

_____ Co. Ltd.,
Head Office, _____

Dated : 18th October, 2010

**ADMINISTRATIVE INSTRUCTIONS FOR IMPLEMENTATION OF THE PROVISIONS OF GENERAL INSURANCE
(RATIONALISATION OF PAY SCALES AND OTHER CONDITIONS OF SERVICE OF DEVELOPMENT STAFF)
(AMENDMENT) SCHEME, 2010.**

1. AMENDMENT SCHEME, 2010:

Scales of pay and allowances of Development Officers have been revised as per General Insurance (Rationalisation of Pay Scales and Other conditions of service of Development Staff) Amendment Scheme, 2010, (in short, the Amendment Scheme, 2010) vide Gazette Notification S.O. (E) No. 2471 dated 08th October, 2010. A copy of the said notification is enclosed herewith.

The following Administrative Instructions are issued for implementation of the provisions of the Amendment Scheme, 2010.

2. ELIGIBILITY:

2.1 In terms of Para 1 of the Amendment Scheme, 2010, the said Scheme applies to all Development Officers, who:-

- (i) were in service as on 1st August, 2007 and continue to be in service as on the date of the subject Notification; or
- (ii) were in service as on 1st August, 2007, and have died, or retired on reaching the age of superannuation, or opted for voluntary retirement; or
- (iii) who were appointed on any date after 1.8.2007.

2.2 In terms of the proviso to paragraph 1(3) of the Amendment Scheme, 2010, the Development Officers whose resignations had been accepted or whose services had been terminated during the period from 1.8.2007 and the date of publication of the Amendment Scheme, 2010 in the Official Gazette, i.e., 08.10.2010, shall not be eligible for the arrears on account of revision under the Amendment Scheme, 2010.

2.3 Further, it is clarified that the Amendment Scheme, 2010 shall not apply to development officers who have been appointed on contractual basis and to whom the Rationalisation Scheme, 1976 does not apply.

3. EFFECTIVE DATE:

The pay scales and allowances would be deemed to have come into force from the dates mentioned against each of the item as under :

Item	Effective Date
Scales of Pay, Dearness Allowance, House Rent Allowance, City Compensatory Allowance, Allowance for Technical Qualifications, Provident Fund, Gratuity, Fixed Personal Allowance.	01.04.2008
Hill Station Allowance and Paradeep Port Allowance	01.11.2010

However, a Development Officer, who was in service at any time during the period from 01-08-2007 to 31-03-2008, shall be paid Equitable Relief for the period of such service.

3.1 Scales of pay, Equitable relief and absorption of arrears / equitable relief in cost (Para 7A, 7B & 7C)

- (1) On and from the 1st day of April, 2008, the basic pay and allowances of every Development Officer shall be in accordance with **Schedule H**.
- (2) The basic pay of every Development Officer who was in service on 1st day of April, 2008 or was appointed thereafter, shall be fixed in accordance with **Item II of Schedule H**, with effect from the 1st day of April, 2008 or the date of appointment, whichever is later.
- (3) Every Development Officer whose basic pay is fixed in accordance with **Item II of Schedule H**, shall be paid for the period commencing on and from the 1st day of April, 2008 or the date of his appointment, whichever is later, the difference of gross emoluments and allowance for technical qualification payable under **Schedule H** and that paid under **Schedule G** after deducting the Development Officer's compulsory contribution to Provident Fund.

3.2 Equitable relief (Para 7B):

However, the Development Officer who was in service at any time during the period from the **1st day of August, 2007 to 31st day of March, 2008** shall be paid equitable relief for the period of such service.

Explanation : For the purposes of this paragraph the term "equitable relief" means the difference between the aggregate of gross emoluments and allowance for technical qualifications computed under **Schedule H** and **Schedule G**, respectively with consequent adjustment of ex-gratia payment, Provident Fund, Pension, Gratuity and Encashment of Earned Leave, as the case may be.

3.3 Absorption of Arrears and Equitable relief in cost (Para 7C):

The arrears and equitable relief determined under paragraph (7A) and (7B) shall be added to the cost of Development Officer for the respective performance year to which they relate, subject to the stipulated limits of cost and the balance shall be added to his cost for the performance year 2010-2011 and 2011-2012 in such proportion as he may choose within 90 days of the publication of the Amendment Scheme, 2010.

