

राष्ट्रीय इस्पात निगम लिमिटेड RASHTRIYA ISPAT NIGAM LIMITED  
विशाखपट्टणम इस्पात संयंत्र VISAKHAPATNAM STEEL PLANT  
विशाखपट्टणम VISAKHAPATNAM – 530031

मानव संसाधन विभाग HUMAN RESOURCES DEPARTMENT  
नियम व नीति अनुभाग RULES & POLICIES SECTION

सं.HR/RR/8(11)/2019/281

दि: October 7, 2019

मानव संसाधन नीति परिपत्र सं.16/19  
HR POLICY CIRCULAR No.16/19

विषय: आर आई एन एल कर्मचारी पेंशन (परिभाषित अंशदान) योजना  
Sub: RINL EMPLOYEES PENSION (DEFINED CONTRIBUTION) SCHEME

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उपरोक्त विषय पर मानव संसाधन नीति परिपत्र सं.05/19, दि.28.03.2019 और मानव संसाधन नीति परिपत्र सं.12/19, दि.18.09.2019 के अनुसरण में विस्तृत आर आई एन एल कर्मचारी पेंशन (परिभाषित अंशदान) योजना अनुलग्नक में प्रस्तुत है।

Further to the HR Policy Circular No.05/19 dt. 28.3.2019 on the above subject and HR Policy Circular No.12/19 dt.18.9.2019, the detailed RINL Employees Pension (Defined Contribution) Scheme is enclosed at Annexure.

2. यह सक्षम प्राधिकारी के अनुमोदन से जारी किया जाता है।

This issues with the approval of the Competent Authority.

आर वी राव 7/10/19  
(आर वी राव R V Rao)  
कार्यपालक निदेशक (निगमित सेवा)  
ED(CS)

वितरण Distribution:

मानक Standard.

यह परिपत्र मानव संसाधन विभाग के पोर्टल में उपलब्ध है।

This Circular is available on the HR Portal at:

<http://www.vspsite.org:86/hr/CorporatePersonnel/RulesandPolicies/Circulars.aspx>

**RINL EMPLOYEES' PENSION (DEFINED CONTRIBUTION) SCHEME (RINL EPS).**

- 1) **Objective:**

To provide social security and monetary benefit to the employee/nominee of the employee in the form of annuities upon his/her superannuation/death/permanent disablement & incapacitation (including cases of permanent total disablement) leading to cessation of service.
- 2) **Scheme:**

The Scheme will be called RINL Employees' Pension (Defined Contribution) Scheme (RINL EPS) for its employees. The fund would be managed by RINL ESBF Trust.
- 3) **Scope & Effective Date:**
  - (i) Executives, including Functional Directors and Management Trainees, who are on the rolls of the Company as on 01.01.2007 and recruited thereafter shall be eligible for Company's contribution towards RINL EPS under the Scheme except otherwise as provided in these Rules.
  - (ii) Non-Executives (including Trainees recruited for eventual employment) who are on the rolls of the Company as on 01.01.2012 and recruited thereafter shall be eligible for Company contribution towards RINL EPS under the Scheme except otherwise as provided in these Rules.
  - (iii) Employees of RINL on deputation/lien to other CPSEs, Government Department, etc. would be eligible under the scheme provided such employees join back RINL and superannuate or resign subsequently from RINL. Besides, in all such cases, the borrowing organization of the employee and / or the employee himself / herself should contribute to RINL, the prescribed percentage of Basic Pay+ DA towards pension corpus. Non-contribution towards any such period would be treated as "*dies non*". In case the Employee superannuates/resigns from the organization where he is deputed/sent on lien, the corpus of the employee shall be sent to such organization, if such organization has any such scheme or else, annuity will be purchased in favour of such Employee, on such date.
- 4) **Defined Contribution Plan:**

The scheme will be under Defined Contribution Plan wherein the pension contribution from the company to the fund will be defined within the prescribed percentage. The corpus of the member/beneficiary for the purpose of pension shall depend upon the accumulated contribution in the Fund and the applicable outflow as defined under the Scheme at the time of prescribed separation.

