

In this policy, the investment risk in the investment portfolio is borne by the policyholder.

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Amol & Pallavi Patwari / Entrepreneurs

PROTECTING your company with structured employee retention solution.

BSLI Group Capital Assured Traditional Plan

A non - participating non - linked fund based group plan

Life Insurance

Aditya Birla Sun Life Insurance Company Ltd.
(A subsidiary of Aditya Birla Capital Ltd.)



**ADITYA BIRLA
CAPITAL**

1800-270-7000



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Pallavi Patwari / Entrepreneur

One of the biggest challenges that modern progressive organizations face is managing People. Attracting and retaining talent, improving overall employee performance and Optimizing the cost of employee benefits is the focus area for an organization working towards building long term success and value. After all, happy and satisfied employees ensure happy and satisfied customers.

Organizations which have a comprehensive employee benefits strategy are better positioned to achieve these objectives. The challenge is to contain the ever burgeoning cost without impacting the value of benefits.

With these challenges and objectives in perspective, Aditya Birla Sun Life Insurance (ABSLI) offers this simple yet effective traditional plan.

Plan at a glance

BSLI Group Capital Assured Traditional Plan is a comprehensive group insurance solution. It is a non-participating, yearly renewable and non-linked group plan wherein, the employer, trust, sponsor, or other group in compliance with the group guidelines is the Policyholder and the members of the scheme are the lives insured.

BSLI Group Capital Assured Traditional Plan caters to varied needs of any Group-Administrator, Employer, Trustee, State & Central Governments, Public Sector Undertakings, MNCs etc. who wish to provide for members' retirement, separation, death, disability and any other welfare benefit. This plan enables policyholders to manage their assets under the following schemes:



Gratuity Scheme



Superannuation Scheme



Leave Encashment Scheme



Post-Retirement medical Scheme

Eligibility

Minimum Group Size	10 Members
Minimum Sum Assured	₹1000 per member for Superannuation Schemes ₹5000 per member for other schemes
Minimum Age at Entry	18 years (age last birthday)
Maximum Age at Entry	As per scheme rules / 70 years (age last birthday)
Maximum Age at Maturity	As per scheme rules / 75 years (age last birthday)
Minimum Contribution	Initial Contribution – ₹50,000 Subsequent Contribution – ₹5,000
Minimum Premium	Corresponding to minimum sum assured

This plan has the following key constituents:

Policy Account

- Easily see the value of your policy from the Policy Account
- Contributions received from you are added to the respective Policy Account
- Annual positive interest credits are declared at the end of each financial year and added to the Policy Account
- Payment of benefits as per your scheme rules from Policy Account

Annually Renewable Group Term Insurance Cover

- An inbuilt life cover of ₹1,000 for Superannuation schemes and ₹5,000 for other schemes per life insured
- The insurance benefits are paid on the death of member, provided the cover is then in force

Introduction to gratuity

Gratuity is a statutory benefit governed by Payment of Gratuity Act (POGA) 1972. As per provisions of this Act, the Employers are mandated to provide a Gratuity to an Employee who has rendered continuous service of at-least five years.

Gratuity is a Defined Benefit (DB) plan wherein the amount to be paid by employer is based on completed service and salary of the employee at the time of exit. The minimum benefit payable is 15/26 days Salary (based on amount last drawn by the employee) for each completed year of service. The employers are however free to provide better benefits, subject to tax rules.

BSLI Group Capital Assured Traditional Plan – Gratuity Scheme

How does “ABSLI Capital Assured Traditional Plan” help in meeting the requirements of a Gratuity plan?

The key concern for any employer is to ensure that adequate funds are available to pay this benefit as and when required.

One option to provide for this liability is the “pay-as-you go” mechanism. However as the organization becomes large this approach may not be a prudent financial approach due to the nature of gratuity liability - it increases exponentially with ageing of employees in the organization and increasing salary levels. Also, as per accounting standards (AS-15), the entire obligation towards this benefit is required to be provided for in the employer’s balance sheet.

Hence, another concern for an employer is to provide for this employee benefit in a systematic manner and without any adverse surprise impact on the accounts in any single year.

Then, having funded the liability appropriately any employer would like to generate respectable return without compromising on the security. ABSLI Group Capital Assured Traditional Plan is an ideal plan that caters towards these specific requirements of various employers.

Benefits Structure

Following benefits are payable within provisions of BSLI Group Capital Assured Traditional Plan-Gratuity Option. Better benefits can be provided as desired by the employer and as per scheme rules.

