



Retiresurance[®]

IDBI Federal Retiresurance Milestone Pension Plan

Gift yourself
a monthly paycheque
for life after retirement.



How to get the good times to continue?

Vacation to a tropical island, pursuing your hobby or flying abroad to be with your family and friends. Whatever may be your idea of having a good time, the one thing common to all is that it requires money.

The earlier generations may not have had a formal retirement plan but they had relatively fewer consumption needs. It was rare to find people who had shifted through several jobs in the course of an active career. As a result, pensions and gratuities issued by their employers were deemed sufficient. Times have changed now, and in most contemporary industries, few employers provide for a life long pension.

This is coupled with the high incidence of lifestyle diseases like diabetes, blood pressure and heart problems. The improved medical technology has increased longevity, but along with it the cost of healthcare has increased manifold.

Thus managing finances during retirement would be extremely tough, if one hasn't planned for retirement. The best way to enjoy the good times in your golden years would be, to build your finances in advance for retirement.

The IDBI Federal Retiresurance Milestone Pension Plan is an effective instrument that will help you achieve this objective. It not only allows you to conveniently save for the golden years, but also offers you a choice of investment options to grow your wealth.

The IDBI Federal Retiresurance Milestone Pension Plan can thus be your ideal investment partner in ensuring a happy retirement.

Key benefits at a glance

A. Long term guaranteed plan

Get guaranteed returns for the entire term of the plan to ensure a comfortable retirement.

B. Convenient single premium option

The IDBI Federal Retiresurance Milestone Pension Plan allows you to pay premium just once to get the benefit of long-term wealth building.

C. Choice of investment options with Guaranteed NAVs

Choose between two investment options to match your investment style and grow your retirement corpus.

- Guaranteed Return Funds - Pension, which aim to deliver a minimum guaranteed maturity value per unit by investing in fixed income instruments.

- Guaranteed Growth Funds - Pension, which seek to manage the debt exposure with an aim of delivering a minimum guaranteed maturity value per unit while the balance is invested in equity to further enhance returns.

Refer to the Ready Reckoner- Pension Funds or our website www.idbifederal.com for available funds, their tenures and the guaranteed NAVs

D. Hassle-free issuance

- No medicals required.

E. Tax benefits to help you grow wealth faster¹

- Tax savings under Sec 80 CCC.
- 1/3rd of the retirement corpus can be commuted tax free under Sec 10(10A).

F. Choose to receive pension from an annuity provider of your choice

On retirement, use the accumulated fund value of your Retiresurance Milestone Pension Plan to buy an annuity plan from us or any annuity provider of your choice.

How does the plan work?

The IDBI Federal Retiresurance Milestone Pension Plan works as follows:

Step 1

You select the amount of single premium you wish to pay, subject to a minimum of ₹ 1,00,000.

Step 2

You can choose one or more unit linked funds (of similar tenure) for your investment from the ones offered in the Ready Reckoner - Pension Fund. Your premiums will be invested in the funds which you choose, and you will receive units for the respective funds.

Step 3

On retirement, at the vesting date you have a choice to either use the accumulated fund value to buy an annuity which in turn provides a regular income or commute 1/3rd of the premium tax-free and use the remainder to buy an annuity.

Eligibility Criteria

The eligibility criteria for investing in the IDBI Federal Retiresurance Milestone Pension Plan are as follows:

Age at Entry	Minimum	25 years (for 15 years term), 30 (for 10 years term), subject to minimum age at vesting equal to 40 years
	Maximum	75 years, subject to maximum age at vesting equal to 85 years
Vesting Age	Minimum	40 years
	Maximum	85 years
Premium Payment Term	Minimum	Single premium
	Maximum	
Policy Term	Minimum	10 years
	Maximum	15 years
Premium	Minimum	₹ 1,00,000
	Maximum	No limit

Benefits under the plan

Your benefits on vesting:

- **Maturity benefit at vesting**

At vesting your maturity benefit is higher of

- the guaranteed benefit at vesting (as per IRDA Cir 124)
- the guaranteed maturity value per unit multiplied by the number of units you hold on vesting
- the fund value
- **Guaranteed benefit at vesting (as per IRDA Cir 124)**

The Guaranteed benefit at vesting will be equal to the single premium paid accumulated annually at the Minimum Guaranteed Rate (as per IRDA Cir 124).

The Minimum Guaranteed Rate of 4.5% is applicable to all premiums received up to March 31, 2011. From 1st April of every year starting from 2011, the Minimum Guaranteed Rate shall be 50 basis points above the average reverse repo rate prevailing as on the last working day of June, September, December and March of the preceding year. The Minimum Guaranteed Rate shall be subject to a maximum of 6 % and a minimum of 3 %.

