F.No. EP 17(2)/2010/Pt.
FOOD CORPORATION OF INDIA
16-20, BARAKHAMBA LANE
HEADQUARTERS

New Delhi, dated the 25th October, 2012

(Circular No.EP-24-2012-25)

Subject:- Modification in Benevolent Fund cum Welfare Scheme and Introduction of employee funded Contributory Social Security Scheme

Attention is invited to Headquarters Circular No.3 of 1997 dated 6.2.1997, Circular No.29 of 1997 dated 1.10.1997, Circular No.25 of 1998 dated 24.6.1998, Circular No.51 of 1998 dated 21.12.1998, Circular No.7 of 2000 dated 18.1.2000, Circular No.EP-24-2003-26 dated 28.11.2003, Circular No. EP-24-2005-33 dated 18.10.2005 relating to Employees Benevolent Fund cum Welfare Scheme.

IndiaCode

2. The matter regarding modifications in Benevolent Fund cum Welfare Scheme and other decisions has been considered. Accordingly, it has been decided to:

A) Introduce Modifications in the Employees' Benevolent fund cum Welfare Scheme:

i. Membership (Applicability): Staff and Labour (as existing)

ii. Contribution: The contribution by the members shall increase from existing Rs. 10/- per month to Rs. 30/- per month.

iii. Grant:

a. The amount of grant in case of death is revised to Rs.65,000 in place of existing Rs. 30,000. As in the existing scheme, Rs. 15,000 of the total grant amount will be borne by the Corporation while Rs. 50,000 will be charged to the fund.

b. In case of premature retirement on medical grounds or due to permanent disability, a grant of Rs. 2,50,000 will be provided in each case in place of existing Rs. 30,000. The entire amount may be charged to the fund while there shall be no contribution by the Corporation.

iv. Advance

a. The quantum of advance for specified purposes is revised to 25% of Basic Pay for each month of service left or Rs.1.50 Lakhs, whichever is lower. A member may also be allowed to apply for an amount lower than his maximum entitlement, subject to a minimum of Rs.25,000.

b. Refundable Advance to members of the Benevolent Fund Scheme shall also be extended for marriage of self in addition to the purposes already defined under the existing scheme.

c. The principal amount due shall be recoverable from monthly salary in a maximum of 75 instalments. An annual interest rate equal to CPF rate shall be payable on monthly reducing balance. The interest accrued during a month shall be payable at the end of the month. The revised methodology of recovery of advance and charging of interest on advance shall be applicable for all new advances given w.e.f. 1st October, 2012 onwards.

d. Any employee who avails of such advance may not be entitled to apply for another advance under this Scheme during repayment period and for a further period of 3 years from the payment of last instalment.

e. An employee would become eligible for advance upon completion of 3 years in service, instead of 5 years at present.

v. Fund management: The fund would be invested in the Corporation and the interest would be allowed at the average annualized Cash Credit rate on the average of opening and closing balance of the fund instead of opening balance as at present. This provision shall be effective from the financial year 2012-13.

IndiaCode

B) Introduce Employee funded Contributory Social Security Scheme:

i. Background: Despite the enhancement of benefits in the Benevolent Fund cum Welfare Scheme, it has been felt that the benefits are still not sufficient to cover for the loss of life or liabilities accruing as a result of premature retirement due to sickness/permanent disability. Thus, in order to supplement the benefits available under Benevolent Fund Scheme and provide a higher coverage in case of such exigencies, it has been decided to introduce Contributory Social Security Scheme for the employees, which shall be purely funded by the employees with no additional liability on the Corporation.

ii. The Salient features of the Scheme shall be as under:

a. Membership: All the Executives and Staff who are enrolled as members of the Benevolent Fund cum Welfare Scheme (except Labour) shall automatically be the members of the Scheme and shall have to contribute towards it.

b. Contribution: The members of the Scheme are liable to contribute an amount of Rs.70 per month in addition to the Rs.30 per month collected towards the regular Benevolent Fund Scheme. No contribution shall be collected from the labourers.

c. No contribution by FCI: This scheme shall be a purely employee-funded self-sustaining scheme and no contribution or grant from the Corporation side would be paid under this scheme.

d. Amount of Grant: Grant amount as indicated in **Table A** would be allowed to the family of the deceased, as per the nomination available for CPF, in case of death of the member while in service and directly to the member in case of his Premature Retirement on medical grounds or due to permanent disability, directly from this fund based on their age profile.

