

LIFE INSURANCE CORPORATION OF INDIA

CLASS III AND CLASS IV EMPLOYEES

(REVISION OF TERMS AND CONDITIONS OF SERVICE)

RULES, 1985*

G.S.R. 357(E) – In exercise of the powers conferred by Section 48 of the Life Insurance Corporation Act, 1956 (31 of 1956) and in supersession of the Life Insurance Corporation of India Class III and Class IV Employees (Bonus and Dearness Allowance) Rules, 1981, the Life Insurance Corporation of India Class III and Class IV Employees) Pay Rules, 1981 and the Life Insurance Corporation of India Class III and Class IV Employees (Superannuation and Retirement) Rules, 1983, except as respect things done or omitted to be done before such supersession, the Central Government hereby makes the following rules regulating certain terms and conditions of service of Class III and Class IV employees of the Life Insurance Corporation of India, namely:

1. Short title, commencement and application :

- (1) These rules may be called the Life Insurance Corporation of India Class III and Class IV Employees (Revision of Terms and Conditions of Service) Rules, 1985.
- (2) The provisions of these rules except rule 14 shall be deemed to have come into force on the 1st day of April, 1983 and rule 14 shall be deemed to have come into force on the 22nd day of February, 1983.
- (3) Notwithstanding anything contained in sub-rule (2), where any Class-III or Class-IV employee gives a notice in writing to the Corporation within thirty days of the date of publication of these rules in the Official Gazette, expressing his option to be governed by the provisions of these rules, except rule 14, with effect from the 11th day of April, 1985, then the Corporation may, by order, permit such employee to be governed by the said rules with effect from the said date.

2. Definitions :

In these rules, unless the context otherwise requires —

- (a) “Act” means the Life Insurance Corporation Act, 1956 (31 of 1956);
- (b) “Employee” means an employee of the Life Insurance Corporation of India and includes any person who became such employee of the Corporation on the appointed day under the Act;
- (c) “Functional Allowance” means an allowance paid to an employee for the performance of a specified function;
- ** (d) “Promotion Regulations” means the Life Insurance Corporation of India Class III and Class IV Employees (Promotion) Rules, 1987;
- (e) “Staff Regulations” means the Life Insurance Corporation of India (Staff) Regulations, 1960;
- (f) Words and expressions used in these rules and not defined but defined in the Staff Regulations shall have the meaning assigned to them in the Staff Regulations.

* Notified in Gazette of India dated 11th April, 1985 and came in force from 1st April, 1983.

** Notified in Gazette of India dated 12th May, 1989 and came in force from 1st August, 1987.

3 Conditions of service of Class III and Class IV Employees :

Notwithstanding anything contained in the Staff Regulations and the Promotion Regulations, the terms and conditions of service of Class III and Class IV employees relating to matters covered by these rules shall be regulated in accordance with the provisions of [these rules as amended from time to time.]*

@4 Scales of pay and other allowances of Class III employees :

(1) The scales of pay of Class-III employees shall be as under:

Higher Grade Assistants	Rs. 7370-485(3)-8825-540(15)-16925
Section Head	Rs. 6490-410(7)-9360-540(12)-15840
Stenographers	Rs. 6250-350(4)-7650-405(2)-8460-490(3)-9930-510(2)-10950-540(8)-15270
Assistants, Assistants Appointed as Receiving and Paying Cashiers, Projectionists and Microprocessor Operators	Rs. 4995-285(1)-5280-310(2)-5900-350(5)-7650-405(2)-8460-490(3)-9930-510(2)-10950 -540(5)-13650
Record Clerks	Rs. 4665-165(4)-5325-250(3)-6075-285(2)-6645-290(6)-8385-310(6)-10245

(2) In addition to the scales of pay specified in sub-rule (1) the following categories of employees shall receive a special allowance to the extent specified below:

(A) Higher Grade Assistants appointed as Internal Audit Assistants

(a) For the first five years	Rs. 480/- per month
(b) For the next five years	Rs. 545/- per month
(c) For the subsequent years	Rs. 590/- per month

(B) Assistants appointed as receiving and paying Cashiers – Rs. 515/- per month;

which shall count for the purpose of calculation of Dearness Allowance, Provident Fund, Gratuity, House Rent Allowance, Pension, Encashment of Privilege Leave, and for fixation of salary on promotion till 31st July, 2007.

Provided further that for those who are promoted between the 1st August, 2002 and the 31st July, 2007, the pre-revised rate of allowance shall be taken into account for fixation on promotion.

Provided further that after 31st July, 2007 this allowance shall not count for the purpose of calculation of Dearness Allowance, Provident Fund, Gratuity, House Rent Allowance, Pension, Encashment of PL and it shall not count for fixation of Salary on promotion.

@ Notified in the Gazette of India dated 05.09.2005, came in force from 01.08.2002 GSR NO. 561 (E)

[]* Notified in Gazette of India dated 12th May, 1989 and came in force from 1st August, 1987.

(3) Functional Allowance shall be paid to the following categories of Employees in Class III cadre.

