

ALL INDIA SERVICES (GROUP INSURANCE) RULES, 1981

CONTENTS

1. Short title
2. Definitions
3. Application of Central Government Employees Group Insurance Scheme, 1980
4. Application of State Group Insurance Scheme
5. Amendment of Schedule
6. Interpretation

SCHEDULE 1 :- SCHEDULE

1. Date of effect
2. Objective
3. Application
4. Membership
5. Subscription for members
6. Premium and insurance cover for employees other than members
7. Insurance Fund and insurance cover for members
8. Savings Fund (1)
9. Recovery of subscription (1)
10. Financing of subscription from General/Contributory Provident Fund (1)
11. Payment from Insurance Fund/Savings Fund (1)
12. Withdrawals from Insurance/Savings Fund (1)
13. Loans/Advances from or against accumulations in Insurance Fund/Savings Fund
14. Utilisation of accumulations in Insurance Fund/Savings Fund
15. Mode of notification of the scheme
16. Action on notification of the scheme
17. Action on the scheme, coming into force (1)
18. Register of members
19. Nomination (1)
20. The existing Insurance Scheme
21. Accounting
22. Interpretation and clarification (1)
23. Review of the scheme

ALL INDIA SERVICES (GROUP INSURANCE) RULES, 1981

In exercise of the powers conferred by sub-section (1) of S.3 of the All India Services Act, 1951, the Central Government, after consultation with the Governments of the States concerned, hereby

makes the following rules, namely:-

1. Short title :-

The Central Government Employees Group Insurance Scheme, 1980, hereinafter referred to as the "scheme" shall be notified on 1st November, 1980 and shall come into force with effect from the forenoon of 1st January, 1982.

2 \ Definitions

..- In these rules, unless the context otherwise requires,-

(a) "Central Government Employees Group Insurance Scheme, 1980" means the Group Insurance Scheme detailed in the Annexure to the Ministry of Finance (Department of Expenditure) O.M. No. F. 15(3)/78-WIP, dated the 31st October, 1980, and as set out in the Schedule;

(b) 'Family' shall have the meaning assigned to it in the All India Services (Provident Fund) Rules, 1955;

(c) "Member of the Scheme" means a member of the Service enrolled as a member of the Central Government Employees Group Insurance Scheme, 1980;

(d) "Member of the Service" means a member of an All India Service as defined in Sec. 2 of the All India Services Act, 1951 (61 of 1951);

(e) "Schedule" means the Schedule appended to these rules;

(f) "State Government" means,-

(i) in relation to a member of the Service borne on a State Cadre, the Government of that State;

(ii) in relation to a member of the Service borne on a Joint Cadre, the Government of the constituent State; and

(iii) in relation to a member of the Service borne on the Cadre of Union Territories; the Central Government;

(g) "State Group Insurance Scheme" means an Insurance Scheme, by whatever name it may be called, introduced by a State Government in the case of State Government servants.

3. Application of Central Government Employees Group Insurance Scheme, 1980 :-

The 'scheme' shall apply to all Central Government servants including those in the Railways, Posts and Telegraphs, and Defence except members of the armed and para-military force who have already a separate scheme of their own. Contract employees, persons on deputation from State Governments, public sector undertakings, or other autonomous organisations, locally recruited staff in the Indian Missions abroad, casual labourer, part-time and ad hoc employees will not be covered by the 'scheme'. This 'scheme' will also not apply to persons recruited under the Central Government after attaining the age of 50 years. Such Central Government servants to whom the 'scheme' applies will hereafter be referred to as 'employees'.

4 \Application of State Group Insurance Scheme

. .- Save as provided in Rule 3, a member of the Service shall not be a member of a State Group Insurance Scheme.

5. Amendment of Schedule :-

The subscription for the 'scheme' will be in units of Rs. 10 per month. A Group D employee will subscribe for one unit, a Group C employee for 2 units, a Group B employee for 4 units and a Group A employee for 8 units. Thus, the rate of subscription for a member of the 'scheme' shall be Rs. 10, Rs. 20, 40 and Rs. 80 per month for Group D, C, B and A employees respectively.

5.2 In the event of regular promotion of an employee from one Group ,to another, his subscription shall be raised, from the next anniversary of the 'scheme', to the level appropriate to the Group to which he is promoted. Until the date of the next anniversary of the 'scheme' he shall continue to be covered for insurance for the same amount for which he was eligible before such promotion. For example, if the 'scheme' comes into force w.e.f. 1st January, 1982, a Group D employee promoted on regular basis to Group C in February, 1982 shall continue to subscribe at the rate of Rs. 10 per month upto December, 1982 and be eligible for the insurance cover of Rs. 10,000 only in addition to the benefits from the Savings Fund appropriate to his subscription. From January, 1983, his subscription will be raised to Rs. 20 per month and he will become eligible for an insurance cover of Rs. 20,000 in addition to appropriate benefits from the Savings Fund.

