

**LIFE INSURANCE CORPORATION OF INDIA CLASS III AND
CLASS IV EMPLOYEES (REVISION OF TERMS AND
CONDITIONS OF SERVICE) RULES, 1985**

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**LIFE INSURANCE CORPORATION OF INDIA CLASS III AND
CLASS IV EMPLOYEES (REVISION OF TERMS AND
CONDITIONS OF SERVICE) RULES, 1985**

G.S.R. 357 (E), dated 11th April, 1985.-In exercise of the powers conferred by Sec. 48 of the Life Insurance Corporation Act, 1956 (31 of 1956), and in supersession of the Life Insurance Corporation of India Class III and Class IV Employees (Bonus and Dearness Allowance) Rules, 1981 and the Life Insurance Corporation of India (Class III and Class IV Employees) Pay Rules, 1981 and the Life Insurance Corporation of India Class III and Class IV Employees (Superannuation and Retirement) Rules, 1983, except as respect things done or omitted to be done before such supersession, the Central Government hereby makes the following rules regulating

certain terms and conditions of service of Class III and Class IV employees of the Life Insurance Corporation of India, namely :

1. Short title, commencement and applications :-

(1) These rules may be called the Life Insurance Corporation of India Class III and Class IV Employees(Revision of Terms and Conditions of Service) Rules, 1985.

(2) The provisions of these rules except Rule 14 shall be deemed to have come into force on the 1st day of April, 1983 and Rule 14 shall be deemed to have come into force on the 22nd day of February, 1983.

(3) Notwithstanding anything contained in sub-rule (2), where any Class III or Class IV employees gives a notice in writing to the Corporation within thirty days of the date of publication of these rules in the official Gazette, expressing his option to be governed by the provisions of these rules, except Rule 14, with effect from the 11th day of April, 1985, then the Corporation may, by order, permit such employees to be governed by the said rules with effect from the said date.

2. Definitions :-

In these rules, unless the context otherwise requires,-

(a) "Act" means the Life Insurance Corporation Act, 1956 (13 of 1956);

(b) "employee" means an employee of the Life Insurance Corporation of India and includes any person who became such employee of the Corporation on the appointed day under the Act ;

(c) "functional allowance" means an allowance paid to an employee for the performance of a specified function ;

(d) "Promotion Regulations" means the Life Insurance Corporation of India Class III and Class IV employees(Promotion) Rules, 1987] ;

(e) "staff Regulation" means the Life Insurance Corporation of India (Staff) Regulation, 1960;

(f) words and expressions, used in these rules and not defined but defined in the Staff Regulations shall have the meaning assigned to them in the Staff Regulations.

3. Condition of service of Class III and Class IV employees

:-

Notwithstanding anything contained in the Staff Regulations and the Promotion Regulations, the terms and conditions of service of Class III and Class IV employees relating to matters covered by these rules shall be regulated in accordance with the provisions of ¹ [these rules as amended from time to time].

1. Subs. by ibid., for the words and figures "rules 4 to 19 of these rules".

4. Scales of pay of Class III employees :-

(1) The scales of pay of Class III employees shall be as under:
Superintendents: \Rs. 1910-110-2020-120-3700. Higher Grade Assistants: \1470-80-1710-100-1910-110- \2020-EB-120-3460. Section Heads: \1270-80-1910-110-2020-120- \3220. Stenographers: \Rs. 1240-70-1450-80-1930-100 \-2130-120-2490-EB-120-3090. Assistant, Receiving and \ Paying Cashiers, Typists, \ Telephone Operators, \ Comptometer Operators, \ Protectionists Micro- \ processor Operators: \Rs. 1000-50-1050-60-1170-70- \1450-80-1930-100-2130-EB-120- \2850. Record Clerks: \Rs. 930-30-990-40-1150-50-1400- \EB-60-2000.

(2) In addition to the scales of pay specified in sub-rule (1), the following categories of employees shall receive a special allowance to the extent specified below:

1. Higher Grade Assistants appointed as Internal Audit Assistants :
(a) For the first five years \Rs. 180 p.m. (b) For the next five years \Rs.200 p.m. (c) For the subsequent years \Rs. 225 p.m.

2. Assistants appointed as receiving \ and paying Cashiers \Rs. 175 p.m.

(3) The special allowance referred to In sub-rule (2) shall not be treated as part of basic pay : Provided that 60 per cent of the special allowance shall count for the purposes of provident fund, gratuity, house rent allowance and for re-fixation of salary promotion.

