

HINDUSTAN AERONAUTICS LIMITED
CORPORATE OFFICE: BANGALORE

PERSONNEL CIRCULAR NO. 707

June 2, 2015

Sub: 'HAL DEFINED CONTRIBUTION PENSION SCHEME FOR WORKMEN-2012' in respect of Workmen retired/ retiring, etc. after 1.1.12.

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Introduction of a Defined Contribution Pension Scheme in respect of Workmen retired/ retiring etc. on or after 1.1.12 has been agreed to as part of the 2012 Wage Revision in respect of Workmen. Funding of the Scheme will be through the Corpus created by Contribution from the Management @ 5% of the Basic Pay (including Personal Pay, if any) + DA (DA on Basic Pay + Personal Pay only) of Workmen from 1.1.12. Other Terms & Conditions applicable in respect of the existing HAL Defined Contribution Pension Scheme – 2007 for Executives retired on or after 1.1.07, notified vide Personnel Circular No. 703 dated 16.7.14, including provisions relating to Contribution by the Company, will be applicable for this Scheme also.

2. The Management is now pleased to notify the introduction of the Defined Contribution Pension Scheme in respect of Workmen retired/ retiring etc. on or after 1.1.12. Salient features of the Scheme are indicated in Annexure-I.

3. The Pension Scheme/ Fund will be managed by a common Trust constituted for the purpose of managing HAL Executives Defined Contribution Pension Scheme – 2007 and HAL Defined Contribution Pension Scheme for Workmen– 2012. The Trust will be functioning centrally from Corporate Office covering all Divisions/ Offices of the Company.

3. The Company has engaged the Life Insurance Corporation of India Ltd. as the Fund Manager for the management of the Pension Fund. The Fund Manager can be changed in future, based on need. LIC of India Ltd. would be the Annuity Service Provider also.

4. To avail benefits under the Scheme, eligible Workmen already exited on or after 1.1.12 as also dependents of the Workmen deceased on or after 1.1.12 need to get themselves enrolled under the Scheme. The specimen copy of the letter to be issued by the Divisions/ Offices to the ex-Workmen/ Dependents of deceased Workmen for this purpose is enclosed as Annexure-II (letters to be issued only to eligible ex-Workmen as at para 3.1.1 to 3.2.2 of the Scheme at Annexure I). Required particulars need to be entered in the letter by the Division/ Office, before issue. The ex-Workmen/ Dependents need to submit the Enrollment Form at Appendix A to Annexure-II, alongwith the copies of the documents/identity proof mentioned therein as well as Appendices A1 to A3 to Annexure-II. They also need to submit the Nomination Form at Annexure III, as also the LIC Intimation & Mandate Forms at Annexures IVA & IVB. The Division/ Office would verify the identity of the ex-Workmen/ Dependents before enrolling them under the Scheme. Optional contribution by the ex-Workmen/ Dependents for the past period is required to be paid by them in one lumpsum latest by 31.7.15. Hard Copies of Nomination Forms received from the Workmen/ Ex-Workmen / Dependents of the deceased Workmen need to be retained by the concerned Division/ Office. Copies of the Nomination Forms in respect of serving Workmen should be kept in the concerned Personal File also.

5. Workmen who are on rolls now are required to submit the Member Contribution Mandate Form for payment of the optional contribution in the Format enclosed as Annexure V, latest by 30.6.15. Optional contribution for the past period can be remitted by them in a maximum of 3 installments, by 30.9.15. Workmen who do not submit the Mandate Form by 30.6.15 would be deemed to have opted for 'NIL' optional payment under the Scheme.

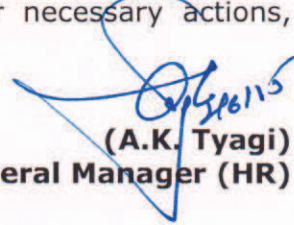
6. All the Workmen who are on rolls also need to submit the Nomination Form as at Annexure III. Eligible Workmen who superannuate etc. from June 2015 onwards need to submit the LIC Intimation & Mandate Forms at Annexures IVA & IVB also.

7. Further to letter No. HAL/P&A/14(6)/2015 dated 9.2.15, Divisions/ Offices are requested to verify/ compute the Company Contribution (including Optional Contribution, if any) to the Pension Fund @ 5% of the Basic Pay (including Personal Pay, if any) + DA (DA on Basic Pay + Personal Pay, if any) in respect of eligible Workmen for the period from 1.1.12 to 31.3.15 who are on rolls as also those who have already superannuated etc. between 1.1.12 to 31.3.15 and intimate to Corporate Office by 15.7.15, in the Format enclosed as Annexure-VI. The Pension Cell, Corporate Office will collect the Company Contribution (including Optional Contribution) details for the period from April, 2015 onwards from the Divisions/ Offices.