- **Choice of annuity provider**

On the vesting date, you have the following options:

- to receive up to one third of the fund value, in lump sum and utilize the balance amount to purchase an annuity from IDBI Federal or any other annuity provider; or
- to utilize the entire fund value, to purchase an annuity from IDBI Federal or any other annuity provider

Benefits payable on death

In the event of death of the Insured Person on or before the vesting date, we will pay the nominee the fund value held in the various funds on the acceptance of the death claim and the policy will terminate.

The beneficiary can also opt to use the fund value to purchase an annuity from the options available with us or any other annuity provider. The beneficiary may also choose to receive 1/3rd part as lump sum and utilise the rest to purchase an annuity.

Tax benefits available¹

- Tax savings under Sec 80 CCC up to ₹ 1,00,000
- 1/3rd of the retirement corpus can be commuted tax free under Sec 10(10A)

Investment Options: Tools for building your wealth

The IDBI Federal Retiresurance Milestone Pension Plan gives you a choice of two investment options to build wealth. Both the options offer a guaranteed NAV on maturity of the unit linked investment fund.

We offer the following funds:

I. Investment options for guaranteed returns with equity upside

Guaranteed growth fund - Pension

Guaranteed growth fund - Pension gives an assured fixed return for a specified period. Each fund matures on a specified date. A minimum Guaranteed Maturity Value for each unit is payable on vesting of the policy. Each fund is available for investment for a limited period after the Opening Date during which units are allotted at the Net Asset Value. On vesting of your policy, you will receive the Net Asset Value or the Guaranteed Maturity Value of each unit you hold, whichever is higher.

Available funds. The available Guaranteed growth fund - Pension and the applicable guaranteed maturity value per unit is declared by IDBI Federal from time to time, and is available at www.idbifederal.com

Liquidity. Guaranteed growth fund - Pension matures on the specified maturity date. In case of surrender or death before vesting of the policy, units are redeemed at the net asset value and the guarantee will not apply.

Fund management charge. A fund management charge of 1.25% p.a. plus an investment guarantee charge of 0.25% p.a. will be charged while computing the Net Asset Value of the Guaranteed growth fund - Pension.

Investment strategy. Guaranteed growth fund - Pension manages the exposure to debt with an aim of generating a fixed return for delivering the Guaranteed Maturity Value, the balance is invested in equity to further enhance returns. Returns from the equity component are not guaranteed and depend upon the performance of the equity portfolio of the fund and stock market.

Investment pattern. Guaranteed growth fund - Pension may invest up to 100% in fixed income instruments including cash and money market, and may invest 0 to 10% in equities and equity linked instruments.

The fund may also use derivatives to meet its objective to the extent permitted by the applicable guidelines.

Returns and risk

The minimum return from the Guaranteed growth fund - Pension is fixed and the risk is low.

II. Investment options for guaranteed returns

Guaranteed return fund - Pension

Guaranteed return fund - Pension gives an assured fixed return for a specified period. Each fund matures on a specified date. A minimum Guaranteed Maturity Value for each unit is payable on vesting of the policy. Each fund is available for investment for a limited period after the Opening Date during which units are allotted at the Net Asset Value. On vesting of your policy, you will receive the Net Asset Value or the Guaranteed Maturity Value of each unit you hold, whichever is higher.

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Fund management charge. A fund management charge of 1.25% p.a. plus an investment guarantee charge of 0.25% p.a. will be charged while computing the Net Asset Value of the Guaranteed return fund- Pension.

Investment objective. Guaranteed return fund - Pension are segregated closed-ended funds with specific maturity date and a minimum Guaranteed Maturity Value per unit. They aim to generate a fixed return by investing in fixed income instruments with maturities close to the maturity date of the fund and follow a buy-and-hold strategy.

Investment pattern. These funds invest up to 100% of the moneys in fixed income investments including government securities, treasury bills, bank deposits, certificates of deposit, corporate securities, commercial paper, securitised papers, structured products and money market instruments. The fund may use derivatives to meet its objective to the extent permitted by applicable guidelines.

Returns and risk

The minimum return from the Guaranteed return fund - Pension is fixed and the risk is low.

Minimum allocation to a fund

Minimum amount of premium in any investment fund should be at least 15% of the single premium.

Unit price formula

The unit pricing shall be computed based on whether we are purchasing (appropriation price) or selling (expropriation price) the assets in order to meet the day to day transactions of unit allocations and unit redemptions.

Appropriation price

The appropriation price shall apply in a situation when we are required to purchase the assets to allocate the units at the valuation date. When appropriation price is applied: The NAV of a unit linked fund shall be computed as:

Market value of investment held by the fund plus the expenses incurred in the purchase of the assets plus the value of any current assets plus any accrued income net of fund management charges less the value of any current liabilities less provisions, if any. This gives the net asset value of the fund. Dividing by the number of units existing at the valuation date (before any new units are allocated), gives the unit price of the fund under consideration.

