

LIFE INSURANCE CORPORATION OF INDIA  
CENTRAL OFFICE, MUMBAI.

Address:-

"Yogakshema",  
Jeevan Bima Marg,  
Mumbai 400 021.

DEPT.: PERSONNEL/ER  
CIR.NO.: ZD/942/ASP/99

3rd November, 1999.

To,

All Zonal & Divisional Offices

RE: LIFE INSURANCE CORPORATION OF INDIA  
(REGULAR PART-TIME EMPLOYEES) PENSION  
SCHEME 1999.

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We are enclosing a copy of the Life Insurance Corporation of India (Regular Part-time Employees') Pension Scheme 1999 duly approved by the Chairman as also the Guidelines for the Implementation/Administration of the scheme.

The scheme is broadly on the lines of Pension Rules for Regular Employees'.

The Guidelines for the Implementation/Administration, Part I deals with clarification on certain Paras of the Scheme and Part II deals with the procedure for Implementation/Administration of the Scheme as also various forms, examples etc. The Administrative Instruction relating to Accounts will be prepared and sent by F&A Dept., Central Office.

Though the Scheme is approved by the Chairman, the payments as per the instructions can be commenced only after the approval of Income Tax Authorities, creation of Trust Fund and appointment of Trustees etc.

These Guidelines have been issued solely with a view to enabling our offices to prepare the necessary data as soon as retired employees or the families of deceased employees exercise an option to be governed by the Pension Scheme, preparation of Pension Files and sending the Pension Data Sheet to the Zonal Office, so that they can process the case and calculate the amount of Pension, commuted value, amount to be refunded by the retired employee/family of deceased employee towards refund of Corporation's contribution to Provident Fund and keep the calculation ready. It may please be noted that no office should either receive any payment towards refund of Corporation's contribution to Provident Fund or pay any amount to any retired employee or family of the deceased employee by way of Pension/Family Pension, commuted value until further instructions are received from Central Office.

Kindly bring the Scheme to the notice of Retired, Regular Part-time employees as well as to their families through the advertisement in the leading vernacular newspaper as per Annexure 3P, so that, employees or their families are able to avail of this opportunity.

You may get the advertisement translated into the local vernacular language at your end. A copy of the scheme shall be displayed on the notice board of all our offices for information of those concerned on 21st November, 1999. Simultaneously you shall also arrange to publish the notice on the same day to retired employees/families of deceased employees in the newspaper as mentioned above, on 21st November, 1999. The Zonal Office shall take care to regulate the advertisements in their Zonal area.


You are requested to bring the instruction to the notice of all the offices under your control and also provide sufficient forms for issuing them to the claimants.

Kindly acknowledge receipt and confirm that necessary action is being taken.

  
EXECUTIVE DIRECTOR (PERSONNEL)

Copy for the attention of Zonal Managers:

The Scheme and detailed instructions alongwith the format of notice have been sent to you on E-Mail. You are requested to circulate them to all the Divisional Offices/Offices under your control, so as to reach them latest by 21st November, 1999.

  
parttime.cir

Guidelines for the implementation/administration  
of LIC of India (Regular Part-time Employees)  
Pension Scheme, 1999

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PART-I

The Board of Directors of L.I.C. of India have approved Index Linked Pension to be given to Regular Part-time Employees. The Board has empowered the Chairman to frame the Scheme and issue necessary instructions. Accordingly, the Chairman has issued the following guidelines to implement the LIC of India (Regular Part-time Employees) Pension Scheme, 1999 :

1. Date of Commencement :

Sub-para (2) of Para 1 of this Scheme provides that the Scheme shall come into effect from 1st November, 1993 except where it is specifically provided. However, if this is read with sub-para(1)(a) of Para 3 it will be clear that such of those employees who have retired on or after 31st December, 1991 either on attaining the age of superannuation or voluntarily are also eligible to be covered by the Pension Scheme subject to other provisions of the Pension Scheme. They will be entitled to pension only from 1st November, 1993 (vide para 27) and the date 31st December, 1991 is only a cut-off date for the purpose of coverage under the Pension Scheme and no pension is payable for the period prior to 1st November, 1993. All new recruits who join the services of the Corporation on or after the Scheme date excepting those covered by para 4 and who opt not to be governed by the Pension Scheme, shall automatically be governed by the Pension Scheme.

2. Categories eligible for Pension and Family Pension :

1) In accordance with the various provisions contained in the Pension Scheme the following are the categories of part-time employees who are eligible for pension and family pension :

I) Pension :

a) Regular Part-time Employees who were in the service of the Corporation on or after 31.12.1991 but had retired before 1.11.1993;

b) Regular Part-time Employees who have retired on or after 1.11.1993 but before the Scheme date;

- c) Regular Part-time Employees who were in the service of the Corporation prior to the Scheme date and continued to be in service even after the Scheme date;
- d) Those who joined the service of the Corporation after the Scheme date.

II) Pension and Family Pension :

- e) In case of Regular Part-time Employees who were in the service of the Corporation during any time on or after 1.11.1993 but have retired and died before the Scheme date. The family on exercising the option to be governed by the Pension Scheme and complying with the other requirements are entitled to :

- i) Superannuation pension from the day following the date of retirement of the employee to the date of death;
- ii) Commuted value of a portion of pension and
- iii) Family pension from the day following the date of death of the employee.

