

ITPO EMPLOYEES DEFINED CONTRIBUTION SUPERANNUATION PENSION SCHEME RULES

SECTION - I

DEFINITIONS, ELIGIBILITY & REQUIREMENTS FOR MEMBERSHIP

1. DEFINITIONS

In these Rules, where the context so admits the masculine shall include the feminine, the singular shall include the plural and vice versa and the following words and expressions shall, unless repugnant to the context, have the following meanings:

- (1) "ANNUAL RENEWAL DATE" shall be 1<sup>st</sup> of April every year.
- (2) "ANNUITY" shall mean the particular Deferred Annuity or Deferred Annuities effected or to be effected in respect of the Members.
- (3) "APPROVED SUPERANNUATION FUND/SCHEME" shall mean a Superannuation Fund, which has been and continues to be approved by the Commissioner of Income Tax in accordance with Part "B" of the Fourth Schedule to Income Tax Act, 1961.
- (4) "BENEFICIARY" shall mean the Members and in case of his death the spouse and/or child or children and or dependent(s) of the Member or any such person(s) as may be nominated by the Member.
- (5) "CPSE" shall mean the Central Public Sector Enterprises.
- (6) "COMMENCEMENT DATE" shall mean the date from which the assurances shall be affected from the Corporation/Insurer.
- (7) "COMPANY/EMPLOYER" shall mean ITPO and subject to the prior approval of the Commissioner of Income Tax shall include any person, firm or agency, body corporate, or any other entity who/which may, by purchase, amalgamation or otherwise take over the whole or substantially the whole of business of the Company and who/which shall enter into a deed in such a form as the Trustees shall require, undertaking to continue the obligations of the Company under these presents and releasing the Company from all further liability thereof.
- (8) "CONTRIBUTION" shall mean the amounts contributed by the Employer and Employee in their respective proportions more specifically defined in clause 6 of the scheme.
- (9) "CORPORATION" shall mean Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956 and Pension Fund Regulatory and Development Authority (PFRDA) in case of employee covered under NPS.
- (10) "EFFECTIVE DATE" in relation to the Scheme shall mean January 1, 2007 the date from which the Scheme takes effect.
- (11) "ELIGIBLE EMPLOYEE" shall mean an Employee who is eligible for the benefits under the Scheme as more particularly set forth in Rule 3 below.

- (12) "EMPLOYEE" shall mean below Board level employees on the regular rolls of the Employer.  
(Note:- 'Board' for the purpose of this Scheme shall mean and include the Board of Directors and functional directors of the Company.)
- (13) "ENTRY DATE" shall mean:
  - i) Effective Date in relation to the Employees who have joined on or before Effective Date.
  - ii) In relation to Employees admitted to the benefits under the Scheme after the Effective Date, the date on which Employee joins the Company on its regular rolls but does not include an Employee who has come on deputation from CPSE/Govt. However, when an Employee comes by retaining his lien in the CPSE then the Entry Date shall be the date on which he comes on the regular rolls of the Company.
  - iii) In relation to an Employee who comes on deputation from the other CPSE/Govt. the Entry Date shall be the date on which he is absorbed on the regular rolls of the Company.
- (14) "FINANCIAL YEAR" shall be as provided under Income Tax Act, 1961.
- (15) "INSURER" shall have the meaning given in clause (28BB) of Section 2 of the Income Tax 1961.
- (16) "POLICY" shall mean the Policy issued by the Insurer which incorporates the various Annuities affected under the Scheme for the benefit of the Members.
- (17) "MEMBER" shall mean an Eligible Employee who has been admitted to the membership of the Scheme and shall include any such person so long as he continues to be admitted to the benefits hereunder.
- (18) "NORMAL RETIREMENT DATE" shall mean in respect of each Member the date on which he completes 60 years or such age as may be declared/prescribed from time to time as superannuation age and duly approved by the Board of Directors of the Company.
- (19) "NOTIFICATION DATE" shall mean such date on which the Scheme is notified by the Company.
- (20) "NPS" shall mean National Pension Scheme (NPS). It is a defined contribution retirement savings scheme regulated by PFRDA.
- (21) "PFRDA" shall mean the Pension Fund Regulatory & Development Authority regulates NPS with transparent investment norms, regular monitoring and performance review of fund managers by NPS Trust.
- (22) "RULES" shall mean the Rules of the Scheme as herein set out and any amendments made thereto from time to time.
- (23) "SCHEME" shall mean "ITPO Employees Defined Contribution Superannuation Scheme" described in the Rules and the Trust Deed.
- (24) "SALARY" shall mean basic pay and dearness allowance.