(a) Banda, Duplicating and Xerox Machine operators in the scale of Pay of Record Clerks	Rs. 60/- per month
(b) Microprocessor Operators in the scale of Assistants	Rs. 120/- per month
(c) Programmers in the scale of pay of Higher Grade Assistants	Rs. 400/- per month

Provided that an existing Class-III employee who is in receipt of any Functional Allowance as on the 31st day of July, 2002 shall continue to draw the same so long as he is holding the post to which the Functional Allowance is attached, to be absorbed in future wage revision.

‡Provided further that the Programmers in the scale of pay of Higher Grade Assistants governed by the provisions of the Life Insurance Corporation of India, Information Technology Specialist Group (Selection, terms and conditions of service and Payment of Allowance) Rules, 2007, shall not be entitled to any functional allowance.

5. Promotions to the cadre of Section Heads and Superintendents :

There shall be no fresh appointments or promotions to the cadre of Section Heads and Superintendents on or after the 1st July, 1985.

6. Scales of pay of Class IV subordinate employees :

*⁽¹⁾ The scales of pay of Class-IV subordinate employees shall be as under:

Drivers	Rs. 4665-205(6)-5895-210(1)-6105-250(12)-9105
Sepoys, Hamals, Head Peons, Liftmen and Watchmen	Rs. 4105-165(5)-4930-175(8)-6330-205(1)-6535-210(3)-7165-250(2)-7665
Sweepers and Cleaners	Rs. 3905-165(5)-4730-175(9)-6305-205(5)-7330

(2) In addition to the scales of pay specified in sub-rule (1) –

(a) following categories of employees shall receive special allowance to the extent specified below, which shall count as a basic pay for all purposes:

Head Peons, Liftmen and Watchmen – Rs.305/- per month.

(b) franking Machine Operators in the scale of Sepoy shall be paid a Functional Allowance of Rs. 45/- per month.

†7. Addition to basic pay after reaching maximum of scales :

Subject to the work record being found satisfactory

(a) an employee –

(i) in the scale of Record Clerk or Assistant or Stenographer in Class-III; or

(ii) in any of the scales in Class-IV

who has reached the maximum of the scale of pay applicable to him may be granted for every two completed years of service after reaching such maximum, an addition to the basic pay equal to the last increment drawn by him in the scale of pay, subject to a maximum of six such additions:

Provided that no employee shall be entitled to such addition to the basic pay before the first day of the month following completion of two years after reaching maximum of the scale of pay or after drawing such additions, as the case may be:

‡ Notified in Gazette of India dated 25.04.2007 GSR No. 306(E).

* Notified in Gazette of India dated 05.09.2005 GSR No. 561(E).

† Substituted vide Notification dated 05.09.2005 GSR No. 561(E).

- (b) An employee in the scale of pay of Section Head and Higher Grade Assistant who has reached the maximum of the scale, may be granted for every three completed years of service after reaching such maximum, an addition to the basic pay equal to the last increment drawn by him in the scale of pay, subject to the maximum of five such additions:

Provided that no employee shall be entitled to such addition to the basic pay before the first day of the month following completion of three years after reaching maximum of the scale of pay or after drawing such additions, as the case may be:

Provided further that where an employee is not granted such addition to the basic pay referred to in clause (a) or clause (b) on first day of the month following completion of two years or three years of service, as the case may be, from the date of reaching maximum of the scale of pay applicable to him or from the last such addition to the basic pay (such first day of the month following completion of two or three years of service from the date of reaching maximum of the scale of pay or the last such addition to the basic pay being hereinafter referred to as "the relevant date", as the case may be), his case shall fall due for review in each calendar year in the month following that in which he completes twelve months of service as reckoned from the relevant date, or from the date of such review, so long as he has not been allowed such addition to the basic pay, and if it is decided to allow such addition subsequently, it shall take effect from the first of the month in which the review has fallen due in the calendar year in which the decision is taken.

Explanation: For the purposes of this rule 'calendar year' means the year from 1st day of January to 31st day of December".

8. Dearness Allowances :

- * (1) The scales of dearness allowance of Class III and Class IV employees shall be determined as under:
- (a) Index : All India Average Consumer Price Index Number for Industrial Workers.
 - (b) Base : Index No. 2328 in the series 1960= 100.
 - (c) Rate : For every four points in the quarterly average of the All India Consumer Price Index above 2328 points, a Class-III or a Class-IV employee shall be paid dearness allowance at the rate of 0.18% of Pay.

Explanation: For the purposes of this rule "Pay" means –

- (i) basic pay;
 - (ii) additions to basic pay referred to in rule 7;
 - (iii) special allowance referred to in sub-rule (2) of rule 4;
 - (iv) special allowance referred to in sub-rule (2) of rule 6;
 - (v) Graduation Allowance payable to the employees in the scale of pay of Assistants and Stenographers as provided in rule 19A; and
 - (vi) special allowance referred to in rule 2 or rule 4 of the Life Insurance Corporation of India Class-III Employees (Special Allowance for Passing Examination) Rules, 1988.
- * (2) There shall be an upward revision of the dearness allowance payable for every four points rise in the quarterly average (hereinafter referred to as the "current average figure") of the All India Consumer Price Index above [2328]* points in the sequence [2328-2332-2336-2340]* and so on, and there shall be downward revision of the dearness allowance payable if the current

* & []* As amended vide notification dated 05.09.2005

average figure falls below the index figure in the above sequence with reference to which the dearness allowance has been paid for the last preceding quarter. On the downward revision, the dearness allowance payable shall correspond to the current average figure if such current average figure is a figure in the above sequence and the dearness allowance payable shall correspond to the figure in the above sequence next preceding the current average figure if such current average figure is not a figure in the sequence. For this purpose, quarter shall mean a period of three months ending on the last day of March, June, September or December. The final index figures as published in the Indian Labour Journal or the Gazette of India, whichever publication is available earlier, shall be the index figure which shall be taken for the purpose of calculation of dearness allowance.

