May, 2014

GROUP INSURANCE &
RETIREMENT BENEFIT SCHEMES

[ Time : 3 Hours ]

Answer EIGHT questions only. Q.No.10 is compulsory which carries 16 marks.
Any SEVEN questions from Q.No.1 to Q.No.9 which carries 12 marks each.

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Q. 1 Write Short Notes on (any three) of the following :
   a) Application of computers in administration of Group Schemes.
   b) What is Balance Table ?
   c) Defined Contribution Schemes.
   d) Admissibility of gratuity paid by employer under Pension Provisions.
   4 each

Q. 2 Distinguish between (any three) of the following :
   a) Deferred & Immediate Annuities.
   b) Fixed period annuity or annuity certain Vs. Life Time Annuities.
   c) Trustee Administered Scheme Vs. Scheme of Insurance.
   d) DA linked Superannuation Scheme available to Govt. Employees Vs. Defined Contributory Superannuation Scheme.
   4 each

Q. 3 Describe in detail of the following :
   a) Taxation under Group Insurance Schemes and the provisions under which gratuity paid by employer can be admissible as expenditure.
   b) What are the provisions on the tax deductibility on the Employer’s contribution in case of Superannuation funds ? Which are the benefits under the approved superannuation funds which attract tax relief ?
   6 each

Q. 4 a) What are the approved Superannuation Schemes ? Describe the provisions and conditions to be satisfied for their approval.
   b) Describe the conditions to be satisfied for approved Provident Fund and conditions for their approval.
   6 each

Q. 5 a) What are the important aspects that an insurance company must consider while giving Group Insurance Scheme to avoid anti selection by individuals within a Group ? What conditions a group must fulfill to be eligible for Group Insurance ?
   b) What are the various options available to an annuity purchaser (annuitant) once annuities becomes payable ?
   6 each
Q. 6  What is the need for the funding of Gratuity Liability? Describe and discuss in details various methods of meeting Gratuity Liability? You are also expected to comment upon the advantages & disadvantages of these methods.

Q. 7  Calculate the eligible Past Service Gratuity as on 01.10.2013 as per payment of Gratuity Act, 1972 on the basis of the data given below. Also calculate future service gratuity and total gratuity as per Payment of Gratuity Act, 1972.
   a) Monthly Basic Salary – Rs. 50000/-
   b) Monthly Dearness Allowance – Rs. 40000/-
   c) Monthly Transport Allowance – Rs. 8000/-
   d) Monthly Washing Allowance – Rs. 1000/-
   e) Annual Provident Fund deducted @12% contributed by employer-Rs.129600/-
   f) Date of Joining – 03.09.1981
   g) Date of Birth – 13.03.1955
   h) Retirement Age – 60 years
   i) Annual CTC – Rs.25 lakhs

Q. 8  Give descriptions of the main features of the following :
   a) Model Trust Deed of Group Superannuation Scheme.
   b) Model rules of Superannuation Schemes touching the main points to be covered under it.

Q. 9  a) What do you understand by Group Creditor Insurance? Describe the objectives and features of such schemes.
   b) What are the requirements for providing Profit Sharing / Experience rating under Group Insurance Schemes? Also narrate the challenges and advantages of such feature.

Q. 10 a) Describe in detail the financial aspects of Group Insurance Schemes and the advantages claimed from the non-contributory schemes.
   b) Discuss the concept of Group Selection and how it is applied in group insurance policies.

END