

**We manage your employee's benefits,  
to ensure you a guaranteed peace of mind**



Flexibility to invest  
in various Unit  
Linked Investment  
Funds



Option of transferring  
the past service  
contribution



Tax  
Benefits



Expert Fund  
Management



Assistance in providing  
Gratuity Liability  
Management Services

## **HDFC Life Group Gratuity Product**

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



*Sar utha ke jiyo!*

# HDFC Life Group Gratuity Product

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

It is all about giving financial protection for your employees-HDFC Life Group Gratuity Product is a special way to safeguard your employees' financial interests as providing adequate protection to your employees forms an integral part of the employee benefits. It enables you to take care of providing your employees their retirement benefits in scientific, timely and hassle free manner. It helps you build healthy corpus to provide the gratuity benefits which you may owe to your employees, in a flexible and efficient manner. It also helps you to provide significantly higher benefits on the unfortunate death of any employee at a very affordable cost.

## ELIGIBILITY CONDITIONS

<b>Minimum / Maximum Age at Entry</b>	Minimum - 18 years Maximum - Shall vary with each scheme in accordance with Scheme Rules subject to maximum of 79 years age last birthday
<b>Minimum / Maximum Maturity Age</b>	Minimum - 19 years Maximum - Shall vary with each scheme in accordance with Scheme Rules subject to maximum of 80 years age last birthday
<b>Minimum Policy Term</b>	1 Year
<b>Maximum Policy Term</b>	Yearly renewable until terminated by the Master Policy holder
<b>Sum Assured (₹)</b>	₹1,000 per member
<b>Minimum Group Size</b>	10 member
<b>Maximum Group Size</b>	No Limit
<b>Minimum Initial Contribution</b>	Rs 1,00,000 per scheme
<b>Maximum Initial Contribution</b>	No Limit*
<b>Mode of Contribution</b>	Annual, Half Yearly, Quarterly and Monthly

\* Subject to the gratuity liability based on an actuarial valuation provided by a qualified actuary by way of certificate provided under the Accounting Standard 15 (Revised)

## Benefits

On receiving intimation about the occurrence of events on which benefits are payable as per rules of the scheme, HDFC Life shall utilize the Group Gratuity Fund Value to provide for benefits. Benefits are normally provided on occurrence of the following events:

- Retirement
- Incapacitation
- Death while in Service (in which case gratuity is normally paid to the spouse)
- Withdrawal / Termination of service before the Normal Retirement Age.

Also, the Benefits above are normally provided in the manner prescribed below:

- The accrued Gratuity depending upon the service completed and computed as per the formula set out in the Rules of the Scheme shall be provided. The amount of gratuity payable shall be taken from the Group Gratuity Fund Value (GGFV) by way of cancellation of units. Such cancellation of unit will happen in the same proportion as the value of units held in each fund, if the units are held in more than one fund.
- On unfortunate death of the employee, the sum assured of ₹1,000 shall be paid to the beneficiary.

## Loyalty Additions:

Based on the size of the Fund Value, the Company shall allocate additional amount to the fund in form of units on the last working day of policy monthly anniversary at the rate of 1/12th of the applicable rates as given below:

Fund Value (₹)	Loyalty Additions as % of Fund Value (p.a.)
Less than 2 crores	0%
Greater than equal to 2 crores and less than 10 crores	0.3%
Greater than equal to 10 crores	0.5%

## Contributions

In this Scheme, an initial contribution may be paid for the past services of eligible employees. The contribution for past services could be paid either in one lump sum payment or in installments as may be agreed between the Trustees and HDFC Life.

The Ordinary contribution shall be payable annually or any other mode (half yearly, quarterly and monthly) as agreed, if the plan is underfunded in accordance with the Actuary's certificate under AS 15(Revised).

If the contribution due to be paid by the Policyholder is not paid, the Policyholder shall be deemed to have discontinued payment of the contributions except in cases where "nil contribution" is allowed for the specific period in accordance with the Actuary's certificate. However the life cover will continue and policy shall be in force provided there is sufficient balance in the Group Gratuity Fund Value(GGFV) towards applicable charges.

The Policyholder will be entitled to resume the contributions with prior notice to the Company.