- (25) "SERVICE" shall mean in relation to a Member, the period for which he has been or deemed to be in continuous Service with ITPO and this will include, inter-alia, periods of authorized leave. Such service relating to each Member will be the total of the following:-
- i) The period of future service with the Employer reckoned from the date of his joining the Company up to his Normal Retirement Date or the date of cessation of service, as the case may be.
  - ii) The period of past service which the Employer has agreed to credit the Members with, i.e. period from the date of joining till the Effective Date to secure benefits relating to such past service.
  - iii) The period of past service in the CPSE rendered immediately prior to the commencement of his service in the Company, subject to the conditions as contained in Rules 3(g), 3(h) and 3(i) below.
- (Note:- Cessation of service for the purpose of this Rule shall mean separation of Employee from the Company on account of his resignation, death, voluntary retirement, pre-mature retirement and separation of Employees from the Company as a result of disciplinary proceedings conducted as per the Company's Service Rules defined in clause xxiii hereinabove. Further, in case of an Employee is reinstated after suspension by virtue of disciplinary proceedings, the period of such suspension shall be reckoned as service as per the said rules.)
- (26) "SERVICE RULES" shall mean the ITPO Service Regulations and 'ITPO Employees' Conduct, Discipline & Appeal Rules' as amended from time to time and implemented by the Company in relation to terms and conditions of service of its Employees.
- (27) "SURPLUS ACCOUNT" shall mean an account which incorporates the forfeited balances of Employees who have not completed the vesting requirements and also balances of contributions of employer not released for the annuity of the member.
- (28) "TRUST" shall mean the Trust under which the Scheme is established to which the Company and the Employees shall contribute their respective contributions more particularly defined hereinafter.
- (29) "TRUSTEES" shall mean the Trustees for the time being of 'ITPO Employees Defined Contribution Superannuation Scheme'.
- (30) "TRUST DEED" shall mean the Trust Deed executed by the Company and the Trustees for the purpose of administering the Scheme in accordance with the provisions thereof and shall include any amendments made thereto by appropriate of variation.
- (31) "VOLUNTARY CONTRIBUTION BY AN EMPLOYEE" An employee may opt on voluntary basis, with the permission of the Trustees to contribute towards his pension fund.

## 2. TRUSTEES TO ACT FOR MEMBERS AND THE EMPLOYER

It is proposed to form a Trust-ITPO Employees Defined Contribution Superannuation Trust, for day to day supervision of the implementation of the Pension Scheme and making suggestions for improvement from time to time. The Trustees shall act for and on behalf of the Members and the Employer in any matter relating to the Scheme and every act done by the Trustees shall be binding on the Members and the Employer.

The Trust shall comprise of the following office bearers:

- (i) GM – Chairman
- (ii) FA&CAO – Trustee
- (iii) Nominee of Management at GM/DGM level – Trustee
- (iv) Nominee of ITPO Officers' Association – Trustee
- (v) Two nominees of ITPO Employee's Union – Trustees
- (vi) DGM/SM looking after the work of Pension in Finance Division- Secretary

## 3. ELIGIBILITY

a) All regular employees of ITPO who were on ITPO rolls on 01.01.2007 and onwards are covered under Pension Scheme.

- Employees who were on rolls of ITPO on 01.01.2007 but have retired from services will be covered by LIC Pension Scheme.
- Employees who were on ITPO rolls on 01.01.2007 and are in service, and Employees who joined ITPO services after 01.01.2007 and are in service will be covered under National Pension Scheme and shall be governed by terms and conditions of NPS.

b) Trustees Decision Regarding Eligibility Final:

The Trustees decision regarding the eligibility of an Employee for the purpose of the Scheme shall be final and binding on all the parties concerned.

c) Transfer of equitable interest in the Scheme:

