

केंद्रीय कार्यालय/Central Office

कार्मिक/कर्मचारी सम्बंध-प्रशासन विभाग, "योगक्षेम", जीवन बीमा मार्ग, पो.बॉ. सं.- 19953, मुम्बई-400021, ई-मेल- co_era@licindia.com
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Ref: CO/Per/ER-A/255/2020

Date: 08.10.2020

**All the HODs of Central Office,
All the offices of the Corporation.**

Re: Productivity Linked Lump sum Incentive (PLLI) for the Financial Year 2019-2020

Productivity Linked Lump sum Incentive (PLLI) is paid to Class-I Officers, Development Officers and Class-III & Class-IV employees of the Corporation in terms of Rules 9C, 10B & 13A of Revision Rules, of Class-I Officers, Development Officers and Class-III & Class-IV employees, respectively, as amended from time to time.

The above rules envisage that for the financial year 2019-2020 Productivity Linked Lump sum Incentive shall be payable based on the performance of the Corporation/Zonal Office/Divisional Office on the basis of parameters as approved by the Board.

Accordingly, the quantum of PLLI for F.Y. 2019-2020, definition of annual pay and other terms and conditions regarding grant of PLLI benefit are detailed below:

(1) QUANTUM OF PLLI: The quantum of PLLI shall be as under:

(i) CORPORATE LEVEL PLLI for employees posted in C.O.:

Based on the achievement of the Corporation as a whole in terms of Board approved performance parameters during the financial year 2019-2020, Corporate Level PLLI works out to be **1 percent**. Thus in view of above, employees posted in Central Office become eligible for 1% PLLI for the F.Y. ended on 31.03.2020.

(ii) ZONAL LEVEL PLLI for employees posted in Z.O:

The Board approved performance parameters (Annexure C-Quantitative & Annexure D-Qualitative) for F.Y. 2019-2020 for Zonal Office / Divisional Office are attached herewith. The Performance Evaluation Matrix for Zonal Level & Division Level PLLI (Table B1 & B2) is annexed herewith. Accordingly, based on the achievements to the targets given in Annexure-C & D, marks should be worked out as per Table B1 & B2 and the "Eligible Zonal Level PLLI" percentage should be arrived at by Regional Manager (P&IR) and accordingly the payment may be made to employees posted in the Zonal Office after obtaining due sanction from the Zonal Manager-in-Charge.

The PLLI payable shall be on the scale as given hereunder:

Total Marks	%age PLLI
95 and above	6%
90 and below 95	5%
85 and below 90	4%
80 and below 85	3%
70 and below 80	2%
60 and below 70	1%
Below 60	0%

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(iii) DIVISIONAL LEVEL PLLI for employees posted in D.O./B.O.:

(a) The Board approved performance parameters (Annexure C-Quantitative & Annexure D-Qualitative) for F.Y. 2019-2020 for Zonal Office / Divisional Office are attached herewith. The Performance Evaluation Matrix for Zonal and Division Level PLLI (Table B1 & B2) is annexed herewith. Accordingly, based on the achievements to the targets given in Annexure-C & D, marks should be worked out as per Table B1 & B2 and the "Eligible Divisional Level PLLI" percentage should be arrived at by an Officer not below the rank of ADM nominated by Sr./DM-in-charge and Divisional Office to then proceed with the payment to employees under the jurisdiction of Divisional Office after obtaining due sanction from the Sr./DM-in-Charge. The PLLI payable shall be on the scale as given in paragraph (ii) above.

(b) As per notification dated 08/10/2010, Productivity Linked Lump sum Incentive shall be payable to employees in Branch Office based on the performance of the Division as a whole.

In view of the above, the "Eligible Branch Level PLLI" percentage will be the "Eligible Divisional Level PLLI" percentage for the employees in the Branch Office under jurisdiction of the D.O. concerned.

(c) The Divisional Offices should include the premium collected through Alternate Channels in the total Premium Income for the F.Y. 2019-2020 as given in Annexure 'E' for calculation of PLLI %age for Divisional Offices.

Note :

(a) Zonal Office / Divisional Office / Branch Office should keep in mind that the ceiling for PLLI is 6%. Further, the threshold minimum Productivity Linked Lump Sum Incentive for Zonal Office / Divisional Office is 50% of the Corporate Level Productivity Linked Lump Sum Incentive. Accordingly, this year the threshold minimum PLLI for Zonal Office / Divisional Office for F.Y. 2019-2020 will be 0.5%.

