

ANNEXURE - I of the Circular Dated 11.01.2021

**BPSCL DEFINED CONTRIBUTION PENSION SCHEME**

**1.0 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.

**2.0 SCOPE AND EFFECTIVE DATE:**

The Scheme will cover all executives (including Management trainees) on rolls of the Company on or after 01.01.2007 governed by the Company's CDA Rules and non-executives (including trainees recruited for eventual employment) on rolls of the Company on or after 01.01.2012 governed by Company's Standing Orders. The employees on Contract Appointment or deputation from other organizations/Central/State Government shall not be covered.

New entrants joining the company after 01.01.2007, as executives and after 01.01.2012, as non-executives, shall also be covered under BPSCL Defined Contribution Pension Scheme from the date of their joining BPSCL.

**3.0 ELIGIBILITY:**

3.1 All regular employees who have completed minimum 15 years of service in the Company including service rendered, if any, in any other CPSE prior to joining the Company and superannuate from the Company will be eligible for the benefits under this Scheme. Cases of death/permanent disablement & incapacitation (including cases of permanent total disablement) leading to cessation of service, shall be eligible for Pensionary benefits irrespective of duration of service rendered.

3.2 The Trustees' decision regarding the eligibility of an employee for the purpose of the Scheme shall be final and binding on all the parties concerned.

**4.0 ADMINISTRATION OF THE SCHEME:** Pension Scheme shall be managed and administered through BPSCL Defined Contribution Pension Trust. The erstwhile BPSCL Employees Superannuation Benefit Trust has received approval from the Commissioner of Income Tax (CIT), Delhi, under the Income Tax Act, 1961 as an approved Superannuation Fund. However, a Deed of Variation indicating restructuring of the Trust as BPSCL Defined Contribution Pension Trust along with the new Set of Rules is being filed with CIT, Delhi. Trust will be an autonomous body fully administered and managed by its Board of Trustees and as per the Rules of the Trust and requirement of the relevant laws.

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## 5.0 EMPLOYER'S CONTRIBUTION:

5.1 **For Executives** - Company will contribute towards the Pension Scheme an amount not exceeding 9% of Basic Pay and DA (Salary).

5.2 **For Non-Executives** - Company will contribute towards the Pension Scheme an amount not exceeding 6% of Basic Pay and DA (Salary).

## 6.0 MEMBER'S CONTRIBUTION:

6.1 The Executives and Non-Executives shall contribute @ 2% of Basic and DA w.e.f. 01.01.2007 and 01.01.2012 respectively. Regular Member's Mandatory Contribution @ 2% of Basic + DA shall be recovered from employees' salary on monthly basis.

6.2 a) The **Past Service Contribution** for the employees (both executives and non-executives) who joined from SAIL, their fund in erstwhile BESBF shall be treated as Member's Mandatory (Past Service) Contribution.

b) Directly recruited executives shall contribute 2% of Basic + DA as Mandatory Contribution for the period of service rendered during 01.01.2007 or date of joining whichever is later till 17.02.2012 i.e. prior to the date of formation of BESBF as Mandatory Past Service Contribution. Similarly, directly recruited non-executives shall also contribute 2% of Basic + DA as Mandatory Contribution for the period of service rendered during 01.01.2012 or date of joining whichever is later, till 17.02.2012 as Mandatory Past Service Contribution.

6.3 For the **Separated Employees** (both executives and non-executives), the members' contribution in the erstwhile BESBF shall be treated as Member's Mandatory (Past Service) Contribution. However, employees who have expired while in service in BPSCL, will not be required to contribute towards past service contribution.

6.4 **Voluntary Contribution by Employees** – The Regular Employees shall have the option to make voluntary contribution towards Pension by way of deduction from their salary. The separated employees/beneficiary of deceased employees, who are eligible for pension, may make voluntary contribution in order to enhance their pension corpus. Prescribed Form in this regard is annexed.

## 7.0 PENSION BENEFITS:

7.1 Pension shall be payable on superannuation (including voluntary retirement), death while in service, separation on medical ground i.e. on Permanent Disablement, and Incapacitation (including cases of Permanent Total Disablement).

