

# UNIT LINKED PENSION MAXIMISER II

*With Bumper Addition*

Lead a life of respect and dignity  
Even after retirement



 **HDFC**  
**STANDARD LIFE**

Sar Utha Ke Jiyo

**IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER.**

Today, you are busy climbing the ladder of success and realizing your dreams. Today, time is with you. Just take a moment and think. Will you be able to continue at the same pace? Will your income be the same forever? Will you be able to live life on your own terms even after you retire?

The HDFC Unit Linked Pension Maximiser II is an insurance policy that is designed to provide a retirement income for life with the freedom to maximise your investment returns. Stride into your golden years of retirement with dignity and pride.

**HDFC UNIT LINKED PENSION MAXIMISER II**

The HDFC Unit Linked Pension Maximiser II gives you:

- An outstanding investment opportunity by providing a choice of thoroughly researched and selected investments
- **Bumper Addition**<sup>1</sup> of 10% of initial single premium at vesting and on death
- Provides a post retirement income for life
- Gives you the flexibility to plan your retirement date

You can choose your initial single premium and the investment strategy. We will then invest your premium, net of premium allocation charges according to your chosen investment strategy. At the end of the policy term, you will receive the accumulated value of your funds including Bumper Additions if applicable, which will be used to provide your pension income.

In the event of your unfortunate demise during the policy term, your spouse will receive a cash lump sum to help him or her manage their retirement years.

Use HDFC Standard Life's excellent investment options to maximise your savings & secure your golden years. Don't compromise on self respect, ever. Go ahead, hold your head high and enjoy life with the HDFC Unit Linked Pension Maximiser II.

**All Unit Linked Life insurance plans are different from traditional insurance plans and are subject to different risk factors.**

**HDFC Standard Life is the name of our Insurance Company and HDFC Unit Linked Pension Maximiser II is the name of this plan. The name of our company and the name of our plan do not, in any way, indicate the quality of the plan, its future prospects or returns.**

**3 EASY STEPS TO YOUR OWN PLAN**

<b>Step 1</b>	Choose your retirement age
<b>Step 2</b>	Choose the single premium you wish to invest, based on your retirement needs
<b>Step 3</b>	Choose the investment strategy you desire

**STEP 1: CHOOSE YOUR RETIREMENT AGE**

You can select any age you wish to retire at (vesting age), between 50 years and 75 years.

**STEP 2: CHOOSE THE SINGLE PREMIUM YOU WISH TO INVEST, BASED ON YOUR RETIREMENT NEEDS**

This is the single premium product. The minimum single premium is Rs. 50,000.

You may also choose to pay ad-hoc Single Premium Top-Up depending on your convenience (See 'Single Premium Top-Up Allocation').

<sup>1</sup> For policies with term equal or greater than 15 Years.

**STEP 3: CHOOSE YOUR INVESTMENT STRATEGY**

**In this policy, the investment risk in investment portfolio is borne by the policyholder.**

**This means that the premiums you pay in this plan are subject to investment risks associated with the capital markets. The unit prices of the funds may go up or down, reflecting changes in the capital markets.**

So, to balance your level of risk and return, making the right investment choice is very important and you are responsible for the choices you make.

We have 7 funds that give you:

- The potential for higher but more variable returns over the term of your policy; or
- More stable returns with lower long-term potential.

All the investment funds available to HDFC Unit Linked Pension Maximiser II will be available to you.

All units in a particular fund are identical.



Life Style

You choose from any one or a combination of the below 7 funds based on your risk appetite:

FUND*	DETAILS	ASSET CLASS				RISK & RETURN RATING
		Money Market**	Bank Deposits***	Govt. Securities & Bonds	Equity	
		FUND COMPOSITION				
<b>Liquid Fund II</b>	<ul style="list-style-type: none"> <li>Extremely low capital risk</li> <li>Very stable returns</li> </ul>	100%			--	Very Low
<b>Stable Managed Fund II</b>	<ul style="list-style-type: none"> <li>Low capital risk due to exposure only to short-term bonds (Max 2 years)</li> <li>Higher potential return than Liquid Fund over a long period of time</li> </ul>	0% to 30%			--	Very Low
	Duration < 12 months	--	50% to 100%			
	Duration between 12 to 18 months	--	0% to 20%			
<b>Secure Managed Fund II</b>	<ul style="list-style-type: none"> <li>More capital stability than equity funds</li> <li>Higher potential return than Liquid Fund</li> </ul>	0% to 5%	0% to 20%	75% to 100%	--	Low
	<ul style="list-style-type: none"> <li>Access to better long-term returns through equities</li> <li>Significant bond exposure keeps risk down as compared to equities</li> </ul>	0% to 5%	0% to 15%	50% to 85%	15% to 30%	Moderate
<b>Balanced Managed Fund II</b>	<ul style="list-style-type: none"> <li>Increased equity exposure gives better long-term return</li> <li>Bond exposure provides some stability as compared to equities</li> </ul>	0% to 5%	0% to 15%	20% to 70%	30% to 60%	High
<b>Equity Managed Fund II</b>	<ul style="list-style-type: none"> <li>Further increased exposure to equities to give a greater long-term return</li> <li>The small bond holding will aid diversification and provide a little stability</li> </ul>	0% to 5%	0% to 10%	0% to 40%	60% to 100%	Very High
<b>Growth Fund II</b>	<ul style="list-style-type: none"> <li>For those who wish to maximise their returns</li> <li>100% investment in high quality Indian equities</li> </ul>	0% to 5%	--	--	95% to 100%	Very High

