

LIFE INSURANCE CORPORATION OF INDIA
CLASS-I OFFICERS (REVISION OF TERMS AND
CONDITIONS OF SERVICE) RULES, 1985

G.S.R. 794(E) - In exercise of the powers conferred by Clause (c) of Sub-Section (2) of Section 48 of the Life Insurance Corporation Act, 1956 (31 of 1956), the Central Government hereby makes the following rules regulating certain terms and conditions of service of Class-I Officers (other than the Managing Directors) 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-I Officers (Revision of Terms and Conditions of Service) Rules, 1985.
2. They shall be deemed to have come into force on the 1st day of October, 1983.
3. They shall apply to every whole-time (salaried) Class-I Officer of the Corporation in India unless otherwise provided by the terms of any contract.
4. Notwithstanding anything contained in Sub-Rule (2), where any Class-I Officer gives a notice in writing to the Corporation, within thirty days of the date of publication of those rules in the Official Gazette, expressing his option to be governed by the provisions of these rules with effect from the date of such publication, then the Corporation may, by order, permit such Officer 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. "Class-I Officer" means an employee of the Life Insurance Corporation of India (other than the Managing Directors) working in Class-I post and includes any person who became an employee of the Corporation on the appointed day under the Act and is so working;
- c. "Staff Rules" means the Life Insurance Corporation of India (Staff) Regulations, 1960;
- d. Words and expressions used in these rules and not defined herein but defined in the Staff Rules, shall have the meanings respectively assigned to them in the Staff Rules.

3. Conditions of service of Class-I Officers :—

Notwithstanding anything contained in the Staff Rules, the terms and conditions of service of Class-I Officers relating to matters covered by these rules shall be regulated in accordance with the provisions hereinafter contained in these rules.

***4. Scales of Pay of Class-I Officers :**

The scale of pay of the Class-I Officers shall be as under:

(1)	(i) Zonal Managers (ii) Chief Engineers/Chief Architects	(a) Ordinary Scale: Rs. 28605-785(5)-32530 (b) Selection Scale: Rs. 31745-785(2)-33315-850(1)- 34165-940(1)-35105-995(1)-36100
(2)	(i) Deputy Zonal Managers/ Senior Divisional Managers (ii) Deputy Chief Engineers/ Deputy Chief Architects	Rs. 25930-650(3)-27880-725(2)-29330
(3)	(i) Divisional Managers (ii) Superintending Engineers/ Senior Surveyors of Works/ Senior Architects	Rs. 22030-650(7)-26580
(4)	(i) Assistant Divisional Managers/ Senior Branch Managers (ii) Executive Engineers/ Surveyors of Works/ Deputy Senior Architects	Rs. 18130-540(1)-18670-560(6)- 22030-650(4)-24630
(5)	(i) Administrative Officers/ Branch Managers Assistant Executive Engineers (ii) Assistant Surveyors of Works/ Architects	Rs. 14890-540(7)-18670-560(6)-22030
(6)	(i) Assistant Administrative Officers/ Assistant Branch Managers (ii) Assistant Engineers/Assistant Architects	Rs. 11110-540(14)-18670-560(4)-20910

Note : A separate seniority list shall be maintained in respect of Officers appointed to posts specified in entry (ii) under various serial numbers.

* Notified in Gazette of India G.S.R. No. 559(E) dated 05.09.2005 and came into force w.e.f. 1.8.2002.

***4A. Addition to basic pay after reaching maximum of scale:**

Subject to the work record being found satisfactory, –

- (a) an Officer in the scale of pay of Assistant Administrative Officer who has reached the maximum of the scale of pay applicable to him, 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 two such additions:

Provided that no officer shall be entitled to such addition to the basic pay before the first 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;

- (b) an Officer in the scale of pay of Administrative Officer who has reached the maximum of the scale of pay applicable to him, 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 four such additions:

Provided that no officer 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;

- (c) an Officer in the scale of pay of Assistant Divisional Manager who has reached the maximum of the scale of pay applicable to him, 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 two such additions:

Provided that no officer 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 that where an Officer is not granted such addition to the basic pay referred to in Clause (a) or Clause (b) or Clause (c) on first day of the month following completion of three years of service 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 three years of service from the date of reaching maximum of 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 period from the 1st day of January to the 31st day of December.