7.2 Pension shall be payable only if the Member has put in a minimum of fifteen (15) years service in the Company including service rendered, if any, in any other CPSE prior to joining the Company.

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- 7.3 The condition of minimum fifteen (15) years of service is not applicable in case of death while in service or Permanent Disablement, and Incapacitation (including cases of Permanent Total Disablement).
- 7.4 In case of separation of an employee, on account of resignation, termination, dismissal/removal etc., payment of pension benefit shall be computed based on Member's contribution as on the date of cessation of service only, if any, and interest accrued thereon available in his pension account.
- 7.5 Pension Benefits to the members against whom disciplinary proceedings are going on at the time of separation, shall be regulated as per the CDA Rules/ Standing Orders/ Rules of the Company.
- 8.0 ANNUITY SERVICE PROVIDERS:** One or more Annuity Service Providers will be appointed from amongst the Insurance Companies approved by Insurance Regulatory and Development Authority (IRDA) for payment of Annuity to the Members and/or Beneficiaries.
- 9.0 PENSION PAYABLE:** Pension would be payable in the form of Annuity from the Annuity Service Provider(s) engaged by the Pension Trust for the purpose.
- 9.1 Annuity Purchase Price would be equal to the Accumulated Corpus in the Member Pension Account at the time of separation/vesting of benefits.
- 9.2 Member may opt for any one of the annuity options and pension payment frequency (monthly, quarterly, half-yearly or yearly), from the list of available options. Pension benefits shall be payable in India only.
- 9.3 In case the accumulated corpus in the member/beneficiary pension account is less than Rs.2 lakhs at the time of separation/vesting of benefits, the member can avail the option of complete withdrawal which will be subject to Income Tax deduction as per the Income Tax Act, 1961. A member/beneficiary may also contribute to the corpus voluntarily to make the corpus sufficient for purchase of annuity.

**10.0 COMMUTATION OF PENSION:**

The benefits under the scheme shall be payable only in the form of Annuity. However, if the Member or the beneficiary/nominee(s) as the case may be, so desires, maximum up to 1/3<sup>rd</sup> of the Accumulated Corpus for which Annuity is to be purchased, may be commuted for a single payment and for remaining 2/3<sup>rd</sup> of the amount, Annuity would be purchased.

**11.0 DISCONTINUANCE OF CONTRIBUTIONS/VARIANCE IN RATE:**

The Company reserves the right to discontinue making contributions to the Scheme at any time, after giving three months notice in writing to the Trustees, the Annuity Service Provider and to all the Members of the Scheme. The Company also reserves the right to vary the rate of Employer's contribution.

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## 12.0 TAX DEDUCTION AT SOURCE:

Taxation of the Employer's and Employee's contribution amount shall be as per the provisions of the Income Tax Act. In any case, where the Company/Trust or the Annuity Service Provider is liable to deduct income tax on any payment due under the Scheme, Company or the Trust or the Annuity Service Provider shall deduct the same and remit to the Income Tax Department.

## 13.0 MEMBER NOT TO WITHDRAW:

No Member shall be allowed to withdraw his/her membership of the Pension Scheme during his/her employment with the Company.

## 14.0 APPOINTMENT OF BENEFICIARY/NOMINEE:

Every Member shall nominate one or more beneficiaries/nominee(s) from amongst his/her spouse, child/children or dependants, under the Rules, to receive the pension benefits in the event of death of the Member.

14.1 If a Member has a Family at the time of making a nomination, the nomination shall be in favour of one or more persons belonging to his/her family. Any nomination made by such Member in favour of a person not belonging to his/her family shall be invalid.

14.2 Nomination is to be given in the prescribed form (annexed).

Further, a fresh nomination shall be made by the Member on his/her marriage and any nomination made before such marriage shall be deemed to be invalid.

15.0 Above mentioned provisions/regulations are only the salient features of the Pension Scheme and its implementation in the Company. For exact provisions, reference should be made to the Trust Deed & Rules. In case of any issue of interpretation/dispute, Trust Deed and Rules shall be final and shall prevail.

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11/01/21