In the event any company, firm or association being affiliated to or associated with the Company, ceases to be so affiliated or associated, any Employee of such company, firm or association who was a Member of the Scheme at such date shall, if he so desires subject to the approval of the Trustees and the Company be entitled to transfer to any Approved Superannuation Fund of which the said Member may become a member, an amount equivalent to his equitable interest in the Scheme.

d) If, on becoming a Member of the Scheme, a Member desires to pay, procure or transfer to the Trustees a sum to which (as a Member of any other Approved Fund) he may be entitled, the Trustees with the approval of the Company shall be authorized to receive such payment or transfer and the amount so paid or transferred shall be placed to the credit of such Member. On retiring from service at Normal Retirement Date or any early retirement or on death or on leaving service, such Member or his Beneficiary, as the case may be, shall be entitled to such additional pensions as are attributable to the value as at the date of

retirement or death, of the total amount so paid or transferred in accordance with conditions, if any, stipulated by the Approved Fund from which the amount has been transferred.

- e) A Member shall be eligible for crediting the amount received under the Superannuation Scheme approved under the Income Tax Act, 1961 for the services rendered in CPSE immediately prior to the commencement of his service in the Company.
- f) A Member shall be eligible for reckoning the past service period in CPSE rendered immediately prior to the commencement of his service in the Company for determining the credit of the amount as received from the previous employer to his individual account under the Scheme subject to the conditions contained in the Rules 3(g) and (h) below.
- g) In order to be eligible for crediting the past service/amount received from the previous employer towards the past service period in CPSE, the previous service in CPSE as well as service in the Company shall be deemed to be continuous without any break, subject to the conditions that (i) there is no intervening service in any concern other than CPSE or the Company and (ii) All criteria for transfer of service from CPSE to Company, viz. transfer of CPF, gratuity, leave salary etc. are fulfilled. It is clarified that admissible joining time taken by an Employee or leave with prior concurrence of Company on account of movement from one CPSE to another would not be considered a break in service.
- h) The amount so received credited in the NPS from the previous employer to Employee's individual account towards the past service period as stated in Rule 3(e) above shall be credited separately under Employer's contribution and Employee's contribution.
- i) The past service of a Member in CPSE shall be reckoned only for the purpose of determining the continuity of service to avail the benefits of the Scheme and amount payable to such Member in the event of superannuation, resignation, death, VRS/pre-mature retirement and cases of deputation. The amount in the Superannuation Fund due from earlier CPSE should be transferred to the Company/Beneficiary Account within a period of 12 months from the date of joining duty in the Company or the Notification Date, whichever is later. In case of an employee joining the Company while retaining lien with his earlier CPSE, the period of 12 months shall be extended to the total period of lien.
- j) If the Employee does not bring in the amount within the said period of 12 months or the period of lien, as the case may be, transfer of such amount later shall not be allowed.

(Note: Employees covered under National Pension Scheme shall be governed by terms and conditions of NPS.)

#### **4. EVIDENCE OF AGE**

Evidence of age satisfactory to the Company and to the LIC/PFRDA shall be furnished by every eligible employee before he is admitted to the Membership of the Scheme. If the age of the Member is conclusively proved later on to have been incorrectly stated, the Member shall not be entitled to the

112

benefits under the Scheme that he would have received had his correct age been stated on the Entry Date. The Corporation/PFRDA shall have the right to make such adjustment in the benefits as it may in its absolute discretion decide, having regard to the normal practice of Corporation in this behalf for the time being in force.

#### **5. MEMBER NOT TO WITHDRAW**

The membership in the Scheme shall be co-terminus with the employment of the member with the Employer.

### **SECTION – II**

#### **CONTRIBUTIONS, ANNUITIES AND SCHEME OF INSURANCE**

#### **6. CONTRIBUTIONS**

The contributions shall be duly paid by the Company to the Trustees in respect of each Member in the proportion hereinafter mentioned in clause (a) and (b) below, on the relevant dates stated hereinafter and the Trustees shall pay the same to the LIC and PFRDA for NPS in respect of Retired and Serving Employees respectively.

a) **Initial Contribution:**

The amount payable by the Company for the period in respect of each Employee shall be @7% of the Employee's salary (Basic Pay plus DA) or even less for a given year depending on affordability. Employee's contribution @ 1% of his salary (Basic Pay plus DA) in respect of past services commencing with the entry date will be payable. For Retired Employees (as mentioned in Clause 3(a)) – The entire sum i.e. 7% of Basic Pay plus DA from 01.01.2007 till date of Superannuation/VRS/Death shall be invested under LIC Pension Scheme. For Serving Employees (as mentioned in Clause 3(a)) – The sum shall be invested under NPS of PFRDA.