Insured Event	Benefits Payable
Exits as per Scheme rules	The employee receives the Gratuity benefit as per the scheme rules
Death Due to any cause	The nominee of the employee receives the Gratuity benefit as per the scheme rules+Sum Assured

Tax Benefits As per prevailing tax regulations in India.

Introdcution to superannuation

When an employee leaves an employer on account of normal retirement or otherwise after a long period of service, the employer provides a Pension Payment to the employee as an acknowledgement of the employee's loyalty and as a goodwill gesture to extend support to the employee in their sun set years.

Such employee benefit plans increase chances of retaining talented staff and to keep them motivated.

The key objective of a superannuation plan is to accumulate an amount with respect to each employee, such that the corpus will be sufficient to purchase an Annuity plan which shall provision a Pension payment to the employee / employee's legal heirs in the event of employee's death during service.

In addition to the employer contribution, employees may also contribute an amount on a voluntary basis depending on scheme rules.

The superannuation scheme also entitles employees for payment of some benefits as per scheme rules upon resignation, early retirement, death/disability while in service and termination of service.

BSLI Group Capital Assured Traditional Plan – Superannuation Scheme

How does "ABSLI Capital Assured Traditional Plan" help in meeting the requirements of a Superannuation plan?

Under provisions of Rule 89 of Income Tax Act 1962, the employers can entrust an insurer to manage the superannuation assets.

The primary concern for an employer who is providing a superannuation benefit is Security of the assets and to generate a respectable return without compromising on the Security. Additionally, a provider of a Defined Benefit Superannuation plan would be concerned with adequate provision to ensure that the promised annuity is realizable.

Another concern would be to provide necessary contributions for this benefit in a systematic manner and without any adverse surprise impact on the accounts in any single year.

ABSLI's Group Capital Assured Traditional Plan is an ideal plan that caters towards these requirements of employers and provides an attractive platform for managing superannuation scheme effectively.

Superannuation plan has two variants depending on whether ultimate benefits (i.e. pension benefits) are pre defined or not:

- **Defined Benefit (DB) Superannuation Plan**

The amount of pension (or annuity) that the employee will get is predefined. The tenure of this annuity (i.e. fixed term or until death) is also predefined in the scheme rules. Any additional benefits (like commutation of partial corpus etc.) are also predefined. With the end benefits in perspective, an actuarial valuation is carried out every year to determine the Annual Contributions

- **Defined Contribution (DC) Superannuation Plan**

The amount of contribution is pre-defined in the Scheme rules without any explicit link with the amount of benefit. These contributions are accumulated (along with any earning thereon) and are paid as per scheme rules upon separation of the employee.

In case of a DC scheme, the policy holder may specify the number of Member Accounts that are required to be maintained in the policy. The contributions and interest shall be credited to respective Member Account separately.

Benefits Structure (Defined Benefit)

Following benefits are payable within provisions of BSLI Group Capital Assured Traditional Plan-Superannuation Option for Defined Benefit Schemes.

Insured Event	Benefits Payable
Exits as per Scheme rules	The employee receives either the defined Pension or its equivalent in Purchase Price as per the scheme rules
Death Due to any cause	The nominee of employee receive either the Defined Pension or its equivalent Purchase Price as per the scheme rules + Sum Assured

Benefits Structure (Defined Contribution)

Following benefits are payable within provisions of BSLI Group Capital Assured Traditional Plan-Superannuation Option for Defined Contribution Schemes.

Insured Event	Benefits Payable
Exits as per Scheme rules	Policy account value in respect of the member/employee. The employee has following options: a) Purchase an immediate annuity from ABSLI (or any other insurer) with purchase price equivalent to the amount accumulated in the employee's superannuation account; OR b) Transfer the amount accumulated in the employee's superannuation account to another approved Superannuation Plan of the New Employer; OR c) Let the amount accumulate until superannuation of the employee. The amount continues to generate and accumulate investment returns during this period.
Death Due to any cause	The nominee of employee receive the accumulated amount in the deceased member's superannuation account + Sum Assured

Tax Benefits As per prevailing tax regulations in India.

Introdcution to leave encashment

Employees are entitled to various types of leaves like Privileged Leave or Earned Leave, Casual Leaves, Sick Leaves etc. The leave structure varies from organization to organization. By nature of leave, some of these leaves which are not availed by an employee during the year accumulate in employee's leave account and can be en-cashed as per rules of the organization when the employee exits or otherwise.

