

# Kotak

SECURE RETURN  
SUPERANNUATION  
P L A N

**A Non-Participating Non Linked Group Savings Product**



# KOTAK SECURE RETURN SUPERANNUATION PLAN

A Non-Participating Non Linked Group Savings Product

Kotak Life Insurance presents Kotak Secure Return Superannuation Plan which is designed to cater to the needs of Employers / Trustees / State governments / Central government / PSUs planning to fund group superannuation benefit schemes. This product is designed as a comprehensive employee benefit solution to manage the Superannuation schemes in the most efficient manner.

## Key Highlights of Kotak Secure Return Superannuation Plan (KSRSP):

- Composite Employee Benefit Solution to cater to the requirements of Superannuation schemes.
- Competitive Interest Rate declared at the end of Financial year.
- Professionally managed fund with high service levels.
- Convenient renewal process: This is an annually renewable policy which will be auto renewed subject to availability of sufficient premiums.

## Key Features:

Kotak Secure Return Superannuation Plan is a Non-Participating Non Linked Group Savings product which offers competitive returns.

This product covers both Defined Benefit (DB) or Defined Contribution (DC) schemes.

- **Assured Benefit:**

The product shall have an Assured Benefit equal to 100.01% of all contributions received net of withdrawals made, if any.

- **Defined Benefit Scheme:**

For Defined Benefit schemes, where the scheme does not maintain individual member accounts and only maintains single fund, the Assured Benefit shall be applicable on the entire fund available with the insurer. The fund value in this scheme will be referred as 'Policy Account Value'. The assured benefit shall also be available on death of every member.

- **Defined Contributions Scheme:**

For Defined Contribution schemes where the scheme maintains individual member accounts, the assured benefit shall be applicable on each of such individual accounts.

- **Scheme Benefit:**

Depending on the scheme rules, the benefits in the event of death, retirement, transfer or any other exit of the members as per scheme rules will be payable. Such benefits will be payable from the Policy Account Value of the Master policyholder or Member Account Value of the member as applicable, subject to availability of funds in the policy account.

- **Premium:**

- Master Policyholder shall make the contributions in accordance with accounting standards governing the measurement of long term employee benefits.
- Contributions can be paid in any frequency (i.e. monthly, quarterly, half-yearly, annually) or as desired by the policyholder / member.

- **Policy Account:**

- Each policyholder/ member will have a separate policy / member account, according to the nature of the scheme. The policy / member account will be credited with the contributions, net of all applicable charges under the policy, on which the interest will be credited based on the interest rate declared. All withdrawals, payouts etc. made will also be deducted from the policy / member account.
- Under Defined Benefit Scheme a separate account is maintained in respect of each scheme. The total value of this account is termed as Policy Account Value. For Defined Contribution schemes separate Member account will be maintained for each member under Master Policy. For Member level policy account, Member Account Value will be maintained.

- **Interest Credit :**

Interest on the policy account shall be credited as follows:

- Guaranteed Interest Rate** – A guaranteed minimum interest rate for the product which shall be guaranteed for the entire term of the policy shall be 0.1% per annum.
- Regular Interest Rate** - In addition to the above, a non-zero positive regular interest rate will be declared annually by the company at the end of each financial year. The Regular interest rate shall be in accordance with the Board Approved Interest Rate Declaration Policy of the Company. 95% of the yield shall be credited to the fund and 5% of the yield shall be utilized towards expenses and profit margin.

In case Master Policy Holder has multiple policies under the same product, the account value of such policies shall be aggregated for determining the applicable Regular Interest Rate.

Both the above interest rates (i.e. Guaranteed Interest and Regular Interest Rate) will apply on the policy account balance every day to determine the total investment income accruing to the policy account for the financial year. This interest accrued will be credited at the end of every financial year, and will form a part of the principal at the beginning of the next financial year.

**iii. Interim Interest Rate** – An Interim interest rate shall be declared for exits during the financial year for which regular interest rate is not yet declared. The interim interest rate for this product shall be in accordance with the Board Approved Interest Rate Declaration Policy of the Company.

- The interim interest rate shall be applicable from the date of contribution (or 1st April as the case may be) to the date of exit.
- **Tax benefits:** 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.
- **Goods and Services Tax and Cess:** Goods and Services Tax and Cess, as applicable 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).

## Eligibility Conditions:

Particulars	Description
Minimum Size of the Group	10 Members
Age at entry (Age Last Birthday)	Min age at entry: 18 years last birthday or as per Scheme rules, whichever is higher Max age at entry: 85 years last birthday or as per Scheme rules, whichever is higher
Maximum Maturity Age (Age Last Birthday)	86 years last birthday or as per Scheme rules, whichever is higher
Term	1 year renewable
Minimum Contribution	Defined Benefit : ₹2,00,000 Defined Contribution: ₹ 500 per member
Maximum Contribution	No Limit

## Benefits

The benefits are payable to group member who is eligible for Superannuation or to his nominee or legal heir in case of death.

