

Life Insurance Corporation of India (Employees) Pension Rules, 1995

GSR 525(E) – In exercise of the powers conferred by Section 48 of the Life Insurance Corporation Act, 1956 (31 of 1956), the Central Government hereby makes the following rules, namely:

CHAPTER - I

PRELIMINARY

1. Short title and commencement

- (1) These rules may be called the Life Insurance Corporation of India (Employees) Pension Rules, 1995.
- (2) Save as otherwise expressly provided in these rules, these rules shall be deemed to have come into force on the 1st day of November, 1993.

2. Definitions - In these rules, unless the context otherwise requires

- (a) “Act” means the Life Insurance Corporation Act, 1956 (31 of 1956);
- (b) “actuary” shall have the meaning assigned to it in clause (1) of Section 2 of the Insurance Act, 1938 (4 of 1938);
- (c) “Appendix” means an Appendix annexed to these rules;
- (d) “average emoluments” means the average of the pay drawn by an employee during the last ten months of his service;
- (e) “child” means a child of the employee, who, if a son, is under twenty-five years of age and if a daughter, is unmarried and is under twenty-five years of age and the expression “children” shall be construed accordingly;
- (f) “Competent Authority” means,
 - (i) in relation to employees belonging to the cadre of Assistant Administrative Officers and employees belonging to Class II, Class III and Class IV, the Zonal Manager in-charge of the Zone of the Corporation; and
 - (ii) in any other case, the appointing authority specified by Appendix I to these rules;
- (g) “contribution” means any sum credited by the Corporation on behalf of an employee to the Fund, but shall not include any sum credited as interest;
- (h) “Corporation” means the Life Insurance Corporation of India established under Section 3 of the Life Insurance Corporation Act, 1956 (31 of 1956);
- (i) “date of retirement” means the last day of the month in which an employee attains the age of superannuation or the date on which he is retired by the Corporation or the date on which the employee voluntarily retires;
- (j) “employee” means any person employed in the service of the Corporation on full-time work on permanent basis and who opts and is governed by these rules but does not include an employee retired before the commencement of these rules and who is drawing pension from the Pension Fund of the Oriental Government Security Life Assurance Company Limited in accordance with sub-regulation(2) of regulation 76 of the Life Insurance Corporation of India (Staff) Regulations, 1960, made under the Act;

* Provided that where the Chairman of the Corporation appointed by the Central Government in accordance with Section 4 of the Act was immediately preceding such appointment an Employee of the Corporation, then, subject to the terms of any contract, agreement or letter of appointment or directions issued by the Central Government, such Chairman for the purposes of these rules shall also be deemed to be an employee of the Corporation.

(k) "family" in relation to an employee means,

(i) wife in the case of a male employee or husband in the case of a female employee;

(ii) a judicially separated wife or husband, such separation not being granted on the ground of adultery and the person surviving was not held guilty of committing adultery;

(iii) son who has not attained the age of twenty-five years and unmarried daughter who has not attained the age of twenty five years including such son or daughter adopted legally [.....deleted]*

\$(iv) Unmarried/Widowed/Divorced daughter till the date of her marriage/re- marriage or the date on which her income exceeds the dependency criteria as defined in clause 8 of these instructions;

\$(v) Parents who were wholly dependent on the deceased employee as per the dependency criteria as defined in clause 8 of these instructions, when he/she was alive, provided that the deceased employee had left behind neither a widow nor a child or had left behind only a widow who has subsequently remarried;

Provided that the eligibility of a member of the family to family pension, at any particular point of time, shall be determined in order of his/her appearance in this clause.

(l) "financial year" means a year commencing on the first day of April;

(m) "Fund" means the Life Insurance Corporation of India (Employees) Pension Fund constituted under rule 5;

(n) "notified date" means the date on which these rules are published in the Official Gazette;

+ Provided that the notified date in relation to employees mentioned in proviso to clause (j) shall mean the date on which these Amendment Rules are published in Official Gazette.

** (o) "pay" includes,

(i) the basic pay including the stagnation increments if any; and

(ii) all allowances counted for the purpose of making contribution to the Provident Fund and

for the payment of dearness allowance;

and

(iii) fixed personal allowance not exceeding the last increment in the scale of pay; if any, and

(iv) ***[deleted]

* & []* Notified vide Govt. of India Notification dated 3.7.1996

+ Proviso added vide Govt. Notification dated 3.7.1996 ** Clause 'o' as amended vide Govt. Notification dated 14.5.1999

\$ Notified vide Govt. of India Notification dated 08.10.2010 (GSR No. 830(E))

*** deleted vide GSR No. 590 (3) dated 13.08.2001

Provided that for the purpose of calculating average emoluments, as defined under sub-clause (d) of rule 2, in respect of employees whose ten months' period before retirement falls partly under pre-revised pay scales and partly under the revised pay scales, the pay for the period for which they have drawn pay as per pre-revised scales may be updated by including the dearness allowance actually drawn by them or the dearness allowance upto the AICPI to which the revised basic pay is pegged, whichever is less.

(p) "pension" includes the basic pension and the additional pension referred to in Chapter VI of these rules;

(q) "pensioner" means an employee eligible for pension under these rules;

(r) "qualifying service" means the service rendered while on duty or otherwise which shall be taken into account for the purpose of pension under these rules;

(s) "retirement" means,

(i) retirement in accordance with the provisions contained in sub-regulation (1) or sub-regulation (2) or sub-regulation (3) of regulation 19 of the Life Insurance Corporation of India (Staff) Regulations, 1960 and rule 14 of the Life Insurance Corporation of India Class III and Class IV Employees (Revision of Terms and Conditions of Service) Rules, 1985 made under the Act;

(ii) voluntary retirement in accordance with the provisions contained in rule 31 of these rules;

(t) "Service Rules" includes,

(i) the Life Insurance Corporation of India Class I Officers (Revision of Terms and Conditions of Service) Rules, 1985;

(ii) the Life Insurance Corporation of India Class III and Class IV Employees (Revision of Terms and Conditions of Service) Rules, 1985;

(iii) the Life Insurance Corporation of India Development Officers (Revision of Terms and Conditions of Service) Rules, 1986;

made under Section 48 of the Act;

(u) "Staff Regulations" means the Life Insurance Corporation of India (Staff) Regulations, 1960 made under the Act;

(v) "trust" means the trust of the Life Insurance Corporation of India (Employees) Pension Fund constituted under sub-rule(1) of rule 5;

(w) "trustee" means the trustee of the Life Insurance Corporation of India (Employees) Pension Fund constituted under rule 5;

(x) "trustee of the Provident Fund " means the trustees of the Provident Fund of the Corporation;

(y) all other words and expressions used in these rules but not defined, and defined in the Act or the Service Rules or the Staff Regulations shall have the same meanings respectively assigned to them in the Act, the Service Rules or the Staff Regulations, as the case may be.

CHAPTER II
APPLICATION AND ELIGIBILITY

3. Application -These rules shall apply to employees who,

(1) (a) were in the service of the Corporation on or after the 1st day of January, 1986 but had retired before the 1st day of November, 1993; and

(b) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund; and

(c) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause(b), the entire amount of the Corporation's contribution to the Provident Fund including interest accrued thereon together with a further simple interest at the rate of six per cent per annum on the said amount from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Corporation; or

(2) (a) have retired on or after the 1st day of November, 1993 but before the notified date; and

(b) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund; and

(c) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (b), the entire amount of the Corporation's contribution to the Provident Fund and interest accrued thereon together with a further simple interest at the rate of twelve per cent per annum on the said amount from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Corporation; or

(3) (a) are in the service of the Corporation before the notified date and continue to be in the service of the Corporation on or after the notified date; and

(b) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund; and

(c) authorise the trust of the Provident Fund to transfer the entire contribution of the Corporation to their Provident Fund alongwith the interest accrued thereon to the credit of the Fund constituted for the purpose under rule 5; or

(4) join the service of the Corporation on or after the notified date; and

(5) were in the service of the Corporation during any time on or after the 1st day of November, 1993 and had died after retirement but before the notified date, their family shall be entitled for the amount of pension payable to them from the date on which they would have been entitled to pension under these rules had they been alive till the date on which they died, if the family of the deceased

(a) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund; and

(b) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (a) above, the entire amount of the Corporation's contribution to the Provident Fund and interest accrued thereon together with a further simple interest at the rate of twelve per cent per annum from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Corporation ; or

(6) joined the service of the Corporation on or after the 1st day of November, 1993 but who have died while in the service of the Corporation before the notified date, their family shall be entitled to the family pension under these rules;

Provided that the family of such a deceased employee refunds within one hundred and eighty days from the notified date the entire amount of the Corporation's contribution to the Provident Fund, if any, and interest accrued thereon together with further simple interest at the rate of twelve per cent per annum from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Corporation; Provided further that the family of such a deceased employee shall apply in writing for grant of family pension; or

(7) were in the service of the Corporation during any time on or after the 1st day of January, 1986 and had died while in service on or before the 31st day of October, 1993 or had retired on or before the 31st day of October, 1993 but died before the notified date in which case their family shall be entitled to the family pension under these rules, if the family of the deceased,

(a) exercises an option in writing within one hundred and twenty days from the notified date to become member of the Fund; and

(b) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (a) above, the entire amount of the Corporation's contribution to the Provident Fund and interest accrued thereon together with a further simple interest at the rate of six per cent per annum from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Corporation ;or

(8) joined the service of the Corporation on or before the 31st day of October, 1993 and who died while in service on or after the 1st day of November, 1993, but before the notified date in which case their families shall be entitled to family pension under these rules if the family of the deceased employee,

(a) exercises an option in writing within one hundred and twenty days from the notified date to become a member of the Fund; and

(b) refund within sixty days from the date of expiry of the said period of one hundred and twenty days specified in clause (a) above, the entire amount of the Corporation's contribution to the Provident Fund, including interest accrued thereon, together with a further simple interest at the rate of twelve per cent per annum from the date of settlement of the Provident Fund account of the employee till the date of refund of the aforesaid amount to the Corporation.