* Notified in Gazette of India dated 05.09.2005

***5. Dearness Allowance :**

- (1) The scale of dearness allowance applicable to Class-I Officers 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-I Officer shall be paid dearness allowance at the rate of 0.18% of Pay.

Explanation: For the purposes of this rule, "Pay" means basic pay including additions to the basic pay after reaching maximum of the scale as provided under rule 4A of these rules.

- †(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 a downward revision of the dearness allowance payable if current average figure falls by four points 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 is not a figure in the above 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 Figure 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.

6. House Rent Allowance :

- + (1) The House Rent Allowance applicable to Class I Officers, 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, New Delhi, Noida, Faridabad, Ghaziabad, Gurgaon and Navi Mumbai.	10% of Pay, subject to the maximum of Rs. 1600/- per month
(ii) Cities with population exceeding 12 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/- per month
(iii) Other places.	7% of Pay, subject to the maximum of Rs. 1300/- per month.

Notes: for the purpose 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 Fixed Personal Allowance.

* & []* Rule 5 as amended by Amendment Rules 2005 notified on 05.09.2005.

† As amended by Notification dated 25.7.1989.

+ substituted by Amendment Rules 2005 notified on 05.09.2005 (came in force w.e.f. 01.08.2002)

- (2) Class-I Officers who are allotted residential accommodation by the Corporation shall pay for such accommodation appropriate licence fee as may be decided by the Corporation from time to time and shall not be entitled to any house rent allowance in terms of sub- rule (1).

****7. City Compensatory Allowance :**

The City Compensatory Allowance payable to Class I Officers shall be as under:

Place of posting	Rate of CCA
i. Cities of Mumbai, Kolkata, Chennai, New Delhi, Noida, Faridabad, Ghaziabad, Gurgaon and Navi Mumbai.	3% of Pay, subject to maximum of Rs. 500/- p.m.
ii. Cities with population exceeding twelve lakhs, except those mentioned at (i), Gandhinagar and any city in the State of Goa .	2.5% of Pay, subject to maximum of Rs. 470/- 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 maximum of Rs. 335/- p.m.

Notes : 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 plus additions to basic pay under rule 4A.

7A. Hill Allowance :

The scales of Hill Allowance payable to Class I Officers shall be as follows :

Serial No.	Places (1)	Rates (2)
1	Posted at places situated at a height of 1,500 meters and over above mean sea level	[at the rate of 2.5% of Basic Pay subject to maximum of Rs. 335/- per month]*
2	Posted at places situated at a height of 1,000 meters and over but less than 1,500 meters above mean sea level, at Mercara and at places which are specifically declared as ‘Hill Stations’ by Central or State Governments for their employees.	[at the rate of 2% of Basic Pay subject to maximum of Rs. 270/- per month]*
3	Posted at places situated at a height of not less than 750 meters above mean sea level which are surrounded by and accessible only through hills with height of 1000 meters and over above mean sea level.	[at the rate of 2% of Basic Pay subject to maximum of Rs. 270/- per month]*

[]* Notified in Gazette of India, dated 05.09.2005 (GSR No. 559(E))

** substituted by Amendment Rules 2005 notified on 05.09.2005 (came in force w.e.f. 01.08.2002)

7B. North-Eastern States Educational Allowance :

A Class-I Officer posted in Assam, Meghalaya, Manipur, Tripura, Arunachal Pradesh, Nagaland or Mizoram shall be paid an allowance of (Rs. 150/-)*per month for the period of his posting in State from the date of taking charge as long as the child of such officer is prosecuting study requiring regular attendance in a recognized school, college or university situated outside any of the aforesaid states.

Explanation : For the purpose of this rule -

- (1) Child includes step child or legally adopted child, who is wholly dependent on the officer, but does not include an earning child having income exceeding Rs. 250/- per month.
- (2) A stipend or scholarship granted by a school, college, university or other educational institute is not income.

7C. Functional Allowance :

Programmers or System Analysts or Programmers-cum-System Analysts in the scale of pay of Assistant Administrative Officer, Administrative Officer or Assistant Divisional Manager shall be paid a Functional Allowance of [Rs. 500/-]* per month.

†Provided that the Programmers or System Analysis or Programmers-cum-System Analysts in the scale of pay of Assistant Administrative Officer, Administrative Officer or Assistant Divisional Manager 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.

