



Allianz 

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# Bajaj Allianz Life Group Superannuation Secure Plus

A Non-linked Non-Participating Group Superannuation Plan



## Bajaj Allianz Life Group Superannuation Secure Plus

Assure your employees a financially secured, stable and independent post retirement life.

Group Superannuation Secure Plus is a non-linked, pension, non-participating group savings product covering Group Superannuation Scheme which can be taken by you (an employer) to manage pension fund for your employees. This scheme helps in building a substantial retirement fund, to ensure a secure regular income flow after retirement.

### How does the scheme work?

- The policy will be set up at Pooled-level policy account.
- From each contribution of yours as per the scheme rules premium allocation charge, applicable Goods and Service tax/any other applicable tax levied, subject to changes in tax laws, will be deducted and the balance will be credited to the policy account
- At the end of each financial year, the company shall credit an investment return and charge expenses to the policy account
  - Policy account, is the contributions received, net of premium allocation fee including Goods & Service Tax/any other applicable tax levied, subject to changes in tax laws, accumulated at the crediting interest rate.

## Benefits

Events	How and when Benefits would be payable	Benefit
Death of a member	Payable immediately on death of the member, as allowed in the scheme rules	An amount as decided by you in accordance with the Scheme will be paid
On Vesting (Retirement of a member)	Payable immediately on retirement of the member, as allowed in the scheme rules	An amount as decided by you in accordance with the Scheme Rules will be paid
On Exits (As per scheme rules)	Payable as allowed in the scheme rules	An amount as decided by you in accordance with scheme rules will be paid

On death or vesting, a minimum benefit of 101% of the member's contribution shall be payable. This benefit shall be applicable on the entire fund available with us.

In case of bulk exit due to any event, the benefit payable will further be subject to the application of Market Value Adjustment.

*Note - All the policy benefits are subject to policy being in-force*

## Bulk Exit

*If the total amount, due to exits (as defined in the scheme rules), in the policy year including the current amount on exit, exceeds 25% of the balance in the policy account at the beginning of that policy year, such an exit shall be termed as a bulk exit. Market Value Adjustment (MVA) shall be applied only to the amount which is over & above the amount representing bulk exit.*

*MVA losses (if any) shall be adjusted from your policy account. The value payable under such exits would be:*

- An amount as requested by you, provided the grossed up amount after adjusting for the Market Value Adjustment (if any), does not exceed the balance in the policy account. However, if such grossed up value exceeds the balance in the policy account then balance in the policy account less Market Value Adjustment (if any) shall be payable.*
- The grossed up amount means the amount as payable divided by (1-Market Value Adjustment factor).*

## Investment Return

In Bajaj Allianz Life Group Superannuation Secure Plus, Assets will be earmarked under Group Non Participating Controlled Fund.

At the end of each financial year, the company shall credit an investment return and charge expenses to the policy account in accordance with Board approved policy of the insurer. The rate of crediting will be based on the gross return earned in the backing fund. The formula to arrive at the crediting rate will be:  $\text{Max [x% * Gross Return, 1%]}$ ;

- where x% will be a fixed percentage in any one financial year, ranging from 100% to 95%; but restricted such that  $(1-x\%)*\text{Gross Return}$  is not more than 90 bps; and
- 1% will be the minimum guaranteed crediting rate in any financial year

## Option for Additional Allocation

The policyholder will have the option, at the inception of the policy, to choose for additional allocation with respect to the contributions received in the first policy year. The policyholder will have the option to choose the %-age of additional allocation also, from the options in the below table. Correspondingly, the recovery% and the period of recovery as per the below table will be applicable.

