

*[Approved by the Coordination Committee in its meeting held on 10/05/2018. Accepted by the University in its EC meeting held on 25/06/2018 for implementation].*

## **STATUTE NO. 38**

### **GROUP SAVINGS LINKED INSURANCE SCHEME FOR EMPLOYEES OF THE UNIVERSITY**

[Refer Section 35 (e)]

1. The Government of Madhya Pradesh, Higher Education Department, Bhopal is pleased to direct that 'Group Savings Linked Insurance Scheme' may be made applicable to the officers, employees and teaching staff of the University.
2. The Executive Council of the University hereby approves this Statute which contains the 'Group Savings Linked Insurance Scheme'. This Statute shall come into force from a uniform date for all Universities mentioned in Schedule I of the Madhya Pradesh Vishwavidyalaya Adhiniyam, 1973 (unless a comparable scheme is already in force in any University) as may be fixed by the Co-ordination Committee and each University shall complete the procedural formalities with the Life Insurance Corporation of India before that date.
3. The scheme is intended to provide for the employees of each University at a low cost and on a wholly contributory and self financing basis, the two benefits of (i) insurance cover to help their families in the unlikely event of death while in service, and (ii) a lump sum payment to the employees to augment their resources on retirement.
4. The scheme shall come into force from 20th date of the month. Thus when salary for the month of October is disbursed on 1<sup>st</sup> November, the deduction of employees contribution will be made from the salary of the month of October and the scheme shall come into force (on payment of contribution to the LIC) from 20th November of that year.
5. Each regular and full time employee, officer and teacher will be required to subscribe compulsorily a definite amount of the contribution according to category to which each of them belong. For this purpose, they will be divided into four categories as mentioned below and will contribute amount per month as noted against the category applicable to each of them. The maximum risk amount and the bifurcation of contribution as insurance premium and saving fund contribution is shall be as per the rates approved by M.P. Govt.
6. In the event of shifting of an employee from one category to another category because of change of pay range his/her subscription will be raised from the next annual renewal date, to the level appropriate to the category to which he/ she belongs and until the date of next annual renewal, he/she will continue to be covered for insurance for the same amount for which he/she was eligible before such change in category.
7. Entry into the scheme will be compulsory for all the new regular entrants from the next renewal date. Those who have opted not to join the scheme at the commencement of the scheme will not be allowed to join the scheme subsequently.

8. Withdrawal from the scheme is not permitted except on cessation of employment.
9. The contribution will be fully financed by the employees themselves, and the University will pay the contribution of all the employees of the University collectively to the Life Insurance Corporation, which has undertaken to run the scheme on behalf of the University. The premium deducted from the salary of the employee in each month for Group insurance should be deposited immediately.
10. The amount of the contribution paid by the University to the Life Insurance Corporation on behalf of each employee will be divided into two parts by the said Corporation as given in paragraph 5 above. One part will be credited to the Savings Fund and separately accounted for and it will earn a compound interest of 11% per annum or as fixed for the Scheme from time to time. All the accumulations in this Saving Fund together with the interest will be paid to the employee on cessation of service due to resignation, retirement or to the nominee in the unlikely event of death of the employee while in service. The other part represents the insurance premium that is not refundable.

The other part of the contribution of the employee will be credited to the insurance fund for insurance cover. Owing to an unlikely event of death while in service, the nominee of the deceased employee will be eligible to receive the sum insured as applicable to his/her category. This amount will be paid to the nominee in addition to the accumulated amount in savings fund with interest thereon as stated above.

11. The employee entering into service of the University after annual renewal month, will be given benefit of appropriate insurance cover only from the date of joining service on payment of subscription appropriate to his/her category as mentioned in paragraph 5 above. From the month following the annual renewal date, the regular contribution as stated in paragraph 5 above will be deducted from their pay and thus they would become regular members of the scheme thereafter.
12. The transactions will be subject to the audit by the auditors of Local Fund stationed in the University. The statement of consolidated amount standing to the credit of the group, issued by the LIC will be regularly checked and verified by the Local Fund Auditors.
13. This scheme shall be managed by the Registrar of the University, who will be responsible to ensure that monthly contribution of the employees is deducted regularly from the salaries of the employees and deposited with LIC before due date to avoid any penal interest payment. The Registrar will also ensure that Pass-books/Accounts-registers of the employees in respect of deductions of contributions are properly completed and maintained.
14. The University shall create a fund known as 'Group Savings Linked Insurance Fund' and the University shall initially deposit out of its own fund an amount equal to one month's contribution payable to the LIC in this fund. The University may augment this fund from time to time if the circumstances so warrant. The monthly deductions from the employee's salary shall first be credited to this fund and the amount paid to LIC every month shall be debited to the fund.

15. The subscription shall be recovered from the employee's salary every month including the month during which he remains on leave of any kind including extra-ordinary leave without pay or on deputation.
16. In the following cases, the amount payable to the LIC every month shall be initially paid out of the Group Savings Linked Insurance Fund before the prescribed date and subsequently the amount would be credited to the Fund on recovery from the employees concerned:
  - (a) When an employee proceeds on leave of any kind including extra-ordinary leave without pay and his/her salary has not been drawn or paid to him/her on any month. In such a case the amount may be recovered from any of the dues payable to the employee concerned. For this purpose, the Registrar shall obtain an undertaking from each employee at the commencement of the scheme;
  - (b) When an employee has gone on deputation to any other organization, it shall be responsibility of the employee concerned to pay the amount of his/her contribution to the Registrar of the University before seventh day of each month, failing which the amount would be recovered from him/her with penal interest at 15% per annum.
17. The amount credited in the Saving account with the LIC (as shown in paragraph 5 above) shall be refunded by the LIC to the Registrar for refunding it to the employee concerned or his/her nominee in the unlikely event of death only on cessation of employment or death as the case may be. No advance will be admissible to the employee or his/her nominee from this saving account with the LIC.
18. The Registrar of the University shall obtain from every employee who has contributed towards the scheme, a nomination conferring on one or more persons the right to receive the amount that may become payable under the scheme in the unlikely event of his/her death while in service. If, the member of the scheme has a family at the time of his/her making a nomination, he/she shall make such nomination only in favour of a member or members of his/her family. All such nominations received by the Registrar of the University shall be countersigned by him/her and pasted in the service record of the employee concerned and a copy of the nomination shall be furnished to the LIC. The employee may change the nominee as and when required.