

The _____ Insurance Co. Ltd.,

18th October, 2010

**Administrative Instructions on implementation of the provisions of General Insurance
(Rationalisation and Revision of Pay Scales and Other Conditions of Service
of Supervisory, Clerical and Subordinate Staff) Amendment Scheme, 2010.**

1. Amendment Scheme, 2010:

Scales of pay and allowances of Supervisory, Clerical and Subordinate Staff have been revised as per General Insurance (Rationalisation and Revision of Pay scales and other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Amendment Scheme, 2010, (in short, the Amendment Scheme, 2010), vide Gazette Notification, S.O. No.2472 (E) issued on 08th October, 2010. A copy of the said Notification is sent herewith.

The following administrative instructions are issued for the implementation of the provisions of the Amendment Scheme, 2010:-

2. Eligibility:

2.1 In terms of paragraph 1 of the Amendment Scheme, 2010, the said Scheme applies, save as otherwise provided, to all permanent whole-time employees in Supervisory, Clerical and Subordinate Staff cadres of the Company, 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 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 employees 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 this Scheme.

2.3 Further, it is clarified that the Amendment Scheme, 2010 shall not apply to employees who have been appointed on contractual basis and to whom the Rationalization Scheme, 1974 does not apply.

3. Effective Date:

The revised scales of pay and allowances as per the Amendment Scheme, 2010 shall be effective from the dates mentioned below against each item:

Sr. No.	Item	Effective date
1	Basic Salary and Allowances other than those mentioned in 2 below	01.08.2007
2	Functional Allowance to Audit Assistant, Hill Station Allowance, Kit Allowance & Paradeep Port Allowance	01.11.2010

4. Option for the date of fixation of Basic Salary:

The eligible employees in service as on the date of publication of Amendment Scheme, 2010 i.e. in service as on 08.10.2010 have the option to seek fixation of Basic Salary under the Amendment Scheme, 2010 from a date mentioned in clause (i) or clause (ii) given below:

- (i) 01.08.2007 or the date of appointment, whichever be later;
or
(ii) any date between 01.08.2007 or the date of appointment whichever be later, and the date of publication of the Amendment Scheme, 2010, viz., 08.10.2010

Provided that no arrears for the period from the 1st day of August, 2007 to the date so chosen shall be payable to such employee.

Such option is to be exercised on or before **22.10.2010**. Specimen Option Form is enclosed marked **Appendix 'A'**. Such option is to be submitted to the Officer-in-Charge of the Office in which the employee is working. The option once exercised shall be final.

In case of exit due to retirement, voluntary retirement or death between 01.08.2007 and the date of publication of Amendment Scheme 2010, the salary shall be fixed from 01.08.2007 or from the date of appointment, if it be later.

5. Method of Fixation:

5.1 Basic salary of every eligible employee in service as on 01.08.2007 and those appointed thereafter is to be fixed on stage to stage basis. For this purpose, reference may be made to **Tables 1A and 1B** of the **Ninth Schedule** attached with the notification showing existing Basic salary stages, including Stagnation increment stages, with corresponding stages in the revised scales.

5.2 In the case of Employees in the cadres of **Sub-staff, Driver and Record Clerk** who were in the Stagnation Stages as on 31.07.2007 in the existing scales of pay as specified in Eight Schedule of the Rationalization Scheme, 1974, however, a special dispensation has been made in the Amendment Scheme, 2010, by introduction of a suitable proviso in paragraph 7, sub-paragraph (1), before the Explanation, with the effect that Stagnation Increments hitherto available to each such cadre have been replaced by equal number of regular annual grade increments by extending the spans of Scales of Pay correspondingly. Fixation of Basic Pay in such cases and regulation of annual grade increments thereafter shall be effected as given below:-

- (i) With effect from 01.08.2007 or the date of fixation opted, the existing Basic Salary of these employees, will be fixed in the scale of pay as per the Table given in Item IA of the Ninth Schedule.
(ii) The first increment, if any available in the scale of pay before reaching the maximum of the scale, shall become due w.e.f. the 01st August, 2008 or the 1st day of the month in which he completes twelve months of continuous service from the date of fixation opted, whichever is later.
(iii) Subsequent increments shall become due in the normal course.
This special dispensation has been provided to ensure a smooth transition from the Stagnation Stages to regular annual grade increments without giving rise to any anomaly.