8. Further, keeping in view the aspects at paras-4 & 5 and to initiate processing of disbursement of Pension in respect of retired Workmen/ Dependents of the deceased Workmen, Divisions/Offices are requested to forward the following documents to Corporate Office latest by 17.8.15:

- a) Scanned Copies of the Nomination Forms received from all the Workmen/ Ex-Workmen / Dependents of the deceased Workmen in a CD.;
- b) The LIC Intimation & Mandate Forms received from ex- Workmen / Dependents as per Formats at Annexures IVA & IVB, along with the scanned Copies in a CD, arranged alphabetically; with a list of names also indicating the ex PB No, placed at the top;
- c) Details of the Optional Contribution made by the ex- Workmen / Dependents of the deceased Workmen. The consolidated Optional Contribution amount needs to be transferred by Control Account Adjustment to Corporate Finance, containing the details of the ex- Workmen / Dependents as per the Format at Annexure-VII.

9. Divisions / Offices are requested to bring the contents of this Circular to the notice of all Workmen & eligible ex-Workmen and take further necessary actions, please.


(A.K. Tyagi)
General Manager (HR)

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HAL DEFINED CONTRIBUTION PENSION SCHEME FOR WORKMEN– 2012**1. Title of the Scheme:**

The Scheme will be called as '**HAL DEFINED CONTRIBUTION PENSION SCHEME FOR WORKMEN– 2012**'

2. Coverage:

- 2.1 The Scheme will cover Workmen borne on the regular rolls of the Company, as on 1.1.12 and onwards. Personnel engaged as Trainees against Manpower Sanctions (like Technician Trainees, Admin Trainee, Diploma Trainee, etc.) or on contract basis / against Manpower Sanctions before absorption, will also be covered under the Scheme.
- 2.2 All Workmen joining the Company on its regular rolls after the introduction of the Scheme shall join the Scheme from the date of joining the Company.
- 2.3 The Company's decision regarding the eligibility of a Workman to join the Scheme as at paras- 2.1 & 2.2 above shall be final and binding on all the parties concerned for the purpose of the Scheme.

3. Eligibility for Pension:

- 3.1 The following categories of Workmen will be eligible for Pension:
 - 3.1.1 Workmen who have superannuated/ who will superannuate/ who have taken/ will take Optional Retirement from the services of the Company, on or after 1.1.12, after completing a minimum of 15 years of service in continuity in the Company. Fractions of service of less than 1 year will be ignored for this purpose. Service rendered as a Trainee or on Contract basis against Manpower Sanctions before absorption, will be counted for the purpose of 15 years of service.
 - 3.1.2 Workmen expired / ceased to be in Service on account of Permanent Total Disablement, on or after 1.1.12, as also in future, while in Service, with or without 15 years of service in continuity in the Company.
 - 3.1.3 Workmen whose services are terminated on the grounds of continued ill health by the Company, on or after 1.1.12, as also in future, with or without completion of minimum 15 years' service in continuity in the Company.
 - 3.1.4 In respect of Workmen 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.
 - 3.1.5 In respect of Workmen who left/ will leave the services of the Company on or after 1.1.12 on account of resignation and joining another CPSE having broadly similar Schemes, the entire amount of Company's and Workman's contribution along with the interest accrued thereon can be transferred to such CPSE. Workmen who resign from the Company to join another CPSE not having similar Schemes, or any Organization not being a CPSE (irrespective of whether such

Scheme exists in that Organization or not) shall not be allowed the benefit of transferring their accumulated Fund under the Scheme. However, the Workman's contribution along with accrued interest shall be refundable to him.

- 3.1.6 Workmen who have been compulsorily retired, voluntarily retired, removed or dismissed from service would be eligible for Pension based only on the Member's contribution, if any, and interest thereon.

4. Enrollment under the Scheme by Workmen who have already retired etc. on or after 1.1.12:

- 4.1 Workmen already retired etc. after 1.1.12 need to get themselves enrolled in the prescribed Application Form, supported by copies of the specified documents/identity proof specified therein, to avail benefits under the Scheme. The Application is to be submitted to the Division/ Office in which the ex-Workman served last. The Division/ Office would verify the identity of the applicants before enrolling them under the Scheme.

5. Company Contribution:

- 5.1 The Pension 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. No Budgetary Support will be provided by the Government of India to operate the Scheme.
- 5.2 Company Contribution towards the Scheme would be @ 5% of the Basic Pay (including Personal Pay, if any) + DA (DA on Basic Pay + Personal Pay only) of Workmen, w.e.f 1.1.12 to 31.3.15. Contribution will be made from 1.4.15 also @ 5% of Basic Pay (including Personal Pay, if any) + DA (DA on Basic Pay + Personal Pay only), provisionally. Actual rate of contribution by the Company from 1.4.15 as well as in future will be decided and notified from time to time, based on affordability.

6. Member Contribution:

- 6.1 The quantum of contribution to be made by Workmen to the Pension Scheme would be optional, the rate of which can be varied once a year. Workmen can make contribution w.e.f 1.1.12. They can make contribution at rates higher than 5% of the Basic Pay (including Personal Pay, if any) + DA (DA on Basic Pay + Personal Pay only) also. Workmen on rolls as on the date of issue of this Circular can make the contribution for the past period, in not more than 3 installments, by 30.9.15.
- 6.2 Workmen who have already superannuated etc. after 1.1.12 and who desire to make contribution to the Pension Fund, can make lumpsum contribution to the Fund, from their own sources, in one installment, by 31.7.15. The payment will be made by DD/ NEFT Transfer to the concerned Division/ Office. The DD/ Transaction Details should be attached to the Enrolment Application Form. Their Pension will be based on the corpus consisting of the Management Contribution from 1.1.12 plus their Individual Contribution.
- 6.3 Optional Contribution from serving members from July 2015 onwards will be recovered from the Workman's Salary on monthly basis and remitted to the Pension Trust for investment with the Fund Manager.
- 6.4 All contributions to the Pension Trust will be non-refundable during the course of employment.

