

**LIFE INSURANCE CORPORATION OF INDIA**  
**DEVELOPMENT OFFICERS (REVISION OF TERMS**  
**AND CONDITIONS OF SERVICE) RULES, 1986\***

**G.S.R. 1091(E)** – In exercise of the powers conferred by Clause (cc) 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 Development Officers of the Life Insurance Corporation of India, namely:

**1. Short title and commencement :**

- (1) These rules may be called the Life Insurance Corporation of India Development Officers (Revision of Terms and Conditions of Service) Rules, 1986.
- (2) They shall be deemed to have come into force on the 1st day of April, 1986.

**2. Definitions :**

In these rules, unless the context otherwise requires —

- (a) “Act” means the Life Insurance Corporation Act, 1956 (31 of 1956);
- (b) “Development Officer” means a whole-time salaried employee of the Corporation belonging to Class-II and includes any person who became an employee of the Corporation on the 1st day of September, 1956 and is working as a Development Officer;
- (c) “Special Provisions” means the provisions contained in Schedule III to the Staff Rules;
- \* (d) “Instructions” means the instructions issued by the Chairman under Sub-Regulation (2) of Regulation 51 of the Staff Rules.
- \* (e) “Special Rules” means the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989 and/or the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 2009.
- \* (f) “Staff Rules” means the Life Insurance Corporation of India (Staff) Regulations, 1960, which by virtue of sub-section (2A) of Section 48 of the Act are deemed to be rules.
- \*\* (g) Words and expressions used in these rules and not defined but defined in the Special Rules or the Staff Rules shall have the same meanings assigned to them in the Special Rules or the Staff Rules;

**3. Conditions of service of Development Officers :**

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

\* Notified in Gazette of India dated 18.7.1996 and came into force with immediate effect.

\*\* As amended vide Notification No. GSR 551(E) dated 22.06.2000.

#### **\*4. Scales of Pay :**

The scales of pay of the Development Officers shall be as under :

- (1) 11535 – 700 (2) – 12935 -825 (2) -14585 - 840 (17) - 28865;
- (2) The pay referred to in sub-rule (1) and other allowances admissible to a Development Officer under these rules shall be regulated in accordance with the Staff Rules and the Special Rules.
- (3) Addition to the Basic Pay after reaching maximum of the scales :

Subject to the work record being found satisfactory a Development Officer who has reached the maximum of the scale of pay, may be granted an addition to the basic pay equal to the last increment drawn by him, on first day of the month following completion of every three completed years of service after reaching such a maximum or on the first day of the month following the completion of his appraisal year subject to the maximum of four such additions:

Provided that no Development Officer shall be entitled to the fourth such addition to the basic pay before completion of three years after drawing the third such addition:

Provided further that where a Development Officer is not granted such addition to the basic pay on first day of the month following completion of three years of service or after drawing such additions, (such first day of the month following completion of three years of service from the date of reaching maximum of the scale of pay or after drawing of such additions referred to as “the relevant date”), his case shall fall due for review in each appraisal year in the month following that in which he completes twelve months of service as reckoned from the relevant date, so long as he has not been allowed such addition to the basic pay, and if it is decided to allow the such addition subsequently, it shall take effect from the first of the month in which the review has fallen due in the appraisal 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.

#### **5. Dearness Allowance :**

\*(1) The scales of dearness allowance applicable to Development Officers shall be determined as under :

- (a) Index : All India Average Consumer Price Index Number for Industrial Workers.
- (b) Base : Index No. 2944 in the series 1960=100.
- (c) Rate : For every four points in the quarterly average of the All India Consumer Price Index above 2944 points, a Development Officer shall be paid dearness allowance at the rate of 0.15% 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 sub-rule (3) of rule 4 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 [2944 points in the sequence – 2944-2948-2952-2956]\* 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 of the Development Officers except those who are 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 ,Navi Mumbai, Hyderabad, Bengaluru and other cities with population of 45 lakhs and above.	10% of Pay, subject to the maximum of Rs. 3200/- per month
ii Cities with population exceeding 12 lakhs, but less than 45 lakhs and except those mentioned at (i) and any city in the State of Goa	8% of Pay, subject to the maximum of Rs. 2700/- per month
iii Other places	7% of Pay, subject to the maximum of Rs. 2600/- per month

*Note:* 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.
- (2) Development Officers who are allotted residential accommodation by the Corporation shall pay for such residential accommodation appropriate licence fee as may be decided by the Corporation from time to time and they shall not be entitled to any house rent allowance.

