



UNITED INDIA INSURANCE COMPANY LIMITED

Regd. Office: 24 Whites Road, Chennai – 600 014

NOTICE

Ref:HO:HRM:CIR:053:2019

17th May 2019

Re: Administrative Instructions for implementation of the Provisions of General Insurance (Employees') Pension Amendment Scheme, 2019

Government of India, vide Gazette Notification no. 585 (E) dated 28.06.1995, framed the General Insurance (Employees') Pension Scheme, 1995 to introduce an index-linked Pension Scheme in lieu of Corporation's or Company's contribution to the Provident Fund for employees of the then General Insurance Corporation of India and its four Subsidiary Companies (presently known as GIC-Re and GIPSA Member Companies). It was optional for the employees to join the Scheme within 120 days from the date of publication of the Scheme. On 22.04.1997, another option was given to join the Scheme to those employees who joined before 28.06.1995 and were in service on 22.04.1997. The employees who joined on or after 28.06.1995 till 31.03.2010 were automatically covered under the Scheme, unless opted out.

Grant of a final option for pension to the leftover employees was under examination of the Central Government and the Government has decided to allow one more option to join the Pension Scheme to those serving employees / retired employees / families of deceased employees or deceased retirees who were in service of the Company prior to 28.06.1995 but did not join the Pension Scheme.

1. GENERAL INSURANCE (EMPLOYEES') PENSION AMENDMENT SCHEME, 2019:

The Central Government, vide Gazette Notification no. 1627 (E) dated 23.04.2019, have framed the General Insurance (Employees') Pension Amendment Scheme, 2019 (hereinafter referred to as "the Pension Amendment Scheme 2019", in short) to amend the General Insurance (Employees') Pension Scheme, 1995 (hereinafter referred to as "the Pension Scheme", in short) to allow one more option to join the Pension Scheme to those serving employees / retired employees / families of deceased employees or deceased retirees who were in service of the Company prior to 28.06.1995 but did not join the Pension Scheme. A copy of the Pension Amendment Scheme 2019 is enclosed herewith.

The following Administrative Instructions are issued for implementation of the provisions of the Pension Amendment Scheme 2019:

2. ELIGIBILITY:

2.1 The Pension Amendment Scheme 2019 grants an option to join the Pension Scheme to the following categories of serving employees, retired employees and families of deceased employees or deceased retirees:-

Category	Description
I	Employees who joined the service before 28.06.1995 and continued to be in service on 23.04.2019.
II	Employees who joined the service before 28.06.1995 and retired before 23.04.2019.
III	Families of employees who joined the service before 28.06.1995 but died while in the service before 23.04.2019
IV	Families of employees who joined the service before 28.06.1995 but retired and thereafter died before 23.04.2019

2.2 Employees who voluntarily retired from service after attaining the age of 55 years (VRS)

- The option to join the Pension Scheme is extended to employees / families of deceased

employees who joined the service before 28.06.1995 but voluntarily retired from the service of the Company under sub-paragraph (a) of paragraph 4A of the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976 or under clause (a) of sub-paragraph (iii) of paragraph 12 of the General Insurance (Rationalisation and Revision of Pay Scales and other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme, 1974, as the case may be.

[Such voluntarily retired employees will be grouped under Category-II mentioned above and their families (in the case of death of such voluntarily retired employees) will be grouped under Category-IV mentioned above, respectively].

- 2.3 **Employees who voluntarily retired under SVRP 2003 or SVRS 2004 or Golden Gate Scheme** - The option to join the Pension Scheme is also extended to employees / families of deceased employees / retirees who joined the service before 28.06.1995 but voluntarily retired from the service of the Company under General Insurance Special Voluntary Retirement Package under clause 15C of the General Insurance (Rationalization of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976 or opted for special voluntary retirement under the General Insurance Officers' Special Voluntary Retirement Scheme, 2004 or the General Insurance Employees' Special Voluntary Retirement Scheme, 2004 or opted for voluntary separation under General Insurance (Public Sector) Officer's Golden Gate Scheme for Voluntary Separation, 2009, as the case may be:

Provided such employees rendered a minimum qualifying service of 20 years.

Provided further that the notional benefit of increase in qualifying service by maximum five years as stipulated in sub-paragraph (5) of paragraph 30 of the Pension Scheme shall not be admissible.

