

SHRIRAM PENSION PLAN (UIN 128L022V01)



Retirement need not necessarily mean a life full of compromises. With Shriram Pension Plan you continue to enjoy the lifestyle you are used to and lead a no-compromise, happy retired life. Shriram Pension Plan, besides helping you to make large tax savings, provides you with an adequate income on retirement that takes care of all your needs.

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 SHRIRAM PENSION PLAN:

- It is a hassle free, pure investment plan with zero Sum Assured to deliver maximum possible returns at the end of the policy term
- Built in auto transfer option to mitigate your investment risks
- Options to choose the term for which you wish to pay the premiums and vesting age according to your retirement age
- Choice of 4 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
- 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	55 years age last birthday
Vesting Age:	Minimum	45 years age last birthday
	Maximum	65 years age last birthday

Policy Term:	Minimum	Minimum Vesting age minus age at entry Subject to minimum of 10 years
	Maximum	47 years

ABOUT THE BENEFITS

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

ABOUT THE PREMIUM AND ITS INVESTMENT OPTIONS

- Premium payments of the plan**

Premium can be paid yearly, half-yearly, quarterly or monthly. Minimum Installment premium is Rs. 10,000/- for yearly mode, Rs. 5,000/- for half yearly mode, Rs. 2,500/- for quarterly mode and Rs. 1,000/- for monthly mode. 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. 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.

Name of the fund	Equity	Debt	Short term liquid assets
Secure Plus	Nil	Up to 100%	Up to 100%
Guardian Plus	Not more than 50%	Not less than 50%	Not more than 20%
Maximus Plus	Not more than 80%	Not more than 30%	Not more than 20%
Tyaseer Fund	Not less than 90%	Nil	Not more than 10%

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., Short term liquid Assets include investment in instruments like Commercial paper, Certificate of Deposits, Short term Bank Deposits and Money market instruments.

- **Objective and Risk profile of the fund:**

Secure Plus: Secure plus provides an opportunity to earn marginal returns with a very low risk profile. The fund is invested in fixed income securities and short term liquid assets with negligible risk.

Guardian plus: A balance of investments offering some security with potential for long-term growth or income. The value can go up and down, these funds involve a medium risk.

Maximus Plus: This option allows policy holder to maximize the potential returns from investments in stocks and shares, these funds involve a significantly higher risk.

Tyaseer Fund: This fund allows policy holder to maximize the potential returns from investments in stocks and shares in sectors other than banks and non-banking financial companies, breweries, distilleries, alcohol based chemicals, cigarettes, tobacco, entertainment, leather, sugar and hatcheries. Given the high equity exposure, this fund involves a significantly higher risk.

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 “Secure Plus” 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, 1/12th of allocated premium will be invested in the chosen fund and the balance will be invested in the Secure Plus Fund. One month later 1/11th of the fund in the Secure Plus will be transferred to the chosen fund and this process will be repeated as and when premium is received. This option is available for the modes of yearly, half-yearly or quarterly without any charge. Policyholder can also cancel this option during the policy term.

- **Top-up premium**

The policyholder has 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.

- **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. 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 3rd 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/- and this facility is available twice in a year without any charge.

- **Days of grace**

A grace period of one month but not less than 30 days will be allowed for payment of yearly, half-yearly and quarterly premiums. For monthly mode grace period is 15 days only. If the premium is not paid within the grace period, the policy lapses.

- **Tax Benefits of the plan**

Premiums paid under this plan are eligible for tax benefits under Section 80C of the Income Tax Act, 1961 as applicable from time to time.

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
Secure plus	0.75% p.a.
Guardian Plus	1.25% p.a.
Maximus Plus	1.50% p.a.
Tyaseer Fund	1.50% p.a.

The company reserves the right to change these charges up to 2% in respect of Secure Plus Fund, Guardian Plus and 2.5% in respect of Maximus Plus, Tyaseer Funds in future with prior approval from IRDA. 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. 50/- per month in the 1st 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	47
Admin charge in the last policy year	77.60	126.35	205.80	335.20	471.70

- **Partial Withdrawal Charge**

Partial Withdrawal shall be allowed two times in a year without any charge and for each additional withdrawal, Rs.100/- will be levied.

- **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**

Surrender charge will be levied as detailed below depending upon the year of surrender from the date of commencement.

Premium Paid	Year of Surrender	Surrender Charges
Less than 1 year premium	Nil	100% of the value of the units
At least 1 year, but less than 2 years	At the end of the Revival period	50% of the value of units
At least 2 years, but less than 3 years	At the end of the Revival period	30% of the value of units
If at least 3 years premiums and three years have elapsed from the date of commencement	During the 4 th year from the date of commencement	25% of the value of the units
	During the 5 th year from the date of commencement	10% of the value of the units
	After 5 th year	Nil

ABOUT TERMS AND CONDITIONS

1. The policy shall automatically terminate and no further benefits will be paid under this policy, if the units in the policy becomes negative at any point of time during its term.

2. Partial withdrawals of units, to the credit, will be allowed only after the third policy anniversary.

3. 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.

4. No loans will be granted under the policy.

5. The Unit Linked products are different from the traditional life insurance products as they are subject to market risks.

6. 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.

7. **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 shall 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 bona fide 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 or mail us at customercare@shriramlife.in