

“IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER.”

# **Kotak Gratuity Group Plan**



## **UIN: 107L010V07**

A Non-Participating Group Unit Linked  
Gratuity Insurance Plan

## About the Plan

**Kotak Gratuity Group Plan** is 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.

## Key Features

-  Market-linked returns and long-term investment growth
-  Regular Additions for higher fund sizes
-  Choice of 7 fund options
-  Life insurance coverage for employees

## Plan Benefits

### 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 specified under the Act from time to time.
- The death benefit will be minimum of Rs. 5,000 sum assured plus Gratuity settlement as per the Trust Rules. Death benefits payable to the employees are 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 take an independent view from tax consultant. The Sum Assured (minimum of Rs. 5,000 or higher as defined under the Trust Rules) as on the date of death shall be payable.

## Plan Benefits

(contd...)

### Regular Additions

Regularly additional units will be added to the Schemes where the Total Fund value is above Rs. 1 Crore at the beginning of the calendar month and the percent will vary by fund size. The rate of these additions will be in the range of 0.05% to 0.65% per annum. Regular Additions are expressed as units and added to the unit fund at the end of the month. The Regular Addition % varies by fund size and type of fund:

Fund Slabs (in Rs. Crore)	Group Money Market Fund (p.a.)	Group Gilt Fund (p.a.)	Group Bond/ Short Term Bond/ Floating Rate Fund (p.a.)	Group Balanced Fund/ Prudent Fund (p.a.)
Above 1 & up to 5	0.10%	0.05%	0.05%	0.20%
Above 5 & up to 10	0.20%	0.15%	0.15%	0.25%
Above 10 & up to 15	0.30%	0.25%	0.25%	0.30%
Above 15 & up to 20	0.30%	0.25%	0.25%	0.40%
Above 20 & up to 30	0.35%	0.35%	0.35%	0.50%
Above 30 & up to 35	0.40%	0.40%	0.40%	0.55%
Above 35 & up to 50	0.50%	0.50%	0.50%	0.60%
Greater than 50	0.55%	0.55%	0.55%	0.65%

# Features

## On Member's survival

- 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

## Switching

Unlimited free switching between the available funds during the policy term is allowed.

## Contribution re-direction

Offers the flexibility of redirection of annual contributions into any other fund(s), i.e. initial investment pattern can be changed.

## Investment Options

Investment Option	Objective	Risk /Return Profile	Equity	Government/ Government Guaranteed Securities	Other Debt securities	Short term Investments such as money market instruments, short term bank deposits, call money and cash
Group Balanced Fund (ULGF-003-27/06/03- BALFND-107)	Aims for moderate growth by holding a diversified mix of equities and fixed interest instruments	Moderate	30% to 60%	20% to 70%		0% to 40%
Group Bond Fund (ULGF-004-15/04/04- BDNFND-107)	Return is expected to be in line with those of fixed interest instruments, and may provide little protection against unexpected inflation increases	Conservative	-	0% to 75%	25% to 100%	0% to 40%
Group Floating Rate Fund (ULGF-005-07/12/04- FLTRFND-107)	Return is expected to be in line with those of floating rate debt instruments, and may provide little protection against unexpected inflation increases	Conservative	-	0% to 75%	25% to 100%	0% to 40%
Group Gilt Fund (ULGF-002-27/06/03- GLTFND-107)	Return is expected to be in line with those of Government fixed interest securities, and may provide little protection against unexpected inflation increases	Conservative	-	80% to 100%	-	0% to 20%

# Investment Options

(contd...)

Investment Option	Objective	Risk /Return Profile	Equity	Government/ Government Guaranteed Securities	Other Debt securities	Short term Investments such as money market instruments, short term bank deposits, call money and cash
Group Money Market Fund (ULGF-001-27/06/03-MNMKFND-107)	Aim to protect capital with minimal downside risks	Secure	-	-	-	100%
Group Short Term Bond Fund (ULGF-018- 18/12/13-SHTRMBND-107)	Aims to provide reasonable returns and liquidity by investing in government debt, corporate debt and money market instruments of different maturities and issuers	Conservative	-	0% to 50%	25% to 75%	10% to 75%
Group Prudent Fund (ULGF-019-04/07/17 KGPFFND-107)	Aims to provide enhanced long term returns by taking a moderate exposure to equity and equity related securities and active management of a fixed income portfolio	Moderate	0% to 20%	40% to 100%	40% to 100%	0% to 40%



