

**LIFE INSURANCE CORPORATION OF INDIA EMPLOYEES' DEFINED CONTRIBUTION PENSION  
SCHEME RULES, 2010**

**CHAPTER - I - PRELIMINARY**

**1. Short title and commencement**

These rules may be called Life Insurance Corporation of India Employees' Defined Contribution Pension Scheme Rules, 2010 and these shall be deemed to have come into force on the 1<sup>st</sup> day of April, 2010.

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

(a) "**ACT**" means the Life Insurance Corporation Act, 1956 (31 of 1956);

(b) "**APPROVED FUND**" shall mean a Superannuation Fund which has been approved by the Central Board of Revenue under Chapter IX-B of the Indian Income Tax Act, 1922 or a Superannuation Fund which has been approved by the Commissioner of Income Tax under Part-'B' of the Fourth Schedule to the Income Tax Act, 1961.

(c) "**COMPETENT AUTHORITY**" means,

i) in relation to employees belonging to the cadre of Assistant Administrative Officers and employees belonging to Class II, Class III and Class IV, the Zonal Manager in-charge of the Zone of the Corporation; and

(ii) in any other case, the appointing authority in terms of the relevant service rules;

(d) "**NORMAL CONTRIBUTION**" means the amount deducted from the salary of an employee at the rate of 10% of his pay as defined under rule 2(q) towards superannuation fund as also equal amount credited by the Corporation on behalf of an employee to the Fund , but shall not include any sum credited as interest;

(e) "**ADDITIONAL CONTRIBUTION**" means any additional amount voluntarily contributed by the employee over and above normal contribution, subject to maximum of 90% of his pay.

(f) "**CORPORATION**" means the Life Insurance Corporation of India established under Section 3 of the Life Insurance Corporation Act, 1956 (31 of 1956);

(g) "**SUPERANNUATION AGE**" means in case of whole time salaried employees, age referred to in Rule 19 of LIC of India (Staff) Regulations, 1960 and in case of Part Time employees, age referred to in instructions issued from time to time in respect of part time employees.

(h) "**DATE OF COMMENCEMENT OF POLICY**" shall mean 1<sup>st</sup> April, 2010.

(i) "**DATE OF ENTRY**" means the date of confirmation in the services of the Corporation.

(j) "**DATE OF RETIREMENT**" means the last day of the month in which an employee attains the age of superannuation or the date on which he is directed to retire by the Corporation or the date on which the employee is permitted to retire;

(k) "EFFECTIVE DATE" in relation to the Scheme shall mean 1<sup>st</sup> April, 2010 the date as from which the Scheme takes effect;

(l) "EMPLOYEE" means any person employed in the service of the Corporation on or after 01.04.2010 on full-time work on permanent basis or on regular permanent part time basis.;

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

(m) "ENTRY DATE" shall mean (i) in relation to the original Members the Effective Date and (ii) in relation to new Members admitted to the Scheme after the Effective Date, the date on which he/she becomes eligible for the benefits under the scheme.

(n) "FINANCIAL YEAR" means a year commencing on the first day of April and ends on 31st day of March;

(o) "FUND" means the Life Insurance Corporation of India Employees Defined Contribution Pension Scheme, 2010 FUND.

(p) "MEMBER" means an employee as defined under these rules.

(p) "NOTIFIED DATE" means the date on which the Central Government has authorised the Corporation to frame the rules of Defined Contribution Pension Scheme vide notification dated 8<sup>th</sup> October, 2010 which has been published in the Official Gazette.

(q) "PAY" For the purpose of this scheme means;

(i) The basic pay including addition to basic pay, if any; and

(ii) All allowances counted for the purpose of payment of dearness allowance; and

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

(iv) Dearness allowance actually drawn by the member

(r) "PENSIONER" means an employee eligible for pension under these rules;

(s) "RETIREMENT" means,

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

(ii) Retirement in accordance with instructions issued from time to time for regulation of date of superannuation of permanent part-time workmen.