Events / Scheme	For schemes where individual member level accounts are not maintained such as Defined Benefit Schemes <sup>^</sup>	For schemes where individual member level accounts are maintained such as Defined Contribution Schemes <sup>^</sup>
Death of a scheme member	Benefit is payable in accordance with the scheme rules, subject to a maximum of the policy Account Value or Assured Benefits whichever is higher.	Member's Account Value or Assured Benefits whichever is higher. On payment of the death benefit, all benefits in respect of the member will cease.
Maturity / Vesting	Benefit is payable in accordance with the scheme rules, subject to a maximum of the policy Account Value or Assured Benefits whichever is higher. The benefit payments made will be in turn used to purchase either immediate or deferred annuity <sup>^</sup> plan.	Member's Account Value or Assured Benefits whichever is higher On payment of the vesting benefit, all benefits in respect of the member will cease. The benefit payments made will be in turn used to purchase annuity <sup>^</sup> plan.
Exits due to termination of service or resignation or early retirement or transfer or exit other than normal death	Benefit is payable in accordance with the scheme rules, subject to a maximum of the policy Account Value or Assured Benefits whichever is higher. The benefit payments made will be in turn used to purchase either immediate or deferred annuity <sup>^</sup> plan.	Member's Account Value or Assured Benefits whichever is higher On payment of this benefit, all benefits in respect of the member will cease. The benefit payments made will be in turn used to purchase annuity <sup>^</sup> plan.

<sup>^</sup>Please refer to Point 3 under Terms & Conditions for more details.

The vesting benefits for members will payable only on the normal retirement date as per the scheme rules of the employer. At vesting, employer/employee can opt for annuity options then available at the then prevailing annuity rates, subject to the rules of superannuation scheme. There is no maturity or survival benefit payable under the policy.

For Defined Benefit scheme the accrual Interest will be, adjusted for the timing of the contributions and benefit pay-out cash flows occurring during the year.

## Charges

- **Surrender Charge<sup>2</sup>** : The policy may be surrendered at any time by giving 1 month's written notice. A surrender charge of 0.05% of fund value, with a cap of ₹5,00,000 (excluding GST and/or other taxes, if any) shall be levied, if the policy is surrendered within first three policy year.

*Note: Please refer Point 2 of Terms and Conditions for more details on Surrender Charge.*



**Generic Benefit Illustration:** The below illustration details the benefits for easy reference.

Y ear	Contribution	Annual Contribution	Non-guaranteed benefits			
			Investment Income		Policy Value at the end of year	
			4% <sup>#</sup>	8% <sup>#</sup>	4% <sup>#</sup>	8% <sup>#</sup>
1	100,000,000	40,000,000	5,600,000	11,200,000	145,600,000	151,200,000
2	0	42,400,000	7,520,000	15,488,000	195,520,000	209,088,000
3	0	44,944,000	9,618,560	20,322,560	250,082,560	274,354,560
4	0	47,640,640	11,908,928	25,759,616	309,632,128	347,754,816
5	0	50,499,078	14,405,248	31,860,312	374,536,455	430,114,206
6	0	53,529,023	17,122,619	38,691,458	445,188,097	522,334,687
7	0	56,740,764	20,077,154	46,326,036	522,006,016	625,401,488
8	0	60,145,210	23,286,049	54,843,736	605,437,275	740,390,434
9	0	63,753,923	26,767,648	64,331,549	695,958,846	868,475,906
10	0	67,579,158	30,541,520	74,884,405	794,079,525	1,010,939,469

**Please Note:**

1. This is a One-year non-participating non-linked fund based group savings plan.
2. All amounts are in Indian Rupees.
3. Number of members assumed for the above illustration is 2,000 for the complete tenure.
4. Annual contribution is assumed to be received on start of each policy year.
5. <sup>#</sup>The assumed illustration is at 4% p.a. and 8% p.a. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back as the value of your policy is dependent on a number of factors including future investment performance. The actual experience may be different from the illustrated.
6. Goods and Services Tax & Cess, as applicable are levied at the applicable Tax rates in accordance with the prevailing Tax Laws. Prevailing tax laws are applicable on this policy which may vary from time to time.
7. The values shown are for illustrative purposes only. For more details on risk factors, terms and conditions please read sales brochure carefully before concluding a sale.
8. This illustration is not a contract of insurance and must be read in conjunction with the product's Sales Brochure and Policy Document.

## Terms and Conditions

### 1. Withdrawals:

Except for exits as per scheme rules, no other withdrawals shall be allowed.

