

**THE STATE TRADING CORPORATION OF INDIA LTD: NEW DELHI**  
**(PERSONNEL DIVISION)**  
**(IR GROUP)**  
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2<sup>nd</sup> April, 2012

**CIRCULAR No.IR/ 07 /2012**

**Sub : Introduction of "STC Employees Defined Contribution Superannuation Scheme" - Pension Scheme**

The Competent Authority has approved introduction of a Pension Scheme viz. "STC Employees Defined Contribution Superannuation Scheme" for employees (including Board Level) of STC. The Rules of the Scheme are available at STC's website [www.stc.gov.in](http://www.stc.gov.in).

The salient features of the Scheme are as under:-

1. The proposed Pension Scheme is a defined contribution scheme and not a defined benefit scheme. As such the amount of pension shall be dependent on the amount accumulated or accrued in respect of each employee on the date of his superannuation. The LIC offers different schemes to such persons who are due for superannuation. The superannuating employee shall at the time of retirement, have the right for opting the scheme which best suits him/her.
2. The rate of employer's monthly contribution towards the Scheme will be 9% of Salary (Basic Pay + Dearness Allowance) of the employee.
3. The rate of employee's monthly contribution towards the Scheme will be 1% of Salary (Basic Pay + Dearness Allowance) of the employee. The ad hoc amounts already contributed by the employees shall be adjusted against 1% of their contributions.

However, employees can make voluntary contribution to the Scheme not exceeding the maximum percentage of employer's contribution from time to time. In case the employee wishes to contribute more than 1% w.e.f. backdate, he/she will be required to deposit the requisite amount of contribution by cheque, after adjusting the amount already paid.

4. The Pension Scheme shall be applicable to those eligible employees who were in the employment of the Company on 26.11.2008 or have joined the services of the company thereafter. For all eligible employees the contribution towards pension scheme shall be payable w.e.f 1.1.2007



5. All the employees aged not less than 18 years and not more than 45 years as on date of joining the Company shall participate in the Scheme. However, the age limit of 45 years shall not be applicable on the employees in the following cases:
  - (i) Employees who have joined the Company prior to 26.11.2008.
  - (ii) Such employees who get absorbed in the Company on deputation from CPSE or join the company after resigning from any CPSE provided the total of past service in CPSE and the future service in the company till the date of normal retirement is more than 15 years and the condition of continuity of service is fulfilled.
- 6 The Board Level Executive shall be eligible for pension under the scheme on completion of their tenure.
7. An employee shall be eligible for reckoning the past service period in other CPSE rendered immediately prior to the commencement of his service in the Company for determining the credit of the amount as received from the previous employer to his individual account under the Scheme.
8. In order to be eligible for crediting the past service/amount received from the previous employer towards the past service period in CPSE, the previous service in CPSE as well as service in the company shall be deemed to be continuous without any break, subject to the conditions that (i) there is no intervening service in any concern other than CPSE or the Company and (ii) All criteria for transfer of service from CPSE to Company, viz. transfer of CPF, gratuity, leave salary etc. are fulfilled. It is clarified that admissible joining time taken by an Employee or leave with prior concurrence of Company on account of movement from one CPSE to another would not be considered a break in service.
- 9) The amount so received from the previous employer to Employee's individual account towards the past service period shall be credited separately under Employer's contribution and Employee's contribution.
- 10) The past service of a employee in CPSE prior to 1.1.2007 shall be reckoned only for the purpose of determining the continuity of service to avail the benefits of the Scheme and amount payable to such Member in the event of superannuation, resignation, death, VRS/Pre-mature retirement and cases of deputation shall be based on the amount lying to the credit of his account.
- 11) In the event of the employee leaving the services of the Company on his own free will or otherwise before becoming eligible for the benefit i.e. before completing 15 years continuous service in the CPSE, the Employer will discontinue making contributions in respect of such employee and the amount accumulated by way of Employee contribution including any additional contribution, if any, by the Employee only shall be refunded after deduction of charges, if any, and subject to Income Tax Rules, 1962 as applicable.



- 12) In case an Employee resigns and joins another CPSE having an Approved Defined Superannuation Scheme, the accumulated amount (both Employer and Employee contribution) lying in his individual account may be transferred at the request of the employee to the said Approved Defined Contribution superannuation Scheme of which he may become member in future. If the amount is not transferred on account of the CPSE not having any Approved Defined Contribution Superannuation Scheme, then both employees and employers contribution if any, along with interest thereon shall be refunded to him/or annuity allowed at the option of the beneficiary provided he completes 15 years of continuous service in different CPSEs.
- 13) In event of demise of an employee while in service before completing the eligibility period of 15 years, his spouse/dependent (s) shall be eligible to receive pension with immediate effect or employer's and employee's contribution along with interest, at their option, subject to income tax rules.
- 14) The Life Insurance Corporation of India has been engaged as the Insurer/Fund Manager of Superannuation Fund of STC.
- 15) The Scheme shall be managed by a Trust namely "STC Employees' Defined Contribution Superannuation Pension Trust". The Trust shall have a Chairman, a Secretary and Four (4) Trustees who shall be appointed from STC employees to act as Trustees of the Trust. The CMD shall have powers to appoint Trustees of the said Trust.
- 16) The membership in the Scheme shall be co-terminus with the employment of the Member with the employer.

All employees are required to give their option indicating their contribution to the Pension Scheme in the enclosed option form latest by 16.04.2012 to Personnel Division.



(VIJAY BHUSHAN)  
JOINT GENERAL MANAGER (PERS.)

Encl: As above.

- Exe. Secy. to CMD
- Exe. Secys. to Director/CVO
- PS to All CGMs
- DGM(Fin.)(A&E)
- All BMs : **with the request to send the Option Forms pertaining to their Branch to Pers. Div. certifying that the particulars in the Form are correct**
- SG, Fed. Of STCEUs, New Delhi
- SG, Fed. Of STCOAs, New Delhi
- SG, All India Fed. Of STC SC/ST Emp. Association, New Delhi
- Internal Audit Division
- Secy. Cell
- **Notice Board**