6 \Interpretation

. .- If any question arises as to the interpretation of these rules, the Central

Government shall decide the same.

SCHEDULE 1

SCHEDULE

1. Date of effect :-

The Central Government Employees Group Insurance Scheme, 1980, hereinafter referred to as the "scheme" shall be notified on 1st November, 1980 and shall come into force with effect from the forenoon of 1st January, 1982.

2. Objective :-

The 'scheme' is intended to provide for the Central Government employees, at a low cost and on a wholly contributory and self-financing basis, the twin benefits of an insurance cover to help their families in the event of death in service and a lump sum payment to augment their resources on retirement.

3. Application :-

The 'scheme' shall apply to all Central Government servants including those in the Railways, Posts and Telegraphs, and Defence except members of the armed and para-military force who have already a separate scheme of their own. Contract employees, persons on deputation from State Governments, public sector undertakings, or other autonomous organisations, locally recruited staff in the Indian Missions abroad, casual labourer, part-time and ad hoc employees will not be covered by the 'scheme'. This 'scheme' will also not apply to persons recruited under the Central Government after attaining the age of 50 years. Such Central Government servants to whom the 'scheme' applies will hereafter be referred to as 'employees'.

4. Membership :-

The 'scheme' will be compulsory for all those 'employees' who enter Central Government service after the 'scheme' is notified, i.e. all those 'employees' entering Central Government service after 1st November, 1980 will be compulsorily covered under the 'scheme' from the date it comes into force.

4.2 Those 'employees' who are already in Central Government service on the date the 'scheme' is notified will have an option to opt out of the 'scheme'. This option should be exercised by 31st December, 1980. Those 'employees' who do not opt out of the 'scheme' by that date will be deemed to have become members of the 'scheme', from the date the 'scheme' comes into force. The

option, once exercised (or 'not exercise') will be treated as final and no further choice will be available.

4.3 After the 'scheme' has come into force all 'employees' who enter service in a month other than January shall be enrolled as members of the 'scheme' on the next anniversary of the 'scheme'.

5. Subscription for members :-

The subscription for the 'scheme' will be in units of Rs. 10 per month. A Group D employee will subscribe for one unit, a Group C employee for 2 units, a Group B employee for 4 units and a Group A employee for 8 units. Thus, the rate of subscription for a member of the 'scheme' shall be Rs. 10, Rs. 20, 40 and Rs. 80 per month for Group D, C, B and A employees respectively.

5.2 In the event of regular promotion of an employee from one Group ,to another, his subscription shall be raised, from the next anniversary of the 'scheme', to the level appropriate to the Group to which he is promoted. Until the date of the next anniversary of the 'scheme' he shall continue to be covered for insurance for the same amount for which he was eligible before such promotion. For example, if the 'scheme' comes into force w.e.f. 1st January, 1982, a Group D employee promoted on regular basis to Group C in February, 1982 shall continue to subscribe at the rate of Rs. 10 per month upto December, 1982 and be eligible for the insurance cover of Rs. 10,000 only in addition to the benefits from the Savings Fund appropriate to his subscription. From January, 1983, his subscription will be raised to Rs. 20 per month and he will become eligible for an insurance cover of Rs. 20,000 in addition to appropriate benefits from the Savings Fund.

6. Premium and insurance cover for employees other than members :-

The 'employees' entering service in a month other than January falling after January 1982 will be given benefit of appropriate insurance cover from the date of joining Government service to the date of their becoming members of the 'scheme' on payment of a subscription of Rs. 3 per month as the premium for every Rs. 10,000 of the insurance cover. From the date of anniversary of the 'scheme' they will pay sub- scription at the rate indicated in para 5.1 above. For example, if the 'scheme' comes into force w.e.f. 1st January, 1982, a Group D employee entering service in February, 1982 shall pay a subscription of Rs. 3 per month as premium for an insurance cover of Rs. 10,000 for a period of II months until

December, 1982 and from January, 1983 his subscription will be raised to Rs. 10 per month and he shall become eligible for the benefits from Savings Fund in addition to the insurance cover of Rs. 10,000. Similarly, a Group C employee entering service in February, 1982 will pay a subscription of Rs. 6 per month as the premium for an insurance cover of Rs. 20,000 for a period of 11 months upto December, 1982 and from January, 1983 his subscription will be raised to Rs. 20 per month and he shall become eligible for the benefits from the Savings Fund in addition to insurance cover of Rs. 20,000.