III) Only Family Pension :

- f) Family pension to the families of those employees who joined the service on or after 1.11.1993 but died while in service before the Scheme date;
- g) Families of the employees who were in service on 1.1.1986 but died while in service on or before 31.10.1993 or had retired on or after 31.12.1991 but on or before 31.10.1993 but died before the Scheme date;
- h) The families of the employees who have joined on or before 31.10.1993 but died while in service after 1.11.1993 but before the Scheme date;
- i) Families of employees who are in service on the Scheme date or joined thereafter but died while in service;
- j) Families of deceased employees who have been in receipt of pension or compassionate allowance under the Pension Scheme.

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3. Pay, Average Emoluments and Allowances :

Sub-para (n) of Para 2 defines the pay. The average of the pay drawn by a regular part-time employee during the last 10 months preceding the date of retirement has been defined as the average emoluments in the Pension Scheme as per sub-para (b) of para 2. The average emoluments are to be taken into account for calculating the basic pension.

The period of ten months for the purpose of average emoluments should be reckoned backwards from the date of retirement. For example, if regular part-time employee retires on 30th September, 1994 his pension will be determined on the basis of the average emoluments drawn by him from 1st December, 1993 to 30th September, 1994.

In the case of voluntary retirement, where the date of retirement need not necessarily be the last day of the month, the ten months period shall be reckoned backwards from the actual date on which the employee was allowed to retire voluntarily.

If, during the last ten months of his service or any part thereof an employee was on extraordinary leave on loss of pay or any period was treated as 'dies-non' i.e. period not counted as service, it is necessary to travel backwards for calculating average emoluments/average of Allowances so as to include in ten months period only the days/months for which the employee was entitled to pay and allowances. For this purpose the month is to be reckoned uniformly as 30 days.

If an employee is on sick leave on half pay, for the purpose of calculation of emoluments, it should be treated as full pay only. In other words, no adjustment of pay is necessary when an employee is on sick leave on half pay during the last 10 months.

4. Date of Retirement :

In accordance with the existing Scheme regular part-time employee who attains the age of superannuation on any day other than the 1st shall retire in the afternoon of the last day of the month in which he attains the age of superannuation. Hence, in such cases the date of retirement has to be taken as the last working day of the month. Where an employee attains the age of superannuation on the 1st day of the month, he shall retire in the afternoon on the last day of the previous month.

In the case of voluntary retirement and premature retirement, the actual date from which the employee retired shall be taken as the date of retirement.

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5. Qualifying Service :

In case of employees who have been re-appointed in the services of the Corporation it has been provided that the service prior to such re-appointment can be considered as qualifying service only in those cases where the employees have refunded, at the time of their re-appointment, the amount of Corporation's contribution to the Provident Fund alongwith interest thereon received by them on termination of their earlier appointment. If the Provident Fund amount was not refunded by an employee at the time of his re-appointment, only the service from the date of his re-appointment can be counted as qualifying service. In the case of an employee who had resigned from the service of the Corporation and was re-appointed subsequently only the service from the date of re-appointment will count as qualifying service for pension.

6. Classes of Pension :

The various classes of pension that have been prescribed under the Life Insurance Corporation of India (Regular Part-time employees) Pension Scheme, 1999 are -

a) Superannuation Pension :

This is payable in respect of those employees who retire on attaining the age of superannuation.

b) Pension on voluntary retirement :

This pension is payable to an employee who has been allowed to voluntarily retire from the service of the Corporation in accordance with the provisions contained in Para 24 of the Pension Scheme. It may be noted that an employee who is governed by the Pension Scheme can be allowed to retire voluntarily only after he has completed a qualifying service of 20 years irrespective of the age attained by him. This provision is applicable only for those who are governed by the Pension Scheme.

In accordance with circular letter ref. Per/ER/B/268 dated 12.11.1998 regular part-time employee is allowed to retire on completion of age 55.

c) Invalid Pension :

Para 25 of the Pension Scheme provide for payment of invalid pension in the cases of those who have been retired from the service of the Corporation on account of any bodily or mental infirmity which permanently incapacitates them for the service. It may be noted that in such cases pension under the Scheme can be allowed only if such an employee has completed a qualifying service of 10 years and not otherwise.

7. Compassionate Allowance :

In terms of Para 26 of the Pension Scheme an employee who is dismissed or removed or compulsorily retired or terminated from the service is not entitled to pension but the competent authority may, at his absolute discretion, allow compassionate allowance. The compassionate allowance allowed in such cases should not exceed 2/3 of the normal pension which the employee would have been entitled to had he retired on the day on which he was dismissed, removed, compulsorily retired or terminated from the service of the Corporation. The compassionate allowance can be allowed only in those cases where the dismissal, removal, compulsory retirement or termination had taken place on or after 1.11.1993. In other words, an employee who was dismissed or removed or compulsorily retired or terminated prior to 1.11.1993 is not entitled either to pension or compassionate allowance under the Pension Scheme.

The competent authority while deciding whether or not an employee who was dismissed, removed, compulsorily retired or terminated from the services of the Corporation is to be paid any compassionate allowance and, if so, the quantum of compassionate allowance to be allowed, has to take into account the reasons for dismissal, termination, etc., the nature and seriousness of the offence committed by the employee and such other relevant factors as may be necessary to enable him to take a decision in the matter.

B. Dearness Relief :

Para 30 deals with dearness relief. The rate of dearness relief payable from 1.11.1993 onwards is given in Annexures 24-P and 25-P. The future increase/decrease in the dearness allowance will be intimated by the Central Office.

