

# Plan now with assured benefits to continue living like today!



**Accumulation**  
through compounded  
bonus\*



**Assured Benefit<sup>^</sup>**  
on vesting



**Multiple Premium  
Payment Term options**  
with choice of policy terms  
from 5 to 40 years

## **HDFC Life Systematic Pension Plan**

A Non-Linked, Participating, Individual, Savings Pension Plan



*Sar utha ke jiyo!*

\* Compounded reversionary bonus on Total Premiums Paid may be declared by the company on a yearly basis. Once added to the policy, the bonus is guaranteed to be payable.

<sup>^</sup> Minimum Assured Benefit on vesting is equal to the total premiums paid accumulated at 4% p.a. compounded.

## PLAN YOUR RETIREMENT LIFE SYSTEMATICALLY TO FULFILL YOUR POST RETIREMENT GOALS

Retirement is one of the most important life events many of us will ever experience. After retirement the income stops but the expenses don't. The savings that we have today may not suffice to meet the various costs that will be incurred post retirement. Hence it becomes imperative for us to start planning for retirement at the early years of our career as it helps be financially ready by the time we retire.

We present a solution that is designed with flexibility to plan your retirement horizon so that you can build your retirement corpus that meets your post retirement goals.

## PRESENTING HDFC LIFE SYSTEMATIC PENSION PLAN

HDFC Life Systematic Pension Plan is a participating pension plan that helps you build a corpus for retirement so that you can live a comfortable life post retirement. The product offers an opportunity to participate in the profits of participating fund of the company by way of bonuses payable to you at the time of vesting.

## KEY FEATURES OF HDFC LIFE SYSTEMATIC PENSION PLAN

- Participate in the profits of the participating fund of the company by way of bonuses declared by the company
- Flexibility to choose your investment horizon from 5 to 40 years
- Pay your premium at one go or over a period of time as per your convenience
- Additional protection through Riders

### Eligibility Criteria

Parameters		Minimum	Maximum
Age at Entry		18 years	75 years
Age at Vesting		40 years	80 years
Sum Assured	Single Pay	50,000	No Limit, Subject to board approved underwriting policy
	Regular/ Limited Pay	1,50,000	
Installment Premium	Single	50,000	No limit, Subject to board approved underwriting policy
	Yearly	30,000	
	Half-yearly	15,300	
	Quarterly	7,800	
	Monthly	2,625	
Policy Term		5 years	40 years
Premium Payment Term		Single Pay Regular Pay Limited Pay (5 to 12 years)	
Riders		HDFC Life Income Benefit on Accidental Disability Rider (UIN: 101B013V03) HDFC Life Critical Illness Plus Rider (UIN: 101B014V02) HDFC Life Protect Plus Rider (UIN: 101B016V01)	

All ages mentioned above are age last birthday

You can choose any policy term in the range of 5 years to 40 years subject to vesting age limits.

The minimum premium amounts are exclusive of applicable taxes and statutory levies.

For rider benefits, please refer to respective rider brochures

### **Premium Paying Modes/Frequency**

Single, Yearly, Half-yearly, Quarterly and Monthly modes of premium payment are available under this product.

The premium rates for non-annual modes are calculated by multiplying the annual premium rates by the factors set out below.

Frequency	Conversion Factor
Half-yearly	0.5100
Quarterly	0.2600
Monthly	0.0875

### **Benefits under the Plan**

#### **A. Death Benefit:**

On death of the Life Assured, Death Benefit is payable as a lumpsum.

The Death Benefit payable will be higher of:

- Assured Benefit on death plus Accrued Reversionary Bonus plus Interim/Terminal Bonus, if declared,
- 105% of Total Premiums Paid

Where, Assured Benefit on death is equal to 101% of Total Premiums Paid.

Upon this payment the Policy terminates and no further benefits are payable.

Please refer to Section 'Annuitisation Provisions for Policy Proceeds' for provisions relating to annuitisation of death benefits.

#### **B. Vesting Benefit**

On survival of the Life Assured till the vesting date and on full payment of all due premiums throughout the Policy Term, the vesting benefit payable will be higher of the following:

- Sum Assured on Vesting plus Accrued Reversionary Bonus plus Interim/Terminal Bonus, if declared,
- Assured Benefit on vesting which is equal to the Total Premiums Paid accumulated at 4% p.a. compound

Sum Assured on Vesting is an amount which is guaranteed to become payable on vesting of the policy, and is calculated as:

For Single Pay, Sum Assured on Vesting = Single Premium Paid  
For Limited/Regular Pay, Sum Assured on Vesting = AP x PPT

On vesting, the amount will be paid to you as defined in the 'Annuitisation Provisions for Policy Proceeds' section.

