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.

Q.1 Write short notes on any three of the following:
   a) Free Cover Limit
   b) Indexed Linked Pension Scheme
   c) Level Premium Term Assurance Scheme
   d) Contributory & Non Contributory Schemes.

Q.2 Write short notes on any four of the following:
   a) Benefits on Retirement before normal retirement date under superannuation fund.
   b) Transfer of equitable interest in the scheme.
   c) Trustees liability in any Approved Trust.
   d) Experience Rating Adjustment under group term insurance schemes.
   e) Benefits on Death before normal retirement date provided as per Payment of Gratuity Act, 1972.

Q.3 State the Income Tax position under any three of the following items mentioning relevant section of the Income Tax Act, 1961
   a) Premium paid by the firm under partnership insurance.
   b) Amount deposit in PPF.
   c) Interest on the amount deposited in fixed deposit scheme of a bank.
   d) Interest received by the trustees on investment on behalf of Recognized Provident Fund.

Q.4 a) What do you understand by non-contributory schemes? In a Non-contributory superannuation trust account, a surplus fund has been created due to certain Employee leaving the company without fulfilling the basic service conditions in superannuation scheme. In what ways the employer can utilize the surplus money?
   b) What are the broad conditions of eligibility needed for any group for obtaining group insurance coverage from insurance company?

Q.5 a) Which parties are involved in a Trust Agreement?
   Why is there a need to form the trust for gratuity or superannuation scheme?
b) What are the main conditions any Superannuation Trust must satisfy for getting approval from commissioner of income under Income Tax Act, 1961?

Q.6 A medium sized Chemical Mfg. Co., has decided to wind up its business from 01.04.2013. The company has twenty year old approved superannuation fund providing pensions to about 500 employees. The size of the fund is above 100 crores. Enumerate the steps to be taken by the trustee to satisfy the requirement of the commissioner of income tax, for winding up. How will the trustees dispose off the funds? How will the existing pensioners be dealt with?

Q.7 A private business house is interested in introducing Group Savings Linked Insurance Scheme (GSLI) for its employees. You, as a manager of the Group Scheme Business highlight the employer on the following:
   i) Object of the scheme
   ii) Contribution
   iii) Participation Condition
   iv) How contribution is dealt with
   v) Benefit on retirement and on premature death
   vi) Data required

Q.8 What are the different ways of meetings gratuity liability for employer? What is the minimum length of service to be eligible for gratuity in case of death or disablement? What is the definition of the term 'Family as given in section 2(h) of the Gratuity Act covers in case of male employees & female employees if no nomination has been made? Can the gratuity payment under the scheme assigned or charged in any way?

Q.9 While drafting Trust Deed and rules of a Gratuity Scheme, certain vital provisions are to be included in these documents, so that the scheme will qualify for approval under the Income Tax Act, 1961 and Income Tax Rules, 1962. Enumerate these vital provisions.

Q.10 Explain the problems that arise in the implementation of Social Security Schemes and how these problems can be tackled. Mention the various schemes under which the government is providing insurance protection to rural and urban persons below poverty line and explain any one of them stating how the problems stated above have been tackled.

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