A specimen copy of the form on which the option is to be exercised is enclosed as **APPENDIX – A II**. The option is to be exercised not later than **06th January, 2011**.

4. SCHEDULED PREMIUM INCOME TO INCLUDE PREMIUM INCOME IN RESPECT OF 'PUBLIC SECTOR BUSINESS' AND 'TIED BUSINESS' W.E.F. 08.10.2010:

Vide para 3, clause (A) of the Amendment Scheme, 2010, the definition of Scheduled Premium Income as provided in clause 16 of paragraph (3) of the Scheme has been amended by deleting 'Public Sector Business' and 'Tied Business' from the list of exclusions. Accordingly, a Development Officer will now be eligible for grant of credit of business falling under these two categories procured by him. However, this amendment is applicable only in respect of businesses procured by a Development Officer on or after the date of publication of the Amendment Scheme 2010, i.e., 08.10.2010.

5. STIPULATED LIMITS OF COST RATIO AS PER ITEM (IV) & ITEM (V) IN SUB CLAUSE (c) IN CLAUSE 17 OF PARAGRAPH 3 OF THE SCHEME:-

The Amendment Scheme, 2008, had followed the stipulated limits of cost ratio as introduced vide Amendment Scheme, 2003, as specified in Table C referred to in item (iv), sub-clause (c), clause 17 of Paragraph 3 of the Scheme. Further, the Amendment Scheme, 2008 also provided for relaxation of 1% for the Performance Year 2008 – 09 but this relaxation was available only to those Development Officers who exercised an Option for absorption of a part of their arrears cost for previous years in the Performance Year 2008-09 and 2009-10 in terms of Para 7 C referred to therein. The Amendment Scheme, 2010, while revising the emoluments of Development Officers, also provides for further rationalization and relaxations in cost limits on a realistic basis. These rationalizations and relaxations are as under:--

- A. The next Population Census is projected to push approximately 40 cities from lower to higher population slab (and, consequently, from higher to lower limits of cost ratios, if the current population slabs were to be allowed to continue). To address this situation, the Amendment Scheme, 2010 provides for redefining of population slabs for classification of cities for determination of applicable cost ratio. Redefining of population slabs has been done in such a manner that not only the impact of up gradation of certain cities (approximately 70 cities – around 20 major cities and 50 medium cities) in 2011 Census would be fully absorbed to provide requisite relief to Development Officers working in these cities, but substantial relief would also be available to a large number of Development Officers operating in marginal cities along the peripheries of these slabs. Further, even though such an anticipated impact of 2011 Census would be felt in performance year 2011-12 onwards only, the provision for redefining of population slabs for classification of cities for determination of applicable cost ratio has been given effect from 01.04.2010 itself, so as to help the Development Officers concerned in absorbing a substantial part of their additional cost resulting from the release of current wage revision arrears in F.Y. 2010-2011. Table D as referred to in the newly introduced item (v), sub-clause (c), clause 17 of Para 3 of the Scheme vide Amendment Scheme, 2010 may please be referred to in this regard.
- B. Apart from allowing the benefit of redefined population slabs of cost ratio to be available w.e.f 01.04.10 itself, the Amendment Scheme, 2010 also provides a general relaxation of 1% in the stipulated cost ratio for performance year 2010-11, specifically to help the target groups of Development Officers to absorb as much impact of additional cost resulting from release of arrears as possible within it in the current year, while carrying forward the balance such additional cost to the next performance year 2011-12.
- C. Further, in addition to the above two relaxations in the cost ratio limits for **all** Development Officers, the Amendment Scheme, 2010 also provides a special relaxation of 1% in the stipulated cost ratio for all performance years commencing with 2010-11, specifically to help those Development Officers, who have completed 55 years of age and 15 years of service. This relaxation may be allowed to them starting from the performance year in which the twin criterion of completion of 55 years of age and 15 years of service is satisfied by a particular Development Officer.
- D. For the sake of serving as a ready reckoner, the net position of the stipulated limit of cost ratios for the Performance Year 2007- 08 to 2011-12 is provided hereunder :-