(t) "SERVICE RULES" includes,

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

(ii) the Life Insurance Corporation of India Class I Officers (Revision of Terms and Conditions of Service) Rules, 1985 (as amended from time to time);

(iii) the Life Insurance Corporation of India Class III and Class IV Employees (Revision of Terms and Conditions of Service) Rules, 1985 (as amended from time to time);

(iv) the Life Insurance Corporation of India Development Officers (Revision of Terms and Conditions of Service) Rules, 2009 (as amended from time to time);

(v) the instructions issued from time to time governing terms and conditions of service of permanent part-time workmen.

(u) "SERVICE" in relation to a Member shall mean the period for which, for the purpose of the Scheme, he has been or is deemed to be in continuous service with the employer and this will include, inter alia, periods of authorized leave. Such service relating to a Member will be reckoned from the date of entry to the scheme up to the date of his exit.

(v) "TERMINATION" shall mean exit of an employee from the service in terms of Regulation 18 or Regulation 39 of Life Insurance Corporation of India (Staff) Regulations, 1960 or Rule 8 of the Life Insurance Corporation of India Development Officers (Revision of Terms and Conditions of Service) Rules, 2009 Or termination of service for any other reason.

(w) "TRUST" means the trust of Life Insurance Corporation of India Employees' Defined Contribution Pension Trust.

(x) "TRUSTEE" means the trustee of the Life Insurance Corporation of India Employees' Defined Contribution Pension Trust.

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

## Chapter: II - CONTRIBUTIONS AND SCHEME OF INSURANCE

### 3. CONTRIBUTIONS:

#### a) Contributions

The contributions hereinafter mentioned in sub-paragraph (i) and (ii) shall be deducted from the salary of employee and shall be paid by Employer to the Trustees in respect of each Member, every month in arrears from the date of entry into the Scheme and the contributions in subparagraphs (iii) and (iv) in lump sum as stipulated herein below and the Trustees shall pay the same to the Corporation for the purpose of the Scheme of Insurance.

#### 1) Ordinary Contributions:

The Ordinary Contributions in respect of each Member shall be an amount deducted at 10% of Pay as defined in Rule 2(q) from the Member's salary and an equal amount will be contributed by the Corporation throughout the period of his future Service unless specified otherwise under rules.

**ii) Additional Contributions:**

The additional contribution means any additional amount contributed voluntarily by the member in excess of ordinary contributions. The member may opt in writing and authorize the Corporation to deduct Additional contributions at the beginning of the financial year. Once opted, the additional contribution shall continue till the end of financial year. The additional contribution shall be continued till the end of subsequent financial years unless the member revokes the authorization in writing. Such additional contribution shall not exceed 90% of pay.

**iii) Initial Contribution for past service:**

In respect of the Member who, at the time of his entry into the Scheme, has past Service to his credit, lump sum contribution relating to his past service not exceeding SAME AS SPECIFIED UNDER ORDINARY CONTRIBUTION of Pay as defined in Rule 2(q) received by the Member on the date of entry into the Scheme and/or as the Employer may decide be either in one lump sum or in such installments as may be permitted by the Income Tax Rules.

**iv) Final Contribution:**

Final Contribution shall be payable in one sum, in respect of the member whose service terminates by reasons of retirement, death, leaving service or for any other reasons, such contribution being SAME AS SPECIFIED UNDER ORDINARY CONTRIBUTION of Pay as defined in Rule 2(q), received by the member from the month in which the last ordinary contribution is received to the date of termination of Service and ending with the date of termination, such contribution shall be payable on the date prior to the date of termination of service except that in the case of death it shall be payable within 30 days after the date of death.

**(b) Scheme co contributory:**

The Employer shall be liable to deduct and pay the contributions as defined under sub rule (a) above to the Trustee

**(c) Expenses of Scheme to be paid by the Employer:**

Expenses of the administration of the scheme shall be borne by the Corporation.

