



# सिंडिकेटबैंक SyndicateBank

भारत सरकार का उपक्रम A Govt. of India Undertaking

प्रधान कार्यालय: मणिपाल (कर्नाटक)/Head Office: Manipal - 576 104 (Karnataka)

संघटन एवं पद्धति प्रभाग / ORGANISATION & METHODS DIVISION

eCircular

Circular No.139-2011-BC-PD-33-SWD

Date: 31-05-2011

**PERMANENT UTILITY**

**GROUP SAVINGS LINKED INSURANCE SCHEME FOR OUR STAFF MEMBERS.**

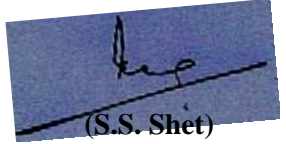
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Attention is drawn to circular no 62/2011/BC/PD/12/SWD dated 28.02.2011 wherein the salient features of the new welfare schemes have been communicated. Besides these welfare measures which are in operation, we have negotiated with LIC of India for a thrift cum risk cover Group Savings Linked Insurance Scheme (GSLIS) exclusively for the staff members. The details of the scheme are furnished in the Annexure I.

The scheme is optional. However, taking into account the long term benefits and social security, all employees are requested to go through the details of the scheme and avail the benefits of the scheme.

Clarifications required if any, on this circular may be sought from **Personnel Department, Staff Welfare Division** at HO: Manipal through respective ROs as per extant guidelines.

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(S.S. Shet)  
GENERAL MANAGER (P)

## Annexure I

### GROUP SAVINGS LINKED INSURANCE SCHEME (GSLIS) FOR EMPLOYEES

#### Objectives:

To ensure financial relief to the bereaved family in the unfortunate event of death of an employee while in service. The relief shall be provided by way of insurance cover and in addition, accumulation of savings together with applicable interest accrued thereon is also available to the nominee/legal heirs.

#### Scheme:

This is a Group Savings Linked Insurance Scheme in arrangement with Life Insurance Corporation of India. Group Insurance is available at a low cost with periodical enhancement of insurance cover and savings quantum. The savings component earns attractive interest and is available for post retirement needs.

The scheme is basically self contributory i.e., staff members voluntarily contribute entire premium by way of deductions from his/her monthly salary through the Bank depending upon the sum assured for the individual staff member. Though the premium on the GSLIS is to be borne by the staff members, they have the advantage of discounts available to the group, which makes the premium very low besides tax benefits.

#### Sum Assured and Amount of contribution:

Monthly premium specified for the sum assured/covered is as follows at present:

Category	Sum Assured	Monthly premium per member
Executives	₹ 8 lakh	₹ 800/-
Officers	₹ 6 lakh	₹ 600/-
Clerks	₹ 4 lakh	₹ 400/-
Sub-staff & others	₹ 2 lakh	₹ 200/-

Under this scheme it is proposed that out of the monthly contribution of ` 100/- (for a cover of ` 1.00 lakh) received from each employee, **a minimum** of ₹35/- will be utilized for insurance premium and the balance will be accounted as savings. **The quantum of allocation of premium to Savings and Risk premium will be decided by the LIC of India on the basis of size and composition of the group.** Risk premium rates for all the employees remain same irrespective of their age or category.

#### Membership and eligibility:

All existing employees including Probationary employees are eligible to join as members of Group Savings Linked Insurance Scheme. Employees who join the Bank after introduction of the scheme shall compulsorily become members of the scheme on their joining and only Risk premium will be collected from them till next Annual Renewal Date. On the next annual renewal date of the policy, monthly premium will be deducted inclusive of Savings and Risk premium.

Membership to the scheme shall automatically cease immediately upon one's death/retirement/resignation/ voluntary cessation/termination/discharge or dismissal etc. from the services of the Bank. At inception, every employee irrespective of his present state of health is eligible to join the scheme without any Declaration of Good health or Medical examination. The only insurability condition is that the employee should not be absent on medical grounds on the date of commencement of the scheme. All the employees who have not crossed the retirement age are eligible to join the scheme. **Employees who do not opt for the scheme at inception are not allowed to join subsequently.**

**Interest on Savings:**

Under the scheme, the contribution received/utilized for saving portion will be returned to the employees with interest at the time of retirement or exit from the service by any mode. Savings portion of premium earns interest compounded yearly. The interest rates are declared for every year depending on the fund performance. For the year 2009-2010 interest rate was 8% p.a.

**Tax Benefits:**

Employees' total contribution under savings as well as risk premium is eligible for income tax relief u/s 80C of IT Act. Claim amount including interest earned payable on retirement or leaving service or on death is free from income tax.

**Benefits:**

In the case of exit, other than death, i.e. retirement or resignation, saving premium with interest is refunded. In the case of death during service, in addition to the accumulated amount of savings portion of the contribution with interest, the amount of insurance cover will also be paid to the deceased employee's family by LIC of India through the bank under this arrangement.

It is also contemplated to include spouse for cover under the scheme. The matter is under discussion with LIC of India and the details for inclusion of spouse will be informed separately.