### 2. Surrender Value:

Master Policyholder can surrender the policy by giving one month's prior notice in writing to the Insurer.

A surrender charge of 0.05% of fund value, with a cap of ₹5,00,000 shall be levied, if the policy is surrendered within first three years. No surrender charge will be levied if the surrender occurs after completion of three policy years.

On surrender Account Value as on the date of surrender less surrender charges, if applicable will be paid.

On surrender of the policy all rights, benefits and interests under the Policy shall be extinguished.

If the Master Policyholder is surrendering the policy to move the policy proceeds within any of the Kotak Life Group Savings Product, surrender charges shall not be applicable.

MVA shall be applicable in case of

- Bulk exit where bulk exit is said to occur if the amount to be paid on total exits exceeds 25% of the total policy account value under this Master Policy as at the beginning of the policy year.
- Complete Surrender.
- MVA would be applied if market conditions are depressed to the extent stated below. The MVA is applied as a means to protect the interest of the continuing policies from the possible anti-selective behavior of the exiting policies.
  - Surrender value will be equal to the policyholders account value multiplied by the MVA

Where the realizable/market value of assets held in respect of this product class is less than the total of all policyholder account values, an MVA will apply.

$$\text{MVA} = \frac{\text{Aggregate Market Value of Assets}}{\text{Aggregate Account Values}}$$

- In all other circumstances, we would pay surrender value in full and as lump sum.

### **3. Annuity Benefits Payable :**

Where the master policyholder maintains superannuation funds with more than one insurer, the master policyholder shall have the option to choose the insurer to purchase the immediate / deferred annuity. At vesting, employer/employee can opt for annuity options then available at the then prevailing annuity rates, subject to the rules of superannuation scheme.

### **4. Free Look Period:**

The Policyholder is offered a 30 days' free look period to review the terms and conditions of the Policy (except for policies having a policy term of less than a year) beginning from the date of receiving the Policy Document in electronic form. In case the Policyholder is not agreeable to any terms and conditions of the Policy or otherwise; then subject to no claims having been made hereunder, the Policyholder may choose to return the Policy to the Insurer for cancellation, stating the reasons thereof within the aforesaid free look period.

Should the Policyholder choose to return the Policy, the Policyholder shall be entitled to a refund of the Fund Value on the date of cancellation plus the non-allocated premium (if any) plus any charges levied by cancellation of Units; after deducting the proportionate risk Premium for the period of cover, stamp duty charges and expenses of medical examination (if any).

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.

### **5. Insurance Ombudsman:**

The company shall endeavor to promptly and effectively address Policyholder's grievances. However, in case the Policyholder may not be satisfied with the response of the company, he/she may also approach the Insurance Ombudsman located in his/her region.

Details of the offices of the Ombudsman across the country are made available on the website of the company at [www.kotaklife.com](http://www.kotaklife.com) and will also be made available to the Policyholder on request.

6. Kotak Life Insurance's liability at any point of time is restricted to the account value and to any death benefits payable.
7. Group members are not allowed to contribute premiums to this scheme directly. All premiums have to be administered through the master policyholder only.
8. Grace period is not applicable under this product.
9. Under this plan the option to convert to annuity is allowed.
10. No Loans are available under the scheme.
11. Suicide exclusion is not applicable.
12. **Nomination and Assignment:** Nomination will be allowed under the plan as per Section 39 of the Insurance Act, 1938 as amended from time to time. Assignment will be in accordance with provisions of section 38 of the Insurance Act, 1938 as amended from time to time.

*If currently you do not have a group superannuation benefit plan, you can start one today with Kotak Life Insurance! If you have an existing plan you can transfer your fund to Kotak Life Insurance. We will help you with all the necessary paperwork and guide you through the process to make it hassle-free.*

**Kotak Life Insurance assures you of a cost effective fund management for you and your employees' benefit in a transparent and simplistic manner without any hidden costs!**

**Extract of Section 41 of the 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 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.

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

Fraud, Misstatement and Forfeiture would be dealt with in accordance with provisions of Section 45 of the Insurance Act, 1938 as amended from time to time.

Please visit our website for more details:

[https://www.kotaklife.com/assets/images/uploads/why\\_kotak/section38\\_39\\_45\\_of\\_insurance\\_act\\_1938.pdf](https://www.kotaklife.com/assets/images/uploads/why_kotak/section38_39_45_of_insurance_act_1938.pdf)

## About Us

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

For more information, please visit the company's website at [www.kotaklife.com](http://www.kotaklife.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](http://www.kotak.com)

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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.



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**Kotak Secure Return Superannuation Plan UIN No.: 107N086V04**

This is a non-participating non-linked group savings product. This document is not a contract of insurance and must be read in conjunction with the Policy Document. Hard copy of the information will be provided on request. Please refer to the policy documents for specific details on all terms and conditions.

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