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## **ANNEXURE - 5**

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**Life Insurance Corporation of India  
Class III and Class IV Employees  
(Revision of Terms And Conditions of Service)  
Rules, 1985**

**LIFE INSURANCE CORPORATION OF INDIA**  
**CLASS III AND CLASS IV EMPLOYEES**  
**(REVISION OF TERMS AND CONDITIONS OF SERVICE)**  
**RULES, 1985\***

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

**1. Short title, commencement and application:**

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

**2. Definitions:**

In these rules, unless the context otherwise requires —

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

As amended by notification GSR 270 (E) dated 15.04.2021

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

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

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

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

@4.(1). The scales of pay of the Class III Employees shall be as specified in the table below:—

| Sl.No. | Class III Employees posts  | Scale of pay  |
|--------|--|---|
| (1)    | (2)  | (3)   |
| 1.     | Higher Grade Assistants  | Rs. 35310-2370(3)-42420-2645(15)-82095  |
| 2.     | Stenographers  | Rs. 29530-1690(4)-36290-1960(2)-40210-2390(3)-47380-2480(2)-52340-2645(8)- 73500                            |
| 3.     | Assistants, Assistants Appointed as Receiving and Paying Cashiers, Projectionists and Microprocessor Operators | Rs.23465-1375(1)-24840-1500(2)-27840-1690(5)-36290-1960(2)-40210-2390(3)-47380-2480(2)-52340-2645(5)- 65565 |
| 4.     | Record Clerks  | Rs. 21740-775(4)-24840-1220(3)-28500-1375(2)-31250-1390(6)-39590-1500(6)-48590                              |

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

(A) Higher Grade Assistants appointed as Internal Audit Assistants:

(a) For the first five years - Rs.1525/- per month

(b) For the next five years- Rs.1740/- per month

(c) For the subsequent years Rs.1880/- per month

(B) Assistants appointed as receiving and paying Cashiers - Rs.3530/- per month:

Provided that the said allowance shall not be reckoned for the purpose of calculation of dearness allowance, Provident Fund, gratuity, House Rent Allowance, pension, encashment of privilege leave and fixation of pay upon promotion.

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

| Sl.No. | Functions of Class III Employees for Functional Allowance                           | Functional Allowance Per Month |
|--------|---|--------------------------------|
| (1)    | (2)   | (3)                            |
| 1.     | Banda, Duplicating and Xerox Machine Operators in the scale of Pay of Record Clerks | Rs. 215/-                      |
| 3.     | Microprocessor Operators in the scale of Assistants                                 | Rs.405/-                       |
| 4.     | Programmers in the scale of pay of Higher Grade Assistants                          | Rs. 1270/-                     |

Provided that an existing Class-III employee who is in receipt of any Functional Allowance as on the 31st day of July, 2017 shall continue to draw the same so long as he is holding the post to which the Functional Allowance is attached, to be absorbed in future wage revision”.

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

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

@ Notified in the Gazette of India dated 15.04.2021, GSR NO. 270(E)

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

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

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

**6. \* Scales of pay of Class IV subordinate employees:**

(1) The scales of pay of Class-IV subordinate employees shall be as specified in the table below –

| Sl.No. | Class IV Employees posts                         | Scale of pay   |
|--------|--|--|
| (1)    | (2)  | (3)  |
| 1.     | Drivers  | Rs. 21740-980(6)-27620-1015(1)-28635-1220(12)-43275                              |
| 2.     | Sepoys, Hamals, Head Peons, Liftmen and Watchmen | Rs. 18930-775(5)-22805-825(8)-29405--980(1)- 30385- 1015(2)-32415-1220(3)- 36075 |
| 3.     | Sweepers and Cleaners                            | Rs.17950-775(5)-21825-825(8)-28425-980(6)- 34305                                 |

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

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

Head Peons, Liftmen and Watchmen – Rs.1620/- per month.

(b) Franking Machine Operators in the scale of Sepoy shall be paid a Functional Allowance of Rs.170/- per month.

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

Subject to the work record being found satisfactory

(a) an employee –

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

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

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

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

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\* Notified in Gazette of India dated 15.04.2021 GSR No. 270(E).