Leave Encashment is one of the many employee benefits provided by organizations. Under this plan, a lump sum amount is paid to the employee on resignation, retirement, death or as a voluntary encashment during service.

The nature of leave encashment benefit is such that the liability for the employer increases geometrically as the employees' ageing in the organization increases and with the increase in salary levels.

Funding this benefit liability proactively ensures prudent financial management. Also as per recent guidelines of Accounting Standard -15 (AS-15 Revised 2005), it is mandatory for employers to account for the accrued liability in respect of leave encashment benefit offered to employees if any. This also reflects in the annual accounts of the employer.

BSLI Group Capital Assured Traditional Plan – Leave Encashment Scheme

How does “ABSLI Capital Assured Traditional Plan” help in meeting the requirements of Leave Encashment plan?

The key objective of the Leave Encashment plan is to build a corpus to ensure that the leave encashment liability of the employer is met as and when it arises without any adverse impact on accounts of any specific year.

The primary concerns for an employer providing Leave Encashment benefit are Adequacy of Provisioning and Security of the fund. Earning a respectable return without compromising on the Security of the corpus is another concern.

ABSLI’s Group Capital Assured Traditional Plan is an ideal plan that caters towards these specific requirements of various employers by offering superior assured returns with safety of capital guarantee.

Benefits Structure

Following benefits are payable within provisions of BSLI Group Capital Assured Traditional Plan-Leave Encashment Option.

Insured Event	Benefits Payable
Exits as per Scheme rules	The employee receives Accrued Leave Encashment benefit as per scheme rules of the employer
Death Due to any cause	The nominee of employee receives Accrued Leave Encashment benefit as per scheme rules of the employer + Sum Assured

Tax Benefits As per prevailing tax regulations in India.

Post-retirement Medical Schemes

Allowed member exits are defined in the scheme rules, which are agreed between the group policyholder and ABSLI at the inception of the policy. For allowed member exits ABSLI will make payments from the policy account at the policyholder’s request. The amount payable shall be in accordance with the scheme rules as applicable, subject to a maximum of the policy account value after any applicable MVA. In case individual member accounts are maintained in the policy, the maximum payment shall be the policy account value after any applicable MVA, for each exiting member separately.

Interest Rate Declaration

The interest rate applicable for all policies shall be declared at the end of each financial year and shall accrue at the end of the financial year. This interest rate shall be declared and credited in accordance with the Board approved policy of the insurer. The interest rate declared is net of a management charge of 0.5% p.a. The insurer can change it, subject to IRDA approval.

Bulk Exits

If the amount to be paid on total exits during the policy year exceeds 25% of the policy account values as at the beginning of the year, such transactions shall be treated as bulk exits, where exit shall be as per the scheme rules. Exit shall mean exit of the member from the group.

MVA shall be applied to the amount which is over and above the amount representing bulk exit threshold i.e. above 25% of the policy account value at the start of the policy year.

Provided there is sufficient policy account value on Bulk Exit, the policyholder may choose (in accordance with the scheme rules) whether the MVA is deducted from the exit payment or from the remaining account value. For individual accounts, the MVA will be adjusted in the amount payable itself.

Surrender and Termination

A policy can be surrendered at any time, subject to 30 days' notice in writing. Surrender value will be the policy account value less the Market Value Adjustment (MVA), if any.

Prior to payment of surrender value, ABSLI will credit interest to Policy Account for the period from the last interest credit to the date of receipt of surrender request. This interest credit will be based on the Interim Interest Rate which shall be declared at the start of every financial year and will not be less than 50% of the interest rate declared in the previous financial year.

If at any time, the surrender value becomes zero, the policy holder will be provided 180 days notice and if there are no further contributions, the policy will be terminated automatically. If the policy anniversary falls in this period and there is no separate premium payment towards life insurance cover, the cover will discontinue from such policy anniversary.

For premium towards life insurance cover, a grace period of 30 days from the premium due date will be allowed to policy holders. Thereafter if the premium remains unpaid, the life cover will be terminated automatically. The life cover can be reinstated anytime upon payment of the premium due.

Policy Loan Provisions

Policy loan is not available under this plan.

Nomination & Assignment

Assignment and nomination shall be in accordance with section 38 and section 39 of Insurance Act respectively.

A member, in writing, can appoint a person or group of people as beneficiary. The member, in writing, can change the beneficiary at any time while the coverage is in effect. If no beneficiary is alive at the time of the death of the member, he or their estate shall be deemed to be the beneficiary. It is the liability of the policyholder to maintain the nominee details under this policy and is responsible to provide the nomination details to ABSLI along with the claim form.

