

## SHRIRAM PENSION PLAN II

**IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER**



In the way to serve you better **Shriram Life Insurance Company** brings in the **Shriram Pension Plan - II (UIN - 128L030V01)** with intent to provide the policyholder with an adequate income on his retirement to buy an immediate annuity plan to lead financially secured life after his retirement.

This is a regular premium unit linked plan, in which, premiums will be allocated to the policyholder unit fund at the stipulated time periods and defined charges will be deducted by cancellation of units each year till the policy becomes a claim.

### Features of the Plan

- ✦ It is a hassle free pure investment plan with zero Sum Assured to have maximum fund at the end of the policy term.
- ✦ Auto transfer option to mitigate your investment risks.
- ✦ This plan allows you to choose the term for which you wish to pay the premiums and vesting age according to your retirement age.
- ✦ Choice of 6 investment funds with best investment strategy to invest your money, as per your risk appetite.
- ✦ Total transparency, so you know the amount of premium invested and you can have a clear idea on your investment return.
- ✦ Additional vesting benefit 'Pension Plus Benefit' at the time of maturity depending on the term of the policy
- ✦ Have an option to buy the best immediate annuity plan in the market at the time of retirement.
- ✦ Avail tax benefits under Income Tax Act 1961.

### Eligibility of the Plan

Age at Entry:	Minimum – 18 years age last birthday Maximum – 70 years age last birthday
Vesting Age:	Minimum – 45 years age last birthday Maximum – 80 years age last birthday.
Policy Term:	Minimum – 10years or “Minimum Vesting age minus age at Entry” whichever is higher subject to term can be 10, 15 and above. Maximum – 62years or “Maximum vesting Age minus Entry Age” whichever is lower.

### Minimum Installment Premium

Policy term( years)	Yearly	Half yearly	Quarterly	Monthly
10	20000	10000	5000	2000
15 to 20	26000	14000	7500	2500
21 to 25	15000	8000	4000	1500
26 to 30	10000	6000	3000	1000
31 to 40	8000	4200	2100	700
Above 40	6000	3000	1500	600

Maximum premium : No limit  
Sum Assured : Nil

## About the Benefits

### ✦ Benefits of the Plan

On Death	In case of death before attaining Vesting age, the value of units in the policy holder's account will be paid.
On Maturity	If the Policyholder survives to vesting age, the policyholder will receive the fund value along with additional benefit 'Pension Plus Benefit', He/she has to buy an immediate annuity from our company or any other life company approved by IRDA. Also the policy holder has an option to commute up to 1/3 <sup>rd</sup> of the fund value for lump sum benefit and in such case, the policy holder has to purchase an immediate annuity with the balance of the fund value.

### ✦ Pension Plus Benefit:

A fixed percentage of basic annualized premium will be paid at the time of maturity to the Policyholder provided the policy is in force by paying all the premiums due.

Term	10	15 to 25	26 to 35	Above 35
Pension Plus Benefit	25%	50%	75%	100%

## About the Premiums and its Investment Options

### ✦ Premium payments of the plan

Premium can be paid yearly, half-yearly, quarterly or monthly. Monthly mode is allowed through ECS only.

### ✦ Investment fund portfolio of the plan

Policyholder has an option to choose any one of the given funds or a combination of the following funds in a fixed percentage.

Fund	Equity	Debt, Money Market & Cash	Risk/ Objective of Fund
Preserver	0%	100%	Very Low risk with steady returns
Defender	0%-35%	65%-100%	Low risk with good returns

Balancer	40%-60%	40%-60%	Moderate risk with potentially better returns
Maximus	0%-70%	30%-100% <sup>"1"</sup>	High risk with higher return
Accelerator	90%-100%	0%-10% <sup>"2"</sup>	Very high risk with significantly higher returns
Tyaseer	90%-100%	0%-10% <sup>"2"</sup>	Very high risk with significantly higher returns from Investments in stocks and shares other than banks NBFCs, breweries, distilleries, alcohol based chemicals, Cigarettes, tobacco, entertainment, leather, sugar and hatcheries.

\*Dynamic fund has been renamed as Accelerator

"1" - fund does not allow more than 20% in Money Market & Cash.

"2" - fund does not allow investment in Debt instruments

**Note:** Equity refers to investment in listed equities. Debt instruments refer to investment in fixed income securities such as Government Bonds, Rated Corporate Bonds (AA and above) etc., Money Market and Cash include investment in instruments like Commercial paper, Certificate of Deposits, Short term Bank Deposits and Money market instruments. The value of these investments may go up or down depending upon the market conditions. Consequently the Net Asset Value of the fund may go up or down.

