

SAO(HR)

APPROVED MINUTES

MINUTES OF THE 84th BOARD OF GOVERNORS MEETING OF INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE HELD ON 06 OCTOBER 2018 AT 11:00 HRS IN CHENNAI

BGM 84.7 Renewal of IIMK Employees Gratuity Scheme

The payment of Gratuity to employees leaving the rolls of IIMK is governed by IIMK Employees Gratuity Scheme. (IIMKEGS). Gratuity will be paid to those Faculty and Staff, who are on the regular rolls of the Institute on their resignation, retirement or death. It is funded completely from funds generated by the Institute. For this purpose, the Institute is investing sufficient funds regularly in a well-recognized funding scheme. At present, funds for this purpose are being invested with Life Insurance Corporation of India's Group Gratuity Cash Accumulation Scheme.

There are two Master Policies with LIC of India. The policies are due for renewal as on 01.04.2018. LIC has made Actuarial Valuation of the Gratuity liability of the employees as on 01.04.2018. They have sent renewal notice according to which renewal of Master Policy No.405475 for 97 employees, amount payable is Rs. 2,17,78,849 (Rupees Two Crores Seventeen Lakh Seventy Eight Thousand Eight Hundred and Forty Nine). For renewal of Master Policy No. 604000243 for 24 employees, the amount payable is Rs. 27,53,467 (Rupees Twenty Seven Lakhs, Fifty Three Thousand, Four Hundred and Sixty Seven). Total renewal amount works out to be Rs. 2,45,32,316 (Rupees Two Crores Forty Five Lakhs Thirty Two Thousand Three Hundred and Sixteen).

A Committee had been constituted for examining demand of LIC towards the renewal payment for the year 2018 and the Committee examined reasons for need for IIMK to contribute significant amount of Rs. 2,45,32,316 for the current year towards Employees Gratuity Scheme. Increase in Gratuity ceiling from Rs 10 lakhs to 20 lakhs and increase in salary on account of implementation of Seventh Central Pay Commission are cited as major reasons. It is also commented that the annual contribution to the fund will come down from next year onwards. The Committee therefore recommended for consideration of payment of renewal payment.

Accordingly, total renewal amount of Rs. 2,45,32,316 (Rupees Two Crores Forty Five Lakhs Thirty Two Thousand Three Hundred and Sixteen) has been paid to the Life Insurance Corporation of India.

This is for kind information and ratification by the Board.

The Board noted and ratified the above proposal for Renewal of IIMK Employees Gratuity Scheme.



ले. कर्नल एम. जुलियस जॉर्ज (सेवानिवृत्त)
Lt. Col. M. Julius George (Retd)
सचिव, शासक मंडल
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