b) **Ordinary Monthly Contribution:**

i) The Ordinary Monthly Contribution payable by the Company in respect of each serving employee shall be @7% per month of his Salary (Basic Pay plus DA) or even less for a given year depending on affordability. Contribution every year is not guaranteed. It shall be credited to the individual account of Member (as part of Employer contribution) through the Trust and shall be payable throughout the period of his service up to the Normal Retirement Date. The Employee's contribution shall be 1% of his salary per month (Basic Pay plus DA). For already Superannuated/VRS optees/Death cases, this condition shall not apply. They will be contributing Rs.5,000/- onetime payment to become eligible for Pension Scheme. However, serving employees, superannuated and VRS optees will have an option to contribute up to maximum of Employer's contribution from time to time.

(NOTE: The aggregate of contribution paid by the Company in any year for any Member under Clause 6(a) together with the total contribution paid by the Company to any provident Fund in respect of the said Member shall not at any time exceed the prescribed percentage of the aggregate Salary paid by the Employer to the Member as per the Income tax Act, 1961.)

- ii) The monthly Contribution of the Employer for the financial year shall be payable to the Trust on or before March 31<sup>st</sup> of that financial year.
  - iii) In the subsequent years, the Employer and Employee contribution for the months of March to February of each Financial Year shall be payable by the 15<sup>th</sup> of the immediately succeeding month.
  - iv) An amount forfeited by the trustees shall be kept separately in surplus account. The money kept in surplus account shall be adjusted by the Company for future contributions.
- c) Expenses of Scheme to be paid by the Employer:  
The expenses for administration of the Scheme shall be payable by the Employer and shall be paid in addition to the Contributions herein mentioned.
- d) Employer lending Member's services (deputations) & continuity of Membership:
- i) In the event of a Member's services being lent by the Employer to any other company, firm, association or concern under the management or associated with the Employer, or to CPSE/ Govt, for the purpose of this Rule, the Member's services shall be deemed to be continuous and uninterrupted.
  - ii) During such period, the contributions payable by the Employer/Employee shall continue to be paid to the Trust. The Employer may recover such Employee's contributions from the Company, firm, association, concern or CPSE/Govt to which the Member's services are lent and the Employee's contribution shall be deducted from his salary.
- e) Employees right of lien over the post and his continuity in membership  
In case an Eligible Employee is granted lien over the employment with the Company, the Contribution for the lien period by the Employer and the Employee shall not be payable. However, his accumulated contributions shall be maintained with the Company and in the event of such Employee rejoins the Company, the Contributions shall become payable by the Company and employee from the date of rejoining the company.
- f) In the event an Employee is sanctioned study leave as per the Company's Service Rules, the Employee contribution as well as Employer contribution under the Scheme shall be payable only up to period he is paid leave salary. On exhaustion of leave salary, no contribution shall

1/5

be paid from the Employee and Employer and the contributions shall recommence from the date of Employee rejoins the Company.

- g) In the event an Employee is sanctioned leave without pay, no Employer as well as Employee contribution shall be payable for the period of leave without pay.
- h) In the event a suspended Employee is reinstated, the Employer and Employee contribution under the Scheme for the period of suspension may be payable as decided by the Trustees on the recommendations of the disciplinary authority constituted under the Company's Service Rules.

## 7. ANNUITIES

- a. The Trustees shall maintain the Consolidated Fund and invest the contributions made by the Company in respect of all Serving employees into NPS on monthly basis.
- b. The Trustees shall effect "Annuities" with NPS/Corporation in respect of each Member in terms of the Rules of this Scheme at the time of the Normal Retirement Date, death or cessation, as the case may be, in accordance and consistent with the Rules of NPS. The amount for which such Annuities shall be taken be in accordance with the provisions stated under Section III of the Rules.

## 8. INCREASE IN CONTRIBUTIONS

Subject to the provisions of Rule 6, the actual sum contributed as Ordinary Monthly Contributions by the Employer and the Employee will increase depending upon increase in the Salary of the Members in general. Such increase in contributions shall take effect retrospectively, i.e. from the date the increase in pay is affected.