*(9) (a) joined the service of the Corporation before the 28th day of June, 1995, and are in its service on the notified date;

(b) exercise an option in writing within one hundred and twenty days from the date of publication of this notification to become member of the Fund; and

(c) authorised the trustees of the Provident Fund to transfer the entire contribution of the Corporation to their Provident Fund alongwith the interest accrued thereon to the credit of the Fund constituted for the purpose under Rule 5.

Note : For the purposes of this rule, other than sub-rule (3), "Notified date" shall mean the date of publication of the Life Insurance Corporation of India (Employees) Pension (Amendment) Rules, 1997.

**Provided that these rules shall not be applicable to the employees joining service of the Corporation on or after 1st April 2010 and they shall be covered under defined contribution pension scheme to be framed by the Corporation.

4. Option to subscribe to the Provident Fund

(1) Notwithstanding anything contained in sub-rule (4) of rule 3, an employee who joins the service of the Corporation on or after the notified date at the age of thirty-five years or more, may, within a period of ninety days from the date of his appointment, elect to forego his right to pension, whereupon these rules shall not apply to him.

(2) The option referred to in sub-rule (1) and in rule 3, once exercised, shall be final.

* Sub-Rule 9 along with Note inserted vide Govt. Notification dated 22.4.1997.

** Notified vide Govt. of India Notification dated 08.10.2010 (GSR No. 830(E))

CHAPTER III
THE FUND

5. Constitution of the Fund

(1) The Corporation shall constitute a Fund to be called the Life Insurance Corporation of India (Employees) Pension Fund under an irrevocable trust within a period of one hundred and twenty days from the notified date.

(2) The Fund shall have for its sole purpose the provision of the payment of pension or family pension in accordance with these rules to the employee or his family.

(3) The Corporation shall be a contributor to the Fund and shall ensure that sufficient sums are placed in it to enable the trustees to make due payments to beneficiaries under these rules.

6 Liability of the Provident Fund trust -The Provident Fund trust shall, immediately after the constitution of the Fund, transfer to the Life Insurance Corporation of India (Employees) Pension Fund the accumulated balance of the contribution of the Corporation to the Provident Fund and interest accrued thereon upto the date of such transfer in respect of every employee.

7 Composition of the Fund -The Fund shall consist of the following, namely:

(a) the contribution by the Corporation at the rate of ten per cent. per month of the pay of the employee;

* *Explanation 1* :

For the purpose of this rule "pay" includes

(i) the basic pay,

(ii) allowances other than dearness allowance which count for the purposes of making contribution to the Provident Fund and payment of dearness allowance,

(iii) dearness allowance payable on the basic pay and the allowances specified in clause (ii) above, upto Index Number 1148 in the quarterly average of the All India Consumer Price Index for Industrial Workers in the series 1960=100; and

(iv) allowances to the extent they count for Provident Fund, house rent allowance, gratuity and for refixation of salary on promotion:

Provided that the Corporation shall not make any contribution to the account of the Provident Fund of the employee ;

†*Explanation 2* :

On and from the date of publication of Life Insurance Corporation of India (Employees) Pension (Amendment) Rules, 1997, "pay" includes

(i) the basic pay,

(ii) allowances other than dearness allowance which count for the purposes of making contribution to the Provident Fund and also payment of dearness allowance,

(iii) allowances to the extent they count for Contribution to the Provident Fund, house rent allowance, gratuity and for refixation of salary on promotion:

* Explanation renumbered as Explanation 1 by Notification dated 22.4.1997

† Explanation 2 inserted vide Govt. Notification dated 22.4.1997

Provided that the Corporation shall not make any contribution to the account of the Provident Fund of the employee ;

- (b) the accumulated contributions of the Corporation to the Provident Fund and interest accrued thereon upto the date of such transfer in respect of the employees;
- (c) the amount consisting of contributions of the Corporation along with interest refunded by the employees who had retired before the date of publication of these rules but who opt for pension in accordance with the provisions contained in these rules;
- (d) the investment in annuities or securities purchased out of the moneys of the Fund and interest thereon;
- (e) amount of any capital gains arising from the capital assets of the Fund;
- (f) the additional annual contribution made by the Corporation in accordance with the provisions contained in rule 11 of these rules;
- (g) any income from investments of the amounts credited to the Fund;
- (h) the amount consisting of contribution of the Corporation along with interest refunded by the family of the deceased employee.

8. Board of Trustees

- (1) The Board of trustees shall consist of such number of persons not less than three and not more than nine, as may be determined by the Corporation, to be appointed by the Corporation.
- (2) The power to appoint the trustees shall be vested with the Corporation and all such appointments shall be made in writing.
- (3) The Corporation shall nominate one of the trustees to be the Chairman of the Board of trustees. The Corporation shall also nominate a trustee to be an alternate Chairman who shall act as Chairman in the absence of the Chairman.

9 Trustees to carry out the directions of the Corporation -The trustees shall comply with all such directions as may be given by the Corporation for the proper functioning of the Fund.

10. Books of accounts of the Fund

- a. (1) The accounts of the Fund shall contain the particulars of all financial transactions relating to the Fund in such form as may be specified by the Corporation.
- b. (2) Within one hundred and eighty days from the closing of each financial year, the trust shall prepare a financial statement of the trust indicating therein the general account of assets and liabilities of the trust and forward a copy of the same to the Corporation.
- c. (3) The accounts of the Fund shall be audited in accordance with the provisions of section 25 of the Act.

11 Actuarial investigation of the Fund -The Corporation shall cause an investigation to be made by an Actuary into the financial condition of the Fund every financial year, on the 31st day of March, and make such additional annual contributions to the Fund as may be required to secure payment of the benefits under these rules:

Provided that the Corporation shall cause an investigation to be made by an Actuary into the financial condition of the Fund, as on the 31st of day of March immediately following the financial year in which the Fund is constituted.

12 **Investment of the Fund** -All moneys contributed to the Fund or received or accruing by way of interest or otherwise to the Fund, shall, within a reasonable time from the date of the contribution, receipt or accrual, as the case may be, be dealt in accordance with rule 85 and clause (ii) of rule 89 of the Income-tax Rules 1962, made under the Income-tax Act, 1961,(43 of 1961) and payable both in respect of capital and interest in India as applicable in the Fund.

13. **Payments out of the Fund** -The payment of benefits by the trust shall be administered as follows, namely:

- (a) the trust shall purchase immediate annuities from the Corporation in respect of each employee or his family, as the case may be, at the time he or his family becomes eligible for the benefits under these rules;
- (b) the trust shall, subject to the availability of additional sums in the Fund, to be provided by the Corporation as required under rule 5 (3) purchase additional annuities as and when it becomes necessary to revise upwards the benefits payable in accordance with these rules;
- (c) the trust shall, in the event of the benefits payable under these rules being revised downwards for any reason whatsoever, credit the benefits received from the Corporation under the annuities purchased as exceed the benefits payable under these rules, to the Fund.

CHAPTER - IV
QUALIFYING SERVICE

14 **Qualifying Service** -Subject to the other conditions contained in these rules, an employee who has rendered a minimum ten years of service in the Corporation on the date of his retirement shall qualify for pension.

15 **Commencement of qualifying service** -Subject to the provisions contained in these rules, qualifying service of an employee shall commence from the date he takes charge of the post to which he is first appointed on a regular basis.

16 **Counting of service on probation** -Service on probation against a post in the Corporation if followed by confirmation in the same or another post shall qualify.

17 **Counting of period spent on leave** -All leave during service in the Corporation for which leave salary is payable shall count as qualifying service:

Provided that extraordinary leave granted on medical certificate or on account of the employees' inability to join or rejoin duty due to civil commotion, not exceeding twelve months during the entire service, shall also count as qualifying service.

18. **Qualifying service on re-appointment** -Where,

(a) a person is re-employed in accordance with the provisions contained in regulation 12 of the Staff Regulations: or

(b) an employee being a Development Officer, whose services had been terminated in accordance with the provisions contained in,

(i) the notification of the Corporation No. 65(24)-Ins. III/7/74 dated the 21st April, 1976, relating to Schedule III to the Staff Regulations; or

(ii) the notification of the Government of India, Ministry of Finance (Department of Economic Affairs) No. G.S.R. 290(E) dated the 8th April, 1976 relating to the Life Insurance Corporation Development Officers (Alteration of Remuneration and other Terms and Conditions of Service) Order, 1976 issued under sub-section(2) of Section 11 of the Act; or

(iii) the notification of the Corporation dated the 19th December, 1978 relating to the Schedule III to the Staff Regulations published in the Gazette of India Extraordinary Part III - Section 4 on 19th December, 1978; or

(iv) the notification of the Government of India, Ministry of Finance (Department of Economic Affairs) No. G.S.R. 584(E) dated the 19th December, 1978 relating to the Life Insurance Corporation Development Officers (Alteration of Remuneration and other Terms and Conditions of Service) Order, 1978 issued under sub-section(2) of Section 11 of the Act; or

(v) the notification of the Government of India, Ministry of Finance (Department of Economic Affairs) No. G.S.R. 643(E) dated the 26th June, 1989 relating to the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989 issued under sub-section(2) of Section 48 of the Act,

and who is re-appointed in the service of the Corporation, the service of such a person or an employee prior to his re-employment or re-appointment, as the case may be, shall be counted in the qualifying service if he has paid to the Corporation at the time of such

re-employment or re-appointment the aggregate of the Corporation's contribution due to him in the Provident Fund and the interest thereon which were paid to him on the determination of his previous service:

Provided that :

- (i) periods of extraordinary leave on loss of pay except as otherwise provided herein;
- (ii) periods of unauthorised absence except as provided in rule 28 of these rules;
- (iii) the service prior to his re-employment or re-appointment in the case of a person reemployed or reappointed after he has resigned from the service of the Corporation; shall not be counted as qualifying service.