- (3) For the purpose of calculating dearness allowance for a particular month, the quarterly average for the last quarter for which the final index figures are available on the 15th day of that month shall be taken. Actual payment of this revised dearness allowance shall be made in the month following that in which the relevant index figures are available.

9. House Rent Allowance:

- * (1) The House Rent Allowance of Class III and Class IV employees, except those who have been allotted residential accommodation by the Corporation shall be as under:

Place of posting	Rate of House Rent Allowance
i. Cities of Mumbai, Kolkata, Chennai, Delhi, Noida, Faridabad, Ghaziabad, Gurgaon and Navi Mumbai.	10% of Pay subject to the maximum of Rs. 1600/- p.m.
ii. Cities with population exceeding twelve lakhs, except those mentioned at (i), Gandhinagar and any city in the State of Goa.	8% of Pay subject to the maximum of Rs. 1350/- p.m.
iii. Other places.	7% of Pay subject to the maximum of Rs. 1300/- p.m.

Note : for the purposes of this rule,

- (i) the population figures shall be as per the latest Census Report;
 - (ii) cities shall include their urban agglomerations;
 - (iii) "pay" means-
 - (a) basic pay including additions to basic pay referred to in rule 7;
 - (b) special allowances referred to in sub-rule (2) of rule 4;
 - (c) special allowance referred to in sub-rule (2) of rule 6;
 - (d) graduation allowance payable in the scale of pay of Assistant and Stenographers as provided in rule 19A;
 - (e) special allowance referred to in rule 2 or rule 4 of the Life Insurance Corporation of India Class-III Employees (Special Allowance for Passing Examination) Rules, 1988;
 - (f) Fixed Personal Allowance provided under rule 19D.
- (2) Employees who are allotted staff quarters shall not be entitled to any house rent allowance but they shall pay the appropriate licence fee for the staff quarters in their possession:

Provided that employees who have been allotted staff quarters before the 1st day of April, 1983, shall continue to receive the house rent allowance paid to them as on the date preceding the date of commencement of this rule.

* As amended vide notification dated 05.09.2005

***10. City Compensatory Allowance:**

The City Compensatory Allowance payable to Class III and Class IV employees shall be as under:

Place of posting	Rate of CCA
i. Cities of Mumbai, Kolkata, Chennai, Delhi, Noida, Faridabad, Ghaziabad, Gurgaon and Navi Mumbai.	3% of Pay subject to the minimum of Rs. 160/- p.m. and the maximum of Rs. 370/- p.m.
ii. Cities with population exceeding twelve lakhs, except those mentioned at (i) above, Gandhinagar and any city in the State of Goa	2.5% of Pay subject to the minimum of Rs. 135/- p.m. and the maximum of Rs. 340/- p.m.
iii. Cities with population of five lakhs and above but not exceeding twelve lakhs, State Capitals with population not exceeding twelve lakhs, Chandigarh, Mohali, Pondicherry, Port Blair and Panchkula.	2% of Pay subject to the minimum of Rs. 100/- p.m. and the maximum of Rs. 270/- p.m.

Provided that where any Class III or Class IV employee is in receipt of an amount of Rs. 20 per month as city compensatory allowance immediately before the first day of April, 1983, such employee shall continue to receive the said amount so long as he is posted at the same place, to be absorbed in future wage revision.

Note: for the purposes of this rule,

- i. the population figures shall be as per the latest Census Report;
- ii. cities shall include their urban agglomerations;
- iii. "pay" means Basic Pay, Additions to Basic Pay and Special Allowance payable to Class-IV.

***11. Hill Allowance:**

The scales of Hill Allowance payable to Class III and Class IV employees shall be as follows:

Serial No.	Places (1)	Rates (2)
1	Posted at places situated at a height of 1,500 metres and over above mean sea level	at the rate of 2.5% of Basic Pay subject to maximum of Rs. 270/- per month
2	Posted at places situated at a height of 1,000 metres and over but less than 1,500 metres above mean sea level, at Mercara and at places which are specifically declared as 'Hill Stations' by Central and State Governments for their employees.	at the rate of 2% of Basic Pay subject to maximum of Rs. 210/- per month
3	Posted at places situated at a height of not less than 750 metres above mean sea level which are surrounded by and accessible only through hills with height of 1000 metres and over above mean sea level.	at the rate of 2% of Basic Pay subject to maximum of Rs. 210/- per month

* As amended vide Notification dated 05.09.2005 GSR NO. 561(E).