[Such voluntarily retired employees will be grouped under Category-II mentioned above and their families (in the case of death of such voluntarily retired employees) will be grouped under Category-IV mentioned above, respectively].

3. EFFECTIVE DATE OF PENSION / FAMILY PENSION:

Category	Effective Date of Pension / Family Pension
I	Pension – w.e.f. the date following the date of Retirement
II	Pension – w.e.f. 23.04.2019
III, IV	Family Pension – w.e.f. 23.04.2019

4. EXERCISE OF OPTION AND SUBMISSION OF OPTION FORMS:

- 4.1 The eligible serving employees, retired employees and families of deceased employees or deceased retirees who wish to join the Pension Scheme are required to exercise the option to join the Pension Scheme in terms of the Pension Amendment Scheme 2019, within the time limit stipulated therein. Accordingly, the eligible serving employees, retired employees and families of deceased employees or deceased retirees desiring to opt for the Pension Scheme are advised to submit the Option Forms, as mentioned below as per proforma attached herewith, on or before the last date of submission of such forms, as given below:-

Category	Option Form No.	Last Date of Submission
I	Option Form – 'I'	22.07.2019 (Monday)
II	Option Form – 'II'	21.08.2019 (Wednesday)
III	Option Form – 'III'	21.08.2019 (Wednesday)
IV	Option Form – 'IV'	21.08.2019 (Wednesday)

- 4.2 In the unfortunate event of an employee falling in Category I who dies on or after 23.04.2019 or retires on or after 23.04.2019 and thereafter dies on or before the last date prescribed for exercise of option to join the Pension Scheme i.e. 22.07.2019, his / her right to opt to join Pension

Scheme will be exercised by the first eligible family member under the Pension Scheme, by submitting the **Option Form I-A** to join the Pension Scheme, i.e., by 22.07.2019. The one-time contribution in such a case will remain the same i.e. 3.7 times of the Pay as on 01.03.2019,

4.3 Similarly, in the unfortunate event of death of a retired employee falling under Category II who dies on or before the last date prescribed for exercise of option to join the Pension Scheme i.e. 21.08.2019, his / her right to opt to join Pension Scheme will be exercised by the first eligible family member under the Pension Scheme, by submitting the **Option Form II-A** to join the Pension Scheme, i.e., by 21.08.2019.

5. TERMS AND CONDITIONS OF OPTION TO JOIN PENSION SCHEME:

5.1 To avail the option to join the Pension Scheme, the eligible serving employees, retired employees and families of deceased employees or deceased retirees are required to fulfil the following conditions:-

Category	Submission of Option Form	Refund of CC, CCI, NRW & INRW & Payment of One-Time Contribution to Pension Fund
I	<p>By 22.07.2019, submit the prescribed Option Form to:-</p> <p>(i) exercise an option in writing to become the member of the Pension Fund;</p> <p>(ii) authorise the trust of the Provident Fund to transfer the entire contribution of the Company to their Provident Fund along with the interest accrued thereon to the credit of the Pension Fund; and</p> <p>(iii) authorise the Company to transfer the entire contribution of the Company to their Provident Fund that may accrue to them if any revision of scales of pay is effected from a date prior to 23.04.2019.</p> <p><u>Note:</u></p> <p>(1) If any portion of CC / CCI is under lien as collateral security for the purpose of Housing Loan or Education Advance, the employee will replenish the shortfall in collateral security caused due to transfer to CC / CCI to Pension Fund, from other approved collateral securities, like, Life Insurance Policy, GSLIP etc. and produce NOC for release of CC / CCI</p>	<p>By 21.10.2019,</p> <p>(i) refund to the Company the entire amount of:</p> <ul style="list-style-type: none"> ▪ NRW ▪ INRW <p>(ii) pay to the Company a one-time contribution to the Fund equivalent to 3.7 times of 'pay' as on 01.03.2019.</p> <p><u>Note:</u></p> <p>(1) Employees who retire on or after 23.04.2019 and have got PF Account settled, will refund the amount of CC & CCI settled to them along with interest @ 9% from the date of settlement of PF Account to the date of its refund.</p> <p>Such employees whose PF Account is not settled may, however, authorize the Company to retain with them the CC & CCI for administrative convenience and to avoid payment of interest thereon.</p>
II, III, IV	<p>By 21.08.2019, submit the prescribed Option Form to:-</p> <p>(i) exercise an option in writing to become the member of the Pension Fund (applicable only for persons falling under Category II)</p> <p>(ii) apply in writing for grant of pension / family pension; and</p> <p>(iii) authorise the Company to transfer the entire contribution of the Company to Provident Fund that</p>	<p>By 21.10.2019,</p> <p>(i) refund to the Company the entire amount of:</p> <ul style="list-style-type: none"> ▪ CC ▪ CCI ▪ NRW ▪ INRW ▪ CC arising out of any previous wage revision and paid directly to the retired