## 9. (A) Scheme of Pension for Retired Employees of ITPO.

- a. For the purpose of providing pensions to the Retired Members, the Trustees shall enter into a Scheme of Insurance with the Life Insurance Corporation of India where under that LIC will issue Individual Policy.
- b. If the LIC with the sole intention of granting relief to the Members/Beneficiaries who are already drawing pension decides to grant increase in the quantum of pension, such Members/Beneficiaries shall be eligible for the said increase in the pension from such date and in such form as may be allowed by the Corporation.

## (B) - Scheme of Pension for Serving Employees of ITPO.



For the purpose of providing pensions to the Serving Members, the Trustees shall enter into a Scheme of Pension with the National Pension Scheme regulated by PFRDA under which the employer and employee contribution shall be invested. The members covered shall be governed by terms and conditions of NPS

SECTION - III

10. BENEFITS

(a) BENEFITS ON NORMAL RETIREMENT AGE

i) Upon retirement of a Member on the Normal Retirement Date, the pension shall become payable to him as per rules of LIC/NPS from time to time and his balance, which shall be utilized to provide him appropriate pension, would be equal to the following:

- (1) Total contributions to his account, comprising of contributions made by the Company and Employee including the additional contributions made by the Employees towards the Fund, if any, and interest earned thereon.
- (2) Any other amount transferred from previous employers/CPSE and interest thereon.

ii) Upon retirement of a Member on the Normal Retirement Date and subject to the condition that the Member has put in a minimum 15 years service or as per rules of LIC/NPS from time to time, pension shall be paid to the Member as per the frequency chosen (monthly, quarterly, half yearly or yearly) and as per the pension option selected by him from the various options as offered by the respective Scheme. Pension benefits would depend upon the accumulated corpus available in his individual account (both employer and employee contributions alongwith accrued interest) based on type of annuity chosen by the employee. The Trustees of ITPO Employees Defined Contribution Superannuation Scheme will make available options of annuity types to the employees who shall opt for one of the options.

(b) BENEFITS ON VOLUNTARY RETIREMENT

In the event of a Member opting for voluntary retirement as per Company Rules, he will be entitled for pension benefits from the date of cessation of his service PROVIDED THAT the Member has completed not less than 15 years service or as per rules of LIC/NPS from time to time, and his benefits will be calculated in the manner laid down in Clause 10(a). The benefits under the Scheme shall become payable on the option of the Member from the date of such voluntary retirement. In case of member opting for voluntary retirement before completing 15 years of service or as per rules of LIC/NPS from time to time, the

amount accumulated by way of Employee contribution including additional voluntary contributions, if any, and interest thereon, only shall be refunded after deduction of applicable charges, subject to prevailing Income Tax Rules as applicable.

(c) BENEFITS ON DEATH/ PERMANENT DISABLEMENT AND INCAPACITATION LEADING TO CESSATION OF SERVICE

A. Death Cases:

- (1) In the event of death while in service of the company, the nominee(s) of the Member, shall be entitled to an immediate pension, irrespective of whether the Member had completed not less than 15 years service before his death or not, and his benefits will be calculated in the manner laid down in Rule 10(a). The benefits under the Scheme shall become payable on the option of the nominee(s) from the date of death of the member.
- (2) Where the nominee is more than one, the amount will be distributed on the basis prescribed in the nomination form by the Member.
- (3) In the absence of nomination, the amount will be distributed among the legal heirs as per the Succession Certificate to be produced by such legal heir(s), from the appropriate court.

B. Permanent Disablement and Incapacitation leading to Cessation of Service:

In the event of permanent disablement and incapacitation leading to cessation of service of the company, the member shall be entitled to an immediate pension, irrespective of whether the Member had completed not less than 15 years service before his disablement and incapacitation or not, and his benefits will be calculated in the manner laid down in Rule 10(a) or as per rules of LIC/NPS from time to time. The benefits under the Scheme shall become payable on the option of the member from the date of such cessation of service of the member.