7. Insurance Fund and insurance cover for members :-

In order to provide an insurance cover to each member of the 'scheme' a portion of the subscription shall be credited to an Insurance Fund to be held in the Public Account of the Central Government. The amount of insurance cover will be Rs. 10,000 for each unit of subscription. It will be paid to the families of those 'employees' who unfortunately die, due to any cause, while in Central Government service.

7.2 The positive or negative balance under the Insurance Fund shall be credited or debited, as the case may be, with the amount of interest calculated at prevailing rate of interest on the Post Office savings bank deposits, which at present is 5 per cent per annum.

8. Savings Fund (1) :-

The balance of the subscription shall be credited to a Savings Fund. The amount in the Savings Fund will be held by the Central Government in Public Accounts. The total accumulation of savings together with interest thereon will be payable to the member on his retirement after attaining the age of superannuation or on cessation of his employment with the Central Government or to his family on his death while in service.

8.2 The benefits from the Savings Fund will be as per illustration table attached herewith. This benefit is illustrative and in practice could be a little more or less than the amount shown in the table which has been constructed on the basis of individual's subscription reduced by the cost of insurance at mortality rate of 3.75 per thousand and the compound interest of 10 per cent thereon. If at any time the rate of interest changes and/or the cost of insurance changes the benefits available from the Savings Fund will also change correspondingly.

8.3 In the case of death of a member the payment of the amount of Insurance will be in addition to the payment from the Savings Fund.

8.4 The positive balance under the Savings Fund shall be credited with the amount of interest calculated at the rate of interest notified by the Ministry of Finance, Department of Economic Affairs, for the purpose.

8.5 Interest will be allowed at 10 per cent per annum (compounded quarterly) on the balances in the Savings Fund for a block of 5 years commencing from the date the scheme comes into force.

9. Recovery of subscription (1) :-

The subscription of a member for a month shall fall due at the commencement of the normal working hours on the first of that month.

9.2 The subscription as a premium for the insurance cover from the date of joining Government service to the date of membership of the 'scheme' shall initially fall due from the date of joining and subsequently from the commencement of normal working hours on the first of every month.

9.3 The subscription for a month shall be recovered by deduction from the salary/wage of the 'employee' for that month irrespective of the date of actual payment of salary/wage for that month.

9.4 The subscriptions shall be recovered every month including the month in which the 'employee' ceases to be in employment on account of retirement, death, resignation, removal from service, etc.

9.5 The Drawing and Disbursing Officer shall recover the subscription from the 'employees' irrespective of their being on duty, leave or suspension.

9.6 No interest shall be levied on arrears of subscriptions if the non-recovery is due to delayed payments of salary/wage.

9.7 If an 'employee' is on extraordinary leave and there is no payment of his salary/wage for any period, his subscriptions for the months for which no payments of salary/wage are made to him shall be recovered with interest admissible under the 'scheme' on the accretions to the Savings Fund in not more than three instalments commencing from his salary/wage for the months

following the month in which he resumes duties after leave. If an 'employee' dies while on extraordinary leave the subscriptions due from him shall be recovered with interest admissible under the 'scheme' on the accretions to the Savings Fund from the payments admissible to his family under the 'scheme'. For example, if a Group D employee proceeds on ten months' extraordinary leave from 5th February, 1982 to 4th December, 1982 and no salary/wage is paid to him for any day for March, 1982 to November, 1982, his subscriptions totalling Rs. 80 will be recovered together with the interest calculated at the compound rate of interest of 10 per cent per annum in not more than three instalments commencing from January, 1983.

9.8 If an 'employee' proceeds on deputation or on foreign service, the borrowing authority/foreign employer shall be requested to effect the recovery of the subscription and credit the same to the relevant head of account. It shall be ensured that the necessary clause to this effect is included in the terms of deputation/foreign service in future. The recovery of this amount will be watched in the same manner as applicable to leave salary and pension contribution. If at any time the recovery of subscription falls in arrears, the same shall be recovered with interest admissible under the 'scheme' on the accretions to the Savings Fund in not more than three instalments.

10. Financing of subscription from General/Contributory Provident Fund (1) :-

It will not ordinarily be permissible to finance the 'scheme' from the General/Contributory Provident Fund. However, if at any stage the position of an individual member does not permit him to subscribe to the 'scheme' and to the General/Contributory Provident Fund at the same time, he may be permitted to make, as a separate transaction, a non-refundable withdrawal from the General/Contributory Provident Fund of an amount equivalent to a year's subscription paid for the 'scheme'.