<b>Additional Allocation (as a % of 1st year contribution/s)</b>	1%	2%	3%	4%	5%
<b>Recovery % p.a. (applied on the total 1st year contribution/s)</b>	0.5%				
<b>Period of Recovery (in months)</b>	24	48	72	96	120

- Additional allocation will be allotted only after the free-look period.
- As per the table given above, the additional allocation will be recovered each month (starting from the start of the 2nd month), based the applicable recovery %-age, over a fixed period of recovery from the policy account value, as applicable.
- If the policy is surrendered before the end of the Period of Recovery, then, the unrecovered amount (over the remaining Period of Recovery) will be recovered from the surrender value.
- The amount of recovery per month is:  
 $\text{Recovery \% p.a. / 12 * Total 1st year contribution}$

## Market Value Adjustment

The market value adjustment is a factor to cover the market value losses of the underlying investment in relation to the balance in the policy account. For example, let's assume, that the book value of your account at the beginning of the year is ₹ 1,00,00,000 while its market value is ₹90,00,000, i.e., at a 10% lower than the book value.

Suppose that, a request for an exit amount of ₹30,00,000 from you is received by us and that no earlier request for exits had been made by you during the policy year. In this case, the market value adjustment will be made only to the amount which is over & above the amount representing bulk exit, i.e., on ₹5,00,000 (₹30,00,000- 25%\* 1,00,00,000). Hence, an amount equal to  $30,00,000 + 55,555 = 30,55,555$  will be withdrawn post application of market value adjustment

<b>Amount withdrawn</b>	30,55,555
<b>MVA</b>	(55,555)
<b>Amount received by you</b>	30,00,000

## How to set- up Group Superannuation Scheme?

The Bajaj Allianz Life Group Superannuation Secure Plus Scheme can be set-up in any of the following ways:

- 1) Draft trust deed and rules (Bajaj Allianz Life Insurance Company provides you with expert guidance on the same), execute and appoint Trustees for administering the scheme.
- 2) Apply for approval to Commissioner of Income Tax under Part B of the Fourth Schedule of the Income Tax Act, 1961.
- 3) Submit the Master Proposal Form signed by Trustees, the complete employee data in the prescribed format, copies of trust deed and rules, with the contribution.
- 4) Pay the future contributions as defined in the rules.

## Detailed calculation of MVA -

Particular	Details
Book Value(BV)of your policy account at the beginning of the year	1,00,00,000
Market Value(MV) of policy account	90,00,000
Market Value loss	10%
Amount Requested for exit	30,00,000
Amount representing bulk exit (MVA applicable on this amount)	$30,00,000 - 25\% * 1,00,00,000 = 5,00,000$
Market Value Adjustment (MVA)	$\frac{\text{MV loss\%}}{(\text{MV} \div \text{BV})} \times 5,00,000 =$ $\frac{10\%}{(90,00,000 \div 1,00,00,000)} \times 5,00,000 = 55,555$
Fund post MVA loss adjustment	555,555
Amount withdrawn from policy account	$30,00,000 + 55,555 = 30,55,555$

*Note - All figures are in rupees wherever relevant.*

## Surrender

You may do a complete surrender of your policy by giving an advance notice of three (3) months.

- Upon receipt of such request, the balance in policy account less Market Value Adjustment (if any) shall be paid and the policy will terminate.

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## Important Details of the 'Bajaj Allianz Life Group Superannuation Secure Plus' Scheme

Parameter	Details
Minimum Size of the Group	10 members
Minimum Entry Age	18 years
Maximum Entry Age	79 years
Maximum Age at Maturity	80 years
Minimum Policy Term	Annually renewable
Regular Contribution Frequency	Yearly/ Half Yearly/Quarterly/Monthly
Minimum policy account Balance	₹1,00,000
Maximum policy account Balance	No Limit

## Non-Forfeiture

If regular contributions from you in any policy year are not received by the Company in time and the fund is sufficient as per the independent actuarial valuation certificate, then, policy account shall keep on accumulating, at the credited rate of investment return, allowing for deduction of applicable GST/ any other applicable tax levied, subject to changes in tax laws, till the balance in policy account falls to the level of ₹1,10,000 due to payment of benefits for the reason of death, retirement and withdrawal as per scheme rules.

If the balance in the policy account falls below ₹1,10,000, the company will intimate you to make contribution. However, if the balance in policy account falls below ₹1,00,000, the policy will be terminated and the surrender value as on date of termination shall be paid to you.