6. Stagnation Increments:

- (a) Employees in the scales of pay of **Assistant** would now be eligible for a maximum of **seven** stagnation increments (in place of **six** at present). The rules for eligibility for grant of stagnation increments would continue as at present.

However, the **seventh** such stagnation increment shall fall due for consideration after expiry of two years, from the date on which the **sixth** stagnation increment was granted or 01.11.2010, whichever is later.

- (b) Likewise, employees in the scales of pay of **Senior Assistants or Stenographers** would now be eligible for a maximum of **six** stagnation increments (in place of five as at present). The rules for eligibility for grant of stagnation increments would continue to be the same as at present.

However, the **sixth** such stagnation increment shall fall due for consideration after expiry of three years, from the date on which the fifth stagnation increment was granted or 01.11.2010, whichever is later.

An officer not below the rank of Scale III authorised by the Company may grant stagnation increment/s as may be payable.

7. Payment of arrears in case of deceased employees:

In case of an employee who had died whilst in service on or after 01.08.2007, the arrears as worked out are to 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 his gratuity was paid or is to be paid.

8. Fixation of pay of employees who were promoted within Clerical/Subordinate Staff cadre at any time between 01.08.2007 and 08.10. 2010:

For such of the employees who stand promoted within the Clerical and Subordinate Staff cadres at any time between 01.08.2007 and 08.10.2010, it would be necessary to give them option for fixation in their respective scales in the pre-promoted cadre. Fixation of salary for such employees in their pre-promoted cadre shall be first done at an appropriate stage in the revised scale and fixation on promotion would be determined thereafter in accordance with the rules governing fixation on promotion.

The employees, who have already exercised their option for fitment on promotion prior to 08.10.2010, may be allowed to re-exercise option for the date of fitment on promotion, if the employee applies for the same within a period of 90 days from the date of these administrative instructions. To facilitate employees to re-exercise option, option forms as per **Appendix A-1** may be issued to the employees.

9. Employees promoted as Class I Officers or converted as Development Officers:

For such of the employees in the clerical cadre who have, at any time between 01.08.2007 and 08.10.2010 either been converted to Development Officer cadre or stand promoted to Class I cadre, the arrears would be worked out in the clerical cadre until the date of their conversion to Development Officer cadre or the date of their promotion to Class I cadre, as the case may be. Such arrears, consequent on the pay revision, as per the provisions of the Amendment Scheme 2010, shall be calculated on notional basis for the period from 01.08.2007 (or from the date of appointment, if it be later) to the date of fixation of salary as Development Officer or as Class I Officer, as the case may be.

10. Components of Arrears:

10.1 Basic Salary:

Revised scales of basic salary for all categories of employees have been incorporated in **Ninth Schedule** as inserted by the Amendment Scheme, 2010. The fixation of basic salary shall be at the appropriate stages as explained in paragraph 5 and 6 of these instructions.

10.2 Dearness Allowance :

10.2.1 Item III of the Ninth Schedule 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.

10.2.2 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 1.08.2007 or the date of fixation in the revised scale of pay if it be later.

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

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

10.2.5 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'**.

10.3. House Rent Allowance (HRA):

10.3.1 (1) By the Amendment Scheme, 2010, **four 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.

In terms of **Item VI of Ninth Schedule**, with effect from **1st August, 2007** or the date of actual fixation in the revised scales of pay, if it be later, the House Rent Allowance shall be payable as given in the Table 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 minimum of Rs.700/- and maximum of Rs.3200/- per month
2.	Cities with population exceeding 12 lacs, except cities mentioned at serial number 1, Gandhinagar and all cities in the State of Goa	8% of pay, subject to minimum of Rs.600/- and maximum of Rs.2700/- per month
3.	All other places	7% of pay, subject to minimum of Rs.570/- and maximum of Rs.2600/- per month

Note 1: For the purpose of this item, the population figure shall be those in the latest Census Report.