**(d) Employer lending Member's Service and continuity of Membership:**

In the event of Member's service being lent by the Employer to any other Employer under the management associated with the Employer or Government, the Member's Service for the purpose of this Rule will be deemed to continue.

During the period in which the Member's services are lent, the contributions payable by the Employer and Employee shall continue to be paid.

#### 4. SCHEME OF INSURANCE:

(i) For the purpose of providing pensions to the Members, the Trustees shall enter into a Scheme of Insurance with the Corporation where under the Corporation will issue a Master Policy. In terms of the Master Policy, the Corporation will maintain a running account in favour of the Trustees to which the contributions paid by the Trustees in respect of all the members will be credited. The Corporation will allow interest on the balance standing to the credit of the running account at a rate to be determined by the Corporation at periodical intervals. When a pension becomes payable to the Member on his retirement or cessation of service or to his Beneficiary in the event of his death, the Corporation shall, on the advise of the Trustees, appropriate the accumulated fund of the concerned Members to provide for payment of the pension according to the option elected by the Member or his Beneficiary as the case may be, provided that if a part of the accumulation is to be commuted as per Rule 16, the commuted value will become payable in one lump sum, in which case only the balance of the accumulation will be utilized to pay the pension.

(ii) If the Corporation with the sole intention of granting relief to the members / Beneficiaries who are already drawing the pension decides to grant increases in the quantum of pension. Such Members/Beneficiaries shall be eligible for the said increase in the Pension from such date and in such form as may be allowed by the Corporation.

5. No member shall withdraw from the scheme while he is still an employee of the Corporation.

### CHAPTER III - THE FUND

#### 6. Constitution of the Fund

(1) The Corporation shall constitute the Fund to be called as Life Insurance Corporation of India Employees' Defined Contribution Pension Scheme fund, 2010 under the existing irrevocable superannuation trust itself.

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

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

(a) Employee's contribution shall be at the rate of 10% of the pay per month plus equal contribution by the Corporation which is at the rate of 10% per month of the pay of the employee.  
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(b) The Employee may contribute voluntary additional contribution, if any, as per option exercised in the beginning of the year. Corporation shall not contribute any amount towards this additional contribution;

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

(c) any income from investments of the amounts credited to the Fund;

### **8. Board of Trustees**

(1) The Board of trustees shall consist of such number of persons not less than three and not more than nine, as may be determined by the Corporation, to be appointed by the Corporation.

(2) The power to appoint the trustees shall be vested with the Corporation and all such appointments shall be made in writing.

(3) The Corporation shall nominate one of the trustees to be the Chairman of the Board of trustees.

The Corporation shall also nominate a trustee to be an alternate Chairman who shall act as Chairman in the absence of the Chairman.

### **9. Trustees to carry out the directions of the Corporation**

The trustees shall comply with all such directions as may be given by the Corporation for the proper functioning of the Fund.

### **10. Books of accounts of the Fund**

(1) The accounts of the Fund shall contain the particulars of all financial transactions relating to the Fund in such form as may be specified by the Corporation.

(2) Within one hundred and eighty days from the closing of each financial year, the trust shall prepare a financial statement of the trust indicating therein the general account of assets and liabilities of the trust and forward a copy of the same to the Corporation.

(3) The accounts of the Fund shall be audited in accordance with the provisions of section 25 of the Act.

### **11. Investment of the Fund –**

All moneys contributed to the Fund or received or accruing by way of interest or otherwise to the Fund, shall be invested as per scheme of insurance with the Life Insurance Corporation of India.