19 **Broken period of service of less than one year** -If the period of service of an employee includes broken period of service of less than one year, then if such broken period is more than six months it shall be treated as one year and if such broken period is six months or less it shall be ignored.

20 **Counting of period spent on training** -Period spent by an employee on training in the Corporation immediately before his appointment or re-employment or re-appointment shall count as qualifying service.

21. **Counting of past service with the erstwhile Insurer** -Period of continuous service of a "transferred employee" with an insurer shall qualify for pension:

- a. Provided that such "transferred employee" was not eligible for any pension, annuity, gratuity in lieu of pension or such other superannuation benefit in lieu of pension from the insurer in respect of his service with such insurer.

22 **Period of suspension** -Period of suspension of an employee pending enquiry shall count for qualifying service where, on conclusion of such enquiry, he has been fully exonerated or the suspension is held to be wholly unjustified and, in other cases, the period of suspension shall not count as qualifying service unless the competent authority passing the order under regulation 38 of the Staff Regulations governing such cases expressly declares at the time that it shall count to such extent as such authority may declare.

23 **Forfeiture of service** -Resignation or dismissal or removal or termination or compulsory retirement of an employee from the service of the Corporation shall entail forfeiture of his entire past service and consequently shall not qualify for pensionary benefits.

24. **Period of deputation to foreign service** -An employee deputed on foreign service to the United Nations or any other foreign body or organisation may, at his option,

- a. (a) pay pension contribution in respect of his foreign service and count such service as qualifying service under these rules; or
- b. (b) avail of the retirement benefits admissible under the rules of the foreign employer and not count such service as qualifying service under these rules:

Provided that where an employee opts for clause (b), retirement benefits shall be payable to him in India in rupees from such date and in such manner as the Corporation may, by order, specify.

25. **Military Service** -An employee who has rendered military service before appointment or reemployment or re- appointment in the Corporation shall continue to draw the military pension, if any, and the military service rendered by the employee shall not count as qualifying service for pension.

26. Period of deputation to an organisation in India -Period of deputation of an employee to another organisation in India will count as qualifying service:

Provided the organisation to which he is deputed or the employee pays the pensionary contributions at the rates specified in sub-rule (a) of rule 7 of these rules, to the Corporation.

27. Addition to qualifying service in special circumstances -An employee shall be eligible to add to his service qualifying for superannuation pension (but not for any other class of pension) the actual period not exceeding one-fourth of the length of his service or the actual period by which his age at the time of recruitment exceeded twenty-eight years, or a period of five years, whichever is less, if the service or post to which the employee is appointed is one

(a) for which post-graduate research, or specialist qualification or experience in scientific, technological or professional fields is essential;

and

(b) to which candidates of more than twenty-eight years of age are normally recruited; and

(c) for which the candidate was given age relaxation over and above the maximum age limit fixed by the Corporation on account of his possessing higher qualifications or experience:

Provided that this concession shall not be admissible to an employee unless his actual qualifying service at the time he quits the service in the Corporation is not less than ten years:

Provided further that this concession shall be admissible only if the recruitment rules in respect of the said service or post contain a specific provision that the service or post is one which carries the benefit of this rule.

28. Condonation of interruption in service

(1) In the absence of a specific indication to the contrary in the service records, an interruption between two spells of service in the Corporation rendered by an employee including service counted in terms of the various provisions contained in these rules shall be treated as automatically condoned and the pre-interruption service treated as qualifying service.

(2) Nothing in sub-rule(1) shall apply to an interruption caused by resignation or dismissal or removal or compulsory retirement or termination from service.

(3) The period of interruption referred to in sub- rule(2) shall not count as qualifying service.

29. Counting of service rendered on permanent part-time basis in certain cases

(1) In the case of an employee who immediately prior to his appointment on a whole-time basis, was employed on a permanent part-time basis in the service of the Corporation and was contributing to the Provident Fund, such service rendered by him on a permanent part- time basis shall be counted as qualifying service;

(2) The length of qualifying service of the employee referred to in sub-rule(1) for the purpose of calculating the amount of pension shall be determined in accordance with Appendix II.

CHAPTER V
CLASSES OF PENSION

30 **Superannuation Pension** -Superannuation pension shall be granted to an employee who has retired on his attaining the age specified in rule 14 of the Service Rules or sub-regulation (1) or sub-regulation(2) of regulation 19 of the Staff Regulations.

31 **Pension on voluntary retirement**

(1) At any time after an employee has completed twenty years of qualifying service he may,by giving notice of not less than ninety days, in writing, to the appointing authority, retire from service:

Provided that this sub-rule shall not apply to an employee who is on deputation unless after having been transferred or having returned to India he has resumed charge of the post in India and has served for a period of not less than one year:

Provided further that this sub-rule shall not apply to an employee who seeks retirement from service for being absorbed permanently in an autonomous body or a public sector undertaking to which he is on deputation at the time of seeking voluntary retirement.

(2) The notice of voluntary retirement given under sub-rule (1) shall require acceptance by the appointing authority:

Provided that where the appointing authority does not refuse to grant the permission for retirement before the expiry of the period specified in the said notice, the retirement shall become effective from the date of expiry of the said period.

(3) (a) An employee referred to in sub-rule (1) may make a request in writing to the appointing authority to accept notice of voluntary retirement of less than ninety days giving reasons therefor;

(b) on receipt of a request under clause(a), the appointing authority may, subject to the provisions of sub-rule (2), consider such request for the curtailment of the period of notice of ninety days on merits and if it is satisfied that the curtailment of the period of notice will not cause any administrative inconvenience, the appointing authority may relax the requirement of notice of ninety days on the condition that the employee shall not apply for commutation of a part of his pension before the expiry of the notice of ninety days.

(4) An employee, who has elected to retire under this rule and has given necessary notice to that effect to the appointing authority, shall be precluded from withdrawing his notice except with the specific approval of such authority:

Provided that the request for such withdrawal shall be made before the intended date of his retirement.

(5) The qualifying service of an employee retiring voluntarily under this rule shall be increased by a period not exceeding five years, subject to the condition that the total qualifying service rendered by such employee shall not in any case exceed thirty-three years and it does not take him beyond the date of retirement.

(6) The pension of an employee retiring under this rule shall be based on the average emoluments as defined under clause(d) of rule 2 of these rules and the increase, not exceeding five years in his qualifying service, shall not entitle him to any notional fixation of pay for the purpose of calculating his pension.

32. Invalid Pension

- (1) Invalid pension may be granted to an employee who,
 - (a) has rendered minimum ten years of service; and
 - (b) retires from the service on account of any bodily or mental infirmity which permanently incapacitates him for the service.
- (2) An employee applying for invalid pension shall submit a medical certificate of incapacity from a medical officer approved by the Corporation.

33. Compassionate Allowance

- (1) An employee, who is dismissed or removed or compulsorily retired or terminated from service, shall forfeit his pension :
Provided that the authority competent to dismiss or remove or compulsorily retire or terminate him from service may, if
 - (i) such dismissal, removal, compulsory retirement or termination is on or after the 1st day of November, 1993; and
 - (ii) the case is deserving of special consideration,

sanction a compassionate allowance not exceeding two-thirds of the pension which would have been admissible to him on the basis of the qualifying service rendered upto the date of his dismissal, removal, compulsory retirement or termination.
- (2) The compassionate allowance sanctioned under the proviso to sub-rule (1) shall not be less than the amount of the minimum pension payable under rule 36 of these rules.

34. Payment of pension or family pension in respect of employees who retired or died between 1.1.1986 and 31.10.1993

- (1) Employees who have retired from the service of the Corporation between the 1st day of January, 1986 and the 31st day of October, 1993 shall be eligible for pension with effect from the 1st day of November, 1993.
- (2) The family of a deceased employee governed by the provisions contained in sub-rule (7) of rule 3 shall be eligible for family pension with effect from the 1st day of November, 1993.

CHAPTER VI
RATE OF PENSION

35. Amount of Pension

(1) In respect of employees who retired between the 1st day of January, 1986 but before the 31st day of July, 1987, basic pension and additional pension will be updated as per the formula given in Appendix-III.

(2) In the case of an employee retiring in accordance with the provisions of the Service Rules or of the Staff Regulations after completing a qualifying service of not less than thirty three years the amount of basic pension shall be calculated at fifty per cent. of the average emoluments.

(3) (a) Additional pension shall be fifty per cent. of the allowances drawn by an employee during the last ten months of his service;

(b) no dearness relief shall be paid on the amount of additional pension.

Explanation :For the purpose of this sub-rule "allowances" means allowances which are admissible to the extent counted for the following purposes only, namely:

- (i) making contributions to the Provident Fund;
- (ii) grant of house rent allowance;
- (iii) payment of gratuity; and
- (iv) re-fixation of salary on promotion.

(4) Pension as computed being the aggregate of sub-rules (2) and (3) above shall be subject to the minimum pension as specified in these rules.

(5) An employee who has commuted the admissible portion of his pension as per the provisions of rule 41 of these rules shall receive only the balance of pension, monthly.