\* Notified in Gazette of India, . GSR 825(E) dated 08.10.2010

[ ]\* Notified in Gazette of India . GSR 825(E) dated 08.10.2010

**\*7. City Compensatory Allowance**

The scales of City Compensatory Allowance payable to Development Officers shall be as under:

Place of posting	Rate of House Rent Allowance
i. Cities of Mumbai, Kolkata, Chennai, New Delhi, Noida, Faridabad, Ghaziabad, Gurgaon ,Navi Mumbai, Hyderabad, Bengaluru and other cities with population of 45 lakhs and above.	3% of Pay, subject to the maximum of Rs. 675/- per month
ii Cities with population exceeding 12 lakhs, but less than 45 lakhs and except those mentioned at (i) and any city in the State of Goa	2.5 % of Pay, subject to the maximum of Rs. 625/- per month
iii Cities with population of five lakhs and above but not exceeding twelve lakhs, States Capitals with population not exceeding twelve lakhs. Chandigarh, Mohali, Pondicherry, Port Blair and Panchkula.	2 % of Pay, subject to the maximum of Rs. 545/- per month

*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.

**\*\*7A. Hill Allowance :**

The scales of Hill Allowance payable to Development 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. 370/- 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. 290/- 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. 290/- per month

**@7B. Kit Allowance :**

Every Development Officer of the Corporation, on his first appointment at, or transfer to, any of the hill stations at which hill allowance is admissible in terms of rule 7A, shall be paid a kit allowance of Rs. 1,500/- as one-time payment :

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

\* & \*\* Notified in Gazette of India GSR 825(E) dated 08.10.2010

@ Notified in Gazette of India dated 21.1.1992, effective from the date of notification

**\*8. Provident Fund :**

- (1) Every Development Officer of the Corporation other than a Development Officer on probation or a Development Officer appointed on a temporary basis or a Development Officer appointed on or after 01.04.2010 or a Development Officer who is 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 Development Officer subject to a maximum of ten percent of the basic pay of each such Development Officer:

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

- (2) Development 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 Development Officers.

**9. Gratuity :**

- (1) A permanent Development Officer
  - (a) 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) who dies while in service of the Corporation; or
  - (c) who retires from the service of the Corporation; or
  - (d) whose service is determined either due to continued illness or accident incapacitating him from the proper discharge of his duties; or
  - (e) 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 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' terminal basic pay upto 30 years of service, and for service over 30 years, at the rate of 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 Development Officer on extra-ordinary leave exceeding 12 months during the entire period of his service shall be excluded.
- (3) Gratuity admissible to a Development 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.
- (4) In the case of a Development Officer who has been appointed from Class-III cadre on or after the 1st day of April, 1983 and who dies or retires after such appointment, the gratuity payable to him shall not be less than the gratuity that would have been payable to him if his services had been terminated while he was in Class-III cadre.

- (5) Subject to any lien the Corporation may have on the amount of gratuity admissible to any Development Officer, the Corporation shall pay to the Officer or his nominee or nominees, or if no nomination has been made or is subsisting, to his heirs, the amount of gratuity admissible under this rule.
- (6) Notwithstanding anything contained in the forgoing sub-rules –
- \* (i) Where the penalty of dismissal is imposed on a Development 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 Development Officer for any act involving the Corporation in a financial loss, the gratuity payable to him shall stand forfeited to the extent of such loss.