## **Chapter IV - BENEFITS**

### **12. BENEFITS ON NORMAL RETIREMENT DATE:**

a) Upon the retirement of a Member on the Normal Retirement Date the available corpus in employees' account till date of retirement will be considered to arrive at the commutation amount and will be paid if he/she opts so. The balance corpus in employee's account will be utilized to provide pension as per the pension options available on such date and the periodicity, viz. mly/qly/hly/yly and any such option available on date of retirement at the option of the employee. The pension options available on the date of commencement of the scheme are contained in Schedule I. The member may exercise any option available at the time of entry into the scheme and the option may be altered three months prior to

normal date of retirement. In case, the option exercised at the time of entry is not available at the time of vesting, the employee or beneficiary shall be allowed to re-exercise the option.

b) Written notice of the Member of his having exercised any one of the Options (other than the Normal Pension) under this Rule together with evidence of appointment of the Beneficiary made by such Member must be furnished to the Trustees three months prior to the Normal Retirement Date.

#### **13. BENEFITS ON RETIREMENT BEFORE NORMAL RETIREMENT DATE:**

In the event of the Member retiring in terms of LIC of India (Staff) Regulations, 1960 or instructions issued from time to time governing terms and conditions of service of permanent part-time workmen, the available corpus in employees' account till date of retirement will be considered to arrive at the commutation amount and will be paid if he/she opts so. The balance corpus in employee's account will be utilized to provide pension as per the pension options available on such date and the periodicity, viz. mly/qly/hly/yly and any such option available on date of retirement at the option of the employee. The member may exercise any option available at the time of entry into the scheme and the option may be altered at any time during the service period.

#### **14. BENEFITS ON DEATH WHILE IN SERVICE:**

(a) in the event of death of a member whilst in the service the pension corpus available in the account of deceased employee will be utilized to provide pension benefits, such as commutation and annuity to the beneficiary as per the option exercised by him/her on such date. Pension benefits will become payable to the Beneficiary last appointed by the employee during his employment period.

If the employee has not appointed a Beneficiary or if such Beneficiary has predeceased the employee and no fresh appointment of Beneficiary has been made the pension will become payable as per the procedure suggested in the rules for PF and Gratuity. If beneficiaries are different for these benefits, the pension benefits may be paid to the legal heirs or as decided on the basis of a succession certificate.

In case of death of employee, after vesting of pension benefits, the pensions for the balance period/return of corpus depending on the pension option of the employee submitted on vesting, shall be paid to the beneficiaries.

(b) The Trustees shall intimate to the Corporation in writing the pension elected by the Beneficiary within sixty days after the date of death of the Member. The pension will be payable monthly or otherwise in arrears as desired by the Beneficiary, the first installment being due as per the option exercised.

#### **15. BENEFITS ON LEAVING SERVICE OR ON TERMINATION OF SERVICE:**

In the event of the Member leaving service or the Member's service has been determined by the Corporation under any provisions of the Staff Rules, the Employer will discontinue making contributions in respect of him and the available corpus till date of retirement will be considered to arrive at the commutation amount and will be paid if he/she opts so.

### **CHAPTER-V - COMMUTATION**

#### **16. COMMUTATION**

(1) ON NORMAL RETIREMENT DATE

A Member shall be entitled to commute a lump sum payment equal to maximum of one third of available corpus and the Member may elect a pension which will commence immediately or from the Normal Retirement Date.

(2) ON RETIREMENT BEFORE NORMAL RETIREMENT DATE

A Member shall be entitled to commute a lump sum payment equal to maximum of twenty percent of available corpus and the Member may elect a pension which will commence immediately or from the Normal Retirement Date.

(3) ON LEAVING SERVICE OR ON TERMINATION OF SERVICE

A Member shall be entitled to commute a lump sum payment equal to maximum of twenty percent of pension corpus and the Member may elect a pension which will commence immediately or from the Normal Retirement Date.

Provided;

(i) An employee against whom departmental or judicial proceedings have been instituted before the date of his retirement or a person against whom such proceedings are instituted after the date of his retirement, shall be eligible to commute one third of employee's corpus only. No commutation shall be payable in respect of Employer's contribution till conclusion of the proceedings.

(ii) An employee shall indicate the fraction of accumulated corpus which he desires to commute and may either indicate the maximum limit of accumulated corpus or such lower limit as he may desire to commute.