@12. Maximum limit of pay :

“Deleted”.

13. Bonus :

- (1) No Class III or Class IV employee shall be entitled to the payment of any profit sharing bonus or any other kind of cash bonus.
- (2) Notwithstanding anything contained in sub-rule (1), every Class III and Class IV employee shall be entitled to a payment in lieu of bonus for every year commencing on the 1st day of April and ending with the 31st day of March of the following year, at such rate and subject to such conditions as the Central Government may, by notification in the Official Gazette, determine having regard to the wage level, the financial circumstances and other relevant factors:

Provided that —

- (i) no payment in lieu of bonus shall be payable to any employee drawing a salary exceeding [Rs. 3,500/- per month];**
- (ii) where the salary of an employee exceeds [Rs. 2,500/-*** per month but does not exceed Rs. 3,500/- per month], the maximum payment in lieu of bonus payable to such employees shall be calculated as if his salary were [Rs. 2,500/-] per month.***

Explanation: For the purpose of this sub-rule ‘salary’ means basic pay, special allowance, if any, dearness allowance.

***13A. Productivity Linked Lumpsum Incentive (PLLI) :**

The Class III and Class IV employees of the Corporation shall be paid Productivity Linked Lumpsum Incentive as under:

- i. For the period from the 1st April, 2003 to the 31st March, 2005, one time lumpsum payment of 1% of the (pre-revised) wage bill of Class III and Class IV employees as on the 1st August, 2002 shall be paid as ex-gratia in lieu of Productivity Linked Lumpsum Incentive;
- ii. For the period from the 1st April, 2005 to the 31st March, 2009 shall be as specified in the Appendix annexed to these rules:

Provided that though the next wage revision falls due on the 1st August, 2007 the same Productivity Linked Lumpsum Incentive scheme shall be applicable upto Financial Year 2008-2009.

14. Superannuation and retirement :

An employee belonging to the Class III or Class IV, appointed to the service of the Corporation on or after the 22nd February, 1983, shall retire on completion of [60 years]§ of age:

Provided that the competent authority specified in Schedule IV to the Staff Regulations may, having regard to the recommendations of a Committee, constituted for the purpose and consisting of one Officer not below the rank of Zonal Manager and two Officers not below the rank of Deputy Zonal Manager/Sr. Divisional Manager, is of the opinion that it is in the interest of the Corporation to do so, direct such employee to retire on completion of 55 years of age or at any time thereafter on giving him three months’ notice or salary in lieu thereof.

[]** & []*** Notified in Gazette of India dated 27.09.1995 and came into force w.e.f 01.04.1993.

@ Notified in Gazette of India dated 07.12.1987 and came into force w.e.f. 01.11.1986.

* as amended vide Notification Dated 05.09.2005 GSR NO. 561(E).

[§ Notified in Gazette of India dated 22.05.1998.

15. Re-fixation of salary:

- (1) On appointment on a regular basis to a higher grade, the basic pay of a Class III or Class IV employees shall be initially fixed at one stage above that stage in the higher scale which is next above his basic pay in the lower scale.

Provided that where the basic pay in the lower scale is a stage in the higher scale, the basic pay shall be fixed at the stage in the higher scale which is next above his basic pay in the lower scale.

Provided further that the basic pay shall be fixed at the minimum of the higher scale where such fixation results in an increase in basic pay of at least one grade increment obtaining at the minimum of the higher scale.

Provided also that where a Class III (Supervisory or Clerical) employee is promoted as Class I Officer on or after the 1st April, 1983, his basic pay in the higher scale of pay shall be fixed on the basis of the basic pay which he would have drawn on the date of fixation had he continued in the lower scale of pay applicable to him immediately prior to the 1st of April, 1983.

*(1A) [omitted.....]

- (2) Subject to such conditions as may be imposed from time to time, a personal allowance may be granted to employees promoted to a higher cadre in consideration of the loss in remuneration drawn by them in the lower cadre at the time of promotion.

Explanation : For the purpose of this rule, the portion of special allowance specified in the proviso to sub-rule (3) of rule 4 and sub-rule (2) of rule 6 shall be treated as part of basic pay.

- (3) In the case of an employee appointed to officiate in a higher grade, he shall draw officiating allowance, which shall be equal to the difference between the basic pay in the lower scale and the higher scale under sub-rule (1) and (2).

Provided that officiating allowance referred to in sub-rule (3) may be reduced by the appointing authority specified in Schedule I to the Staff Regulations if the officiating arrangement is of a temporary nature and the circumstances justify it.

16. Sick Leave:

A Class III or a Class IV employee shall be entitled to sick leave on medical certificate at the rate of one month for each completed year of service, subject to a maximum of sixteen months throughout the service in the Corporation.

Provided that the casual leave and the additional casual leave admissible to such employee under sub-regulation (1) and (2) of regulation 62 of the Staff Regulations and not availed of by him, shall be converted into additional sick leave on full pay upto a maximum of two months or on half pay upto a maximum of four months, during the entire period of his service to be availed of by him on production of medical certificate.

