

## HINDUSTAN AERONAUTICS LIMITED

### **HAL POST SUPERANNUATION GROUP HEALTH INSURANCE SCHEME FOR EXECUTIVES RETIRED ON OR AFTER 1.1.07**

#### **1. Background :**

- 1.1 As per the Post Retirement Medical Assistance Scheme-2004 notified vide Personnel Circular No. 664 dated 5.8.04 prevailing in the Company, retired employees and spouses are extended limited Medical Benefits, from HAL Hospitals/ Dispensaries.
- 1.2 As per the Guidelines issued by the DPE vide OM No. 2(70)/08-DPE(WC) dated 26.11.08 & No. 2(70)/08-DPE(WC)-GL-VII/09 dated 2.4.09 for the revision of Pay Scales of Executives & non-unionized supervisors of CPSEs w.e.f 1.1.07, amongst others, CPSEs are allowed to earmark 30% of Basic Pay plus DA towards Superannuation Benefits, which may include Contributory Provident Fund, Gratuity, Pension & Post Superannuation Medical Benefits. The Superannuation Benefits as per these Guidelines shall be under a "Defined Contribution Scheme" and shall be admissible to Executives who superannuate after having put in a minimum of 15 years of service in the CPSE. As per these Guidelines, CPSEs need to make their own Schemes/ operate through Insurance Companies on fixed contribution basis.
- 1.3 Considering the DPE Guidelines indicated at para-1.2 and the fact that retired Executives would be residing across the Country, it is decided to introduce a Post Superannuation Group Health Insurance Scheme in respect of Executives retired after 1.1.07 & their spouses, as detailed below, so that they can avail Medical facilities/benefits throughout the Country.

#### **2. Title :**

- 2.1 The Scheme will be called "HAL POST SUPERANNUATION GROUP HEALTH INSURANCE SCHEME FOR EXECUTIVES RETIRED AFTER 1.1.07".
- 2.2 The general term 'post 1.1.07 retired Executive' would be used under the Scheme to denote the beneficiary.

#### **3. Scope of the Scheme and Coverage :**

- 3.1 The Scheme would cover all Executives, including Board level Executives, who have retired/ opted for Optional Retirement on or after 1.1.07, after rendering a minimum service of 15 years in the Company and their spouses. Executives whose services are terminated on the grounds of continued ill health by the Company, on or after 1.1.07, with or without completion of minimum 15 years service and their spouses would also be covered under the Scheme.
- 3.2 Coverage under the Scheme would be available in the following cases also:

- 3.2.1 Widows/ Widowers of those Executives who died while in service on or after 1.1.07, without any minimum service requirement;
- 3.2.2 Widows/ Widowers of Executives as at para-3.1 who had died after leaving the Company.
- 3.2.3 Widows/ Widowers of those Executives who become members of the Scheme would continue to be eligible for benefits under the Scheme.
- 3.3 Executives who would superannuate/opt for Optional Retirement and who would fulfill the minimum Service requirement of 15 years, after the date of introduction of the Scheme, and their spouses would be eligible to join the Scheme. Executives whose services are terminated on the grounds of continued ill health by the Company, after the date of introduction of the Scheme, with or without completion of minimum 15 years service, and their spouses would also be covered under the Scheme. Similarly, Widows/ Widowers of Executives who die while in service after the introduction of the Scheme would also be eligible to join the Scheme, without any minimum service requirement.
- 3.4 In respect of Executives (including Board level incumbents) who joined the Company from other CPSEs, the Service rendered by them in continuity in CPSEs (including in HAL) would be reckoned for computing the minimum service requirement of 15 years to avail benefits under the Scheme. The service rendered in the Government prior to joining the Company will not be reckoned for the purpose of computing the total service required in the Company for availing benefits under the Scheme.
- 3.5 The Scheme would not be applicable in the following cases:
  - 3.5.1 Executives who had resigned/ absconded or who were dismissed/terminated from service on or after 1.1.07.
  - 3.5.2 Executives retired etc. on or after 1.1.07 who do not fulfill the minimum Service eligibility criteria indicated above.
  - 3.5.3 Executives who are covered under Medical Benefit Schemes provided by the employer of his/ her spouse/ children, etc.

#### **4. Company Contribution to the Corpus of the Scheme :**

- 4.1 Company Contribution towards the Scheme would be @ 3% of the Basic Pay+DA of Executives (out of the 30% Basic Pay+DA prescribed by DPE towards Superannuation Benefits) w.e.f 1.1.07 to 31.3.14. Contribution will be made from 1.4.14 also @ 3% of Basic Pay+DA, provisionally. Actual rate of contribution by the Company from 1.4.14 as well as in future will be decided by the Board of Directors, based on affordability.
- 4.2 The Post Superannuation Group Health Insurance Scheme is non-statutory and hence entirely dependent upon affordability, sustainability and capacity to pay. Contribution by the Company towards the Scheme is, therefore, not guaranteed and can be reduced or even refused.