	may accrue to such employees if any revision of scales of pay is effected from a date prior to the date of death of such employees / retirees.	employee / family of deceased employee / retiree, if any. (ii) pay to the Company a one-time contribution to the Fund equivalent to 0.3 times of the amount determined in (i) above.
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Abbreviations:

- CC : Company's Contribution to Provident Fund
CCI : Accrued Interest on Company's Contribution to Provident Fund
NRW : Non-Refundable Withdrawal (Non-Refundable Loan or Permanent Withdrawal within 12 months prior to Retirement) from Company's Contribution to Provident Fund and/or Accrued Interest on Company's Contribution to Provident Fund
INRW : Interest on Non-Refundable Withdrawal @ 9% p.a. from the date of withdrawal to the date of refund of NRW in respect of employees falling under Category I and from the date of withdrawal to the date of final settlement of PF Account by the Company in respect of retired employees / families of deceased employees / retirees falling under category II, III or IV.

- 5.2 For quick calculation of amount to be refunded, the factors for interest rate of 9% per annum are given in **Annexure – 'I'**.

Explanation:

- (1) 'Pay' shall mean as defined in clause 2(p) of the Pension Scheme.
(2) 'Pay' as on 01.03.2019 will also include Annual Grade Increment / Stagnation Increment / FPA granted in the month of March, 2019. If any Annual Grade Increment / Stagnation Increment / FPA is granted on a later date but with retrospective effect from 01.03.2019, an amount equal to 3.7 times of the increase in pay shall also be payable by the employee.
(3) No further recovery of one-time contribution to the Pension Fund shall be made if 'Pay' is revised consequent upon wage revision effective from a date prior to 01.03.2019.
(4) In the event of reduction of 'Pay' w.e.f. 01.03.2019 due to LOP or withholding of one or more increment(s) for a specified period due to imposition of minor penalty under CDA Rules or Sick Leave on Half Pay basis, the 'Pay' before giving any effect to LOP or withholding of increments or Sick Leave on Half Pay, will be taken into account.
- 5.3 Where an employee falling under Category-I is due to retire on or before 21.10.2019, the one-time contribution to the Pension Fund (@ 3.7 times of 'pay' as on 01.03.2019), may be adjusted at the time of retirement from the accumulated balance of Employee's Contribution to Provident Fund and Interest accrued thereon in his PF Account, provided the employee irrevocably authorises the Trustee of PF Fund to this effect in Option Form – 'I'.
- 5.4 The entire amount of refund / one-time contribution will be paid by the serving employees / retired employees / families of deceased employees / retirees in one lump sum, rounded off to nearest rupee.

6. VIGILANCE AND CDA CLEARANCE:

- 6.1 Paragraph 47 of the Pension Scheme deals with departmental or judicial proceedings against the employees who are covered under the Pension Scheme and recovery of pecuniary loss caused to the Company from pension. It further provides that fresh departmental or judicial proceedings against a retired employee shall not be instituted in respect of a cause of action which arose or in respect of an event which took place more than four years before such institution.
- 6.2 Hence, Vigilance and CDA clearance in respect of retired employees falling in Category-II may be obtained in respect of all those who have retired within four years prior to the effective date of option i.e. retired on or after 23.04.2015, as prerequisite condition for sanction of pension. However, it is not required for the purpose of accepting the option of the retired employee to join the Pension Scheme.