**\*\*10. Equitable Relief :**

- (1) Notwithstanding anything contained in sub-rule (2) of rule 1, the Corporation may, in respect of Development Officers, by instructions, provide for grant of arrears of salary for the period prior to 1st April, 2010 by way of equitable relief in the following manner :-

The equitable relief paid for the period from 1st August, 2007 to 31st March, 2008, from 1st April, 2008 to 31st March, 2009 and 1st April, 2009 to 31st March, 2010 for the purpose of arriving at the annual remuneration for the purpose of appraisal year under the special rules shall be as shown below :-

- (i) 50% of the equitable relief paid for the period 1st August, 2007 to 31st March, 2008 shall form part of the annual remuneration for the appraisal year commencing immediately after the date of publication of these rules and 50% of the equitable relief paid shall not be taken into account for the purpose of arriving at the annual remuneration and
- (ii) 50% of the equitable relief paid for the period 1st April, 2008 to 31st March, 2009 shall form part of the annual remuneration for the appraisal year of twelve months period following the first mentioned period of twelve months and 50% of the equitable relief paid shall not be taken into account for the purpose of arriving at the annual remuneration, and
- (iii) 50% of the equitable relief paid for the period 1st April, 2009 to 31st March, 2010 shall form part of the annual remuneration for the appraisal year of twelve months period following the second mentioned period of twelve months and 50% of the equitable relief paid shall not be taken into account for the purpose of arriving at the annual remuneration

Explanation .-

- (1) For the removal of doubts, it is clarified that the salary relating to the financial year commencing on 1st April, 2010 shall form part of the annual remuneration in the relevant appraisal years in that financial year.

• As amended by Notification dated 7.11.1989 and came into force w.e.f. 1.4.1989.

\*\* Substituted vide Notification dated 08.10.2010 [G.S.R. No. 825 (E)]

- (2) The Corporation may provide by instructions issued in this behalf under sub-rule(2) of rule 51 of Life Insurance Corporation of India (Staff) Rules, 1960 for fixation of basic pay in the scales of pay as revised by these rules of persons who may have worked as Development Officers on or after 1st August, 2007 but before the date of publication of this notification in the Official Gazette, classify them according to the nature of cessation of their service as Development Officers and specify whether the payments by way of equitable relief may be allowed to any class of Development Officers at all for the period of their service as such and if so, the amount and the terms and conditions thereof :

Provided that no payment by way of equitable relief shall be allowed in respect of the class of Development Officers whose services may have been terminated under the special rules.

- (3) Subject to the other provisions of this rule, where basic pay is fixed in accordance with this rule, the other allowances and benefits as revised by these rules shall also be payable on the basis of such fixation.";

#### **10A. Fixed Personal Allowance:**

- (1) A Development Officer other than a Development Officer on probation on first appointment or who has reached the maximum of the scale of pay applicable to him on the 1st 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 Development Officer who on his first appointment in the Corporation's service was on probation on the 1st day of November, 1993 shall be paid one such increment on completion of one year of service after confirmation.

- (2) A Development Officer who has reached the maximum of the scale of pay applicable to him on the first day of November 1993, shall be paid a Fixed Personal Allowance on account of computerisation equal to the last increment drawn in the scale of pay applicable to him on the first day of November 1993.
- (3) A Development 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 granted as per sub-rule (2) above shall count for the purposes of House Rent Allowance, Provident Fund, Pension, Gratuity and Encashment of Privilege Leave.
- (5) Additional Increment for Computerisation for Development Officers 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:

The Development Officers 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 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 Development Officers who on their first appointment in the Corporation's service were on probation on the date of publication of this notification in the official gazette shall be granted the said increment only on completion of 365 days of service after the date of confirmation;
- (ii) A Development 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 in the official gazette, 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.