#### **C. Access to benefits/payout if this product is purchased as QROPS (Qualifying Recognized Overseas Pension Scheme), through transfer of UK tax relieved assets**

Notwithstanding anything stated under this document, the following terms and conditions shall apply to QROPS policyholders:

##### **i. Benefits on Vesting**

If this product is purchased as QROPS through transfer of UK tax relieved assets, access to benefits from the policy proceeds both in the form of tax free commutation and Annuitisation, would be restricted till the policyholder attains 55 years of age or vesting age, whichever is later.

##### **ii. Non-Forfeiture Benefits**

If this product is purchased as QROPS through transfer of UK tax

relieved assets, access to benefits from policy proceeds both in the form of tax free commutation and Annuitisation, would be restricted till the policyholder attains 55 years of age or the policy acquires GSV, whichever is later.

##### **iii. Cancellation in the Free-Look Period**

If this product is purchased as QROPS through transfer of UK tax relieved assets, the proceeds from cancellation in the free-look period shall only be transferred back to the fund house from where the money was received.

##### **iv. Overseas Transfer Charge**

In the event of applicable tax charge arising as a result of an overseas transfer (Her Majesty Revenue & Customs (HMRC) - policy paper - The overseas transfer charge - guidance, published 8th March 2017) for which the Scheme Manager i.e. HDFC Life Insurance Company may become liable, we shall deduct an amount only to the extent of the applicable tax charge from the Policy Fund Value and remit the same to HMRC.

### **Bonus**

The Participating profits will be distributed in the form of Reversionary Bonus plus Interim/Terminal Bonus, if declared.

- Reversionary Bonus: Compounded reversionary bonus (if any) on Total Premiums Paid may be declared on a yearly basis. Once added to the policy, the bonus is guaranteed to be payable. The Reversionary Bonus would depend on the actual experience with respect to the investment return, expenses, mortality, tax etc and would be declared keeping in mind a long term view of expected future experience.
- Interim/ Terminal Bonus: Interim/ Terminal Bonus (if any) may be added to the policy on death, surrender or vesting and enables the company to pay a fair share of the surplus at the end, based on the actual experience over the policy term.

### **Grace Period**

Grace Period is the time period after the premium due date during which the policy is considered to be in-force with the risk cover. This plan has a grace period of:

- 30 days for yearly, half-yearly and quarterly frequencies
- 15 days for monthly frequency

In case of death during grace period, any unpaid premium for the policy year shall be deducted from the Death Benefit.

### **Lapsation**

In the event of non-payment of premium due under the policy within the grace period, the policy shall lapse if the policy has not acquired a Guaranteed Surrender Value (refer the section on surrender). No benefits of the policy will be paid if the policy lapses.

### **Paid Up**

If a due premium is unpaid upon the expiry of the grace period, the policy shall become paid-up if it has acquired a Guaranteed Surrender Value (GSV).

Once the policy becomes paid-up,

- The Sum Assured on Vesting will be scaled down by a ratio of number of premiums paid to the number of premiums payable under the contract.
- Reversionary Bonus accrued until the date the policy is made paid-up will continue to remain attached. Compound reversionary bonus on Total Premiums Paid will continue to accrue.
- Interim/Terminal Bonus, if declared will also be paid on Death,

Surrender or Vesting.

- The Death Benefit for a paid-up Policy shall be higher of:
  - o Assured Benefit on death plus Accrued Reversionary Bonus plus Interim/Terminal Bonus, if declared
  - o 105% of Total Premiums Paid

Where, Assured Benefit on death is equal to 101% of Total Premiums Paid.

### **Revival**

You can revive your lapsed/paid-up policy within five years from the due date of first unpaid premium subject to the board approved underwriting policy and payment of unpaid premiums with interest. The current rate of interest is 8.5% per annum. Any change in the revival interest rates will be in accordance with the following formula: Average Annualised 10-year benchmark G-Sec Yield (over last 6 months & rounded up to the nearest 50 bps) + 2%. The rate of interest will be reviewed semi-annually.

Once the policy is revived, you are entitled to receive all contractual benefits.

### **Surrender**

It is advisable to continue your policy in order to enjoy full benefits of your policy. However, we understand that in certain circumstances you may want to surrender your policy.