7. Member Not to Withdraw:

The membership in the Scheme shall be co-terminus with the employment of the Member with the Employer. No Member shall be allowed to withdraw his Membership from the Pension Scheme during his/ her employment with the Company.

8. Transfer of Member's Accumulation:

- 8.1 In the event of a Member leaving the service on resignation and joins another CPSE, which has a similar Scheme in operation, transfer of Funds (both Company & Member contribution) shall be allowed. In such cases, the Member shall request the Trust for transfer of the Funds in writing, along with proof of continuation of his service in the other CPSE. Workmen who resign from the Company to join another CPSE not having similar Schemes, or any Organization not being a CPSE (irrespective of whether such Scheme exists in that Organization), shall not be allowed the benefit of transferring the Company's contribution. In such cases, Workman's contribution along with accrued interest shall be refundable to him.
- 8.2 If, on becoming a Member of the Scheme, a Member shall desire to pay or procure transfer to the Trustees of any sum to which as a Member of any other Approved Fund he was entitled, transfer of such Funds shall be allowed, provided it is agreeable to the concerned Organization. On retiring from Service at normal retirement date or on early retirement or on death of such Member, his Beneficiary, as the case may be, shall be entitled to such additional Pensions as the appointed Insurer(s) / Empanelled Annuity Provider(s) shall certify to be attributable to the value as at the date of retirement or death of the total amount so paid or transferred.

9. Pension Benefits:

9.1 Benefits on Normal Retirement Date:

- 9.1.1 Upon the retirement of a Member on the Normal Retirement Date, a Pension shall be payable to the Member as per the Annuity Option exercised under the Annuity Contract available with the appointed Insurer(s)/Empanelled Annuity Provider(s).
- 9.1.2 Written Notice exercising the Option must be furnished to the appointed Insurer(s)/Empanelled Annuity Provider(s) one month prior to the Normal Retirement date. However, election of Option within one month prior to the Normal Retirement Date may be permitted at the discretion of the appointed Insurer(s) / Empanelled Annuity Provider(s), subject to the Member satisfying the Terms & Conditions prescribed by the appointed Insurer(s) / Empanelled Annuity Provider(s) in this regard.

9.2 Benefits on Optional Retirement / Pre-mature Retirement before Normal Retirement Date:

- 9.2.1 Upon the retirement of a Member who is eligible for Pension under these Rules any time during service owing to ill-health or incapacitation or takes Optional Retirement preceding his Normal Retirement Date, the Pension as may be opted by him will become payable immediately.
- 9.2.2 Alternatively, the Member in above mentioned cases may elect to defer receipt of Pension until the Normal Retirement Date. If a Member who has opted for a

deferred Pension dies before receiving the Pension, his Nominee shall receive an immediate Pension through the purchase of an Annuity Contract as per options available with the designated Insurer(s)/Empanelled Annuity Provider(s), selected by the Beneficiary.

9.3 Benefits on death:

- 9.3.1 In the event of death of a Member whilst in the service of the Company, Pension will become payable to the Nominee appointed by the Member by way of the Beneficiary's election to receive it through the purchase of an Annuity Contract for the accumulation in the Member's account with the appointed Insurer(s) Empanelled Annuity Provider(s). In this case, minimum service of 15 years shall not be applicable.
- 9.3.2 If the Member has not appointed a Nominee or if such Nominee has predeceased the Member and no fresh appointment of Nomination has been made, the Pension will become payable to the Member's spouse, failing which to his child/children in equal amounts, failing which to his/her parents/ dependents/ legal heirs in equal amounts. If the deceased Member does not leave a wife, child/children or parents/ dependents/legal heirs, then the benefits shall be realized by the Trust and credited to the 'Surplus Account', provided that subsequent to crediting of such amount to the 'Surplus Account' if any Court Order is served upon the Trust for the payment of the same in favour of one or more individuals, the Trust shall appropriate the said sum from the Surplus Account towards such purpose of complying with such Orders of the Court.
- 9.3.3 The Trust shall inform the appointed Insurer(s)/ Empanelled Annuity Provider(s), in writing, the Pension Option elected by the Nominee within thirty days after the date of death of the Member. The Pension will be payable monthly or otherwise as desired by the Nominee, the first installment being due one month after the death of the Member.

9.4 Benefit on Permanent Total Disablement / Termination of Services on grounds of Continued Ill-health:

- 9.4.1 In the event of cessation of Service of the Member due to Permanent Total Disability or Termination of Service on account of Continued Ill-health, Pension payment in such cases is not contingent on minimum 15 years Service.

