

CENTRAL GOVERNMENT EMPLOYEES GROUP

INSURANCE SCHEME

28.1

Eligibility

- (i) The scheme is compulsory for all regular employees including canteen employees.
- (ii) Employee joining service from 1st January of a year will be a member of the Scheme from the date of joining.
- (iii) Employee joining service on any other date will be entitled for insurance cover alone from the actual date of joining till the end of that year and will become full fledged member from the 1st January of the next year.
- (iv) Re-employed defence personnel shall not be admitted to this scheme until the expiry of extended insurance cover under the Group Insurance Scheme for Armed Forces.

28.2

Subscription and Insurance Cover

- (i) Under the scheme monthly subscriptions are to be made by each group of employees to get the appropriate insurance cover as follows :
 - (a) For members as on 31.1.1989, who opted for the old scheme :

Group of Employees	Subscription per month (Rs.)	Amount of Insurance cover (Rs.)
A	80	80,000
B	40	40,000
C	20	20,000
D	10	10,000

- (b) For members as on 31.1.1989 who opted for the new scheme and those joining on or after 1.2.1989 :

Group of	Subscription per month (Rs.)	Amount of
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Employees	From date of joining to succeeding 1st January	From succeeding 1st January	Insurance cover (Rs.)
A	40	120	1,20,000
B	20	60	60,000
C	10	30	30,000
D	5	15	15,000

- (ii) If an employee is promoted to a higher grade in between a calendar year, his subscription will be raised w.e.f. the following 1st January.
- (iii) If an employee is reverted to a lower grade, his subscription and insurance will not be changed. It will remain as applicable to the higher grade to which he belonged before reversion.
- (iv) Subscription for a month shall be recovered from the employee's salary for that month.
- (v) Subscription shall be recovered even for the month in which the employee ceases to be in service on account of retirement, death, resignation, removal etc. from service, or is on leave or suspension.
- (vi) If subscription is not paid during any period of extraordinary leave, the arrears will be recovered with interest due under the Scheme, in maximum 3 instalments, from the month following the month in which employee returns for duty. If an employee dies while on extraordinary leave, the arrears will be recovered with compound interest @ 12% p.a. from the amount payable to the family under the scheme.
- (vii) If subscription is delayed due to delayed payment of salary, no interest will be charged.
- (viii) In exceptional circumstances, when employee cannot subscribe to CGEGIS, he can make non-refundable withdrawal from his PF account and pay the subscription.
- (ix) 30% of the subscription will go to Insurance Fund and the balance 70% will go to Savings Funds.

Fifth Pay Commission has recommended to revise the proportion to 25% and 75% provisionally and review the same based on mortality rates.

28.3

Interest on Savings Fund

Interest will be paid on the balance in the Savings Fund at prescribed rates, compounded quarterly.

28.4 **Benefits under the Scheme**

- (i) **On Resignation/Retirement** :- Amount of subscription credited to the Savings Fund alongwith interest thereon will be paid to the employee.
- (ii) **On Death** : Amount of insurance cover of the group to which he belongs on the date of death and the accumulation in Savings Fund will be paid to his nominee/heirs.
- (iii) If an employee dies before he was enrolled as a member (i.e. between the date of his joining service and the following 1st January), only the insurance amount will be paid to the nominee/heirs.
- (iv) **Assignment of Insurance Cover and Savings Fund for obtaining loans** : An employee can assign the insurance cover and accumulation in the savings fund to a recognised financial institution, for obtaining housing loans. However, no loans/advance or withdrawals are permitted from Insurance Fund/Savings Fund.
- (v) The amount of subscription is eligible for Income Tax Rebate u/s 88 of IT Act.

28.5 **Mode of Payment**

- (i) The payment under the scheme shall be made to the employee in case of retirement, or quitting service otherwise.
- (ii) In case of employee's death, the amount shall be paid to :
 - (a) if there is a valid nomination, to the nominee(s) in the manner prescribed.
 - (b) if there is no valid nomination, as per valid nomination for GPF.
 - (c) if there is no valid nomination for PF also, then in equal shares to widow(s)/minor sons and unmarried daughters. When none of these are alive, then to other members of the family in equal shares.
 - (d) if neither any valid nomination is there, nor any member of the family is alive then to legal heirs on furnishing the succession certificate.
- (iii) When the whereabouts of an employee are not known :
 - (a) Savings Fund accumulation will be paid to the nominees/members of the family/legal heirs after one year following the month of

disappearance on furnishing a police report that employee is not traceable in spite of all efforts and an Indemnity Bond.

- (b) The insurance amount will be paid after 7 years of the disappearance on production of decree of presumed death of the employee.
- (c) Full subscription for the first year and reduced subscription for the insurance premium alone for the next 6 years will be recovered from the amount payable.

28.6

Other Conditions :

- (a) The amount due to the minor can be paid to mother as natural guardian without any certificate in the case of non-Muslims and with guardianship certificate in the case of Muslims.
- (b) If any person eligible for share of benefits is charged with murder or abetting murder of the employee, his claim will be suspended. If he is convicted he will be debarred from receiving any share, if he is acquitted his share will be paid without any interest.
- (c) Any dues to the government cannot be recovered from amount payable under the scheme.

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