Expropriation price

The expropriation price shall apply in a situation when we are required to sell assets to redeem the units at the valuation date. When expropriation price is applied: The NAV of a unit linked fund shall be computed as: Market value of investment held by the fund less the expenses incurred in the sale of the assets plus the value of any current assets plus any accrued income net of fund management charges less the value of any current liabilities less provisions, if any. This gives the net asset value of the fund. Dividing by the number of units existing at the valuation date (before any units are redeemed), gives the unit price of the fund under consideration.

Applicable NAV

New business premiums will be allocated units at the NAV as on the date of commencement of the policy, after completion of the proposal. The cut off time will be as per the IRDA guideline, which is currently 3.00 pm.

In case of cancellation of units for charges and valid notification and instructions received at our designated office for surrenders and death claims, we will apply the same day NAV if received before the cut off time of 3.00pm and next business day's NAV

if received after the cut off time of 3.00 pm.

Investment guidelines

All segregated funds will be managed, subject to compliance with applicable statutory regulations and guidelines. At present, investments in other than approved securities (including third-party mutual funds beyond 5% of fund) cannot exceed 25%. All of the funds will also trade in derivatives, invest in third-party funds or engage in short selling to the extent permitted by the applicable regulations.

New funds

IDBI Federal will introduce new funds, from time to time, to meet changing needs of investors, market conditions and regulatory environment. Similarly, old funds may be withdrawn or merged.

Surrender

When you wish to terminate your Retiresurance Milestone Pension Plan before maturity, you can surrender your plan. However, you cannot surrender or terminate your plan in the first five years. After completion of five policy years there is no surrender charge, we will pay the entire fund value as on date of surrender.

On surrender, you will have the following options:

- i. You can receive up to one third of the fund value in lump sum and utilize the balance fund value to purchase an annuity from us or from any other annuity provider; or
- ii. You can utilize the entire fund value to purchase an annuity from us or from any other annuity provider.

No guarantees are applicable if you surrender your policy prior to the vesting date. You are requested to check the applicability of taxes on the surrender proceeds from your tax advisor¹.

Charges

A. Premium Allocation Charge

A Premium Allocation Charge is deducted from the premiums you pay and the balance is invested in investment options of your choice. The Single Premium Allocation Charge will be as per the following table:

Premium (In ₹)	Premium Allocation Charge (as a % of Single Premium)
1,00,000 to 24,99,999	0.50%
25,00,000 and above	Nil

B. Policy Administration Charge

The Policy Administration Charge is deducted monthly by cancellation of units at the beginning of the month. The monthly Policy Administration Charge for various premium amounts is given below.

Premium (In ₹)	First 5 years (as a % of Single Premium)	After 5 years till end of policy term (Flat Amount)
1,00,000 to 4,99,999	0.10%	₹ 60 per month
5,00,000 to 9,99,999	0.05%	
10,00,00 to 24,99,999	0.02%	
25,00,000 and above	Nil	Nil

C. Fund Management Charge and Investment Guarantee Charge

The fund management charge is appropriated on a daily basis as 1/365th of the annual charge while determining the unit price

Name of Fund	Fund management charge	Charge for investment guarantee
Guaranteed Return Fund - Pension	1.25% p.a.	0.25% p.a.
Guaranteed Growth Fund - Pension	1.25% p.a.	0.25% p.a.

Terms and Conditions

1. Tax provisions

The tax provisions are as per the Income Tax Act, 1961 and are subject to change. You are requested to consult your tax advisor for details.

- **Tax benefits under Sec 80CCC**

You will be eligible for tax benefits under sec 80CCC of the Income Tax Act, 1961

- Under sec 80CCC premiums paid by an individual out of his income chargeable to tax, to effect or keep in force a contract for an annuity plan up to ₹1,00,000 are allowed as a deduction each year
- The amount received as surrender, partial withdrawals and as pension, is chargeable to tax as income.

- **Tax benefits under sec 10 (10A)**

- Under sec 10(10A), any payment in commutation of pension received from a fund under clause (23AAB) of sec 10 are tax-free.

2. Fund Value

Your fund value at any time means the value of all the units held under your policy calculated by multiplying the number of units in each unit linked fund by the unit price of that unit linked fund on the date of valuation. The fund value is therefore the accumulated value of the units held under the policy after adding new units purchased by the allocated premium and deducting units to meet charges and taxes.

3. Service tax and other levies

We will charge you or deduct from your investment amount any taxes, duties or surcharges of whatever description levied or that may be levied by any statutory authority. Service tax, as applicable, will be levied as per the extant laws.