Note 2: Cities shall include their Urban Agglomerations.

Note 3: 'Pay' means basic salary and stagnation increments as per sub-paragraph 2 of paragraph 7

Note 4: Payment of House Rent Allowance to employees transferred under the Transfer and Mobility Policy under Paragraph 18 shall be subject to provisions of sub-paragraph (1), clause (c) of the said paragraph.

- (2) Employees who are allotted residential accommodation / staff quarters, shall not be entitled to any house rent allowance, but they shall pay to the Company, for such accommodation, the appropriate licence fee as may be decided by the Board of the Company from time to time. At present, the licence fee is being deducted @ 1.75% of the minimum of the scale. The revised rate of licence fee shall be 1.20% of the minimum of the revised Scale with effect from 01.11.2010. Up to 31st October, 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, an employee who has been allotted residential accommodation / staff quarters before the 1st day of April, 1983, and who has been in receipt of House Rent Allowance as on date immediately preceding the date of publication of this scheme in the Official Gazette in terms of item VI of the Fourth Schedule of the said scheme shall continue to receive such House Rent Allowance so long as he continues to occupy the same residential accommodation/staff quarters allotted by the Company.

10.4 **City Compensatory Allowance (CCA):**

By the Amendment Scheme, 2010, **four 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 CCA.

In terms of **Item VII of Ninth Schedule**, with effect from **1st August, 2007**, the rate of City Compensatory Allowance payable to Supervisory, Clerical and Subordinate Staff employees shall be as under:

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	3% of pay subject to minimum of Rs.205/- per month and maximum of Rs.635/- per month
2.	Cities with population exceeding 12 lacs, except cities mentioned at serial number 1, Gandhinagar and all cities in the State of Goa	2.5% of pay subject to minimum of Rs.170/- per month and maximum of Rs.595/- per month
3.	Cities with the population of 5 lacs and above but not exceeding 12 lacs, State capitals with population not exceeding 12 lacs, Chandigarh, Mohali, Pondicherry, Port Blair, Panchkula	2% of pay subject to minimum of Rs.125/- per month and maximum of Rs.510/- per month

Note 1: For the purpose of this item, the population figure shall be as per the latest Census Report.

Note 2: Cities shall include their Urban Agglomerations.

Note 3: 'Pay' means basic salary and stagnation increments as per sub-paragraph (2) of paragraph 7.

Note 4: Payment of City Compensatory Allowance to employees transferred under the Transfer and Mobility Policy under Paragraph 18 shall be subject to provisions of sub-paragraph (1), clause (c) of the said paragraph.

10.5 Functional Allowance:

The Amendment Scheme, 2010 completes the process of gradual rationalization of various functional allowances initiated by the Amendment Scheme, 2000 and further carried forward by the Second Amendment Scheme, 2005, by completely abolishing the distinction between one Functional Allowance and another. With the promulgation of the Amendment Scheme, 2010, all allowances payable to Supervisory, Clerical and Subordinate Staff by virtue of their performance of certain specified functions shall now be just Functional Allowances, in the sense that no part thereof shall count for any other purpose or service or terminal benefit. The details are as under:-

In terms of **Item II of the Ninth Schedule,**

(1) With effect from the 1st day of August, 2007, the employees performing the following functions shall be paid Functional Allowances as under:-

