

**[TO BE PUBLISHED IN THE GAZETTE OF INDIA
EXTRAORDINARY PART II – SECTION 3, SUB-SECTION (ii)]**

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF FINANCIAL SERVICES)**

NOTIFICATION

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New Delhi, dated the October, 2010

S.O. (E).- In exercise of the powers conferred by section 17 A of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme further to amend the General Insurance (Rationalisation of Pay Scales and other Conditions of Service of Officers) Scheme, 1975, namely :-

1. (1) This Scheme may be called the General Insurance (Rationalisation of Pay Scales and other Conditions of Service of Officers) Amendment Scheme, 2010.
- (2) Save as otherwise provided in this Scheme, this Scheme shall be deemed to have come into force on the 1st day of August, 2007.
- (3) Save as otherwise provided in this Scheme, this Scheme shall be applicable to those Officers who were in the service of the Corporation or Company as on, or after, the 1st day of August, 2007:

Provided that the officers, whose resignations had been accepted or whose services had been terminated during the period from the 1st day of August, 2007 and the date of publication of this Scheme, shall not be eligible for the arrears on account of revision under this Scheme.

2. In the General Insurance (Rationalisation of Pay Scales and other Conditions of Service of Officers) Scheme, 1975 (hereinafter referred to as "the said Scheme"), in paragraph 3, in clauses (na) and (nb), for the words "Eleventh Schedule", the words "Thirteenth Schedule" shall be substituted.
3. In the said Scheme, in paragraph 4, after sub-paragraph (9), the following sub-paragraph shall be inserted, namely : -

“(10) With effect from the 1st day of August, 2007, the pay and allowances of every officer shall be in accordance with the Thirteenth Schedule appended to this Scheme:

Provided that the officer may choose that his basic pay may be fixed in terms of the Thirteenth Schedule with effect from any date not earlier than the 1st day of August, 2007 and not later than the date of publication of this Scheme, in which case he shall intimate such choice in writing to the Corporation or Company within such period as may be prescribed by the Chairman-cum-Managing Director of the Corporation or Company, as the case may be:

Provided further that no arrears for the period prior to the date so chosen shall be payable to such officer.”.

4. In the said Scheme, for paragraph 8A, the following paragraph shall be substituted, namely:-

“8A. Subject to the work record being found satisfactory, -

- (a) an officer in Scale I, who has reached the maximum of the scale of pay applicable to him, may be granted for every three completed years of service after reaching such maximum, an additional increment (called ‘Stagnation Increment’) equal to the last increment drawn by him in the scale of pay subject to a maximum of **three** such increments:

Provided that an officer, who has already been granted, as on the 31st day of July, 2007, one or two Stagnation Increment(s) in the scale of pay as per the Eleventh Schedule, his basic pay in the relevant scale of pay as per the Thirteenth Schedule shall be fixed at the corresponding one or two stage(s) above the maximum of the scale of pay as per Table B, in Item II of the Thirteenth Schedule:

Provided further that the **third** Stagnation Increment shall be granted to an officer, after the completion of three years from the date of receipt of second Stagnation Increment or, from the 1st day of the month following the date of publication of this Scheme, whichever is later;

- (b) an officer in Scale II, who has reached the maximum of the scale of pay applicable to him, may be granted for every three completed years of service after reaching such maximum, an additional increment (called ‘Stagnation Increment’) equal to the last increment drawn by him in the scale of pay, subject to a maximum of **five** such increments:

Provided that an officer, who has already been granted, as on the 31st day of July, 2007, one, two, three or four Stagnation Increment or Increments in the scale of pay as per the Eleventh Schedule, his basic pay in the relevant scale of pay as per the Thirteenth Schedule shall be fixed at the corresponding one, two, three or four stage or stages above the maximum of the scale of pay as per Table B, in Item II of the Thirteenth Schedule:

Provided further that the **fifth** Stagnation Increment shall be granted to an officer, after the completion of three years from the date of receipt of the fourth stagnation increment or, from the 1st day of the month following the date of publication of this Scheme, whichever is later;