(6) (a) In the case of an employee retiring before completing a qualifying service of thirty-three years, but after completing a qualifying service of ten years, the amount of pension shall be proportionate to the amount of pension admissible under sub-rules (2) and (3) and in no case the amount of pension shall be less than the amount of minimum pension specified in these rules.

(b) Notwithstanding anything contained in these rules, the amount of invalid pension shall not be less than the ordinary rate of family pension which would have been payable to his family in the event of his death while in service.

(7) The amount of pension finally determined under this rule shall be expressed in whole rupee and where the pension contains a fraction of a rupee, it shall be rounded off to the next higher rupee.

* (8) Notwithstanding anything contained in these rules, in relation to an employee covered by the proviso to clause (j) of rule 2 or an employee appointed as a Managing Director under Section 20 of the Act, Pension shall be calculated in accordance with the provisions of sub-rule(2). The amount of Pension so calculated shall not be less than what he would have been entitled to, had he continued in the grade of Zonal Manager (Selection Scale), when the Pension becomes due and payable to him.

* Sub-Rule (8) added vide Govt.Notification dated 22.4.1997

36. **Minimum pension -The amount of minimum pension shall be,

(a) rupees three hundred and seventy five per month in respect of an employee, belonging to Class-III or Class-IV, who had retired or died before 1st August, 1992 and in respect of employee belonging to Class-I or Class-II, who had retired or died before 1st day of April, 1993.

(b) rupees seven hundred and twenty per month in respect of an employee belonging to Class-III or Class-IV, who had retired or died on or after 1st August, 1992, and in respect of an employee belonging to Class-I or Class-II, who had retired or died on or after 1st April, 1993.

*** (c) rupees 1,100/- per month in respect of employees belonging to Class-I, Class-II, Class-III and Class-IV, who have retired or died on or after the first day of August, 1997;

*** (d) in case of any wage revision in future the amount of minimum pension payable to an employee shall be determined by the Corporation corresponding to the index to which the scale is linked.

(The Corporation has determined that the amount of minimum pension shall be rupees 1480/per month in respect of employees belonging to Class-I, Class-II, Class-III and Class-IV, who have retired or died on or after the first day of August, 2002);

37. Dearness Relief

(1) Dearness relief shall be granted on basic pension or family pension or invalid pension or on compassionate allowance in accordance with the rates specified in appendix IV.

(2) Dearness relief shall be allowed on full basic pension even after commutation.

38. Determination of the period of ten months for average emoluments

(1) The period of the preceding ten months for the purpose of average emoluments shall be reckoned from the date of retirement.

(2) In the case of voluntary retirement the period of the preceding ten months for the purpose of average emoluments shall be reckoned from the date on which the employee voluntarily retires.

(3) In the case of dismissal or removal or compulsory retirement or termination of service the period of the preceding ten months for the purpose of average emoluments shall be reckoned from the date on which the employee is dismissed or removed or compulsorily retired or terminated by the Corporation.

(4) If during the last ten months of the service an employee had been absent from duty on extraordinary leave on loss of pay or had been under suspension and the period whereof does not count as service, the aforesaid period of extraordinary leave or suspension shall not be taken into account in the calculation of the average emoluments and an equal period before the ten months shall be included.

** Rule 36 was amended vide Govt. Notification No. GSR 349(E), Part-II, Section 3, Sub-section (i) dated 14.5.1999. *** Notified in Gazette of India, Part-III Section 3 dated 22.6.2000 (GSR No. 553(E)).

CHAPTER VII
FAMILY PENSION

39. Family Pension

(1) Without prejudice to the provisions contained in these rules where an employee dies

- (a) after completion of one year of continuous service; or
- (b) before completion of one year of continuous service, provided the deceased employee concerned immediately prior to his appointment to the service or post was examined by a medical officer approved by the Corporation and declared fit for employment in the Corporation; or
- (c) after retirement from service and was on the date of death in receipt of a pension, or compassionate allowance;

the family of the deceased shall be entitled to family pension, the amount of which shall be determined in accordance with Appendix V.

(2) The amount of family pension shall be fixed at monthly rates and be expressed in whole rupees and where the family pension contains a fraction of a rupee, it shall be rounded off to the next higher rupee:

Provided that in no case a family pension in excess of the maximum prescribed under these rules shall be allowed.

(3) (a) (i) Where an employee, who is not governed by the Workmen's Compensation Act, 1923 (8 of 1923), dies while in service after having rendered not less than seven years' continuous service, the rate of family pension payable to the family shall be equal to fifty per cent of the pay last drawn or twice the family pension admissible under sub-rule(1), whichever is less, and the amount so admissible shall be payable from the date following the date of death of the employee for a period of seven years or for a period up to the date on which the deceased employee would have attained the age of sixty five years had he survived, whichever is less;

(ii) in the event of death of an employee after retirement, the family pension as determined under clause (a) or clause (b) of this sub-rule shall be payable for a period of seven years or for a period up to the date on which the retired deceased employee would have attained the age of sixty five years had he survived, whichever is less;

(b) (i) where an employee, who is governed by the Workmen's Compensation Act, 1923 (8 of 1923), dies while in service after having rendered not less than seven years' continuous service, the rate of family pension payable to the family shall be equal to fifty per cent of the pay last drawn or one and half times the family pension admissible under sub-rule (1), whichever is less;

(ii) the family pension so determined under sub- clause (i) shall be payable for the period mentioned in clause(a);

(c) after the expiry of the period referred to in clause (a), the family, in receipt of family pension under that clause or clause (b) shall be entitled to family pension at the rate admissible under sub-rule (1).

*(d) Notwithstanding anything contained in these rules, the wholly dependent parents shall be entitled to family pension at the rate admissible under sub-rule (1)

4) Notwithstanding anything contained in these rules where the family of a deceased employee opts for pension in accordance with sub-rule (5) of rule 3 or is governed by the provisions contained in sub-rules (6) or (7) or (8) of rule 3 ,such family of the deceased shall be eligible for family pension under these rules.

* Notified vide Govt. of India Notification dated 08.10.2010 (GSR No. 830(E))

40. Period of payment of family pension

(1) The period for which family pension is payable shall be,

- (a) in the case of a widow or a widower, upto the date of death or re-marriage, whichever is earlier;
- (b) in the case of a son, until he attains the age of twenty-five years; and
- (c) in the case of an unmarried daughter, until she attains the age of twenty-five years or until she gets married, whichever is earlier:

Provided that if the son or daughter of an employee is suffering from any disorder or disability of mind or is physically crippled or disabled so as to render him or her unable to earn a living even after attaining the age of twenty- five years, the family pension shall be payable to such son or daughter for life subject to the following conditions, namely:

(i) if such son or daughter is one among two or more children of the employee, the family pension shall be initially payable to the minor children in the order set out in clause (e) of sub-rule(1) until the last minor child attains the age of twenty-five and thereafter the family pension shall be resumed in favour of the son or daughter suffering from disorder or disability of mind or who is physically crippled or disabled and shall be payable to him or her for life;

(ii) if there are more than one such children suffering from disorder or disability of mind or who are physically crippled or disabled, the family pension shall be paid in the order of their birth and the younger of them will get the family pension only after the elder next above him or her ceases to be eligible:

Provided that where the family pension is payable to such twin children it shall be paid in the manner set out in clause (f) of sub-rule (1);

(iii) the family pension shall be paid to such son or daughter through the guardian as if he or she were a minor except in the case of a physically crippled son or daughter who has attained the age of majority;

(iv) before allowing the family pension for life to any such son or daughter, the Competent Authority shall satisfy that the handicap is of such a nature as to prevent him or her from earning his or her livelihood and the same shall be evidenced by a certificate obtained from a medical officer approved by the Corporation, setting out, as far as possible, the exact mental or physical condition of the child;

(v) the person receiving the family pension as guardian of such son or daughter or such son or daughter not receiving the family pension through a guardian shall produce every three years a certificate from a medical officer approved by the Corporation to the effect that he or she continues to suffer from disorder or disability of mind or continues to be physically crippled or disabled.

Explanation. The grant of family pension to disabled children beyond the age limit specified in this sub-rule is subject to the following conditions, namely:

(i) a daughter shall become ineligible for family pension under this sub-rule from the date she gets married;

(ii) the family pension payable to such son or daughter shall be stopped if he or she starts earning his or her livelihood. In such cases it shall be the duty of the guardian or son or daughter to furnish a certificate to the Corporation every month that

(A) he or she has not started earning his or her livelihood;

(B) in case of daughter that she has not yet married;

(d) if a deceased employee or pensioner leaves behind a widow or widower, the family pension shall become payable to the widow or widower, failing which to the eligible child;

(e) family pension to the children shall be payable in the order of their birth and the younger of them shall not be eligible for family pension unless the elder next above him or her has become ineligible for the grant of family pension;

Provided that where the family pension is payable to twin children it shall be paid in the manner set out in clause (f) of the sub-rule (1);

(f) where the family pension is payable to twin children it shall be paid to such children in

equal shares:

Provided that where one such child ceases to be eligible, his or her share shall revert to the other child and where both of these cease to be eligible, the family pension shall be payable to the next eligible single child or twin children, as the case may be.

** (g) In case of dependent/unmarried/widowed/divorced daughter up to the date of marriage/re-marriage or till date on which her income exceeds dependency criteria as may be specified by the Corporation from time to time whichever is earlier.

** (h) in case of parents, who are wholly dependent on the deceased employee when he/she was alive, till the date on which their income exceeds the dependency criteria as may be specified by the Corporation from time to time, provided the deceased employee had left behind neither a widow nor a child or had left behind only a widow who had subsequently remarried.

(2) Where a deceased employee or a pensioner leaves behind more children than one, the eldest eligible child shall be entitled to the family pension for the period mentioned in clauses (b) or (c) of sub-rule(1), as the case may be, and after the expiry of that period the next child shall become eligible for the grant of family pension.