9. Family Pension :

Para 32 of the Pension Scheme deals with payment of family pension. In respect of the family of those deceased employees who are entitled to family pension under the Pension Scheme option has to be exercised by the family within 90 days from the date of circular of the Pension Scheme and have to refund the Corporation's contribution together with the interest thereon and further interest within 120 days thereafter as provided in the Scheme. The draft of the letter that is to be issued in such cases is given in Annexure-20-P and 20-A-P.

10. Commutation of Pension :

In terms of Para 34 which deals with commutation of pension maximum 1/3 of pension or compassionate allowance can be commuted. However, no portion of family pension can be commuted by the family of a deceased employee.

For the purpose of commutation the age on the next birthday will be reckoned with reference to the date on which commutation will become absolute, as explained in Note (5) to sub-para (4) of Para 34 of the Pension Scheme.

In the cases covered by sub-para (d) of Note (5) of Para 34 viz. the employees who have retired prior to 1.11.1993 and opt to be governed by the Pension Scheme the commutation can be allowed subject to medical examination and for the purpose of determining the commutation age next birthday will be taken as on 1.11.1993 or date of medical examination as opted by the pensioner provided the other conditions are satisfied.

In the case of those covered by sub-para (e) of Note (5) of Para 34 viz. those who retired prior to the circular date of the Pension Scheme the commutation will be allowed (subject to medical examination in cases where the period of one year has expired) and for commutation the age next birthday will be taken as on the day following the date of retirement or date of medical examination as opted by the Pensioner.

In respect of cases falling under sub-para (f) of Note (5) of Para 34 viz. those who retired on or after 1.11.1993 but died prior to circular date of the Pension Scheme the age next birthday for the purpose of commutation will be determined as on the day following the date of retirement.

Commutation of a portion of pension is allowed only after medical examination in the following cases -

- 1) Where the pensioner applies to commute a portion of the pension after the expiry of one year from the date of his retirement.
- 2) At any point of time whenever a portion of the Compassionate Allowance is sought to be commuted.

When an employee has been allowed to retire voluntarily and the competent authority has also agreed to waive the notice period either in part or in full, the employee shall not be allowed to apply for commutation before the expiry of the notice period.

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11. How to determine the employer's contribution to P.F. to be refunded :

In the case of employees who have already retired/died, Pension Scheme lays down that such retired employees/their families, if they desire to be governed by the Pension Scheme have to

- i) exercise an option to be governed by the Pension Scheme within 90 days from the date of circulation of the Scheme;
- ii) refund to the Corporation the Corporation's share of the contribution to the Provident Fund together with interest thereon; and
- iii) pay further interest @ 6% per annum (simple interest) from the date of settlement of Provident Fund (date of retirement) to the date of its repayment if the date of retirement or death is prior to 1.11.1993.

or,

If the date of retirement/death is on or after 1.11.1993 pay further interest @ 12% per annum (simple interest) from the date of settlement of Provident Fund (date of retirement) to the date of its repayment.

The term Corporation's contribution refers to the gross amount which was due and not the net amount paid to the employee after making deduction, if any.

The further interest on the Corporation's contribution to the Provident Fund and interest thereon has to be calculated from the date of retirement of the employee and not from the date on which the actual the payment was made. Where the employee was paid subsequent to the initial settlement any amount by way of Corporation's contribution (for example, on account of revision of scales, etc.) the further interest @ 6% or 12%, as the case may be, has to be calculated from the date on which such additional payment was made.

The further interest either at the rate of 6% or at the rate of 12%, as the case may be, has to be calculated on the above gross amount. It is possible that in some cases while the employee's contribution would have been settled immediately on retirement, there might have been delay in settlement of Corporation's contribution to Provident Fund on account of some reasons. Even in such cases, the further interest has to be calculated from the date of original settlement (date of retirement) and not from the date of actual payment of Corporation's contribution. The additional interest, if any, paid by the P.F. authorities on delayed settlement will not be required to be refunded by the retired employee/family of the deceased employee.

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12. Withholding of Pension/Compassionate Allowance and Recoveries therefrom :

Para 36 of the Pension Scheme authorises the competent authority to withhold or withdraw either the whole or a part of the pension/compassionate allowance or the commutation thereof either permanently or for a specified period of time. Para 41 and 42 empower the competent authority to order recovery from either the pension/compassionate allowance or the commutation for any of the following two eventualities -

- 1) Any amount due from the employee such as recovery of loans, advances, damages or dues of any other nature.
- 2) Any pecuniary loss or damage established to have been caused to the Corporation by the employee if in any departmental or judicial proceedings the pensioner is found guilty of the same. Such a departmental or judicial proceedings may be instituted even after the retirement of the employee.

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Part-II

Guidelines for Implementation/Administration for  
the LIC of India (Regular Part-time Employees)  
Pension Scheme, 1999  
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1. Employees who have joined the service on or after the date of circulation of the Pension Scheme :

In accordance with the Pension Scheme all those employees who joined the service on or after the date of circulation are automatically governed by the Pension Scheme. However, Para 4 of the Pension Scheme states that employees who had joined the service of the Corporation on or after the date of circulation at the age of 35 years or more can opt not to be governed by the Pension Scheme provided they exercise such an option within 90 days from the date of appointment. The option by such employees has to be given in form given in Annexure-1-P.

