

Kotak

GRATUITY PLUS GROUP PLAN

A Unit Linked Group Gratuity Insurance Plan

"In this policy, the investment risk in investment portfolio is borne by the policy holder"





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Gratuity is not just a statutory obligation but also a very important tool today to retain and attract talented employees. However, gratuity liability of the employer tends to increase with an increase in the salary and tenure of employment.

A comprehensive and effective gratuity plan will help you in reducing business costs and meet the funding needs to make gratuity payments. It will also help you avail tax benefits as applicable to approved gratuity funds.

Kotak Life Insurance offers Kotak Gratuity Plus Group Plan (KGPP) - a Unit-linked group gratuity plan that will not only help you fund for the gratuity obligation systematically & effectively but also will help you release resources for your core business activities. Some of the key features of the plan are:

Key Advantages

- Capital Guarantee^{T&C1}: Return of all contributions made net of past benefit payments
- Market-linked returns and long-term investment growth
- Regular Additions for higher fund sizes
- Life insurance coverage for employees

How does the Kotak Gratuity Plus Group Plan work?

- The Master Policyholder/Employer creates a trust and appoints Trustees for maintaining the Gratuity Trust.
- The Master Policyholder has to pay the contributions towards the Gratuity liability basis Actuarial Valuation to meet the past service gratuity liability of the Company.
- The Master Policyholder invests the contributions in the Secure Capital Fund offered by Kotak Life Insurance (Refer to section "Investment Fund"). The units are allocated post the receipt of contributions.

On retirement/resignation up to the selected policy term or during the policy term Kotak Life Insurance will redeem the units in the investment funds to pay the gratuity benefit. In case of death of an insured member additionally the Sum Assured of ₹ 1,000 is payable.

Benefits of the plan:

For Employer:

- Contributions to an approved Gratuity fund is deductible under section 36 (1)(v) of the Income Tax Act, 1961, subject to the conditions contained therein.
- Income earned from investments received by an approved Gratuity fund is tax-exempt under Section 10(25)(iv) of the Income Tax Act, 1961.

For Employee:

Under Section 10(10) of the Income Tax Act, 1961.

- The gratuity settlement for retirement/resignation/(as the case may be) will be settled as per the Trust Rules:
 - For Government employees, Gratuity receipts at the time of retirement are completely tax free.
 - For Non-government employees, Gratuity receipts are tax-exempt up to the limit of ₹ 10 lakhs.
- The death benefit will be equal to life cover of ₹ 1,000 plus Gratuity settlement as per the Trust Rules. Death benefits payable to the nominee is exempt from tax.

Note: Tax benefits under the policy will be as per the prevailing Income Tax laws and are subject to amendments from time to time. It is advised to consult your tax advisor for details.

Regular Additions^{T&C2}:

Regularly additional units will be added to the Schemes and the percent varies by fund size at the beginning of the calendar month and the rate of these additions is in the range of 0.05% to 0.30% per annum. Regular Additions are expressed as units and added to the unit fund at the end of the month.

Other features:

- **Benefit payable on Member's survival^{T&C3}:**
Gratuity benefit is payable as per the Gratuity Trust Deed and/or Scheme Rules.
- **Death Benefit:**
On death of a member, the sum of the following will be paid out:
 - Sum assured, and
 - Gratuity Settlement as per Trust Rules
- **Surrender:** This policy may be terminated/surrendered by the Master Policyholder giving one month prior notice in writing to the Company. On the expiration of the notice period, the Company will pay the Surrender Value after deduction of Surrender Charge (0.05% of the Fund Value or ₹ 5,00,000, whichever is lower, during the first three policy years only). After three policy years, there will be no Surrender Charge applicable in case of surrender. Please refer to the terms and conditions section 4 for more details. The policy shall terminate once the surrender value has been paid.
- **Partial Withdrawal:** Partial withdrawals are not allowed in this plan.

Investment Fund:

This plan offers a fund option that will enable you to maximize the earnings potential.

Fund (SFIN)	Short Term investments such as Money market instruments, short term bank deposits, call money and cash	Government/ Government guaranteed securities	Other Debt Securities
Group Secure Capital Fund (SFIN: ULGF-016-12/04/11-SECCAPFND-107)	0-40%	0-75%	25%-100%

Eligibility

Particulars	Description
Group	Employer - Employee groups
Minimum Group size	Minimum: 10 employees; Maximum: No Limit
Entry age (Last birthday)	Min: 18 yrs Max: As per scheme rules, subject to maximum of 74 years
Maximum Maturity age (Last birthday)	As per scheme rules, subject to maximum of 75 years
Policy Term	1 year (Yearly renewable)
Sum Assured	Fixed: ₹ 1,000
Contribution/Premium*	Min: ₹ 2,00,000 at inception Max: No limit
Contribution Frequency	The contributions may be made monthly, quarterly, half yearly, yearly or as a lump sum at periodic intervals as agreed with Kotak Life Insurance, depending on the scheme requirements under AS 15 (Revised).