(3) Where family pension is granted under this rule to a minor, it shall be payable to the guardian on behalf of the minor.

(4) In case both wife and husband are employees of the Corporation and are governed by the provisions of this rule and one of them dies while in service or after retirement, the family pension in respect of the deceased shall be payable to the surviving husband or wife and in the event of death of the husband or wife, the surviving child or children shall be granted the two family pensions in respect of the deceased parents subject to the limits specified below, namely:

(a) if the surviving child or children is or are eligible to draw two family pensions at the rates mentioned in sub-clause(i) of clause (a) and sub-clause(i) of clause(b) of sub-rule (3) of rule 39 the amount of both pensions shall be limited to two thousand five hundred rupees only per mensem in respect of employees who retired or died while in service prior to the 1st day of November, 1993 and four thousand eight hundred rupees per mensem only in respect of employees who retired or died on or after the 1st day of November, 1993;

(b) if one of the family pensions ceases to be payable at the rates mentioned in sub-clause (i) of clause(a) or sub-clause (i) of clause (b) of sub-rule (3) of rule 39 and in lieu thereof the family pension at the rate mentioned in sub-rule(1) of rule 39 becomes payable, the amount of both the pensions shall also be limited to two thousand five hundred rupees per mensem in respect of employees who retired or died while in service prior to the 1st day of November, 1993 and four thousand eight hundred rupees per mensem in respect of employees who retired or died on or after the 1st day of November, 1993 ;

(c) if both the family pensions are payable at the rate mentioned in sub-rule (1) of rule 39 the amount of the two pensions shall be limited to one thousand two hundred and fifty rupees

* Notified vide Govt. of India Notification dated 08.10.2010 (GSR No. 830(E))

per mensem in the case of employees who retired or died while in service prior to the 1st day of November, 1993 and two thousand four hundred rupees per mensem in respect of employees who retired or died on or after the 1st day of November, 1993.

**Note :* In this sub-rule, for the figures and words "1st day of November, 1993" the figures and words "1st day of August, 1992", shall be substituted in respect of employees belonging to Class-III or Class-IV who have retired or died on or after 1st day of August, 1992 and the figures and words "1st day of April, 1993" shall be substituted in respect of Officers belonging to Class-I and Class-II who have retired or died on or after 1st day of April, 1993.

(5) (a) Where family pension is payable to more widows than one, the family pension shall be paid to the widows in equal shares;

(b) on the death of a widow, her share of the family pension shall become payable to her eligible child:

Provided that if the widow is not survived by any child, her share of the family pension shall not lapse but shall be payable to the other widows in equal shares, or if there is only one such other widow, in full, to her;

(c) where the deceased employee or pensioner is survived by a widow but has left behind eligible child or children from another wife who is not alive, the eligible child or children shall be entitled to the share of family pension which the mother would have received if she had been alive at the time of the death of the employee or pensioner:

Provided that on the share or shares of family pension payable to such a child or children or to a widow or widows ceasing to be payable, such share or shares shall not lapse, but shall be payable to the other widow or widows or to other child or children otherwise eligible, in equal shares, or if there is only one widow or child, in full, to such widow or child;

(d) where the family pension is payable to twin children it shall be paid to such children in the manner specified in clause (f) of sub-rule (1) above;

(e) except as provided in this sub-rule the family pension shall not be payable to more than one member of the family at the same time.

(6) Where a female employee or male employee dies leaving behind a judicially separated husband or widow and no child or children, the family pension in respect of the deceased shall be payable to the person surviving:

Provided that where in a case the judicial separation is granted on the ground of adultery and the death of the employee takes place during the period of such judicial separation, the family pension shall not be payable to the person surviving if such person surviving was held guilty of committing adultery.

(7) (a) Where a female employee or male employee dies leaving behind a judicially separated husband or widow with a child or children, the family pension payable in respect of the deceased shall be payable to the surviving person provided he or she is the guardian of such child or children;

(b) where the surviving person has ceased to be the guardian of such child or children, such family pension shall be payable to the person who is the actual guardian of such child or children.

* Note to sub-rule 4 of Rule 40 which was inserted vide Govt. Notification dated 22.4.1997 has been amended vide Govt. Notification dated 14.5.1999.

(8) If the son or unmarried daughter eligible for the grant of family pension has attained the age of eighteen years, the family pension may be paid to such son or unmarried daughter directly.

(9) (a) If a person who, in the event of death of an employee while in service, is eligible to receive family pension under these rules is charged with the offence of murdering the employee or for abetting in the commission of such an offence, the claim of such a person, including other eligible member or members of the family to receive the family pension, shall remain suspended till the conclusion of the criminal proceedings instituted against him;

(b) if on the conclusion of the criminal proceedings referred to in clause(a),the person concerned

(i) is convicted for the murder or abetting in the murder of the employee, such a person shall be debarred from receiving the family pension which shall be payable to the other eligible member of the family, from the date of death of the employee;

(ii) is acquitted of the charge of murder or abetting in the murder of the employee, the family pension shall be payable to such a person from the date of death of the employee;

(c) the provisions of sub-clauses (a) and (b) shall also apply for the family pension becoming payable on the death of an employee after his retirement.

**CHAPTER-VIII
COMMUTATION**

41. Commutation

(1) An employee shall be entitled to commute for a lump sum payment of a fraction not exceeding one-third of his pension:

Provided that in respect of an employee who is governed by sub-rule (5) of rule 3 of these rules, the family of such employee shall also be entitled to commute for a lump sum payment a fraction not exceeding one-third of the pension admissible to the employee.

(2) An employee shall indicate the fraction of pension which he desires to commute and may either indicate the maximum limit of one-third pension or such lower limit as he may desire to commute.

(3) If fraction of pension to be commuted results in fraction of rupee, such fraction of a rupee shall be ignored for the purpose of commutation.

(4) The lump sum payable to an applicant shall be calculated in accordance with the Table given below:

TABLE Commutation Values for a pension of Re. one per annum

| Age next birthday | Commutation value expressed as number of year's purchase | Age next birthday | Commutation value expressed as number of year's purchase | Age next birthday | Commutation value expressed as number of year's purchase |
|--------------------------|---|--------------------------|---|--------------------------|---|
| 17 | 19.28 | 42 | 15.40 | 67 | 7.85 |
| 18 | 19.20 | 43 | 15.15 | 68 | 7.53 |
| 19 | 19.11 | 44 | 14.90 | 69 | 7.22 |
| 20 | 19.01 | 45 | 14.64 | 70 | 6.91 |
| 21 | 18.91 | 46 | 14.37 | 71 | 6.60 |
| 22 | 18.81 | 47 | 14.10 | 72 | 6.30 |
| 23 | 18.70 | 48 | 13.82 | 73 | 6.01 |
| 24 | 18.59 | 49 | 13.54 | 74 | 5.72 |
| 25 | 18.47 | 50 | 13.25 | 75 | 5.44 |
| 26 | 18.34 | 51 | 12.95 | 76 | 5.17 |
| 27 | 18.21 | 52 | 12.66 | 77 | 4.90 |
| 28 | 18.07 | 53 | 12.35 | 78 | 4.65 |
| 29 | 17.93 | 54 | 12.05 | 79 | 4.40 |
| 30 | 17.78 | 55 | 11.73 | 80 | 4.17 |
| 31 | 17.62 | 56 | 11.42 | 81 | 3.94 |
| 32 | 17.46 | 57 | 11.10 | 82 | 3.72 |
| 33 | 17.29 | 58 | 10.78 | 83 | 3.52 |
| 34 | 17.11 | 59 | 10.46 | 84 | 3.32 |
| 35 | 16.92 | 60 | 10.13 | 85 | 3.13 |
| 36 | 16.72 | 61 | 9.81 | | |
| 37 | 16.52 | 62 | 9.48 | | |
| 38 | 16.31 | 63 | 9.15 | | |
| 39 | 16.09 | 64 | 8.82 | | |
| 40 | 15.87 | 65 | 8.50 | | |
| 41 | 15.64 | 66 | 8.17 | | |

Notes :

(1) The Table above indicates the commuted value of pension expressed as number of years' purchase with reference to the age of the pensioner as on his next birthday. The commuted value in the case of an employee retiring at the age of fifty eight years is 10.46 years' purchase and, therefore, if he commutes rupees one hundred from his pension within one year of retirement, the lump sum amount payable to him works out to Rs.100 X 10.46 X 12 = Rs.12,552.

(2) An employee who had commuted the admissible portion of pension is entitled to have the commuted portion of the pension restored after the expiry of a period of fifteen years from the date of commutation.

(3) An applicant who is authorised a superannuation pension, voluntary retirement pension, invalid pension or compassionate allowance shall be eligible to commute a fraction of his pension under these rules.

(4) In the case of a pensioner eligible for superannuation pension or pension on voluntary retirement, no medical examination shall be necessary, if the application for commutation is made within one year from the date of retirement. However, if such a pensioner applies for commutation of pension after one year from the date of his retirement, the same will be permitted subject to medical examination.

Explanation.-An applicant who

- (i) retires on invalid pension under rule 32 of these rules, or
- (ii) is in receipt of compassionate allowance under rule 33 of these rules,

shall be eligible to commute a fraction of his pension subject to the limit specified in sub-rule (1) after he has been declared fit by a medical officer approved by the Corporation.