### About the Available Options

#### 🌟 Auto transfer option(ATO):

This option reduces the risk of investing the full premium into a fund with a volatile NAV, by allowing premiums to be invested in a low risk fund "Preserver" and gradually transferring the money into chosen investment portfolio.

Policyholder can choose 6 or 12 month Auto Transfer Option to invest regular premiums. If the policyholder opts 12 month Auto Transfer Option, 1/12<sup>th</sup> of allocated premium will be invested in the chosen fund and the balance will be invested in the Preserver Fund. One month later 1/11<sup>th</sup> of the fund in the Preserver fund will be transferred to the chosen fund and this process will be continued until all the funds in the Preserver Fund are transferred. This process will be repeated as and when premium is received. When ATO is opted, partial withdrawal and switching between the funds is allowed except that the policyholder cannot switch from the existing funds to the preserver.

This option is available for the modes of yearly, half-yearly or quarterly without any charge. Policyholder can opt or cancel this option any time during the year. There is

no restriction, but the selected option will become effective from the subsequent premiums.

✿ **Annual Premium Increase(API):**

API is option to increase premium by 5% from second year onwards. Policyholders can Opt\Cancel this option at anytime during the policy term. If the policyholder cancels this option, then the next annualized premium will be at the discretion of policy holder i.e. he can continue paying the same premium as the time of cancellation of this option or he can pay the annualized premium he has opted at the point of inception.

✿ **Top-up premium**

The policyholder has got an option to contribute in lump sum any time before the end of the policy term, to increase the number of units to his credit, if the policy is in force. However, such lump sum payment should be at least Rs.5, 000/- per payment.

A lock in period of three years shall apply for each top up premium, except during the last three years of the policy term. Top up units will not attract any partial withdrawal charge due to partial withdrawal.

✿ **Switching:**

The Policyholder can switch from one Fund to another Fund out of the funds mentioned above, or change the percentages of funds chosen earlier. The policyholder can switch two times in a year without any charge.

✿ **Revival**

If premium due is not paid within the grace period, the policy lapses.

If the policy lapses, by not paying all the due premiums, the policy can be revived within a revival period of 2 years from the date of first unpaid premium. During the revival period the policy administration charge will be collected by canceling the units and FMC will be charged by the adjustment of NAV. For reviving such a policy, arrears of premiums will be required to be paid. Out of this, premium allocation charge in respect of each year's premium will be deducted and the balance will be utilized to allocate units to the policyholder's unit account at the NAV prevailing at the time of revival. If the policyholder dies within the revival period, the value of the units on the date of death at the prevailing NAV will be paid. If the policy is not revived within the revival period, the value of the units at the prevailing NAV will be paid at the end of the 3<sup>rd</sup> year from the date of commencement of the policy or at the end of the revival period whichever is later with appropriate surrender charges and the policy terminates.

✿ **Cooling off period**

If you are not satisfied with the ‘Terms and conditions’ of the policy, the policy can be returned to the Company within 15 days from the date of receipt of the policy document. However, the company reserves the right to deduct stamp duty charges for issue of the policy.

✿ **Partial withdrawal**

Policyholder has a facility to withdraw his units partially. The minimum value of the units withdrawn should be at least Rs.10, 000/- subject to a maximum of five times the basic Annual premium opted at inception. For every partial withdrawal, a charge equal to surrender charge as specified will be levied on the units to be withdrawn depending upon the duration of withdrawal from the DOC. From Sixth year onwards, A partial withdrawal charge of Rs.100/- will be levied for every withdrawal. After any partial withdrawal, atleast an amount equal to annual premium should be available in the policyholder’s account.

✿ **Days of grace**

A grace period of one month but not less than 30 days will be allowed for payment of yearly, half-yearly, quarterly and monthly premiums.

✿ **Tax Benefits of the plan**

Premiums paid under this plan are eligible for tax benefits under Section 80CCC of the Income Tax Act, 1961 as applicable from time to time. However, policyholder may consult his/her tax adviser for details of tax benefits.

**About the Charges**

✿ **Premium Allocation Charge**

This will be deducted from premium amount at the time of every premium payment and the balance will be allocated in units thereafter.

First year	20% of the regular premium
Second year	12% of the regular premium
Renewal	3% of the regular premium

✿ **Fund Management Charges**

An Investment management charge as detailed below will be charged by adjustment of the Net Asset Values of the units of the fund on a daily basis.