(i)	Subordinate Staff engaged in either as Key Holder or for carrying cash to or from Bank, as his regular and main function, where the amount of cash carried during a calendar month is ordinarily Rs. 25,000/- or more,	Rs. 375/- p.m.
(ii)	Other Subordinate Staff working as Liftmen, Machine Operators, Head Peons, Jamadars, Daftaries, AC Plant Operators and Heavy Vehicle Drivers, who were assigned these functions before 1 st day of January, 2006,	Rs. 165/- p.m.
(iii)	Assistant (or Senior Assistant, in the event of non-availability of Assistant) engaged in handling cash in an office, as his regular and main function, where the amount of cash transactions during a calendar month is ordinarily Rs. 25,000/- or more,	Rs. 800/- p.m.
(iv)	Telex Operators, Punch Card Operators, Unit Record Machine Operators and Comptists, who were assigned these functions before 1 st day of January, 2006	Rs. 60/- p.m.
(v)	Stenographer to Chairman-cum-Managing Director, Scale VII, Scale VI and equivalent positions.	Rs. 75/- p.m.

(2) With effect from 01.11.2010, the employees performing the functions of Audit Assistants shall be paid Functional Allowance @ Rs. 460/- p.m.

NOTE 1: The number and names of persons eligible to draw the Functional Allowance shall be determined by the Chairman-cum-Managing Director or by an officer authorised by him in this behalf, depending upon the load of work and administrative requirements.

NOTE 2: An employee shall draw only one Functional Allowance at a time.

NOTE 3: An employee proceeding on leave shall be paid the Functional Allowance during his leave period other than periods of extra ordinary leave, provided that he resumes work in the same position on the expiry of his leave.

NOTE 4: No employee shall, as a matter of right, claim to be allotted a particular portfolio of work in order to avail of the Functional Allowance attaching to that position or post.

NOTE 5: No employee shall refuse to work in a position carrying a Functional Allowance or make it a condition that he be paid such allowance where, because of absence of the incumbent or temporary pressure of work, the employee is assigned by the Head of his Office.

NOTE 6: Functional Allowance under any of the above clauses, or any part thereof, shall not be treated as part of basic salary and shall not be counted for the purpose of any allowance or for the purpose of any other service or terminal benefits.

10.6 Allowance for Technical Qualification:

In terms of **Item IV of the Ninth Schedule,**

- (1) A confirmed employee who qualifies or has qualified in an examination mentioned in column (2) of the Table below shall be paid with effect from the date of publication of the results of the examination or the 1st day of August, 2007, whichever is later, the allowance for technical qualifications mentioned in column (3) of the said table, namely, -

Table

Sr. 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/-
4.	On completion of Master of Business Administration of a recognised University or Institution (AICTE approved course)	Rs.820/-

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

- (2) The grant of allowance for technical qualifications shall not affect the seniority of the employee concerned.
- (3) Where the employee has already been given an advance increment or any other recurring monetary benefit for having qualified in any of the said examinations, the amount of allowance for technical qualification shall be suitably reduced or may not be admissible depending on the quantum of benefit already received.
- (4) Such employee on completion of service of one year after reaching the maximum of the scale shall receive the allowance for technical qualification amounting to not less than one-half of the full rate and after a further service of one year, the said allowance for technical qualification shall be paid in full.
- (5) The allowance for technical qualification as mentioned in column (3) of the table above, or any part thereof, shall not be counted for the purpose of any allowance or for any service or terminal benefit.

Explanation: For the purpose of entry mentioned at serial number 4, in column (2), "recognised University or Institution" shall mean a University or Institution recognized by the University Grants Commission.

10.7 Graduation Increment / Allowance to employees:

In terms of **Item V of the Ninth Schedule**, Graduation Increment / Allowance to Assistants and Record Clerks shall be governed by the following provisions:-

(1) GRADUATION INCREMENTS OR ALLOWANCE TO ASSISTANT:

With effect from the 1st day of August, 2007, the Graduation Increments or Allowance to employees in the scale of Assistant shall be paid as under: -

- (a) An employee who is appointed or promoted to any post in the scale of Assistant and who has qualified as a Graduate of a recognised University on or after the 1st day of January 1973 but before the 1st day of August 2007, and has not reached the maximum of the scale shall be granted two increments in the scale with effect from the publication of results of the examination, or 1st day of the month following the publication of this Scheme, or the date of appointment in the scale of Assistant, whichever is later, provided that he has not already received graduation increment or qualification pay for having qualified as such graduate or any advance increment on appointment, otherwise than by way of protection of emoluments granted to ex-servicemen:

Provided that if an employee entitled to increments for graduation is drawing **Basic Salary of Rs 20210/-**, only **one** increment for graduation shall be granted to him.

