

## **FINANCE [Pension] DEPARTMENT**

**G.O.No.212, Dated 19<sup>th</sup> July 2016.**

*(Thunmugi, Aadi-4, Thiruvalluvar Aandu-2047)*

### **ABSTRACT**

**PENSION** – Group Insurance Scheme (GIS) – Revision of Management Contribution for the employees of Local Bodies and Village Panchayat – Orders – Issued.

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### **Read :**

1. G.O.Ms.747, Finance (Pension) Department, dated 31-12-1998.
2. G.O.Ms.132, Finance (Pension) Department, dated. 14-08-1996.
3. G.O.Ms.No.58, Finance (Pension) Department, dated.22-02-2016.
4. From the Director of Treasuries and Accounts, Chennai-15 Letter Rc.No.17874/2016/K3, dated.16.03.2016 and 11.05.2016.

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### **ORDER :**

The local body employees were initially covered under Family Security Fund Scheme, implemented as a self-insurance scheme without involving Life Insurance Corporation of India. Taking into account the objection from the Government of India and Life Insurance Corporation of India, local body employees were brought under the Group Insurance Scheme (GIS) of Life Insurance Corporation of India Limited. According to the Group Insurance Scheme, revised with effect from 1-1-1978, the local body employees have to contribute a sum every month as fixed by the Government. The excess of premium payable to the Life Insurance Corporation of India over and above the contribution has to be borne by the local body concerned.

**2.** In the Government Order first read above, orders were issued revising the management contribution at Rs.55/- per employee per month payable by the local body concerned with effect from 1-1-1999 against the employee's contribution of Rs.20/- per month and the lumpsum amount of Rs.1,00,000/- revised with effect from 1-7-1996.

**3.** In the Government Order second read above, the lumpsum amount payable under Group Insurance Scheme (GIS) for local body employees was enhanced to Rs.1,50,000/- with effect from 1-2-2006. Consequently, the employee's contribution was revised to Rs.30/- per month. The local body contribution remained at Rs.55/- per employee per month without any revision proportionate to the enhancement of lumpsum payment and consequent revision of employee contribution with effect from 1-2-2006.

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4. In the Government Order third read above, orders were issued enhancing the lumpsum amount payable under Group Insurance Scheme (GIS) for employees of local bodies, aided schools, aided colleges, aided technical institutions and Nutritious Meal Programme from Rs.1,50,000/- to Rs.3,00,000/- and employee's contribution from Rs.30/- to Rs.60/- per month with effect from 1-2-2016. In the said Government Order, it was also ordered that the local bodies shall remit their share towards insurance premium at the rates as revised by the Government and orders regarding the local body contribution will be issued separately.

5. The Director of Treasuries and Accounts, Chennai-15 in the reference fourth read above has sent the proposal to the Government for revising the management contribution payable by the local bodies from Rs.55/- to Rs.165/- per month per employee besides individual contribution of Rs.60/- per month consequent revision of lumpsum amount payable under Group Insurance Scheme, as detailed below:-

(i)	Premium payable to the Life Insurance Corporation of India per employee (Rs.9 per thousand x 300 thousands = Rs.2700)	- Rs. 2700/-
(ii)	<b>Sharing of Premium</b>	
(a)	Employee's Share per annum (Rs.60x12)	- Rs. 720/-
(b)	Local Body's share per annum (Rs.165x12)	- Rs. 1980/-
	<b>Total</b>	<b>Rs. 2700/-</b>

6. The Government have examined the proposal of the Director of Treasuries and Accounts and decided to accept the same. Accordingly, Government direct that the local body's contribution payable in respect of Group Insurance Scheme (GIS) be revised to Rs.1980/- per annum per employee with effect from 1-2-2016 at the rate of Rs.165/- per month per employee.

7. The local bodies shall remit their contribution of Rs.165/-per month from employees in the Treasury / Sub-Treasury under the following Government Account alongwith employee's contribution of Rs.60/- per month per employee with effect from 1-2-2016:-

"0075.00. MISCELLANEOUS GENERAL SERVICES  
800. Other Receipts  
AW. Contribution under Group Insurance Scheme for employees of Local Bodies, Aided Schools, Aided Colleges and Aided Technical Institutions  
**(D.P.C. 0075 00 800 AW 0009)"**

8. The concerned Heads of Departments viz. Director of Rural Development, Director of Municipal Administration and Director of Town Panchayats shall issue detailed instructions to the local bodies under their control to remit the local body's contribution alongwith the employees' contribution every month without any delay and adjust dues in contributions, if any, while releasing devolution grants to the local bodies. The Commissioner, Greater Chennai Corporation shall take necessary action in respect of employees of Greater Chennai Corporation covered under the scheme. The Heads of Department will be held responsible for any failure or delay in remittance of local body as well as local body employee contribution in the Government account.

9. The Director of Treasuries and Accounts shall monitor the remittance of contribution by the local bodies and report to Government while seeking sanction of expenditure for the payment of premium to the Life Insurance Corporation of India under Group Insurance Scheme in respect of employees of local bodies.

10. The Director of Treasuries and Accounts shall also take up the periodical review of remittance of local body contribution with the Heads of Departments viz. Director of Rural Development, Director of Municipal Administration and Director of Town Panchayats so as to implement the Group Insurance Scheme (GIS) as ordered in the Government order third read above.

**(BY ORDER OF THE GOVERNOR)**

**K.SHANMUGAM**  
**ADDITIONAL CHIEF SECRETARY TO GOVERNMENT.**

To

- The Director of Treasuries and Accounts, Chennai-600 015.
- The Principal Secretary to Government, Municipal Administration and Water Supply Department, Chennai-600 009.
- The Principal Secretary to Government, Rural Development and Panchayat Raj Department, Chennai-600 009.
- The Director of Municipal Administration, Chennai-600 005.
- ✓ The Director of Rural Development and Panchayat Raj, Chennai-600 015.
- ✓ The Commissioner, Greater Chennai Corporation, Chennai-600 03.
- ✓ The Director of Town Panchayats, Chennai-600 108.
- The Director of Local Fund Audit, Chennai-600 108.
- All District Collectors.
- The Accountant General (A&E), Chennai - 600 018
- The Principal Accountant General (Audit-I), Chennai - 600 018.
- The Accountant General (Audit-II), Chennai - 600 018.
- The Accountant General (CAB), Chennai - 600 009.
- The Commissioner, Madurai / Coimbatore / Tiruchirappalli / Salem / Tirunelveli / Erode / Tiruppur/ Vellore/Thoothukudi / Dindigul / Thanjavur.
- All Municipalities / All Town Panchayats.
- All District Panchayats / All Panchayat Unions / All Village Panchayats.
- All Regional Joint Directors of Treasuries and Accounts Department.

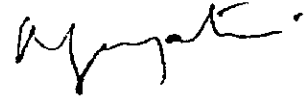
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The Pay and Accounts Officer (East) Chennai-600 005.  
The Pay and Accounts Officer (Secretariat) Chennai--600 009.  
The Pay and Accounts Officer (South) Chennai--600 035.  
The Pay and Accounts Officer (North) Chennai--600 079.  
The Pay and Accounts Officer, Madurai-1.  
All Treasury Officers / Sub-Treasury Officers.

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**SECTION OFFICER.**