9.5 Benefits on Compulsory Retirement or on Termination of Service

- 9.5.1 In case of cessation of Service on account of Compulsory Retirement, Voluntary Retirement, Removal/ Termination/ Dismissal from Service under applicable Standing Orders, Company contribution to the Pension Fund (including accrued interest thereon) will not be given to the Members. This amount will vest with the Pension Trust and the same will be adjusted against future contributions payable by the Company in the normal course. The Workman will be eligible for Pension based only on the Member's contribution (including interest accrued).
- 9.5.2 For the benefits to be realized, the Member shall intimate to the appointed Insurer(s) through the Trust the Option for drawal of Pension through any one of the appointed Insurer(s) / Empanelled Annuity Provider(s) elected by him within 30 days from the date of leaving Service.

9.6 Benefits on Sudden Disappearance and unknown whereabouts of the member:

- 9.6.1 In the event of any Member suddenly disappearing while in service and his whereabouts are unknown for a consecutive period of 7 (seven) years, the Pension benefits, subject to eligibility conditions, shall be payable to his Beneficiary(s) as per the directions of the Employer.

10. Fund Management and Pension Trust:

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

11. Scheme of Superannuation:

- 11.1 For the purpose of providing Pension to the Beneficiaries, Insurer(s) will issue a Master Policy to the Trust.
- 11.2 In terms of the Master Policy, the Fund Manager(s)/ Insurer(s) will maintain a Running Account in favour of the Trust to which contributions paid by the Trust in respect of all the Members will be credited. Fund Manager(s)/ Insurer(s) will maintain Member-wise Accumulation Statement and provide the Accumulation Schedule as at 31st March every year.
- 11.3 The Fund Manager(s)/ Insurer(s) will allow interest on the balances standing to the credit of the Running Account on a daily basis at the rate notified by the Fund Manager(s)/ Insurer(s) from time to time. The interest will be credited on a quarterly basis. When a Pension becomes payable to the Member on his retirement or cessation of service or to his Nominee in the event of his death, the Fund Manager(s)/ Insurer(s) shall, on the advice of the Trust, appropriate the accumulation of the Member concerned to the appointed Insurer(s)/ Empanelled Annuity Provider(s), based on the choice of the Beneficiary, to provide for purchase of Annuity enabling payment of the Pension. The payment of Pension will be according to the option elected by the Member or his Nominee, as the case may be.
- 11.4 If the appointed Insurer(s)/ Empanelled Annuity Service Provider(s) with the sole intention of granting relief to the Beneficiaries who are already drawing Pension, decide to grant increase in the quantum of Pension, such Beneficiaries shall be eligible for the said increase in the Pension from such date and in such form as may be allowed by the appointed Insurer(s)/ Empanelled Annuity Service Provider(s).
- 11.5 Once Annuity is purchased and the rate is fixed, no change of Annuity Option / Annuity Provider (Insurer) is possible. 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. Trust/Company will not have any liability to resolve or remedy such complaints / query. In case the query/ complaint of the Beneficiary is not redressed by the Insurer(s)/ Annuity Provider(s), the Beneficiary will be free to take up the matter with the Grievance Officials of the Insurer/ Annuity Provider / Insurance Ombudsman or any other channel as per his/ her choice (viz. Consumer Court, Courts, IRDA, etc.). The Company / Pension Trust will not entertain any such complaints.
- 11.6 The Company (HAL) is not a Guarantor for any Annuities purchased under this Scheme. In the event the Annuity Provider opted by the Member withholds any benefits in respect of any of the contracts under such Annuities that they have issued owing to circumstances beyond their control or otherwise, the Company shall be under no liability whatsoever to any Beneficiary entitled to the benefits secured by such Annuity or Annuities.

12. Pension/ Annuity Options:

12.1 On superannuation, death etc., the corpus in the individuals' account will be utilised to purchase Annuity from LIC or any other designated Annuity Service Providers, as per the Schemes in vogue. The member/ nominee can choose to buy Annuity from different options which would be available, like the following:

- a) Pension for Life with return of Corpus. The pensioner will get the pension money till his life. After his life, the corpus would be paid to the nominee in lumpsum.
- b) Pension for Life (without return of Corpus). The pension money would be paid to the pensioner till his life. After his life, no money would be paid to his nominee.
- c) Pension guaranteed for 5/10/15/20 years and life thereafter: There is assured Pension for the agreed 5/10/15/20 years chosen by the Pensioner. In case of premature death of Pensioner, Pension payable to nominee till the entire term of 5/10/15/20 years, in the same manner as the Pensioner was getting. If the Pensioner survives beyond the agreed period of 5/10/15/20 years, he will get Pension for life, and no amount payable to the nominee.
- d) Joint Pension with 50% of Pension to Spouse. In this case, pension is paid to the member till his life. On death of the member, 50% of the pension will be extended to the spouse till his/her life. On death of the spouse, nothing is payable to nominee.
- e) Joint Pension with 100% Pension to Spouse. In this case, pension is paid to the member till his life. On death of the member, same pension will be extended to the spouse till his/her life. On death of the spouse, nothing is payable to nominee.
- f) Joint Pension with 100% Pension to Spouse and Return of Corpus. In this case, pension is paid to the member till his life. On death of the member, 100% of the pension will be extended to the spouse till his/her life. Corpus amount is payable to the nominee
- g) Pension with fixed yearly increase at a simple rate of 3%. The pension is paid to the member till his life and every year the rate of pension increases at 3% simple interest of the basic pension.