**Provided further that if an employee is suffering from any of the major diseases of Cancer, Leprosy, T.B., Paralysis, Mental Diseases, Brain Tumour, Cardiac Ailments, AIDS or Kidney Diseases, he may be allowed special sick leave on half pay for a period not exceeding six months if he has to his credit no sick leave including additional sick leave admissible to him.

* Omitted vide Notification dated 22.6.2000 (GSR No. 552(E)).

** As amended vide Notification dated 22.6.2000 (GSR No. 552(E)).

***17. Maternity Leave :**

The competent authority may grant to a female employee maternity leave for a period which may extend upto 6 months at a stretch subject to a maximum of 12 months during the entire period of an employee's service:

Provided that leave may be granted once during the service to a childless female employee for legally adopting a child who is below one year of age. The maximum period of leave will be two months or till the child reaches the age of one year, whichever is earlier:

Provided further that leave will be granted for adoption of only one child:

Provided also that the adoption of a child is through a proper legal process and on submission of a certified true copy of adoption deed to the Corporation.

+18. Provident Fund :

- (1) Every Class III or Class IV employee other than an employee on probation or an employee appointed on a temporary basis or a transferred employee of the Oriental Government Security Life Assurance Company Limited, who is contributing to the Pension Fund of that company, shall contribute every month to the Provident Fund established by the Corporation at the rate of ten per cent of his pay. The Corporation shall contribute to the Provident Fund an amount equal to actual Contribution of each such employee but not exceeding the employees contribution.

Provided that the Corporation shall not be required to make any such contribution to the Provident Fund of an employee governed by the Life Insurance Corporation of India (Employees) Pension Rules, 1995.

- (2) Transferred employees of the Oriental Government Security Life Assurance Company Limited who are contributing to the Pension Fund of that Company, which is being continued with modifications as a separate fund for such employees only, shall be entitled to pension according to the rules applicable to that fund.
- (3) Employees referred to in sub-rule (2) may, however, be permitted to contribute to the Provident Fund established by the Corporation but the Corporation shall not be required to make any contribution to the Provident Fund in respect of such employees.

@ *Explanation:* [omitted]

* As amended vide Notification dated 22.6.2000 (GSR No. 552(E)).

+ As amended vide Notification dated 22.2.1996 and came into force w.e.f. 1.11.1993.

@ Omitted vide Notification dated 22.6.2000 (GSR No. 552(E)).

19 Gratuity:

- (1) (a) A permanent Class III or Class IV employee who has been in continuous service of the Corporation (including service with the insurer) for not less than 15 years (excluding period of probation or temporary service in respect of employees recruited on or after the 1st September, 1956) and —
- (i) whose services are terminated by the Corporation for any reason whatsoever;
 - OR
 - (ii) who voluntarily resigns from the service of the Corporation;
 - OR
- (b) a permanent Class III or Class IV employee —
- (i) who dies while in the service of the Corporation;
 - OR
 - (ii) who retires from the service of the Corporation;
 - OR
 - (iii) whose services are determined either due to continued illness or accident incapacitating him from the proper discharge of his duties;
 - OR
 - (iv) whose services are dispensed with owing to reduction of staff for reorganisation of establishment;

shall be eligible for the payment of gratuity.

- (2) Gratuity admissible to an employee under sub-rule (1) shall be at the rate of one month's terminal basic pay including the portion of special allowance specified in the proviso to sub-rule (3) of rule 4 or sub-rule (2) of rule 6 for each completed year of continuous service (inclusive of regular salaried service with the insurer) in respect of first 15 years and at the rate of half a month's terminal basic pay including the portion of special allowance specified in the proviso to sub-rule (3) of rule 4 and sub-rule (2) of rule 6 for each completed year of further continuous service; so, however, that the total gratuity admissible shall not exceed a maximum of 20 months' terminal basic pay including portion of special allowance specified in the proviso to sub-rule (3) of rule 4 or sub-rule (2) of rule 6. [.....deleted]*

Explanation: For the purpose of computation of gratuity under this sub-rule any period spent by an employee on extra-ordinary leave, exceeding 12 months during the entire period of his service shall be excluded.

[]* Notified in Gazette of India dated 11.9.1986. The words and figures Rupees Thirty Six Thousand or whichever is less have been deleted w.e.f. 1.4.1983.

- (3) Gratuity admissible to a Class III or Class IV employee shall be determined in accordance with the provisions of sub-rule (2) or calculated under the Payment of Gratuity Act, 1972 (39 of 1972), whichever is more favourable to him.

*Provided that —

- (a) while calculating the gratuity under the said Act, the monthly salary of an employee shall be deemed to be his terminal basic pay, dearness allowance, additional dearness allowance and the special allowance as specified in the proviso in sub-rule (3) of rule 4 and sub-rule (2) of rule 6.
- §(b) the provisions of the said Act shall apply notwithstanding that monthly salary of an employee calculated in accordance with clause (a) exceeds (two thousand five hundred rupees) §
- (c) in the case of an employee who dies while in service of the Corporation after having completed 15 years of continuous service, the gratuity under the said Act shall be calculated at the rate of one month's salary for every completed year of service.
- (d) the amount of gratuity calculated under the said Act shall in no case exceed [the maximum prescribed under the said Act]*
- (4) Subject to any lien the Corporation may have on the amount of gratuity admissible to an employee, the Corporation shall pay to the employee or to the nominee or nominees of the employees, or if no nomination has been made or is subsisting to the heirs of the employee, the amount of gratuity admissible under this rule.