## **5. Overall Insurance Coverage under the Policy :**

- 5.1 Insurance Policy with Coverage of Rs.4 Lakhs for in-patient treatment and OPD coverage of Rs. 20,000/-, per annum, jointly in respect of the retired Executive & Spouse, on floater basis, would be available, for the retired Executives and Spouses as indicated at paras-3.1 to 3.3 above, during the first year. Family for this purpose would mean only the retired Executive and his/ her spouse, both or the survivor. In case any retired Executive is unmarried, the family would mean only the retiree. In cases where there are 2 or more spouses, where such marriages are permissible under the Personal Law applicable to such individuals, the eldest surviving spouse will only be covered under the Scheme. The term 'eldest' would mean seniority with reference to the date of marriage.
- 5.2 The Insurance Coverage shall be provided only in India.
- 5.3 The coverage provided shall be without any entry and exit age limits.
- 5.4 Pre-existing illnesses will be covered under the Policy.
- 5.5 There will be no waiting period for availing treatment. Facilities under the Scheme will be available from the date of introduction of the Scheme.
- 5.6 Cash Less Facility would be available for the beneficiaries from Network Hospitals, for in-patient treatment. Where such a facility cannot be availed by the beneficiaries, reimbursement of expenditure within the scope of the Policy would be made available by the TPA.

### **5.7 Medical Coverage under the Policy :**

- 5.7.1 In case of hospitalization (in-patient treatment) for any illness or injury, the Policy would cover the following:
- a) Room charges, ICU charges, nursing expenses, anaesthesia, blood, oxygen, operation theater charges, surgical appliances, dialysis, chemotherapy, radiation-therapy, Angioplasty, CABG, cost of pacemaker, cost of artificial limbs and similar other expenses.
  - b) Dental procedures that are not cosmetic in nature.
  - c) Professional Charges of Doctors, Surgeons, Anesthetists, Medical Practitioners, Consultants, Specialists, etc.
  - d) Ambulance Charges (excluding Air Ambulance).
  - e) Medical and Diagnostic Tests and other related expenses.
  - f) Medicines & Drugs expenses.
  - g) Pre-Hospitalization expenses up to 30 days and Post Hospitalization expenses up to 60 days after discharge.
  - h) Cost of Domiciliary Hospitalization Medical treatment for a period exceeding 3 days.
  - i) Hospitalization expenses consequent upon an accident.

5.7.2 Additional details about the coverage would be indicated in the Handbook which will be issued by the TPA.

## 5.8 **Out Patient Treatment Coverage :**

5.8.1 OPD expenses subject to the ceiling of Rs.20,000/- per annum, jointly in respect of the retired Executive & Spouse, on a floater basis, could be availed by the beneficiaries. In cases where cash less facility cannot be availed, reimbursement of expenditure incurred within the scope of the Policy shall be made available, by the TPA.

5.8.2 Claims, separately for each member/spouse, are to be submitted once in 2 months or after incurring a total expenditure of Rs.3000/-, whichever is earlier. An OPD Claim is to be made within 6 months of incurring the expenditure.

## 5.9. **Exclusions :**

5.9.1 Exclusions under the Scheme will be as per the Guidelines of IRDA, as amended from time to time, as indicated in the Handbook which will be issued by the TPA.

## 6. **Registration & Administration of the Scheme :**

6.1 To avail facilities under the Scheme, Executives retired/retiring etc after 1.1.07 and his/her spouse need to get themselves enrolled by filling the Enrollment Form (enclosed as **Appendix-B**), supported by copies of the documents/identity proof specified therein and by payment of one-time Registration Fee of Rs.250/- per individual (Rs.500/- for the retired Executive & Spouse). In respect of those retired already, the Form is to be submitted to the Division/Office in which the ex-Executive served last, latest by **28.2.14**, along with DD (payable at the place where the Division/Office is located) towards the Registration Fee. The Division/Office would verify the identity of the applicants before enrolling them under the Scheme. The Division/Office would forward the data and scanned Enrollment Forms to the Corporate Office, in one lot, by 5.3.14 (**Enrollment Form need not be filled by retired Executives who have already submitted the same**).

## 6.2 **Payment of the Registration Fee :**

6.2.1 Eligible Executives who would retire, etc after the date of introduction of the Scheme need to pay the Registration Fee to the Division/Office from which they retire, by DD payable at the place of the Division/Office, before submission of the Enrollment Form. Proof of payment should be enclosed to the Enrollment Form.