Note:

* Contribution and premium have the same meaning, i.e. the amount paid by the trustee towards the Gratuity liability of the Master Policyholder.

Charges^{T&C5}:

- Premium Allocation Charges:**

This is charged as a percentage of the contribution. The net premium is then allocated at the Net Asset Value (NAV)^{T&C7} prevailing on the date of receipt of premiums.

Distribution Channel	Premium Amount	Charge
Direct Sales	Any amount	0.3%
Brokers/Corporate agents/ Individual agents	For premium up to ₹ 2 Crores	0.8%
	For Portion of premium above ₹ 2 Crores	0.3%

- Administration Charges:**

There is no Policy Administration Charge.

- Fund Management Charges (FMC):**

This is a charge levied as a percentage of the value of assets and shall be appropriated by adjusting the NAV^{T&C7}. The FMC applicable for the available fund is 0.90% p.a.

- Mortality Charges:**

A mortality charge of ₹ 1 per 1000 of Sum Assured will be levied. This charge is guaranteed for the term of the policy.

- Surrender Charges:**

- This is a charge levied on the Fund Value at the time of surrender of contract.
- Following charges are applicable depending on year of Surrender:

Year of Surrender	Charges applicable (as a % of Fund)
1 st - 3 rd Yr	0.05% or ₹ 5 lacs, whichever is lower
4 th Yr onwards	NIL

Sample Illustration:

Year	Initial Contribution	Annual contribution at the beginning of the year	Guaranteed Amount at the end of the year	Allocation Charges	Mortality Charges	Gross Yield at 4%				
						Net yield @ 8%		3.02%		
						GST*	Fund before FMC	FMC with service tax	Fund after FMC	Fund after surrender charges
1	1,000,000	250,000	1,250,000	3,750	10	2,776	1,296,090	11,665	1,281,648	1,281,008
2	-	265,000	1,515,000	795	10	2,749	1,607,677	14,469	1,590,459	1,589,663
3	-	280,900	1,795,900	843	10	3,305	1,945,326	17,508	1,924,513	1,923,551
4	-	297,754	2,093,654	893	10	3,905	2,310,219	20,792	2,285,522	2,285,522
5	-	315,619	2,409,273	947	10	4,553	2,704,191	24,338	2,675,301	2,675,301
6	-	334,556	2,743,830	1,004	10	5,252	3,129,197	28,163	3,095,782	3,095,782
7	-	354,630	3,098,459	1,064	10	6,005	3,587,312	32,286	3,549,021	3,549,021
8	-	375,908	3,474,367	1,128	10	6,816	4,080,743	36,727	4,037,201	4,037,201
9	-	398,462	3,872,829	1,195	10	7,688	4,611,835	41,507	4,562,641	4,562,641
10	-	422,370	4,295,199	1,267	10	8,626	5,183,083	46,648	5,127,809	5,127,809

Year	Initial Contribution	Annual contribution at the beginning of the year	Guaranteed Amount at the end of the year	Allocation Charges	Mortality Charges	Gross Yield at 8%				
						Net yield @ 8%		6.98%		
						GST*	Fund before FMC	FMC	Fund after FMC	Fund after surrender charges
1	1,000,000	250,000	1,250,000	3,750	10	2,857	1,345,939	12,113	1,330,969	1,330,303
2	-	265,000	1,515,000	795	10	2,936	1,722,777	15,505	1,704,336	1,703,484
3	-	280,900	1,795,900	843	10	3,625	2,143,134	19,288	2,120,220	2,119,160
4	-	297,754	2,093,654	893	10	4,391	2,610,437	23,494	2,582,551	2,582,551
5	-	315,619	2,409,273	947	10	5,241	3,128,991	28,161	3,095,589	3,095,589
6	-	334,556	2,743,830	1,004	10	6,182	3,703,462	33,331	3,663,949	3,663,949
7	-	354,630	3,098,459	1,064	10	7,222	4,338,905	39,050	4,292,632	4,292,632
8	-	375,908	3,474,367	1,128	10	8,371	5,040,794	45,367	4,987,056	4,987,056
9	-	398,462	3,872,829	1,195	10	9,637	5,815,058	52,336	5,753,085	5,753,085
10	-	422,370	4,295,199	1,267	10	11,032	6,668,112	60,013	6,597,067	6,597,067

*Goods and Services Tax and Cess.

