

Pension Plans from LIC India

Pension Plans are Individual Plans that gaze into your future and foresee financial stability during your old age. These policies are most suited for senior citizens and those planning a secure future, so that you never give up on the best things in life.

LIC's JEEVAN NIDHI

Introduction

LIC's JEEVAN NIDHI is a with profits Deferred Annuity (Pension) plan. On survival of the policyholder beyond term of the policy the accumulated amount (i.e. Sum Assured + Guaranteed Additions + Bonuses) is used to generate a pension (annuity) for the policyholder. The plan also provides a risk cover during the deferment period. The USP of the plan being the pension can commence at 40 years. The premiums paid are exempt under Section 80CCC of Income Tax Act.

Salient Features:

a . **Guaranteed Additions:** Guaranteed Additions @ Rs.50/- per thousand Sum assured for each completed year, for the first five years.

b. **Participation in profits:** The policy shall participate in profits of the Corporation from the 6th year onwards and shall be entitled to receive bonuses declared as per the experience of the Corporation.

c. Benefit On Vesting:

1. Option to commute up to 1/3rd of the amount available on vesting, which shall include the Sum Assured under the Basic Plan together with accrued Guaranteed Additions, simple Reversionary Bonuses and Terminal Bonus, if any.

2 . Annuity as per the option selected: Annuity on the balance amount if commutation is exercised, otherwise annuity on the full amount.

d. Annuity Options:

On vesting, the annuity instalment, mode of annuity payment and type of annuity which shall be made available to the Life Assured (Annuitant) / Nominee will depend upon the then prevailing Immediate Annuity plan of the Life Insurance Corporation of India and its terms and conditions.

Currently the following options are available under LIC's immediate annuities:

1. Annuity for life: The annuity is paid to the life assured as long as he/she is alive.
2. Annuity Guaranteed for certain periods: The annuity is paid to the life assured for periods of 5 or 10 or 15 or 20 years as chosen by him/her, whether or not he/she survives

that period. After the chosen period, the annuity is paid to the life assured as long as he/she is alive.

3. Annuity with return of purchase price on death: The annuity is paid to the life assured as long as he/she is alive. On the death of the life assured, the purchase price of the annuity is paid as death benefit. The purchase price includes the Sum Assured under the Basic Plan, the accrued Guaranteed Additions and any accrued bonuses, excluding the commuted value, if any.

4. Increasing annuity: The annuity is paid to the life assured as long as he/she is alive. The amount of annuity increases every year at a simple rate of 3% per annum.

5. Joint Life Last Survivor Annuity: The annuity is paid to the life assured as long as he/she is alive. On death of the life assured, 50% of the annuity is payable to the nominated spouse as long as the spouse is alive.

e. Death Benefit on death before annuity vests: On the death of the Life Assured during the deferment period of the policy, i.e. before the annuity vests, an amount equal to the Sum Assured under the Basic plan along with the accrued Guaranteed Additions, simple Reversionary Bonuses and Terminal Bonus, if any, will be paid in a lump sum to the appointed nominee, provided the policy is in force for full Sum Assured. Nominee will also have the option to purchase an annuity with this amount.

Jeevan Akshay V

Introduction:

This is an Immediate Annuity plan, which can be purchased through lump sum payment as Single Premium. The plan provides for annuity payments which are available throughout the life time of an annuitant. Various options are available for the type and mode of payment of annuities.

Options Available:

The following options are available under the plan

Type of Annuity:

- Regular annuity for life.
- Annuity payable for 5, 10, 15 or 20 years certain and thereafter as long as the annuitant is alive.
- Annuity for life with return of purchase price on death of the annuitant.
- Annuity increasing at simple rate of 3% p.a.

- Annuity for life with a provision of 50% of the annuity to spouse for life on death of the annuitant.
- Annuity for life with a provision of 100% of the annuity to spouse for life on death of the annuitant.

You may choose any one. Once chosen, the option cannot be altered.

Mode:

- Annuity may be paid either at monthly, quarterly, half yearly or yearly intervals. You may opt any mode of payment of Annuity.

Salient features:

- Premium is to be paid in a lump sum.
- Minimum purchase price : Rs.50,000/= or such amount which may secure a minimum annuity of Rs.3,000/- p.a.
- No medical examination is required under the plan.
- No maximum limits for purchase price, annuity etc.
- Minimum age 40 years last birthday, Maximum age 79 years last birthday.
- Age proof necessary.

Annuity Rate:

Amount of annuity payable at yearly intervals which can be purchased for Rs. 1 lakh under different options is as under:

Age last birthday	Yearly annuity amount under option					
	(i)	(ii) (5years certain)	(iii)	(iv)	(v)	(vi)
40	7330	7320	6720	5430	7120	6920
45	7610	7590	6760	5730	7320	7060
50	7990	7960	6800	6130	7600	7250
55	8520	8460	6860	6680	7990	7520
60	9230	9140	6940	7410	8510	7900
65	10300	10130	7030	8480	9280	8450
70	11980	11570	7130	10130	10450	9270
75	14420	13400	7240	12500	12150	10500

15 days cooling-off period:

If you are not satisfied with the “Terms and Conditions” of the policy, you may return the policy to us within 15 days from the date of receipt of the Policy Bond.

Incentives for high purchase price:

If your purchase price is Rs. 1.50 lakh or more, you will receive higher amount of annuity

Paid-up value:

The policy does not acquire any paid-up value.

Surrender Value :

No surrender value will be available under the policy.

Loan :

No loan will be available under the policy.

Section 41 of Insurance Act 1938 :

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

New Jeevan Dhara-I

Product summary:

These are Deferred Annuity plans that allow the policyholder to make provision for regular income after the selected term.

Premiums:

Premiums are payable yearly, half-yearly, quarterly, monthly or through Salary deduction, as opted by you, throughout the term of the policy or till earlier death. Alternatively, the premium may be paid in one lump sum (single premium).

Tax Benefits:

Tax relief under Section 80ccc is available on premiums paid under New Jeevan Suraksha I (Table No.147). The premiums paid under New Jeevan Dhara I (Table No.148) qualify for tax relief under Section 88.

Bonuses:

These are with-profit plans and participate in the profits of the Corporation's annuity / pension business. Policies get a share of the profits in the form of bonuses. Simple Reversionary Bonuses are declared per thousand Sum Assured annually at the end of each financial year. Once declared, they form part of the guaranteed benefits of the plan. Final (Additional) Bonuses may also be payable provided policy has run for a certain minimum period.

New Jeevan Suraksha-I

Product summary:

These are Deferred Annuity plans that allow the policyholder to make provision for regular income after the selected term.

Premiums:

Premiums are payable yearly, half-yearly, quarterly, monthly or through Salary deduction, as opted by you, throughout the term of the policy or till earlier death. Alternatively, the premium may be paid in one lump sum (single premium).

Tax Benefits:

Tax relief under Section 80ccc is available on premiums paid under New Jeevan Suraksha I (Table No.147). The premiums paid under New Jeevan Dhara I (Table No.148) qualify for tax relief under Section 88.

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Note : For full details please refer to the Policy document or contact our nearest Branch Office.

Courtesy: http://www.licindia.com/pension_plans.htm