12.2 In case of ex-Workmen, if he is no more, the Spouse will have to choose between the options at para- 12.1 (a), (b), (c) or (g) only.

12.3 The Annuity rates will vary, based on the option selected. The Annuity rates are published by the Insurance Companies from time to time.

13. Commutation of Pension:

Commutation of Pension will not be allowed.

14. Appointment of Nominee(s):

14.1 Every Member shall appoint at his discretion, his spouse, child/children or parent OR in the absence spouse, child/ children or parent any other person as

Nominee(s) under the Rules to receive the benefits hereunder in the event of his death. If a Member dies whilst in Service, the Trustees shall hold the benefits of the Scheme upon Trust for payment to the Nominee(s) as shall have been appointed by the Member.

- 14.2 Every appointment of Nominee made under this Rule shall be in writing signed by the Member and attested by two witnesses and shall be according to the Form of Appointment of Nominee in the prescribed Form and shall remain in force and effect until the death of the Nominee or until the same shall be revoked in writing by the Member and a fresh appointment made.
- 14.3 A Member may from time to time or at any time without the consent of the Nominee change the Nomination by submitting a written notice of the change to the Company in the prescribed Form to the satisfaction of the Company whereupon an acknowledgement of the change and the registration of the name of the new Nominee will be given to the Member by the Company. The new Nomination shall take effect from the date of receipt of the change by the Company without prejudice to the Insurer(s) / Fund Manager(s) or the Trust on account of any payment made before effecting such change.
- 14.4 If a Nominee shall at the time of his Nomination by the Member be a minor or otherwise under disability to give a legal receipt or discharge to the Trust, the Member must at the time of such Nomination as aforesaid, appoint a person who is a major and who is capable of giving a legal receipt or discharge to the Trust and to whom the benefits are to be paid for and on behalf of such Nominee.
- 14.5 If more than one Nominee is nominated and in such nomination the Member has failed to specify their respective interest, the Nominee(s) so named shall share the benefits equally. If the Nominee(s) predeceases the Member, the interest of such Nominee shall terminate and his share shall be payable equally to such of the remaining Nominee(s) unless the Member has made written request otherwise to the Trust in the prescribed Form.
- 14.6 In the absence of any appointment of any Nominee as aforesaid, the Nomination submitted by the Member to the Company in respect of his Provident Fund shall deem to be a valid Nomination for the purpose of Pension under this Scheme or applicable Rules of succession will apply.
- 14.7 If a Nominee is not appointed under this Rule or Nomination as per 15.6 above, then the benefits shall be paid to the Member's spouse, failing which to his child/children in equal shares, failing which to his dependents/legal heirs in equal shares. If the member does not have a spouse, child/children or dependents/legal heirs, then the benefits shall be realized by the Trust.

15. Income Tax and Other Taxes:

- 15.1 In any case where the Insurer, Fund Manager or the Trust are liable to account to the Income Tax Authorities for Income Tax on any payment made under the Rules, the Insurer/Fund Manager of the Trust, as the case may be, shall deduct a sum equal to such Tax from any such payment made and shall not be liable to the Members for the sum so deducted. Applicable Service Tax on the Annuity Purchase Price shall be borne by the Member/Beneficiary.
- 15.2 In the event that any part of the assets of the Trust (including the Interest thereon, if any) is repaid to or received by the Employer/ Company, the amount so repaid or received shall be deemed for the purpose of Income Tax to be the income of the Employer/ Company in the previous year in which it is so repaid or received.

