A valued employee...
A secure organization!

IndiaFirst Life Employee Pension Plan

(A Non-Linked, Non- Participating Fund Based Group Superannuation Plan)

Before you start reading

Important Note
IndiaFirst Life Employee Pension Plan is referred to as the Policy throughout the brochure.

How will this brochure help you?
This brochure gives you details of how the Policy 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.

Introduction

A valued employee… A secure organization!

Organizations establish new ways every once in a while to ensure that their future is financially protected. Smart organizations, however, do it differently, they go a step further and make sure that their employees and other stakeholders are also valued and protected. This not only ensures that the organization completes the full circle of safeguarding the company as well as the resources but also transforms the valued resource in to a long term asset for the organization.

Our IndiaFirst Life Employee Pension Plan will help you improve the work place benefits for your employees alongside reducing any possible future financial strain on you as an organization. This policy caters to your employee's needs of retiral benefit like Superannuation.

With the IndiaFirst Life Employee Pension Plan, you can now ensure that your employees receive the right benefits for all their hard work and your future financial liabilities are taken care of in a cost effective method.

Executive Summary

Key Features

You, the Master Policyholder

- Create a valuable fund for your future liabilities today
- Enjoy as we assure you a minimum return of 1% per annum for the entire term of the policy
- Earn an interest on your earnings as declared by us at the start of every financial quarter
- Get the flexibility to maintain individual member level account
- Get tax benefits for yourself as well as your employees as per the existing tax laws

1. What is the IndiaFirst Life Group Employee Pension Plan?

IndiaFirst Life Employee Pension Plan is a non linked, non-participating, fund based, group pension policy. The policy can continue indefinitely on an annually renewable basis. The policy is designed to support employer-employee/ bank/ trustee group like yours, and provide retiral benefits to your resources.

Under this policy, you, the Master Policyholder can provide the benefits of Superannuation for the members. You can also avail the flexibility to choose from the defined benefit or defined contribution schemes as per your requirement. Additionally, in terms of premium contribution, either you, the Master Policyholder, your Member or both of you, the Master Policyholder and the Member can contribute towards the premium.

This policy is also designed to provide you a minimum assured guaranteed return and interest rate to ensure you generate enough funds to take care of your financial liabilities.

A. You are assured a minimum assured guaranteed return of 1% per annum for the entire policy term. which shall be applicable on the balance of the Policy Account Value. The balance of the policy account at end of the financial quarter is the policy account balance at the beginning of the quarter plus total contribution during the financial quarter less any withdrawals made during the financial quarter accumulated with interest. The Minimum interest rate shall be credited to the balance of the policy account at the end of every financial quarter on prorata basis from the date of receipt of contribution or pro-rata basis till the date of exit due to any reason as per scheme rules. This will be the minimum Assured Benefit available under this policy.

B. A non zero positive interest rate shall be declared by the company at the start of every financial quarter. This will be based on a pre-defined formula. The formula used for declaring this rate is Max {EGY- Max (4%*EGY,0.35%) ,1%} where EGY is the Expected Gross Yield to be earned on the asset maintained for this fund.

   EGY = W Xi*Ri

   Xi is the proportion of ith asset and Ri is the return earned on ith asset

   At each quarterly interval, we will credit the non-zero positive interest rate to the balance of the policy account value at the end of a financial quarter, on pro-rata basis from the date of receipt of contribution or pro-rata basis till the date of exit. No charges will be deducted from policy/individual account.

   At each quarterly interval, if in any situation [EGY- Max (4%*EGY,0.35%)] is less than 1%, then minimum interest rate of 1% will be credited from shareholder's account to the balance of the policy account value at the end of a financial quarter on pro-rata basis from the date of receipt of contribution or pro-rata basis till the date of exit due to any reason

   Also, if at financial year end, we earn more than expected, we may credit interest in addition to the quarterly interest subject to the following maximum deduction.

Number of years elapsed since inception	Maximum deductions from the gross yield
up to 5 years	4.00%
6	3.75%
7	3.50%
8	3.30%
9	3.15%
10	3.00%
11 and 12	2.75%
13 and 14	2.50%
15 and thereafter	2.25%

C. **Additional funding options:** You, the master policyholder can choose to have additional funding on the initial contribution made at the inception of the policy. Any additional funding requirement is as per actuary's certificate in accordance with the AS 15 (Revised). You can choose any of the following options:

a. Option A – 3.01% of the initial contribution as additional funding

b. Option B – 2.01% of the initial contribution as additional funding

c. Option C – 1.01% of the initial contribution as additional funding

In the instances where you, the Master Policyholder has availed of additional funding, the additional funding will be recovered through a deduction from the account value equal to a percentage of the contribution on which the additional funding was sought. . The recovery percentage applies on initial contribution. The percentage reduction to be applied are mentioned in the following table:

Option	Reductioncovery (in % pa)	Recovery Period (in years)
Option A	0.6%	6
Option B	0.6%	4
Option C	0.6%	2

- In case of the surrender of the Policy before the above mentioned recovery period, the unrecovered additional funding will be deducted from the policy or individual member account balance before paying the surrender benefits.
- No recovery is made against additional funding from the member in the event of individual member's retirement / maturity for defined benefit scheme.