\* Notes on the Funds Available: We will manage the investment in each fund so that the proportion of each Asset Class is ALWAYS within the ranges given. Option to use derivatives: All funds other than Liquid Fund II and Stable Managed Fund II will be allowed to use derivatives as and when regulations allow the same. \*\* "Money Market Instruments" includes Liquid Mutual Funds, commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time. \*\*\* Bank Deposits means deposits issued by any Primary Dealer or Non-Banking and Banking Financial Company approved by the Reserve Bank of India or by any other Public Financial Institutions or by Housing Finance Companies approved by the National Housing Bank. • Your investment choices must follow IRDA regulations. This means that some investment choices will not be permitted; in particular we do not allow more than 10% of any unit allocation to be in the Liquid Fund II. • **The past performance of any of the funds is not necessarily an indication of future performance. Unit prices can go up and down. No fund offers an assured return. The names of the funds we offer under this plan do not, in any way, indicate the quality of the plan, its future prospects or returns. • None of the funds participate in the profits of HDFC Standard Life Insurance Company Limited. • Investment professionals regard money market instruments as unsuitable investments for the long term and are generally used for the short term. This is because money market instruments have relatively stable returns and offer high degree of capital safety. However, they tend to offer lower returns over the long term compared to other investments.**

#### FLEXIBLE OPTIONS FOR YOUR AND YOUR FAMILY'S NEEDS

We have designed the plan to meet your and your family's needs. You can use these facilities to improve the investment returns you will receive.

FLEXIBLE OPTIONS	BENEFITS
<b>Single Premium Top-Up</b>	You can invest more than your initial single premiums at any time. Each Single Premium Top-Up amount is at least Rs. 10,000.
<b>Changing your Investment Decisions</b>	You can change your investment fund choices by <b>Switching</b> through which you can move your accumulated funds from one fund to another anytime.

#### ELIGIBILITY

The age and term limits for taking out a HDFC Unit Linked Pension Maximiser II are as shown below:

TERM PERIOD (Yrs.)		AGE AT ENTRY (Yrs.)		AGE AT VESTING (Yrs.)	
Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
10	40	18	65	50	75

## ACCESSING YOUR MONEY

### a) On Vesting

Your policy matures at the end of the policy term you have chosen and on your chosen retirement (vesting) date, you will get the value of the units in your policy.

This fund value will be augmented by addition of **"Bumper Addition"**<sup>2</sup> to the extent of 10% of the initial single premium chosen at inception.

As per the current Income Tax Laws;

- You can take up to 1/3<sup>rd</sup> of the total benefit at vesting (i.e. fund value plus "Bumper Addition" if any) as a tax-free cash lump sum and the rest must be converted to an annuity.
- You can buy the annuity from us or any other insurer.

You are allowed to alter your vesting date subject to the above age at vesting and policy term limits. If you prepone your vesting date, you will no longer be eligible to receive the Bumper Additions on Vesting.

### b) On Death

In case of your unfortunate demise before the end of policy term, your nominee will receive the unit fund value. Your policy will terminate thereafter.

In case of your unfortunate demise after 15 years from the Date of Commencement, the fund value will be increased by addition of "Bumper Addition" to the extent of 10% of the Initial Single Premium.

### c) At any other time

Insurance plans are long-term investments with significant tax advantages. Neither the IRDA nor we view them as short-term plans.

#### In the first three years

If you surrender your policy before three years have passed, the value of the units in the fund after the deduction of the surrender charge will cease to be invested and will be held separately by us. This amount will be paid out to you only at the end of the third year.

#### After first 3 years

If you choose to surrender the policy, any time after three years have passed the surrender value will be the value of the units in the fund after the deduction of the surrender charge.

Please see the "Charges" section for details of surrender charges.

In case you surrender your policy, there may be tax implications. Please confirm the exact details from your Tax Consultant.

If your fund value is less than the minimum fund value of Rs. 25,000 at any time after three policy years have passed, we may cancel your policy.

You can not withdraw any portion of your funds (other than in full) at any point of the term of the contract till the vesting date.

## CHARGES

The charges under this policy are deducted to provide for the cost of benefits and the administration provided by us. Our charges, when taken together, are structured to give you better returns and value for money over the long term.

### PREMIUM ALLOCATION CHARGE

This is a premium-based charge. After deducting this charge from your premiums, the remainder is invested to buy units. The tables given below will help show how percentage of your premium is used to buy units. This percentage is called the **Premium Allocation Rate**.

SINGLE PREMIUM (Rs.)	PREMIUM ALLOCATION RATES
50,000 to 4,99,999	92.50%
5,00,000 +	95.00%

<sup>2</sup> For policies with term equal or greater than 15 Years.