(4) Functional allowance to the following categories of Class III employees shall be paid as under :

(a) Banda, Duplicating and \ Xerox Machine Operators \ in the scale of pay or \ Record Clerks: \Rs. 30 per month

(b) Microprocessor Operators \ in the scale of pay of \ Assistants :
\Rs. 100 per month

(c) Programers in the \ scale of pay of Higher \ Grade Assistants :
\Rs. 150 per month Provided that an existing Class III employee who is in receipt of any functional allowance immediately prior to the commencement of these rules shall continue to draw the same so long as he is holding the post to which the functional allowance is attached, to be absorbed in future wage revision.

5. Promotions to the cadre of Section Heads and Superintendents :-

There shall be no fresh appointments or promotions to the cadre of Sections Heads and Superintendents on or after 1st July, 1985.

6. Scales of pay of Class IV subordinate employees :-

(1) The scales of pay of Class IV subordinate employees shall be as under : Drivers: Rs. 930-40-1210-50-1810 Sepoys Hamals, Rs. 815-25-840-35-1260- Head peons, Liftmen and 40-1460-50-1510. Watchmen Sweepers and Cleaners Rs. 785-25-810-1335-40-1455.

(2) In addition to the scales of pay specified in sub-rule (1), the following categories of employees shall receive a special allowance to the extent specified below, which shall count as basic pay for all purposes : Head peons, Liftmen and Watchmen Rs. 70 per month

(3) Franking machine Operators in the scale of pay of Sepoys shall be paid a functional allowance of Rs. 20 per month.]

7. Addition to basic pay after reaching maximum of scale :-

Subject to the work record found satisfactory-

(a) an employee,-

1 [(i) in the scale of Record Clerk, Assistant or Stenographer in Class III or

(ii) in any of the scales in Class IV, who has reached the maximum of the scale of pay applicable to him, may be granted for every two completed years of service after reaching such maximum, an additional increment equal to the last increment drawn by him in the scale of pay, subject to a maximum of three such increments ;

(b) an employee in the scale of **2** [* * *] Section Head or Higher Grade Assistant who has reached the maximum of the scale, may

be granted for every three completed years of service after reaching such maximum an additional increment equal to the last increment drawn by him in the scale of pay subject to a maximum of two such increments: Provided that where an employee is not granted additional increment referred to in Cl. (a) or Cl. (b) at the end of two years or as the case may be, three years of service from the date of his last increment or the last additional increment, his case shall fall due for review in each calendar year in the month following that in which he completes twelve months of service in that year, so long as he has not been allowed the increment, and if it is decided to allow the increment, it shall take effect from the first of the month in which the review has fallen due in the calendar year in which the decision is taken to allow the Increment. Explanation.-For the purpose of this rule, the competent authority to allow the additional increment shall be the authority competent to allow the employee to cross the efficiency bar as specified in Schedule IV to the Staff Regulations.

1. Subs. by G.S.R. 515 (E), dated 12th May 1989 (w.e.f. 1st August, 1987), for sub-clause (i).

2. The words "Record Clerk" omitted by G.S.R. 515 (E), dated 12th May 1989 (w.e.f. 1st August, 1987), for sub-clause (i).

8. Dearness Allowances :-

[(1) The scales of dearness allowance of Class III and Class IV employees shall be determined as under : Index: All India Average Consumer Price Index Number, for Industrial workers. Base : Index No. 600 in the series 1960=100 Rate : Class III employees

(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 1600 points in the sequence 600-604-608-6121 and so on ; and there shall be downward revision of the dearness allowance payable if the current average figure falls 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 figures if such current average figure is a figure in the above sequence ; and the dearness allowance payable shall correspond to the figure in the above sequence next preceding the current average figure if, such current average figure is not a figure in the sequence. For this

purpose, quarter shall mean a period of three months ending on the last day of March, June, September or December. 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.

(3) For the purpose of calculating dearness allowance for a particular month, the quarterly average for the last quarter for which the final index figures are available on the 15th day of that month shall be taken. Actual payment of this revised dearness allowance shall be made in the month following that in which the relevant index figures are available. ¹ [***]

1. Sub-rule (4) as amended by G.S.R 1076 (E), dated 11th September, 1986. omitted by G.S.R. 515 (E), dated 12th May, 1989 (w.e.f. 1st August, 1987).

9. House Rent Allowance :-

(1) The scales of house-rent allowances of Class III and Class IV employees, except those who have been allotted staff quarters, shall be at the rate of 10 per cent. of the basic pay plus the portion of special allowance specified in the proviso to sub-rule (3) of Rule 4 or sub-rule (2) of Rule 6, subject to a maximum of ¹ [three hundred rupees.