**Operational guidelines:**

1. Employees who are willing to become members of the scheme should apply before 30.06.2011. For this purpose, they shall submit the application cum irrevocable letter of authority in triplicate, as per format in Annexure II to respective Branch / Office Heads on or before 30.06.2011. **Applications should not be entertained after the cut off date i.e. 30.06.2011.**
2. Branch/Office Heads should forward two copies of the application alongwith the list of staff members who have volunteered to join the scheme to their Regional Office, **on or before 07.07.2011**, retaining one copy at the branch/office.
3. Regional Offices should consolidate the applications received from branches/offices under their control/geographical jurisdiction and submit the branch/office wise list of employees who have volunteered to join the scheme alongwith one copy of Annexure II and III **to Staff Welfare Division, HO:Manipal on or before 15.07.2011.**
4. As the continuance of the cover under the insurance policy is based on the payment of premium every month, all branches/offices shall ensure recovery of the specified premium even for the employees who are on LOP/under suspension etc. The employees who become the members of the GSLIScheme cannot withdraw the membership of the scheme so long as they are in the service of the Bank. It is for the employee to ensure that premium is paid regularly. If a member fails to pay the premium due to LOP/ Suspension etc. and policy is not kept in force, Bank will not be liable in any manner.
5. The change in employees' category due to promotion etc. will be effected from immediate next Annual Renewal date and the increased premium will be recovered accordingly.
6. In the event of unfortunate death of the employee, the branch/office shall report the death alongwith death certificate to SWD:HO:Manipal who will take up with LIC of India for settlement of the claim. The proceeds received from LIC of India would be paid by SWD:HO:Manipal to the nominee/legal heir through the branch/office where the employee was last working. The Bank will not undertake any responsibility apart from collecting and remitting the premium from members to LIC of India and disbursing claim amount received from LIC of India as per the terms and conditions of Master Policy to be taken by the Bank.
7. The scheme will be operative only if minimum 60% of the existing employees are joining the scheme as per terms prescribed by LIC of India.
8. It is our intension to implement the scheme early by deduction from salary for the month of July 2011 and the scheme to be operative by 20.08.2011. So, we request the staff members / ROs to furnish the required information / details on prescribed dates as above.

**Annexure II****APPLICATION CUM IRREVOCABLE LETTER OF AUTHORITY**

From:	To:
Name :	The Branch/Office Head
Emp No :	SyndicateBank
Designation :	Branch/Office:
Branch/Office:	

Dear Sir,

Sub: Application to enroll as member of Group Savings Linked Insurance Scheme and Irrevocable Letter of Authority for deducting premium as laid down in the Scheme.

I hereby wish to enroll as member of Group Savings linked Insurance Scheme and undertake to abide by the terms and conditions as set out in HO:SWD circular no 139-2011-BC-PD-33-SWD dated 31-05-2011.

I am aware that the Bank accepts no responsibility/liability except to act as a collecting/disbursing agent for the premium remitted by employees to the scheme/claim settled by LIC of India.

The Bank in so accepting my enrollment as member to the scheme, I do hereby undertake and offer irrevocable authority to the Bank to directly deduct from my salary a sum of ₹..... towards monthly premium under the policy applicable to me.

I give a firm commitment that I shall not under any circumstance rescind the irrevocable debit authority as per the terms of the scheme.

The proceeds of the Group Insurance Scheme may be paid to me/to the nominee(s) as per the nomination letter enclosed/ to legal heirs.

In the event of any circumstances warranting me to be on leave on LOP/Suspension, I will make arrangements to remit the required premium on the salary date. In case of my failure to fulfill my commitment and thereby the benefits under the policy are not extended, Bank shall not be held responsible.

Yours faithfully

Place:

Date:

**SIGNATURE OF THE EMPLOYEE**

.....

**FOR BRANCH/OFFICE USE**

Forwarded to Regional Office .....

Date:

Branch/Office Head

**(Note: This form must be submitted by the employee in triplicate, two copies to be forwarded to Regional Office and one copy retained at the Branch/Office)**

**Annexure III**  
**GROUP SAVINGS LINKED INSURANCE SCHEME**  
**NOMINATION FORM**

Name of the Employee	
Sex	
Religion	
Father's Name	
Husband's Name	
Marital Status (Married/Unmarried/widow/widower)	
Date of Birth	
Permanent Address	

I hereby nominate the person(s) mentioned below to receive the proceeds from LIC of India and direct that the said amount shall be distributed among the said person(s) in the manner shown against their names:

Name and address of Nominee(s)	Nominee's relationship with the employee	Age of Nominee	% of amount to be paid to each nominee

Dated this ..... day of ..... 2011 at .....

Two witnesses to signature

1. ....  
(Signature of the employee)  
Emp No:  
Designation:
2. ....  
Branch/Office:

Certified that the above declaration has been signed by Sri/Smt ..... before me.

Date:

Signature of Branch/Office Head

**(Note: This form must be submitted by the employee in triplicate, two copies to be forwarded to Regional Office and one copy retained at the Branch/Office)**