Please Note:

1. All amounts in Indian Rupees.
2. This is only an indicative illustration. Rates may vary for each group
3. The above illustration is based on the assumption that all contributions are paid as due and the fund will grow at the rate of 4% p.a. and 8% p.a.

Please note that the assumed rate of return is only for illustration purpose, where as the actual return will depend on the investment performance.

4. Non-guaranteed benefits will vary with returns based on investment performance.
If your policy offers guaranteed returns then these will be clearly marked "guaranteed" in the illustration table on this page.
5. Premiums are allocated in Group Secure Capital Fund (SFIN – ULGF-016-12/04/11- SECCAPF ND-107)

6. The guarantee offered is a 'return of all contributions made (net of past benefit payments, if any)' at the point of exit, subject to the conditions.
7. This illustration is not a contract of insurance and must be read in conjunction with the Policy Document.
8. Goods and Services Tax and Cess, is levied, at the applicable Tax rates in accordance with the prevailing Tax Laws, from time to time.
9. The life cover is assumed is ₹ 1,000 per member and the Mortality Charge is ₹ 1 for ₹ 1,000 sum assured. The group size assumed is of 10 members.

Terms & Conditions:

1. Capital Guarantee :

'Return of all contributions made (Net of past benefit payments, if any)' at the point of exit, subject to the following conditions:

- Guarantee for every contribution shall be applicable only after one year from the date of that contribution and the Guaranteed Benefit in respect of that contribution is return of contribution net of past benefit payments, if any.
- Fund value in respect of contributions where the guarantee is yet to apply is maintained in separate branches.
- Benefit Payments will be made from the first contribution received by the insurer until the fund value for that contribution is fully exhausted and then from the second contribution, and so on, getting to the most recent contribution.

2. **Regular Additions:** Regular Additions units are added to the schemes where the Total Fund value is above ₹ 1 Crore at the beginning of the calendar month. The Regular Addition % varies by fund size.

Fund Slabs (in ₹ Crore)	Monthly Regular Addition rates (p.a.)
Above 1 & up to 5	0.05%
Above 5 & up to 10	0.15%
Above 10 & up to 15	0.25%
Above 15 & up to 20	0.25%
Greater than 20	0.30%

3. Benefit payable on survival:

This benefit shall be payable as per the scheme rules and as communicated by the Master Policyholder. The Insurer's total liability under this Policy at any point in time is defined as:
Higher of:

- i. The fund value in respect of contributions that have completed one year or more.

- ii. sum of contributions received that have completed one year or more net of benefit payments, if any.

Plus Fund Value of contributions received during last one year (for which guarantee is yet to apply).

4. Surrender Value :

The Insurer will pay:

- a. Higher of
 - i. The fund value in respect of each contribution that have completed one year or more.
 - ii. The total sum of each contributions received that have completed one full calendar year or more net of benefit payments, if any.

Please note that in addition to the above, the sum of fund value of each contributions received which have not completed one full calendar year from the date of that contribution (for which guarantee is yet to apply) will also be payable.

Less

- b. Surrender charges (0.05% of the Fund Value or ₹ 5,00,000, whichever is lower, during the first three policy years only. After three policy years, there will be no Surrender Charge applicable in case of surrender.).

5. Maximum Charge Level

Kotak Life Insurance reserves its right to impose charges not beyond the prescribed levels, subject to IRDA approval.

6. Availability of Unit Statement :

The Master Policyholder may check the Unit Statement in D02 format available on the Group Customer Portal using the prescribed link: <https://customer.kotaklifeinsurance.com/kliportal/Login.aspx>.

In order to view the Unit Statement, the Master Policyholder has to register in the Group Customer Portal to generate the Login ID and Password.

7. NAV Computation

All the contributions will be applied to buy units in the funds selected by the Master Policyholder according to the following rules:

- Transaction requests (including renewal premiums by way of local cheques, demand draft, switches, etc.) received before the cut-off time will be allocated to the same day's NAV and the ones received after the cut-off time will be allocated to the next day's NAV.
- Where contributions are received by an outstation cheque/demand draft, the closing NAV of the day on which such cheque/demand draft is realized shall be applicable.

- The current cut-off time is 3:00 p.m. which may vary from time to time as per IRDA guidelines.