16. General:

- 16.1 The Pension shall be paid to the Member as per the frequency chosen (monthly, quarterly, half-yearly or yearly) and as per the Pension Option selected by him from the various options as offered by the Insurer(s)/Empanelled Annuity Service Provider(s).
- 16.2 Every Member shall be provided with a Statement of Account (which would contain the details of the Employer's Contribution and the Employee Contribution separately) once a year. Online access may also be provided to Members by the Insurance Companies for viewing their account.
- 16.3 The rate of Annuity under various options of Annuity Scheme will be intimated to the Trust by the Annuity Providers from time to time and the same will be published for the information of retiring Workmen.
- 16.4 The Trust shall intimate to the respective Insurer(s)/ Empanelled Annuity Service Provider(s) in writing the Pension Option and the frequency selected by the Beneficiary. The Option once chosen cannot be changed and it shall be final and binding on the Beneficiary. Annuity Provider (s) will issue a Certificate/ Contract of Annuity to the Member(s) on receipt of Annuity Purchase Price along with the Application Form signed by the Members. The Members should furnish a Certificate of Existence (Survival Certificate) once a year to the Annuity Provider (s).
- 16.5 Annuity shall be purchased for all Members otherwise eligible for Pension, if the total Corpus in the Members Account from 1st January 2012 till cessation of Service is Rupees Ten Thousand or more.
 - 16.5.1 At the time of cessation of Service, if the accumulated Corpus in the Members Account is less than Rs.10,000/-, the Corpus so accumulated shall be returned to the Member after deduction of applicable Income Tax.
 - 16.5.2 In case any Member (other than at 16.5.1 above) at the time of cessation of Service is willing to contribute over and above the accumulated Corpus standing to his credit in the Pension Fund, the same shall be allowed subject to consent of Empanelled Annuity Provider(s).
- 16.6 In the event of Wage Revision to the Member with retrospective effect, additional Pension shall become payable to the Members who have retired in the intervening period. The Contribution due to the Member on account of the Wage Revision shall be paid by the Employer to the Trust which in turn shall utilize the same to buy additional Annuity from the Insurer(s)/ Empanelled Annuity Provider(s) for such Members. The additional Pension shall, however, be payable from the date of purchase of Annuity from the Insurer(s)/Empanelled Annuity Provider(s) and not from the date of purchase of original Annuity or date of retirement of the Member.
- 16.7 Under no circumstances, the Pension Corpus lying in the Trust Account is liable for attachment or cannot be assigned, charged or alienated in any manner. The Pension Corpus will be utilized only for the purpose of purchase of Annuity for payment of Pension by the Insurance Company/ Annuity Provider. This is, however, subject to the Workman's eligibility conditions as per the Pension Scheme.

- 16.8 The Company will have powers to approve any modifications/ amendments in the Pension Scheme in future, within the Guidelines issued by the Department of Public Enterprises (DPE) from time to time and directives issued by the Ministry of Defence (MoD), Government of India or as per terms of Settlement arrived with the recognized Unions of the Company.

17. Restraint on Anticipation or Encumbrance:

- 17.1 The benefits and equitable Interests of a Member assured under the Scheme are strictly personal and cannot be attached, assigned, charged, encumbered or alienated in any way. This is, however, subject to the Workman's eligibility conditions specified in the Scheme.
- 17.2 If a Workman assigns or creates a charge upon his beneficial interest in the Scheme and the same is brought to the notice of the Trust, the Assessing Officer of Income Tax Department shall be informed by the Trust for taking appropriate action.

18. Governing Laws:

- 18.1 The Policy Contract shall be subject to the Laws of India, the Indian Insurance Act 1938, Income Tax Act, 1961, Insurance Regulatory & Development Authority (IRDA) Regulations 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 the Indian Trust Act, it shall be ineffective with immediate effect to the extent of such repugnance. Any such repugnance insofar as it relates to Income Tax Act, 1961 and Income Tax Rules, 1962 shall be removed by the Trust if so directed by the Commissioner of Income Tax having jurisdiction over the Trust.

19. Member not to have Claim, Right or Interest:

- 19.1 A Member or his Beneficiary shall have no interest in the Policy Contract entered into between Insurer(s)/ Fund Manager(s) and Trust or any investment otherwise made by the Trust in accordance with the Rules of the Scheme but shall be entitled to receive a Pension in accordance with the Rules, provided always that the Trust shall administer the Scheme for the benefit of the Members and their Beneficiaries in accordance with the provisions of these Rules.

20. Interpretation of Rules:

- 20.1 It shall be a condition of Membership of the Scheme that on any question arising on any point of interpretation of these Rules or any point relating to admission of new Members and cessation of Membership, the decision of the Company/Trust shall be final. If the decision has any bearing on the provisions of Part B of the Fourth Schedule of the Income Tax Act, 1961 or the Rules made there under, it shall be forthwith reported to the Commissioner of Income Tax and if the Commissioner of Income Tax so requires, the Trust shall review the decision.

-o0o-

No.**Date:**

Mr./Mrs.-----

Address -----

Dear Sir/Madam,

Sub: Introduction of 'HAL Defined Contribution Pension Scheme for Workmen-2012' in respect of Workmen retired/retiring after 1.1.12.
-oOo-

The HAL Management is pleased to inform you about the introduction of the 'HAL Defined Contribution Pension Scheme for Workmen-2012' in respect of Workmen retired/retiring after 1.1.2012. Upon retirement (which includes Superannuation/ Optional Retirement/ Termination on account of continued ill-health from Service/ Death), the Scheme provides for payment of Pension as per the Annuity Option exercised by the Ex-Workman/ dependent of the deceased Workman.

2. You can also make lumpsum contribution to the Pension Fund, from your own sources, in one installment, latest by _____. Your Contribution is optional. The payment needs to be made by DD/ NEFT Transfer in favour of your last serving Division/ Office, payable at _____. The Bank details for NEFT Transfer are as follows:

- i) Name of the Bank :
- ii) Branch :
- iii) IFSC Code :
- iv) Account No. :

3. M/s. Life Insurance Corporation of India has been selected as the Fund Manager to manage the Pension Fund.

4. On transfer of the Company Contribution/ Member Contribution (optional) to the Pension Fund, the corpus thus generated in the Individual Pension Account will be utilized to purchase Annuity from LIC or any other designated Annuity Service Providers, as per the Scheme in vogue. You can choose to buy Annuity from different options which would be available. The Annuity Service Provider will provide information about different kinds of Annuity Options available, from time to time. The Annuity rates will also be published by the Insurance Company from time to time. The rate will get fixed, once an option is exercised. The Company/ Pension Trust are not a guarantor for any Annuities purchased under the Scheme.