Fund	Fund Management charges
Preserver	1.25% p.a.
Defender	1.25% p.a.
Balancer	1.35% p.a.
Maximus	1.35% p.a.
Accelerator	1.35% p.a.
Tyaseer	1.35% p.a.

Fund Management charges will be charged while computing the Net Asset Value.

The following charges will be deducted by cancellation of units from the chosen fund only on a monthly basis, at the prevailing unit price.

#### ✿ Service Tax Charges

The Service Tax as per Regulations in force from time to time will be levied on a monthly basis by cancellation of units of the policyholder at the prevailing unit price.

#### ✿ Policy Administration Charges

Rs.40 /- per month in the 1<sup>st</sup> year and increased by 5% p.a. from second year onwards, throughout the policy term till the policy becomes a claim.

Admin charges in the last policy year are given below for specimen terms:

Policy term	10	20	30	40	50
Admin charge in the last policy year	62.05	101.10	164.65	268.20	436.85

#### ✿ Switching Charges

Switching between funds will be allowed twice in a year free of charge. However, an amount of Rs.100 will be charged per additional Switch during a year.

#### ✿ Surrender Charges

Policies lapsed and subsequently surrendered (at the end of the revival period) will be subject to the following surrender charges:

Time of lapse / surrender	Time surrender value paid	Surrender Penalty
In first year	End of revival period	100% of the value of the units

In second year	End of revival period / upon request on or after 3 years since policy inception	50% of the value of units
In third year	End of revival period / upon request on or after 3 years since policy inception	30% of the value of units
In fourth year	At time of surrender	15% of the value of the units
In fifth year	At time of surrender	5% of the value of the units
From sixth year onwards	At time of surrender	NIL

If a premium is not paid after the expiry of the grace period the policy is deemed lapsed and surrendered (unless it is reinstated by paying the outstanding premiums). The surrender value will only be paid at the end of the revival period, or earlier upon request if at least 3 years has elapsed since the policy was issued. In case policy is surrendered after completion of 5 policy years, no penalty will be levied irrespective of number of premiums paid.

### Terms and Conditions

- ✿ The policy shall automatically terminate and no further benefits will be paid under this policy, if the units in the policy become negative at any point of time during its term.
- ✿ Partial withdrawals of units, to the credit, will be allowed only after the third policy anniversary provided the premiums for three years have been paid.
- ✿ **Cut-off timings:**  
In respect of Premiums/ Top-up premiums/ fund switches received up to 3 p.m. by the insurer along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the day on which premium is received shall be applicable.  
  
In respect of Premiums/ Top-up premiums/ fund switches received after 3 p.m. by the insurer along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the next business day shall be applicable.
- ✿ No loans will be granted under the policy.

- ✦ The Unit Linked products are different from the traditional life insurance products as they are subject to market risks.
- ✦ The value of these investments may go up or down depending upon the market conditions. Consequently the Net Asset Value of the fund may go up or down.
- ✦ NAV Computation and Unit price:

NAV under each fund will be computed as under, (Market Value of investments held by the fund +/- the expenses incurred in the purchase/sales of the assets + the value of any current assets+ any accrued income, net of fund management charges - the value of any current liabilities - provisions, if any). This gives the Net Asset Value of the fund. Dividing by the number of units existing at the valuation date gives the Unit Price of the fund.

**Extract from section 41 of Insurance Act, 1938**

- i. 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 any person taking out or renewing or continuing a policy accept any rebate except such rebates 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 insurance taken out by himself on his own life shall not be deemed to be acceptance provided the insurance agent satisfies the prescribed conditions establishing that he is a bonafide insurance agent employed by the insurer
- ii. Any person making default in complying with the provisions of this section shall be punishable with a fine which may extend to Rs.500/-

**Section 45 of the Insurance Act, 1938:**

No policy of life insurance effected before the commencement of this Act shall, after the expiry of two years from the date of commencement of this Act, and no policy of life insurance effected after the coming into force of this Act 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 in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of policy, was in accurate or false, unless the insurer shows that such statement was on a material matter or suppressed fact which it was material to



disclose and that it was fraudulently made by the policyholder and that the policyholder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose.

### About the Company

Shriram Life Insurance Company Ltd is a joint venture of the Shriram Group with Sanlam Life Insurance Company, one of the largest life insurance companies of South Africa.

The name and address of the ombudsman to whom this policy can be referred to is being attached with the policy bond.

For further details, Please contact our Insurance Advisors or our nearest Divisional Office.

### Address

**ShriramLife**  
IN PARTNERSHIP WITH THE  **Sanlam** GROUP, SOUTH AFRICA  
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