(b) It is further clarified that for the purpose of payment of PLLI—

- ❖ Audit Centres fall under Central Office,
- ❖ National Relationship Managers (NRM) fall under Central Office,
- ❖ Central Office Support Programmers (COSP) fall under Central Office,
- ❖ ZTCs and STCs fall under the respective Zonal Offices,
- ❖ P&GS Mktg. Hub (PGSM) falls under the respective Zonal Offices,
- ❖ DTCs, P&GS Units fall under their respective Divisional Offices.
- ❖ Metro Area Servicing Hub (MASH) and Customer Zone (C-Zee) fall under respective Divisional Offices.
- ❖ SOs and Mini Offices will fall under respective Branch Offices.
- ❖ C.O.Legal Cell & Liaison Cell, Delhi fall under Central Office.
- ❖ The PLLI %age applicable to SSS Division, Mumbai will be based on the average marks, as per evaluation matrix, obtained by MDO I, MDO II, MDO III, MDO IV and Thane D.O.

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- ❖ Marks should be calculated on percentile basis in respect of those Divisional Offices where P&GS Units / Micro Insurance is not available.

Accordingly, the offices responsible for disbursement of salary to the employees posted at above centres shall pay Zonal Level PLLI / Division Level PLLI, as the case may be, keeping in mind the above referred points.

Further, employees of **Engineering Dept.** will be eligible for PLLI applicable to their concerned salary disbursing office.

- (c) Achievements in respect of Qualitative Parameters for Divisional Offices should be verified by respective HOD of the higher office at time of their visit in Divisional Office.

(2) DEFINITION OF ANNUAL PAY:

Productivity Linked Lump Sum Incentive shall be payable at the levels of 1%,2%,3%, etc. up to a maximum of 6% of the annual pay of individual Class I officers, Class II (Development Officers), Class III & Class IV employees for Financial Year 2019-2020. Annual pay for this purpose shall mean the Basic Pay, Dearness Allowance & Fixed Personnel Allowance, if any.

For removal of doubt, it is clarified that Personal Allowance, Special Pay to Liftman/ Watchman/ Head Peon, Graduation Allowance to Assistants/Stenos, Special Allowance for passing Technical Examinations or any other allowance shall **not** count for payment of PLLI.

- (2) TERMS & CONDITIONS:** The payment of PLLI shall be subject to the conditions mentioned here-in-below:

- (1) In case of employees who have retired or expired while in service during the period 01.04.2019 to 31.3.2020 shall get proportionate amount of Productivity Linked Lump sum Incentive.

For example, if Mr. 'A' has retired on 31.05.2019, he shall be eligible for Productivity Linked Lump sum Incentive proportionately for 2 months only. While calculating the benefit in case of such employees who have voluntarily retired/ expired during the month, the fraction of the month shall be treated as full month provided such retirement/expiry etc. was after 15th of the month. In other cases the fraction will be ignored.

- (2) In case of employees who have worked in more than one office of the Corporation in India during F.Y. 2019-2020 will be eligible for PLLI applicable to the concerned office where they have worked proportionate to the duration of their posting at such offices. While calculating the benefit in such cases, the fraction of the month shall be treated as full month for previous office provided such employee has taken charge after 15th of the month in next office. If the employee has taken charge on or before 15th of the month, the PLLI applicable for the full month will be considered for the office where the employee takes charge.

For example, if Mr. 'B' has worked from 1.4.2019 to 21.9.2019 in Central Office and from 23.9.2019 to 31.03.2020 in Zonal Office / Divisional Office / Branch Office, he shall be eligible for Corporate Level PLLI of 1% for six months and Zonal Level / Divisional Level PLLI, as the case may be, applicable to the concerned Zone / Division where he was posted for remaining six months.