- (c) an officer in Scale III, who has reached the maximum of the scale of pay applicable to him, may be granted for every three completed years of service after reaching such maximum, an additional increment (called ‘Stagnation Increment’) equal to the last increment drawn by him in the scale of pay, subject to the maximum of **two** such increments:

Provided that an officer, who has already been granted, as on the 31st day of July, 2007, one or two Stagnation Increment or Increments in the scale of pay as per the Eleventh Schedule, his basic pay in the relevant scale of pay as per the Thirteenth Schedule shall be fixed at the corresponding one or two stage or stages above the maximum of the scale of pay as per Table B, in Item II of the Thirteenth Schedule:

- (d) an officer in Scale IV, who has reached the maximum of the scale of pay applicable to him, may be granted an additional increment (called ‘Stagnation Increment’) equal to the last increment drawn by him in the scale of pay, from the 1st day of the month following completion of three years service after reaching such maximum or 1st day of the month following the date of publication of this Scheme, whichever is later;

Explanation: For the purpose of this paragraph, ‘service’ means the period of duty excluding period or periods of extraordinary leave.”.

5. In the said Scheme, in paragraph 9, after the second proviso, and before the Explanation, the following proviso shall be inserted, namely: -

“Provided also that the provisions of this paragraph shall not apply to Officers who joined the service of the Corporation or the Company, as the case may be, on or after the 1st day of January, 2004 and in respect of such Officers, the provisions of paragraph 9A shall apply.”.

6. In the said Scheme, in paragraph 9, in the Explanation, in clause (iii), after sub-clause (bb), the following sub-clause shall be inserted, namely:-

“(bc). In the case of officers other than the Chairman-cum-Managing Director, for the period commencing on the 1st day of August, 2007, as per Thirteenth Schedule.”.

7. In the said Scheme, after paragraph 9, the following paragraph shall be inserted, namely: -

“9A New Pension Scheme Fund:

Officers joining the service of the Corporation or the Company, as the case may be, on or after the 1st day of January, 2004, and accordingly covered under the New Pension Scheme, in terms of Note (2) of paragraph 3 of the General Insurance (Employees’) Pension Scheme, 1995 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 Corporation or the Company, as the case may be.

Explanation: For the purposes of this paragraph, the expression ‘Basic Pay plus Dearness Allowance’ shall be computed with reference to the Scale of Pay and Allowances applicable to the Officer in terms of this Scheme, as amended from time to time.”.

8. In the said Scheme, after the Twelfth Schedule, the following Schedule shall be inserted, namely:-

“THIRTEENTH SCHEDULE

[See paragraph 3, clauses (na) and (nb) and paragraph 4, sub-paragraph (10)]

I. Pay Scales (Basic Pay) :

- (1) Scale VII
Rs.52210-1400(2)-55010-1500(1)-56510-1640(1)-58150-1700(1)-59850
- (2) Scale VI
Rs.46610-1400(5)-53610
- (3) Scale V
Rs.41660-1200(3)-45260-1350(2)-47960
- (4) Scale IV
Rs.34460-1200(7)-42860
- (5) Scale III
Rs.28160-840(1)-29000-910(6)-34460-1200(4)-39260
- (6) Scale II
Rs.23120-840(7)-29000-910(6)-34460
- (7) Scale I
Rs.17240-840(14)-29000-910(4)-32640

II. Fixation of the Basic Pay and Stagnation Stages:

TABLE - A
Fixation of the Basic Pay

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(Figures in Rupees)

