

**LIFE INSURANCE CORPORATION OF INDIA
CHIEF EXECUTIVE (REVISION OF CERTAIN TERMS AND CONDITIONS OF
SERVICE) RULES,1998**

G.S.R 124(E).—In exercise of the powers conferred by clause (a) 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 Chairman of Life Insurance Corporation of India, namely :—

1. Short title and commencement —

(a) These rules may be called the Life Insurance Corporation of India Chief Executive⁽¹⁾ (certain Terms and Conditions of Service) Rules, 1998.

(b) Save as otherwise provided in these rules, they shall be deemed to have come into force with effect from the 1st day of January. 1996.

2. Definitions - In these Rules unless the context otherwise requires : -

(a) 'Act' means the Life Insurance Corporation Act, 1956 (31 of 1956).

(b) ' Chief Executive⁽¹⁾' means a person appointed as such by the Central Government under section 4 of the Act.

(c) 'Corporation' means the Life Insurance Corporation of India, established by virtue of section 3 of the Act.

++(d) ' (Staff) Rules' means the Life Insurance Corporation of India (Staff) Rules, 1960.

++(e) Words and expressions used in these Rules but not defined herein shall carry the meaning respectively assigned to them in the Life Insurance Corporation Act, 1956 and Life Insurance Corporation of India (Staff) Rules, 1960.

++3. Terms and Conditions of Service—Notwithstanding anything contained in the Act, or in the (Staff) Rules, 1960, the terms and conditions of service of the Chief Executive⁽¹⁾, relating to matters covered by these rules shall be regulated in accordance with the provisions hereinafter contained in these rules.

+4 Scale of Pay—With effect from 1st day of January, 2016, the scale of pay of the Chief Executive⁽¹⁾ of the Corporation shall be Level 17 in the Pay matrix [Rs.2,25,000/- per month (Fixed)].

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 Chief Executive⁽¹⁾ shall be as follows, namely:—

(a) From 1st January, 2016 to 30th June, 2016 – No Dearness Allowance

(b) From 1st July, 2016 onwards – As declared by the Central Government from time to time.

6. House Rent Allowance—The Chief Executive⁽¹⁾ shall be provided by the Corporation with rent-free unfurnished residential accommodation :

**Provided that the Chief Executive⁽¹⁾ who has not been provided with such accommodation, shall be paid with effect from the 1st July, 2017 house rent allowance at the rate 24 per cent of basic pay in as 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 fifty per cent.

Note —House Rent Allowance at the above rates may be granted for those who reside in contiguous agglomerations around cities/towns where Government Offices are located.

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

8. Other Terms and Conditions of Service—The Chief Executive⁽¹⁾ of the Corporation appointed by the Central Government in accordance with section 4 of the Act shall be governed by terms of any contract, agreement or letter of appointment or directions issued by the Central Government in respect of his other terms and conditions of service :

Provided that where such Chief Executive⁽¹⁾ immediately preceding such appointment was an employee of the Corporation, then, he shall be deemed to be an employee of the Corporation in respect of other matters relating to the terms and conditions of his service and the same will be as regulated under the provisions of the (Staff) Rules as amended from time to time:

Provided further that such Chief Executive⁽¹⁾'s Provident Fund, Gratuity and Pension shall be governed by the following Rules notified by the Central Government under Section 48 of the Act and as amended from time to time, namely :—

1. Life Insurance Corporation of India Class I Officers (Revision of Terms and Conditions of Service) Rules, 1985;

2. Life Insurance Corporation of India (Payment of Gratuity to the Chief Executive⁽¹⁾ and Managing Directors) Rules, 1997;

3. Life Insurance Corporation of India. (Employees) Pension Rules, 1995,

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

Notwithstanding anything contained in these rules, with effect from 1st day of January, 1996, the Chief Executive⁽¹⁾ 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) Chief Executive⁽¹⁾ 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 even to death of such Chief Executive⁽¹⁾ 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⁽¹⁾ of the Corporation who is not governed by the Life Insurance Corporation of India(Employees) Pension Rules, 1995.

****8B 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 upto a maximum limit of Rs.6750 per child per child per month subject to a maximum of two children. The limit 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 Chief Executive⁽¹⁾ 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.

The other matters not covered by these rules relating to the terms and conditions of service of the Chief Executive⁽¹⁾ shall be regulated by the provisions of the (Staff) Rules.

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..

[F. No. 2(12)/Ins. 111/97]
C.S. RAO, Jt. Secy.

EXPLANATORY MEMORANDUM

The Central Government have accorded approval to revise the scales of Pay and certain terms and conditions of service of the Chief Executive⁽¹⁾ of the Life Insurance Corporation of India, with effect from 1-1-1996.

The principal rules were notified vide G.S.R.124(E) dated 5th March, 1998 and subsequently amended vide notification number G.S.R.No.591(E) dated 14th August, 2001, G.S.R.629(E) dated 22nd September, 2004, G.S.R. 819(E) dated 26th November, 2008, G.S.R.29(E) dated the 13th January,2017 and G.S.R.1008(E) dated 8th October, 2018.

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- * Notified in Gazette of India 591(E) dated 14.08.2001 and came into force on 1.1.1996
 - \$ Notified in Gazette of India 819(E) dated 26.11.2008 and came into force on 01.01.2006
 - + Notified in Gazette of India 29(E) dated 13.01.20017 and came into force on 1.1.2016
 - ** Notified in Gazette of India 1008(E) dated 08.10.2018 and came into force on 01.07.2017
 - ++ Notified in 459(E) dated 30.06.2021 and come into force on the date of publication in the official gazette.

⁽¹⁾Notified in 479(E) dated 07.07.2021 and come into force on the date of publication in the official gazette.