5) **Definitions:**

In these Rules, where the context so admits, masculine shall include feminine, singular shall include plural and vice versa and the following words and expressions shall, unless repugnant to the context, shall have the following meanings:

- i. "Scheme" shall mean RINL Employees' Pension (Defined contribution) Scheme (RINL EPS) for its employees.
- ii. "Age of Superannuation" shall mean the age of 60 years or any retirement age as decided by RINL from time to time, on attainment of which a member shall be entitled to superannuation annuity.
- iii. "Member"/"Subscriber" shall mean an employee of RINL who is admitted as a member under RINL EPS in accordance with the Rules but shall not include an employee who, having been admitted as a member, has ceased to be eligible for membership as hereinafter prescribed.
- iv. "Employee" shall mean any person in the whole time employment (including Trainees recruited for eventual employment) of the company and whole time Functional Directors (who are contractual appointees) and shall also include an employee on deputation/lien to other CPSEs, Government Department, etc. It will not include those engaged on tenure / contract basis.
- v. "Eligible Employee" shall mean an employee who is fulfilling eligibility criteria as per the Rules of this Scheme.
- vi. "Family"/"Beneficiary" shall mean member at the time of retirement /resignation/retrenchment/medical termination and, in case of his death, the spouse and/or child or children and/or parents as may be nominated by the member.
- vii. "Company" shall mean Rashtriya Ispat Nigam Limited (hereinafter referred to as "the Company" or "RINL") and its successors or assigns.
- viii. "Contribution"
  - a) Company Contribution means an amount credited by RINL as employer's contribution to the member account in terms of Rule 6 (i).
  - b) Member Contribution means contribution by the member in terms of Rule 6 (ii) (a) and Voluntary contribution, if any, under RINL EPS.
- ix. "Salary" shall mean Basic Pay and Dearness Allowance and other salary components which are considered for PF calculations.
- x. "Service" shall mean continuous and unbroken service rendered by an employee in RINL. Attendance factors for the purpose of this scheme shall be the same which are considered for PF calculations. The period of absence in respect of

which an order treating the absence as break in service has been passed in accordance with the standing orders, rules or regulations governing the employees of RINL, is not "continuous service" for the purpose of Contribution towards pension.

- xi. "The Rules" shall mean the Rules herein contained and any amendment(s) thereof for the time being in force and may be referred as "these Rules" or "the Rules".
- xii "Trust" shall mean the "RINL Employees' Superannuation Benefit Fund Trust" and "Trustees" shall mean its Trustees.

**6) Contribution:**

Each member/subscriber will have a separate individual Member account under the scheme.

**(i) Company's contribution:**

**(a) Executives:**

Company contribution shall be up to 9% of Basic Pay plus Dearness Allowance from 01.01.2007 to 31.03.2015 and 3% of Basic Pay plus Dearness Allowance from 01.04.2015 to 31.03.2018. From 01.04.2018 onwards, the quantum of Company Contribution would be decided by the company after finalization of its accounts for the financial year. The contribution will be credited to Executives' individual member account under the scheme

**(b) Non-Executives:**

In respect of regular employees, Company contribution shall be upto 6% of Basic Pay plus Dearness Allowance (stipend in case of Trainees) for the period 01.01.2012 to 31.03.2015 and 2% of Basic Pay plus Dearness Allowance (stipend in case of Trainees) for the period 01.04.2015 to 31.03.2018. From 01.04.2018 onwards, the quantum of Company Contribution would be decided by the company after finalization of its accounts for the financial year. The contribution will be credited to employees' individual member account under the scheme.

(c) A formula shall be devised for calculation of rate of pension contribution every year commencing from FY 2018-19, for approval of the Board. The formula shall be so devised such that the amount of Company's contribution towards RINL EPS would be within the ceilings mentioned above.

(d) This shall be subject to the total contribution towards superannuation benefits not exceeding the prescribed overall ceiling of 30% of Basic + DA, as stipulated by DPE / Ministry of Steel from time to time. The rate of contribution towards RINL EPS shall be reviewed annually by the Board depending upon the



profit/loss of the company. The rate of contribution will not be a fixed contribution and will depend upon the amount of profits or loss made by the company during each financial year.

(ii) **Member's contribution:**

- a. Members shall continue to make contribution to the RINL EPS as per the Employees Superannuation Benefit Fund (ESBF) Trust Rules. The amount appearing under "Member Contribution" in ESBF will be a part of the "Member contribution" under the RINL EPS.
- b. In addition to the above, a member can make voluntary contribution. A member will be at liberty to add/modify/stop the voluntary contribution at any time. Voluntary contributions can be made only through Salary.