**Single Premium Top-Up Allocation:** The allocation rates for Single Premium Top-Up are given below.

SINGLE PREMIUM TOP-UP(S)	PREMIUM ALLOCATION RATES
Paid during Year 1	97.50%
Paid during Year 2+	98.00%

### FUND MANAGEMENT CHARGE (FMC)

In the long term, the key to building great maturity values is a low FMC. The daily unit price already includes our low fund management charge of only 1.25 % per annum charged daily, of the fund's value.

### SURRENDER CHARGE

This charge is a percentage of the fund value and will depend on the policy year in which the policy is surrendered on your request.

POLICY YEAR	PERCENTAGE OF FUND VALUE
1	5%
2	4%
3	3%
4	2%
5	1%
6+	NIL

### OTHER CHARGES

The following is the set of other charges that we will take from your policy. These charges are taken by cancelling units proportionately from each of the funds you have chosen.

CHARGES	EXPLANATION
<b>Policy Administration Charge</b>	Rs. 20 per month will be charged
<b>Switching Charge</b>	24 switches will be given free in a policy year and any additional switch will be charged Rs. 100 per switch
<b>Miscellaneous Charge</b>	This is a charge levied for any additional servicing to the policy. 6 additional servicing requests will be free in a policy year and any additional servicing request will be charged Rs. 250 per request.

### ALTERATION TO CHARGES

We cannot change our current charges without prior approval from IRDA.

- The Premium Allocation Rates are guaranteed for the entire duration of the policy
- The Fund Management Charge will not exceed 2.5% per annum;
- The Surrender Charge is guaranteed for the entire duration of the policy term;
- The policy administration charge can increase subject to a maximum of 5% per annum over the period since inception;
- The maximum Switching charge allowed is Rs. 100 per switch which can be increased subject to a maximum of 5% per annum over the period since inception;
- We can charge up to Rs. 250 per request for additional servicing requests. We can increase this amount subject to a maximum of 5% per annum over the period since inception.

## TAX BENEFITS (Based on current tax laws)

You will be eligible for tax benefits under Section 80CCC of the Income Tax Act, 1961, subject to the provisions contained therein.

Under Section 80CCC, you can save up to Rs. 33,990 from your tax every year (calculated on the highest tax bracket) as premiums up to a maximum of Rs. 1,00,000 are allowed as a deduction from your taxable income.

The above-mentioned tax benefits are subject to changes in the tax laws.

## 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 IRDA, who will explain our plans to you and advise you on the correct insurance solution that will meet your needs.**

**A) Unit Prices:** We will set the unit price of a fund as per the IRDA's guidelines. The unit pricing shall be computed based on whether the company is purchasing (appropriation price) or selling (expropriation price) the assets in order to meet the day to day transactions of unit allocations and unit redemptions.

- (i) **Appropriation price** 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.
- (ii) **Expropriation price** 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.

We round the resulting price to the nearest Re. 0.0001. This price will be published on our website and in leading national newspapers.

**B) Exclusions:** There are no exclusions in this plan.

**C) Cancellation in the Free-Look period:** In case you are not agreeable to the general 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. On receipt of your letter along with the original policy documents, we shall arrange to refund you the value of units allocated to you on the date of receipt of request plus the unallocated part of the premium, plus charges levied by cancellation of units, subject to deduction of the stamp duty. A policy once returned shall not be revived, reinstated or restored at any point of time and a new proposal will have to be made for a new policy.

**D) Special rules for large transactions:** For a very large transaction above a threshold level, in order to maintain equity and fairness with all unit holders, we may choose to apply special treatment for all transactions, which involve purchase or sale of underlying assets. The number of units allocated may reflect the expenditure incurred in the actual market transactions which occurred. The value of units obtained from encashment may be the actual value obtained as a consequence of the actual market transaction which occurred. Transactions may occur over a number of days. The threshold level will vary from time to time, depending on, amongst other matters, the liquidity of the stock markets. Our current threshold for large transactions will be Rs. 50,000,000 for a fund predominately investing in Government Securities and Rs. 25,000,000 for a fund investing in highly liquid equities.

## E) Prohibition of Rebates:

### Section 41 of the Insurance Act, 1938 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.

**Provided** that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this subsection if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

(2) Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to five hundred rupees.

## F) Non-Disclosure:

### Section 45 of the Insurance Act, 1938 states:

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 any other document leading to 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.

## G) Service Tax & other duties:

As per the Service Tax Laws, service tax is applicable on the life insurance premium with effect from 10/09/2004 and also on the charges from 16/05/2008, which is subject to change in tax laws. Any other indirect tax or statutory duty becoming applicable in future may become payable by you.

If Service Tax Laws are amended to subject any additional services or charges to Service Tax in the future, we may take the Service Tax and Education Cess by any method we deem appropriate including by levying of an additional monetary amount in addition to the premium; cancellation of units or from the unit fund.



Secure Future

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Contact us today



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



**Sar Utha Ke Jiyo**

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