Table A

Age Bracket	Age bracket description	Grant (Rs.)
18-30	Upto the age of 30 years (last day included)	5,00,000
31-45	Any day above 30 years and upto 45 years	4,50,000
46-50	Any day above 45 years and upto 50 years	3,25,000
51-55	Any day above 50 years and upto 55 years	30,000
56-60	Any day above 55 years and upto 60 years	20,000

e. Separate Fund: To meet this objective and earmark the funds for this scheme, a separate CONTRIBUTORY SOCIAL SECURITY FUND shall be created to provide benefits under the scheme.

f. Interest Rates: The fund would be invested in the Corporation and the fund would be allowed interest at the average annualized Cash Credit rate on the average of opening and closing balance of the fund. This provision shall be effective from the Financial Year in which the Scheme is approved.

IndiaCode

g. Assessment of viability and Review:

- Initially, during the first year of the Scheme, only 75% of the eligible grant shall be released in each case. An assessment of the sustainability of the scheme shall be done after one year based on existing contribution rates and decision shall be taken accordingly with regard to release 100% of the eligible amount, enhancement of the contribution etc. The fund position shall be reviewed regularly to ensure continuity of the fund and in order to ensure adequacy of the fund, monthly contribution may be revised if required.

- All FCI units upto district level shall be required to prepare a roster of deaths during the Financial Year and furnish a report of number of deaths in the respective age bracket (As given under Para 2.B.(ii).d. Table A above) during the previous financial year for their unit. The consolidated report should be submitted by respective ED Zones to GM(P&IR) by 30th June every year so as to allow the headquarters to take a view to modify the benefits/contribution rates accordingly. For the FY 2012-13 data w.e.f. 1st October, 2012 shall be maintained.

h. Procedure: The administrative procedure as applicable in case of Benevolent Fund shall be applicable for this scheme also.

i. Future Scope: Initially, the Scheme shall be strictly applicable for the employees who are also members of the Benevolent Fund cum Welfare Scheme. However,

subsequently IR-L Division of Hqrs. may examine the possibility of giving an offer to the labour unions to consider extension of the scheme to labour also.

C) Common Provisions applicable to both Benevolent Fund cum Welfare Scheme and Contributory Social Security Scheme shall be as follows:

i. **Fund Information Publication**: The details of both the funds (Benevolent Fund and Contributory Social Security Scheme) shall be indicated as an annexure/appendix in the Annual Report of the Corporation indicating the member contribution, Corporation contribution, interest, grants paid and advances given and recovered.

ii. **Periodical Review of Scheme**: The schemes shall be reviewed every 2 years and an upward/downward revision in benefits and contribution rates shall be considered based on the fund position and other factors.

iii. **Effective date of Applicability:** of modifications in Benevolent Fund cum Welfare Scheme and Introduction of Contributory Social Security Scheme shall be **1st October, 2012.** In case if contribution for October, 2012 is not possible to be deducted from salary of October, 2012, the same may be deducted from the salary of November, 2012.

(**AUTHORITY:** Item No. 123/350th Meeting of the Board of Directors held on 27.09.2012)

IndiaCode

Sd/-
(Sandeep Kumar Sharma)
Deputy General Manager (EP)

Distribution:
As per standard mailing list.