4. Revision of charges

The premium allocation charges, policy administration charges and surrender charges are guaranteed and will not change for the entire duration of your policy. However after having taken prior approval from IRDA, we reserve the right to increase the annual fund management charges by a maximum of 0.75%.

5. Suicide exclusions

There is no exclusion in this plan for suicide. In case of suicide the fund value will be payable.

6. Risks of unit linked products

Unit linked pension products are different from traditional insurance products and are subject to risk factors. Premiums paid in unit linked pension policies are subject to investment risks associated with capital markets. NAVs of the units may go up or down, based on the performance of fund and factors influencing the capital market, and the policy owner is responsible for his/her decisions.

IDBI Federal Life Insurance Company Limited is only the name of the Insurance Company and IDBI Federal Retiresurance Milestone Pension Plan is only the name of the unit linked pension 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. Please know the associated risks and the applicable charges, from your insurance agent or the intermediary.

7. Nomination

As per Section 39 of the Insurance Act, 1938, you can nominate a person to receive the benefit under this policy. During your lifetime and while your policy is in force, you may at any time,

by written notice to us, designate any person or persons as a nominee to whom we shall pay benefits under this policy upon your unfortunate death.

We will register a nomination in your policy schedule, or any change in nomination by endorsing your policy and registering in our records. We will acknowledge the change in nomination to you in writing. The receipt of policy benefits by a nominee shall be a valid discharge of our liability. If on the date of death, there is no surviving nominee, then we will pay the benefits to your estate or legal representative. Nominations do not apply to any policy to which the Married Women's Property Act, 1974, applies or if you assign the policy.

8. Assignment

As per Section 38 of the Insurance Act, 1938, you may assign the policy by written notice of assignment signed by you and at least one witness. We shall not be liable to observe any assignment of the policy unless we receive at our head office notice of the assignment in writing signed by both you and the assignee. Following receipt of such notice, we will pay all benefits to the assignee. At your request we will give you written acknowledgement of the receipt of the assignment. If you assign your policy, this will automatically cancel any nomination you have made.

9. Section 41: Prohibition of Rebate

Insurance Act, 1938, prohibits an agent or any other person from passing any portion of his commission to the customer whether as incentive or rebate of premium. Section 41 of the Act states:

(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out 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 a fine, which may extend to five hundred rupees.

10. Section 45 of Insurance act: Non Disclosure Clause

"No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act shall, after the expiry of two years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or in any report of a medical officer or referee or friend of the insured or in any other document

leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policyholder and that the policyholder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose:

Provided that 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."

11. Free-look Period

You are entitled to a free-look period of 15 days from the time that you receive the policy document. Before the end of this time, if you do not wish to continue the policy then you may write a letter requesting us to cancel it. We will refund you the premium paid subject only to a deduction of stamp duty and other incurred charges. In this event, we are entitled to repurchase the units at the price of the units on the date of cancellation and the refund will vary to the extent of change in NAV from the date of issue to the date of cancellation of the policy as per IDBI Federal records.

12. Policy Document

This brochure gives only the salient features of the IDBI Federal Retiresurance Milestone Pension Plan. It uses easy to understand language to explain the features. Your plan is governed only by the full legal terms, conditions and exclusions contained in the Policy Document.

13. The IDBI Federal Retiresurance Milestone Pension Plan is a Unit Linked Pension Plan underwritten by IDBI Federal Life Insurance Company Ltd. IDBI Federal Life Insurance Company Ltd is a fully, licensed Life Assurance Company registered with the Insurance Regulatory and Development Authority (IRDA). Registration No. 135

14. This policy is without participation in profits

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Product UIN: 135L020V01

Ref. No: 11268/RMPP/ENG/PB/270411

Regd Office: IDBI Federal Life Insurance Co. Ltd., 1st Floor, Tradeview, Oasis Complex, Kamala City, P. B. Marg, Lower Parel (West), Mumbai 400 013.
+SMS charges upto ₹ 3/- apply

How to contact us

We have the following easy ways in which you can get in touch with us to start:



Branches

You can visit or call any branch of IDBI Bank, Federal Bank, or IDBI Federal Life Insurance. For the list of branches, please visit www.idbifederal.com



Phone

You can call our nationwide toll-free number 1800-102-5005 (for non-MTNL subscribers) or 1800-22-1120 (for MTNL subscribers) from 8 am to 8 pm



Website

You can visit our website www.idbifederal.com



SMS

You can SMS 'RETIRE' to 5757515⁺. We will call you.



Write

You can write to IDBI Federal Life Insurance Company Ltd., 1st Floor, Tradeview, Oasis Complex, Kamala City, P. B. Marg, Lower Parel (W), Mumbai 400 013. India.



Email

You can email us at support@idbifederal.com