2. Employees who have joined prior to the date of circulation and who still continue to be in service :

Para 3(3) provides that employees who joined the service prior to the date of circulation and who still continue to be in service shall have an option to be governed by the Pension Scheme provided they exercise such an option within 90 days from the date of circulation of the Scheme and irrevocably authorize the Trustees of the Provident Fund to transfer the Corporation's contribution to their individual accounts of the Provident Fund together with interest thereon to the Pension Fund. These employees will have to complete the form given in Annexure-2-P and submit the same within the stipulated period. If an employee does not submit this option form within the stipulated period, he shall be deemed to have decided to continue to be a member of the Provident Fund.

3. 1) Employees who were in service on 31.12.1991 and who retired on or before 31st October, 1993 :

Although the Pension Scheme has come into force from 1.11.1993, the employees who were in service as on 31.12.1991 and who retired on or before 31.10.1993 have also been allowed to become members of the Pension Scheme provided they are otherwise eligible. The retired employees belonging to this category have to exercise the option to be governed by the Pension Scheme within 90 days from the date of circulation and also refund the Corporation's contribution to the Provident Fund together with interest thereon with a further simple interest @ 6% per annum from the date of settlement of Provident Fund (date of retirement) to the date of refund.

Service for the part-time employees is to be counted w.e.f. 1.1.1982 or date of joining if later. They become eligible for pension after 10 years of continuous service. Thus those who retired prior to 31.12.1991 pensionary benefits are not available.

ii) Employees who were in service on 1.11.1993 but retired subsequently prior to the date of circulation :

Those employees who were in service as on 1.11.1993 but have since retired can also become members of the Pension Scheme provided they opt to be governed by the Pension Scheme within 90 days from the date of its circulation. The employees who were in service as on 1.11.1993 and have retired subsequently have to refund the Corporation's contribution to the Provident Fund alongwith interest thereon with further interest at the rate of 12% per annum from the date of settlement of the Provident Fund (date of retirement) to the date of refund.

In both the cases covered under 3(i) & 3(ii) above, since these employees are no longer in service an intimation/notice as per the draft given in Annexure-3-P has to be given in leading newspapers in order to bring to their notice the introduction of Pension Scheme. The notice will be issued by each Zonal Office and should be published in one Hindi and/or one Vernacular newspapers which are in wide circulation in each of the states within the jurisdiction of the Zone. The retired employees covered in (i) and (ii) above will have to exercise their option in the form given in Annexure-4-P.

4. Option to be exercised by the family of the deceased employees :

We have mentioned in Part-I that as per Pension Scheme in the case of employees who retired from the service of the Corporation on or after 1.11.1993 but have died prior to the date of circulation, the family of such employees can opt for pension. In such a case the family will be allowed pension from the day following the date of retirement of the deceased employee to the date of his death and family pension from the day following the date of death. Further, the family will also be allowed commutation of a portion of pension. In these cases the family has to exercise an option within 90 days from the date of circulation in form given in Annexure-4A-P.

The Pension Scheme also provides for payment of only family pension to the families of those employees who were in service on 1.1.1986 but have died subsequently while in service as also those employees who have completed 10 years of service and retired before 1.11.1993 and died prior to

the date of circulation of Scheme and also to the families of those employees who were in service on 1.11.1993 but died while in service before the circulation of the Pension Scheme. In all these cases the families have to exercise an option to be governed by the Pension Scheme within 90 days from the date of circulation of the Pension Scheme. The families have to exercise such an option in the form given in Annexure-4B-P.

5. Commutation of Pension and Medical Examination :

The retired employees who opt for pension are allowed to commute a portion not exceeding 1/3rd of their pension. Commutation will be allowed without any medical examination if they apply for commuted value within one year from the date of their retirement. Application form for commutation without any medical examination is given in Annexure-5-P.

However, in cases where a pensioner desires to commute a portion of his pension after one year from the date of his retirement or in cases where a portion of the pension sanctioned to an employee who has retired voluntarily is sought to be commuted or in cases where a portion of Compassionate Allowance is sought to be commuted, the commutation will only be allowed after the employee is declared fit by an approved medical examiner. The application form for commutation subject to medically being found fit is given in Annexure-6-P. The form of personal statement and the medical report to be completed by the Doctor nominated by the Corporation for this purpose are given in Annexure-7-P.

It may be borne in mind that in cases where commutation is allowed subject to medical examination the commuted value which can be quoted will depend upon the findings of the medical examiner especially in cases where the age for the purpose of commutation has to be stepped up as advised by the medical examiner. However, it may be clarified in this regard that the basic purpose of a medical examination for the purpose of commutation is primarily to assess the pensioner's general physical fitness, health, etc. Hence, the Doctor should be advised to be pragmatic while conducting the medical examination and assessing the employee's state of health for commuted value. While the cost of such medical examination will be borne by the Corporation, the retired employee will have to appear before the medical examiner at his cost.

On receipt of application for commutation of pension in Annexure-6-P the controlling Divisional Office should write to an approved medical examiner, as per Annexure-11-P and send a copy of the same to the retired employee alongwith the form of personal statement and report given in Annexure-

7-P intimating him to appear for medical examination before the approved medical examiner. All care should be taken to ensure that the medical examination takes place at the earliest and while fixing the date of medical examination it may be ensured that the medical examination is held as far as possible before the date of the applicant's next birthday. While Part-I of the Annexure-7-P has to be completed by the pensioner, the medical examiner should complete Part-II and Part-III of Annexure-7-P and forward the entire Annexure-7-P to the controlling Divisional Office.