7) **Benefits:**

- a. An employee eligible under this Scheme / his or her nominee (as the case may be) will be entitled to the benefits under the Scheme to the extent of amount standing to the credit of his account along with accrued interest thereon till the date of settlement.
- b. The benefits under the scheme shall be payable only in the form of annuities.
- c. The Annuities for Pension to the individual will have to be purchased only from the Annuity Service Providers, empanelled by the Trust.
- d. On benefit becoming payable under the rules, the Trustee shall provide requisite details to annuity service provider and shall facilitate purchase of annuity from annuity service provider as per the option of the member/beneficiary.
- e. For the purpose of providing the annuity to the beneficiaries, the Trustees of RINL ESBF Trust shall accumulate the contributions in respect of each beneficiary and purchase at the option of member / beneficiary (if any), from such annuity service provider, an annuity at the time of the retirement / death / incapacity of the member.
- f. In the event of death of an eligible member before retirement, the beneficiary shall get pension in accordance with the provisions contained in the scheme/rules, based on the accumulated balance of the Member in the Fund. On receipt of application from the beneficiary, annuity shall be purchased from the Annuity Service Provider and annuity shall be paid to the beneficiary as per the chosen option of the Beneficiary.
- g. If the Beneficiary getting annuity dies, further payments shall be regulated as per the chosen option of the Beneficiary.

- h. If the amount of corpus in the Member's account is less than Rs.2.00 lacs at the time of his separation, the Member/beneficiary will be given the option to withdraw the amount in lump sum or opt for payment of Annuity.
- i. In the event of death of member, the nominee will have option to receive 100% of the corpus in lump sum. (Source NPS)

8) **Commutation of Pension:**

Commutation of Pension shall be allowed to a maximum of 1/3<sup>rd</sup> of the balance standing to the credit of the member, subject to Income Tax provisions from time to time.

9) **Cases of Separation:**

- a. In case of death or cessation of employment on account of permanent total disablement/permanent medical unfitness/premature retirement / resignation of a regular member of the scheme while in service, the beneficiary will be given the benefit as admissible under the Scheme.
- b. In the event of any employee joining RINL from other CPSEs, he would have the option of transferring his corpus to RINL and the benefit of this scheme shall be commensurate with the amount transferred from the CPSE and the amount accrued in RINL put together. Similarly, employees resigning from RINL and joining other CPSEs will have the option of transferring their corpus to the other CPSE or availing the annuity option for the period of service in RINL.
- c. In case the employee superannuates/resigns from the organization where he is deputed/sent on lien, the corpus of the employee shall be sent to such organization, if such organization has any such scheme or else, annuity will be purchased in favor of such executive, on such date.
- d. Payment of employer's contribution and interest thereon from Trust is not allowed in cases of termination, dismissal, removal, loss of lien, etc. In all such cases, only the employee's contribution along with interest thereon may be allowed to members. In respect of members against whom judicial / disciplinary proceedings are pending or members under suspension, the Company may decide upon the applicability of its contribution depending upon the outcome of the disciplinary proceedings / revocation of suspension and the treatment of the period of suspension as period spent on duty or not.
- e. Benefit of the scheme will not be extended to employees coming on deputation to RINL from Central / State Government, unless absorbed as a regular employee of the company and fulfilling other eligibility conditions.
- f. Cases of VRS will be dealt with in accordance with terms of such VRS Schemes of the Company and benefits under this Scheme would accrue accordingly.



- g. In respect of members on leave without pay or on study leave, there shall be no contribution by the Company for the period of Extraordinary Leave. In respect of disappearance of members whose whereabouts are unknown, the Company's contribution shall depend on the payment of salary, if any, paid to the employee for such period.

**10) Accounts:**

- a. The Trustees shall maintain Member account against each eligible employee and credit the contributions received from RINL. The Trust shall manage the funds as per the guidelines prescribed under Income Tax Act.
- b. The accounts of the Fund shall contain such particulars as the Trustees may think proper and shall be maintained by the Trustees in the form of personal ledger in which the contributions made by the Company and the member in respect of each individual member shall be accounted under the member's name together with accretions thereto and such annual adjustments as may be necessitated by revaluation of investments and securities.

