

**LIFE INSURANCE CORPORATION OF INDIA  
(PAYMENT OF GRATUITY TO THE CHIEF EXECUTIVE AND MANAGING  
DIRECTORS) RULES, 1997**

**G.S.R, 77(E).**—In exercise of the powers conferred by Section 48 of the Life Insurance Corporation Act, 1956 (31 of 1956), the Central Government hereby makes the following rules in the matter of payment of gratuity to the Chairman and 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 (Payment of Gratuity to the Chief Executive<sup>(1)</sup> and Managing Directors) Rules, 1997.

(2) They shall be deemed to have come into force on the 1<sup>st</sup> day of August, 1994.

**2. Definitions:** (1) In these rules, unless the context otherwise requires:—

(a) "Act"<sup>(1)</sup> means the Life Insurance Corporation Act, 1956 :

(b) " Chief Executive<sup>(1)</sup>" means Chief Executive<sup>(1)</sup> of the Life Insurance Corporation appointed under section 4 of the Act;

(c) "Chief Executive and Managing Director" means Chief Executive Officer and Managing Director appointed by the Central Government under section 4 of the Act;

(2) Words and expressions used and not defined in this rules but defined in the Life Insurance Corporation Act, 1956 shall have the same meanings respectively assigned to them in that Act.

**3. Payment of gratuity to Chief Executive<sup>(1)</sup> and Managing Director:** A person who, immediately before the date of assuming office as the Chief Executive<sup>(1)</sup> or the Managing Director as the case may be, was in the service of the Corporation shall be paid gratuity calculated in accordance with rule 9 of the Life Insurance Corporation of India Class-1 Officers (Revision of Terms and Conditions of Service) Rules, 1985. The amount of gratuity so calculated shall not be less than the amount of gratuity such person would have been entitled to, had he continued in the grade of Zonal Manager (Selection Grade), when the gratuity becomes due and payable to him.

\*Provided that gratuity to Chief Executive<sup>(1)</sup> or Managing Director of the Corporation who was in service on or after 1<sup>st</sup> January, 1996, shall be payable in accordance with the provisions contained in the Central Civil Services (Pension) Rules, 1972 as applicable to Central Government servants and in accordance with the instructions issued thereunder by the Central Government from time to time:

\*Provided further that the above proviso shall not apply in case of:

- (i) Chief Executive<sup>(1)</sup> or Managing Director of the Corporation who is governed by 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 Chief Executive<sup>(1)</sup> or Managing Director of the Corporation, who exercise an option not to be governed by the provisions of Rule 55B 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) Chief Executive<sup>(1)</sup> or Managing Director of the Corporation who is not governed by the Life Insurance Corporation of India(Employees) Pension Rules, 1995.

\*\*Provided also that with effect from 1<sup>st</sup> day of April 2004, Dearness pay of the Chief Executive<sup>(1)</sup> or the Managing Director, as the case may be, shall be counted for the purpose of payment of gratuity.

Explanation- For the removal of doubt, it is hereby clarified that the Dearness Allowance equal to 50% of the basic pay shall be merged with the basic pay of Chief Executive<sup>(1)</sup> or the Managing Director, as the case may be, and shown distinctly as Dearness Pay.

[F. No. 2(6)/Ins. III/96(i)] C.S. RAO, Jt. Secy. (Insurance)

#### **EXPLANATORY MEMORANDUM**

The Central Government has accorded approval to revise the provision regarding gratuity to officers as Chief Executive<sup>(1)</sup> or Managing Director of the Corporation. Accordingly, these rules are made.

It is certified that no officer of the Life Insurance Corporation of India is likely to be affected adversely by the notification being given retrospective effect.

Note: The principle rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) vide number G.S.R. 77(E) dated 14<sup>th</sup> February, 1997 and subsequently amended vide G.S.R.No.593(E) dated 14<sup>th</sup> August, 2001, G.S.R.No.631 dated 22.09.2004 and G.S.R.No.478(E) dated 07.07.2021.

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\* Notified in Gazette of India 593(E) dated 14.08.2001 and came into force on 1.1.1996.

\*\* Notified in Gazette of India 631(E) dated 22.09.2004 and came into force on 01.04.2004

\$ Notified in 478(E) dated 07.07.2021 and come into force on the date of publication in the official gazette.

<sup>(1)</sup> Notified in 478(E) dated 07.07.2021 and come into force on the date of publication in the official gazette.