FELLOWSHIP EXAMINATION
GROUP INSURANCE &
RETIREMENT BENEFIT SCHEMES

[Time : 3 Hours] Answer ANY FIVE questions only.
All questions carries 20 marks each.

Q.1 Write Short Notes on any four :
   a) Irrevocable Trust.
   b) Anticipated Service Gratuity.
   c) Group Annuity Scheme of any insurer of India.
   d) Effect of fringe benefit tax on Group Superannuation Schemes.
   e) Experience Rating Adjustments Under Group Term Insurance Schemes.

Q.2 a) What are the Advantages of Single Premium Costing?
    b) Explain Cash Accumulation Scheme

Q.3 Critically Examine the Problems and the Possible Solutions in connection with
   Group Insurance pertaining to:
   a) Disparate Groups
   b) Voluntary Groups
   c) Very Large Groups

Q.4 a) A student says “Equities Act as hedge against inflation. Therefore, recognized
    Provident Funds and Approved Gratuity and Superannuation Funds should be
    permitted to invest at least 50% of the funds in equities so that these fund can earn
    higher rate of interest, leading to higher accumulation of benefits in respect of
    defined contribution schemes, and lower cost in respect of defined benefit
    schemes” Critically Examine the student’s statement.
    b) Briefly discuss the important stages and aspects of winding up of an
       Approved Superannuation Fund.

Q.5 What is meant by Approved Gratuity Fund?
   What are essentials conditions to be fulfilled by Gratuity Fund to be approved under
   Income Tax Act, 1961. State in brief rationale behind these conditions ?
   State the Income Tax benefits available under Approved Gratuity Fund to employer
   & employee?

Q.6 What do you understand by ‘Social Security”? In our democratic country
   What is the role of Govt. in social security ? How far it is fulfilled through
   existing Social Security Schemes? State the benefits of the schemes and list out the
difficulties experienced in implementation of these schemes?

Q.7 Mayank Ltd. is a private company, interested in introducing Group Savings
   Linked Insurance, for its 200 & odd employees. As a manager of Pension & Group
   Schemes, how will you advise them on the following topics.
   i) Object of the scheme
   ii) Contributions.
iii) Participation Conditions.
iv) How Contributions are dealt with.
v) Benefits both on Retirement and on Pre-mature Death.
vi) Tax benefits.
vii) Data required.

Q.8 State the Income Tax position under the followings mentioning relevant sections of the Act.
i) Employers contribution towards sixth yearly installment of single premium towards Past Service Gratuity Liability.
ii) Employers Contribution towards Fifth yearly installment of single premium towards Past Service Superannuation Benefits.
iii) Commuted value payable under Group Superannuation Scheme.
iv) Death Claims received under GSLI Scheme comprising of Risk cover sum assured and savings portion of refund with interest.
v) Contributions of an Employer towards Group Leave Encashment Scheme.