Development Officer operating at	Stipulated Limits of Cost ratio						
	2007-08	2008-09*	2009-10	2010-11		2011-12 & onwards	
				D.Os with less than 55 yrs. of age or 15 yr of service	D.Os with 55 yr or more age & 15 yr service	D.Os with less than 55 yrs. of age or 15 yr of service	D.Os with 55 yr or more age & 15 yr service
Cities with population exceeding 25 lakhs	7%	8%	7%	8%	9%	7%	8%
Cities with population exceeding 12 lakhs but not exceeding 25 lakhs				9%	10%	8%	9%
Cities with population of 10 lakhs and above, but not exceeding 12 lakhs	8%	9%	8%	11%	12%	10%	11%
Cities with population of 5 lakhs and above, but not exceeding 10 lakhs							
Other centres	10%	11%	10%				

[*: available only to those Development Officers who exercise an Option for absorption of a part of their cost for previous years in the Performance Year 2008-09 and 2009-10 in terms of the then Para 7 C]

The above stipulated limits of cost ratio are further subject to provisions relating to hardship area, as there is no change in the existing provision in regard to review of cases of Development Officers posted in hardship area.

6. ILLUSTRATION OF METHOD OF ABSORPTION OF EQUITABLE RELIEF AND ARREARS IN COST (PARAGRAPH 7C OF THE SCHEME)

To illustrate the methodology of absorption of Equitable Relief and arrears in cost, we take a hypothetical case of a development officer posted in a city with population of 7.5 lacs as per 2001 census. The relevant figures are given in table below:

Table

Year	SPI (Rs)	Cost (Rs)	Actual cost Ratio (%) before revision	Stipulated Cost Ratio (%)	Excess cost amount (Rs) before revision	Equitable Relief & Arrears (Rs)	Actual cost ratio after revision (%)	Excess cost amount carried / brought forward for the year 2010-11 and 2011-12 (Rs)
2007-08	42,00,000	3,00,000	7.14	8	Nil	40,200	8.10	c/f - 4,200 (0.10%)
2008-09	44,00,000	4,05,000	9.20	9	8,800	66,000	10.70	c/f - 66,000 (1.50%)
2009-10	50,00,000	3,70,000	7.40	8	Nil	70,500	8.81	c/f - 40,500 (0.81%)
2010-11	56,00,000	4,30,000	7.27	11	Nil	86,000	9.21	b/f - 1,00,240 (1.79%)
2011-12	63,00,000	5,67,600	9.01	10	Nil	-	9.18	b/f - 10,460 (0.17%)
TOTAL excess cost carried forward from previous years for absorption in 2010-10 and 2011-12								1,10,700

With the above position of Business Figures and Cost, the Development Officer is allowed to exercise absorption of a part of this cost (Rs. 1,10,700) for previous years in the performance years 2010-11 and 2011-12 in such proportion as he may choose within 90 days. In the illustration, he can choose to absorb a maximum of Rs, 1,00,240 in 2010-11, while the balance could be carried forward to 2011-12.

7. NON REFLECTION OF RE-WORKED OUT COST RATIOS ON IMPLEMENTATION OF TMP AND PROMOTION POLICY:

As a result of release of arrears / equitable relief post 01st August, 2007 period, and exercise of option for absorption of additional cost resultant therefrom in various years by a Development Officer, his cost ratio position may undergo a variation for certain years which were reckoned with cost ratios without such variation for the purpose of implementation of TMP and / or Promotion Policy based on performance year(s) up to 31st March, 2010. The re-working of such cost ratios in such cases shall not be allowed to alter or review the decision already taken under such TMP and / or Promotion Policy.

8. RE-EXERCISE OF OPTION FOR FIXATION ON PROMOTION TO CLASS I OFFICER:

An employee promoted from Class II to Class I and whose salary was fixed in the pre-revised scale of pay applicable to the cadre to which he was promoted on or after 01.08.2007 but before 08.10.2010, may be allowed to re-exercise option for the date of fitment on promotion, if he applies for the same, as per **APPENDIX A I**, within 90 days hereof, and exercise of option for re-fixation of salary in accordance with these instructions shall be final. Where such re-fixation is required to be done, the employee concerned shall be first fixed in the revised scales of pay in the pre-promotion cadre and his basic pay in the revised scales of pay on promotion shall thereafter be re-fixed in accordance with these instructions.