NAV of a fund is calculated and published in financial newspapers on each business day.

$$\frac{\text{Market Value of investments held by the fund} + \text{Value of any Current Assets} - \text{Value of Current Liabilities \& Provisions, if any}}{\text{Number of units existing at the valuation date (before creation/redemption of units)}}$$

Net Asset Value (NAV) =

Number of units existing at the valuation date
(before creation/redemption of units)

Fund Value is the product of the total number of units under a policy and the NAV. The NAV calculated above will be used with respect to portfolio valuations for policyholders in addition to terms for Gratuity Benefit, Surrender Value and for recovering the applicable charges. The NAVs will be calculated on each business day.

8. Loans :

No loan facility is available under this policy.

9. Nomination :

Nomination will be allowed under the plan as per the provisions of Section 39 of the Insurance Act, 1938 and amendments thereto from time to time.

10. Free Look Period:

In case policyholder is not agreeable to any of the provisions stated in the policy, then he/she has the option of returning the policy, stating the reasons thereof within 15 days from the date of the receipt of the policy. The cancellation request should be submitted to nearest Kotak Life Insurance Branch or sent directly to our Head Office. On receipt of letter along with the original policy document arrangement shall be made to refund the non-allocated premium plus charges levied by cancellation of units plus fund value at the date of cancellation less expenses in accordance with IRDA (Protection of Policyholders' Interests) Regulations, 2000. A policy once returned shall not be revived, reinstated or restored at any point of time and a new proposal will have to be made for a new policy.

11. Fraud / Misrepresentation:

The provisions of Section 45 of the Insurance Act 1938, as amended from time-to-time, will be applicable to this contract and each life cover provided therein. The Insurer reserves the right to recover the amount from the Policyholder or the Group Member or any other person, if it is found that the Benefits are erroneously paid due to the fault of the Policyholder. In case the Insurer is not in a position to recover such amount from the Group Member or any other person, the Policyholder will be liable to pay the said amount to the Insurer within 15 days from

the date of its demand. However, the Policyholder will not be liable or responsible for any wrong payments made by the Insurer.

12. Goods and Services Tax and Cess

Goods and Services Tax and Cess shall be levied as per the prevailing tax laws. In case of any statutory levies, cess, duties etc., as may be levied by the Government from time to time, the Company reserves its right to recover such statutory charges from the policyholder(s).

13. Taxes levied by the Government in future

In future, the Company shall pass on any additional taxes levied by the Government or any statutory authority to the policyholder. The method of collection of these taxes shall be informed to the policyholders under such circumstances.

14. Tax Benefits

Tax benefits under the policy will be as per the prevailing Income Tax laws. Tax laws are subject to amendments from time to time and interpretations. Employers are advised to consult a tax expert

Risk Factors:

- Linked Insurance products are different from traditional insurance products and are subject to risk factors.
- The premium paid in Linked Insurance policies are subject to investment risk associated with capital markets and the NAVs of the units may go up or down based on the performance of the fund and factors influencing the capital market and insured is responsible for his/her decisions.
- Kotak Mahindra Life Insurance Company Ltd. (Formerly known as Kotak Mahindra Old Mutual Life Insurance Ltd.) is only the name of the company and Kotak Gratuity Plus Group
- Plan is only the name of the linked insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns
- The various funds offered under this contract are the name of the funds and do not in any way indicate the quality of these plans, their future prospects and returns.
- The past performance of other fund of the Company is not necessarily indicative of the future performance of the fund.
- Please know the associated risks and the applicable charges, from your insurance agent or the intermediary or policy document of the insurer. All benefits payable under the policy are subject to the tax laws and other financial enactments, in force from time to time.

Section 41 of the Insurance Act, 1938 states:

- (1) 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:
- (2) Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to ten lakhs rupees

About Us

Kotak Mahindra Life Insurance Company Ltd. is a 100% owned subsidiary of Kotak Mahindra Bank Limited (Kotak) which provides world-class insurance products with high customer empathy. Its product suite leverages the combined prowess of protection and long term savings. Kotak Life Insurance is one of the fastest growing insurance companies in India and has covered over several million lives.

For more information, please visit the company's website at <https://insurance.kotak.com>

Kotak Mahindra Group

Kotak Mahindra Group is one of India's leading banking and financial services organizations, offering a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, life insurance and investment banking, the Group caters to the diverse financial needs of individuals and the corporate sector.

For more information, please visit the company's website at www.kotak.com

BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS/FRAUDULENT OFFERS

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.



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Koi hai... hamesha

Kotak Gratuity Plus Group Plan - UIN No.: 107L091V01; Form No.: L091; Ref. No.: KLI/17-18/E-PB/493.

This is a non-participating unit-linked group gratuity plan. This product brochure gives only the salient features of the plan. This document is not a contract of insurance and must be read in conjunction with the Policy Document.

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