(d) BENEFITS ON RESIGNATION OR PREMATURE RETIREMENT PRIOR TO DATE OF NORMAL RETIREMENT

In the event of the Member leaving the services of the Company on his own free will or otherwise, and the member having completed not less than 15 years service with the Company, the pension annuity shall be purchased based on only employee's contribution including additional voluntary contribution, if any, and interest thereon. In case the member leaving the service of Company before completing 15 years service, the amount accumulated by way of employee contribution including additional voluntary contribution, if any, and interest accrued thereon, only shall be refunded after deduction of applicable charges,

subject to prevailing income Tax Rules-1962, as applicable and rules of LIC/NPS from time to time.

- (i) In case an Employee resigns and joins another CPSE/Govt. Organization (through proper channel) having an Approved Defined Superannuation Scheme, the accumulated amount (both Employer and Employee contribution) lying in his individual account above may be transferred at the request of the employee to the said Approved Defined Contribution Superannuation Scheme of which he may become member within a period of 12 months or applicable period of lien subject to clause d (iii) below. If the amount is not transferred within the stipulated period or on account of the CPSE not having any Approved Defined Contribution Superannuation Scheme, the Employee's Contribution, if any, along with interest thereon shall be refunded to him or as per rules of LIC/NPS from time to time.
- (ii) Further, if such an employee resigns from the said CPSE at any time before superannuation and joins an organization other than a CPSE/Govt. Organization, only the employee contribution including any additional contribution made by the employee, along with accrued interest will be refunded to him after deduction, if any, and the employers contribution up to the date of resignation from the Company along with interest accrued thereon upto the date of his resignation from the said CPSE will be transferred back to the ITPO Employees Defined Contribution Superannuation Trust or as per the rules of LIC/NPS from time to time.
- (iii) In all cases of the premature retirement, the Employee shall be treated as if he has resigned from the Company and shall be entitled to the same benefits as in case of resignation defined under Rule 10(d)(i) above.
- (iv) The undistributed Employer's contribution shall be transferred to the 'Surplus Account' and may be adjusted against the future contributions by Employer or utilized in any other way which may be beneficial to the Members.

(e) BENEFITS ON CESSATION OF SERVICE ON ACCOUNT OF DISCIPLINARY PROCEEDING INCLUDING TERMINATION, DISMISSAL, REMOVAL ETC.

In all cases of cessation of service as a result of disciplinary proceedings including termination, dismissal, removal etc. the member shall be entitled to same benefits under the Scheme as in case of resignation defined under Rule 10(d)(i) above.

(f) BENEFITS in pends

In the event a Member, against whom judicial proceedings are instituted or disciplinary proceedings are contemplated/ instituted before the date of Normal Retirement Date, attains the age of normal retirement and becomes eligible for grant of pension under the Scheme, the benefits of pension to such Member shall be kept in abeyance till the outcome of such proceedings. If such member is found guilty of offence pursuant to the judicial

proceedings and/or disciplinary proceedings, as the case may be warranting cessation of his service had he continued in the service, the member shall be entitled to same benefits under the Scheme as in case of resignation defined under Rule 10(d)(i) above.

(g) BENEFITS ON SUDDEN DISAPPEARANCE AND UNKNOWN WHEREABOUTS OF MEMBER

In the event if any Member while in service suddenly disappears and his whereabouts are unknown, the pension benefits shall be payable to his nominee(s) after a lapse of a period of one year from the date of filing of FIR with the concerned police station and observing other formalities as prescribed by the Trustees. The benefits shall be payable as per clause 10(a).

(h) The members covered under NPS shall be governed by terms and conditions of NPS.

11. COMMUTATION OF BENEFITS

The benefits under the Scheme shall be payable only in the form of the Annuity except for the benefits paid under Clauses 10(e), 10(f) and 10(g). However, if the Member or the beneficiary/nominee(s) (in the event of the death of the Employee while in service) as the case may be, so desires and the Trustees agree, a maximum of 1/3rd of the Annuity may be commuted for a single payment, and for remaining 2/3rd of the amount the annuity would be purchased, subject to provision of Income Tax Rules. The commutation and the pension benefit would depend upon the corpus available in the individual account of the Employee. The members covered under NPS shall be governed by terms and conditions of Commutation as prescribed by NPS.