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

**Chapter: VI - MISCELLANEOUS PROVISIONS**

**19. MEMBER TO HAVE NO LEGAL RIGHT:**

A member or his Beneficiary shall have no interest in the Master Policy taken out in respect of the Members or any investment otherwise made by the Trustees in accordance with the Rule of the Scheme but shall be entitled to receive a pension in accordance with the Rules. PROVIDED ALWAYS that the Trustees shall administer the Scheme for the benefit of the Members and their Beneficiaries in accordance with the provisions of these Rules.

**20. RESTRAINT ON ANTICIPATION ENCUMBRANCE:**

The benefits assured under the Scheme are strictly personal and cannot be assigned, charged or alienated in any way. If any restraint or prohibitory order is served on the Trustees in respect of any benefit payable to a Member or his Beneficiary or if the Member or the Beneficiary shall become bankrupt or attempt to assign, charge or in any way encumber the pension or any benefit thereunder, he shall forfeit all rights and claim thereto and the same shall lapse to the Trustees but without



prejudice to the powers of the Trustees at their discretion to maintain or continue the same, if they think fit, either immediately or after an interval or otherwise to make payments for the support of the Member or his Beneficiaries. The value of any or all benefits except members' contributions and interest thereon shall be forfeited and transferred to the 'Surplus Account'.

#### **21. TRUST DEED TO PREVAIL:**

Should anything contained in these Rules or in any alternation or amendment thereof be inconsistent with the object or provisions of the Trust Deed, the provisions of the Trust Deed shall prevail. On any such discrepancy coming to the notice of the Trustees, the Trustees shall, with the prior approval of the Commissioner of Income Tax take steps to amend the said Rules to bring them in conformity with LIFE INSURANCE CORPORATION OF INDIA EMPLOYEES' DEFINED CONTRIBUTION PENSION SCHEME RULES, 2010.

#### **22. JURISDICTION:**

The Master Policy to be effected under the Scheme shall be an Indian contract, subject to the Insurance Act, 1938, Life Insurance Corporation Act, 1956, the Income Tax, Act, 1961 as amended from time to time and to any legislation subsequently introduced. All benefits under the Scheme shall be payable only in India. Should anything contained in these Rules, or in any amendment made thereof be repugnant to any provisions of the Income Tax Act, 1961 or the Income Tax Rules, 1962 and the trust act it shall be ineffective to the extent of such repugnance, any such repugnance in so far as it relates to Income Tax Act 1961 and the Rules thereunder shall be removed by the Trustees if so directed by the Commissioner of Income Tax.

#### **23. MASTER POLICY:**

The Corporation will issue a single Master Policy to the Trustees to provide for the benefit of the Members under the Scheme.

#### **24. SURPLUS ACCOUNT:**

Any sum forfeited to the Trustees under the Rules shall be credited to a separate Account called the 'Trustees' Account' under the scheme.

#### **25. DEDUCTION OF SUMS DUE TO INCOME TAX AUTHORITIES:**

(a) Income Tax: In any case where the Trustees are or the Corporation is liable to account to the Income Tax Authorities for Income Tax on any payments due under the Scheme, the Trustees or the Corporation shall deduct a sum equal to the tax from such payment and shall not be liable to the Members for the sum so deducted.

If the Scheme for any reason ceases to be approved by the Commissioner of Income-Tax, the Trustees shall nevertheless remain liable to tax on benefits paid out of the Scheme in so far as such benefits are secured by the contribution made before the Scheme ceased to be approved by the Commissioner of Income Tax under the provisions of PART 'B' of the IV Schedule to the Income Tax Act, 1961.

(b) Contribution by employer when deemed to be income of the employer:

Where any contribution by an employer (including the interest thereon, if any) are repaid to the employer, the amount so repaid shall be deemed to be the income of the employer of the previous year in which it is so repaid for the purpose of income-tax.