8. STAGNATION INCREMENTS TO DEVELOPMENT OFFICERS GRADE II:

8.1 At present, there is no provision of Stagnation Increment to Development Officers Grade II.

8.2 As per Amendment Scheme, 2010, sub paragraph (4) has been added in paragraph (13) of the Rationalization Scheme, under which a Development Officer Grade II, **other than the one who is eligible for grant of benefit under sub-paragraph (3) of paragraph 11A of the Rationalization Scheme**, may be allowed a maximum of three Stagnation Increments, one each on completion of 3 years of service after reaching the maximum of scale, **subject to the conditions that he,**

- (a) **fulfills the stipulated cost ratios under paragraphs 11,11A and 13 of the said Scheme, in the previous performance year;**
- (b) **is otherwise eligible for drawing normal grade increment; and**
- (c) **is found to have a satisfactory work record,**

8.3 The first such Stagnation Increment may be granted to eligible Development Officers Grade II from the 1st day of the month following completion of three years service after reaching such maximum of the scale or the 1st day of the month following the date of Amendment Scheme Notification (i.e. 01.11.2010), whichever is later.

8.4 Further, for the purpose of considering grant of Stagnation Increments to a Development Officer Grade II (Admn.), the Explanation under sub-paragraph (2), paragraph 21A of the Rationalization Scheme has been amended to include the newly introduced sub-paragraph (4) along with sub-paragraph (3) of para 13 vide which the cost/ performance parameters will not be relevant while considering grant of Stagnation Increments to Development Officers (Admn.) - both Grade I and Grade II - as in the case of release of normal Annual increment to them.

9. COMPONENTS FOR ARREARS:

9.1 **BASIC PAY :**

The revised scales of basic pay for all Development Officers have been incorporated in **Item I of the Schedule H** as inserted by the Amendment Scheme, 2010. The fixation of basic pay shall be at the appropriate stages as per the fixation tables under **Item II of the Schedule H**. The revised scale of pay is effective from 1.8.2007.

9.2 **DEARNESS ALLOWANCE :**

9.2.1 **Item III of the Schedule H** provides that the Dearness Allowance shall be payable on the revised scales of pay with reference to All India Consumer Price Index with base at index number 2944 in the series 1960=100.

9.2.2. The rate of Dearness Allowance stands revised and it would now be payable, for every slab of 4 points in the quarterly average over 2944 points, at the rate of 0.15% of the revised basic pay from 01.08.2007 or the date of fixation in the revised scale of pay, if it be later.

9.2.3 Further, revision of Dearness Allowance shall be on a quarterly basis for every four points rise/fall in the quarterly average of All India Consumer Price Index at 2944 points.

9.2.4. The other provisions regarding payment of Dearness Allowance remain unchanged.

9.2.5 The number of slabs for which the Dearness Allowance becomes payable as per the pre-revised and revised rates, are as shown in the **APPENDIX - B**.

9.3 **HOUSE RENT ALLOWANCE (HRA):**

Item IV of the Schedule H provides for revised rates and limits of House Rent Allowance. By the Amendment Scheme, 2010, **04 more cities, namely, Ahmedabad, Bengaluru, Hyderabad and Pune** have been added to the list of cities where the employees are entitled to the highest rate of HRA.

The revised rates of HRA shall be applicable with effect from 1st August, 2007 or the date of actual fixation in the revised scales of pay, if it be later, as given below:

TABLE

Sl. No.	Place of posting	Rate per month
1.	Cities of Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmedabad, Bengaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida and Gurgaon	10% of pay subject to maximum of Rs.3,200/- per month
2.	Cities with population exceeding 12 lacs except the cities mentioned at serial number 1, Gandhinagar and all cities in the State of Goa	8% of pay subject to maximum of Rs.2,700/- per month
3.	All other places	7% of pay subject to maximum of Rs.2,600/- per month

- Note: (1) For the purposes of this item, the population figures shall be as per the latest Census Report.
(2) Cities shall include their Urban Agglomeration.
(3) 'pay' means Basic Pay and Stagnation Increments as per sub-paragraphs (3) and (4) of paragraph 13.

Development Officers who are allotted residential accommodation by the Company, either by way of staff quarters or by way of leased accommodation, shall not be paid house rent allowance. Besides, such Development Officers shall pay such licence fee as may be decided by the Company from time to time. At present, the licence fee is being deducted @ 1.75% of the minimum of the scale. Up to 31.10.2010 the amount of licence fee which is being deducted at present on the basis of pre-revised basic and pre-revised rate shall continue. However, with effect from 01.11.2010, the Licence fee shall be deducted @ 1.20% of the minimum of the Scale in the revised Scale of Pay under Schedule H.