- (b) an employee in the scale of Assistant who has qualified as a graduate from a recognised University before the 1st day of August, 2007 and has reached the maximum of the scale shall be paid revised Graduation Allowance with effect from the 1st day of August, 2007, as per column (2) of the table below :-

Table

Stage	Revised Graduation Allowance per month with effect from 01-08-2007
(1)	(2)
One year after reaching the maximum of the scale	Rs.300/-
Two years after reaching the maximum of the scale	Rs.530/-

- (c) The Graduation Allowance, or any part thereof, shall not be counted for the purpose of any Allowance or for any service or terminal benefit:

(2) GRADUATION ALLOWANCE TO RECORD CLERKS:

An employee in the scale of Record Clerk, who has qualified as Graduate from a recognised University before the 1st day of August, 2007 shall be paid Graduation Allowance of Rs.200/- p.m. with effect from the date of publication of results of the examination or, from the date of promotion as Record Clerk or, the first day of August, 2007, whichever is later.

Note: The Graduation Allowance payable to employees in the scale of Record Clerk shall not be treated as Special Allowance nor shall it be treated or counted as basic Salary for any purpose and it shall be withdrawn on promotion of the employee.

Explanation: For the purpose of this item "recognised university" means a University recognised by the University Grants Commission.

10.8 Transport Allowance :

In terms of **Item XI of the Ninth Schedule**, with effect from the 1st day of August, 2007, or from the date of appointment, whichever is later, every confirmed employee shall be paid Transport Allowance at the rate of Rs.275/- (Rupees Two Hundred and Seventy Five Only) per month.

10.9 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.

10.10 Fixed Personal Allowance:

In terms of **Item X of the Ninth Schedule**, with effect from the 1st day of August, 2007, the Fixed Personal Allowance payable to employees on account of computerisation shall stand revised as shown in column (3) of the Table given below:-

Table

Sl. No.	Employees in the Scale of Pay (as on 1.11.1993) of	Revised Fixed Personal Allowance (FPA)	Increment portion of Fixed Personal Allowance as per the Altered Terms (Sixth Schedule)	Dearness Allowance on Increment portion of Fixed Personal Allowance as per the Altered Terms as on 01-11-1993
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
1.	Senior Assistant	840	230	18.68
2.	Stenographer	840	230	18.68
3.	Assistant, etc.	840	230	18.68
4.	Record Clerk	530	130	12.74
5.	Driver	390	100	9.80
6.	Other Subordinate Staff	390	100	9.80

Note: The revised Fixed Personal Allowance (FPA) as shown in column (3) of the table above shall not qualify for any Allowance or for any service/terminal benefits. However, the increment portion of FPA as per the Altered Terms as shown in column (4) of the table 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) of the table above shall rank for Gratuity and Encashment of Earned Leave.

10.11 Washing Allowance for Class IV:

The washing allowance for class IV stands revised from Rs. 90/- to Rs. 150/- per month with effect from 01.08.2007.

11. Hill Station Allowance:

In terms of **Item VIII of the Ninth Schedule**, with effect from 01.11.2010, the Hill Station Allowance payable to Supervisory, Clerical and Subordinate Staff employees shall be as under:

Table

Sl. No.	Place of posting	Rate per month
1.	Posted at places situated at a height of 1500 metres and over above mean sea level	2.5% of Basic Salary subject to maximum of Rs.370/- per month
2.	Posted at places situated at a height of 1000 metres and over, but less than 1500 metres above mean sea level, at Mercara and at places which are specifically declared as "Hill Stations" by Central or State Governments for their employees	2% of Basic Salary subject to maximum of Rs.290/- per month
3.	Posted at places situated at a height of not less than 750 meters above mean sea level which are surrounded by and accessible only through hills with a height of 1000 metres and over above mean sea level	2% of Basic Salary subject to a maximum of Rs.290/- per month

Note: Basic Salary includes stagnation increments, if any, as per sub-paragraph (2) of paragraph 7.