Options for Payment of Life Insurance Premium

The Policyholder has the choice to pay the premium towards life insurance cover separately or this premium can be withdrawn from the policyholder's account.

Free Look Provision

You will have the right to return your policy to us within 15 days from the date of receipt of the policy in case you are not satisfied with the terms & conditions of your policy. We will refund contributions to date once we receive your written notice of cancellation (along with reasons thereof) together with the original policy documents. We may reduce the amount of the refund by expenditures incurred by us in issuing your policy and as permitted by the IRDA and in accordance to IRDA (Protection of Policyholders Interest) Regulations, 2017

Premium Modes

The premium shall be made in accordance with the funding requirements as per the scheme rules. The trustee or employer or policyholder shall be required to confirm that such funding is required as per extant accounting standard governing the measurement of long term employee benefits.

Exclusions

None

Prohibition of Rebates, 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 prospectuses or tables of the insurer.

Any person making default in complying with the provisions of this section shall be punishable with a fine which may extend to 10 lakh rupees.

Fraud and Misrepresentation

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

Aditya Birla Sun Life Insurance **– A coming together of values**

About Aditya Birla Sun Life Insurance, an Aditya Birla Capital Company

Aditya Birla Sun Life Insurance Company Limited (ABSLI), is a subsidiary of Aditya Birla Capital Ltd (ABCL). ABSLI was incorporated on August 4th, 2000 and commenced operations on January 17th, 2001. ABSLI is a 51:49 joint venture between the Aditya Birla Group and Sun Life Financial Inc., an international financial services organization in Canada.

ABSLI (Formerly known as Birla Sun Life Insurance Company Limited), offers a range of life insurance products across the customer's life cycle, including children future plans, wealth protection plans, retirement and pension solutions, health plans, traditional term plans and Unit Linked Insurance Plans ("ULIPs").

www.adityabirlasunlifeinsurance.com

About Aditya Birla Capital

Aditya Birla Capital Limited (ABCL) is the holding company for the financial services businesses of the Aditya Birla Group. With subsidiaries that have a presence across Protecting, Investing and Financing solutions, ABCL is a financial solutions group that caters to diverse needs of its customers across their life cycle. With more than 18,000 employees, the subsidiaries of ABCL have a nationwide reach with 850+ branches and more than 2,00,000 agents/channel partners and several bank partner.

Aditya Birla Capital is a part of the Aditya Birla Group, a USD 48.3 billion Indian multinational, in the league of Fortune 500. Anchored by a force of over 120,000 employees, belonging to 42 nationalities, the Aditya Birla Group operates in 34 countries across the globe.

www.adityabirlacapital.com

About Sun Life Financial Inc, Canada

Sun Life Financial is an international financial services organization providing insurance, wealth and asset management solutions to individual and corporate Clients. Sun Life Financial has operations in a number of markets worldwide, including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia and Bermuda.

Sun Life Financial Inc. trades on the Toronto (TSX), New York (NYSE) and Philippine (PSE) stock exchanges under the ticker symbol SLF.

www.sunlife.com

*(All the above numbers mentioned in the About Aditya Birla Capital Limited is as on June 30th, 2019)

Risk Factors & Disclaimers

This policy is underwritten by Aditya Birla Sun Life Insurance Company Limited (ABSLI). This is a non-participating, non-linked, fund based group plan. The amount of Contributions less Benefits paid plus interest earned are reflected in the Policy Account value and is guaranteed at all times. ABSLI's liability is limited to the Policy Account Value and the Sum Assured payable in case of death. BSLI reserves the right to recover levies such as the GST levied by the authorities on insurance transactions. If there be any additional levies, they too will be recovered from you. This brochure contains only the salient features of the plan. For further details please refer to the policy contract. Tax benefits mentioned herein are subject to changes in the tax laws. For more details on this plan visit our website.

BEWARE OF SPURIOUS / FRAUD PHONE CALLS!

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

Life Insurance

Aditya Birla Sun Life Insurance Company Ltd.

(A subsidiary of Aditya Birla Capital Ltd.)



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Visit our website www.adityabirlasunlifeinsurance.com to know more about various Group Business solutions. We also provide a wide range of individual life insurance solutions to cater to your specific protection needs such as:

Protection
Plans

Health
Plans

Children's
Future

Retirement
Plans

Wealth Plans
with Protection

Savings Plans
with Protection

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