

Re: 'Samvardhan'- Pension Scheme (Defined Contribution) for the agents of the Corporation.

It has been decided by the Competent Authority to start a Group Superannuation Cash Accumulation Scheme- '**Samvardhan**', for the Agents of the Corporation. This scheme is being started with a view to assist the agents in creating a sizeable corpus during their productive year which can be used to provide the pension in a structured way, after the accumulation period.

Main features of the scheme are as under :

Eligibility:

1. All the active agents having annual commission of Rs. 1,00,000 alongwith agency tenure of minimum 1 year can join the scheme. Membership of the scheme is voluntary.
2. Minimum age at entry (in years) 18 completed
3. Maximum entry age (in years) 65 completed

Contributions:

1. Minimum contribution by the Agent Rs. 500/- per month and in multiples of Rs. 500/- thereafter
2. Minimum accumulation period upto age 60 years
3. Maximum accumulation period upto age 75 years
4. Minimum deferment period- 10 years

Benefits under the Scheme:

- (a) Benefits payable after the accumulation period: A pension will be payable to the member agent on vesting which will be dependent on the age on vesting, accumulation of the contribution in the member's account and the annuity rates at the time of vesting.

A maximum of 25% of the accumulated corpus can be commuted under the scheme. The balance corpus will be utilized to purchase immediate annuity in respect of the member agent. In case the corpus is not sufficient to purchase a minimum pension applicable at that time, the accumulated amount will be paid to the member.

(b) Benefits payable on the death of the member:

On the unfortunate death of the member, following amount is payable:

- (i) The amount payable to nominee will be the accumulated value of member's contribution
or
- (ii) Pension for the spouse: The accumulated value of member's contribution will be utilized to purchase immediate annuity as per the choice of nominee certified by the Master Policy holder, at the then prevailing annuity rates provided the corpus is sufficient to purchase a minimum pension applicable at that time.

(c) Benefits payable on withdrawal of individual member:

Normally early withdrawal from the scheme will not be permitted. However, under conditions viz. termination of agency, change of profession, insufficient income, early withdrawal can be permitted by the Branch In-charge. Benefits payable under early withdrawal will be as under:

- (i) The accumulated value of members' contribution will be utilized to purchase annuity from the date of withdrawal provided the corpus is sufficient to purchase a minimum pension applicable at that time. Alternatively, accumulated corpus can be refunded to the member agent on his request subject to the deduction of the exit charges decided by the Corporation on the date of exit.
- (ii) The accumulated amount in the member's account will be compulsorily refunded to the member if the corpus is not sufficient to purchase a minimum pension applicable at that time. The amount will be refunded after deduction of exit charges that will be decided by the Corporation on the date of exit.

Other Conditions

1. The Scheme will run as a defined contribution under Group Superannuation Cash Accumulation Scheme of LIC of India.
2. Separate Master Policy will be issued for each Branch by the P&GS Unit under the jurisdiction of the branch.
3. The Chief/Sr/Branch Manager of the concerned branch of LIC will be the Master Policy Holder under the scheme.
4. Branch will provide a list of agents who have opted for the scheme with Agency Code, Name, Date of birth and contribution amount along with one

cheque payable at par/DD of the total amount every month, to the concerned P&GS unit.

5. Agency code will be used as employee no. and lic id will be issued to each agent by the concerned P&GS unit.
6. Individual member-wise account will be maintained by P&GS Unit.
7. The contribution will earn interest only from the date on which contributions are received by P&GS unit along with the data.
8. Interest will be credited at the end of each financial year as applicable to Cash accumulation Scheme at the rate decided by LIC of India from time to time.
9. The Pension/ claim will be paid by the P&GS unit on receipt of the papers duly signed by the Master Policy Holder and member/ beneficiary.
10. The scheme is an unapproved scheme hence no tax benefits will be available under the scheme.

Instructions regarding administration of the scheme will be issued separately.

This article has been prepared by Datacomp Training Academy for private circulation and quick reference. For complete details please refer to circular Mktg/A/ZD/ 5 /2011 dated 1st February, 2011 issued by the LIC of India.