



# INSTITUTE OF ECONOMIC GROWTH

University Enclave, University of Delhi North Campus, Delhi-110 007, INDIA

## THE RULES OF THE

### INSTITUTE OF ECONOMIC GROWTH EMPLOYEES GROUP LEAVE ENCASHMENT ASSURANCE SCHEME

#### SECTION - 1

#### DEFINITIONS, ELIGIBILITY and 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 the following words and expressions shall unless repugnant to the context, have the following meanings:-

- i. The Institute shall mean Institute of Economic Growth, having office at Delhi University Enclave, North Campus, Delhi-110007.
- ii. The Employer shall mean the Institute as defined in (i) above subject to the prior approval of the Commissioner of Income Tax shall include any Institute, Agency or body which may by amalgamation or otherwise take over the whole or substantially the whole of the business of the Institute and which may enter into a Deed in such a form as the Trustees shall require undertaking to continue the obligation of the Institute under these presents and releasing the Institute from all further liabilities thereof.
- iii. "Corporation" shall mean the Life Insurance Corporation of India established under Section 3 of the Life Insurance Corporation Act, 1956.
- iv. "Scheme" of Fund shall mean the Institute of Economic Growth Employees Group Leave Encashment Assurance Scheme described in these Rules.
- v. "Rules" shall mean the Rules of the Scheme as set out below and as amended from time to time.
- vi. "Employees" shall mean the teaching and non teaching employees participating in the Gratuity Fund other than personal and domestic servants and shall be deemed to include the Directors who are whole time bonafide employee of the Institute.
- vii. Earned Leave: Earned Leave shall mean leave credited to the Employees Account due to continuous employment as defined by the Institute in the valuation date submitted to the Corporation.
- viii. Medical Leave: Medical Leave shall mean leave on medical grounds credited to the Employees Account due to continuous employment as defined by the Institute in the valuation data submitted to the Corporation.
- ix. "Member" shall mean an employee who has been admitted to the membership of the Scheme.
- x. Beneficiary" shall mean the member and in case of death of the member, the spouse, children or dependants of the member or in case the member has no family, any person or persons nominated by the member.

Tel. : 91-11-27667101, 27667365, 27667424, 27667570  
Fax : 91-11-27667410

E-mail : foieg@iegindia.org  
Website : www.iegindia.org

- xi. "Effective Date" in relation to the Scheme shall mean the January 1, 2012 being the date as from which the Scheme takes effect.
- xii. "Annual Renewal Date" in relation to the Scheme shall mean January 1, 2012 and in each subsequent year the 1<sup>st</sup> January.
- xiii. "Normal Retirement Date" shall mean in respect of each member the date on which the member completes the age of 65 years for teaching and 60 years for non-teaching.
- xiv. "Salary" includes Basic Pay plus Grade Pay/Academic Pay plus Dearness Allowance admissible on the date of eligibility for payment of Encashment of Leaver if the terms of employment so provides but excludes all other allowances and perquisites. In the case of monthly rated employees a day's salary will be calculated as 1/30<sup>th</sup> of the monthly salary.
- xv. "Entry Date" shall mean (a) in relation to the Original Members the Effective Date and (b) in relation to new members, the date of submission of first contribution by the Employer to the Corporation on behalf of the new member.
- xvi. "Contribution" means any sum credited by an employer out of his own money to the individual account of the employees and shall not include any sum credited as interest.

## **2. ELIGIBILITY:**

- (a) "Permanent Employees who are aged not less than 18 year for all employees and not more than 60 years for non teaching and 65 years for teaching" shall be eligible to participate in the Scheme.
- (b) Employees in the above category/categories who are in the service of the Employer on the Effective Date shall join the Scheme as from that date. Presents employees who are not in the above category/categories on the Effective Date and employees appointed by the Employer after the Effective Date shall join the Scheme on the date of submission of first contribution by the Employer to the Corporation on behalf of the new Employee.
- (c) No member shall withdraw from the Scheme while he is still an employee within the category stated above.
- (d) If an employee leaves the service voluntarily before he attains at the specified age of retirement, the encashment of the EL/ML to the credit of the member will be payable as per rules prevailing at that time.