6.2.2 Eligible beneficiaries who have already enrolled under the Scheme have to deposit the one-time Registration Fee of Rs.250/- per Member (Rs.500/- per family) along with the applicable Bank Charges, in HAL Account bearing No.**33601791518** at State Bank of India, Industrial Finance Branch, Bangalore (IFSC Code-SBIN0009077), in any of the Core Banking Branches of State Bank of India with the prescribed 'Pay-in-Slip'. The beneficiary should ensure that the MAID No. which will be indicated in the Insurance Card is entered in the 'Pay-in-Slip' and also that the Bank enters his/her Name & the MAID No. correctly in their Computer System.

A copy of the counterfoil of the 'Pay-in-Slip' should be forwarded to the concerned Division/Office for reconciliation and the original should be retained by the beneficiary for future reference. The payment is to be made latest by 30.4.14, failing which benefits under the Scheme will be dis-allowed.

6.3 In respect of Executives who retire, etc after the date of introduction of the Scheme, Divisions/Offices would obtain the Enrolment Forms filled up well in advance i.e., before 2 months of the date of superannuation and forward the data and scanned Enrollment Forms immediately to the Corporate Office, in one lot, on a monthly basis.

#### 6.4 **Insurance Company & TPA :**

6.4.1 M/s. United India Insurance Company Limited has been selected for implementation of the Scheme for the 1<sup>st</sup> year.

6.4.2 The Scheme will be administered by the Insurance Company through their Third Party Administrator (TPA) viz., M/s. Medi Assist India TPA Pvt. Ltd. Insurance Cards would be issued by the TPA to all members. TPA will be the intermediary between the retired employees, the Insurance Company & Hospitals.

#### 6.5 **Network Hospitals :**

6.5.1 The Insurance Company will have Network Hospitals where treatment can be availed. The list of Network Hospitals will be indicated in the Handbook issued by the TPA. The list is updated from time to time and is also available on the website of the TPA at [www.mediassistindia.com](http://www.mediassistindia.com). The list will also be uploaded in the HAL website ([www.hal-india.com](http://www.hal-india.com)).

6.5.2 Cashless facility will be available at Network Hospitals.

a) Beneficiary needs to fill the "Pre Authorization Form" available in the Network Hospitals/Handbook to get Authorization from the TPA to avail the treatment with Cashless facility. This Authorization along with a copy of the ID Card issued under the Scheme and a copy of any Photo ID Proof (like Passport, Voter ID Card, PAN Card, Aadhar Card, Driving Licence, etc) of the patient is to be given to the Network Hospital at the time of admission. TPA will authorize "Cashless Service" at the Network Hospitals in cases eligible under the Insurance Policy.

b) In cases of denial of "Cashless Service" for any reason in a Network Hospital, the treatment can be continued by paying for the Services and the Claim need be sent to the TPA for processing reimbursement.

c) Beneficiary has to pay the non-eligible/dis-allowed amounts such as Registration Fees, Luxury Tax, Documentation charges and other Non-Medical expenses not covered under the Policy directly to the Hospital, before discharge.

#### 6.6 **Availing Treatment other than in Network Hospitals :**

6.6.1 If the treatment is availed in a Hospital other than in a Network Hospital, payment needs to be made by the beneficiary and Claim can be sent to the TPA for reimbursement.

## **7. Funding of the Scheme :**

7.1 The Scheme will be funded out of the Contribution made by the Management as at para-4 above.

## **8. Benefits under the Scheme :**

8.1 Benefits under the Scheme can be availed with effect from **1.2.14**.

8.2 Benefits under the Scheme may vary from year to year, as contribution to the Fund is dependent on affordability & sustainability by the Company.

8.3 The overall Insurance Coverages under the Policy will be approved by the Board of Directors every year, depending upon the availability of Funds, the number of beneficiaries, etc.

## **9. Reimbursement - Claim Settlement :**

9.1 Detailed procedure to be followed with regard to Claim Settlement/ Reimbursement will be indicated in the Handbook which would be issued by the TPA to the beneficiaries.

## **10. Management of Funds and Trust :**

10.1 The Company has selected M/s LIC of India, to manage the Post Superannuation Group Health Insurance Fund. The Fund Manager can be changed in future, if the need is felt for the same.

10.2 The Funds earmarked towards this Scheme will be managed by a Trust constituted by the Company, as detailed below :

10.2.1 The Fund shall be constituted under an irrevocable Trust under the provisions of the Income Tax Act, 1961. The Fund shall be named as "HAL POST SUPERANNUATION GROUP HEALTH INSURANCE FUND FOR EXECUTIVES-POST 1.1.07".