† Substituted vide Notification dated 08.10.2010 GSR No. 826(E).

- (b) An employee in the scale of pay of Section Head and Higher Grade Assistant who has reached the maximum of the scale, may be granted for every three completed years of service after reaching such maximum, an addition to the basic pay equal to the last increment drawn by him in the scale of pay, subject to the maximum of six such additions \*and after two years from availing the sixth such addition, he may be granted one further addition to the basic pay equal to the last increment drawn by him in the scale of pay

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

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

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

#### **8. Dearness Allowances:**

\*(1) The scale of Dearness Allowance of Class III and Class IV employees shall be determined as under:

(i) Index : All India Average Consumer Price Index Number for Industrial Workers.

(ii) Base : Index No.6352 in the series 1960=100.

(iii) Rate : For every four points in the quarterly average of the All India Consumer

Price Index above 6352 points, a Class III or a Class IV employee shall be paid dearness allowance at the rate of 0.08 % of Pay.

Explanation.- For the purpose of this clause "Pay" means -

- (i) the basic pay;
- (ii) additions to basic pay referred to in rule 7;
- (iii) special allowance referred to in clause (a) of sub-rule (2) of rule 6;
- (iv) Graduation Allowance payable to the employees in the scale of pay of Assistants and Stenographers as provided in rule 19A; and
- (v) special allowance referred to in rule 2 or rule 4 of the Life Insurance Corporation of India Class-III Employees (Special Allowance for Passing Examination) Rules, 1988.;

- (2) There shall be an upward revision of the dearness allowance payable for every four points rise in the quarterly average (hereinafter referred to as the "current average figure") of the All India Consumer Price Index above [6352 points in the sequence of 6352-6356-6360-6364]\* and so on, and there shall be downward revision of the dearness allowance payable if the current average figure falls below the index figure in the above sequence with reference to which the dearness allowance has been paid for the last preceding quarter. On the downward revision, the dearness allowance payable shall correspond to the current average figure if such current average figure is a figure in the above sequence and the dearness allowance payable shall correspond to the figure in the above sequence next preceding the current average figure if such current average figure is not a figure in the sequence. For this purpose, quarter shall mean a period of three months ending on the last day of March, June, September or December.

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\* & [ ]\* As amended vide notification dated 15.04.2021, G.S.R.No.270(E)

The final index figures as published in the Indian Labour Journal or the Gazette of India, whichever publication is available earlier, shall be the index figure which shall be taken for the purpose of calculation of dearness allowance.

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

## 9. House Rent Allowance:

“(1) The House Rent Allowance of Class III and Class IV employees, except those who have been allotted residential accommodation by the Corporation, shall be as specified in the table below:—

| Sl. No. | Place of posting  | Rate of House Rent Allowance   |
|---------|---|--|
| (1)     | (2)   | (3)  |
| 1.      | Cities of Mumbai, Kolkata, Chennai, New Delhi, Noida, Faridabad, Ghaziabad, Gurugram, Navi Mumbai, Hyderabad, Bengaluru and other cities with population of 45 lakh and above | 10% of Pay, subject to the minimum of Rs.1720/- per month and the maximum of Rs.7840/- per month.  |
| 2.      | Cities with population exceeding 12 lakh but less than 45 lakh, and except those mentioned at Sl. No. 1., and any city in the State of Goa                                    | 8% of Pay, subject to the minimum of Rs. 1475/- per month and the maximum of Rs. 6620/- per month. |
| 3.      | Other places  | 7% of Pay, subject to the minimum of Rs. 1400/- per month and the maximum of Rs. 6370/- per month. |