## **3. EVIDENCE OF AGE:**

Evidence of age of every employee satisfactory to the Corporation shall be furnished before he is admitted to the Scheme and if the age of the Member is conclusively proved later to have been incorrectly stated in the evidence submitted, the Corporation shall make appropriate adjustment in the benefits having regard to its normal practice.

## **4. EVIDENCE OF INSURABILITY:**

For the purpose of effecting Term Assurance in respect of the Member, evidence of insurability satisfactory to the Corporation shall be required prior to the employee's entry into the Scheme and on each occasion when an increase in sum assured is to be granted.





## SECTION II

### CONTRIBUTION AND SCHEME OF INSURANCE

#### **5. CONTRIBUTIONS:**

There shall be paid by the Employer to the Corporation for providing the Leave Encashment benefits to the Members under a Scheme of Insurance, in respect of each Member the contributions mentioned in sub-paragraph (i) below annually in advance on the date of entry of the Member into the Scheme and on the relevant Annual Renewal Dates and the contributions mentioned in sub-paragraph (ii) below in one lump sum on the date of entry or in not more than five equated annual instalments commencing from the date of entry into the Scheme.

- (i) Ordinary Annual Contribution: The ordinary annual contribution shall be such amount as shall be determined and recommended by the Corporation for securing the benefits herein below described. The contribution shall be equal to the accumulated leave of the employee during the year of the worked out on the basis of salary of each member and may be varied from time to time on the basis of an evaluation of the benefits to be made at intervals of not more than THREE YEARS. The contributions will be paid throughout the future service of the members.
- (ii) Initial Contribution : The Employer shall pay any sums by way of initial contributions in respect of Members relating to their past service with the Employer as shall be determine and recommended by the Corporation for securing the benefits relating to such past services and on paying such sums shall advise the Employer their allocation to all or specified members.

#### **6. SHCHEME OF INSURANCE :**

- (i) The employer shall enter into a Scheme of Insurance with the Corporation for providing the benefits to the members, subject to the provisions Rule 4, an Assurance will be effected on the life of each member under One Year Renewable Term Assurance Plan for a sum assured equal to Rs.10,000/- (Rupees ten thousand only). The Assurance will be renewed on the Annual Renewal Dates for appropriate sums assured.
- (ii) After appropriating the required amounts towards the premium payable year to year for the life assurance benefit received from the Employer as provided in Rule 5 the balance of the contributions will be held by the Corporation in the running account for the credit of the Employer. The Corporation will allow interest on the balances remaining in the above mentioned running account for each financial year ending 31<sup>st</sup> March at a rate to be determined by the Corporation at the close of the year.
- (iii) When Leave Encashment becomes payable to a member on his retirement or cessation of services or to his Beneficiary in the event of his death, the Corporation shall pay to the Employer the benefits payable according to the Rules out of the balance in running account and also under the Term Assurance in case of death.

### SECTION – III

#### BENEFITS

7. **BENEFITS ON RETIREMENT AT OR AFTER NORMAL RETIREMENT DATE, EARLY RETIREMENT DUE TO ILLHEALTH AND DEATH WHILE IN SERVICE AFTER NORMAL RETIREMENT DATE :**

Upon retirement of a member on or after Normal Retirement Date or upon whilst in service after Normal Retirement Date or upon retirement owing to ill health or incapacitation, the benefits payable will be equal to Encashment of the balance leave to the Credit of the member.

8. **BENEFITS ON DEATH BEFORE NORMAL RETIREMENT DATE:**

Upon the death of a member whilst in service before Normal Retirement Date, the benefits payable will be equal to the total of :

- i) the sum assured under the Term Assurance on the date of death; and
- ii) Encashment of EL/ML to the credit of the member.