\*(iii) Any Development Officer who has joined the services of the corporation after the 22nd June, 2000 shall not be eligible for this increment.;

**!10B.Productivity Linked Lumpsum Incentive (PLLI) :**

The Development Officers of the Corporation shall be paid Productivity Linked Lumpsum Incentive as under :

- (i) For the period from 1st April, 2009 to 31st March, 2010 Productivity Linked Lumpsum Incentive shall be payable based on the performance of the Corporation as a whole on the basis of parameters based on Statement of Intent as approved by the Board;
- (ii) For the period from 1st April, 2010 onwards Board shall be empowered to formulate the parameters and performance norms of the Productivity Linked Lumpsum Incentive for its Development Officers based on Statement of Intent every year subject to following conditions:
  - (a) Productivity Linked Lump Sum Incentive shall be payable at the levels of 1%, 2%, 3%, etc. up to a maximum of 6% of the pre-revised annual pay of individual Development Officers as on 1st August, 2007.
  - (b) Productivity Linked Lump Sum Incentive shall be payable to Development Officers in Corporate Office based on the performance of the Corporation as a whole.
  - (c) Productivity Linked Lump Sum Incentive shall be payable to Development Officers in Zonal Office based on the performance of the Zone as a whole.
  - (d) Productivity Linked Lump Sum Incentive shall be payable to Development Officers in Divisional/Branch Office based on the performance of the Division as a whole.
  - (e) The threshold minimum Productivity Linked Lump Sum Incentive for Zonal Office / Divisional Office / Branch Office shall be 50% of the Corporate level Productivity Linked Lump Sum Incentive .

Notes: (I) For the purpose of this rule annual pay means –

- (1) pre-revised basic pay, Dearness Allowance and Fixed Personal Allowance as on 1st August, 2007 in respect of existing Development Officers;
  - (2) pre-revised basic pay and Dearness Allowance as on 1st August, 2007 which corresponds to the stage where his pay has been fixed on appointment in respect of those Development Officers appointed after 1st August, 2007;
- (II) For the removal of doubts, it is clarified that the amount paid under this rule to the Development Officers shall not form part of his annual remuneration and ad-hoc annual remuneration under the Special Rules.”;

\* As amended vide Notification No. GSR 560(E) dated 05.09.2005.

! As amended vide Notification No. GSR 825(E) dated 08.10.2010.



**\*10C. Paradeep Port Allowance :**

Every Development Officer working in office(s) at Paradeep shall be paid “Paradeep Port Allowance” of Rs. 110/- 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 but shall form part of the adhoc annual remuneration and annual remuneration under the special rules.

**†10D. Maternity Leave :**

The competent authority may grant to a female Development 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 a Development Officer’s service.

Provided that leave may be granted once during the service to a childless female Development Officer 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;

**†10E. Sick Leave :**

A Development 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 a Development Officer under sub-rule (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 a Development 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.

**11. Interpretation :**

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

\* As amended vide Notification No. GSR 825(E) dated 08.10.2010.

† Inserted vide Notification No. 551(E) dated 22.06.2000.

*Note* : The principal rules were published vide G.S.R. No.1091(E) dated the 17th September, 1986 and subsequently amended vide G.S.R. No. 962(E) dated the 7th December, 1987, G.S.R. No. 871(E) dated the 22nd August,1988, G.S.R. No. 968(E) dated the 7th November, 1989, G.S.R. No. 825(E) dated the 9th October, 1990, G.S.R. No. 55(E) dated the 21st January, 1992, G.S.R. No. 325(E) dated the 10th March, 1992, G.S.R. No. 54(E) dated the 2nd February, 1994, G.S.R. No. 596(E) dated the 30th June, 1995, G.S.R. No. 95(E) dated the 16th February, 1996, G.S.R. No. 287(E) dated the 18th July, 1996, G.S.R. No. 531(E) dated the 27th August, 1998, G.S.R. No. 551(E) dated the 22nd June, 2000, G.S.R. No. 288(E) dated the 27th April, 2004 ,G.S.R. No. 560(E) dated the 5th September, 2005 and G.S.R. No. 825(E) dated the 8th October, 2010.