9.4 CITY COMPENSATORY ALLOWANCE (CCA):

Item V of the Schedule H provides for revised rates of City Compensatory Allowance. The revised rates of CCA shall be applicable with effect from 1st August, 2007, as given below:

TABLE

Sl. No.	Place of posting	Rate
1.	Cities of Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmedabad, Bengaluru, Hyderabad, Pune , Faridabad, Ghaziabad, Noida and Gurgaon	3% of pay subject to a maximum of Rs.675/- per month
2.	Cities with population exceeding 12 lacs, except cities mentioned in serial number 1, Gandhinagar and all cities in the State of Goa	2.5% of pay subject to a maximum of Rs.625/- per month
3.	Cities with population of 5 lacs and above but not exceeding 12 lacs, State capitals with population not exceeding 12 lacs, Chandigarh, Mohali, Panchkula, Pondicherry, Port Blair	2% of pay subject to a maximum of Rs.545/- per month

- Note: (1) For the purposes of this item, the population figures shall be as per the latest Census Report.
(2) Cities shall include their Urban Agglomeration.
(3) 'pay' means Basic Pay and Stagnation Increments as per sub-paragraphs (3) and (4) of paragraph 13.

9.5 ALLOWANCES FOR TECHNICAL QUALIFICATIONS:

In terms of **Item VII of Schedule H**, with effect from the 1st August, 2007, the Allowance for Technical Qualification shall be paid as mentioned in column 3 of the table below:-

TABLE

Sl. No.	Examination	Allowance for Technical Qualification (per month)
(1)	(2)	(3)
1	Insurance Institute of India Or Chartered Insurance Institute: On completion of:- (i) Licentiate (ii) Associateship (iii) Fellowship	Rs.180/- Rs.490/- Rs.820/-
2	Institute of Actuaries:- On passing each subject	Rs.180/-
3	Institute of Chartered Accountants or Institute of Cost and Works Accountant: On completion of:- (i) Intermediate Examination (ii) Final Group A or Group B (iii) Final Group A and Group B	Rs.350/- Rs.600/- Rs.820/-

Provided that not more than one qualification allowance shall be permissible to him.

Allowance for Technical Qualification as mentioned in column (3) of the table above, or any part thereof, shall not count for the purpose of any allowance or for any service or terminal benefit.

The other terms and conditions regarding grant of allowance for technical qualifications remain unaltered.

9.6 FIXED PERSONAL ALLOWANCE:

In terms of **Item VIII of the Schedule H**, with effect from 1st August, 2007, the Fixed Personal Allowance shall stand revised as shown in column (3) of the Table below:

TABLE

SI No.	Development Officers in the scale of pay (as on 1.11.1993) of	Revised Fixed Personal Allowance (FPA)	Increment Portion of Fixed Personal Allowance as per Schedule – D	Dearness Allowance on Increment Portion of Fixed Personal Allowance as per Schedule – D as on 01-11-1993
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
1.	Grade I	840	230	18.68
2.	Grade II	615	130	12.74

The revised Fixed Personal Allowance (FPA) as shown in column (3) above shall not qualify for any allowance or for any service or terminal benefits. However, the Increment Portion of FPA as per Schedule D as shown in column (4) above shall rank for Provident Fund and Pension, and the said Increment Portion along with Dearness Allowance thereon as on the 1st November, 1993 as shown in column (5) above shall rank for Gratuity and Encashment of Earned Leave.

The benefit of the revised Fixed Personal Allowance as above may be allowed to eligible Development Officers with effect from 1.8.2007.

9.7 CONVEYANCE ALLOWANCE TO PHYSICALLY HANDICAPPED EMPLOYEES:

Physically Handicapped employees are presently paid a Conveyance Allowance at the rate of 1.85% of the basic salary subject to the maximum limit of Rs. 200/- per month. Consequent upon revision in pay and other allowances, there is a proposal to review the provision relating to payment of Conveyance allowance to Physically Handicapped Employees. Pending such a review, a revision in this Allowance on the basis of the revised Basic Salary may be kept in abeyance and status quo may be maintained.