Notes: For the purposes of this sub-rule,—

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

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

\* **10.City Compensatory Allowance.**—The City Compensatory Allowance payable to Class III and Class IV employees shall be as specified in the table below:—

| Sl.No. | Place of Posting   | Rate of City Compensatory Allowance   |
|--------|--|---|
| (1)    | (2)  | (3)   |
| 1.     | Cities of Mumbai, Kolkata, Chennai, New Delhi, Noida, Faridabad, Ghaziabad, Gurugram, Navi Mumbai, Hyderabad, Bengaluru and other cities with population of 45 lakh and above            | 3% of Pay, subject to the minimum of Rs. 510/- per month and the maximum of Rs. 1555/- per month.   |
| 2.     | Cities with population exceeding 12 lakh but less than 45 lakh, and except those mentioned at Sl. No. 1., and any city in the State of Goa   | 2.5% of Pay, subject to the minimum of Rs. 420/- per month and the maximum of Rs. 1460/- per month. |
| 3.     | Cities with population of five lakh and above but not exceeding 12 lakh, State capitals with population not exceeding 12 lakh, Chandigarh, Mohali, Puducherry, Port Blair, and Panchkula | 2% of Pay, subject to the minimum of Rs. 310/- per month and the maximum of Rs. 1255/- per month    |

Notes: For the purposes of this sub-rule,—

- (i) the population figures shall be as per the latest Census report;
- (ii) cities shall include their urban agglomerations; and
- (iii) "Pay" means basic pay plus additions to basic pay under rule 7 and Special Allowance payable to Class IV under sub-rule (2)(a) of Rule 6."

\* **11. Hill Allowance.**—The scales of Hill Allowance payable to Class III and Class IV employees shall be as specified in the table below:—

| Sl.No. | Places  | Rates  |
|--------|---|--|
| (1)    | (2)   | (3)  |
| 1.     | Posted at a place situated at a height of 1,500 metres or more above the mean sea level   | At the rate of 2.5% of Basic Pay subject to maximum of Rs.1000 per month |
| 2.     | Posted at a place situated at a height of 1,000 metres or more but less than 1,500 metres above the mean sea level, or at Mercara, or at a place which is specifically declared as a "hill station" by the Central Government or the State Government concerned for their employees | At the rate of 2% of Basic Pay subject to maximum of Rs.790 per month    |
| 3.     | Posted at a place situated at a height of not less than 750 metres or more above the mean sea level and which is surrounded by and accessible only through hills having a height of 1,000 metres or more above the mean sea level   | At the rate of 2% of Basic Pay subject to maximum of Rs.790 per month    |

**@12. Maximum limit of pay:**

"Deleted".

**13. Bonus:**

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

\*\*[Provided that:-

- (i) no payment in lieu of bonus shall be payable to any employee drawing a salary exceeding Rs. 21,000/- per month;
- (ii) where the salary of an employee exceeds Rs. 7,000/- per month but does not exceed Rs. 21,000/- per month, the maximum payment in lieu of bonus payable to such employees shall be calculated as if his salary were Rs. 7,000/- per month.]

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

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

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

- (i) For the period from 1st April, 2009 to 31st March, 2010 Productivity Linked Lumpsum Incentive shall be payable based on the performance of the Corporation as a whole on the basis of parameters based on Statement of Intent as approved by the Board;
- (ii) For the period from 1st April, 2010 onwards Board shall be empowered to formulate the parameters and performance norms of the Productivity Linked Lumpsum Incentive for its employees based on Statement of Intent every year subject to following conditions:

#[(a) Productivity Linked Lump Sum Incentive shall be payable at the levels of 1%, 2%, 3%, etc. up to a maximum of 6% of the annual pay of individual Class III and Class IV employees for any Financial Year with effect from 2013-14.]

(b) Productivity Linked Lump Sum Incentive shall be payable to Class III and Class IV employees in Corporate Office based on the performance of the Corporation as a whole.

(c) Productivity Linked Lump Sum Incentive shall be payable to Class III and Class IV employees in Zonal Office based on the performance of the Zone as a whole.

(d) Productivity Linked Lump Sum Incentive shall be payable to Class III and Class IV employees in Divisional/Branch Office based on the performance of the Division as a whole.

(e) The threshold minimum Productivity Linked Lump Sum Incentive for Zonal Office / Divisional Office / Branch Office shall be 50% of the Corporate level Productivity Linked Lump Sum Incentive.

#[Notes: For the purpose of this rule, annual pay means the basic pay, Dearness Allowance and Fixed Personal Allowance.]

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[ ]\*\* Notified in Gazette of India dated 24.11.2016 G.S.R.No.1087(E).

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

\* as amended vide Notification Dated 08.10.2010 GSR NO. 826(E).