(2) Employees who are allotted staff quarters shall not be entitled to any house-rent allowance but they shall pay the appropriate licence fee for the staff quarters in their possession: Provided that employees who have been allotted staff quarters before the 1st day of April, 1983, shall continue to receive the house rent allowance paid to them as on the date preceding the date of commencement of this rule.

1. Subs by G.S.R. 515 (E), dated 12th May, 1989 (w.e.f. 1st August, 1987), for the words "two hundred rupees".

10. City Compensatory Allowance :-

¹ [(1) The scale of city compensatory allowance payable to Class III and Class IV employees shall be as under; Place of Posting \Rate (a) (i) Cities with popu- \7% of basic pay subject lation exceeding 12 \to a maximum of Rs. 150 lacs, Faridabad, \per month. Ghaziabad, Noida, \ Panaji and \ Marmugao, on and \ from the 1st day of \ August, 1987. \ (ii) Any city in the \7% of basic

pay subject to State of Goa other \a maximum of Rs. 150 per than Panaji and \month. Marmugao on and \ from the 19th day \ of May, 1988. \ (iii) Cities of Gurgaon, \7% of basic pay subject to a Vashi and Gandhi- \maximum of Rs. 150 per month. nagar on and from \ the 12th day of \ May, 1989. \ (b) (i) Cities with popu- \4% of basic pay subject to a lation of 5 lacs and \minimum of Rs. 30 per month above but not exc- \for Class IV employees and Rs. eeding 12 lacs, \45 per month for Class III em- State Capitals with \poyees and a maximum of Rs. population not-ex- \100 per month in both the cases. ceeding 12 lacs, \ Chandigarh, \ Mohali, \ Pondicherry and \ Port Blair on and \ from the 1st day of \ August, 1987. \ (ii) City of Panchkula \4% of basic pay subject to a on and from 12th \minimum of Rs. 30 per month day of May, 1989. \for Class IV employees and Rs. \45 per month for Class .III em- \poyees and a maximum of Rs. \100 per month in both the cases. Notes: 1. For the purpose of this rule the population figure shall be those in the 1981 Census Report. 2. Cities shall include their urban agglomerations.]

(2) Notwithstanding anything contained in sub-rule (1), any Class III or Class IV employees in receipt of an amount of Rs. 20 per month as city compensatory allowance immediately before the 1st day of April, 1983 shall continue to receive the said amount so long as he is posted at the same place to be absorbed In future wage revision.

1. Subs. by G.S.R. 515 (E), dated 12th May, 1989, for sub-rule (1)

11. Hill Allowance :-

(1) The scales of hill allowance payable to Class III and Class IV employees shall be as follows:

12. 12 :-

* * *.]

13. Bonus :-

(1) No Class III or Class IV employees shall be entitled to the payment of any profit sharing bonus or any other kind of cash bonus.

(2) Notwithstanding anything contained in sub-rule (1), every Class III and Class IV employee shall be entitled to a payment in lieu of bonus for every year commencing on the 1st day of April and ending with 31st day of March of the following year, at such rate

and subject to such conditions as the Central Government may, by notification in the official Gazette determine having regard to the wage level, financial circumstances and other relevant factors: ¹
[Provided that-

(i) no payment in lieu of bonus shall be payable to any employee drawing a salary exceeding Rs. 2,500 per month;

(ii) where the salary of an employee exceeds Rs. 1,600 per month but does not exceed Rs. 2,500 per month, the maximum payment in lieu of bonus payable to such employee shall be calculated as if his salary were Rs. 1,600 per month. Explanation.- For the purpose of this sub-rule "salary" means basic pay, special allowance, if any, and dearness allowance.]

1. Subs. by G.S.R. 18 (E), dated 7th January, 1986 (w.e.f. 1st April, 1984).

14. Superannuation and retirement :-

An employee belonging to the Class III or Class IV, appointed to the service on or after the 22nd February, 1983, shall retire on completion of 58 years of age, provided that the competent authority specified in Schedule IV to the Staff Regulations may, if it is of the opinion that it is in the interest of the Corporation to do so, direct such employees to retire on completion of 55 years of age or at any time thereafter on giving him three months' notice or salary in lieu thereof.