The contributions after allocation charges if any shall be credited to a pooled account established and maintained by the Company for this purpose. The Group Gratuity Fund Value at any time shall be the amount represented by the number of Units multiplied by the respective Unit Price of the Units held under all the Unit Linked Funds under this Policy.

### Unit Linked Funds

You can decide the type of investment strategy to accumulate adequate corpus to provide for your employees gratuity benefits. For your convenience we provide various unit linked funds. You can invest in one or more of such fund as follows:

Sl.No.	Fund Name	Investment Pattern	Objective	Risk
1	Group Liquid Fund (SFIN: ULGF00424/08/04EBLIQID101)	100 % of the available funds under this Plan will be invested into money market instruments and liquid mutual funds	To provide stable investment returns to policyholders while also attempting to protect capital invested in the fund.	Low
2	Group Debt Fund (SFIN: ULGF00224/08/04EBDEBT101)	Debt: 40% to 100% Money market and liquid mutual funds: 0% to 60%	To generate attractive income by investing in a diversified portfolio of debt and money market instrument of varying maturities	Low
3	Group Secure Fund (SFIN: ULGF00524/08/04EBSECURE101)	Equity: 10% to 20% Debt: 0% to 90% Money market and liquid mutual funds: 0% to 20%	To generate long term growth of capital and current income from a portfolio of equity & fixed income securities. The scheme will invest a maximum of 20% of its net assets in equity while the balance will be invested in a diversified portfolio of debt and money-market instrument of varying maturities.	Low

Sl.No.	Fund Name	Investment Pattern	Objective	Risk
4	Group Balanced Fund (SFIN: ULGF00124/08/04EBBALANCE101)	Equity: 20% to 40% Debt: 0% to 80% Money market and liquid mutual funds: 0% to 20%	To generate long term growth of capital and current income from a portfolio of equity & fixed income securities The scheme will invest a maximum 40% of its net assets in equity while the balance will be invested in a diversified portfolio of debt and money-market instrument of varying maturities	Medium
5	Group Growth Fund (SFIN: ULGF00324/08/04EBGROWTH101)	Equity: 40% to 60% Debt: 0% to 60% Money market and liquid mutual funds: 0% to 20%	To generate long-term growth of capital and current income from a portfolio of equity & fixed income securities. The scheme will invest a maximum of 60% of its net assets in equity while the balance will be invested in a diversified portfolio of debt and money market instrument of varying maturities	Medium

### Method of determination of unit price

The unit price is equal to the Net Asset Value (NAV) divided by the no of units existing at the valuation date. NAV of a Unit Linked fund shall be computed as: Market Value of the Investments held by the Unit Linked Fund, plus or minus the expenses incurred in purchase or sale of assets as the case may be depending upon whether the Unit Linked Fund is a buyer or seller of assets, plus the value of any current assets and any accrued income net of Fund Management Charges, less the value of any current liabilities and provisions, if any.

### Options to Policyholder:

- To switch funds from one Fund to another at any time and any number of times during the policy term.
- Full surrender subject to surrender charge.
- Redirection: Redirect future contributions towards one or more different Unit Linked Funds
- Top-ups: No top-ups are allowed unless top-ups are required as per the actuary's certificate in accordance with AS 15 (Revised) to address the underfunding of the scheme
- Nil contributions: "Nil contributions" maybe allowed under the product in cases on the basis of certificate from the Actuary that the scheme is overfunded

## Fees and Charges

Our fees and charges are simple and transparent.

	Contribution	Allocation Charges as % of contribution	
		Contribution <= ₹2 Crores	Contribution > ₹2 Crores
<b>Allocation Charge</b>	Initial Contributions received for past service	Nil	Nil
	Ordinary Contributions for the first Policy Year	0.50%	Nil
	Ordinary Contributions for the second and subsequent Policy Years	0.50%	Nil
	The above charges are guaranteed throughout the term of the contract		
<b>Policy administration charges</b>	Nil		
<b>Fund Management Charge</b>	0.8% p.a  The Company may alter the fund management charge subject to a maximum cap of 1.35% as allowed by IRDAI, by giving 30 days' notice and prior approval of the regulator.		
<b>Mortality Charges</b>	A flat mortality charge of ₹1 per 1000 Sum Assured will be charged and the same would be mentioned in the quotation issued to the client and signed and accepted by the client. The Mortality Charges remains guaranteed for the entire Policy term.  The mortality charges will be deducted by cancellation of units at the prevailing Unit Price.		
<b>Switching Charges</b>	Nil		

**The charges towards GST would be borne by the policyholders and are subject to change in line with the laws as framed by the Government from time to time**

All the charges that are recovered by cancellation of units, will be deducted in the same proportion as the value of units held in each fund, if the units are held in more than one fund.