#### **26. APPOINTMENT OF BENEFICIARY:**

(a) Every Member shall appoint spouse, child/children or dependants as Beneficiary or Beneficiaries under the Scheme to receive the benefits hereunder in the event of the death of the Member. If a Member dies whilst in service or before he has commenced to draw the pension or after he has commenced to draw the pension but before he has received all the guaranteed installment under the pension option elected by him, the Trustees shall hold the benefits in respect of the Member UPON TRUST for payment to the Beneficiary or Beneficiaries as shall have been appointed by the Member in accordance with, the remaining paragraph of this Rule.

(b) Every appointment to be made under this Rule shall be in writing signed by the Member and attested by two witnesses and shall be according to the form given in the Appendix to these Rules (proforma – to be supplied by P&GS) and shall remain in full force and effect until the death of the Beneficiary or until the same is revoked in writing by the Member by whom the same was made and a fresh appointment is made in the manner aforesaid.

(c) A member may from time to time or at any time without the consent of the beneficiary, if any, revoke or change the Beneficiary by filing a written notice of the change with the Trustees in the prescribed form satisfactory to the Trustees whereupon an acknowledgement of the change and the registration of the name of the new Beneficiary will be given to the Member by the Trustees. The New appointment shall take effect on the date the notice was signed whether or not the Member is living on the date of acknowledgement of the change without prejudice to the Corporation or the Trustees on account of any payment made before the acknowledgement of the change.

(d) If a beneficiary shall at the time of his appointment be a minor or otherwise under disability to give a legal receipt or discharge to the Trustees the Member must at the time of such appointment as aforesaid appoint a person who is major and who is capable of giving a legal receipt or discharge to the Trustees and to whom the benefits are to be paid for and on behalf of such Beneficiary so long as such minority or disability continues.

(e) If more than one Beneficiary is appointed and in such appointment the Member has failed to specify their respective interest, the Beneficiaries so named shall share equally. If any designated Beneficiary predeceases the Member the interest of such Beneficiary shall terminate and his share shall be payable equally to such of the remaining Beneficiaries who survive the Member unless the Member has made written request otherwise to the Trustees in the prescribed form.

#### **27. INTERPRETATION OF RULES:**

It shall be a condition of the membership of the Scheme that on any question arising on any point of interpretation of these Rules or any point relating to cessation of membership, the decision of the Trustees shall be final. If the decision has any bearing on the provisions of part 'B' of the Fourth Schedule to the Income Tax Act, 1961 or the Income Act Rules, 1962 it shall be forthwith reported to the

Commissioner of Income Tax and if the Commissioner of Income Tax so requires, the Trustees shall review the decision.

#### CHAPTER-VII -GENERAL CONDITIONS

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

29. **Withholding or withdrawal of Pension** –

(1) The Competent Authority may, by order in writing, withhold or withdraw a pension or a part thereof in respect of corpus created by Corporation's contribution, whether permanently or for a specified period, if the pensioner is convicted of a serious crime or is found guilty of grave misconduct:

Explanation- In this chapter,-

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

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

Such withdrawn or withheld corpus shall be credited to the 'Surplus Account'. However, the portion of the pension corpus created by employee's contributions shall be utilized for making pension payments as per the option exercised by employee.

The Trustees shall surrender to the Corporation that part of the Pension Benefits on the Member's Life which does not vest in the Member and transfer the value thereof to the 'Surplus Account'

Surplus amount, if any, shall be adjusted towards the future contributions to be made by the employer.

(2) If an employee who has retired on attaining the age of superannuation or otherwise and against whom any departmental or judicial proceedings are instituted or where departmental proceedings are continued, the Employer may, by order in writing, withhold or withdraw the pension corpus created by employer's contribution or a part thereof, whether permanently or for a specified period.

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

31. **Pensioner guilty of grave misconduct** -In a case not falling under rule 30 if the Competent Authority considers that the pensioner is prima facie guilty of grave misconduct; it shall, before passing an order, follow the procedure specified in regulation 39 of Life Insurance Corporation of India (Staff) Regulations, 1960.