15. Re-fixation of salary :-

(1) On appointment on a regular basis to a higher grade, the basic pay of a Class III or Class IV employee shall be initially fixed at one stage above that stage on the higher scale which is next above his basic pay in the lower scale: Provided that where the basic pay in the lower scale is a stage in the higher scale, the basic pay shall be fixed at the stage in the higher scale which is next above his basic pay in the lower scale: Provided further that the basic pay shall be fixed at the minimum of the higher scale where such fixation results in an increase in basic pay of at least one grade increment obtaining at the minimum of the higher scale: Provided also that where a Class III (Supervisory or Clerical) employee is

(2) Subject to such conditions as may be imposed from time to time, a personal allowance may be granted to employees promoted to a higher cadre in consideration of the loss in remuneration drawn

by them in the lower cadre at the time of promotion. Explanation.- For the purpose of this rule, the portion of special allowance specified in the proviso to sub-rule (3) of rule 4 and sub-rule (2) of rule 6 shall be treated as part of basic pay.

(3) In the case of an employee appointed to officiate in a higher grade he shall draw officiating allowance, which shall be equal to the difference between the basic pay in the lower scale and the higher scale under sub-rules (1) and (2): Provided that officiating allowance referred to in sub-rule (3) may be reduced by the appointing authority specified in Schedule I to the Staff Regulations if the officiating arrangement is of a temporary nature and the circumstances justify it.

16. Sick Leave :-

A Class III or a Class IV employee shall be entitled to sick leave on medical certificate at the rate of one month for each completed year of service, subject to a maximum of sixteen months throughout the service in the Corporation: Provided that the casual leave and the additional casual leave admissible to such employee under sub-regulations (1) and (2) of regulation 62 of the Staff Regulations and not availed of by him, shall be converted into additional sick leave on full pay up to a maximum of two months or on half pay up to a maximum of four months, during the entire period of his service to be availed of him on production of medical certificate : Provided further that if such employee is suffering from any of the major diseases of Cancer, Leprosy, T.B., paralysis, Mental diseases, Brain tumour, Cardiac ailments or kidney diseases, he may be allowed special sick leave on half pay for a period not exceeding six months if he has to his credit no sick leave admissible to him.

17. Maternity leave :-

The competent authority specified in Schedule IV to the Staff Regulations may grant to a female employee maternity leave for a period which may extend up to 3 months subject to a maximum of 12 months during the entire period of an employee's service.

18. Provident Fund :-

(1) Every Class III or Class IV employee, other than an employee on probation or an employee appointed on temporary basis or an employee who is contributing to an approved Superannuation Fund, shall contribute every month to the Provident Fund established by

the Corporation at the rate of ¹[10 per cent.] of the aggregate of his basic pay including the portion of special allowance specified in the proviso to sub-rule (3) of Rule 4 or sub-rule (2) of Rule 6. The Corporation shall contribute to the provident Fund every month an amount equal to the actual contribution of each such employee subject to a maximum of ¹ [10 per cent) of the aggregate of the basic pay including the portion of special allowance specified in the proviso to sub-rule (3) or Rule 4 or sub-rule (2) of Rule 6.

(2) Transferred employees of the Oriental Government Security Life Insurance Company Limited, who are contributing to the Pension Fund of that company, which is being continued with modifications as a separate Fund for

(3) Employees referred to in sub-rule (2) may however, be permitted to contribute to the Provident Fund established by the Corporation but the Corporation shall not be required to make any contribution to the Provident Fund in respect of such employees.

1. Subs. by G.S.R. 515 (E), dated 12th May, 1989 (w.e.f. 1st April, 1989), for the figures and words "8.33 per cent".

19. Gratuity :-

(1)

(a) A permanent Class III or Class IV employeewho has been in continuous service of the Corporation (including service with the insurer) for not less than 15 years (excluding period of probation or temporary service in respect of employees recruited on or after the 1st September, 1956) and-

(i) whose services are terminated by the Corporation for any reason whatsoever; or

(ii) who voluntarily resigns from the service of the Corporation ; or

(b) a permanent Class III or Class IV employee-

(i) who dies while in the service of the Corporation ; or

(ii) who retires from the service of the Corporation ; or

(iii) whose services are determined either due to continued illness or accident incapacitating him from the proper discharge of his duties ; or

(iv) whose services are dispensed with owing to reduction of staff

for reorganisation of establishment; shall be eligible for the payment of gratuity.

(2) Gratuity admissible to an employee under sub-rule (1) shall be at the rate of one month's terminal basic pay including the portion of special allowance specified in the proviso to sub-rule (3) of Rule 4 or sub-rule (2) of Rule 6, for each completed year of continuous service (inclusive of regular salaried service with the insurer) in respect of first 15 years and at the rate of half a month's terminal basic pay including the portion of special allowance specified in the proviso to sub-rule (3) of Rule 4 and sub-rule (2) of Rule 6 for each completed year of further continuous service ; so, however, that the total gratuity admissible shall not exceed a maximum of 20 months; terminal basic pay including portion of special allowance specified in the proviso to sub-rule (3) of Rule 4 or sub-rule (2) of Rule 6¹[* **]. Explanation.-For the purpose of computation of gratuity under this subrule any period spent by an employee on extraordinary leave, exceeding 12 months during the entire period of his service shall be excluded.