2. Who can be a part of this policy?

This policy can be availed by the 'Master Policyholder for the benefits of its 'Member'

Who is the Master Policyholder?

- Master Policyholder is you, the organization which holds the policy and sets aside a fund to cover its employee liabilities such as Superannuation as per the scheme rules.
- The benefits payable under this policy 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.
- The Master Policyholder holds and operates the Master Policy.

Who is the Member?

The Member is a member of your organization or a part of an organized group. The member is the life assured under this policy.

The age limits for a member are –

Age	At Entry	At Exit
Minimum	18 years as on last birthday	-
Maximum	75 years as on last birthday	76 years as on last birthday

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

Minimum Group Size	10 members
Maximum Group Size	No limit

3. Who pays the contribution under this policy?

A. The premium contribution under the Defined Contribution scheme can be made by either,
- You, the Master Policyholder, or
- your Member, or
- both of you, the Master Policyholder and the Member

B. The premium contribution under the Defined Benefit scheme will be done by the Master Policyholder, as per the scheme rules

A premium of Rs.1 per 1000 Sum Assured per member per annum will be charged. There is an optional fixed life cover of INR 5000 under this plan. In case life cover premium is not received before completion of policy year the life cover will lapse. To revive or continue life cover, Master Policyholder or member will pay all due life cover premiums without any interest before the completion of policy year.

What is the minimum contribution under this plan?

Minimum Initial Contribution	INR 1,00,000

Is there any surrender benefit in the plan?

You can surrender the policy at any time during the year. There are no surrender charges in this plan. Surrender value should be determined by applying market value reduction, if any, to the account value. Market Value Reduction will be applicable on Bulk Exit and complete surrender. If in 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 at the beginning of the policy year, except in case of withdrawals due to death and retirement.

Market value reduction will apply when the sum of market value of the assets for all schemes under this product is less than the sum of book value of the assets for these schemes as appearing in the scheme accounts. Market value reduction will be expressed as a percentage of fund value and will be calculated by the formula

$$\text{Max}\left\{\left(\frac{1-\text{(Market value of assets for all scemes under this product)}/}{\text{(Book value of assets for all scemes under the product)}}\right)\text{x}100,0\right\}$$

Book value means account value which is calculated as contribution less exits plus , non-zero positive interest credited.

The extent of liability of the insurer is maximum up to the account value of the scheme.

4. How is the sum assured calculated?

This plan will have an optional life cover of INR 5000 per member.

5. What happens when the benefits fall due?

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

The product will provide a lump sum amount on resignation from service, retirement from service and on surrender of policy. On the death of life assured/member, the product will provide a lump sum amount to the beneficiary as per the scheme rules.

	Superannuation Scheme
Defined Benefit (Policies where the funds are pooled)	The benefit payable is higher of the assured benefit or benefits as per the scheme rule subject to availability of the Policy Account Value
Defined Contribution (Policies where individual Member Accounts are maintained)	The benefit payable is higher of the assured benefit or benefits as per the scheme rule subject to availability of the Member Account Value. Except for exits as per the scheme rules, no other withdrawal shall be allowed

Benefit Table

Events	How and when benefits are payable	Size of such benefits
Death	Payable immediately on death of the member to the master policyholder provided the policy is in-force and the membership continues under the scheme at the time of death.	- Benefit payable on death is as per scheme rules of the master policyholder subject to availability of the fund. - An additional benefit of Rs. 5,000 per member is payable to the nominee, if opted for.
Vesting/Maturity	Payable immediately on vesting provided the policy is in-force and the membership continue under the scheme	- Lump sum benefit from the policy account as per scheme rule for defined benefit scheme and individual member policy account value as per scheme rules in case of defined contribution scheme subject to availability of the fund - Under defined contribution scheme in case of additional funding options opted, the total unrecovered additional funding, as mentioned above, will be deducted from the individual member policy account balance before paying the vesting or maturity benefits.
Exit due to Termination of Service/Early Retirement/Resignation	Payable immediately on resignation/ termination provided the policy is in-force and the membership in-force under the scheme	- Benefit payable is the accumulated benefit from the policy account or individual member policy account for DB or DC scheme respectively as per scheme rules of the master policyholder subject to availability of the fund. - Under defined contribution scheme in case of additional funding options opted, the total unrecovered additional funding, as mentioned above, will be deducted from the individual member policy account balance before paying the exit benefits.
Surrender/Termination of the Policy or Bulk Exit	Payable Immediately on surrender or termination/Bulk exit from the policy	- There is no surrender charge applicable under this product - Surrender value is the individual member policy account value or policy account value depending on whether the scheme is DC or DB respectively, subject to market value reduction if any. - In case of additional funding options opted, the total unrecovered additional funding as opted, will be deducted from the policy account balance or individual member account before paying the surrender benefits.