1. All EDs(Zone)/GMs(Region)/DGMs(PO)/Area Managers, FCI.
2. The CGM(East/North), Chennai/New Delhi.
3. The ED(Engg), FCI, Hqrs., New Delhi.
4. The General Manager(F&A), FCI, Hqrs., New Delhi.
5. The General Manager(CPF/GPF)/DGM(Res.Cell), FCI, Hqrs. New Delhi.
6. The Director, IFS, FCI, Plot No.87, Sector-18, Gurgaon.
7. The General Manager(IA&PV), FCI, Hqrs New Delhi.
8. PS to CMD/ED(P)/ED(C)/ED(S)/ED(G)/ED(V)/ED(F)/ED(T)//ED(L)/ED(IT)/ED(Engg)/CGM(A/cs//Fund), FCI, Hqrs., New Delhi.
9. The Secretary, FCI, Hqrs., New Delhi.
10. The Director of Audit(Food), FCI, Hqrs., New Delhi.
11. The Editor, Annapurna, FCI, Hqrs., New Delhi.
12. All Heads of Divisions, FCI, Hqrs., New Delhi.
13. All Senior Medical Officers, FCI.
14. Liaison Officer, SC/ST Ex-Servicemen Cell, FCI, Hqrs., New Delhi.
15. AGM(Hindi), FCI, Hqrs., New Delhi.
16. AGM(E.I/E.II/G.II/Coord./WRC/Bills/IA&PV/OMISS/EP/Fin./RPI/Vig./Pension/E&P/IR-L/IR-S, FCI, Hqrs., New Delhi.
17. The Director of Commercial Audit, 4th floor, Mistry Bhavan, Dinsha Wachha Road, Churchgate, Mumbai-20.
18. The Director of Commercial Audit, 68/7, Murgesa Naicker Officer Complex, Greams Road, Chennai.
19. The Dy. Director of Commercial Audit, c/o S.C.E.23, IInd floor, Sector 17, Chandigarh.
20. The Sr. Regional Audit Officer, c/o FCI RO Chetak Building, Maharana Pratap Nagar, Habibganj, Bhopal(MP).
21. The General Secretary, FCI Officers Association, Hqrs., New Delhi.
22. The General Secretary, BKNK Sangh, Union Office, FCI, Hqrs. Basement New Delhi
23. The General Secretary, BKNK Sangh, C/o FCI ZO(N)/(E)/(W)/(S)/(NE), New Delhi/Kolkata/Mumbai/Chennai/Guwahati.
24. Regional Secretary, BKNK Sangh, C/o FCI ZO(N), New Delhi/Punjab(Chandigarh)/Haryana(Chandigarh)/Shimla(HP)/ Jammu(J&K)/ Lucknow(UP)/Uttaranchal(Dehradun)/Jaipur(Rajasthan), ZO(East) Region, Kolkata/West Bengal/ Bhubaneswar(Orissa)/Zonal Office(NE), Guwahati, Assam, Guwahati ZO(West) Region, Mumbai/Mumbai(Maharashtra)/ Gujarat(Ahmedabad)/Bhopal (MP), ZO(S) Region, Chennai, Hyderabad(AP)/Trivandrum(Kerala)., R.O. Shillong, RO Tamilnadu, RO Bangalore.
25. General Secretary, FCI Executive Staff Union (Regd.No.1158), BH-141, East Shalimar Bagh, Delhi-110 088.
26. Regional Secretary, FCI Executive Staff Union (Regd.No.1158), C/o FCI RO Patna(Bihar), Jharkhand(Ranchi), Shillong NEF Region, Chattisgarg(Raipur), Chennai(Tamilnadu), Bangalore(Karnataka).
27 General Secretary, SC/ST Employees Welfare Association(Regd. No.11357), BH 113-A, East Shalimar Bagh, Delhi-110088.
28. All India General Secretary, FCI SC/ST Employees Welfare Association, 30, Mohan Nagar, Salaigur Post, Chennai-73.
29. FCI ST Employees Welfare Association(Regd. No.3235/2001) FCI, DO Tarnaka, Hyderabad-10.
30. President & General Secretary In-charge, FCI Employees Union (Regd.No.2237/New Delhi), 16, Haripada Dutta Lane, Kolkata-700 033.
31. FCI Engineers Welfare Association (Regd. No.60094/2007) 250, Bannu Enclave, Pitampura, Delhi
32. President FCI Class-IV Employees Union(Regd.No.2779, New Delhi), 1491, Sector 49, Pushapak Complex, Chandigarh (Punjab).
33. FCI Accounts Employees Union(Regd.No.H-95), C/o Food Corporation of India, R.O., HACA Bhavan, 3rd Floor, Opp. Public Garden, Hyderabad(A.P.).
34. Manager(RTI Cell), FCI, Hqrs., New Delhi.
35. All India Secretary, FCI Class IV Employees Union (Regd. No. 2779, New Delhi), A/11/458, Kalyani, Nadia, West Bengal-741235.
36. The General Secretary, FCI Cat.III & IV Employees Union (Regd. No.B-2597), FCI, BSC, Dowaleswaram, East Godavari District(AP).
37. Secretary, Shree Food Corporation of India Retired Employees Federation,(Registration No. 6508), 805, Embassy Tower, Jawahar Road, Near Tar Office, Opposite Jubilee Garden, Rajkot- 360 001.
38. BRF/Notice Board.
39. Incharge, EP Section, P&IR Division for hosting on FCI Webpage.
40. Webmaster, Computer Division for hosting on FCI Webpage.