**For Single premium**, the policy shall immediately acquire Guaranteed Surrender Value on payment of due premium.

**For Regular/Limited premium**, the policy shall acquire a Guaranteed Surrender Value on payment of at least two years' premiums.

Surrender value payable shall be higher of:

- Guaranteed Surrender Value (GSV) or
- Special Surrender Value (SSV)

Where,

$GSV = \text{Applicable GSV factor on Premiums} \times \text{Total Premiums paid} + \text{Applicable GSV factor on Bonus} \times \text{Accrued Bonus}$

$SSV = \text{Applicable SSV factor on Premiums} \times \text{Total Premiums paid} + \text{Applicable SSV factor on Bonus} \times \text{Accrued Bonus} + \text{Terminal Bonus, if declared}$

On surrender, the amount will be paid to you as defined in the 'Annuitisation Provisions for Policy Proceeds' section.

### **Annuitisation Provisions for Policy Proceeds**

As per current regulations, you can take the benefits in the following manner:

**On death of the policy holder, nominee can exercise any of the following options:**

- a) Utilize entire proceeds of the policy or a part thereof for purchasing an immediate annuity or deferred annuity from the same insurer at the then prevailing rate. Nominee can also purchase an immediate or deferred annuity from another insurer at the then prevailing rate to the extent of percentage, as stipulated by the Authority, currently 50%, of the entire proceeds of the policy net of commutation
- b) Withdraw the entire proceeds of the policy.

**On surrender or vesting, the policyholder can exercise any one of the following options:**

- a) To utilize the entire proceeds to purchase immediate annuity or deferred annuity from the same insurer at the then prevailing annuity rate. The policyholder shall have an option to purchase

annuity from another insurer at the then prevailing rate to the extent of percentage, as stipulated by the Authority, currently 50%, of the entire proceeds of the policy net of commutation.

- b) To commute up to 60% and utilize the balance amount to purchase immediate annuity or deferred annuity from the same insurer at the then prevailing annuity rate. The policy holder shall have an option to purchase annuity from another insurer at the then prevailing rate to the extent of percentage, as stipulated by the Authority, currently 50%, of the entire proceeds of the policy net of commutation.

In case the proceeds of the policy either on death or surrender or on vesting are not sufficient to purchase minimum annuity as defined in Regulation 3(a) of IRDAI (Minimum Limits for Annuities and Other Benefits) Regulations, 2015, as amended from time to time, such proceeds may be paid to the nominee/policy holder/beneficiary as lump sum.

### **Loans**

Policy loans will be available during the Policy Term subject to terms and conditions of the policy. The current interest rate on loan is 8.50% p.a. The interest rate on loan shall be calculated as the Average Annualised 10-year benchmark G-Sec Yield (over last 6 months & rounded up to the nearest 50 bps) + 2%. The interest rate shall be reviewed half-yearly and any change in the interest rate shall be effective from 25th February and 25th August each year.

### **Tax Benefits**

Tax Benefits may be available as per prevailing tax laws. You are requested to consult your tax advisor

### **TERMS & CONDITIONS**

**We recommend that you read this brochure & benefit illustration and understand what the plan is, how it works, the risks involved before you purchase. We have appointed licensed Financial Consultants, duly licensed by IRDAI, who will explain our plans to you and advise you on the correct insurance solution that will meet your needs.**

#### **(A) Exclusions**

**Suicide exclusion clause:** In case of death due to suicide within 12 months from the date of commencement of risk under the policy or from the date of revival of the policy, as applicable, the nominee or beneficiary of the policyholder shall be entitled to at least 80% of the total premiums paid till the date of death or the surrender value available as on the date of death whichever is higher, provided the policy is in force.

There are no exclusions other than the suicide clause stated above.

**(B) Cancellation in the Free-Look period:** In case you are not agreeable to the any policy terms and conditions, you have the option of returning the policy to us stating the reasons thereof, within 15 days from the date of receipt of the policy. The Free-Look period for policies purchased through distance marketing (specified below) will be 30 days. On receipt of the cancellation letter along with the original policy document, we shall refund the premium, subject to deduction of the proportionate risk premium for the period on cover, the expenses incurred by us for stamp duty and medical examination, if any.

*Distance Marketing refers to insurance policies sold over the telephone or the internet or any other method that does not involve face-to-face selling*

If this product is purchased as QROPS through transfer of UK relieved assets, the proceeds from cancellation in the free-look period shall only be transferred back to the fund house from where the money was received.

