

CHAPTER II **PERSONNEL POLICIES**

(f) Conduct, Discipline & Appeal Rules

10.

DPE/Guidelines/II(f)/10

Procedure for premature retirement of employees in Public Sector Undertakings—provisions in the CDA Rules—regarding

The Undersigned is directed to say that the question of incorporating suitable provisions in the CDA Rules in regard to premature retirement of inefficient, corrupt and medically unfit officials in PSUs has been engaging the attention of the Government. This issue had also been raised by the Central Vigilance Commission and the Department of Personnel and Training. In view of this, as well as the importance of weeding out the inefficient, corrupt and medically unfit officials of PSUs, a review has been carried out in this regard in consultation with the Department of Personnel and the Ministry of Law & Justice.

2. It has now been decided that PSUs may incorporate suitable provisions in their CDA Rules/Service Regulations on the lines of FR 56[J] in the Government with a view to weed out the inefficient, corrupt and medically unfit officials after attaining the age of 50 years. This rule would, however not apply to employees covered under the Industrial Disputes Act 1947. In this connection, the rules framed by SAIL are worth considering and a copy of it is enclosed [Annexure].

3. Ministry of Agriculture etc. are requested to bring the contents of this O.M. to the notice of PSUs under their administrative control for information and necessary action under intimation to BPE.

(BPE O.M. No. 15(39)/84-GM dated 4th February, 1988)

ANNEXURE

STEEL AUTHORITY OF INDIA LTD.

Procedure for Premature Retirement of Executives

In accordance with clauses 4.3* & 6.2** of the Voluntary Retirement Scheme, an executive who has attained the age of 50 years and is considered to be medically unfit, inefficient or of doubtful integrity, may be prematurely retired by the competent authority viz. Chairman.

The criteria for judging the medical unfitness, inefficiency or doubtful integrity of executives proposed to be prematurely retired, follow:-

[i] Inefficiency :

Inefficiency would be evaluated on the basis of the Appraisal Reports. An employee who has secured consecutively C-for three years in his Appraisal Reports, may be deemed as a fit case for premature retirement.

[ii] Doubtful Integrity:

An employee who gets an adverse comment consecutively for three years on his integrity in his CCR would be recommended for premature retirement.

[iii] Medical Unfitness :

- a. If an employee has been continuously on leave on medical grounds for a period of 12 weeks [including Sundays and holidays] or he has been on leave for reasons of sickness for a total period of 120 days [including Sundays and holidays] or more during a continuous period of six months or if a person though attending duties but is found to be mentally deranged, his departmental head may refer him to a medical Board for his thorough medical check-up and report:-

The disease he is suffering from ;

Whether it is curable or incurable;

Whether the disease is infectious/contagious;

In case of curable disease whether the person is likely to be fit to resume his normal duties within a period of 12 months.

- b. If the person is not fit to resume his duties within a period of 12 months and in cases of employees suffering from incurable and infectious/contagious disease or suffering from lunacy or mental derangement and whose services cannot be utilised by the company or whose attendance is likely to pose health hazard to others as may be certified by the Medical Board, pre-mature retirement will be considered on recommendations of Managing Director/Director In-charge.
- c. This premature retirement on medical grounds is independent of and without prejudice to the right of the company under the contract of employment to dispense with the services of an employee on three months notice inter-alia on grounds of medical unfitness in case of an employee who might not have even attained the age of 50 years as is being presently done.

Vide PER/RR/4205 dated 16.6.84 and is effective from 4.5.84

*4.3 : "The competent Authority for premature retirement in case of Executives will be Chairman"

** 6.2 : " The Chairman may pre-maturely retire an executive who has attained the age of 50 years and is considered to be medically unfit, inefficient or of doubtful integrity".

2. Benefits Under the Scheme:

In accordance with the clause 5.0 of the Voluntary Retirement Scheme, an employee who is prematurely retired will be entitled to the following benefits:

- a. Pay for the notice period of one month / three months as may be applicable to him under his terms and conditions of service, plus leave salary for unavailed earned leave. The quantum of leave salary will not exceed the maximum limit to which earned leave can be accumulated under the Leave Rules applicable to the employee.
- b. Full Provident Fund contribution of the employer with accretions thereto in the account of the employee subject to the provision of the Provident Fund Rules applicable to him.
- c. Gratuity for each completed year of service or part thereof as admissible under the Gratuity Rules.
- d. Transfer benefits for self and family for proceeding to home-town or to the place where he intends to settle in India as admissible under the TA Rules.

DECISION 1.

Appraisal Reports of those executives who have been graded as C- or whose integrity has been considered doubtful, will be put up together every year to the Chief Executive of the Plant / Unit concerned, if such reports have not otherwise been put up to him as reviewing officer or as higher authority.

DECISION 2.

The format of the Order to be issued to the executive who is to be prematurely retired from the service of the company is annexed.

Vide No. PER/RR/4205 Dated 18-6-1984.

ANNEXURE

STEEL AUTHORITY OF INDIA LIMITED

NEW DELHI

To

Dear Sir,

On the basis of the records, the Company has decided to retire you under the Voluntary/Premature Retirement Scheme with immediate effect. You will be entitled to the following benefits :-

- a. Pay for the notice period of _____ months [one month or three months as may be applicable under his terms and conditions of service].
- b. Leave salary for unavailed earned leave. The quantum of leave salary will not exceed the maximum limit to which earned leave can be accumulated under the Leave Rules.

- c. Provident Fund contribution of the company with accretions thereto in your account in accordance with the provisions of the Provident Fund Rules.
- d. Gratuity for each completed year of service or part thereof as admissible under the Gratuity Rules.
- e. Transfer benefits for yourself and your family for proceeding to your home-town or to the place where you intend to settle in India as admissible under the TA Rules.

2. This issues with the approval of the Competent Authority.