Frequently Asked Questions – Bharti AXA Life Group Employee Benefit Builder

1. What type of plan is Group Employee Benefit Builder?

It is a Non-Linked, Non-Participating, Group, Life, Savings Product. It is an annually renewable group savings vehicle designed for employers or trusts who wish to administer fund-based employee benefit schemes such as Gratuity, Post-Retirement Medical Schemes (PRMBS), and Leave Encashment.

2. What are the pay-outs and maturity benefits under the plan?

- **Maturity / Exit Benefits:**
    - In case of an employee's exit from service or leave encashment while in service, the benefit amount is calculated explicitly as per the individual group's Scheme Rules.
    - The payout is disbursed based on the advice of the Master Policyholder.
    - At all times, the maturity/exit liability of the company is limited to the available funds in the Policy Account, subject to a Market Value Adjustment (MVA) if applicable.
- **Death Benefits:**
    - Upon the death of an active member, a guaranteed life insurance Sum Assured of **Rs. 10,000** is payable immediately.
    - This component is paid in addition to the standard accumulated retirement/employee benefit (e.g., Gratuity, PRMBS, or Leave Encashment) accrued under the specific Scheme Rules.

  Note on Renewal Exception: If the death of a member occurs exactly on the Policy Renewal Date, the death benefit is not payable by the company, and the coverage terminates.

3. What contributions/premiums do I need to pay?

- **Contribution Valuation:** Annualized contributions are determined dynamically by the Master Policyholder in accordance with extant accounting standards governing long-term employee benefits, such as **AS 15 (Revised)** or **IND AS 19**.
- **Minimum Premium:** A minimum contribution of **Rs. 10,000** is required at the time of policy inception.
- **Payment Frequencies:** Contributions can be paid in one or more installments at any chosen frequency (Annual, Semi-Annual, Quarterly, or Monthly) within a policy year.
- **Funding Exceptions:** Nil contributions are permitted during a policy year if a scheme is certified as overfunded per an AS 15 valuation report. The policy will not be treated as lapsed or discontinued in this scenario.

4. Who can take the Bharti AXA Life Group Employee Benefit Builder policy?

Plan Parameter	Specification / Eligibility Criteria
Minimum Entry Age	18 years (Age last birthday).
Maximum Entry Age	85 years (Age last birthday).

Minimum Maturity Age	19 years (Age last birthday).
Maximum Maturity Age	86 years (Age last birthday).
Minimum Group Size	10 members at policy inception.
Policy Term	1 year (Annually Renewable).
Insurance Sum Assured	Fixed at Rs. 10,000 per member.

Note: The employer or the established Scheme Trust acts as the Master Policyholder. A single employer can establish separate policies to administer multiple distinct employee schemes.

5. Is loan available under the plan?

No, policy loans are not available under this group funding product.

6. What costs and interest credits apply to the policy fund?

- **Interest Credits:** Contributions are invested in the non-linked, non-participating life fund of the company. Interest rates are declared at regular intervals based on fund size, updated on the corporate website, and accrued on a pro-rata basis at the end of the financial year.
- **Mortality Costs:** Life insurance protection expenses are directly debited from the overall Policy Account on the first day of each policy month. The contract defines this cost at a flat rate of **Rs. 10 per annum** (excluding GST) per member.

7. Is there a Suicide Exclusion?

No, the standard suicide clause is **completely non-applicable** under this plan. In the event of a member's death due to suicide, the contract mandates that the death benefit must still be paid out fully in accordance with the underlying group scheme rules.

8. What are the rules regarding Policy Surrender and Bulk Exits?

- **Surrender Option:** The Master Policyholder can surrender the policy at any time by serving a **one-month written notice**. The payout equals the total Policy Account value minus any applicable surrender charges.
- **Surrender Charges:** Capped at a maximum of Rs. 5,00,000, determined by policy age:
    - *Years 1 to 3:* 0.05% of the account value.
    - *After 3 Years:* NIL (No surrender charge).
- **Market Value Adjustment (MVA):** Levied during a policy surrender or a "Bulk Exit" (defined as when individual withdrawals exceed **25% of the total Policy Account** value at the start of that year). The MVA formula protects the core fund if the market value of the underlying assets falls below the book value:

    MVA = Maximum of (0, Policy Account value – Market Value of assets in respect of the policy)/ Policy Value
    Note: The MVA penalty is applied only to the transactional cash volume that exceeds the 25% bulk exit threshold.