### 32. Provisional pension.-

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

### 33. Recovery of Pecuniary loss caused to the Corporation

(i) The Competent Authority may withhold or withdraw a pension or a part thereof, whether permanently or for a specified period, and order recovery from pension of the whole or part of any pecuniary loss caused to the Corporation if in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence during the period of his service: Provided that the Executive Committee shall be consulted before any final orders are passed:

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

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

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

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

### 35. Commercial employment after retirement -

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

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

(2) Subject to the provision of sub-rule (3), the Corporation may, by order in writing, on the application by a pensioner, grant, subject to such conditions, if any, as it may deem necessary, permission, or

refuse, for reasons to be recorded in the order, permission to such pensioner to take up the commercial employment specified in the application.

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

- (a) the nature of the employment proposed to be taken up and the antecedents of the employer;
- (b) whether his duties in the employment which he proposes to take up might be such as to bring him into conflict with the Corporation;
- (c) whether the pensioner while in service had any such dealing with the employer under whom he proposes to seek employment as it might afford a reasonable basis for the suspicion that such pensioner had shown favours to such employer;
- (d) whether the duties of the commercial employment proposed involve liaison or contact work with Corporation;
- (e) whether his commercial duties will be such that his previous official position or knowledge or experience under Corporation could be used to give the proposed employer an unfair advantage;
- (f) the emoluments offered by the proposed employer; and
- (g) any other relevant factor.

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

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

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

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

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

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

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

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

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

(8) In this rule,

(a) the expression "commercial employment" means

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

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

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

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

37. Manner of payment of pension - A pension fixed at a rate as per the option chosen by employee/beneficiary shall be payable as per New Group Superannuation Scheme Policy rules (insert a schedule containing annuity options – info from P&GS)

38. Power to amend the instructions -The Chairman of the Corporation may from time to time amend instructions as may be considered necessary or expedient for the implementation of the scheme rules.

### Schedule I – Pension Options:

Upon the retirement of a Member on the Normal Retirement Date, the pension shall be paid to the Member monthly in arrears in the manner described in sub-paragraph (i) below, unless he has elected any one of the alternative Pensions described in sub-paragraph (ii), (iii), (iv), (v), (vi), and (vii) below :

i) Life Pension with Guaranteed payments for 15 years:

A pension payable for 15 years in any event, and continued thereafter during his life time. The pension will be paid for the benefit of the Member himself during his lifetime. In the event of the Member's death within 15 years after retirement, the pension will continue to be paid for the benefit of the Beneficiary until the balance of the guaranteed installments shall have been paid.

ii) Optional Life Pension with guaranteed payments for 10 years:

A pension payable for 10 years in any event, and continued thereafter during his lifetime. The pension will be paid for benefit of the Member himself during his lifetime. In the event of Member's death within 10 years after retirement, the pension will continue to be paid for the benefit of the Beneficiary until the balance of the guaranteed installment shall have been paid.

iii) Optional Life Pension with guaranteed payments for 5 years:

A pension payable of 5 years in any event and thereafter continued during his life time. The pension will be paid for the benefit of the Member himself during his life-time. In the event of the Member's death within 5 years after retirement, the pension will continue to be paid for the benefit of the Beneficiary until the balance of the guaranteed installments shall have been paid.

iv) Optional pension ceasing at death (without any guaranteed payments):

A pension payable, throughout the whole duration of his life-time only, the last installment payable, being that due just prior to the date of death.

v) Optional joint Life and Last Survivor pension to Member and his wife:

A pension payable to the Member and his wife, to whom he is married at the date of his retirement so long as both of them are alive and continued thereafter to the survivor of them until his or her death. The amount of pension will depend upon the ages of her death. The amount of pension will depend upon the ages of the Member and his wife at the Normal Retirement Date. Evidence of age of the Member's wife, satisfactory to the Corporation must be furnished at the time of election of the option.

vi) Optional Life Pension ceasing at death with payment of whole Life Assurance equivalent of Member's Accumulations / Cash Option / Purchase Price applied towards the purchase of pension:

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