9. **BENEFITS ON LEAVING SERVICE :**

Upon a member leaving the service of the Employer after completion of two years of service, the benefits payable will be Encashment of EL/ML to the credit of the member as per prevailing rules.

10. **FORFEITURE OF ENCASHMENT OF LEAVE :**

- a) Encashment of Leave shall be wholly forfeited in case of termination of service of the member (i) for riotous or disorderly conduct or any other act of violence on his part or (ii) for any act which constitutes an offence involving moral turpitude provided such offence is committed by him in the course of his employment.
- b) In case of termination of service for any act, willful omission or negligence of the member causing any damage or loss or destruction of property belonging to the Employer Encashment of Leave payable under the Scheme shall be forfeited to the extent of the damage or loss so caused.
- c) The Encashment of leave forfeited in the aforesaid manner or otherwise shall remain in the running account only held by the Corporation to the credit of the Employer and shall be utilised in the payments of the encashment of leave to the eligible employees.

11. **PAYMENT OF ENCASHMENT OF LEAVE**

The Encashment of leave payable in respect of any member under the Scheme shall be paid as per the rules prevailing at that time.





## SECTION IV

### MISCELLANEOUS PROVISIONS

#### **12. RESTRAINT ON ANTICIPATION OR ENCUMBRANCE:**

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

**13. Except as provided** in these Rules, no member or his Beneficiary shall have any legal claim, right or interest in the Scheme PROVIDED ALWAYS THAT the Trustees shall administer the Scheme for the benefit of the members and their Beneficiaries in accordance with the provisions of these Rules.

#### **14. JURISDICTION:**

The Master Policy issued under the Scheme shall be an Indian contract subject to the laws of India, and to any legislation subsequently introduced. All benefits under the Scheme shall be payable only in India.

#### **15. MASTER POLICY:**

The Corporation will issue a single Master Policy to the Employer to provide for the benefits to the members under the Scheme.

#### **16. INCOME TAX AND OTHER TAXES:**

In any case where the Corporation or the Employer are liable to account to the Income Tax Authorities for income tax on any payment made under the Rules, the Corporation or the Trustees as the case may be shall deduct a sum equal to such tax from any such payment made and shall not be liable to the members for the sum so deducted.

#### **17. APPOINTMENT OF BENEFICIARY/IES, NOMINEE(S):**

- a) Every Member shall appoint his spouse, child/children or dependants as Beneficiary or Beneficiaries under the Rules to receive the benefits hereunder in the event of his death. If a member dies whilst in service the Employer shall hold the benefit in force under the Assurance on his life 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 form of nomination as given in Appendix (1) herto and shall remain in full force and effect until the death of the Beneficiary or until the same shall be revoked in writing by the Member 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 change the Beneficiary by filling a written notice of the change to the Employer in the prescribed form satisfactory to the Employer whereupon an acknowledgement of the change and the registration of the name of the new Beneficiary will be given to the Member by the Employer. 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 Employer 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 of discharge to the Employer the member must at the time of such appointment as aforesaid, appoint a person who is major and who is capable of giving a legal receipt or discharge to the Employer and to whom the benefits are to be paid for and on behalf of such Beneficiary.
- e) If more than one Beneficiary is appointed and in such appointment the Member has failed to specify their respective interest, the Beneficiaries so named shall share the benefits equally. If the Beneficiary predeceases the Member, the interest of such Beneficiary shall terminate and his share shall be payable equally to such of the remaining Beneficiaries as survive the Member unless the Member has made written request otherwise to the Employer in the prescribed form.
- f) If a Beneficiary is not appointed the benefits shall be paid to the Members spouse, failing which to his child/children in equal shares, failing which to his dependants in equal shares. If the Member does not leave a spouse, child/children or dependants, then the benefits shall be realised by the employer and credited to the Running Account.

[Explanation: For the purpose of this rule, "family" means the employee's spouse, legitimate children, step-children, deceased son's widow, deceased son's legitimate children, deceased son's step-children, dependent parents, sisters, minor brothers and the dependent parents of the employee's spouse.]