9.8 PROVIDENT FUND: (Only in respect of Development Officers who joined the service of the Company before 01.01.2004 – Ref. paragraph 6 and paragraph 7 of the Amendment Scheme, 2010)

Provident Fund would be recoverable at the existing rate of 10% of revised basic pay and personal pay, if any and the increment component (as shown in column (4) of the table under **Item VIII of Schedule H**) of Fixed Personal Allowance (FPA) with effect from 1.8.2007 or the date of actual fixation in the revised pay scales, if it be later. The said amount of increment component of FPA is shown in Column (4) of the Table under para 9.6 above.

9.9 PENSION CONTRIBUTIONS (Ref. Paragraph 6 and Paragraph 7 of the Amendment Scheme, 2010):

For Development Officers who are governed by the General Insurance (Employees') Pension Scheme, 1995, the employer's contribution is to be credited to the respective Pension Funds. In consonance with the resolution passed by the Board of the Company in this regard, Paragraph 6 and Paragraph 7 of the Amendment Scheme, 2010 have the effect of excluding the Development Officers joining the services of the Company on or after 01.01.2004 from the purview of the Pension Scheme, 1995 and including them in the New Pension Scheme as discussed in the succeeding para of these instructions.

9.10 DEDUCTIONS UNDER FUND FOR NEW PENSION SCHEME (Only in respect of Development Officers who joined the service of the Company on or after 01.01.2004 – Ref. Paragraph 6 and Paragraph 7 of the Amendment Scheme, 2010):

In consonance with the resolution passed by the Board of the Company in this regard, the General Insurance (Employees') Pension Scheme, 1995 has been amended, with effect from 01.01.2004, to the effect that every employee or officer who joined the service of the Company on or after 01.01.2004 shall be covered under a New Pension Scheme Fund and shall contribute, every month, to the Fund for the New Pension Scheme, at the rate of 10% of the Basic Pay plus Dearness Allowance and equal contribution shall be made by the Company to such Fund.

Accordingly, recovery of contribution towards Fund for New Pension Scheme from such Development Officers shall be made @ 10% of difference between the Revised and the Existing Basic Pay and Dearness Allowance thereon for the period from 01.08.2007 onwards. Additional / Supplementary instructions for Administration & Management of the Fund for the New Pension Scheme shall be issued separately.

10. PAYMENT OF EQUITABLE RELIEF AND / OR ARREARS IN CASE OF EXIT FROM THE CADRE:

(a) Promotion to the Cadre of Scale I Officer:

Development Officer promoted as Scale I Officer and opted for fixation of basic pay in the scale of Scale I Officer from any date after 1.8.2007 shall be paid difference in gross emoluments as indicated above by way of Equitable Relief and/or Arrears (with necessary adjustment for PF and Ex-gratia payment) upto the date of fixation in the scale of Scale I Officer provided that his cost with such Equitable Relief and/or Arrears for the relevant performance year (s) remain within the stipulated limits.

(b) Death:

Equitable Relief and/or Arrears as also difference in PF and Gratuity with due adjustment for Ex-gratia payment shall be released in respect of Development Officers who died after 01.08.2007. The amount shall be paid to the person to whom his Provident Fund was paid or is to be paid. However, difference in amount of Gratuity shall be paid to the person to whom the Gratuity was paid or is to be paid.

(c) **Retirement on superannuation:**

A Development Officer who was in service in the scale of Development Officer Grade I or Grade II at any time on or after 1.8.2007 and subsequently retired shall be paid Equitable Relief and/or Arrears upto the date of retirement along with difference in PF and Gratuity, if any with adjustment for Ex-gratia payment, provided that his cost with such Equitable Relief/ Arrears for the relevant performance year/(s) remains within the stipulated limits.

(d) **Resignation / Termination:**

Provided that the Development Officer, whose resignation had been accepted or whose service had been terminated during the period from the 1st day of August, 2007 till 08th October, 2010, shall not be eligible for the arrears on account of the revision under this Scheme.

11. GRATUITY:

11.1 There is no change in the rate of gratuity payable to Development Officers. However, for the purpose of calculating gratuity, the revised basic pay shall be effective from the date of actual fixation of the eligible Development Officers in the revised scale.