7D. Kit Allowance :

Every Class-I Officer of the Corporation, on his transfer to any of the hill stations at which hill allowance is payable in terms of rule 7A of the said Rules, shall be paid a kit allowance of Rs. 2,000/-.

Provided that no kit allowance shall be payable if such Officer has drawn such allowance at any time earlier.

****8. Provident Fund :**

- (1) Every Class-I Officer of the Corporation other than an officer on probation or an officer 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 percent of his basic pay. The Corporation shall contribute to the Provident Fund an amount equal to the actual contribution of each such officer subject to a maximum of ten percent of the basic pay of each such officer :

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

- (2) Class-I Officers who are transferred employees of the Oriental Government Security Life Assurance Company Limited and who are contributing to the Pension Fund of that company, shall 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 officers.

* Amended by Amendment Rules, 2005, notified on 05.09.2005.

** Rule 8 substituted by Amendment 96 came into effect from 1.11.1993.

† Notified in Gazette of India, dated 25.04.2007 (G.S.R. No. 305(E))

9 Gratuity :

- (1) (a) A permanent Class-I Officer who has been in continuous service of the Corporation (including regular salaried 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 services of the Corporation; OR
- (b) a permanent Class-I Officer –
- i. who dies while in service of the Corporation;
OR
 - ii. who retires from the service of the Corporation;
OR
 - iii. whose service is 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 or re-organisation of establishment;

shall be eligible for the payment of gratuity.

- (2) The gratuity admissible to Class-I Officer under sub-rule (1) shall be at the rate of one month's terminal basic pay for each completed year of continuous service or part thereof in excess of six months (inclusive of regular salaried service with the Insurer) subject to a maximum of 15 months' basic pay upto 30 years of service, and for service over 30 years, half-a-month's terminal basic pay for each completed year of service or part thereof in excess of six months:

Provided that any period spent by such Class-I Officer on extra-ordinary leave exceeding 12 months during the entire period of his service shall be excluded.

- + (2A) The gratuity admissible to a class-I Officer 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.

- *(3) In the case of a Class-I Officer who has been promoted from Class-III cadre on or after the 1st day of April, 1973 and dies or retires after promotion the gratuity payable to him shall be :

** (a) the amount of gratuity admissible under sub-rule (2) or sub-rule (2A);

or

(b) the amount of gratuity which such employee would have been entitled to had he continued as a Class-III employee when the gratuity become due and payable;

whichever is higher.

- (4) Subject to any lien the Corporation may have on the amount of gratuity admissible to a Class-I Officer, the Corporation shall pay the Officer or his nominee or nominees or if no nomination is made or is subsisting, his heirs, the amount of gratuity admissible under this rule.

* 9(3) as amended by Amendment Rules, 1989 notified on 25.7.1989 (came into force w.e.f. 1.8.1987).

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

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

*5) Notwithstanding anything contained in the forgoing sub-rules –

- (i) Where the penalty of dismissal is imposed on a Class-I Officer 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.
- (ii) Where the penalty of compulsory retirement, removal from service or dismissal is imposed on a Class-I Officer for any act involving the Corporation in a financial loss, the gratuity payable to him shall be forfeited to the extent of such loss.

9A. Fixed Personal Allowance :

- (1) A Class-I Officer other than an Officer on probation on first appointment or who has reached the maximum of the scale of pay applicable to him or who has been in receipt of one or more addition to the basic pay referred to in rule 4A on the first day of November, 1993, shall be paid on account of computerisation one increment in the scale of pay applicable to him on the 1st day of November, 1993:

Provided that a Class-I Officer who on his first appointment in the Corporation's service was on probation on the 1st November, 1993 shall be paid one such increment on completion of one year of service after confirmation.

- (2) A Class-I Officer 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 4A on the first day of November, 1993, shall be paid, a fixed personal allowance on account of computerisation equal to the last increment in the scale of pay applicable to him on the first day of November 1993.
- (3) A Class-I Officer 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 (2) on the expiry of a period of one year after reaching the maximum of scale of pay.
- (4) Fixed Personal Allowance shall count for the purposes of House Rent Allowance, Provident Fund, Pension, Gratuity and Encashment of Privilege leave.
- (5) Additional Increment for Computerisation for Officers who have joined the services of the Corporation after 1.11.1993 but before the date of the notification:

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

- i. Such of those officers who on their first appointment in the Corporation's service were on probation on the date of publication of this notification shall be granted the said increment only on completion of 365 days of service after the date of confirmation;
- ii. A Class-I officer 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, on the expiry of a period of one year after 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.