(3) Gratuity admissible to a Class III or Class IV employee shall be determined in accordance with the provisions of sub-rule (2) or calculated under the Payment of Gratuity Act, 1972 (39 of 1972), whichever is more favourable to him: [Provided that -

(a) while calculating the gratuity under the said Act, the monthly salary of an employee shall be deemed to be his terminal basic pay, dearness allowance and additional dearness allowance and the special allowance as specified in the proviso to sub-rule (3) of Rule 4 and sub-rule (2) of Rule 6;

(b) the provisions of the said Act shall apply notwithstanding that monthly salary of an employee calculated in accordance with clause ² [two thousand five hundred rupees] ;

(c) in the case of an employee who dies while in service of the Corporation after having completed 15 years of continuous service, the gratuity under the said Act shall be calculated at the rate of one month's salary for every completed year of service ;

(d) the amount of gratuity calculated under the said Act shall in no case exceed [fifty thousand rupees.]

(4) Subject to any lien the Corporation may have on the amount of gratuity admissible to an employee, the Corporation shall pay to

the employee or to the nominee or nominees of the employees, or if no nomination has been made or is subsisting, to the heirs of the employee, the amount of gratuity admissible under this rule.

[(5) Notwithstanding anything contained in sub-rules (1) and (4) -

(i) where the penalty of dismissal is imposed on an employee for any act involving violence against the management or other employees or any riotous or disorderly behaviour in or near the place of employment or for an offence involving moral turpitude provided that such offence is committed by him in the course of his employment, the gratuity payable to him shall stand wholly forfeited; and

(ii) where the penalty of compulsory retirement, removal from service or dismissal is imposed on an employee for any act involving the Corporation in financial loss, the gratuity payable to him shall stand forfeited to the extent of such loss.]

1. The words and figures "or Rs.36,000 whichever is less" omitted by G.S.R. 1076 (E), dated 11th September, 1986, (w.e.f. 1st April, 1983).

2. Subs. by G.S.R. 873 (E), dated 22nd August, 1988 (w.e.f. 1st October, 1987), for the words "one thousand six hundred rupees" subs. earlier (w.e.f. 1st July, 1984).

19A. Graduation Allowance :-

(. .-

(1) An employee in the scale of pay of a Record Clerk, Assistant or Stenographer, -

(a) who is a graduate at the time of his appointment when such appointment was made after the 1st day of April, 1989, or

(b) who becomes a graduate on or after the 1st day of April, 1989, or

(c) who was a graduate before the 1st day of April, 1989 but was not given any graduation increments shall be paid an amount of Rs. 80 per month, in case he is in the scale of pay of a Record clerk and an amount of Rs. 130 per month, in case he is in the scale of pay of an Assistant or a Stenographer or and from -

(i) the date of appointment in case of employees covered under Cl. (a),

(ii) the first day of the month following the month in which the

result of the examination is declared, in case of employees covered under Cl. (b),

(iii) the 1st day of April, 1989, in case of employees covered under Cl. (c).

(2) An employee in the scale of pay of an Assistant or a Stenographer who was in receipt of increments or having been a graduate immediately prior to the 1st day of April 1989, and who had received the last of the increments referred to in Cl. (a) of Rule 7 of the said rules, shall be paid such allowance at such rates and from such dates as is given below : Rule 7 of the said \ Rules- \ whichever is later. \ (ii) (a) On and from the 1st day of the \ month following the completion \ of two years of service \ commencing from the date of \ the last increment referred to in \ Cl. (a) of Rule 7 of the said Rules, \ or \Rs. 130 per month (b) On and from the 1st day of \ April, 1990 - whichever is later.

(3) The graduation allowance shall not be treated as part of basic pay : Provided that 60 per cent. of the said allowance of an employee in the scale of an employee in the scale of pay. of an Assistant or a Stenographer shall count for the purpose of provident fund, gratuity, house-rent allowance and for refixation of salary on promotion.

19B. Personal Allowance :-

Personal allowance granted to an employee shall be adjusted against any increase in basic pay or upward revision of dearness allowance which the employee may be entitled to in terms of these rules.

20. Interpretation :-

Where any doubt or difficulty arises as to the Interpretation of these rules, it shall be referred to the Central Government for its decision.