



Plan ahead for effective leave management



MON	TUE	WED	THU	FRI
2	3	4	5	6
9	10	11	12	13
海の日 16	17	18	19	20
23	24	25	26	27
30	31			



An Overview

In today's time many of the employers are providing Leave Encashment benefit in addition to other retirement benefits to their employees which is a lump sum amount payable to the employees. The actual amount payable depends on the number of encashable leave an employee has at retirement or other exit as per scheme rules and the per day salary at retirement or other exit as per scheme rules. Future Generali Group Leave Encashment Plan has been designed to provide funding for these liabilities of all employers. The scheme is generally administered by the employer.

Future Generali Group Leave Encashment Plan

Future Generali Group Leave Encashment Plan is a non-linked non-participating group leave encashment product offering fund management.

This plan offers interest income which gets credited to the policy at the end of financial year. The interest amount once credited to the policy account will become guaranteed.

This Product offers Fund Management of employers' liability and life cover to the employees.

The liability of Future Generali India Life Insurance Company Limited (FGILICL) at any time will be limited to the balance in the policy account.

Basket of Benefits

- We offer you value by providing a platform of a large pooled fund providing smooth returns and safety through diversification backed by our in-house investment expertise.
- Flexibility in payment of contribution: you can pay annual contributions yearly, half-yearly or quarterly.
- The plan has a uniform life cover of ₹ 5000 per member

Tax Benefits

As per the applicable tax laws. Tax benefit is subject to change in tax laws from time to time.

Eligibility Criteria

- Minimum Group Size: All groups with a minimum size of 10 members.
- Entry Age:
 - ⌚ Minimum: 18 years (as on last birthday)
 - ⌚ Maximum: 69 years (as on last birthday)
- Maximum Maturity Age: 70 years (as on last birthday)
- Policy Term: It is a yearly renewable plan
- Sum Assured:
 - ⌚ Minimum: ₹ 5000 per member
 - ⌚ Maximum: ₹ 5000 per member
- Minimum contribution at inception: ₹ 500,000/-. On scheme level.

Contributions

The contributions made under this plan 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.

The plan does not allow any top-ups, unless required to address the underfunding of the scheme as per extant accounting standard governing the measurement of long term employee benefits.

Interest Rate

An Interest rate will be declared by the company at the end of each financial year. The interest rate will be credited to the policy on a pro-rata basis based on the number of days the fund has been invested with the company. An interim rate shall be declared at the start of each financial year for exits during the financial year for which interest rate is not yet declared. The interest amount once credited to the policy account will be guaranteed.

The interest rate credited to each fund and expenses charged to such funds shall be in accordance with the Board approved policy of the company.

Charges applicable under the policy

- **Mortality Charge**

These are annual charges. Mortality charges will be deducted at the start of every month from the policy account. Monthly charge would be 1/12th of annual charge.

Below mentioned are the sample mortality charges for various age groups for ₹5000 sum assured for Life Cover

Age as on last birthday (years)	25	35	45	55
Mortality Charge (₹)	5.00	6.60	14.95	40.10

These charges will be subject to applicable tax, if any.

- **Surrender Charge (Penalty)**

Master Policy Holder can surrender the policy any time by giving written request to FGILICL. The surrender penalty will be equal to 0.05% of the total policy account value subject to maximum of ₹500,000 /- if the policy is surrendered within the third annual renewal of the policy. Hence the surrender value will be equal to the policy account value less the surrender penalty, if any.

If the policy is surrendered after the third annual renewal, then there will be no surrender penalty. This charge will be subject to applicable tax, if any.

Once the policy is surrendered and the surrender value is paid, the Company shall cease to be liable for any benefit payable under the policy and the policy cannot be reinstated.

- **Market Value Adjustment**

No Market Value Adjustment is applicable.

Policy Account Value

The policy account value depicts the accrual to the policyholder account.

The Company shall maintain a Policy Account of the policy to which will be credited:

- All the contributions received from the employer / trustees on the date when such contributions were received by the Company;
- Amounts transferred in from a former leave encashment scheme with effect from the date such amounts were received by the Company; and
- Interest income as on 31st March every year (or on date of surrender in case of surrender of policy), if any.

Further, the policy account will be debited with:

- All benefits as defined in the scheme rules paid in respect of members as on the date when paid by the Company;
- Taxes, duties or surcharges of whatever description levied by any statutory authority;
- Interest or late fee, if any, payable on the benefits
- Surrender penalty if any
- Mortality charges for life cover

Termination:

- The Policyholder should maintain a minimum balance of ₹ 1 lakh in the policy account.
- The company will send a notice to the Policyholder if the policy account value falls below ₹ 1 lakh.
- The Policyholder can get a valuation done as per extant accounting standard governing the measurement of long term employee benefits to see if the scheme is underfunded or not.
- If the scheme is not underfunded, the policy will continue as it is.
- If the scheme is underfunded, then the company will give the Policyholder 30 day's period to pay additional contributions to address the underfunding of the scheme.
- If additional contributions are not received within the stated period, then the company will terminate the policy and refund the entire amount available in the policy account to the Policyholder.
- Thereafter the Company shall cease to be liable for any benefit payable under the policy.
- Once policy is terminated, it cannot be reinstated.

Variability of Charges

- The surrender charge (penalty) and mortality charge is guaranteed
Any change in amount or rate of charges as stated above will be subject to IRDAI approval.

Nomination

Nomination will be allowed as per section 39 of the Insurance Act, 1938, as amended from time to time, for receipt of leave encashment benefits in the event of the death of the member. Any nomination or change of nomination of the beneficiaries will be maintained by the Employer or Policyholder. In the event of death of the member, the Company will pay the leave encashment benefits to the Employer or Policyholder. In case the leave encashment benefits are to be paid directly to the member's beneficiary, the Employer or Policyholder should advise the Company in writing of this request alongwith the beneficiary details.

Grace Period

Not available under this plan

Revival

Not available under this plan

Loan

Loans are not available for this plan

Free Look Period

In case the Policyholder disagree with any of the terms and conditions of the policy, then the policy can be returned to the Company within 15 days of its receipt for cancellation, stating the objections. Future Generali will refund the policy account value after the deduction of the policy stamp charges and the cost of insurance for the period on cover up to the date of cancellation.

Section 41 of Insurance Act 1938, as amended from time to time, states:

1. 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.
2. Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

Section 45 of the Insurance Act 1938, as amended from time to time, states

1. No Policy of Life Insurance shall be called in question on any ground whatsoever after the expiry of 3 years from the date of the policy i.e. from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later.
2. A policy of Life Insurance may be called in question at any time within 3 years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground of fraud.

For further information, Section 45 of the Insurance laws (Amendment) Act, 2015 may be referred.



For detailed information on this plan including risk factors, exclusions, terms and conditions etc., please refer to the policy document and consult your advisor, or, visit our website before concluding a sale. Tax benefits are subject to change in law from time to time. You are advised to consult your tax consultant.

Future Group's, Generali Group's and IITL's liability is restricted to the extent of their shareholding in Future Generali India Life Insurance Company Limited. Future Generali India Life Insurance Company Limited (IRDAI Regn. No.: 133) (CIN: U66010MH2006PLC165288). Regd. & Corporate Office address: Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013 | Fax: 022-4097 6600 | Email: care@futuregenerali.in | Call us at 1800 102 2355 | Website: life.futuregenerali.in | UIN No.: 133N044V03 | ARN: ADVT/Comp/2020-21/May/076.

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.