Frequently Asked Questions – Bharti AXA Life Group Superannuation Builder

1. What type of plan is Group Superannuation Builder?

It is a Non-Linked, Non-Participating, Group, Pension, Savings Product. This annually renewable group pension vehicle is designed specifically for employers or trusts to efficiently accumulate corporate savings and administer their Defined Benefit (DB) or Defined Contribution (DC) superannuation schemes.

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

- **Vesting / Maturity Benefits:**
    - Benefits are strictly payable on the member's normal retirement date as per the employer's specific scheme rules. Payouts must be used to purchase immediate annuity plans.
    - *Defined Benefit (DB) Scheme:* Payout is determined by scheme rules, capped at the higher of the overall Policy Account Value or the accumulated Assured Benefits.
    - *Defined Contribution (DC) Scheme:* Payout equals the higher of the individual member's Member Account Value or their Assured Benefits.
- **Exits (Resignation, Termination, or Early Retirement):**
    - *Defined Benefit (DB) Scheme:* Benefits are paid as per scheme rules up to the higher of the Policy Account Value or Assured Benefits, and must be used to purchase an annuity plan.
    - *Defined Contribution (DC) Scheme:* Payout equals the individual Member Account Value. (Note: Assured benefits are *only* applicable for DC exits due to normal death or retirement).
- **Death Benefits:**
    - Provided the cover is fully in force, death benefits are paid out immediately to the beneficiary based on the system type:

Scheme Variant	Death Benefit Payout Structure
Defined Benefit (DB)	Paid per scheme rules, capped at the higher of the **Policy Account Value** or **Assured Benefits**.
Defined Contribution (DC)	Paid as the higher of the individual **Member Account Value** or the contractual **Assured Benefit**.

At all times, all cash payouts are limited to the fund balances post-adjustment for Market Value Adjustment (MVA), if applicable.

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

- **Defined Benefit (DB) Scheme Funding:** Annualized contributions are dynamic and determined based on corporate accounting valuation standards (such as **AS 15 Revised** or **IND AS 19**). A minimum baseline contribution of **Rs. 10,000** is required at policy inception.
- **Defined Contribution (DC) Scheme Funding:** Premium is fixed at a minimum baseline of **Rs. 1,200 per annum per member**. Maximum limits are set entirely by the group's scheme rules.

- **Payment Flexibility:** Contributions can be paid via single or multiple installments at any chosen frequency (Annual, Semi-Annual, Quarterly, or Monthly). Employers can also choose to make nil contributions in a given policy year without the policy being treated as lapsed or discontinued.

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

Plan Parameter	Specification / Eligibility Criteria
Minimum Entry Age	18 years (Age last birthday).
Maximum Entry Age	85 years (Age last birthday).
Minimum Vesting Age	19 years (Age last birthday).
Maximum Vesting Age	86 years (Age last birthday).
Minimum Group Size	10 members required at policy inception.
Policy / Coverage Term	1 year (Annually Renewable Term).

Note: The corporate employer or corporate scheme trust acts directly as the Master Policyholder. Separate policies must be issued to manage multiple independent schemes.

5. Is loan available under the plan?

No, policy loans are not applicable under this product.

6. What interest rate guarantees apply to the corporate fund?

Contributions are held within the non-linked, non-participating fund of the company and accumulate using a multi-tiered interest mechanism:

- **Guaranteed Minimum Interest Rate:** A minimum interest floor of **0.1% per annum** is fully guaranteed for the entire term of the policy.
- **Regular Interest Rate:** A non-negative interest rate is declared by the company at regular intervals based on fund sizes. If an employer holds multiple policies under this product, account values are aggregated to calculate a higher combined interest rate.
- **Interim Interest Rate:** Declared to credit active accounts for member exits that occur mid-year before the final regular interest rate has been published.

7. Is there a Suicide Exclusion?

No, the standard suicide exclusion clause is **not applicable** under this group product. In case a covered member dies due to suicide, the contract explicitly mandates that the standard death benefit remains fully payable in accordance with the group's scheme rules.

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

- **Surrender Option:** The Master Policyholder can exit the contract at any time by providing a **one-month written notice**. Payout equals the account balance less surrender charges. For DB schemes only, the payout is guaranteed to be the higher of the Surrender Value or the cumulative Assured Benefits.

- **Surrender Penalties:** Surrender charges are capped at a maximum of Rs. 5,00,000 per policy:
  - *Policy Years 1 to 3:* 0.05% of the account value.
  - *After 3 Years:* NIL (No charge).
- **Market Value Adjustment (MVA):** Applied if an employer surrenders the policy or experiences a "Bulk Exit" (defined as individual member withdrawals exceeding **25% of the total Policy Account** value at the start of that year).
  - The MVA penalty is only applied to the transactional fund volume that exceeds the initial 25% threshold. For DC schemes, the MVA reduces the individual member's account value before it is paid out.