If a pensioner dies without receiving the commuted value on or after the date on which commutation has become absolute, the commuted value shall be paid to his nominee. If in any case the amount cannot be paid to the nominee or family members, it shall be paid to his legal heirs. The form in which the nomination has to be effected is given in Annexure-21-P.

6. Adjustment of commuted value towards P.F. to be refunded :

An employee who has already retired from the service of the Corporation and who opts to be governed by the Pension Scheme can authorise the Corporation to adjust the commuted value of a portion of the pension as well as the monthly pension (arrears) after commutation payable to him towards refund of the Corporation's contribution to the Provident Fund together with interest thereon with further interest (the rate of which will depend upon the date of retirement of the Part-time employee) from the date of settlement (date of retirement) to the date of refund of the said amounts. If the retired part-time employee desired to avail of this facility, he should give a letter of authority as per Annexure-8-P besides a receipt for the commuted value as per Annexure-9-P.

7. Details of Family :

As the Pension Scheme provides for payment of family pension in the event of unfortunate death of a part-time employee while in service or pensioner, it is necessary for each existing as well as retired part-time employee to give the details of his family in the form given in Annexure-10-P. Further, such persons should also send alongwith the details of family three copies of passport size photograph of the first member of the family who will become eligible for payment of family pension immediately on his/her unfortunate death.

8. Procedure for sanction of pension and commuted value in the cases of those part-time employees who have already retired:

All calculations and sanction of pension and commuted value will be done by the Zonal Office. As soon as the following

papers, namely, (i) option letter, (ii) request for commutation of a portion of the pension, (iii) letter authorising the Corporation to adjust the commuted value of the portion of the pension and the balance pension payable after commutation that has already fallen due, (iv) the particulars of family, and (v) Medical Examiner's report and Personal Statement in Annexure-7-P, in cases where medical examination was necessary for commutation, are received by the controlling Divisional office, it should prepare the pension file in duplicate, each containing one set of all the above papers.

The office should collect and verify and prepare the pension data sheet given in Annexure-12-P in duplicate. This pension data should be verified and signed by an officer not below the rank of ADM. One copy of the pension data sheet alongwith the pension file should be sent to R.M.(E&OS) in Zonal Office under whose control the Pension Cell in Zonal Office will be functioning. The duplicate copy of the pension data sheet should be filed in the duplicate pension file to be maintained by the Divisional Office and kept in safe custody. In order to ensure that all papers sent by each Divisional Office are received by Zonal Office and to have effective control on movement of such papers, each Divisional office should serially number the files, e.g. P0001. Besides, each Divisional office will maintain a Pension Fund files Register in which it will enter the details of each file before its despatch to Zonal Office. The proforma of the Register is given in Annexure-13-P.

The Zonal Office Pension Cell will immediately after receipt of a file enter the details of each pension file in a Register maintained by it Division-wise. The Register will be in the same format prescribed for Divisional Office. While entering the details, the office should ensure that all the files sent by a D.O. are received by it and, if on the basis of the running file No. given by the D.O., finds that any file has not been received by it, it should take up the matter immediately with the concerned D.O. The Cell should then check up the various forms and ensure that all the details have been given and that the amount of employer's contribution together with interest thereon as shown in the pension data sheet tallies with the details supplied by the Zonal Office Provident Fund Department.

After verifying the above, the Cell will calculate the pension as well as the commuted value. Simultaneously the Cell should also calculate the amount to be refunded by the retired part-time employee by way of Corporation's contribution to Provident Fund, interest thereon and further interest depending upon the date of retirement. While calculating further interest, the office should take the date of repayment as one month from the date on which it is

calculated so that the retired part-time employee can be asked to make the payment before that date. As soon as these calculations are ready, the papers should be put up to the officer authorised to sanction pension and commuted value (who should be an officer not below the rank of ADM) for his sanction. The calculations should be in duplicate so that one copy can be sent to the controlling D.O. for keeping the same in the pensioner's pension file.

After the pension and commuted value are duly sanctioned by the authority, a letter should be sent by the Zonal Office Pension Cell to the retired part-time employee indicating -

- i) The pension available to him.
- ii) Portion of pension that is commuted and the commuted value.
- iii) The balance pension and D.A. payable on full basic pension.
- iv) The date from which the above balance pension is payable.
- v) The amount of Corporation's contribution to the Provident Fund, interest thereon and further interest calculated @ 6% per annum or @ 12% per annum calculated upto \_\_\_\_\_.
- vi) The net amount payable by the retired part-time employee after setting off the commuted value and arrears of pension against the amount to be refunded by him (shown against item (v)) and the date before which the amount has to be paid.

The letter should inform the retired part-time employee that the above calculations will hold good only if he/she pays the amount indicated in (vi) above before the stipulated date. He should be asked to pay the amount directly to the Zonal Office by cash/cheque/demand draft drawn on a bank branch which is situated in the Zonal headquarters. A copy of this letter should be endorsed to the controlling D.O. Once the payment is received by the Zonal Office necessary advise should go to the controlling Divisional Office so that payment of further pension can be made by that D.O.

As soon as the final sanction is received by the controlling D.O., that D.O. should arrange to pay the balance pension and D.A. on full basic pension as indicated in the sanction sent by the Zonal Office Pension Cell from the month it is payable. Payment of pension should be made only by crossed cheque. However, if the pensioner so desires, payment of commuted value be made by Demand Draft at Corporation's



cost. Before making payment of pension the office should ensure that advance receipt duly stamped and signed by the retired part-time employee is received. A specimen of the advance receipt is given in Annexure-14-P.