12. Kit Allowance:

In terms of **Item IX of the Ninth Schedule**, with effect from 01.11.2010, Kit Allowance to an employee in the Supervisory, Clerical and Sub-ordinate cadre transferred to any of the hill stations at which Hill Station Allowance is payable has been revised to Rs.1000/-. The Kit Allowance shall not be payable on transfer from one hill station to another if the same was drawn at any time during the preceding three years.

13. Paradeep Port Allowance :

In terms of **Item XII of the Ninth Schedule**, with effect from the 01.11.2010, or date of appointment, whichever is later, every confirmed employee 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 Salary for any purpose.

14. Provident Fund (Only in respect of Employees who joined the service of the Company before 01.01.2004 – Ref. paragraph 7 and paragraph 8 of the Amendment Scheme, 2010):

Provident Fund would be recoverable at the existing rate of 10% of revised basic salary and personal pay, if any and the increment component of FPA (as shown in column (4) of the table under para 10.10 above), with effect from 1.8.2007 or the date of actual fixation in the revised pay scales, if it be later.

15. PENSION CONTRIBUTIONS (Ref. Paragraph 7 and Paragraph 8 of the Amendment Scheme, 2010):

For employees 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 7 and Paragraph 8 of the Amendment Scheme, 2010 have the effect of excluding the employees 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.

16. DEDUCTIONS UNDER FUND FOR NEW PENSION SCHEME (Only in respect of Employees who joined the service of the Company on or after 01.01.2004 – Ref. Paragraph 7 and Paragraph 8 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 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 Employees shall be made @ 10% of difference between the Revised and the Existing Basic Salary and Dearness Allowance thereon for the period from 01.08.2007 (or the date of option for fixation) onwards. Additional / Supplementary instructions for Administration & Management of the Fund for the New Pension Scheme shall be issued separately.

17. Gratuity:

While calculating the arrears it would also be necessary to re-calculate the gratuity amount paid / payable to employees based on revised scales of pay and allowance. The pre-revised increment component of FPA along with DA thereon as on 1.11.1993, as per these instructions, shall be taken into account for calculating gratuity payable after **1.8.2007**. Gratuity paid after **1.8.2007**, shall be recalculated on the basis of revised scales of pay and the difference where due shall be paid.

18. Leave Encashment_:

While calculating the arrears, it would be necessary to recalculate payments made towards Leave Encashment during the period from **1.8.2007** till date and appropriate recovery/payment of difference may be effected, as the case may be.

19. Lump-Sum Medical Benefits To Supervisory, Clerical And Sub-Ordinate Staff:

With effect from 01.01.2010, the maximum amount of Lump-sum Medical Benefit for reimbursement of domiciliary medical expenses on annual basis to the employees in Supervisory, Clerical and Sub-ordinate cadres has been revised from existing Rs. 2000/- p.a. to Rs. 4000/- p.a.

In respect of eligible employees, who had actually incurred in excess of the pre-revised limits for the year 01.07.2009 to 30.06.2010, but restricted their declaration to the pre-revised limits applicable to them and were reimbursed accordingly, the excess over such reimbursed amount up to the difference between the revised and the pre-revised limits may now be reimbursed subject to their submitting requisite declaration to that effect as per **Appendix – C**.

20. Special Area Allowance :

Instructions in this regard shall be issued separately.