Notwithstanding this, if the fund is sufficient as per the independent actuarial valuation certificate, the policy will be continued.

## What are the Charges under the Plan?

Charges	Details
Premium Allocation Charge*	0.5% of the contribution or Rs. 10 lakh, whichever is lower shall be deducted at the time of each contribution Direct Sales - Nil
Fund Management Charge	Nil
Surrender Charge	Nil

*\*This charge would be aligned to the commission payable*



## Revision of Charges

After taking due approval from the Insurance Regulatory and Development Authority, the Company reserves the right to revise the above mentioned charges:

- The Company will give a notice of three (3) months to the policyholders for any changes in charges. The Policyholder who does not agree with the modified charges shall be allowed to withdraw immediately and terminate the Policy.

## Loans

No loans are available under the scheme.

## Top-Up Contributions

Top-Up Contributions are not allowed under the scheme.

## New Entrants and Leavers

At the commencement, on each annual renewal date and on any movement of the member, you will have to send us all the members data and the contribution to the respective unit of Bajaj Allianz Life Insurance Company

## Suicide Clause

No Suicide exclusions. On death of the member due to suicide, the death benefit as stated under the benefit section above shall be payable.

## Nomination

The company will pay the policy proceeds to you. The individual members can nominate the person(s) to whom the policy proceeds will be payable by you upon their death. Nomination is effected as per section 39 of the Insurance Act, 1938.

## Tax Benefits

As per applicable Tax Laws

## Free Look Period

You will have a free look period of 15 days from the date of receipt of the Policy. You will have the option to review the terms and conditions of the Policy and if you disagree to any of the terms & conditions, you will have an option to return the policy stating the reasons for objections. You shall be entitled to a refund of the contribution paid, subject to deduction of the stamp duty expenses and the expenses incurred on medical expenses, if any.

## Applicability of Goods & Service Tax

Goods and Service Tax is charged based on type of Policy communication address of the Policyholder. This may change subject to change in rate/state in address of the Policyholder as on date of adjustment

## Why Bajaj Allianz Life Insurance?

Bajaj Allianz is a joint venture between Bajaj Finserv Limited and Allianz SE. Both enjoy a reputation of expertise, stability and strength. This joint venture company incorporates global expertise with local experience. The comprehensive, innovative solutions combine the technical expertise and experience of Allianz SE, and in-depth market knowledge and goodwill of “Bajaj brand” in India. Competitive pricing and quick honest response have earned the company the customer’s trust and market leadership in a very short time.

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

“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. Any person making default in complying with the provision of this section shall be liable for a penalty that may extend up to ten lakh rupees.”

## Fraud, Misstatement: Section 45 of the Insurance Act, 1938

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



### Bajaj Allianz Life Insurance Co. Ltd.

**Risk Factors and Warning Statements:** Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz Life Group Superannuation Secure Plus are the names of the company and the product respectively and do not in any way indicate the quality of the product and its future prospects or returns. For more details on risk factors, terms and conditions please read sales brochure & policy document (available on [www.bajajallianzlife.com](http://www.bajajallianzlife.com)) carefully before concluding a sale. Bajaj Allianz Life Group Superannuation Secure Plus is A Non-Linked Non-Participating Group Superannuation Plan. Regd. Office Address: Bajaj Allianz House, Airport Road, Yerawada, Pune - 411006, Reg. No.: 116, CIN : U66010PN2001PLC015959, Call us on toll free No.: 1800 209 7272, Mail us : [customercare@bajajallianz.co.in](mailto:customercare@bajajallianz.co.in), Fax No: 02066026789, Bajaj Allianz Life Group Superannuation Secure Plus (UIN: 116N175V01), The Logo of Bajaj Allianz Life Insurance Co. Ltd. is provided on the basis of license given by Bajaj Finserv Ltd. to use its “Bajaj” Logo and Allianz SE to use its “Allianz” logo. All charges/ taxes, as applicable, will be borne by the Policyholder.

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