As revision of Dearness Relief in the case of pensioners is allowed only once in six months i.e. in February and August, 6 cheques in advance can be issued once in February and again in August. As in all cases pension will not commence in February or August, in the beginning after sanction of pension is communicated payment may have to be made every month upto next February or August as the case may be and thereafter six cheques can be sent at a time. The pensioners should normally receive the cheque positively in the first week of the month following the month for which the pension is being paid. Hence while preparing the cheques in February and August, the offices should ensure each cheque bears the first date of following month to which the pension cheque relates. For instance, while sending six cheques in February for the months February to July the respective cheques will bear the date 1st March, 1st April, 1st May, 1st June, 1st July and 1st August. Further, the cheques should be despatched in February and August as far as possible, at least 5 days before the last day of February or August, as the case may be. The detailed procedure for opening of bank accounts, maintenance of accounts, account code Nos. etc, will be issued by the Central Office F&A Dept.

9. Procedure to be followed in the case of existing part-time employees who retire hereafter :

In the beginning of each month the Divisional Office will prepare the list of part-time employees who will be retiring three months hence. For example, in the beginning of January the office will prepare the list of part-time employees who will be retiring at the end of April and who are to be paid pension. They will be asked to sign and submit the form requesting for commutation of pension (form 5-P), and form of receipt of commuted value along with 3 copies of pass-port size photographs and the family particulars form if the same has not been submitted earlier or if there are any changes in the details given earlier. Thereafter the procedure to be followed will be the same as in the case of part-time employees who have already retired.

10. Points to be noted before making payment of pension and commuted value of pension :

- (a) In cases where income-tax is payable the same is deducted from the pension amount.
- (b) In States where Professional Tax is payable, the same is deducted at source.

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- (c) Any recovery such as loan, advance, profit, or any other amount that is due to the Corporation and is not recovered from other dues is recovered from the commuted value and pension and only the balance is paid.
- (d) In the case of a part-time employee who has retired before the Scheme date, the balance amount payable by the retired part-time employee by way of refund of employer's contribution to P.F., interest thereon and further interest, as demanded by the Zonal Office Pension Cell, has been paid by the retired part-time employee and the advice of such payment has been received from the Zonal Office.
- (e) In the case of pension the advance receipt(s) has/have been received and the signature thereon has been verified with the specimen signature available on the pension file.

11. Invalid Pension :

The invalid pension is paid to a part-time employee who has been retired on medical ground, provided at the time of such retirement the part-time employee has completed 10 years of service. In these cases the commutation can be allowed only subject to medical examination even if the commutation is asked for within one year from the date of such retirement.

The procedure for payment of pension in case of invalid pension will be the same as enumerated above for cases of normal superannuation. However, while sanctioning the pension care should be taken to see that the invalid pension granted is not lower than the family pension, pension that the family would have been sanctioned had the part-time employee died on the date on which he was retired from service under medical ground.

12. Payment of pension on voluntary retirement :

The procedure for payment of pension in cases of voluntary retirement will be the same as enumerated above for cases of normal superannuation.

13. Payment of Compassionate Allowance and commutation of the same :

As per the Pension Scheme compassionate allowance can only be sanctioned by the competent authority in cases where the cessation of service due to dismissal, removal, termination or compulsorily retirement has taken place on or after 1.11.1993. Since medical examination is required and the applicant has to be declared medically fit whenever any

portion of compassionate allowance is sought to be commuted the controlling Divisional Office has to take necessary action regarding medical examination whenever such a request is received in the prescribed proforma given in Annexure-6-P and the procedure as detailed in Para No. 5 of these guidelines has to be followed.

The Zonal Office Pension Cell should ensure that these cases are put up to the competent authority to enable him to decide the quantum of compassionate allowance.

The procedure for payment of Compassionate Allowance will be the same as in case of normal superannuation.

14. Life Certificate :

Every pensioner is required to produce a Life Certificate on the 1st of August every year in the form given in Annexure-22-P. This certificate must be received by the office before 31st August.

15. Procedure for payment of Family Pension :

i) For payment of family pension in respect of part-time employees who died prior to the date of circulation of the Pension Scheme :

Para (4) of these guidelines earlier deals with the payment of family pension in respect of part-time employees who died prior to the date of circulation of the Pension Scheme provided the families of such deceased employees exercise the option within the stipulated time limit. On receipt of this option form the office should prepare the data sheet for calculation of family pension as given in Annexure-17-P and forward one set of these papers to the Zonal Office. The procedure to be followed by the Zonal Office for sanction of family pension in these cases will be the same as has been laid down in (ii) below for calculation of family pension in respect of part-time employees/pensioners who may die hereafter.

ii) Procedure for payment of family pension in respect of part-time employees/pensioners who may die on or after the Scheme date :

On receipt of information of death of a part-time employee/pensioner the Divisional Office should write a letter to the first eligible family member (as per details already given by the part-time employee/pensioner) in the form given in Annexure-15-P asking him/her to apply for family pension in the form given in Annexure-16-P. After this application is

received one copy of the same should be sent to Zonal Office Pension Cell for grant of family pension. While sending this application, they will also prepare and send to Zonal Office the Data Sheet for calculation of Family Pension as per Annexure-17-P. The Zonal Office will, on the basis of data supplied by the controlling D.O., calculate and communicate to the controlling D.O. the amount of family pension payable. While communicating these, the Zonal Office will also indicate the enhanced rate of family pension, if any, that is to be allowed and the period for which the same is to be allowed.