- i) The pension shall be paid to the Member as per the frequency chosen (monthly, quarterly, half yearly or yearly) and as per the pension option selected by him from the various options as offered by the respective Insurer, Pension benefits would depend upon the accumulated corpus available in his individual account (both Employer and Employee contribution along with accrued interest).
- ii) Every 'employee' or Member shall be provided with statement of account (which would contain the details of the Employer's contribution and the Employee contribution separately) and the same can be access via online portal as prescribed under NPS/LIC.
- iii) The trustees shall intimate the LIC in writing the pension option and the frequency selected by the retired employee.  
For the serving employees, the option in respect of choosing of Fund Manager, frequency etc lies with the concerned employee.
- iv) In the event of any future wage revision in the Company from retrospective effect, an arrear of Annuity shall become payable to the Members who have retired in the

intervening period. The Contribution due to the Member on account of the wage revision shall be paid by Company to the Trust which in turn shall utilize the same to buy additional Annuity from the LIC/NPS for such Members. The additional Annuity shall, however, be payable from the prospective date of payment of additional purchase price to the insurer and not from the date of purchase of original annuity or date of retirement of the Member.

**SECTION - IV**

**12. ACCOUNTS**

- i) The account of the Scheme shall be maintained in India and shall contain such particulars as the Trustees may think proper as required by law and accurate accounts shall be kept and maintained by the Trustees.
- ii) As soon as may be after the 31<sup>st</sup> day of March every year, the Trustees shall take a general account of the assets of the Scheme and shall prepare receipts and payments account showing the receipts and payments, credits and debits, dealings and transactions during the year terminating on such 31<sup>st</sup> day of March in such form as may be considered suitable by the Trustees. For the purposes aforesaid, the Trustees shall appoint Auditors who shall have access to all books, papers, vouchers, accounts and documents connected with the Scheme and who shall in writing report to the Trustees on the annual Receipts and Payment Accounts. These Accounts shall be adopted at a meeting of the Trustees every year within six months of close of the annual accounts.

**SECTION - V**

**MISCELLAENOUS PROVISIONS**

**13. RESTRAINT ON ANTICIPATION OR ENCUMBERANCE**

The benefits assured under the Scheme are strictly personal and cannot be assigned, charged or alienated any way.

**14. DISCONTINUANCE OF CONTRIBUTIONS AND AMENDMENT OF THE RULES**

- a. The Company reserves the right to vary/discontinue making contributions to the Scheme at anytime, after giving three months notice in writing to the Trustees, the LIC/NPS and to all the Members of the Scheme.

- b. The Company may also at anytime give three months' notice in writing to the Trustees, the LIC/NPS and to all the Members of the Scheme, of its intention to amend the Rules of the Scheme. Such amendment shall always have effect from the date on which the notices have been served provided however, that, any amendment to the Rules of the Scheme shall be made only with the prior approval of the Commissioner of Income Tax
- c. No such amendment shall affect in anyway (i) pensions already paid by the Corporation and (ii) benefits already secured as per the Scheme.
- d. In the event of discontinuance of the Contributions by the Employer, the benefits under the Annuities shall vest in the Member and the member shall be entitled to exercise in respect of his benefits, the same discretions as the Trustees had under the Rules. The Member shall be deemed to have left service on the date of discontinuance and each Member shall be entitled to benefits as envisaged in clause 10(b) above.

**15. TRUST DEED TO PREVAIL**

Should anything contained in these Rules or in any alteration or amendment thereof be inconsistent with the objects or provisions of the Trust Deed, the provisions of the Trust Deed shall prevail. On any such discrepancy coming to the notice of the Trustees, the Trustees shall with the prior approval of the Commissioner of Income Tax take steps to amend the said Rules as soon as may reasonably be possible, so as to bring them in conformity with the provisions of the Trust Deed.

**16. JURISDICTION**

The Master Policy issued under the Scheme shall be under the Indian Contracts Act. The Scheme will be subject to the laws of India including the Indian Insurance Act, 1938, as amended, the Income Tax Act, 1961 and to any legislation subsequently introduced. All benefits under the Scheme shall be payable only in India. Should anything contained in these Rules, or in any amendment made thereof, be repugnant to any provision or provisions of the Income Tax Act, 1961 or the Income Tax Rules, 1962 or any amendments thereto, the same shall be ineffective to the extent of repugnancy. The Trustees shall remove any such repugnance, if so directed by the Commissioner of Income Tax.