## Eligibility

Particulars	Description
Group	Employer – Employee groups
Group size	Minimum: 10 employees Maximum: No Limit
Entry age (Last birthday)	Min: 18 years Max: As per scheme rules, subject to maximum of 75 years
Maximum Maturity age (Last birthday)	As per scheme rules, subject to maximum of 76 years
Policy Term	1 year (Yearly renewable)
Sum Assured	Min: Rs 5,000 Max: As defined in the scheme rules, subject to the underwriting policy of the insurer
Contribution /Premium*	Min: Rs 2,00,000 at inception Max: No limit
Contribution Frequency	Yearly, Half-yearly, Quarterly, Monthly Contributions may be revised based on the actuarial valuation of the scheme as per AS(15)

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

## Premium Allocation Charges

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

Premium Amount (in a policy year)	Allocation Charge (As % of contribution)
For premium up to Rs. 20 Crores in any policy year	0.5%
For portion of premium above Rs. 20 Crores in any policy year	NIL

Note: For policies sourced directly by Direct Sales (KLI staff / employees) there will be no allocation charge.

## Fund Management Charges

This is a charge levied as a percentage of the value of assets and shall be appropriated by adjusting the NAV. Following are the FMC applicable per annum for the available funds.

Fund Name	FMC (p.a.)
Group Money Market Fund	0.80%
Group Gilt Fund	0.80%
Group Bond Fund	0.80%
Group Floating Rate Fund	0.80%
Group Balanced Fund	1.00%
Group Short Term Bond Fund	0.80%
Group Prudent Fund	1.00%

# Charges

(contd...)

## 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 - 3 Year	0.05% or Rs. 5 lacs, whichever is lower
4 Year onwards	NIL

## Administration Charges

No Policy Administration Charge

## Switching Charges

No Switching Charge

## Redirection Charges

No Redirection Charge

## Suicide

On death due to suicide within 12 months his /her being admitted as a member, the nominee of the member shall be entitled only to Gratuity settlement as per Trust Rules, as available on the date of death. No death benefit shall be payable during such period..

## 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 IRDAI (Protection of Policyholders' Interests) Regulations, 2017. 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.

## Section 41

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 liable for a penalty which may extend to ten lakh rupees.

## Risk Factors

- Unit Linked Life Insurance products are different from the traditional insurance products and are subject to the risk factors.
- The premium paid in Unit Linked Life Insurance policies are subject to investment risks associated with capital markets and the NAVs of the units may go up or down based on the performance of fund and factors influencing the capital market and the insured is responsible for his/her decisions.
- Kotak Mahindra Life Insurance Company Ltd. is only the name of the Insurance Company and Kotak Gratuity Group Plan is only the name of the unit linked life 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 names 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 Funds of the Company is not necessarily indicative of the future performance of the funds.
- Please know the associated risks and the applicable charges (along with the possibility of increase in charges), from your Insurance Agent or Corporate Agent / Insurance Broker or policy document of the insurer.

## About Us

**Kotak Mahindra Life Insurance Company Ltd.** is a 100% owned subsidiary of Kotak Mahindra Bank Limited (Kotak). For more information, please visit the company's website at <https://insurance.kotak.com>

**Kotak Mahindra Group** Established in 1985, Kotak Mahindra Group is one of India's leading financial services conglomerate. The Group offers a wide range of financial services that encompass every sphere of life. For more information, please visit the company's website at [www.kotak.com](http://www.kotak.com)

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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.

**Kotak Gratuity Group Plan** - UIN No.: 107L010V07, Form No.: N010. Ref No: KLI/20-21/E-PPT/221

This is a non-participating unit-linked group gratuity plan. For more details on risk factors, terms and conditions, please read sales brochure /policy document carefully before concluding a sale.

**Kotak Mahindra Life Insurance Company Ltd.;** Regn. No.: 107, CIN: U66030MH2000PLC128503, Regd. Office: 2nd Floor, Plot # C- 12, G-Block, BKC, Bandra (E), Mumbai - 400 051. Website: <https://insurance.kotak.com> Email: [clientservicedesk@kotak.com](mailto:clientservicedesk@kotak.com). Toll Free No. - 1800 209 8800

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