



General Insurance Corporation of India

GIC Re

Guidelines

on

Settlement of Terminal Dues

w.e.f. 1<sup>st</sup> April 2014

**GUIDELINES ON SETTLEMENT OF TERMINAL DUES**

- (a) The Corporation shall endeavour to ensure that Departmental Proceedings initiated against an employee are completed before the date of his / her retirement;
- (b) In case of non-cooperation by the said employee, the Disciplinary Authority shall carry-out ex-party proceedings where feasible, subject to compliance with CDA Rules, by issuing speaking orders and recording the reasons there for;
- (c) Where 'Nil' status report is not received from Vigilance Department or where CDA Clearance is not received, the Corporation shall follow the following guidelines in respect of settlement of dues on retirement of employees:

**“Guidelines on payment of terminal dues to an employee on his retirement, in terms of whether or not the stated retirement benefits can be paid under the given circumstances”**

**Circumstances - Type - A:**

Where, on the date of retirement,

- (i) an employee is under suspension; or
- (ii) an employee has been issued a charge-sheet and the said disciplinary proceedings are pending and are not concluded and the final order is not issued by the Disciplinary Authority; or
- (iii) Prosecution for criminal charges is pending against an employee.

Type of Retirement Benefit	Employee opted for		
	For Pension Optees	For PF Optees	for those covered under NPS
(a) PF – Employees’ Contribution	Yes	Yes	NA
(b) PF –Corporation’s Contribution	NA	Yes	NA
(c) Gratuity	No	No	No
(d) Commutation of Pension	No	NA	NA
(e) Regular Pension	No	NA	NA
(f) Provisional Pension	Yes	NA	NA
(g) Leave Encashment	Yes	Yes	Yes
(h) Savings portion of GSLI Contributions	Yes	Yes	Yes
(i) Arrears of Salary Payable, if any	Yes	Yes	Yes

Note: On completion of the Departmental or Judicial Proceedings, depending upon the outcome of the same and after receiving vigilance clearance, decision would be taken:-

- (a) on the amount payable under Gratuity for all 3 types of the said optees; and
- (b) on the amount payable towards Commutation and Regular Pension (and consequential withdrawal of Provisional Pension) in respect of Pension Optees;

<b>Circumstances Type - B:</b>			
Where, on the date of retirement of an employee, a minor penalty charge-sheet has been issued and the final order is not issued by the disciplinary authority			
Type of Retirement Benefit	Employee opted for		
	For Pension Optees	For PF Optees	for those covered under NPS
(a) PF – Employees’ Contribution	Yes	Yes	NA
(b) PF – Corporation’s Contribution	NA	Yes	NA
(c) Gratuity	Yes	Yes	Yes
(d) Commutation of Pension	Yes	NA	NA
(e) Regular Pension	Yes	NA	NA
(f) Provisional Pension	NA	NA	NA
(g) Leave Encashment	Yes	Yes	Yes
(h) Savings portion of GSLI Contributions	Yes	Yes	Yes
(i) Arrears of Salary Payable, if any	Yes	Yes	Yes
Note: The Disciplinary Authority shall endeavour to complete the minor penalty proceedings before the retirement of the employee, failing which it would be treated that the proceedings lapsed and on account of which the penalty cannot be imposed.			

<b>Circumstances Type - C:</b>			
Where, on the date of retirement of an employee, ‘Nil’ status is not received from Vigilance Department and further :- (i) the employee is not placed under suspension; or (ii) the employee has not been issued a charge-sheet; or (iii) no judicial proceedings for prosecution of the employee on criminal charges are pending;			
Type of Retirement Benefit	Employee opted for		
	For Pension Optees	For PF Optees	for those covered under NPS
(a) PF – Employees’ Contribution	Yes	Yes	NA
(b) PF – Corporation’s Contribution	NA	Yes	NA

Type of Retirement Benefit	Employee opted for		
	For Pension Optees	For PF Optees	for those covered under NPS
(c) Gratuity	Yes	Yes	Yes
(d) Commutation of Pension	Yes	NA	NA
(e) Regular Pension	Yes	NA	NA
(f) Provisional Pension	NA	NA	NA
(g) Leave Encashment	Yes	Yes	Yes
(h) Savings portion of GSLI Contributions	Yes	Yes	Yes
(i) Arrears of Salary Payable, if any	Yes	Yes	Yes

Foot-Note:

- (a) As per Pension Scheme, under Provisional Pension, an amount equal to the maximum pension, which would have been admissible to him, would be allowed subject to adjustment against final retirement benefits sanctioned to him.
- (b) The settlement of terminal benefits to the retired employee, as mentioned above, may be paid subject to recovery of all amounts due to the Corporation towards loans, advances and other amounts due, if any, from the retiring employee.

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