### Surrender and Discontinuance

On surrender of the scheme your funds will be returned to you after applying the following surrender charges:

Date of Surrender	Surrender Charge (as a % of Fund Value)
Within three years of Date of Commencement	0.05 % with a cap of ₹5 lacs
At anytime after three years of the Date of Commencement	Nil

### Advantages to the Policyholder

- It is a hassle free process. Reduces administrative work as we take care of administration of the scheme, settlements and payments to members and beneficiaries, accounting and fund administration;
- Opportunity to earn higher returns, as funds are being managed by experts;
- It provides assistance in setting up the trust by providing guidance and templates for formulating a gratuity plan to meet specific needs;
- It gives convenient investment options, with a choice to review as and when you choose;
- A simple and transparent charging structure;
- It provides assistance and guidance in completing all legal formalities of setting up a gratuity plan.

### Advantages to the employees

- An irrevocable trust means the benefits are secure
- Sum Assured of ₹1,000 on death

## Terms and Conditions

**Free Look Period:** In case you disagree with any of the terms and conditions of the policy, you have the option to cancel the policy by writing to the company stating the reasons for disagreement with the policy terms and conditions and return the original policy document to the company within 15 days of the receipt of the Policy Document. In case of such cancellation, the premiums you have paid will be refunded after deducting the medical examination fees (if any), stamp duty charges and proportional charges towards Insurance risk cover.

**Suicide:** The suicide clause will not be applicable. Thus in case of death due to suicide within one year from the effective date of coverage or the entry date as the case may be, full death benefit would be payable.

**Exclusions:** None

## Risk Factors

- a. This Policy is issued on the express understanding that the investments are subject to the following risks among others and the policyholder has opted for this Policy with full knowledge of such risks:
- b. Unit Linked Life Insurance Products are different from the traditional insurance products and are subject to market risk.
- c. The names of the Unit Linked Funds do not in any manner indicate the quality of the Unit Linked Funds or their future prospects or returns. The Unit Linked Funds do not offer any guarantee or assure any guaranteed return;
- d. Investments in Units are subject to market and other risks. Investment risk in investment portfolio is borne by the policyholder. There is no assurance that the objects of the Unit Linked Funds will be achieved;
- e. The Unit Price of the Units may fluctuate depending on factors and forces affecting the capital markets and the level of interest rates prevailing in the market;
- f. Past performance of the Unit Linked Fund and other plans of the Company are not indicative of future performance of any of these Funds.
- g. All Benefits payable under this Policy are subject to tax laws and other fiscal enactments in effect from time to time.
- h. HDFC Life Insurance Company Limited is only the name of the Insurance Company and HDFC Life Group Gratuity Product- Unit Linked is only the name of the life insurance contract and does not in any way indicate the quality of the contract, its future prospects and returns.
- i. The Unit Linked Life Insurance Product does not offer a guaranteed return and investment risk is borne by the policyholder.
- j. The premiums and funds are subject to certain charges related to the fund or to the premiums paid.



## Nomination

Nomination Provisions: Nomination should be in accordance with provisions of sec 39 of the Insurance Act 1938 as amended from time to time.

**[A Leaflet containing the simplified version of the provisions of Section 39 is enclosed in Annexure- (I) for reference]**

Nomination particulars will be called for as per the rules of the individual schemes of groups.

### **Section 41: Prohibition of Rebate:**

Under the provisions of Section 41 of the Insurance Act, 1938 (as amended from time to time)

- (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 lakh rupees.

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(All Days, from 9am to 9pm)



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**HDFC Life Insurance Company Limited ("HDFC Life").** CIN: L65110MH2000PLC128245, IRDAI Registration No. 101.