10.2 The subscription to the 'scheme' will form part of deductions allowable in respect of Life Insurance premia, contributions to provident fund etc., in computing the total income of the subscriber for the purposes of income-tax, except to the extent of the amount finally withdrawn from the General/Contributory Provident Fund on account of such subscription.

11. Payment from Insurance Fund/Savings Fund (1) :-

If an 'employee' retires on attaining the age of superannuation or otherwise ceases to be in Central Government service and his service book discloses that he has been a member of the 'scheme', the Head of Office shall issue a sanction for the payment of the member's accumulation in his Savings Fund after obtaining a simple application in Form No. 4.

11.2 If an 'employee' dies while in service and his service book discloses that he was a member of the 'scheme', the Head of Office shall address the nominees/heirs of the Government servant concerned in Form No. 5 to submit an application in Form No. 6, and on receipt thereof shall issue a sanction for the payment of the amount of insurance and the accumulation in the Savings Fund to him (them).

11.3 The amount payable to the nominees/heirs of an 'employee' who has the benefit of an insurance cover only will be the amount of insurance appropriate to his Group.

11.4 The amount payable to the nominees/heirs of a member of the 'scheme', who dies while in service, shall be-

(a) the amount of appropriate insurance to which he was entitled at the time of his death; plus

(b) the amount due to him out of the Savings Fund for the entire period of his membership in the lowest Group; and

(c) the amount or amounts due to him for the additional units by which his subscription was raised on each occasion due to appointment/promotion to higher Group for the period from which the rate of subscription was raised to the date of his death.

(i) the amount of insurance of Rs. 40,000 due on a monthly subscription of Rs. 40, being a Group B employee on the date of his death;

(ii) the amount due from Savings Fund on a monthly subscription of Rs. 10 for 30 years;

(iii) the amount due from Savings Fund on a monthly subscription of Rs. 10 (Rs. 20-Rs. 10) for 25 years; and

(iv) the amount due from Savings Fund on a monthly subscription of Rs. 20 (Rs. 40-Rs. 20) for 15 years.

11.5 The amount payable to the 'employee' who ceases to be in

employment with the Central Government on account of resignation, retirement etc., shall be-

(a) the amount due to him out of the Savings Fund for the entire period of his membership in the lowest Group; and

(b) the amount or amounts due to him for the additional units by which his subscription was raised on each occasion due to appointment/promotion to higher Group, for the period from which the rate of subscription was so raised to the date of cessation of his membership.

(i) the amount due to him from Savings Fund on a monthly subscription of Rs. 10 for 30 years;

(ii) the amount due to him from Savings Fund on a monthly subscription of Rs. 10 (Rs. 20-Rs. 10) for 20 years; and

(iii) the amount due to him from Savings Fund on a monthly subscription of Rs. 20 (Rs. 40-Rs. 20) for 10 years.

11.6 If any 'employee' dies during a month before the recovery of subscription for that month from him, his dues shall be paid after deducting the subscription.

11.7 If any 'employee' joins later on All India Service, his case shall be regulated in such manner as may be decided by the Ministry of Finance.

12. Withdrawals from Insurance/Savings Fund (1) :-

It will not be permissible for any member or other beneficiary of the 'scheme' to withdraw any amount out of the Insurance Fund to which he has been subscribing. The amount due from the Fund on the death of a member of the 'scheme' while in service, shall be worked out in accordance with para 11 and paid to his nominee(s) in accordance with the accounting procedure prescribed separately.

12.2 It will also not be permissible for any member of the 'scheme' to withdraw any amount of the Savings Fund to which he has been subscribing. The amount due to him from the Fund on his cessation of employment on account of resignation, retirement etc. shall be worked out in accordance with para 11 and paid to him or his nominee(s) in accordance with the accounting procedure prescribed separately.

13. Loans/Advances from or against accumulations in

Insurance Fund/Savings Fund :-

No loans or advances shall be paid to any member or other beneficiary of the 'scheme' from or against his accumulations in the Insurance Fund/Savings Fund to which he has been subscribing.

14. Utilisation of accumulations in Insurance Fund/Savings Fund :-

The accumulations in the Insurance Fund/Savings Fund shall be at the disposal of the Central Government. Since the 'scheme' is wholly self-financing and self-supporting, the bulk of these accumulations are proposed to be utilised for ownership housing schemes and other schemes for the benefit of the members of the 'scheme'.