@(5) Notwithstanding anything contained in sub-rules (1) and (4) —

- (i) where the penalty of dismissal is imposed on an employee for any act involving violence against the management or other employees or any riotous or disorderly behaviour in or near the place of employment or for an offence involving moral turpitude provided that such offence is committed by him in the course of his employment, the gratuity payable to him shall stand wholly forfeited; and
- (ii) where the penalty of compulsory retirement, removal from service or dismissal is imposed on an employee for any act involving the Corporation in financial loss, the gratuity payable to him shall stand forfeited to the extent of such loss.

†19A. Graduation Increments and Graduation Allowance:

(a) **Graduation Increments -**

An employee in the scale of Assistant or Stenographer

- (i) who is graduate of a recognised university at the time of appointment or
- (ii) who becomes graduate of the recognised university after the date of appointment

shall be granted two increments in the scale of pay applicable to him on and from the date of appointment, in case of employee covered under clause (i) and from the first day of the month following the month in which the result of the examination is declared, in case of employee covered under clause (ii).

* Notified in Gazette of India dated 11.9.1986 and came into force w.e.f. 1.4.1983.

§ Notified in Gazette of India dated 22.8.88 and came into force w.e.f. 1.10.87.

@ As amended by Notification dated 12.5.1989.

[]* Notified in Gazette of India dated 30.8.1999 and has come into force w.e.f. 24.5.1994.

† As amended vide Notification dated 22.6.2000 (GSR No. 552(E)).

(b) Graduation Allowance -

(i) Graduation Allowance payable to the employees in the scale of Record Clerk –

an employee in the scale of Record Clerk who is a graduate of a recognised university at the time of his appointment or who becomes a graduate of a recognised university after his appointment to such post, shall be granted graduation allowance of Rs. 210/- p.m. from the date of his appointment as Record Clerk or from the first day of the month following the month in which the result of the examination is declared respectively, which shall not count for any purposes.

(ii) Graduation Allowance payable to the employees in the scale of Assistant and Stenographer –

(a) an employee in the scale of Assistant or Stenographer who becomes a graduate of a recognised university after reaching maximum of the scales applicable to him shall be granted graduation allowance of Rs. 350/- p.m. from the first day of the month following the month in which the result of the examination is declared.

(b) an employee in the scale of pay of Assistant or Stenographer who has received the graduation increments and who reaches the maximum of the scale of pay referred to in sub-rule (1) of rule 4 of the said rules shall be granted graduation allowance of Rs. 175/- per month from the first day of the month following the completion of one year of service commencing from the date of reaching such maximum:

(c) an employee in the scale of pay of Assistant or Stenographer who has received the graduation increments and who reaches the maximum of the scale of pay referred to in sub-rule (1) of rule 4 of the said rules shall be granted graduation allowance at the rate of Rs. 350/- per month from the first day of the month following the completion of two years of service commencing from the date of reaching such maximum.

(d) the graduation allowance payable to the employees in the scale of Assistant or Stenographer shall not be treated as part of basic pay, provided, however, that the said allowance shall count for the purpose of Dearness Allowance, Provident Fund, Gratuity, Pension, Encashment of Privilege Leave, House Rent Allowance and fixation of salary on promotion;

Provided that those who are in receipt of Graduation Allowance under these rules shall continue to get the benefit:

Provided further that those who become Graduates after 31st July, 2007 shall not be eligible for Graduation Allowance under these rules.

§19B. [omitted.....]

19C. Personal Allowance:

*Personal Allowance granted to an employee shall be adjusted against any increase in *[basic pay] which the employee may be entitled to in terms of these rules.

§ Omitted vide Notification dated 22.6.2000 (GSR No. 552(E)).

* Amended by Notification dated 4.2.93 and came into force w.e.f. 1.8.87.

***19D. Fixed Personal Allowance :**

- (1) A Class-III or Class-IV employee who has reached the maximum of the scale of pay applicable to him or who has been in receipt of one or more additions to the basic pay referred to in rule 7 of these rules on the first day of November, 1993, shall be paid a fixed personal allowance on account of computerisation, which shall be equal to the last increment drawn by him in the scale of pay applicable to him on the first day of November, 1993.
- (2) A Class-III or a Class-IV employee who is in receipt of an increment on account of computerisation and who has reached the maximum of the scale of pay applicable to him shall be paid the fixed personal allowance referred to in sub-rule (1) on the expiry of a period of one year or reaching the maximum of the scale of pay.
- (3) Fixed personal allowance shall count for the purposes of House Rent Allowance, Provident Fund, Gratuity, Pension, Encashment of Privilege Leave.
- (4) Additional Increment for Computerisation for Class-III and Class-IV employees who have joined the services of the Corporation after 1.11.1993 but before the date of the publication of this notification in the official gazette, namely,