**Registered Office:** 13th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai - 400 011.

Email: [service@hdfclife.com](mailto:service@hdfclife.com), Tel. No: 1860 267 9999 (Mon-Sat 10 am to 7 pm) Local charges apply. Do NOT prefix any country code. e.g. +91 or 00. Website: [www.hdfclife.com](http://www.hdfclife.com)  
The name/letters "HDFC" in the name/logo of the company belongs to Housing Development Finance Corporation Limited ("HDFC Limited") and is used by HDFC Life under an agreement entered into with HDFC Limited.

HDFC Life Group Gratuity Product (UIN: 101L170V01). Life Insurance Coverage is available in this product. For more details on risk factors, associated terms and conditions and exclusions please read sales brochure carefully before concluding a sale. ARN: MC/09/22/29131.

**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.

**Section 39 - Nomination by Policyholder**

Nomination of a life insurance Policy is as below in accordance with Section 39 of the Insurance Act, 1938 as amended from time to time. The extant provisions in this regard are as follows:

1. The Policyholder of a life insurance on his own life may nominate a person or persons to whom money secured by the policy shall be paid in the event of his death.
2. Where the nominee is a minor, the Policyholder may appoint any person to receive the money secured by the policy in the event of Policyholder's death during the minority of the nominee. The manner of appointment to be laid down by the insurer.
3. Nomination can be made at any time before the maturity of the policy.
4. Nomination may be incorporated in the text of the policy itself or may be endorsed on the policy communicated to the insurer and can be registered by the insurer in the records relating to the policy.
5. Nomination can be cancelled or changed at any time before policy matures, by an endorsement or a further endorsement or a will as the case may be.
6. A notice in writing of Change or Cancellation of nomination must be delivered to the insurer for the insurer to be liable to such nominee. Otherwise, insurer will not be liable if a bonafide payment is made to the person named in the text of the policy or in the registered records of the insurer.
7. Fee to be paid to the insurer for registering change or cancellation of a nomination can be specified by the Authority through Regulations.
8. On receipt of notice with fee, the insurer should grant a written acknowledgement to the Policyholder of having registered a nomination or cancellation or change thereof.
9. A transfer or assignment made in accordance with Section 38 shall automatically cancel the nomination except in case of assignment to the insurer or other transferee or assignee for purpose of loan or against security or its reassignment after repayment. In such case, the nomination will not get cancelled to the extent of insurer's or transferee's or assignee's interest in the policy. The nomination will get revived on repayment of the loan.
10. The right of any creditor to be paid out of the proceeds of any policy of life insurance shall not be affected by the nomination.
11. In case of nomination by Policyholder whose life is insured, if the nominees die before the Policyholder, the proceeds are payable to Policyholder or his heirs or legal representatives or holder of succession certificate.
12. In case nominee(s) survive the person whose life is insured, the amount secured by the policy shall be paid to such survivor(s).

13. Where the Policyholder whose life is insured nominates his

- a. parents or
- b. spouse or
- c. children or
- d. spouse and children
- e. or any of them

the nominees are beneficially entitled to the amount payable by the insurer to the Policyholder unless it is proved that Policyholder could not have conferred such beneficial title on the nominee having regard to the nature of his title.

- 14. If nominee(s) die after the Policyholder but before his share of the amount secured under the policy is paid, the share of the expired nominee(s) shall be payable to the heirs or legal representative of the nominee or holder of succession certificate of such nominee(s).
- 15. The provisions of sub-section 7 and 8 (13 and 14 above) shall apply to all life insurance policies maturing for payment after the commencement of Insurance Laws (Amendment) Act, 2015.
- 16. If Policyholder dies after maturity but the proceeds and benefit of the policy has not been paid to him because of his death, his nominee(s) shall be entitled to the proceeds and benefit of the policy.
- 17. The provisions of Section 39 are not applicable to any life insurance policy to which Section 6 of Married Women's Property Act, 1874 applies or has at any time applied except where before or after Insurance Laws (Amendment) Act, 2015, a nomination is made in favour of spouse or children or spouse and children whether or not on the face of the policy it is mentioned that it is made under Section 39. Where nomination is intended to be made to spouse or children or spouse and children under Section 6 of MWP Act, it should be specifically mentioned on the policy. In such a case only, the provisions of Section 39 will not apply.

[Disclaimer: This is not a comprehensive list of amendments. Policyholders are advised to refer Section 39 of Insurance Act, 1938, as amended from time to time for complete and accurate details].