11.2. The increment component of Fixed Personal Allowance along with DA thereon as on 1.11.1993, as per **Para 9.6** above, shall be taken into account for calculating gratuity payable after 01.08.2007.

11.3 Gratuity paid after 01.08.2007, shall be recalculated on the basis of revised scales of pay in the case of eligible Development officers and the difference where due shall be paid.

12. LEAVE ENCASHMENT:

While calculating arrears, it would be necessary to recalculate payments made to eligible Development officers towards Leave Encashment during the period from 01.08.2007 till 08.10.2010 and appropriate recovery, if any or payment of difference may be effected.

13. SPECIAL AREA ALLOWANCE :

Instructions in this regard shall be issued separately.

14. HILL STATION ALLOWANCE :

In terms of **Item VI of the Schedule H**, with effect from 01.11.2010 Hill Station Allowance shall be paid to Development Officers as under:

TABLE

Sl. No.	Height of Place of posting (Above Mean Sea Level)	Rate
1.	1500 meters and over	2.5% of the Basic Pay subject to maximum of Rs.370/- per month
2.	1000 meters and over but less than 1500 meters, Mercara and places which are specifically declared as "Hill Stations" by Central Government or, as the case may be, the State Government for their employees	2% of the Basic Pay subject to maximum of Rs.290/- per month
3.	Not less than 750 meters and surrounded by and accessible only through hills with a height of 1000 meters and over	2% of Basic Pay subject to a maximum of Rs.290/- per month

Note: 'Pay' means Basic Pay and Stagnation increments as per sub-paragraphs (3) and (4) of paragraph 13.

For the period from 1.8.2007 to 31.10.2010 Hill Station Allowance shall continue to be paid based on pre-revised scale of pay as per item VI of the Schedule G.

15. PARADEEP PORT ALLOWANCE:

In terms of **Item IX of the Schedule H**, with effect from 01.11.2010 or date of appointment, whichever is later, every confirmed Development Officer posted in the office of the Company in Paradeep Port shall be paid an allowance of Rs. 110/- (Rupees One Hundred and Ten only) per month so long as he is posted in that office. This allowance shall not be treated as Basic Pay for any purpose.

16. LUMP-SUM MEDICAL BENEFITS TO DEVELOPMENT OFFICERS:

At present, development officers are allowed reimbursement of domiciliary medical expenses on annual basis, as a lump-sum amount up to the following limits:-

Basic pay range as per Amendment Scheme, 2008	Maximum amount reimbursable per annum (Rs.)
Rs. 16230/- or Above	Rs.4000/-
Below Rs. 16230/-	Rs 2,500/-

With effect from 01.01.2010, the limits of reimbursement of domiciliary medical expenses by way of annual lump-sum payment have been revised, along with the eligibility criteria linked to basic pay, and the same are as under:-

Basic pay range as per Amendment Scheme, 2010	Maximum amount reimbursable per annum (Rs.)
Rs. 25235/- or Above	Rs.8,000/-
Below Rs. 25235/-	Rs 5,000/-

For the calendar year 2010 and onwards, the annual lump-sum payment towards domiciliary medical benefits may be made up to the revised limits in the usual manner as per the other existing provisions in this regard.

17. GROUP SAVINGS LINKED INSURANCE SCHEME (GSLI) AND GROUP TERM INSURANCE SCHEME (GTIS):

Consequent upon revision in basic pay for Development officers, the revised categorisation for the purposes of GSLI and GTIS with reference to the revised basic will be as under:-

Category	Existing basic pay/salary range (Rs.)	Revised basic pay / salary range (Rs.)
III	16386 to 21060	25451 to 32755
IV	8826 to 16385	13691 to 25450
V	5400 to 8825	8280 to 13690

Re-categorisation with reference to the revised basic pay ranges has been done in a manner that the existing categories remain unchanged on the relevant day of reckoning.

18. REDETERMINATION OF CATEGORIES UNDER GROUP MEDICLAIM POLICY:

Consequent upon revision in basic pay, the revised groupings of employees into various eligible categories with effect from the next renewal date of the policy shall be as under:-

Category (Sum Insured)	Existing basic pay range (Rs.)	Revised basic pay range (Rs.)
I (Rs. 1,55,000/-)	18671 and above	29001 and above
II (Rs. 1,00,000/-)	14731 to 18670	22731 to 29000
III (Rs. 70,000/-)	Up to 14730	Up to 22730

For the current policy year, there would no change in the category and therefore the existing deduction would continue up to the end of current policy year.