(5) The commutation of pension shall become absolute in the case of an employee

(a) retiring on superannuation or voluntary retirement who submits an application for commutation of pension before the date of retirement, on the date following the date of retirement :

Provided that the employee governed by sub-rule(3) of rule 31 shall not apply for commutation of a part of his pension before the expiry of the notice of three months and the commutation of pension shall become absolute only on the expiry of the period of notice referred to in sub-rule (1) of rule 31;

(b) retiring on superannuation or on voluntary retirement if he applies for commutation of pension after the date of retirement but before the completion of one year from the date of retirement, on the date the application for commutation is received by the Competent Authority;

(c) retiring on superannuation or on voluntary retirement, if he applies for commutation of pension after one year from the date of retirement, on the date of the medical certificate given by a medical officer approved by the Corporation;

(d) who has retired prior to the 1st day of November, 1993 and who opts to be governed by these rules, on the 1st day of November, 1993, where the application for commutation is made within the period specified by clause (b) of the sub-rule (1) of rule 3;

(e) who was in the service of the Corporation on or after the 1st day of November, 1993 but who retired prior to the publication of these rules, on the day immediately following the date of his retirement, where the application is made within the period specified by clause (b) of sub- rule (2) of rule 3;

(f) who retired on or after the 1st day of November, 1993, but died prior to the notified date, on the day immediately following the date of his retirement, where the application for commutation is made by the family of the deceased within the period specified by clause (a) of sub-rule(5) of rule 3;

(g) in respect of whom invalid pension under rule 32 or compassionate allowance under rule 33 is admissible, commutation shall become absolute on the date of the medical certificate given by a medical officer approved by the Corporation.

CHAPTER-IX

GENERAL CONDITIONS

42 **Pension subject to future good conduct** -Future good conduct shall be an implied condition of every grant of pension and its continuance under these rules.

43. **Withholding or withdrawal of Pension** -The Competent Authority may, by order in writing, withhold or withdraw a pension or a part thereof, whether permanently or for a specified period, if the pensioner is convicted of a serious crime or is found guilty of grave misconduct:

Provided that where a part of pension is withheld or withdrawn, the amount of such pension shall not be reduced below the minimum pension per mensem payable under these rules.

44 **Conviction by Court** -Where a pensioner is convicted of a serious crime by a Court of Law, action shall be taken in the light of the judgement of the court relating to such conviction.

45 **Pensioner guilty of grave misconduct** -In a case not falling under rule 44 if the Competent Authority considers that the pensioner is prima facie guilty of grave misconduct, it shall, before passing an order, follow the procedure specified in regulation 39 of the Staff Regulations.

46. **Provisional pension**

(1) An employee who has retired on attaining the age of superannuation or otherwise and against whom any departmental or judicial proceedings are instituted or where departmental proceedings are continued, a provisional pension, equal to the maximum pension which would have been admissible to him, would be allowed subject to adjustment against final retirement benefits sanctioned to him, upon conclusion of the proceedings but no recovery shall be made where the pension finally sanctioned is less than the provisional pension or the pension is reduced or withheld etc, either permanently or for a specified period.

(2) In such cases the gratuity shall not be paid to such an employee until the conclusion of the proceedings against him. The gratuity shall be paid to him on conclusion of the proceedings subject to the decision of the proceedings. Any recoveries to be made from an employee shall be adjusted against the amount of gratuity payable.

Explanation - In this chapter

(a) the expression 'serious crime' includes a crime involving an offence under the Official Secrets Act, 1923 (19 of 1923);

(b) the expression "grave misconduct" includes the communication or disclosure of any secret official code or password or any sketch, plan, model, article, note, document or information, such as is mentioned in section 5 of the Official Secrets Act, 1923 (19 of 1923) (which was obtained while holding an office in the Corporation) so as to prejudicially affect the interests of the general public or the security of the State.

47 **Commutation of pension during departmental or judicial proceedings** -An employee against whom departmental or judicial proceedings have been instituted before the date of his retirement or a person against whom such proceedings are instituted after the date of his retirement, shall not be eligible to commute a fraction of his provisional pension, or pension, as the case may be, authorised under these rules, during the pendency of such proceedings.

48 **Recovery of Pecuniary loss caused to the Corporation**

(1) The Competent Authority may withhold or withdraw a pension or a part thereof, whether permanently or for a specified period, and order recovery from pension of the whole or part of any

pecuniary loss caused to the Corporation if in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence during the period of his service :

Provided that the Executive Committee shall be consulted before any final orders are passed:

Provided further that departmental proceedings, if instituted while the employee was in service, shall, after the retirement of the employee, be deemed to be proceedings under this rule and shall be continued and concluded by the authority by which they were commenced in the same manner as if the employee had continued in service:

Provided also that no departmental or judicial proceedings, if not initiated while the employee was in service, shall be instituted in respect of a cause of action which arose or in respect of an event which took place more than four years before such institution.

(2) Where the Competent Authority orders recovery of the pecuniary loss from the pension, the recovery shall not ordinarily be made at a rate exceeding one-third of the pension admissible on the date of retirement of the employee:

Provided that where a part of pension is withheld or withdrawn, the amount of pension drawn by a pensioner shall not be less than the minimum pension payable under these rules.

49 Recovery of Corporation's dues -The Corporation shall be entitled to recover the dues to the Corporation on account of housing loans, advances, license fees, other recoveries and recoveries due to staff co-operative credit society from the commutation value of the pension or the pension or the family pension.

50. Commercial employment after retirement

(1) If a pensioner who, immediately before his retirement was holding the post of an officer belonging to the cadre of Divisional Manager or above and wishes to accept any commercial employment before the expiry of two years from the date of his retirement, he shall obtain the previous sanction of the Corporation to such acceptance:

Provided that an employee who was permitted by the Corporation to take up a particular form of commercial employment during his leave preparatory to retirement or during refused leave shall not be required to obtain subsequent permission for his continuance in such employment after retirement.

(2) Subject to the provision of sub-rule (3), the Corporation may, by order in writing, on the application by a pensioner, grant, subject to such conditions, if any, as it may deem necessary, permission, or refuse, for reasons to be recorded in the order, permission to such pensioner to take up the commercial employment specified in the application.

(3) In granting or refusing permission under sub-rule (2) to a pensioner for taking up any commercial employment, the Corporation shall have regard to the following factors, namely:

- (a) the nature of the employment proposed to be taken up and the antecedents of the employer;
- (b) whether his duties in the employment which he proposes to take up might be such as to bring him into conflict with the Corporation;
- (c) whether the pensioner while in service had any such dealing with the employer under whom he proposes to seek employment as it might afford a reasonable basis for the suspicion that such pensioner had shown favours to such employer;
- (d) whether the duties of the commercial employment proposed involve liaison or contact work with Corporation;

- (e) whether his commercial duties will be such that his previous official position or knowledge or experience under Corporation could be used to give the proposed employer an unfair advantage;
- (f) the emoluments offered by the proposed employer; and
- (g) any other relevant factor.

(4) Where within a period of sixty days of the date of receipt of an application under sub-rule (3), the Corporation does not refuse to grant the permission applied for or does not communicate the refusal to the applicant, the Corporation shall be deemed to have granted the permission applied for:

Provided that in any case where defective or insufficient information is furnished by the applicant and it becomes necessary for the Corporation to seek further clarifications or information from him, the period of sixty days shall be counted from the date on which the defects have been removed or complete information has been furnished by the applicant.

(5) Where the Corporation grants the permission applied for subject to any conditions or refuses such permission, the applicant may, within thirty days of the receipt of the order of the Corporation to that effect, make a representation against any such condition or refusal and the Corporation may make such orders thereon as it deems fit:

Provided that no order other than an order cancelling such condition or granting such permission without any conditions shall be made under this sub-rule without giving the pensioner making the representation an opportunity to show cause against the order proposed to be made.

(6) If any pensioner takes up any commercial employment at any time before the expiry of two years from the date of his retirement without the prior permission of the Corporation or commits a breach of any condition subject to such permission to take up any commercial employment has been granted to him under this rule, it shall be competent for the Corporation to declare by order in writing and for reasons to be recorded therein that he shall not be entitled to the whole or such part of the pension and for such periods as may be specified in the order:

Provided that no such order shall be made without giving the pensioner concerned an opportunity of show cause against such declaration:

Provided further that in making any order under this sub-rule, the Corporation shall have regard to the following factors, namely:

- (i) the financial circumstances of the pensioner concerned;
- (ii) the nature of, and the emoluments from, the commercial employment taken up by the pensioner concerned; and
- (iii) any other relevant factor.

(7) Every order passed by the Corporation under this rule shall be communicated to the pensioner concerned.

(8) In this rule,

(a) the expression "commercial employment" means

- (i) an employment in any capacity including that of an agent, under a company, cooperative society, firm or individual engaged in trading, commercial, industrial, financial or professional business and includes also a directorship of such company and partnership of such firm, but does not include employment under a body corporate, wholly or substantially owned or controlled by the Central Government or a State Government;

- (ii) setting up practice, either independently or as a partner of a firm, as adviser or consultant in matters in respect of which the pensioner_
- (A) has no professional qualifications and the matters in respect of which the practice is to be set up or is carried on are relatable to his official knowledge or experience, or
- (B) has professional qualifications but the matters in respect of which such practice is to be set up are such as are likely to give his clients an unfair advantage by reason of his previous official position, or
- (C) has to undertake work involving liaison or contact with the offices or officers of the Corporation.

Explanation - For the purpose of this clause, the expression "employment under a co-operative society" includes the holding of any office, whether elective or otherwise, such as that of President, Chairman, Manager, Secretary, Treasurer and the like, by whatever name called in such society.

51. Nomination

(1) The trust shall allow every employee governed by these rules to make a nomination conferring on one or more persons the right to receive the amount of pensionary benefits under these rules in the event of his death before that amount becomes payable or, having become payable, has not been paid. Such nomination shall be made in such form as may be specified by the Corporation from time to time.

