



## Spouse Retirement Savings Plan

### THE CONCEPT

The Spouse Retirement Savings Plan is an investment linked plan designed to encourage individuals to save for their spouses' retirements. This plan is a variant of our default retirement savings plan and it promotes main lives, who already have a workplace pension scheme, to cater for their spouses' retirement benefits.

### THE PRACTICE

The Spouse Retirement Savings Plan can be set up by a single life only. The policyholder will be both the proposer and the premium payer who is not the spouse. The life assured and the person to benefit from the retirement benefits will be the spouse.

The minimum age at entry is 18 years and maximum is 60 years provided age at maturity does not exceed 65 years. The term of the policy will be based on the Spouse's retiring age.

This is an investment savings product that has single, regular or a combination of both contributions. The net amount of the premium will be invested and the Company will declare return on the investment which will accumulate. The value of the policy at any time will be referred to as the Personal Private Account, PPA.

### POLICY TERM AND PREMIUM

The term of the plan are determined at the outset and the plan is subject to a minimum premium which is illustrated below.

Mode of payment	Single	Regular
Minimum Premium	Rs 50,000/-	Rs 1,000/-

Premiums are payable during the full term of the selected period and it is based on the age(s), selected term and the sum assured at inception and may be reviewed

### PERSONAL PRIVATE ACCOUNT

The PPA will be the accumulation of:

- The investment premiums paid; less;
- The management charges\*; less;
- Benefits paid out, if any; plus;
- Declared investment return

*\*These are stated in the policy document*

### THE BENEFITS

- Upon Death of the proposer before the retirement date, a waiver of premium shall apply and the spouse may opt for his/her pension benefits once he/she reaches retirement age.
- Upon Death of the spouse, the PPA as at date of death becomes payable.
- Upon spouse's survival up to the retirement date, the PPA is converted into either of the following:
  - 1) A full monthly pension; or
  - 2) A lump sum (25% of the PPA) and a reduced monthly pension.

An Open Market Option will be available at retirement and spouses may choose the option that gives them optimal pension benefits, whereby 25% of the PPA will be paid in form of a lump sum at retirement date and 75% of the PPA will be bought out in form of an immediate annuity plan with a service provider licensed and authorised by the FSC.

## **OTHER OPTIONAL SUPPLEMENTARY BENEFITS**

### **Total & Permanent Disability (TPD) for both proposer and spouse**

The Total & Permanent Disability benefit will pay a fixed sum assured selected at the outset in the event if either proposer or spouse should become totally & permanently disabled as defined in the policy conditions and the policy ends provided waiver of premium has not been opted for.

### **Additional Death Benefit (ADB) for proposer**

The Additional Death Benefit will pay a fixed sum assured selected at the outset upon death of the proposer as defined in the policy conditions and the waiver of premium on death of proposer shall apply.

### **Additional Death Benefit (ADB) for spouse**

The Additional Death Benefit will pay a fixed sum assured selected at the outset upon death of the spouse as defined in the policy conditions and the policy ends.

### **Waiver of Premium (WoP) on TPD for both proposer and spouse**

Future premiums will be waived and the spouse will be entitled to the retirement benefits upon reaching retirement date.

## **EXAMPLE OF BENEFITS**

### **Scenario:**

- 1) Spouse – 30 years (Age Next Birthday)
- 2) Spouse's Gender – Female
- 3) Proposer – 35 years (Age Next Birthday)
- 4) Proposer's Gender – Male
- 5) Term of policy – 35 years
- 6) Basic monthly premium – Rs 2,500/-
- 7) Optional Benefits – (1) Total and Permanent Disability (TPD) of proposer – Sum assured of Rs 200,000/-  
(2) Additional Death Benefit (ADB) of proposer – Sum assured of Rs 200,000/-  
(3) Waiver of Premium on TPD of proposer  
(4) Waiver of Premium on death of proposer

➤ Below is an illustration of the retirement benefits based on the above scenario:

	<b>Conservative (Rs)</b>	<b>Moderate (Rs)</b>	<b>Assertive (Rs)</b>
<b>PPA*</b>	1,666,418	2,019,787	2,468,133
<b>Either Full monthly pension**</b>	10,649	12,908	15,773
<b>Or Lump sum +</b>	416,604	504,947	617,033
<b>Reduced monthly pension**</b>	7,987	9,681	11,830

\*The above projection does not represent the minimum nor maximum values.

The final amount payable will depend on the actual investment return earned throughout the policy term.

\*\*The annuity rates applicable to compute the pension will be determined at the point of inception of the pension and are not guaranteed upfront.

- Upon death of proposer before retirement date, a sum assured of Rs 200,000 is payable and all future premiums shall be waived.
- In the event of a TPD claim of the proposer before retirement date, a sum assured of Rs 200,000 shall be paid and all future premiums shall be waived.

***Our Spouse Retirement Savings plan offers you an opportunity to secure your spouse's pension benefits***