5. In order to make you understand the Scheme and to enroll to the Scheme, the following documents are enclosed:

- a) A copy of the Scheme notified by the Company;
- b) Enrollment cum Member Contribution Mandate Form (Appendices A and A1 to A3);
- c) Form for appointment of Nominee (s);
- d) Intimation and Mandate Forms as per the prescribed LIC Formats for choosing the mode of payment of Pension / Annuity.

6. You may please go through the Scheme to understand in detail about the benefits, procedure to be adopted for appointment of a nominee, purchase of Annuity, etc.
7. Optional Contribution by you as at Para-2 above, if any, needs to be made before submitting the Enrollment Form. The DD/ Proof of Payment in case of NEFT Transfer (including the Name & Address of the Transferor Bank & Branch, Transaction No & date) needs to be enclosed alongwith the Enrollment Form.
8. The duly filled in Enrollment cum Member Contribution Mandate Form at Appendix-A (alongwith Appendices A1 to A3), Nomination Form, LIC Intimation & Mandate Forms and the DD/Proof of Payment may be forwarded to reach this Office on or before _____.
9. In case of any clarification required, please contact Mr./Ms. _____ on Tel No._____.
10. You are requested to intimate changes, if any, in your contact details like Address, Telephone Number, Mobile Number & e-mail ID to us.
11. The date from which Pension would become payable and other details will be intimated to you in due course of time.
12. We wish you and your family a very happy & healthy retired life.

**Yours faithfully,
for HINDUSTAN AERONAUTICS LIMITED,**

(HR HEAD)

FORM FOR APPOINTMENT OF NOMINEE(s)
(NOMINATION)

To:
 The Trustees,
 HAL Defined Contribution Pension Trust,
 Bangalore-560001

Sub: Appointment of Nominee(s)

Dear Sirs,

I (Mr./ Ms.) _____
 (Workman/ Ex-Workman / Dependent of the deceased Workman) am a Member of HAL Defined Contribution Pension Scheme for Workmen - 2012 and hereby agree to abide by the Rules & Regulations of the said Scheme. I do hereby appoint the following personnel as my Nominees(s) to receive the Benefits payable under the Scheme in the event of my Death. I am aware that applicable Service Tax on the Annuity Purchase Price and the Income Tax on the Pension payable, if any, have to be borne by me or by my Nominees(s).

I hereby declare that in the event of my death, the Benefits under the Scheme payable may be paid to the following Nominees(s) in proportion as indicated against their respective names:

Sl. No.	Name in full with complete address of the Nominee(s)	Relationship with the Member	Date of Birth	Address in Full	Proportion in which Pension will be shared by each Nominee
1					
2					
3					

Declaration (Put 'X' against whichever is not applicable)

- i) I hereby certify that the person(s) mentioned here in above is/are my spouse/ children/ lawfully adopted child/ dependent parents. ☐
- ii) I hereby declare that I have no family and should I acquire a family hereafter, the appointment of Beneficiary/ Nominee as per this Nomination, on my making a fresh nomination, should be deemed as cancelled. ☐
- iii) I also declare that this appointment of Nominee(s) made herein shall have the effect of my revoking the appointment of Nominee (s) made by me earlier. ☐

- Date:

Witnesses:

Signature of first Witness:

Name in Full:

Age:

Complete Address:

Signature of second Witness:

Name in Full:

Age:

Complete Address:

Note: In case the Ex-Workman has expired, the Beneficiary will indicate the details at Sl. Nos. 3 to 11 as applicable to the Ex-Workman.

FOR USE IN THE HR DEPARTMENT OF THE DIVISION/ OFFICE

Nomination Form verified and found to be correct and kept on record.

(Signature of the Officer of HR Department)

Name :

Designation :

Date :



P&GS UNIT, DIVISION-1, JEEVAN PRAKASH,
IV FLOOR, J.C. ROAD, BANGALORE -560 002
EMAIL : bo_g501@licindia.com. 22234911

POLICY No.: 501002825

HAL DEFINED CONTRIBUTION PENSION SCHEME FOR WORKMEN – 2012

INTIMATION OF RETIREMENT/DEATH/LEAVING SERVICE

A) (To be completed in accordance with the Terms & Conditions as laid down in the Rules of the Scheme)

1. Name of the Member :
2. (a) LIC Membership No. # :
- (b) Ex-PB / EID No. :
3. Date of entry into Scheme # :
4. Date of Birth :
5. Date of Retirement/ Exit :
6. (a) Cause of Exit (Superannuation/ Termination of services on the ground of Continued ill-health/
Optional Retirement / Death)
- (b) In case of death, Death Certificate and Age Proof of Beneficiary are to be attached.
7. Final Contribution in respect of the member # : a) Amount Rs.:
b) For the month of:
c) Paid On:
8. Income Tax PAN No :
9. Whether Member is eligible for Gratuity : NA (No Commutation permitted)
10. Type of Pension Option selected by the Member :
(Please refer to Sl. No. (1) of Annexure- IV B)
11. In case of Joint Life Pension, Name and DOB of the spouse : a) Name :
b) Date of birth :
12. Specimen Signature of the Beneficiary/ Member : 1.
2.
13. **Income Tax on Annuity to be Deducted** : As per Rules

For Self and Co-Trustees
of Defined Contribution Pension Scheme for Workmen– 2012

Place:
Date:

(TRUSTEE)

Details will be filled up by the HAL Pension Trust.