Scale I		Scale II		Scale III		Scale IV		Scale V		Scale VI		Scale VII	
Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay
11110	17240	14890	23120	18130	28160	22030	34460	25930	41660	28605	46610	31745	52210
11650	18080	15430	23960	18670	29000	22680	35660	26580	42860	29390	48010	32530	53610
12190	18920	15970	24800	19230	29910	23330	36860	27230	44060	30175	49410	33315	55010
12730	19760	16510	25640	19790	30820	23980	38060	27880	45260	30960	50810	34165	56510
13270	20600	17050	26480	20350	31730	24630	39260	28605	46610	31745	52210	35105	58150
13810	21440	17590	27320	20910	32640	25280	40460	29330	47960	32530	53610	36100	59850
14350	22280	18130	28160	21470	33550	25930	41660						
14890	23120	18670	29000	22030	34460	26580	42860						
15430	23960	19230	29910	22680	35660								
15970	24800	19790	30820	23330	36860								
16510	25640	20350	31730	23980	38060								
17050	26480	20910	32640	24630	39260								
17590	27320	21470	33550										
18130	28160	22030	34460										
18670	29000												
19230	29910												
19790	30820												
20350	31730												
20910	32640												

TABLE - B

[see Paragraph 8A]

Fixation of Basic Pay – Stagnation Stages

(Figures in Rupees)

Scale I		Scale II		Scale III	
Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay
21470	33550	22590	35370	25280	40460
22030	34460	23150	36280	25930	41660
		23710	37190		
		24270	38100		

Note: The term 'Existing Basic Pay' in the above tables shall mean the basic pay as applicable in accordance with the Eleventh Schedule.

III. Dearness Allowance:

(1) The scale of dearness allowance applicable to the officers shall be determined as under: -

Index : All India Average Consumer Price Index for Industrial Workers

Base : Index No.2944 in the series 1960 = 100

Rate of dearness allowance: - For every four points in the quarterly average over 2944 points, the dearness allowance shall be calculated at the rate of 0.15 per cent of Basic Pay.

Revision of dearness allowance: - Revision of dearness allowance may be made on quarterly basis for every four points rise or fall.

(2) There shall be an upward revision of the dearness allowance payable for every four points rise in the quarterly average (hereinafter referred to as the "current average figure") of the All India Consumer Price Index above 2944 points in the sequence 2944-2948-2952-2956 and so on and there shall be downward revision of the dearness allowance payable if the current average figure falls by four points below the index figure in the above sequence with reference to which the dearness allowance has been paid for the last preceding quarter. On the downward revision, the dearness allowance payable shall correspond to the current average figure if such current average figure is a figure in the above sequence and if such current average figure is not a figure in the above sequence, the dearness allowance payable shall correspond to the figure in the above sequence immediately preceding the current average figure.

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

(4) The revision in dearness allowance corresponding to the changes in the current average figure for any particular quarter shall take effect only from the second succeeding month following the end of the quarter.

Explanation - For the purposes of this item, 'quarter' shall mean a period of three months ending on the last day of the month of March, June, September or December.

IV. House Rent Allowance:

(1) With effect from the 1st day of August, 2007, the House Rent Allowance payable to officers shall be as shown in the Table below:

Table

Sl. No.	Place of posting (1)	Rate per month (2)
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 paragraph 8A.

(2) Officers who are allotted residential accommodation by the Corporation or Company shall pay for such accommodation, appropriate licence fee as may be decided by the Corporation or the Company, as the case may be, from time to time and shall not be entitled to House Rent Allowance in terms of sub-item (1) of this item.

V. City Compensatory Allowance:

With effect from the 1st day of August, 2007, the City Compensatory Allowance payable to officers shall be as shown in the Table below :-

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Table

Sl. No.	Place of posting (1)	Rate (2)
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.800/- 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.760/- 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.590/- 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 paragraph 8A.

VI. Hill Station Allowance:

With effect from the 1st day of the month following the date of publication of this Scheme, Hill Station Allowance payable to officers shall be as shown in the Table below :-

Table

Sl. No.	Height of Place of posting (Above Mean Sea Level) (1)	Rate (2)
1.	1500 meters and over	2.5% of Pay subject to maximum of Rs.460/- per month
2.	1000 meters and over but less than 1500 meters, Mercara and places which are specifically declared as "Hill Stations" by Central or State Governments for their employees	2% of Pay subject to maximum of Rs.370/- 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 Pay subject to a maximum of Rs.370/- per month

Note: 'Pay' means Basic Pay and Stagnation increments as per paragraph 8A.