(2) If any employee nominates more than one person under sub-rule (1), he shall, in his nomination, specify the amount or share payable to each of the nominees in such a manner as to cover the whole of the amount of the pensionary benefits that may be payable in the event of his death.

(3) A nomination made by an employee may, at any time, be modified or revoked by him after giving a written notice to the trust of his intention of doing so in such form as the Corporation may from time to time specify.

(4) A nomination or its revocation or its modification shall take effect to the extent it is valid on the date on which it is received by the trust.

52. Date from which pension becomes payable

(1) Except in the case of an employee to whom the provisions of rule 43 and rule 46 apply a pension other than family pension shall become payable from the date following the date on which an employee retires.

(2) Family pension shall become payable from the date following the date of death of the employee or the pensioner.

(3) Pension including family pension shall be payable for the day on which its recipient dies.

*(4) The family pension to the family covered under clause (iv) or clause (v) to the sub-rule (k) of Rule 2 shall become payable from the date of notification.

53 Currency in which pension is payable -All pensions admissible under these rules shall be payable in rupees in India only.

54 Manner of payment of pension -A pension fixed at a monthly rate shall be payable monthly on or after the first day of the following month.

55 Power to issue instructions -The Chairman of the Corporation may from time to time issue instructions as may be considered necessary or expedient for the implementation of these rules.

* Notified vide Govt. of India Notification dated 08.10.2010 (GSR No. 830(E))

***55A. Power to Relax** -Where the Central Government is satisfied that the operation of any of these rules causes undue hardship in respect of any class or categories of persons, it may, by order for reasons to be recorded in writing relax the requirement of the provision of that rule in a manner not inconsistent with these rules.

****55B Pensionary benefits to employees mentioned in proviso to sub-rule(j) of Rule 2 and employees appointed as Managing Director under section 20 of the Act and who were in service on or after 1st January, 1996-**

Notwithstanding anything contained in these rules, in respect of an employee appointed as Managing Director under section 20 of the Life Insurance Corporation of India Act, 1956, and in respect of an employee covered by proviso to sub-rule (j) of Rule 2, who was in service on or after 1st January, 1996, the pensionary benefits shall be calculated in accordance with the provisions contained in the Central Civil Services (Pension) Rules, 1972 and the Central Civil Services (Commutation of Pension) Rules, 1981, as applicable to Central Government servants and in accordance with the instructions issued by the Central Government there under from time to time;

Provided that where such an employee who has retired on or after 1.1.1996 and before the date of publication of these rules in the Official Gazette or the family of such employee in the event of death of such employee, gives a notice in writing within 90 days of the publication of these rules, expressing an option not to be governed by the provisions of this rule, then, the provisions of the above paragraph shall not apply in respect of such employee or the family of such employee, as the case may be. Option once exercised under this proviso shall be final.

56. Residuary provisions -Matters relating to pension and other benefits in respect of which no express provision has been made in these rules shall be governed by the corresponding provisions contained in the Central Civil Services (Pension) Rules, 1972 or the Central Civil Services (Commutation of Pension) Rules, 1981 applicable for central government employees.

* Notified in Gazette of India 804(E) dated 6.12.1999 and came into force on the date of publication in the official gazette.

**Notified in Gazette of India 590(E) dated 13.08.2001 and came into force on the date of publication in the official gazette.

APPENDIX I
[See clause (f) of rule 2]

| Category of Employees (1) | | Appointing Authority (2) |
|--------------------------------------|---|-------------------------------------|
| *(i) | Chairman of the Corporation and ** Managing Director | Central Govt |
| (ii) | Posts in the Cadres of Zonal Manager and above and equivalent cadres. | Executive Committee |
| (iii) | Posts in the Cadres of Deputy Zonal Manager/Senior Divisional Manager, **Divisional Manager and equivalent cadres | Chairman |
| (iv) | Posts in the Cadre of Assistant Divisional Manager, Senior Branch Manager and equivalent cadres | Managing Director |
| (v) | Posts in the Cadre of Branch Manager/ Administrative Officer. | Executive Director (Personnel) |

* Entry (i) inserted vide Govt. Notification dated 3.7.1996

** Amended vide Notification GSR No. 282 (E) dated 26.03.2018

APPENDIX II (See rule 29)

| Actual service rendered on Permanent Part-time basis (1) | Length of corresponding qualifying service for each year of service rendered on permanent part-time basis for calculating the amount of pension (2) |
|---|--|
| Less than 3 hours | 1/4th of a year |
| 3 hours or more but less than 4 hours | 3/8th of a year |
| 4 hours or more but less than 5 hours | 1/2 of a year |
| 5 hours or more but less than 6 hours | 5/8th of a year |
| 6 hours or more but less than 7 hours | 3/4th of a year |
| 7 hours or more but less than 8 hours | 7/8th of a year |

APPENDIX – III (See rule 35)

The formula of updating basic pension and additional pension in respect of employees who retired between the 1st day of January 1986 and the 31st day of July, 1987 shall be as under:

| | | |
|--------|---|---------------------|
| (1) A. | Basic pension shall be increased by an amount of (a) 50 per cent of first Rs. 1000 of the average emoluments reckonable for pension. (b) 45 per cent of next Rs. 500 (c) 40 per cent of the average emoluments reckonable for pension exceeding Rs. 1500 Total of (a + b + c) | Rs. Rs. Rs. Rs. (A) |
| B. | 50 per cent of the average monthly emoluments for the last 10 months in service prior to retirement. | Rs. (B) |
| C. | Dearness relief at index number 600 in the All India Average Consumer Price Index for Industrial Workers in the series 1960=100, on basic pension calculated at (1) above, as per Table given below | Rs. (C) |
| D. | Total increased basic pension = (B + C) x number of years of qualifying service (Max. 33 years) = 33 | Rs. (D) |
| E. | Basic pension as on 1.11.1993 (rounded off to the next higher rupee) | Rs. (E) |
| (2) | For increase in the additional pension, amount of special allowances counted for making contributions to Provident Fund will be increased with reference to the quantum of special allowances ranking for Provident Fund as per the Staff Regulations or Service Rules | |

TABLE

Rates of dearness relief worked out at index no. 600 in the All India Average Consumer Price Index for Industrial Workers in the series 1960=100 for all classes of employees who retired during the period 1.1.1986 to 31.07.1987:

| | |
|---|---|
| (a) Class IV employees | 80.40 per cent of pension calculated at (1) above |
| (b) Class III employees drawing pension upto Rs. 757/- per month | 67 per cent of pension calculated at (1) above |
| (c) Class III employees drawing pension of Rs. 757/- per month and above will be eligible for dearness relief as under: | |
| Amount of basic pension drawn per month (Rs.) (1) | The amount of dearness relief admissible (Rs.) (2) |
| 757 to 796 | 508.00 |
| 797 to 804 | 534.00 |
| 805 to 824 | 540.00 |
| 825 to 844 | 553.00 |
| 845 to 864 | 567.00 |
| 865 to 884 | 580.00 |
| 885 to 904 | 593.00 |
| 905 to 924 | 607.00 |
| 925 to 944 | 620.00 |
| 945 to 964 | 634.00 |
| 965 to 984 | 647.00 |
| 985 to 1004 | 660.00 |
| 1025 to 1044 | 687.00 |
| 1045 to 1064 | 701.00 |
| 1065 to 1084 | 714.00 |
| 1085 and above | 727.00 |
| (d) Class I and Class II employees shall be eligible for dearness relief as under: | |
| (i) For those drawing basic pension upto Rs. 765/- per month | 66 per cent of the amount of pension calculated as at (1) above subject to a maximum of Rs. 500/ |
| (ii) For those drawing basic pension from Rs. 766/- to Rs. 1165/- per month | Rs. 500/ |
| (iii) For those drawing basic pension from Rs. 1166/- per month or above | 42.90 per cent of the amount of pension calculated as at (1) above subject to a maximum of Rs. 715/ |

APPENDIX-IV (See rule 37)

Dearness relief on basic pension shall be as under:

(1) In the case of employees who retired on or after the 1st day of January, 1986, but before the 1st day of November, 1993, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 600 points in the quarterly average of the All India Average Consumer Price Index for Industrial Workers in the series 1960 = 100. Such increase or decrease in dearness relief for every said four points shall be calculated in the manner given below:

| Scale of basic pension per month (1) | The rate of dearness relief as a percentage of basic pension (2) |
|---|--|
| (i) upto Rs. 1250/ | 0.67 per cent |
| (ii) Rs. 1251/- to Rs. 2,000/ | 0.67 per cent of Rs. 1250/- plus 0.55 per cent of basic pension in excess of Rs. 1250/-. |
| (iii) Rs. 2001/- to Rs. 2130/ | 0.67 per cent of Rs. 1250/- plus 0.55 per cent of the difference between Rs. 2000/- and Rs. 1250/- plus 0.33 per cent of basic pension in excess of Rs. 2000/ |
| (iv) above Rs. 2130/ | 0.67 per cent of Rs. 1250/- plus 0.55 per cent of the difference between Rs. 2000/- and Rs. 1250/- plus 0.33 per cent of the difference between Rs. 2130/- and Rs. 2000/- plus 0.17 per cent of basic pension in excess of Rs. 2130/-. |

(2) In the case of employees who retire on or after the 1st day of November, 1993, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 1148 points in the quarterly average of the All India Average Consumer Price Index for Industrial Workers in the series 1960 = 100. Such increase or decrease in dearness relief for every said four points shall be calculated in the manner given below:

| Scale of basic pension per month (1) | The rate of dearness relief as a percentage of basic pension (2) |
|---|--|
| (i) upto Rs. 2,400/ | 0.35 per cent |
| (ii) Rs. 2,401 to Rs. 3,850/ | 0.35 per cent of Rs. 2,400/- plus 0.29 per cent of basic pension in excess of Rs. 2,400/ |
| (iii) Rs. 3,851 to Rs. 4,100/ | 0.35 per cent of Rs. 2,400/- plus 0.29 per cent of the difference between Rs. 3,850/- and Rs. 2,400/- plus 0.17 per cent of basic pension in excess of Rs. 3,850/ |
| (iv) above Rs. 4,100/ | 0.35 per cent of Rs. 2,400/- plus 0.29 per cent of the difference between Rs. 3,850 and Rs. 2,400/- plus 0.17 per cent of the difference between Rs. 4,100/and Rs. 3,850/- plus 0.09 per cent of basic pension in excess of Rs. 4,100/ |

*(3) []** Notwithstanding anything contained in Para (1) and Para (2), in respect of employees belonging to Class-III and Class-IV, who have retired on or after the 1st day of August, 1992 and in respect of Officers belonging to Class-I and Class-II, retired on or after 1st day of April, 1993, dearness relief shall be payable or be recoverable as may be determined from time to time.