7. COMMUTATION OF PENSION:

- 7.1 In terms of Chapter VIII of the Pension Scheme, an employee is entitled to commute for a lump sum payment a fraction not exceeding one-third of his pension. The date on which commutation of pension becomes absolute is mentioned in sub-paragraph (5) of paragraph 40.
- 7.2 Vide Pension Amendment Scheme, 2019, a new clause (h) has been inserted in sub-paragraph (5) of paragraph 40 of the Pension Scheme which stipulates the date on which commutation of pension becomes absolute in respect of retired employees falling in Category-II. Accordingly, in respect of such retired employees, commutation of pension shall become absolute on the date on which application for computation of pension is received by the Company if such date falls within one year from the date of retirement or, on the date of the medical certificate given by a medical officer approved by the Company.
- 7.3 The application for commutation of pension (on the prescribed format) may be submitted along with the Option Form.
- 7.4 The panel of doctors to be nominated for medical certification will be prescribed by the respective Regional Offices.

8. ENHANCED FAMILY PENSION:

- 8.1 In terms of sub-clause (i) or sub-clause (ii) of clause (a) of sub-paragraph (3) of paragraph 38 of the Pension Scheme, where an employee dies while in service after having rendered not less than seven years continuous service or else in the event of death of an employee after retirement, family pension payable shall be enhanced to an amount equal to fifty per cent of the pay last drawn or twice the family pension admissible, whichever is less, for a period of seven years from the date following the date of death of the deceased employee / retiree or for a period up to the date on which the deceased employee / retiree would have attained the age of sixty five years had he survived, whichever is less.
- 8.2 The family pension to families of deceased employees / retirees falling under Category III or Category IV is payable w.e.f. 23.04.2019. Hence, if there be any case in respect of families of deceased employees / retirees falling under Category III or Category IV which qualifies for payment of enhanced family pension, as mentioned in the preceding sub-paragraph, the said period of seven years will be reduced by the period elapsed from the date of death of the deceased employee to 23.04.2019.

9. ADJUSTMENT OF COMMUTED VALUE OF PENSION & PENSION ARREARS AGAINST THE AMOUNT RECEIVABLE FROM RETIRED EMPLOYEES:

With a view to mitigate the hardship of retired employees for making refund of CC, CCI, NRW & INRW and payment of one-time contribution to Pension Fund, it has been decided that commuted value of pension (if payable) and amount of arrears of pension up to the date of purchase of annuity may be adjusted against such amounts receivable from the retired employees.

10. METHOD OF SUBMISSION OF OPTION FORMS, VERIFICATION THEREOF AND TRANSMISSION TO PENSION DEPARTMENT HEAD OFFICE:

- (i) Serving Employees will submit the Option Forms (04 copies) at the place of their posting – 1st copy to be retained at office and 2 copies to be forwarded to RO concerned – one for RO and the other for HO Pension Department while on the 4th copy acknowledgement can be given to the employee.
- (ii) Regional Office will be responsible for verifying personal details of employees under its jurisdiction. Similarly, HO HR / Establishment Department will be responsible for verifying personal details of employees under its jurisdiction.

- (iii) The Employee transferred within PSGICs will submit their Option Forms to the parent company where his PF Account is maintained. The Parent Company will obtain salary details from present Company.
- (iv) Retired Employees / Families of Deceased Employees / retirees may submit the Option Forms (04 Copies) at any office of the Parent Company. The receiving office will forward 2 copies of Option Form to RO concerned one for RO and the other for HO Pension Department, keep 3rd copy in its Master File and provide acknowledgement on the 4th copy.
- (v) Retired Employees who wish to apply for commutation of pension may submit the application for commutation of pension and medical certificate (where applicable) in the prescribed proforma along with the Option Form so that net amount of refund / payment to be received from them can be intimated to them.
- (vi) Retired Employees / Families of Deceased Employees / retirees settled abroad may send advance copy of Pension Form (scanned) through e-mail (to the dedicated e-mail address to be created by the Company for this purpose) followed by submission of 03 physical copies of Option Forms to the office of last posting – one each for office concerned, RO and HO Pension Department. However, medical examination for commutation of pension of a retired employee (where applicable) will have to be conducted only in India.
- (vii) Each Divisional Office, Regional Office and HO Pension Department will maintain 02 separate registers to keep date-wise record of receipt and forwarding of Option Forms – one in respect of employees in service as on 23.04.2019 and another in respect of retired employees / families of deceased employees / retirees before 23.04.2019.
- (viii) It will be permissible for the applicants to remit the requisite amount along with the Option Form or any time thereafter without waiting for expiry of cut-off dates prescribed.
- (ix) The Company, on receipt of the Option Form and the application for commutation of pension (along with medical certificate in cases where required) from the retired employees / families of deceased employees, may process the same immediately and inform the applicant, the total amount refundable, the amount available for adjustment like commuted value of pension, arrear of pension, if any, and the net balance amount required to be remitted by the applicant, for further processing the option form for pension/family pension.
- (x) The Company, on receipt of the Option Form and the requisite amount from the retired employees / families of deceased employee / retirees, will endeavour to process the documents for payment of pension / commuted value of pension / family pension at the earliest, without waiting for the prescribed last date of making refund / payment of amounts due to the Company i.e., 21.10.2019.