VII. Kit Allowance:

With effect from the 1st day of the month following the date of publication of this Scheme, every officer on his transfer to any of the hill stations at which hill station allowance is payable in terms of item VI of this Schedule, shall be paid a Kit Allowance of Rs.4,000/- :
 Provided that no Kit Allowance shall be payable if such officer has drawn such allowance at any time earlier.

VIII. Fixed Personal Allowance :

With effect from the 1st day of August, 2007, the Fixed Personal Allowance payable to officers shall be as shown in column (3) of the Table given below:-

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Table

Sl No.	Officers in the scale of pay of, as on 1.11.1993	Revised Fixed Personal Allowance (FPA)	Increment Portion of Fixed Personal Allowance as per Item VIII of the Eighth Schedule	Dearness Allowance on Increment Portion of Fixed Personal Allowance as per Eighth Schedule as on 01-11-1993
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
1.	Scale VII	1700	400	10.08
2.	Scale VI	1400	300	7.56
3.	Scale V	1350	250	6.30
4.	Scale IV	1200	250	6.30
5.	Scale III	1200	250	6.30
6.	Scale II	910	230	5.80
7.	Scale I	910	230	5.80

Note: 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 the Eighth Schedule 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.

IX. Transport Allowance:

With effect from the 1st day of August, 2007, the Transport Allowance payable to officers at the rate of Rupees Five Hundred per month as per Item IX of the Eleventh Schedule shall stand revised to Rupees Eight Hundred per month.

X. Paradeep Port Allowance:

With effect from the 1st day of the month following the date of publication of this Scheme or the date of appointment, whichever is later, every confirmed officer posted in the office of the Company in Paradeep Port shall be paid an allowance of Rupees One Hundred and Ten per month so long as he is posted in that office. This allowance shall not be treated as Basic Pay for any purpose.”.

[F.No. S-11012/07/2010-Ins.I(iii)]

(Tarun Bajaj)
Joint Secretary (Insurance & Pension)

EXPLANATORY MEMORANDUM

1. The Central Government has accorded approval to revise the scales of pay and conditions of service of Officers in the Corporation and Companies with effect from the dates specified in the notification. The General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Officers), Scheme, 1975 is amended accordingly with effect from the dates as specified in the notification.
2. Consequent upon the amendment in the General Insurance (Employees') Pension Scheme, 1995 in respect of officers joining on or after the 1st day of January, 2004, the General Insurance (Rationalisation of Pay Scales and other Conditions of Service of Officers) Scheme, 1975 is amended accordingly with effect from the 1st day of January, 2004.
3. It is certified that no officer of the Corporation or Company is likely to be affected adversely by the notification being given retrospective effect.

NOTE: - The Principal Scheme was published vide notification No.S.O.521 (E) dated the 17.09.1975 and subsequently amended by notification No. S.O. 672(E) dated 21.11.1975, S.O. 389(E) dated 1.6.1976, S.O. 2445 dated 30.7.1977, S.O. 1047 dated 29.3.1978, S.O. 2110 dated 14.6.1978, S.O. 3428 dated 16.11.1978, S.O. 5 dated 20.12.1978, S.O. 770(E) dated 15.10.1985, S.O. 883(E) dated 9.12.1985, S.O. 442(E) dated 27.4.1987, S.O. 138(E) dated 29.1.1988, S.O. 782(E) dated 22.8.1988, S.O. 572(E) dated 25.7.1989, S.O. 751(E) dated 1.10.1990, S.O. 200(E) dated 10.3.1992, S.O. 81(E) dated 2.2.1994, S.O. 592(E) dated 30.06.1995, S.O. 521(E) dated 18.07.1996, S.O. 108 (E) dated 14.02.1997, S.O. 168(E) dated 5.3.1998, S.O. 729(E) dated 27.8.1998. S.O. 695(E) dated 30.08.1999, S.O. 587(E) dated 22.6.2000., S.O. 781 (E) dated 14.8.2001, S.O. 1027(E) dated 22.9.2004, S.O. 634(E) dated 4.5.2005, S.O. 1792(E) dated 21.12.2005 and S.O. (E) 2742 dated 26.11.2008
