund or to the premium paid
- There may be fluctuations in investment returns and a possibility of increase in charges. However, any increase in charges shall be subject to clearance from the Authority
- IndiaFirst Life Insurance Company Limited is the name of our insurance company. IndiaFirst Employee Benefit Plan is only the name of our plan and does not in any way indicate the quality of the plan, its future prospects or returns.

- Please know the associated risks and applicable charges from your Insurance agent or the Intermediary or policy document issued by us

Do you get guaranteed returns from any of the funds mentioned in your plan?

- No. None of our funds (Equity Advantage Fund, Bond Fund, Cash Fund and Dynamic Moderator Fund) offer a guaranteed or assured return
- Equity Advantage Fund, Bond Fund, Cash Fund and Dynamic Moderator Fund are the names of the funds offered currently with IndiaFirst Employee Benefit Plan. They do not indicate the quality of the respective funds, their future prospects or returns, in any manner

Does the past performance of your plan guarantee future performance as well?

The past performance of our other funds does not necessarily indicate the future performance of any of these funds.

17. Cancelling your Plan

Yes you, the Master Policyholder can cancel your plan if you disagree with any of the terms and conditions within the first 15 days (free look period) of the receipt of your plan document. You can return the plan to us, while stating your specific objections.

Do you get any refund when you cancel your Plan?

Yes. We will refund an amount equal to the -
Fund Value at the time of cancellation, plus
Allocation Charges, if any plus
Charges deducted by cancellation of units
Less: i. Pro-rata Mortality Charge
ii. Any stamp duty paid

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

There is no suicide clause applicable under this product.

19. You are prohibited from accepting rebate in any form

As per provisions of Section 41 of the Insurance Act, 1938 as amended from time to time. No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take 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. 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 bonafide insurance agent employed by the insurer. 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. For more details please refer to our website www.indiafirstlife.com

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

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

As per provisions of Section 45 of the Insurance Act, 1938 as amended from time to time. For more details please refer to our website www.indiafirstlife.com

21. 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 5200 branches that spreads across the geography of India and over 100 branches across 24 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 customers for over 90 years and currently has a network of over 2500 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 their customers.

Legal & General is one of UK's leading financial institutions with a heritage of over 175 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.

Annexure A: Mortality charge per ₹ 1,000 Sum Assured

Age Last birthday	Mortality charge	Age Last birthday	Mortality charge
18	0.99	45	3.65
19	1.05	46	4.06
20	1.09	47	4.53
21	1.12	48	5.06
22	1.15	49	5.64
23	1.17	50	6.26
24	1.18	51	6.93
25	1.19	52	7.62
26	1.20	53	8.34
27	1.22	54	9.09
28	1.23	55	9.86
29	1.26	56	10.67
30	1.29	57	11.51
31	1.33	58	12.40
32	1.37	59	13.35
33	1.43	60	14.38
34	1.50	61	15.51
35	1.59	62	16.75
36	1.69	63	18.12
37	1.80	64	19.62
38	1.93	65	21.29
39	2.09	66	23.12
40	2.26	67	25.13
41	2.46	68	27.34
42	2.70	69	29.76
43	2.97	70	32.41
44	3.28		

Disclaimer: Unit linked life insurance products are different from the traditional insurance products and are subject to risk factors. Premiums paid in unit linked life insurance policies are subject to investment risks associated with capital markets and NAVs of the units may go up or down, based on the performance of fund and factors influencing the capital market and the master policyholder is responsible for his/ her decisions.

IndiaFirst Life Insurance Company Limited is only name of the Insurance Company and IndiaFirst 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. 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, their future prospects and returns. Please know the associated risks and the applicable charges from your Insurance Agent or the Intermediary or the company officials.

The Sales Brochure is consistent with the product features filed with the Authority. Tax Benefits are subject to change in law from time to time. Please consult your tax advisor for further details. Insurance is the subject matter of the Solicitation.

Insurance is the subject matter of the solicitation

Product UIN: 143L013V02

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