@3(A) In case of employees who have retired or died on or after the 1st day of August 1997, the dearness relief shall be payable for every rise or to be recoverable for every fall, as the case may be, of every 4 points over 1740 points in the quarterly Average Consumer Price Index for Industrial Workers in the series of 1960 = 100 Such increase or decrease in dearness relief for every said 4 points shall be at the rate of 0.23 per cent of the Basic Pension;

@3(B) In case of any wage revision in future the rate of dearness relief payable to an employee shall be determined by the Corporation corresponding to the index to which the scale is linked.

(The Corporation has determined that in case of employees who have retired or died on or after the 1st day of August 2002, the dearness relief shall be payable for every rise or to be recoverable for every fall, as the case may be, of every 4 points over 2328 points in the quarterly Average Consumer Price Index for Industrial Workers in the series of 1960 = 100 Such increase or decrease in dearness relief for every said 4 points shall be at the rate of 0.18 per cent of the Basic Pension).

(4) Dearness relief shall be payable for the half year commencing from the 1st day of February and ending with 31st day of July on the quarterly average of the index figures published for the months of October, November and December of the previous year and for the half year commencing from the 1st day of August and ending with the 31st day of January on the quarterly average of the index figures published for the months of April, May and June of the same year.

(5) In the case of family pension, invalid pension and compassionate allowance, dearness relief shall be payable in accordance with the rates mentioned above.

(6) Dearness relief will be allowed on full basic pension even after commutation.

(7) Dearness relief is not payable on additional pension.

[]** Para (3) was inserted vide Gov. Notification dated 22.4.1997, “ Notwithstanding anything contained in Para (1) and (2), in respect of employees belonging to class III or class IV who have retired on or after the 1st day of June, 1993 and who have been paid in the basic pay and allowance for not less than ten months in accordance with the provisions of the Life Insurance Corporation of India Class III and Class IV employees (Revision of Terms and Conditions of Service) Amendment Rules, 1996, dearness relief shall be payable for every rise or be recoverable for every fall, as the ease may be, of every four points over 1148 points in the quarterly average of the all India Average Consumer Price Index for Industrial workers in the series 1960= 100. Such increase or decrease in Dearness Relief for every said four points shall be calculated in the manner given in pare (2) in the previous page.”

Subsequently this para was substituted vide Govt. Notification dated 14-5-1999

* Para (3) added vide Govt. Notification dated 22.4.1997 and further amended vide notification dated 14.5.1999. @ Notified in Gazette of India, Part-III Section 3 dated 22.6.2000

APPENDIX - V (See rule 39)

The ordinary rates of family pension shall be as under:

(a) In respect of employees retired before 1.11.1993

| Scale of pay per month (1) | Amount of monthly Family Pension (2) |
|-----------------------------------|---|
| Upto Rs. 1500 | 30 per cent of the 'Pay' shall be the basic family pension plus 30 per cent of allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall not be less than Rs. 375 per month. |
| Rs. 1501 to Rs. 3000 | 20 per cent of the 'Pay' shall be the basic family pension plus 20 per cent of allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall not be less than Rs. 450 per month. |
| Above Rs. 3000 | 15 per cent of the 'Pay' shall be the basic family pension plus 15 per cent of allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall not be less than Rs. 600 per month and more than Rs. 1250 per month. |

(b) In respect of employees retired or retiring on or after 1.11.1993

| Scale of pay (1) | Amount of monthly Family Pension (2) |
|-------------------------|---|
| Upto Rs. 2870 | 30 per cent of the 'Pay' shall be the basic family pension plus 30 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs. 720 per month. |
| Rs. 2871 to Rs. 5740 | 20 per cent of the 'Pay' shall be the basic family pension plus 20 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs. 860 per month. |
| Above Rs. 5740 | 15 per cent of the 'Pay' shall be the basic family pension plus 15 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs. 1150 per month and a maximum of Rs. 2400 per month. |

*(c) Notwithstanding anything contained in Para (a) or Para (b), in respect of employees belonging to Class-III or Class-IV who have retired on or after 1st day of August, 1992 or in respect of Officers belonging to Class-I or Class-II who have retired on or after 1st April, 1993, the ordinary rates of Family Pension shall be calculated as per the rates prescribed in Para (b) above.

@(d) In respect of employees retired on or after 1st August, 1997, the rate of ordinary family pension shall be as under:

| Scale of pay per month (1) | Amount of monthly Family Pension (2) |
|-----------------------------------|--|
| Upto Rs. 4,360/ | 30 per cent of the "Pay" shall be the basic family pension plus 30 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs. 1,100/- per month. |
| Rs. 4,361/- to Rs. 8,700/ | 20 per cent of the "Pay" shall be the basic family pension plus 20 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs. 1,310/- per month. |
| Rs. 8,701/- and above | 15 per cent of the "Pay" shall be the basic family pension plus 15 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs. 1,740/- per month. |

@(e) In case of any wage revision in future the rate of family pension to an employee shall be determined by the Corporation corresponding to the index to which the scale is linked.

Notes: (1) Dearness relief is not payable on additional family pension.

(2) "Scale of pay" for the purpose of calculation of family pension as above shall be aggregate of "pay" as defined in sub-clause (o) of rule 2 and "allowances" as defined in the explanation to sub-rule (3) of rule 35.

* Para (c) to Appendix-V inserted vide Govt. Notification dated 22.4.1997 and further amended vide notification dated 14.5.1999 (effective dated 1.11.93)

@ Notified in Gazette of India, Part-III, Section 3 dated 22.6.2000 (GSR No.553(E))

(The Corporation has determined that In respect of employees retired on or after 1st August, 2002, the rate of ordinary family pension shall be as under):

| Scale of pay (1) | Amount of monthly Family Pension (2) |
|----------------------------------|---|
| Upto Rs. 5,840/ | 30 per cent of the "Pay" shall be the basic family pension plus 30 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs. 1,480/- per month |
| Rs. 5,841/-to Rs. 11,640/ | 20 per cent of the "Pay" shall be the basic family pension plus 20 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs. 1,760/- per month |
| Rs. 11,641/- and above | 15 per cent of the "Pay" shall be the basic family pension plus 15 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs. 2,330/- per month |

(F. No.) Joint Secretary (Insurance)

EXPLANATORY MEMORANDUM

The Life Insurance Corporation of India was established under Section 3 of the Life Insurance Corporation, Act, 1956. The terms and conditions of service of the employees of the Corporation are governed by rules made by the Central Government under Section 48 and regulations made by the Corporation under Section 49 of the said Act.

The rules and regulations under Section 48 and Section 49 of the Act do not provide for payment of pension except for the transferred employees of the Oriental Government Security Life Assurance Company Limited. There has been persistent demand from the employees of the Corporation for introduction of a pension scheme in the Corporation. The Corporation in consultation with the Unions of the employees have recommended introduction of an index-linked pension scheme in lieu of Corporation's contribution to the Provident Fund with effect from 1st November, 1993.

The proposed pension scheme will be applicable to those who joined the service of the Corporation on or after 1.11.1993. However the benefit of the pension scheme is proposed to be extended to those who retired or died on or after 1.1.1986. It is also proposed to provide the benefit of family pension in respect of those employees who died subject to fulfilling certain conditions.

It is certified that no employee of the Corporation is likely to be affected adversely by the introduction of the pension scheme with retrospective effect.

Foot Note :The principal rules were published vide GSR No.525(E) dated 28.6.1995 and subsequently amended as under :

- 1 GSR No. 265(E) dated 03.07.1996
- 2 GSR No. 225(E) dated 22.04.1997
- 3 GSR No. 349(E) dated 14.05.1999
- 4 GSR No. 804(E) dated 06.12.1999
- 5 GSR No. 553(E) dated 22.06.2000
- 6 GSR No. 590(E) dated 13.08.2001
- 7 GSR No. 830 (E)dated 08.10.2010
- 8 GSR No. 282 (E)dated 26.03.2018

**** In exercise of powers conferred by Sec. 48 Of the L.I.C. Act,1956 (31 of 1956), the Government of India while Notification dated 05.09.2005 Revised the Pay Scales and other service conditions of employees of the L.I.C. of India w.e.f. 01.08.2002.

As a consequence of the same the relevant provisions of LIC of India (Employees) Pension Rules are necessary to be amended. The Government of India vide Notification dated 22.06.2000, empowered the Corporation to amend the relevant provisions to determine the amount of Minimum Pension, Dearness Relief and Family Pension.

The instructions based on this Rule have been amended w.e.f. 01.08.2002.