P&GS UNIT, DIVISION-1, JEEVAN PRAKASH,
IV FLOOR, J.C. ROAD, BANGALORE -560 002
EMAIL : bo_g501@licindia.com. 22234911

Mandate for payment of Pension / Annuity

- 1) I, Shri/Smt. _____
opt for the following:

I) PAYMENT OF PENSION

(Mention one of the following types of Pension)

- a) Pension for life with return of Corpus
- b) Pension for life (without return of Corpus)
- c) Pension guaranteed for
 - i) 5 years and life thereafter
 - ii) 10 years and life thereafter
 - iii) 15 years and life thereafter
 - iv) 20 years and life thereafter
- d) Joint Pension with 50% pension to Spouse
- e) Joint Pension with 100% pension to spouse
- f) Joint Pension with 100% pension to spouse & Return of Corpus
- g) Pension with fixed increase every year @ 3%.

Notes: (1) In case of Joint Pension Options (d) to (f), please give the Date of Birth of Spouse

Name of the Spouse: _____

Date of Birth: _____

(2) In case the ex-Workman is no more, the Spouse will have to choose between options (a), (b), (c) or (g) only.

II) PAYMENT OF ANNUITY

Monthly **OR** Quarterly **OR** Half-yearly **OR** Yearly

2) Bank Details

I request you to credit the Annuity payments directly to my Bank Account as per the details given below:

- ❖ Account Number _____
- ❖ MICR Number _____
- ❖ IFSC CODE _____
- ❖ Name of the Bank _____
- ❖ Address of the Bank _____
- ❖ PAN NO _____

(Enclose a photocopy of PAN CARD & cheque leaf for the NEFT facility).

(Signature of the Annuitant/ Member/ Beneficiary)

3) NOMINATION

I hereby declare that in the event of my death, the Benefits under the Scheme payable may be paid to the following Nominees(s) in proportion as indicated against their respective names:

Sl. No.	Name in full with complete address of the Nominee(s)	Relationship with the Member	Date of Birth	Address in Full	Proportion in which Pension will be shared by each Nominee
1.					
2.					
3.					

Witness

Address

Place

Date

4) Verification by HR

The nomination details furnished by the Beneficiary have been verified with the records available with this Office.

(Signature of the HR Officer)

Name:

Designation:

Division/ Office:

Date:

ADVANCE RECEIPT FOR DISCHARGE OF THE PENSION CORPUS AMOUNT

(To be completed by the annuitant and witnessed by the Trustees)

I, Shri/Smt. _____ do hereby acknowledge receipt from the Life Insurance Corporation of India, the sum of Rs. * _____ (Rupees * _____) in full satisfaction and discharge of my under mentioned claims and demand under the Master Policy No: 501002825.

_____ *Installments of pension @
Rs. _____ *

due from _____ to _____ *
Rs. _____ *

Rs. _____ * Total

**(Signature of the Annuitant
on Revenue Stamp of
Re. 1/-, if available)**

**Witness Signature
(Trustee)
HAL, Corporate Office
15/1, Cubbon Road
Bangalore – 560 001**

MY ADDRESS

**Place
Date**

**Specimen Signatures
of Annuitant**

**1.
2.**

* Will be filled in by M/s LIC of India

Note: This Advance Receipt is taken to authorize LIC to discharge the payment of Pension from the accumulated Corpus, as per the option exercised by the member as at Sl. No. (1) above.

Annuitant means the Member/ Beneficiary.

MEMBER CONTRIBUTION MANDATE FORM – SERVING WORKMEN

To:

Finance Officer (Pay Rolls),
Hindustan Aeronautics Limited
_____ Division / Office

Dear Sir/ Madam,

Sub: Member Contribution to Pension Fund

Ref: Personnel Circular No. 707 dated 2.6.15

I (Mr./ Ms.) _____
Dept./ EID No. _____ working as _____,
Scale____, a Member of the "HAL Defined Contribution Pension Scheme for Workmen –
2012" would like to make Lump Sum Contribution of Rs. _____ to the Pension
Fund for the period from 1.1.12 upto 30.6.15 in ____ installments (maximum 3
installments). The amount payable would be deposited in the Division's/ Office's Bank
A/c No _____ latest by _____.

2. Further, I would like to make optional contribution to the Pension Fund from
1.7.15 onwards @ ____% of Basic Pay + DA p.m. This amount may be deducted from
my salary and paid to the Pension Fund.

3. I understand that Contribution to the Pension Fund as at paras- 1 & 2 if made
will be non- refundable during the course of employment.

Yours faithfully

(Signature)

Name :

EID No :

Date :

Place :