15. Mode of notification of the scheme :-

The 'scheme' shall be notified to the 'employees' by displaying a copy thereof on the notice board or where no such notice board is provided, at a prominent place in the premises where the employees are working. A few copies of the 'scheme' may also be supplied to the recognised unions/associations of the employees.

16. Action on notification of the scheme :-

By the 10th of every month following the month in which the 'scheme' is notified, the Head of Office, shall supply to the Drawing and Disbursing Officer names, groups, dates of birth and dates of appointment of persons who may be appointed to any service or post under the Central Government during the preceding month and who would be eligible to be the members of the 'scheme' in terms of para 3 of the 'scheme'.

17. Action on the scheme, coming into force (1) :-

By the 10th of the month in which the 'scheme' comes into force, the Head of Office shall supply to the Drawing and Disbursing Officer a statement indicating the name, the group and the date of birth of every 'employee' who has been in the Central Government service on the date the 'scheme' is notified but has not opted out of the 'scheme'.

17.2 Every member of the 'scheme' shall be informed in Form No. 1 the date of his enrolment, the subscription to be deducted and the benefits to which he would be eligible. On his regular promotion from one group to another he will be similar informed in Form No. 2.

17.3 The option exercised by the 'employees' who are already in

Central Government service on the date the 'scheme' is notified shall be in Form No. 2 and will be pasted in the service book of the individuals concerned.

18. Register of members :-

The Head of Office shall ensure that groupwise register of members is maintained in the Form No. 9 and kept up to date. This register shall be sent to the D.D.O. concerned once a year to verify whether appropriate subscriptions are being recovered from all employees who have joined the Insurance Fund or both the Insurance Fund and the Savings Fund under the 'scheme' and to record a certificate to this effect.

19. Nomination (1) :-

The Head of Office shall obtain from every Government servant, who is a member of the 'scheme', a nomination conferring on one or more persons, the right to receive the amount that may become payable under this 'scheme' in the event of his death before attaining the age of superannuation. In the case of 'employees' who are already in Central Government service on the date the 'scheme' is notified and who do not opt out of the 'scheme', such nomination shall be obtained simultaneously with the options obtained from others and in the case of 'employees' who join Central Government service after the date on which the 'scheme' is notified, such nomination shall be obtained along with the joining report.

19.2 If a member of the 'scheme' happens to be minor, he will be required to make nomination on his attaining the age of majority.

19.3 If a member of the 'scheme' has a family at the time of his making the nomination he shall make such nomination only in favour of a member or members of his family. For this purpose, family will have the same meaning as assigned to it in the Central Provident Fund (Central Services) Rules, 1960.

19.4 If a member nominates more than one person under para 19.1, he should specify in the nomination the amount of share payable to each of the nominees in such a manner as to cover the whole of the amount payable under the 'scheme', failing which the amount payable under the 'scheme' shall be equally distributed among the nominees.

19.5 The nomination shall be made in Form No. 7 or Form No. 8, as

is appropriate in the circumstances.

19.6 A member of the 'scheme' may at any time cancel a nomination by sending a notice to the Head of Office along with a fresh nomination made in accordance with the above provision.

19.7 The nomination received from the members shall be countersigned by the Head of Office and pasted on their service books. The Head of Office shall also make an entry in the service book that the nomination has been duly received.

20. The existing Insurance Scheme :-

The existing insurance scheme introduced vide Department of Expenditure O.M. No. 60/14/77-IC dated 23rd June, 1977 will continue for those 'employees' who would be in service on 1st November, 1980, if they opt out of the new 'scheme', till they cease to be in employment with the Central Government on account of retirement, resignation, death, etc. As regards the other 'employees' the new 'scheme' will replace the existing insurance scheme w.e.f. 1st January, 1982 and the amount which would have been due to them under the existing insurance scheme had they ceased to be in employment with the Central Government in the afternoon of the day preceding the day on which they become members of the new 'scheme' will be credited to their respective General Provident Fund accounts.

21. Accounting :-

The transactions relating to the 'scheme' shall be accounted for in accordance with the procedure laid down separately.

22. Interpretation and clarification (1) :-

If any categories of 'employees' are not specifically classified into Group A, Group B, Group C or Group D, their classification shall be assumed in accordance with the principles laid down in this regard under the Central Civil Service (Classification, Control and Appeal) Rules, 1965.

22.2 In the actual implementation of the 'scheme' if any doubt arises in regard to the interpretation of any of the provisions of this 'scheme' or if any point requires clarification, the matter may be referred to the Ministry of Finance, whose decision shall be final.

23. Review of the scheme :-

The working of the 'scheme' will be reviewed every three years to ensure that the 'scheme' remains self-financing and self-

supporting.