#### **18. INTERPRETATION OF RULES:**

It shall be a condition of membership of the Scheme that on any question arising on any point of interpretation of these rules or any point relating to admission of new Members and cessation of Membership, the decision of the Employer shall be final.

**For and on behalf of the Employer:  
Institute of Economic Growth**

**Dated: 31<sup>st</sup> January, 2012**

  
**D. D. RANDPAL**  
Finance Officer  
Institute of Economic Growth  
University of Delhi Enclave  
Delhi-110007

  
**Bina Agarwal**  
Director  
Institute of Economic Growth  
University of Delhi Enclave  
Delhi-110007  
बीना अग्रवाल  
निदेशक  
आर्थिक विकास संस्थान  
दिल्ली विश्वविद्यालय परिसर  
दिल्ली-110007



**APPENDIX 1**  
**FORM OF APPOINTMENT OF BENEFICIARY**  
**(NOMINATION)**

The Director,  
Institute of Economic Growth  
University of Delhi Enclave,  
Delhi-110007

Dear Sirs,

I \_\_\_\_\_ a member of Institute of Economic Growth Employees' Group Leave Encashment Assurance Scheme hereby agree to abide by the Rules of the said Scheme and do also hereby appoint in terms of Rule 17 of the Rules the Beneficiary/ies Nominee/s mentioned hereunder to receive the benefits, payable under the Scheme, in the event of my death before the amount become payable has not been paid.

I hereby direct that the benefits under the Scheme, payable in respect of me, shall be paid to the said Beneficiary/ies Nominee/s in proportion indicated against their respective names as given below:

Sr.No.	Name of full with Full address of Nominee/s/ Beneficiary/ies	Relationship with the Member (Employee)	Age of Nominee/s Beneficiary/ies	Proportion by Which (total benefits) will be shared by each Nominee/s Beneficiary/ies
(1)	(2)	(3)	(4)	(5)

I hereby certify that the persons(s) mentioned hereinabove is/are my wife/children/lawfully adopted child/dependant parents/ husband.

I hereby declare that I have no family and should I acquire family hereafter the appointment of Beneficiary/Nominee should be deemed as cancelled.

My father/mother/parents/sister ('s)/minor brother(s) is/are not dependant on me.

My husband's father/parents is/are not dependent on me.

I also declare that this appointment of Beneficiary/ies/Nominee/s made herein shall have the effect of my revoking the appointment of Beneficiary/ies/Nominee/s made by me earlier.

I give below the particulars about myself:

1. Full Name : \_\_\_\_\_
2. Sex : \_\_\_\_\_
3. Religion : \_\_\_\_\_
4. Father's Name : \_\_\_\_\_
5. Husband's Name : \_\_\_\_\_  
(for married woman only)
6. Martial Status : \_\_\_\_\_  
(Whether married, unmarried, widow or widower)

7. Date of birth : \_\_\_\_\_  
 8. Permanent Address : \_\_\_\_\_  
 \_\_\_\_\_

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

(Signature of Member/Employee)

Two witness to the Signature

Sl.No.	Name	Address	Signature
(1)	(2)	(3)	(4)
1.			
2.			

Certificate

Certified that the above appointment of Beneficiary Nominee has been signed by Shri/Shrimati \_\_\_\_\_ before me after he/she has read the entries, the entries have been read to him/her by me and that the said appointment of Beneficiary/Nominee is recorded under the Scheme on \_\_\_\_\_.

**For Institute of Economic Growth**

Place:

Date :

Signature of Authorised signatory

**NOTE:**

Where an Employee Member has a family at the time of appointing a Beneficiary/Nominee, the Nomination should be made in favour of Members of his family only. Any Nomination made by such Employee in favour of any other persons not belonging to his family shall be invalid.