In cases where the part-time employee had died prior to revision of scales from 1.8.1987 i.e. those who died between 1.1.1986 and 31.7.1987, the family pension should be calculated on the basis of the pre-revised pay, as under :

Pay Range (Basic Pay + Allowances which rank for P.F.)	Amount of Family Pension	
Below Rs. 332/-	30% of pay as basic family pension subject to a minimum and maximum of -	
	Minimum	Maximum
332 - 4 Hrs.	Rs.50.00	83.00
249 - 3 Hrs.	Rs.38.00	63.00
166 - 2 Hrs.	Rs.25.00	42.00
Rs. 332/- and above	15% of pay as basic family pension subject to a minimum and maximum of -	
	Minimum	Maximum
332 - 4 Hrs.	Rs.83.00	133.00
249 - 3 Hrs.	Rs.63.00	100.00
166 - 2 Hrs.	Rs.42.00	67.00

Note : Family pension shall be reduced in the same proportion as the number of hours worked on part-time basis to 4 hours of work in a day.

The basic family pension so arrived at should be updated by adding to such family pension the dearness relief at CPI 600 as per chart (Annexure-18-P) for updating of basic pension. The aggregate of the updated basic family pension will be admissible and the dearness relief on such a family pension will be admissible on the updated basic family pension component.

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Once the sanction of family pension is received, the procedure to be followed by the controlling D.O. for the payment of family pension will be the same as in the case of normal retirement pension.

Once the first eligible member of family becomes ineligible to the family pension, the next eligible family member should be asked to apply in the prescribed form (Annexure-16-P). While it is not necessary to obtain fresh sanction for payment of family pension at the rate at which the family pension has already been sanctioned, an intimation about the change has to be sent to Zonal Office for updating their records. For further continuation of family pension declaration from the beneficiaries have to be obtained every year in August as per Annexure-23-P.

16. Maintenance of Records :

(a) At the Divisional Office :

As stated earlier, the Divisional Office will prepare a pension file in respect of each part-time pensioner. This file will contain -

- i) The option letter indicating his/her option to be governed by the Pension Scheme.
- ii) Letter agreeing to refund the Corporation's contribution to the P.F., interest thereon and further interest upto the date of refund.
- iii) Request for commutation of a portion of the Basic Pension.
- iv) Letter authorising the Corporation to adjust the commuted value and arrears pension towards the amount to be refunded by them.
- v) Medical Examiner's report in cases where commutation was allowed after medical examination.
- vi) Family particulars form.
- vii) Nomination to receive commuted value in the event of unfortunate death of the pensioner without receiving the commuted value and arrears of pension.  
  
(Note: Items (ii) and (iv) will be obtained only in the cases of those who have already retired and item (vii) only in those cases where commuted value is not to be adjusted).
- viii) Copy of the pension data sheet.

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- ix) Copy of pension calculation sheet.
- x) Copy of the letter written to retired part-time employee informing him the pension details and the balance amount refundable by him.
- xi) Z.O. Letter informing the D.O. regarding receipt of balance amount from retired part-time employee.
- xii) Copies of 'No Dues Certificate' obtained from various departments.
- xiii) Copies of letters forwarding pension cheques to the pensioner as also advance receipts received from them.

Besides the above pension files, the D.O. will also maintain individual ledger sheets in respect of each pensioner wherein the details of all pension payments will be entered.

(b) In the Zonal Office :

- i) Pension file in respect of each member containing copies of items (i) to (xi) mentioned above.
- ii) In cases of part-time employees whose services have been terminated or compulsorily retired, or removed or dismissed from the services of the Corporation, the sanction of the competent authority sanctioning Compassionate Allowance.

17. Information to be sent to Zonal Office Pension Cell in respect of existing as well as future entrants :

In respect of existing part-time employees who opt to be governed by the Pension Scheme, the Divisional Office will prepare a statement in the form given in Annexure-19-P and send the same to Zonal Office after the expiry of 90 days from the date of circulation. A copy of this statement will also be sent to Zonal Office Provident Fund Dept. to enable them to arrange for transfer to Pension Fund the Corporation's contribution with interest thereon standing to his credit.

In the cases of those part-time employees who join hereafter, the D.O. should send similar information immediately after a part-time employee is appointed in the service of the Corporation.

In both the above cases, the information given should be updated as at 31st March each year by giving a statement in the same form incorporating the changes.

18. Contribution to the Pension Fund in respect of existing employees and future entrants :

Para 7 of the Pension Scheme lays down the amount to be contributed by the Corporation to the Pension Fund in respect of each employee.

We have laid down in para 16 and 17 of the guidelines for implementation of Scheme the various records to be maintained in the Divisional/Zonal Offices as also the information that is to be sent to Zonal Office Pension Cell by each Divisional Office in respect of existing part-time employees as well as future entrants. The Zonal Office should store on the micro all the information including the details of pension and commuted value wherever sanctioned. This data should be updated by the Zonal Office by incorporating -

- 1) the pension and commuted value details in cases where pension is sanctioned subsequently and
- 2) by incorporating the changes in service details that may be sent by each Divisional Office after 31st March each year in respect of existing part-time employees as well as new recruits.