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(3) Other Conditions:

- (i) The Class I officers, Class II (Development Officers) and Class III /IV employees who have **resigned** or whose services are **terminated** or who have been **compulsorily retired / removed / dismissed** under Rule 39 of LIC of India (Staff) Regulations, 1960, shall not be eligible for this benefit for the financial year in which they resigned or are **terminated / compulsorily retired / removed / dismissed**. For example, Mr. 'A' has resigned from the services of the Corporation w.e.f. 31.03.2020. He will not be eligible for PLLI benefit for the financial year 2019-2020.
- (ii) The employees appointed on temporary/daily wages, etc. are not eligible for the said benefit.
- (iii) The persons who have been appointed as apprentices shall not be eligible for the above benefits during the period of apprenticeship.
- (iv) The officers who have been appointed on contractual basis, viz. Medical Officers, Assistant Medical Officers, Security Officers, Legal Advisers and other officers appointed likewise to whom the provisions of the LIC of India (Staff) Regulations, 1960 do not apply shall not be eligible for the above benefit.
- (4) The officers/employees who have joined in middle of the year will be eligible for proportionate benefit of Productivity Linked Lump sum Incentive. The method of calculations shall be as stated in (1) above. The period of probation shall be counted for this purpose.
- (5) An employee who is placed under suspension or whose absence is treated as EOL/Dies-non etc. shall not be eligible for the Productivity Linked Lump sum Incentive benefit for full year. The incentive in such cases will stand reduced proportionately. For this purpose, the days of suspension, EOL/Dies-non during the entire period shall be clubbed. After clubbing, any fraction of less than and up to 15 days shall be ignored and fraction of more than 15 days shall be rounded off as one month.
- (6) The amount paid as PLLI to the Development Officers shall not form part of their annual remuneration under the Special Rules.

(4) PAYMENT OF PLLI TO OFFICERS ON DEPUTATION ABROAD:

The officers on repatriation during 2019-2020 shall be eligible for PLLI for the said financial year on proportionate basis from the date from which they start drawing salary in the Indian currency. If such date falls in the first half of the month he/she shall get full PLLI for the said month and if such date falls in the second half of the month he/she shall not get any PLLI for the said month.

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(5) PAYMENT OF PLLI TO OFFICERS/EMPLOYEES POSTED/DEPUTED IN OTHER ORGANIZATION / COMPANY:

The instructions issued in the matter vide our Circular No.ZD/1106/ASP/2007 dated 04.07.2007 should be scrupulously adhered to.

(6) PAYMENT OF PLLI TO THE REGULAR PART-TIMERS:-

The Regular Part-time workmen may also be paid the PLLI benefit on pro-rata basis as payable to Class IV employees of the Corporation. The percentage of PLLI in such cases shall be the one which is applicable to the office where they have worked.

(7) INCOME TAX DEDUCTION:-

Necessary deductions on account of Income Tax should be made from the payment as aforesaid, wherever necessary.

(8) INFORMATION TO BE FURNISHED TO THE CENTRAL OFFICE:-

After payment of PLLI, each Divisional Office should furnish the %age of PLLI applicable to them to the controlling Zonal Office. The Zonal Offices shall, in turn, furnish the consolidated information in respect of the Zone as a whole to the Personnel/ER Department, Central Office at the earliest and not later than 15th November, 2020.

Explanation:

(1) Overall Expense Ratio-

$$\text{Overall Expense Ratio} = \frac{\text{Expenses of Management}}{\text{Total Premium Income}} \times 100$$

Overall expenses ratio calculated on Expenses of Management and Total Premium Income (TPI). The components of TPI and Expenses of Management (EoM) are as defined in page no. 120 & 122 of Annual Report 2018-19 respectively. TPI include premium amounts of Individual Assurance, Individual Pension Schemes, Group Schemes and Linked Business Premiums and EoM include commission etc. to agents, salary and other benefits to employees and other expenses of management. The actual figures of 2019-20 are to be taken into account for calculation.

(2) Definition of Contemplated cases and Action initiated cases:

Contemplated cases are those complaints received where role analysis has been done and further action is being contemplated and Action initiated cases are those Contemplated cases where charge sheet has been issued.

You are requested to calculate PLLI accordingly.

We would like to clarify that-

Sr. DM is Disciplinary Authority for class II, III & IV as per Schedule- I of LIC of India (Staff) Regulations, 1960. Therefore, cases related to Class II, III & IV only to be taken into

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account while calculating PLLI related to Disciplinary cases for performance at Divisional Level.

(3) Total First Premium Income:

Total First Premium Income is arrived at by adding Single Premium and Non-Single Premium obtained from New Business procured under individual Life Assurance Policies.

(4) PLLI for DR trainee AAOs:

PLLI for DR AAOs may be paid as per the % age of PLLI for the financial year as applicable to Central Office for their period of training.

Executive Director (Personnel)

Enclosures: (i) Annexure C,
(ii) Annexure D,
(iii) Table B1 & B2
(iv) Annexure E

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