An Appointment of Beneficiary/Nominee made by the Member may be changed at any time, after giving a written notice to the Trustees of his intention to do so. If the Nominee predeceases the Member (Employee), the interest of the Nominee shall revert to the Member (Employee) or his estate.

The appointment of Beneficiary/Nominee or any change thereof made from time to time shall take effect to the extent it is valid on the date on which it is received by the Employer.

For the purpose of the Scheme, "Family" means Member's (Employee's) spouse, legitimate children/Step children parents, sisters and minor brothers' dependant upon him.



**APPENDIX 1**  
**FORM OF APPOINTMENT OF BENEFICIARY**  
**(NOMINATION)**

The Director,  
Institute of Economic Growth  
University of Delhi Enclave,  
Delhi-110007

Dear Sirs,

I \_\_\_\_\_ a member of Institute of Economic Growth Employees' Group Leave Encashment Assurance Scheme hereby agree to abide by the Rules of the said Scheme and do also hereby appoint in terms of Rule 17 of the Rules the Beneficiary/ies Nominee/s mentioned hereunder to receive the benefits, payable under the Scheme, in the event of my death before the amount become payable has not been paid.

I hereby direct that the benefits under the Scheme, payable in respect of me, shall be paid to the said Beneficiary/ies Nominee/s in proportion indicated against their respective names as given below:

Sr.No.	Name of full with Full address of Nominee/s/ Beneficiary/ies	Relationship with the Member (Employee)	Age of Nominee/s Beneficiary/ies	Proportion by Which (total benefits) will be shared by each Nominee/s Beneficiary/ies
(1)	(2)	(3)	(4)	(5)

I hereby certify that the persons(s) mentioned hereinabove is/are my wife/children/lawfully adopted child/dependant parents/ husband.

I hereby declare that I have no family and should I acquire family hereafter the appointment of Beneficiary/Nominee should be deemed as cancelled.

My father/mother/parents/sister ('s)/minor brother(s) is/are not dependant on me.

My husband's father/parents is/are not dependent on me.

I also declare that this appointment of Beneficiary/ies/Nominee/s made herein shall have the effect of my revoking the appointment of Beneficiary/ies/Nominee/s made by me earlier.

I give below the particulars about myself:

1. Full Name : \_\_\_\_\_
2. Sex : \_\_\_\_\_
3. Religion : \_\_\_\_\_
4. Father's Name : \_\_\_\_\_
5. Husband's Name : \_\_\_\_\_  
(for married woman only)

6. Martial Status : \_\_\_\_\_  
(Whether married, unmarried, widow or widower)
7. Date of birth : \_\_\_\_\_
8. Permanent Address : \_\_\_\_\_  
\_\_\_\_\_

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

(Signature of Member/Employee)

Two witness to the Signature

Sl.No.	Name	Address	Signature
(1)	(2)	(3)	(4)
1.			
2.			

**Certificate**

Certified that the above appointment of Beneficiary Nominee has been signed by Shri/Shrimati \_\_\_\_\_ before me after he/she has read the entries, the entries have been read to him/her by me and that the said appointment of Beneficiary/Nominee is recorded under the Scheme on \_\_\_\_\_.

**For Institute of Economic Growth**

Place:

Date :

Signature of Authorised signatory

**NOTE:**

Where an Employee Member has a family at the time of appointing a Beneficiary/Nominee, the Nomination should be made in favour of Members of his family only. Any Nomination made by such Employee in favour of any other persons not belonging to his family shall be invalid.

An Appointment of Beneficiary/Nominee made by the Member may be changed at any time, after giving a written notice to the Trustees of his intention to do so. If the Nominee predeceases the Member (Employee), the interest of the Nominee shall revert to the Member (Employee) or his estate.

The appointment of Beneficiary/Nominee or any change thereof made from time to time shall take effect to the extent it is valid on the date on which it is received by the Employer.

For the purpose of the Scheme, "Family" means Member's (Employee's) spouse, legitimate children/Step children parents, sisters and minor brothers' dependant upon him.