**(C) Alterations:** Policyholder will have the flexibility to alter the premium frequency during the premium payment term.

**(D) Nomination: Sec 39 of insurance Act 1938 as amended from time to time**

(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) 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.

(9) 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.

**(E) Assignment or Transfer: Sec 38 of insurance Act 1938 as amended from time to time**

(1) This policy may be transferred/assigned, wholly or in part, with or without consideration.

(2) An Assignment may be effected in a policy by an endorsement upon the policy itself or by a separate instrument under notice to the Insurer.

(3) The instrument of assignment should indicate the fact of transfer or assignment and the reasons for the assignment or transfer, antecedents of the assignee and terms on which assignment is made.

(4) The assignment must be signed by the transferor or assignor or duly authorized agent and attested by at least one witness.

(5) The transfer or assignment shall not be operative as against an Insurer until a notice in writing of the transfer or assignment and either the said endorsement or instrument itself or copy thereof certified to be correct by both transferor and transferee or their duly authorized agents have been delivered to the Insurer.

(6) Fee to be paid for assignment or transfer can be specified by the Authority through Regulations.

(7) On receipt of notice with fee, the Insurer should Grant a written acknowledgement of receipt of notice. Such notice shall be conclusive evidence against the insurer of duly receiving the notice.

(8) The Insurer may accept or decline to act upon any transfer or assignment or endorsement, if it has sufficient reasons to believe that it is (a) not bonafide or (b) not in the interest of the policyholder or (c) not in public interest or (d) is for the purpose of trading of the insurance policy.

(9) In case of refusal to act upon the endorsement by the Insurer, any person aggrieved by the refusal may prefer a claim to IRDAI within 30 days of receipt of the refusal letter from the Insurer.

Section D (Nomination) and E (Assignment or Transfer) are simplified versions prepared for general information only and hence are not comprehensive. For full texts of these sections please refer to Section 38 and Section 39 of the Insurance Act, 1938 as amended by The Insurance Laws (Amendment) Act, 2015.

**(F) 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.

**(G) Non-Disclosure: 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 three 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 three 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: Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision is based.

(3) Notwithstanding anything contained in sub-section (2), no insurer shall repudiate a life insurance policy on the ground of fraud if the insured can prove that the mis-statement of or suppression of a material fact was true to the best of his knowledge and belief or that there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of a material fact are within

the knowledge of the insurer: Provided that in case of fraud, the onus of disproving lies upon the beneficiaries, in case the policyholder is not alive.

(4) A policy of life insurance may be called in question at any time within three 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 that any statement of or suppression of a fact material to the expectancy of the life of the insured was incorrectly made in the proposal or other document on the basis of which the policy was issued or revived or rider issued: Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision to repudiate the policy of life insurance is based: Provided further that in case of repudiation of the policy on the ground of misstatement or suppression of a material fact, and not on the ground of fraud, the premiums collected on the policy till the date of repudiation shall be paid to the insured or the legal representatives or nominees or assignees of the insured within a period of ninety days from the date of such repudiation.

(5) Nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.

#### (J) Taxes

##### Indirect Taxes

Taxes and levies as applicable shall be applicable as per the provisions of the Income Tax Act, 1961, as amended from time to time.

#### (K) ANNUITY

Current regulation mandates how the Vesting and the Surrender Benefit of this product are payable to you (see 'Annuitisation Provisions for Policy proceeds' section). If you choose to convert the proceeds to an annuity, you will be required to buy a new policy, under the annuity product offered at that time.

- (L) A policyholder can now have his life insurance policies in dematerialized form through a password protected online account called an electronic Insurance Account (eIA). This eIA can hold insurance policies issued from any insurer in dematerialized form, thereby facilitating the policy holder to access his policies on a common online platform. Facilities such as online premium payment, changes in address are available through the eIA. Furthermore, you would not be required to provide any KYC documents for any future policy purchase with any insurer. For more information on eIA visit <http://www.hdfclife.com/customer-service/life-insurance-policy-dematerialization>

Please refer to our website [www.hdfclife.com](http://www.hdfclife.com) for details of the current annuity plans offered by us.

Contact us today

To buy: 1800-266-7227 (Toll free)  
(Available Mon to Sat 9:30 AM to 6:30 PM)

Visit us at [www.hdfclife.com](http://www.hdfclife.com)



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#### **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.