**11) Withdrawal from the Fund:**

- a) The company may, by giving prior notice to the members through a three months' notice in writing to the Trustees, withdraw from the Fund as from the first day of April in any year or such other date as may be determined from time to time subject to Income Tax provisions.
- b) On the withdrawal of the company as aforesaid, the Company shall cease to contribute to the Fund and the accumulated fund standing to the credit of individual member and accrued interest thereon would be considered for purchase of annuity on their superannuation or on death as the case may be.
- c) Any arrangements covered in (a) and (b) above shall not be entered into without prior approval of competent authority and subject to Income Tax provisions.

**12) General :**

- a) The scheme would be subject to the provisions under DPE Guidelines dated 26.11.2008, 02.04.2009, 21.05.2014, 24.06.2015 and 03.08.2017, as amended, from time to time, and provisions of Rule 87 of the Income Tax Rules, 1962 and subject to financial affordability of the Company, without any Government budgetary support and subject to such conditions as already laid down by DPE/MoS for this purpose.
- b) Annuity will be effective from the prospective date of authorization of Pension Corpus and purchase of the Annuity by the Member / Beneficiary and the Member / Beneficiary shall not be entitled to claim Pension from backdate.

- c) The Annuity options along with applicable rates indicated by empanelled Annuity providers will be on the rates prevailing on the date of purchase of Annuity.
- d) After purchase of Annuity and disbursement of Pension, any query / complaint on the same will have to be taken up by the Beneficiary directly with the concerned Annuity Service Provider. The RINL ESBF Trust will not have any liability to resolve such complaints / query. In case the complaint / query of the Beneficiary is not resolved by the such Annuity Service Provider, the Beneficiary has to take up the matter with the Insurance Ombudsman or with any other authority, viz, Consumer Court / IRDA etc., as per his choice.
- e) All conditions for periodicity of payment of Pension, Return of Capital etc., will be as per Annuity Options chosen by the Beneficiary.
- f) The Annuity Option once chosen cannot be changed and shall be final and binding on the Beneficiary.
- g) RINL will not stand guarantee for any Annuities purchased under the Rule/scheme by the Member/Beneficiary.
- h) Should anything contained in these Rules, or in any amendment made thereof, be inconsistent with the Scheme or to any provision(s) of the Income-Tax Act, 1961 or the Income Tax Rules, 1962, or any amendments thereto, or any other directives of the Government/DPE, in the matter, the same shall be ineffective to the extent of inconsistency.
- i) Notwithstanding anything contained to the contrary in the Rules, the designated annuity saving service provider, shall deduct or make effective arrangement for deduction of tax at source on any pension/annuity granted pursuant to the Rules and credit the tax so deducted to the Central Government as per provisions of Income Tax Act and Income Tax Rules.
- j) Operation of this scheme shall be in compliance with Guidelines/ instructions issued by PFRDA/ GOI from time to time on management and regulation of pension funds, protection of subscriber interests, etc.
- k) Income Tax liability, if any, on the monthly pension will be met by the beneficiary.
- l) A member/beneficiary who does not clear the dues of the company on separation will be eligible for Pension Corpus only after clearing dues from the Company.





13) **RINL ESBF Trust Rules:** The rules and structure of the existing RINL ESBF Trust shall continue to be followed while managing the RINL EPS fund of both Executives and Non-Executives. The clearances, if any , to be obtained from Statutory Authorities viz Income Tax department, consequent to introduction of RINL EPS in place of ESBF , shall be obtained by the Trust after passing the required resolutions in the Trust.

14) **Amendment to Rules:**

CMD, RINL, is authorized for making any addition/modification/deletion etc to the Rules of RINL EPS, which will be processed by Rules & Policies Section of HR Department.

15) **Jurisdiction :**

- a) The Trustees shall decide all differences and disputes which may arise under these presents or Rules either to the interpretation thereof as to the rights and obligations of the company or of the members or their beneficiaries and the decision of the Trustees shall, in all cases , be final and binding on all parties concerned provided that if the decision has any bearing on the provision of the Income Tax Act.1961 or the Income Tax Rules,1962, it shall be forthwith reported to the Income Tax (IT) department, if so required by the IT department, the Trustees shall review the decision.
- b) Any dispute arising out of the Scheme shall be subject to exclusive jurisdiction of the Courts at Visakhapatnam only.

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