11. METHOD OF MAKING REFUND / PAYMENT OF ONE-TIME CONTRIBUTION TO PENSION FUND BY SERVING EMPLOYEES / RETIRED EMPLOYEES / FAMILIES OF DECEASED EMPLOYEES/RETIRES.

The necessary instructions will be issued by the Accounts Department, Head Office.

12. IMPORTANT:

- (i) Exercise of option by the eligible applicant to join the Pension Scheme is irrevocable.
- (ii) Failure to refund and pay the requisite amounts mentioned under Para No. 5 above **(Terms and Conditions of Option to Join Pension Scheme)** will make the option to join the Pension Scheme null and void.
- (iii) All other terms and conditions of the General Insurance (Employee') Pension Scheme 1995, as amended from time to time would, mutatis mutandis, continue to remain applicable.

13. PENSION AND COMMUTATION OF PENSION FORMS / FORMATS

The Pension Department will simultaneously make available various forms / formats of application, nomination, discharge etc. for processing of pension / family pension / commuted value of pension / adjustment of commuted value of pension to retired employees / families of deceased employees through HO / RO / DO / Claims Hubs / Service Centres / BO / MO etc.

14. 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.

15. PUBLICATION:

The Company will publish above Administrative Instructions along with all enclosures on the web-portal under Employees' Corner for information of all concerned. Each office will also publish it on the Notice Board. Besides, each office will endeavour to bring it in the notice of every employee who is on its rolls but posted to any other office or organisation on deputation or secondment.

The above instructions have been issued to facilitate immediate communication of information to the employees / retired employees / families of deceased employees / retirees, for whom the Pension Amendment Scheme 2019 is applicable, of the modalities of submitting Option Forms and making refund of requisite amount and payment of one time contribution to the Pension Fund and the same are, however, subject to approval of the Board of Directors of the Company.


GENERAL MANAGER (P)

Encl.:

- (1) Pension Amendment Scheme 2019
- (2) Format - Option Forms – 'I', 'II', 'III' 'IV', 'I A', & 'II A'
- (3) Annexure – I.

FACTORS OF INTEREST TO BE USED FOR COMPLETED YEARS			
Years completed	Factor to be used	Years completed	Factor to be used
1	0.09	21	5.11
2	0.19	22	5.66
3	0.30	23	6.26
4	0.41	24	6.91
5	0.54	25	7.62
6	0.68	26	8.40
7	0.83	27	9.25
8	0.99	28	10.17
9	1.17	29	11.17
10	1.37	30	12.27
11	1.58	31	13.46
12	1.81	32	14.76
13	2.07	33	16.18
14	2.34	34	17.73
15	2.64	35	19.41
16	2.97	36	21.25
17	3.33	37	23.25
18	3.72	38	25.44
19	4.14	39	27.82
20	4.60	40	30.41

Factors of interest to be used for completed months	
Months Completed	Factor to be used
1	0.007
2	0.014
3	0.022
4	0.029
5	0.037
6	0.044
7	0.052
8	0.059
9	0.067
10	0.074
11	0.082

Example: If non-refundable withdrawal amount is Rs.1,00,000/- and period is 4 years and 4 months for which interest @ 9% per annum is to be paid along with non-refundable withdrawal then total amount to be paid will be $100000*(1+0.41)*(1 + 0.029) = \text{Rs.}1,45,089/-$.