

DIRECTOR'S SECRETARIAT

NOTICE – 59/2018

IMPLEMENTATION OF GROUP GRATUITY SCHEME

1. Adoption of Group Gratuity Scheme for regular employees of AIT, through the LIC of India, has been approved by the Competent Authority. Necessary funds so earmarked for provision of Gratuity to the employees have also been transferred to the LIC of India in the month of Jun 2018 for implementation of the said scheme.
2. Prior to adoption of such scheme, in case of unfortunate demise of an employee, gratuity was payable only for the period of service. However, on adoption of the above scheme, estimated gratuity for balance service (as life cover) will be payable to the family of each individual in case of his/ her demise.
3. Amount of actual payments will be governed by Govt orders prevalent at the time of claiming gratuity. A sample calculation for Gratuity is enclosed herewith for information by all concerned please.

Case No : AIT/0075/Notice/Adm
Army Institute of Technology
Alandi Road, Dighi Hills
Pune – 411015

20 Jul 2018


(KE Vijayan)
Col (Retd)
Joint Director
For Director

Appx
(Refer para 3 of Notice
No 59/2018 dt 20 Jul 2018)

Gratuity Calculation

1. Age on exit- 40, Service- 6 Yrs, Ret Age- 60 , Salary on exit – Rs 40,000/-,
Future Service – 20 Yrs

Gratuity on Resignation-> $40000 * 6 * 15 / 26 =$ Rs. 138461/- will be payable

Gratuity on unfortunate Death->

$(40000 * 20 * 15 / 26 = 461538) + (40000 * 6 * 15 / 26 = 138461) =$ Rs. 599999/-
will be payable.

Rs. 138461/- from Gratuity Fund and Rs. 461538/- as a Term Insurance

2. Age on exit- 29, Service- 2 Yrs, Ret Age- 60 , Salary on exit – Rs 40,000/-,
Future Service – 31 Yrs

Gratuity on Resignation-> Nil

Gratuity on unfortunate Death->

$(40000 * 31 * 15 / 26 = 715384) + (40000 * 2 * 15 / 26 = 46153) =$ Rs. 76,1537/-
will be payable.

Rs. 46153/- from Gratuity Fund and Rs. 715384/- as a Term Insurance

3. Gratuity on Retirement -> Salary Rs 1,00,000/-, Service 25 Yrs

$100000 * 25 * 15 / 26 =$ Rs 1442307/- will be payable.

4. Gratuity on Retirement -> Salary Rs 2,00,000/-, Service 25 Yrs

$200000 * 25 * 15 / 26 =$ Rs 28,84,615/- but employee will get
Rs. 20,00,000/- by virtue of Ceiling of 20 Lakhs.