The Class-III and Class-IV employees who have joined the services of the Corporation after 1.11.1993 but before the date of publication of this notification in the official gazette shall be granted one increment in the scale of pay applicable to them on the date of publication of this notification in the official gazette, with effect from the first day of the month following the date of publication of this notification in the official gazette, subject to the following conditions:

- (i) Such of those Class-III and Class-IV employees on their first appointment in the corporation's service were on probation on the date of publication of this notification in official gazette shall be granted the said increment only on completion of 365/366 days of service after the date of confirmation;
- (ii) A Class-III and Class-IV employee who is in receipt of the said increment and who reaches maximum of the scale of pay applicable to him shall be paid the Fixed Personal Allowance, which shall be equal to the last increment in the scale of pay applicable to him, on the first day of the month following the date of publication of this notification in the official Gazette, on the expiry of a period of one year of reaching the maximum of the scale of pay, and such Fixed Personal Allowance shall count for the purposes of House Rent Allowance, Provident Fund, Pension, Gratuity and Encashment of Privilege Leave.
- §(iii) Any Class III or Class IV employee who has joined the services of the corporation after the 22nd June, 2000 shall not be eligible for this increment

19E. Transport Allowance :

Every Class III or Class IV employee, other than an employee appointed on temporary basis, shall be paid Transport Allowance at the rate of rupees seventy five per month.

§19F. Paradeep Port Allowance :

Every Class III and Class IV employee working in office (s) at Paradeep shall be paid "Paradeep Port Allowance" of Rs. 75/- per month with effect from the first of the month following the date of this notification or the date of joining at Paradeep, whichever is later. This allowance shall not rank for any benefits.

20. Interpretation :

Where any doubt or difficulty arises as to the interpretation of these rules, it shall be referred to the Central Government for its decision.

* As amended vide Notification dated 22.6.2000 (GSR No. 552(E)).

§ As inserted vide Notification dated 05.09.2005 (GSR No. 561(E)).

*APPENDIX

PRODUCTIVITY LINKED LUMP SUM INCENTIVE (PLI) SCHEME

(See rule 13A)

Conditions for grant of Productivity linked Lumpsum incentive	(1)	Grant of Productivity Linked Lumpsum Incentive shall depend upon performance of the Corporation as a whole in the following areas: Growth in New Policies; Growth in First Year Premium Income; Growth in Total Premium Income; Early Claim Ratio; and Growth in Income from Real Estate.
	(2)	The Productivity Linked Lumpsum Incentive will be calculated on Financial Year basis and will depend upon the level of performance achieved by the Corporation on the five parameters as mentioned above.
	(3)	The Productivity Linked Lumpsum Incentive will be payable only if the achievement of Corporation exceeds the threshold level on Total Premium Income as specified in the Table (1) below.
	(4)	The calculation of Productivity Linked Lumpsum Incentive shall be based on the Weighted Average Method which shall be calculated on the five parameters given in item (1) above. The percentage so arrived shall be rounded off to nearest integer. The eligible Productivity Linked Lumpsum Incentive percentage shall be the Productivity Linked Lumpsum Incentive percentage arrived at by applying the Weighted Average Method or the percentage of Productivity Linked Lumpsum Incentive under Total Premium Income whichever is lower.
	(5)	The following weightage shall be applied:
	(6)	Productivity Linked Lumpsum Incentive shall be payable at the levels of 1%, 2%, 3%, etc. upto a maximum of 6% of the pre-revised wage bill of Class III and Class IV employees as on the 1st August, 2002 depending upon the achievements of the volumes in the above mentioned areas as per the tables appended hereto.

	Parameter	Weightage
(i)	Total Premium Income	4
(ii)	First Year Premium Income	4
(iii)	New Policies	3
(iv)	Early Claims Ratio	2
(v)	Rental Income	2

* As inserted vide Notification dated 05.09.2005 (GSR No. 561(E)).

	<p>(7) The Total Premium Income and First Year Premium Income for the purpose shall be the premium income on individual assurance policies plus 10% of premium in respect of Jeevan Suraksha and other Individual Pension Plans plus 1.25% of premium in respect of Bima Nivesh, Jeevan Akshay and other single premium policies, plus 50% of Bima plus, Future plus and like plans and shall exclude Pension and Group Schemes Premium Income.</p> <p>However a marginal shortfall in any of the five parameters noted above may be condoned by the Chairman.</p>
	<p>(8) The amount of Productivity Linked Lumpsum Incentive in terms of wage bill shall depend upon the volumes achieved by the Corporation in the areas against the percentages mentioned for each parameter in the tables below provided the amount of Total Premium Income as specified in Table 1, First Year Premium Income as specified in Table 2, number of New Policies as specified in Table 3, Rental Income as specified in Table 4 and Early Claim Ratio as specified in Table 5 Income is not less than the amount of Total Premium Income ,First Year Premium Income ,number of New Policies, Rental Income and Early Claim Ratio, as specified in the respective tables.</p>
	<p>(9) The Productivity Linked Lumpsum Incentive shall be distributed as a lump sum annually on or after 1st August each year commencing from the 1st April, 2005 for each Financial Years from 2005-2006 to 2008-2009.</p>
	<p>(10) The proposed Productivity Linked Lumpsum Incentive shall be distributed among various classes in the ratio of pre-revised salary bill as on the 1st August, 2002 to the total wage bill of the Corporation.</p>
	<p>(11) The Corporation shall be empowered to formulate the decentralized performance norms and to frame the terms and conditions of the Productivity Linked Lumpsum Incentive for its employees to finally take it to the branch level. The Board shall within a period of six months from the date of this notification make regulations to take the Productivity Linked Lumpsum Incentive scheme to the Zone or Division or Branch level.</p>
	<p>(12) The weightage assigned to the parameters shall remain the same as given under item (5).</p>