21. Ex-gratia Payment:

While calculating arrears, it would be necessary to review the cases of employees who were paid ex-gratia in lieu of bonus for the period from 1.8.2007 till the date of the publication of the Amendment Scheme, 2010, on the basis of wages drawn by them on existing terms. In some cases employees may be entitled to higher ex-gratia because of increase in Basic Salary, Dearness Allowance, etc. Some employees may cross parameters and become disentitled to ex-gratia for the said period or part thereof, and in such cases appropriate recovery/payment of difference should also be effected, as the case may be.

22. Deduction towards Strike, Walkout, Leave on Loss of Pay, Half-Pay Leave Etc. :

In respect of employees who had participated in any Strike, Walkouts etc. during the period **1.8.2007** till date, appropriate deductions shall be made from revised salary.

Similar adjustment on account of the employees having availed of Leave on Loss of Pay or sick leave on half pay during the period **1.8.2007** till date shall also be effected.

23. Overtime :

In terms of sub-paragraph 4 of para 1 of the Amendment Scheme, 2010, over time allowance already paid up to 08.10.2010 need not be recalculated and no benefit of revision is to be granted for this allowance by way of arrears . From 09.10.2010, however, the benefit of revision shall be available for over time allowance also.

24. Payment of Arrears :

24.1 Arrears may be calculated upto the month of **October, 2010**, in accordance with the provisions of Amendment Scheme, 2010, as stated above. Arrears, as may be payable to eligible employees, be released at the earliest possible.

24.2 After the arrears are paid, the Companies are required to furnish statements giving information in respect of total amount paid - cadrewise, to their employees in respect of the following components :-

Basic salary & 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 Leave/Gratuity

Computer Increment to employees joining service after 1.11.1993

Fixed Personnel Allowance

Provident Fund/Pension (Company's contribution)

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

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

25. Tax Deductions:

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

26. Employees under Suspension:

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

27. Group Savings Linked Insurance Scheme (GSLI) And Group Term Insurance Scheme (GTIS):

Consequent upon revision in basic pay for 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 22680	25451 to 35660
IV	8826 to 16385	13691 to 25450
V	4856 to 8825	7391 to 13690
VI	Up to 4855	Upto 7390

Re-categorisation with reference to the revised basic ranges has been done in a manner that the existing categories remain unchanged.

28. Redetermination of Categories under Group Medclaim 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/-)	14730 to 18670	22730 to 29000
III (Rs. 70,000/-)	Less than 14730	Less than 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.

29. 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

Form of option to be exercised by Supervisory, Clerical and Subordinate Staff in terms of Paragraph 4 and 6G of the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Amendment Scheme, 2010

To,
_____ Company Ltd.

In accordance with Paragraph 4 and 6G of the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Amendment Scheme, 2010 framed by the Government of India under Section 17A of the General Insurance (Nationalisation) Act, 1972, I hereby opt the date of fixation of my Basic Salary under the revised scales of pay with effect from * _____*.

Date of Appointment viz.

Signature _____

Date : _____

Full Name : _____

Designation : _____

S.R.No. : _____

Office : _____

Place : _____

* Strike off whichever is not applicable.

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 :

Name of the Employee : _____

Date :

Designation : _____

Salary Roll No. : _____

Office : _____

Address : _____

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

<u>PERIOD</u>	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

SPECIMEN

Date:

To,

Personnel Department,

RE: MEDICAL BENEFIT

I had incurred Medical expenses of not less than Rs. (X) in connection with the treatment of myself / my eligible dependents during the year _____. Out of this amount of Rs. (X), an amount of Rs. (Y) was declared by me earlier for reimbursement as per the maximum allowed under the rules.

In view of the revised rules allowing reimbursement of the balance amount beyond Rs. (Y), kindly reimburse the balance amount of Rs. (X) minus (Y) to me.

I hereby certify that the amount of Rs. (X) being the amount of the above benefit payable to me by the Company has been actually spent by me.

Yours faithfully,

(Signature)

Place :	Name of the Employee :	_____
Date :	Designation :	_____
	Salary Roll No. :	_____
	Office :	_____
	Address :	_____