Where the group master policyholder maintains Superannuation funds with more than one insurer, the group master policyholder shall have the option to choose the insurer to purchase the immediate annuity.

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

In case of death of the member, benefit will be paid as per the scheme rules, subject to availability of the Policy Account Value plus INR 5000; if life cover is opted for.

Note: The Life Cover ceases immediately on a Member leaving the Scheme.

8. What are the tax benefits under this policy?

You, the master policyholder and your member may be eligible for tax benefits as per applicable tax laws which can be modified from time to time. However, you are advised to consult your tax consultant.

9. What are the charges under this policy?

Type of Charge	Mortality Charge Details	Description
Life Cover Premium	Rs. 1 per 1000 Sum Assured per member per annum irrespective of the age & gender of the member	This will be explicitly collected from Master Policyholder / Member

10. What happens in case the member commits suicide?

In case of death due to suicide within 12 months from the date of commencement of risk under the policy or from the date of revival of the policy, as applicable, the nominee or beneficiary of the policyholder shall be entitled to at least 80% of the total premiums paid till the date of death or the surrender value available as on the date of death whichever is higher, provided the policy is in force.

11. Can the Policy be cancelled?

You can cancel this Policy if you disagree with any of the terms and conditions of this Policy within the 15 days of receipt of your Policy document. You are required to send us the original Policy document and a written request stating the reasons for cancellation, post which we will refund your Premium after deducting the pro rata risk Premium; if live cover opted for and stamp duty charges.

12. Nomination:

The member can appoint a nominee as per section 39 of the Insurance Act, 1938 as amended from time to time. For more details please refer to our website www.indiafirstlife.com

13. Assignment:

As per the provisions of Section 38 of the Insurance Act, 1938 as amended from time to time. For more details please refer to our website www.indiafirstlife.com

14. Prohibition of Rebate:

As per provisions of Section 41 of the Insurance Act, 1938 as amended from time to time, states 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.

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

Fraud/ Misstatement would be dealt with in accordance with provisions of Section 45 of the Insurance Act 1938, as amended from time to time.

Section 45 of the Insurance Act 1938, as amended from time to time states

1) No policy of life insurance shall be called in question on any ground whatsoever after the expiry of three years from the date of the policy, i.e., from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later.

2) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground of fraud: Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision is based.

3) Notwithstanding anything contained in sub-section (2), no insurer shall repudiate a life insurance policy on the ground of fraud if the insured can prove that the mis-statement of or suppression of a material fact was true to the best of his knowledge and belief or that there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of a material fact are within the knowledge of the insurer: Provided that in case of fraud, the onus of disproving lies upon the beneficiaries, in case the policyholder is not alive.

4) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground that any statement of or suppression of a fact material to the expectancy of the life of the insured was incorrectly made in the proposal or other document on the basis of which the policy was issued or revived or rider issued: Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision to repudiate the policy of life insurance is based: Provided further that in case of repudiation of the policy on the ground of misstatement or suppression of a material fact, and not on the ground of fraud, the premiums collected on the policy till the date of repudiation shall be paid to the insured or the legal representatives or nominees or assignees of the insured within a period of ninety days from the date of such repudiation.

5) 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 of the policy are adjusted on subsequent proof that the age of the Life Insured was incorrectly stated in the proposal.

16. About IndiaFirst Life Insurance:

We've had Bank of Baroda, Andhra Bank (now, Union Bank of India) and Legal & General as our founding partners. After journeying with us through our years of growth, Legal & General sold its stake in Feb 2019 to Carmel Point Investments India Private Limited, a body corporate incorporated under the laws of Mauritius and owned by private equity funds managed by Warburg Pincus LLC. This is the first deal wherein a private equity fund has taken an interest in a life insurance company. Our shareholding pattern of the company now stands at: Bank of Baroda – 44.00%, Union Bank of India – 30.00%, and Carmel Point Investments India Private Limited – 26.00%.

BEWARE OF SPURIOUS / FRAUD PHONE CALLS

- IRDAI is not involved in activities like selling of insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.