10.2.2 The Trust will be responsible for the administration of the Scheme; receive contribution from the Company and make payment to the Insurance Company towards Premium for Insurance Coverage; investment of the additional Funds, if any with the Fund Manager; as per the provisions of the Scheme in conjunction with the Rules as notified by the Company from time to time, etc.

10.2.3 The Fund Manager will invest the Funds, as per the regulations laid down by the Govt. / IRDA, to obtain maximum returns.

10.2.4 All money received by the Trust shall vest in the Trustees and Trustees shall have power to utilize such money received by way of contribution, interest, and redemption of investments or otherwise to the Fund, as per the provisions of the Income Tax Act/Rules.

10.2.5 Nomination of Trustees & Execution of Trust Deed :

10.2.5.1 Trustees will be nominated by the Management. There will be a representative of Officers' Associations in the Trust. The Trust Deed will be finalized by the Management. The Trustees will take all necessary steps to establish, run & manage the Trust and the Scheme, including the following:

- i) Execute the Trust Deed approved by the Management;
- ii) Take all acts necessary for formation of the Trust and its registration;
- iii) To open Bank Accounts in the name of the Trust;
- iv) To appoint the Fund Manager(s) and enter into necessary contract with them;
- v) To make necessary application to the Income Tax Officer having jurisdiction over the Fund for approval of the Scheme under the Income-Tax Act, 1961.

10.2.6 Term of Office of the Trustees :

10.2.6.1 The Trustees shall be nominated/appointed by the Company for the period specified by the Company. An outgoing Trustee shall be eligible for re-nomination/appointment.

10.2.7 Trustees' Power to operate Bank Account :

10.2.7.1 Any two Trustees, one of them being the Secretary to the Trust, acting jointly, shall on behalf of the Trustees, operate the Bank Accounts of the Fund and discharge, receive or otherwise dispose off, as may be necessary, any money of the Fund.

10.2.8 Meetings of the Trust :

10.2.8.1 Trustees shall meet at least once in every quarter and at least four times in a year.

10.2.9 Minutes of Meetings :

10.2.9.1 Proper Minutes of the Meetings held shall be kept duly signed by the Chairman/Secretary.

10.2.10 Amendment of Rules :

10.2.10.1 No amendment to the Rules of the "HAL Post Superannuation Group Health Insurance Fund for Executives- Post 1.1.07" shall be made without the prior approval of the Commissioner of Income Tax.

10.2.11 Trust Deed to prevail :

10.2.11.1 Should anything contained in the Scheme or any alteration or amendment thereof be inconsistent with the objects or provisions of the Trust Deed, the provisions of the Trust Deed shall prevail. On any such discrepancy coming to the notice of the Trustees, the Trustees shall with the prior approval of the Commissioner of Income Tax take steps to

amend the Scheme as soon as may reasonably be possible, so as to bring them in conformity with the provisions of the Trust Deed.

10.2.12 Jurisdiction :

10.2.12.1 The Scheme will be subject to the Laws of India including the Indian Insurance Act, 1938, as amended, the Income Tax Act, 1961 and to any legislation subsequently introduced. All benefits under the Scheme shall be payable only in India. Should anything contained in these Rules, or in any amendment made thereof be repugnant to any provision or provisions of the Income Tax Act, 1961 or the Income Tax Rules, 1962, or any amendments thereto, the same shall be ineffective to the extent of repugnancy. The Trustees shall remove any such repugnance, if so directed by the Commissioner of Income Tax.

10.2.12.2 Any dispute shall be subject to exclusive jurisdiction of Courts at Bangalore, India.

10.2.13 Interpretation :

10.2.13.1 It shall be a condition of the Membership of the Scheme that on any question arising on any point of interpretation of the provisions of the Scheme or any point relating to cessation of Membership, the decision of the Trust shall be final and binding. If the decision has any bearing on the provisions of the Income Tax Act, 1961 or any amendments thereto, it has to be forthwith reported to the Commissioner of Income Tax and if the Commissioner of Income Tax so requires, the Trustees shall review the decision.

**11. General :**

11.1 In the event of the unfortunate death of either of the beneficiaries, the surviving beneficiary should intimate the concerned Division/Office about the same for necessary updation of records. The beneficiary should also advise his/her other family members to intimate HAL, in cases of the unfortunate death of both the beneficiaries.

11.2 With the introduction of this Scheme, facilities available under the existing Post Retirement Medical Assistance Scheme will be discontinued in respect of Executives retired, etc after 1.1.07.

**-oOo-**