

LIFE INSURANCE CORPORATION OF INDIA
MANAGING DIRECTORS (REVISION OF CERTAIN TERMS AND CONDITIONS OF SERVICE)
RULES, 1988

G.S.R. 65(E),—In exercise of the powers conferred by clause (cc) of sub-section (2) of section 48 of the Life Insurance Corporation Act, 1956 (31 of 1956), the Central Government hereby makes the following rules regulating certain terms and conditions, of service of the Managing Directors of the Life Insurance Corporation of India, namely :—

1. **Short title and commencement.**-- (1) These rules may be called the Life Insurance Corporation of India Managing Directors (Revision of Certain Terms and Conditions of Service) Rules, 1988.

(2) Save as otherwise provided in these rules, the provisions of rules 2 to 4 and 8 and 9 shall be deemed to have come into force on the 1st day of January, 1986

2. **Definitions.**—In these rules, unless the context otherwise requires,—

(a) "Act" means the Life Insurance Corporation Act, 1956 (31 of 1956);

+ (b) "Managing Director" means a person appointed as such by the Central Government under clause (c) of sub-section (2) of section 4 of the Act;

(c) "Staff rules" means the Life Insurance Corporation of India (Staff) Rules⁽¹⁾, 1960;

(d) words and expressions used in these rules and not defined herein but defined in the- Staff rules, shall have the meanings respectively assigned to them in the Staff rules.

3. **Terms. and conditions of service of Managing Directors.**—Notwithstanding anything contained in the Staff rules, the terms and. conditions of service of the Managing Directors, relating to matters covered by these rules shall be regulated in accordance with the provisions hereinafter contained in these rules.

\$4. Scale of pay – (1) With effect from the 1st Day of January, 2016, the scale of pay of the Managing Director shall be level 16 in the pay matrix (Rs.2,05,400 to 2,24,400).

\$(2) The fixation of pay of the Managing Director as on 1st January,2016 shall be as under :-

Pay as per existing scale - (HAG + scale)	Pay as per Revised Scale – (Level 16 in the pay matrix)
Rs.75,500/-	Rs.2,05,400/-
Rs.77,765/-	Rs.2,11,600/-
Rs.80,000/-	Rs.2,17,900/-
Rs.80,000/-	Rs.2,24,400/-

\$Note 1 : The fixation of pay in the revised scale has been done on the basis of the Central Civil Services (Revised Pay) Rules, 2016.

\$ Note 2 : The arrears on account of revised scale of pay shall be paid during the Financial Year 2016-17.

\$Note 3 : The decision on the revised rates and the date effect of all allowances (other than Dearness Allowance) based on the recommendations of Seventh Central Pay commission shall be notified subsequently and separately and until then, all such allowances shall continue to be reckoned and paid at the existing rates under the terms and conditions prevailing in the pre-revised pay structure as if the existing pay structure has not been revised under the Central Civil Services (Revised Pay) Rules, 2016.

5. Dearness allowance.—(1) Dearness Allowance payable to the Managing Director shall be as follows, namely :-

\$(a) From 1-1-2016 to 30-06-2016 – No Dearness Allowance

(b) From 1-7- 2016 onwards - As declared by the Central Government from time to time

*(2) Notwithstanding anything contained in sub-rule (1), the Central Government may, by order, vary the rate of Dearness Allowance from time to time.

6. House rent allowance.—With effect from the 1st day of October, 1986, every Managing director shall be provided by the Corporation, a rent-free" unfurnished residential accommodation :

^^"Provided that a Managing Director who has not been provided with such accommodation shall be paid with effect from 1st July ,2017 house rent allowance at the rate of 24 per cent of basic pay in a city classified as 'X' by the Central Government."

^^Provided further that the rate of house rent allowance shall be revised to 27 per cent when dearness allowance crosses 25 per cent and further revised to 30 per cent when dearness allowance crosses 50 per cent.

#7. City Compensatory Allowance.—With effect from the 1st September, 2008, City Compensatory Allowance shall be abolished.

8. Other terms and conditions of service.—(1) Provident Fund and Gratuity of the Managing Directors shall be regulated under the provisions of rule 8 and 9 of the Life Insurance Corporation of India Class I Officers (Revision of Terms and Conditions of. Service) Rules, 1985 (hereafter referred to as the Class I Officers Rules), as amended from time to time.