#[ ] Notified in Gazette of India dated 26.02.2016 G.S.R.No.195(E).



**\*13B. Special Allowance to Class III and Class IV employees**

(1) The amount of Special Allowance payable to Class - III & IV employees shall be as specified in the table below:—

| Sl.No. | Class III / Class IV employees | Allowance per month (Rs.) |
|--------|--------------------------------|---------------------------|
| (1)    | (2)                            | (3)                       |
| 1.     | Higher Grade Assistant         | 3,000/-                   |
| 2.     | Stenographer                   | 2,500/-                   |
| 3.     | Assistant                      | 2,000/-                   |
| 4.     | Record Clerk                   | 1,800/-                   |
| 5.     | Driver                         | 1,800/-                   |
| 6.     | Peon                           | 1,600/-                   |
| 7.     | Sweeper                        | 1,500/-                   |

(2) The allowance under this rule shall be reckoned for the purpose of calculation of dearness allowance but shall not be reckoned for the purposes of Provident Fund, gratuity, House Rent Allowance, pension, encashment of privilege leave and fixation of pay upon promotion.

**14. Superannuation and retirement:**

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

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

**15. Re-fixation of salary:**

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

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

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

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

\*(1A) [omitted. ]

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

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

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

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

[ ]§ Notified in Gazette of India dated 22.05.1998.

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

\* Notification no GSR 270 (E) dated 15.04.2021

## 16. Sick Leave:

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

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

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

## \*17. Maternity Leave:

§ The competent authority may grant maternity leave to a female employee for a period which may extend up to six months at a stretch subject to a maximum of fifteen months during the entire period of her service:

Provided that the maternity leave to a female employee having two or more surviving children shall be granted for a maximum period of three months at a stretch.

Provided further that the leave may be granted once during the service to a childless female employee for adopting a child who is below one year age through a proper legal process and on submission of a certified true copy of adoption deed to the corporation and the maximum period of leave shall be twelve weeks or till the child attains the age of one year, whichever is earlier.

Provided also that leave of maximum twelve weeks may be granted once during the service to a childless female commissioning mother (a biological mother who uses her egg to create an embryo implanted in any other woman) from the date of birth of the child and such leave may be availed for one child till the child attains the age of one year.

## [ ]\*18. Provident Fund:

- (1) Every Class III or Class IV employee other than an employee on probation or an employee appointed on a temporary basis or an employee appointed on or after 01.04.2010 or a transferred employee of the Oriental Government Security Life Assurance Company Limited, who is contributing to the Pension Fund of that company, shall contribute every month to the Provident Fund established by the Corporation at the rate of ten per cent of his pay. The Corporation shall contribute to the Provident Fund an amount equal to actual Contribution of each such employee but not exceeding the employees contribution:

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

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

@ Explanation.- [omitted. ]

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@ Omitted vide Notification dated 22.6.2000 (GSR No. 552(E)).  
\*\* As amended vide Notification dated 22.6.2000 (GSR No. 552(E)).  
\* As amended vide Notification dated 22.6.2000 (GSR No. 552(E)).  
[ ]\* As amended vide Notification dated 08.10.2010 (GSR No.826(E)).  
\$ Substituted vide Notification dated 31.05.2019 Part-III Section 3 G.S.R.No.404(E).  
+ As amended vide Notification dated 22.2.1996 and came into force w.e.f. 1.11.1993.

**19. Gratuity:**

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

shall be eligible for the payment of gratuity.

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

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

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

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

\*Provided that —

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

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

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

#### † 19A. Graduation Increments and Graduation Allowance:

##### (a) Graduation Increments

An employee in the scale of Assistant or Stenographer

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

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

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

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

@ As amended by Notification dated 12.5.1989.

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

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

**(b) Graduation Allowance**

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

an employee in the scale of Record Clerk who is a graduate of a recognised university at the time of his appointment or who becomes a graduate of a recognised university after his appointment to such post, shall be granted graduation allowance of [Rs. 755/-]\* p.m. from the date of his appointment as Record Clerk or from the first day of the month following the month in which the result of the examination is declared respectively, which shall not count for any purposes.