* 9(5) as amended by Amendment Rules, 1989 notified on 25.7.1989.

- *iii. Any officer who has joined the services of the Corporation after 22nd June, 2000 shall not be eligible for this increment;

***9B. Transport Allowance :**

Every Class I Officer, other than an Officer who is in receipt of any Conveyance Allowance under any of the Schemes of the Corporation, shall be paid Transport Allowance of Rs. 500/- per month;

†9C. Productivity Linked Lumpsum Incentive (PLL):

The Class I Officers 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 one percent of the wage bill of Class I Officers as on the 1st August, 2002 (pre-revised) 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;

@9D Paradeep Port Allowance :

Every Class I officer 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 publication of this notification or the date of joining at Paradeep, whichever is later. This allowance shall not rank for any benefits;

9E Maternity Leave :

The competent authority may grant to a female officer 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 officer'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.

** Substituted vide Notification dated 05.09.2005 G.S.R. No. 559(E).

* Substituted vide Notification dated 05.09.2005 G.S.R. No. 559(E).

† Substituted vide Notification dated 05.09.2005 G.S.R. No. 559(E).

@ Substituted vide Notification dated 05.09.2005 G.S.R. No. 559(E).

***9F. Sick Leave :**

A Class-I Officer 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 an officer under sub-rules (1) and (2) of rule 62 of Life Insurance Corporation of India (Staff) Rules, 1960 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 medical certificate:

Provided further that if an officer is suffering from any of the major diseases of cancer, leprosy, T.B., paralysis, mental diseases, brain tumor, 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.

10. 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.

* Substituted vide Notification dated 22.06.2000 Part-III Section 3 G.S.R. No. 550(E).

PRODUCTIVITY LINKED LUMP SUM INCENTIVE (PLLI) SCHEME

(See rule 9C)

Conditions for grant of Productivity linked lump sum Incentive	(1) Grant of Productivity Linked Lumpsum Incentive shall depend upon performance of the Corporation as a whole in the following areas: (a) Growth in New Policies; (b) Growth in First Year Premium Income; (c) Growth in Total Premium Income; (d) Early Claim Ratio; and (e) 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:																	
	<table border="1"> <thead> <tr> <th></th> <th>Parameter</th> <th>Weightage</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Total Premium Income</td> <td>4</td> </tr> <tr> <td>(ii)</td> <td>First Year Premium Income</td> <td>4</td> </tr> <tr> <td>(iii)</td> <td>New Policies</td> <td>3</td> </tr> <tr> <td>(iv)</td> <td>Early Claims Ratio</td> <td>2</td> </tr> <tr> <td>(v)</td> <td>Rental Income</td> <td>2</td> </tr> </tbody> </table>		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
	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																
(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 I Officers as on the 1st August, 2002 depending upon the achievements of the volumes in the above mentioned areas as per the tables appended hereto.																		

* Substituted vide Notification dated 05.09.2005 G.S.R. No. 559(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>
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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%

Note : The principal rules were published vide G.S.R. No. 794(E) dated the 11th October, 1985 and subsequently amended vide G.S.R. No. 960(E) dated the 7th December, 1987, G.S.R. No. 493(E) dated the 22nd April, 1988, G.S.R. No. 872(E) dated the 22nd August, 1988, G.S.R. No. 711(E) dated the 25th July, 1989, G.S.R. No. 816(E) dated the 11th October, 1990, G.S.R. No. 324(E) dated the 10th March, 1992, G.S.R. No. 53(E) dated the 2nd February, 1994, G.S.R. No. 597(E) dated the 30th June, 1995, G.S.R. No. 94(E) dated the 16th February, 1996, G.S.R. No. 286(E) dated the 18th July, 1996, G.S.R. No. 530(E) dated the 27th August, 1998, G.S.R. No. 612(E) dated the 30th August, 1999, G.S.R. No. 550(E) dated the 22nd June, 2000, G.S.R. No. 287(E) dated the 27th April, 2004, G.S.R. No. 559(E) dated the 5th September, 2005 and GSR No. 305 (E) dated 25th April, 2007.