(2) The other matters relating to the terms and conditions of service of Managing Directors, not covered by these rules or the Class I Officers Rules, shall be regulated by the provisions of the Staff Rules.

*****8 A. Accumulation and encashment of Privilege Leave :**

Notwithstanding anything contained in these rules, with effect from 1st day of January, 1996, Managing Director shall be entitled to accumulation and encashment of leave (privilege/earned) as applicable to Central Government servants under Central Civil Service (Leave Rules), 1972 :-

**Provided that the above provision shall not apply in case of :

- (i) Managing Director of the Corporation who is governed by the Life Insurance Corporation of India (Employees) Pension Rules, 1995 and has retired on or after 1.1.1996 but before the date of publication of these rules in the Official Gazette or the family in the event of death of such Managing Director of the Corporation ,who exercise an option not to be governed by the provisions of rule 55 B of the Life Insurance Corporation of India (Employees) Pension Rules, 1995 within 90 days of the publication of the Life Insurance Corporation of India (Employees) Pension (Amendment) Rules,2001 in the Official Gazette ;
- (ii) Managing Director of the Corporation who is not governed by the Life Insurance Corporation of India (Employees) Pension Rules, 1995

^^8 B : Children Education Allowance and Hostel Subsidy :-

With effect from 1st July, 2017, Children Education allowance shall be reimbursed upto the maximum of Rs.2250 per child per month subject to a maximum of two children and Hostel Subsidy shall be reimbursed up to a maximum limit of Rs.6750 per child per month subject to a maximum of two children. The limits shall be automatically raised by 25% every time the Dearness Allowance on the revised Basic Pay goes up by 50%.

Provided that the Children Education Allowance shall be double for differently abled children.

^^8C : Transport Allowance : With effect from 1st July ,2017, the Managing Director of the Corporation shall have an option to draw transport allowance at a higher rate of Rs.15750 p.m. plus dearness allowance provided he does not use the official car for travel between residence and office.

\$8D : Date of next increment in revised scale of pay :-

(1) There shall be two dates for grant of increment namely, 1st January and 1st July of every year, instead of existing date of 1st July.

Provided that a Managing Director shall be entitled to only one increment either on 1st January or 1st July depending on the date of his appointment.

(2) The increment in respect of a Managing Director appointed during the period between the 2nd day of January and 1st day of July (both inclusive) shall be granted on 1st day of January and the increment in respect of a Managing Director appointed during the period between the 2nd day of July, 2017 and 1st day of January (both inclusive) shall be granted on 1st day of July.

Illustration : (a) In case of a Managing Director appointed during the period between the 2nd day of July, 2016 and the 1st day of January, 2017, the first increment shall accrue on the 1st day of July , 2017 and thereafter it shall accrue after one year on annual basis.

(b) In case of a Managing Director appointed during the period between 2nd day of January, 2016 and 1st day of July , 2016, who did not draw any increment on 1st day of July, 2016, the next increment shall accrue on 1st day of January,2017 and thereafter it shall accrue after one year on annual basis :

Provided that in the case of a Managing Director whose pay in the revised scale of pay has been fixed as on 1st day of January, 2017, the next increment shall accrue on 1st day of July,2017:

Provided further that the next increment after drawal of increment on 1st day of July, 2017 shall accrue on 1st day of July, 2018.

\$8E : Increments in pay matrix :- The increment shall be as specified in the vertical cells of level 16 in the pay matrix.

9. Interpretation.—Where any doubt or difficulty arises as to the interpretation of these rules, it shall be referred to the Central Government for its decision.

Note : The Principal Rules were published in the Gazette of India, Extraordinary, Part II , Section 3, sub-section (i) vide notification number G.S.R. No.65(E) dated the 29th January,1988 and subsequently amended vide notification number :-

1. G.S.R No.125(E) dated the 5th March,1998;
2. G.S.R.No. 592 (E) dated the 14th August, 2001;
3. G.S.R.No.630 (E) dated the 22nd September,2004;
4. G.S.R.820 (E) dated the 26th November,2008;
5. G.S.R. 30(E) dated the 13th January, 2017;
6. G.S.R. 1009 (E) dated the 8th October, 2018;
7. G.S.R. 459 (E) , dated the 30th June, 2021;
8. G.S.R. 480 (E) ,dated the 7th July, 2021.

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