TABLE 1

Productivity Linked Lumpsum Incentive in terms of percentage of wage bill	Minimum amount of Total Premium Income required to be achieved (Rs. in crores)			
	2005-2006	2006-2007	2007-2008	2008-2009
Threshold	71047	83573	98307	115638
1%	71626	84204	98999	116402
2%	72207	84838	99694	117169
3%	72790	85474	100392	117939
4%	73375	86113	101094	118713
5%	73963	86755	101798	119490
6%	74554	87400	102506	120272

TABLE 2

Productivity Linked Lumpsum Incentive in terms of percentage of wage bill	Minimum amount of First Year Premium Income required to be achieved (Rs. in crores)			
	2005-2006	2006-2007	2007-2008	2008-2009
Threshold	14454	15848	17242	18636
1%	14571	15967	17363	18759
2%	14690	16088	17485	18883
3%	14808	16208	17608	19007
4%	14927	16330	17731	19131
5%	15047	16451	17854	19257
6%	15167	16574	17978	19383

TABLE 3

Productivity Linked Lumpsum Incentive in terms of percentage of wage bill	Minimum number of new policies required to be achieved			
	2005-2006	2006-2007	2007-2008	2008-2009
Threshold	31222179	33452923	35683667	37914411
1%	31476446	33705584	35934935	38164723
2%	31731728	33959299	36187299	38416176
3%	31988029	34214075	36440766	38668779
4%	32245357	34469917	36695344	38922540
5%	32503716	34726833	36951039	39177467
6%	32763114	34984829	37207860	39433567

TABLE 4

Productivity Linked Lumpsum Incentive in terms of percentage of wage bill	Minimum amount of Rental Income required to be achieved (Rs. in crores)			
	2005-2006	2006-2007	2007-2008	2008-2009
Threshold	60.58	64.41	68.24	72.07
1%	61.07	64.90	68.72	72.55
2%	61.57	65.38	69.20	73.02
3%	62.07	65.88	69.69	73.50
4%	62.57	66.37	70.17	73.99
5%	63.07	66.86	70.66	74.47
6%	63.57	67.36	71.15	74.96

TABLE 5

Productivity Linked Lumpsum Incentive in terms of percentage of wage bill	Maximum ratio of Early Death Claims to Total Death Claims			
	2005-2006	2006-2007	2007-2008	2008-2009
Threshold	26.00%	25.40%	24.80%	24.20%
1%	25.90%	25.30%	24.70%	24.10%
2%	25.80%	25.20%	24.60%	24.00%
3%	25.70%	25.10%	24.50%	23.90%
4%	25.60%	25.00%	24.40%	23.80%
5%	25.50%	24.90%	24.30%	23.70%
6%	25.40%	24.80%	24.20%	23.60%

Foot Note : The principal rules were published vide G.S.R. No. 357(E) dated the 11th April, 1985 and subsequently amended vide G.S.R. No. 18(E) dated the 7th January, 1986, G.S.R. No. 1076(E) dated the 11th September, 1986, G.S.R. No. 961(E) dated the 7th December, 1987, G.S.R. No. 870(E) and 873(E) both dated the 22nd August, 1988, G.S.R. No. 515(E) dated the 12th May, 1989, G.S.R. No. 509(E) dated the 24th May, 1990, G.S.R. No. 620(E) dated the 6th July, 1990, G.S.R. No. 628(E) dated the 10th July, 1990, G.S.R. No. 338(E) dated the 11th July, 1991, G.S.R. No. 697(E) dated the 25th November, 1991, G.S.R. No. 46(E) and 47(E) both dated the 4th February, 1993, G.S.R. No. 746(E) dated the 13th December, 1993, G.S.R. No. 55(E) dated the 2nd February, 1994, G.S.R. No. 595(E) dated the 30th June, 1995, G.S.R. No. 669(E) dated the 27th September, 1995, G.S.R. No. 102(E) dated the 22nd February, 1996, G.S.R. No. 261(E) dated the 22nd May, 1998, G.S.R. No. 532(E) dated the 27th August, 1998, G.S.R. No. 445(E) dated the 18th June, 1999, G.S.R. No. 611(E) dated the 30th August, 1999, G.S.R. No. 552(E) dated the 22nd June, 2000, G.S.R. No. 289(E) dated the 27th April, 2004, G.S.R. No. 561(E) dated the 5th September, 2005 and GSR No. 306(E) dated 25th April, 2007.