



## **Securing your company's future with a structured employee retention solution**

**Aditya Birla Sun Life Insurance Group Capital Assured Traditional Plan**

A Non-Participating Non-Linked Fund Based Group Plan

**Aditya Birla Sun Life  
Insurance Company Limited**



**ADITYA BIRLA  
CAPITAL**

**LIFE INSURANCE**

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

**ABSLI 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.

ABSLI 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 CONDITIONS

<b>Minimum Group Size</b>	10 members
<b>Minimum Sum Assured</b>	Nil Sum assured for Superannuation Schemes ₹ 10000 per member for other schemes
<b>Minimum Age at Entry</b>	18 years (age last birthday)
<b>Maximum Age at Entry</b>	As per scheme rules / 70 years (age last birthday)
<b>Maximum Age at Maturity</b>	As per scheme rules / 75 years (age last birthday)
<b>Minimum Contribution</b>	Initial Contribution – ₹50,000; Subsequent Contribution – ₹5,000
<b>Minimum Premium</b>	Corresponding to minimum sum assured
<b>Minimum Policy Term</b>	One Year (Annually Renewable)
<b>Minimum Policy Term</b>	Annually renewable. Policy to continue indefinitely until it's surrender, or expiry of membership term of existing members and there are no new members

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. 10,000 for all schemes except Superannuation schemes per life insured
  - The insurance benefits are paid on the death of member, provided the cover is then in force

## INTRODCUTION 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.

### ABSLI 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 ABSLI 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
<b>Exits as per Scheme rules</b>	The employee receives the Gratuity benefit as per the scheme rules
<b>Death Due to any cause</b>	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.

### ABSLI 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 ABSLI Group Capital Assured Traditional Plan-Superannuation Option for Defined Benefit Schemes.

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

#### Benefits Structure (Defined Benefit)

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

Insured Event	Benefits Payable
<b>Exits as per Scheme rules</b>	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; <b>OR</b> b) Transfer the amount accumulated in the employee's superannuation account to another approved Superannuation Plan of the New Employer; <b>OR</b> c) Let the amount accumulate until superannuation of the employee. The amount continues to generate and accumulate investment returns during this period.
<b>Death Due to any cause</b>	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.

## INTRODUCTION 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.

#### ABSLI 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 ABSLI Group Capital Assured Traditional Plan-Leave Encashment Option.

Insured Event	Benefits Payable
<b>Exits as per Scheme rules</b>	The employee receives Accrued Leave Encashment benefit as per scheme rules of the employer
<b>Death Due to any cause</b>	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, subject to a minimum floor of 0.1%, excluding applicable taxes, if any. 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.

The MVA shall be calculated at the end of the notice period as the higher of zero and:

$(\text{Relevant policy account value}) \times (1 - \text{market value of underlying assets/product liability})$

Where:

- Relevant policy account value is the part of the total policy account value that is in excess of the Bulk Exit threshold (see Bulk Exits above). It includes the addition of interim interest and deduction of any applicable surrender charge
- Market value of underlying assets is the market value of the entire portfolio of assets which are earmarked for this product
- Product Liability is the total of all policy account values for this product

### 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

Nomination shall be in accordance with 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 30 days from the date of receipt of the policy document 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. Depending on our then current administration rules, we may reduce the amount of the refund by expenditures incurred by us in issuing your policy and as permitted by the IRDAI (Protection of Policyholders' Interests, Operations and Allied Matters of Insurers) Regulations, 2024.

### 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 <https://lifeinsurance.adityabirlacapital.com>.

## **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. Insurance is the subject matter of the solicitation. For more details on this plan visit our website. For more details on risk factors, terms and conditions, please read the sales brochure before concluding the sale.

# ABOUT ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED

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

ABSLI offers a range of 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”).

As of June 30, 2024, total AUM of ABSLI stood at Rs.90,682 Crore (22% Increase YOY). ABSLI recorded a gross premium income of Rs.3,986 Crore in Q1 FY25 and registering a y-o-y growth of 28% in Gross Premium with Individual Business FYP with Single Premium at 10% at Rs 644 Crore. ABSLI has a nationwide distribution presence through 380+ branches, 11 bancassurance partners, 6 distribution channels, over 56000+ direct selling agents, other Corporate Agents and Brokers through its website. The company has over 25,000 employees and 20.03 lakh active customers.

## **About Aditya Birla Capital Limited**

Aditya Birla Capital Limited (“ABCL”) is the holding company for the financial services businesses of the Aditya Birla Group. Through its subsidiaries/JVs, ABCL provides a comprehensive suite of financial solutions across Loans, Investments, Insurance, and Payments to serve the diverse needs of customers across their lifecycle. Powered by over 50,000 employees, the businesses of ABCL have a nationwide reach with over 1,505 branches and more than 200,000 agents/channel partners along with several bank partners.

As of June 30, 2024, Aditya Birla Capital Limited manages aggregate assets under management of Rs. 4.63 Lakh Crore with a consolidated lending book of Rs 1.27 Lakh Crore through its subsidiaries/JVs.

Aditya Birla Capital Limited is a part of the US\$66 billion global conglomerate Aditya Birla Group, which is in the league of Fortune 500. Anchored by an extraordinary force of over 187,000 employees belonging to 100 nationalities, the Group is built on a strong foundation of stakeholder value creation. With over seven decades of responsible business practices, the Group’s businesses have grown into global powerhouses in a wide range of sectors - from metals to cement, fashion to financial services and textiles to trading. Today, over 50% of the Group’s revenues flow from overseas operations that span over 40 countries in North and South America, Africa, Asia, and Europe.

For more information, visit [www.adityabirlacapital.com](http://www.adityabirlacapital.com).

# Aditya Birla Sun Life Insurance Company Limited



**LIFE INSURANCE**

Life Insurance Coverage is available in this Product.

As per section 10(10D) of the Income-tax Act, 1961, proceeds from life insurance policy issued on or after 1 April 2023 shall be taxable as income from other sources if the cumulative annual premium payable by taxpayer for life insurance policies exceeds ₹ 5 lacs.

Contact our advisor or visit our website <https://lifeinsurance.adityabirlacapital.com> to know more about the various solutions. We provide a wide range of Life Insurance solutions to cater to your specific protection needs.

“The Trade Logo “Aditya Birla Capital” Displayed Above Is Owned By ADITYA BIRLA MANAGEMENT CORPORATION PRIVATE LIMITED (Trademark Owner) And Used By ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED (ABSLI) under the License.”

Aditya Birla Sun Life Insurance Company Limited Registered Office: One World Centre, Tower 1, 16<sup>th</sup> Floor, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013. Customer Helpline Numbers: 1-800-270-7000 Website: <https://lifeinsurance.adityabirlacapital.com> IRDAI Reg No.109 CIN: U99999MH2000PLC128110 UIN: 109N070V03 ADV/10/24-25/1802

## **BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS / FRAUDULENT OFFERS**

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