This will enable the Zonal Office to ensure that the data that is available in the Zonal Office is updated as on 31st March each year.

On the basis of this data the Zonal Office should every month prepare and send to Central Office the statement indicating the actual amount of contribution to be paid into the Trust Fund in respect of part-time employees who are governed by the Pension Scheme in the concerned Zone. On receipt of such statement from each Zone, Central Office will arrange for the transfer of this amount to the Trust Fund.

19. Information to be sent to Trustees of the Pension Fund :

As stated earlier, the Zonal Office will be having with them two sets of records - (1) the details in respect of the retired/deceased part-time employees who or whose families have opted to be governed by the Pension Scheme and (2) the details in respect of the existing part-time employees who have opted to be governed by the Pension Scheme. In accordance with the Pension Scheme, the Trustees are required to take out Annuity Policies for payment of pension. In order to enable the Trustees to do so each Zonal Office, immediately after the period of 7 months from the date of circulation is over (by which time not only the option should have been exercised but even repayment of the

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Provident Fund contribution together with interest thereon and further interest should have been received), should prepare the complete details in respect of each case where the pension/family pension has been/has to be sanctioned. This statement should, besides the complete details of the part-time employee, also give the amount of pension/family pension sanctioned, the commuted value, the balance pension, the amount of Provident Fund contribution together with interest and further interest received from the retired part-time employee/family of the deceased part-time employee.

Besides the above, after the expiry of 90 days from the date of circulation of Pension Scheme, the Zonal Office should prepare the complete details of the Employees who have exercised the option to be governed by the Pension Scheme. This should also indicate the amount of Corporation's contribution that is to the credit of the part-time employee and the accrued interest that will be transferred by the Zonal Office's Provident Fund Department to the Pension Trust Fund. The procedure for actual transfer of the amount and the other related procedures in this regard will be issued by the Finance & Accounts Department of the Central Office.

Whenever an existing part-time employee retires from the service or unfortunately dies while in service, it will be necessary for the Trustees to purchase Annuity for payment of pension/family pension in respect of such part-time employees. As stated in para 9 of guidelines, Divisional Office in whose jurisdiction the part-time employee has been working at the time of retirement/death will be preparing the pension file and sending the same to the Zonal Office in order to enable the Zonal office to sanction the pension/family pension. While the Zonal Office, on the basis of the data given by the Divisional Office, sanctions the pension/family pension, commuted value, etc. it should also send the details of such part-time employee together with the information in regard to the amount of pension/family pension, commuted value, etc. sanctioned, to the Trustees of the Pension Fund so as to enable them to purchase the necessary Annuity Policy in respect of such part-time employees.

20. As stated earlier, the Zonal Office Pension Cell will receive

- 1) from each Divisional Office the pension files in respect of each retired part-time employee;
- 2) the data in respect of existing and future recruits;
- 3) information relating to retirement or death of an existing part-time employee.



It is necessary that the Zonal Office Pension Cell stores all the information including the details of pension and commuted value wherever sanctioned on the micro. Further, it should also ensure that on the basis of the information that is received from the Divisional Offices and the offices under the control of each Divisional Office the data maintained by them is updated so that it will enable the Zonal Office to cull out at the end of every financial year the data that is required for the purpose of valuation.

In order to ensure the safety of records stored on the micro, the Z.O. Pension Cell will prepare back up records and keep the same in a different place.

21. Disbursement of pension payments :

As stated earlier, pension will be paid by the Divisional Office under whose jurisdiction the part-time employee was working at the time of recruitment/death. The Salary Section of the D.S. Dept. of the Divisional Office will attend to this job.

It is possible that in some cases the requests may be received for payment of pension by a D.O. other than the one from which the part-time employee retired as the retired part-time employee/family might have settled down at that place. In that case the D.O., under whose jurisdiction the part-time employee was working at the time of retirement, immediately after sanction arrange to transfer the pension file of the concerned person as well as a copy of the ledger sheet to the new Divisional Office. To ensure safety, the file should be sent only by Registered A/D post. A copy of the letter forwarding the pension file to the new D.O. should be endorsed to Z.O. Pension Cell for taking a note of the same in their records. Where such a transfer involves another Zone, the controlling Zonal Office should take print-out of all the details of the pensioner and send the same to the transferee Zonal Office so as to enable them to build the necessary records. This print-out will be sent to the transferee Z.O. along with the pension file maintained by the Zonal Office.

Where the pensioner or family receiving family pension changes residence and asks for payment of pension from a Divisional Office other than the one from which the pension is received presently, the request may be allowed subject to the same procedure as above.

Similarly when an existing part-time employee is transferred from one Zone to another, the advice has to be given by the transferrer D.O. to the controlling Z.O. as well as new Z.O. so that necessary action can be taken at both the Zonal Offices.

In metropolitan centres where more than one Divisional Office exists, the work relating to payment of pension and maintenance of records should be entrusted to parent D.O. only.

22. Auditing :

The Audit Teams should do 100% checking of all the pension payment cases in the Z.O. Pension Cell. The first such audit should be conducted immediately after expiry of six months from the date of circulation. The Audit Dept. should also verify the cases of payments by the Divisional Offices whenever the team visits each D.O.

23. General :

If there is any doubt as to application/interpretation of any of the Scheme/Guidelines, reference should be made to Central Office.

By Order

  
EXECUTIVE DIRECTOR (P)

  
PART-EMP. INS