**17. CONSOLIDATED CERTIFICATE AND STATEMENT OF ACCOUNTS BY CORPORATION**

The Corporation shall issue to the Trustees within one month from the Annual Renewal Date, a certificate indicating the total amount of consolidated fund as on the previous Annual Renewal Date, the annuities effected in between the above two Annual Renewal Dates and the final balance as at the last Annual Renewal Date.

18. EMPLOYER'S LIABILITY LIMITED TO THE BENEFITS UNDER ANNUITIES

The Employer is neither the insurer nor the guarantor of any Annuities purchased under these Rules and in the event of the insurer withholding any benefits in respect of any of the contracts under such Annuities that they may be issued owing to circumstances beyond the Employer's control or otherwise, the Employer shall be under no liability whatsoever to any Member entitled to the benefits secured by such Annuity or Annuities.

19. DEDUCTION OF SUMS DUE TO INCOME TAX AUTHORITIES

a) Income Tax

In any case, where the Trustees or the Corporation is liable to account to the Income tax authorities for income tax on any payment due under the Scheme, the Trustees or the Corporation/PFRDA shall deduct a sum equivalent to such tax from such payment and the Corporation/PFRDA or the Trustees shall not be liable to the Employer or Members for the sum so deducted.

b) If the Scheme for any reason ceases to be approved by the Commissioner of Income Tax, the Trustees shall nevertheless remain liable to tax on benefits paid out of the Scheme in so far as such benefits are secured by the Contributions made before the Scheme ceased to be approved by the Commissioner of Income Tax under the provisions of Part "B" of the Fourth schedule to the Income Tax Act-1961.

20. APPOINTMENT OF BENEFICIARY/NOMINEE

a) Every Member shall appoint one or more out of his wife, child/children or dependants as Beneficiary or Beneficiaries under the Rules to receive the benefits hereunder in the event of the death of the Member. If a Member dies while in service or before he has commenced to draw the pension or after he has commenced to draw the pension, the Trustees shall hold the benefits in force under the Annuities on the life of the Member upon trust for payment to the Beneficiary or Beneficiaries as shall have been appointed by the Member in accordance with the remaining paragraphs of this Rule.

b) Every appointment made under this Rule shall be in writing, signed by the Member and attested by two witnesses and shall be according to the prescribed form and shall remain in full force and effect until the death of the Beneficiary or until the same has been revoked in writing by the Member by whom the same was made and a fresh appointment made in the manner aforesaid.

c) A member may from time to time or at any time without the consent of the Beneficiary, if any, revoke or change the Beneficiary by filing a written notice of the change to the Trustees in the prescribed form satisfactory to the Trustees whereupon an

acknowledgement of the change and the registration of the name of the new Beneficiary will be given to the Member by the Trustees for attachment to the certificate. The new appointment shall take effect on the date the notice was signed whether or not the Member is living on the date of acknowledgement of the change, without prejudice to the Corporation or the Trustees on account of any payment made before the acknowledgement of the change.

- d) If a Beneficiary shall at the time of his appointment be a minor or otherwise under disability to give a legal receipt or discharge to the Trustees, the Member must at the time of such appointment as aforesaid, appoint a person who has attained majority and who is capable of giving a legal receipt or discharge to the Trust as and to whom the benefits are to be paid for and on behalf of such Beneficiary so long as such minority or disability continues.
- e) If more than one Beneficiary is appointed and in such appointment the Member has failed to specify their respective interests, the Beneficiaries so named shall share equally. If any designated Beneficiary predeceases the Member the interest of such Beneficiary shall terminate and his share shall be payable equally to such of the remaining of the Beneficiaries surviving the Member unless the Member has made written request otherwise, to the Trustees in the prescribed form.

(Note: The members covered shall be governed by terms and conditions of Commutation as prescribed by NPS/LIC.)

**23. INTERPRETATION OF RULES**

It shall be a condition of the membership of the Scheme that on any question arising on any point of interpretation of these Rules or any point relating to cessation of membership, the decision of the Trustees shall be final. If the decision has any bearing on the provisions of the Income Tax Act, 1961 or the Income Tax Rules, 1962 or any amendments thereto, it has to be forthwith reported to the Commissioner of Income Tax and if the Commissioner of Income Tax so requires, the Trustees shall review the decision.