19. DEDUCTION TOWARDS STRIKE, WALKOUT, LEAVE ON LOSS OF PAY, HALF-PAY LEAVE ETC.:

Additional recovery on this account is required to be effected. Similarly, adjustment on account of the Development Officers having availed extraordinary leave on loss of pay or sick leave on half pay shall also be effected.

20. DEVELOPMENT OFFICERS UNDER SUSPENSION:

Development Officers who have been placed under suspension may be allowed fixation of their salary under the revised scales and paid arrears of salary and/or subsistence allowance, as the case may be.

21. PAYMENT OF ARREARS:

21.1 Arrears may be calculated up to **October, 2010** in accordance with the provisions of Amendment Scheme, 2010, as stated above. Arrears, as may be payable to eligible Development officers, are to be released **as early as possible**.

21.2 After the arrears are paid it is required to furnish statements giving information in respect of total amount paid – Grade-wise, to Development Officers under the following components:-

Basic Pay, Additional increment & DA
House Rent Allowance at the (a) (b) and (c) centres separately.
City Compensatory Allowance at the (a) (b) and (c) centres separately.
Difference on account of Encashment of Earned Leave/Gratuity
Fixed Personnel Allowance
Provident Fund/Pension (Company's contribution)

21.3 Arrears details should be furnished year-wise according to the period to which they pertain.

22. SALARY FROM NOVEMBER, 2010 ONWARDS

Salary for the month of **November, 2010** and onwards is to be calculated and paid as per the Amendment Scheme, 2010.

23. TAX DEDUCTIONS:

Necessary deduction on account of Income Tax, Professional Tax and any other statutory deductions should be appropriately effected, before releasing arrears.

24. INTERPRETATION:

Where any doubt or difficulty arises as to the interpretation of these instructions, it shall be referred to the Chairman-cum-Managing Director for his decision, which shall be final.

GENERAL MANAGER

Encl: as above

To

The Chairman-cum-Managing Director,

Dear Sir,

Re: Re-exercising option for fitment on Promotion

I was promoted from the cadre of _____ to the cadre of _____ on _____ and was fitted in the promoted cadre from _____ (date of fixation)

I hereby request you to re-fix my salary in the promoted cadre from _____.

Yours faithfully,

(Signature)

Place :

Date :

Name of the Officer :

Designation :

Salary Roll No. :

Office :

Address :

OPTION FORM TO BE SUBMITTED BY DEVELOPMENT OFFICER FOR APPORTIONING THE ARREARS OF EXCESS COST FROM PREVIOUS YEARS TO BE ABSORBED IN PERFORMANCE YEARS 2010-11 AND 2011-12

Date :

To,

Dear Sir,

In accordance with the Paragraph 7 C of General Insurance (Rationalisation of Pay Scales and Other conditions of service of Development Staff) Scheme, 1976, as amended vide Amendment Scheme, 2010 dated _____, 2010, I hereby choose that balance of arrears/equitable relief determined in terms of Paragraph 7A and 7B of above Scheme shall be added to the cost of Performance Year 2010-11 to the extent of ____% of such balance and remaining amount i.e. ____ % to the cost of Performance Year 2011-2012.

I hereby agree and declare that above option shall be final.

SIGNATURE:

NAME:

S.R.NO.:

OFFICE:

**NO. OF SLABS FOR WHICH DEARNESS ALLOWANCE PAYABLE AS PER THE
PRE-REVISED AND REVISED SCALES**

<i>PERIOD</i>	AS PER THE PRE-REVISED SCALES (LINKED TO 2328 POINTS)	AS PER THE REVISED SCALES (LINKED TO 2944 POINTS)
August 2007 to October 2007	154	0
November 2007 to January 2008	175	21
February 2008 to April 2008	182	28
May 2008 to July 2008	190	36
August 2008 to October 2008	211	57
November 2008 to January 2009	243	89
February 2009 to April 2009	260	106
May 2009 to July 2009	262	108
August 2009 to October 2009	281	127
November 2009 to January 2010	340	186
February 2010 to April 2010	372	218
May 2010 to July 2010	391	237
August 2010 to October, 2010	399	245