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

(a) an employee in the scale of Assistant or Stenographer who becomes a graduate of a recognised university after reaching maximum of the scales applicable to him shall be granted graduation allowance of [Rs. 1625/-]\* p.m. from the first day of the month following the month in which the result of the examination is declared.

(b) an employee in the scale of pay of Assistant or Stenographer who has received the graduation increments and who reaches the maximum of the scale of pay referred to in sub-rule (1) of rule 4 of the said rules shall be granted graduation allowance of [Rs. 830/-]\* per month from the first day of the month following the completion of one year of service commencing from the date of reaching such maximum:

(c) an employee in the scale of pay of Assistant or Stenographer who has received the graduation increments and who reaches the maximum of the scale of pay referred to in sub-rule (1) of rule 4 of the said rules shall be granted graduation allowance at the rate of [Rs. 1625/-]\* per month from the first day of the month following the completion of two years of service commencing from the date of reaching such maximum.

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

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

\*\*Provided further that those who become Graduates after 31st July, 2007 shall not be eligible for Graduation Allowance under rules (ii) above.

**§19B. [omitted.....]**

**19C. Personal Allowance:**

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

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

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

\*\* As amended vide Notification dated 8.10.2010, GSR No. 826(E).

[ ]\* As amended vide Notification dated 15.04.2021, GSR No. 270(E).

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

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

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

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

**19E. Transport Allowance:**

Every Class III or Class IV employee, other than an employee appointed on temporary basis, shall be paid Transport Allowance at the rate of [Rs.680/-]\* per month.

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\* As amended vide Notification dated 22.06.2000,GSR No552(E).

\* [ ]\* As amended vide Notification dated 15.04.2021,GSR No270(E).

**\*19F. Paradeep Port Allowance:**

Every Class III and Class IV employee working in office(s) at Paradeep shall be paid "Paradeep Port Allowance" [of Rs. 265/-]\* per month with effect from the first of the month following the date of this notification or the date of joining at Paradeep, whichever is later. This allowance shall not rank for any benefits.

**20. Interpretation:**

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

Note : The principal rules were published vide G.S.R. No. 357(E) dated the 11th April, 1985 and subsequently amended vide G.S.R. No. 18(E) dated the 7th January, 1986, G.S.R. No. 1076(E) dated the 11th September, 1986, G.S.R. No. 961(E) dated the 7th December, 1987, G.S.R. No. 870(E) and 873(E) both dated the 22nd August, 1988, G.S.R. No. 515(E) dated the 12th May, 1989, G.S.R. No. 509(E) dated the 24th May, 1990, G.S.R. No. 620(E) dated the 6th July, 1990, G.S.R. No. 628(E) dated the 10th July, 1990, G.S.R. No. 338(E) dated the 11th July, 1991, G.S.R. No. 697(E) dated the 25th November, 1991, G.S.R. No. 46(E) and 47(E) both dated the 4th February, 1993, G.S.R. No. 746(E) dated the 13th December, 1993, G.S.R. No. 55(E) dated the 2nd February, 1994, G.S.R. No. 595(E) dated the 30th June, 1995, G.S.R. No. 669(E) dated the 27th September, 1995, G.S.R. No. 102(E) dated the 22nd February, 1996, G.S.R. No. 261(E) dated the 22nd May, 1998, G.S.R. No. 532(E) dated the 27th August, 1998, G.S.R. No. 445(E) dated the 18th June, 1999, G.S.R. No. 611(E) dated the 30th August, 1999, G.S.R. No. 552(E) dated the 22nd June, 2000, G.S.R. No. 289(E) dated the 27th April, 2004, G.S.R. No. 561(E) dated the 5th September, 2005, GSR No. 306(E) dated 25th April, 2007., GSR No. 72 (E) dated 6th February, 2008, GSR No. 826 (E) dated 8th October, 2010, GSR No. 30 (E) dated 14th January, 2016 and GSR No. 195 (E) dated 26th February, 2016, GSR No. 1087(E) dated 24th November, 2016, GSR No. 404 (E) dated 31.05.2019 and GSR 270 (E) dated 15.04.2021

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[ ]\* As amended vide Notification dated 15.04.2021, GSR No. 270(E).

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