

Ref.No.P&T/01/057/88/1575  
Date : 17- 1- 2013

## C I R C U L A R

Sub : Post Retirement Medical Benefit Scheme for Employees of MSTC Ltd.

This is for the information of all concerned that a **Medical Benefit Trust Fund** has been created on **27<sup>th</sup> March, 2009** for extending medical benefit to the retired employees and their spouses. The said Fund is managed by the Board of Trustees constituted as per terms of the Deed of Trust. Since the Fund is contributory, the Trust has decided that an amount of ` **50/- per annum** shall be payable by each employee towards the Fund.

Accordingly, all matters pertaining to medical benefit of retired employees are to be handled by the Trust for extending the benefits to the members and their spouses as per the policy of MSTC in the matter.

The scheme for **Post Retirement Medical Benefit – 2009** is enclosed herewith. The benefits under the said scheme are briefly given hereunder :-

1) **Domiciliary Treatment :**

The members and their spouses shall be reimbursed cost of domiciliary treatment upto one month's Basic + D.A. drawn on the date of cessation of service or ` 40,000/-, whichever is less per annum. The ceilings of such reimbursement for employees who had retired earlier have already been circulated vide Circular No.P&T/01/057B/88/1123 dated 28-11-2012. However, in the event of death of the member/spouse, reimbursement shall be limited to 50% of the entitlement of the member.

2) **Hospitalisation Treatment :**

The members and their spouses shall be covered by a suitable General Insurance Policy for the purpose of hospitalisation treatment of surgical and non-surgical ailments. The amount of maximum total benefit under the basic policy will be ` 5.0 lakh and ` 3.0 lakh per annum for self and spouse for Executives and Non-Executives respectively. The member has to bear 15% of the total premium payable to the Insurance Company every year.

The Medical Trust has taken a "**Tailor made Floater Group Mediclaim Policy**" of **United India Insurance Co. Ltd** for a period of 1 year on 20-11-2012 for retired employees who have opted for the new policy. The policy is serviced by a Third Party Administrator (TPA) and the insured persons get the benefit of '**cashless hospitalisation**' from the listed hospitals. In case of treatment in unlisted hospitals, the cost will be reimbursed by the Insurance Company on submission of claim, subject to other terms of the policy. The Trust shall take suitable Mediclaim Policies from time to time on similar terms and conditions.

sd/-  
( AMITA SAHA )  
**ASSTT.GENERAL MANAGER(P&A)**

**Encl. as above :**

**Distribution :**

1. All Employees
2. D(F)/D(C)
3. CGM(HR)/CVO
4. GM(BD/N)/GM(F&A)/DGM(Admn)/DGM(BD/S)/DGM(CP)/DGM(Mktg)
5. RM(NRO/WRO/ERO/SRO)/BM(Vizag/Vadodara/Bangalore)  
Office(Bhopal/Hyderabad)
6. CS/SO to CMD/M(F&A)
7. Hindi Cell/Vigilance Cell/IA Cell/Systems
8. Trustees, MSTC Medical Trust
9. Circular File



## **SCHEME FOR POST RETIREMENT MEDICAL BENEFITS - 2009**

### **1.0 Objective of the Scheme**

1.1 Objective of the scheme is to extend post retirement medical benefits to the employees who render long valuable service to the Company and their spouses.

### **2.0 Coverage**

2.1 Employee who have rendered at least **15(fifteen) years of service** in MSTC and other PSUs/Govt. Departments taken together and retire from the Company either on superannuation or voluntary retirement. The spouses of such employees shall also be covered under the scheme, provided he/she is within the age limit specified by the Insurance Company for the purpose of entry into the Insurance Policy.

2.2 Those who cease to be in employment on account of permanent total disablement and their spouses, provided he/she is within the age limit specified by the Insurance Company for the purpose of entry into the Insurance Policy.

2.3 The dependent spouse of an employee who dies in service provided the spouse does not receive medical benefit from his/her employer, if any, provided further that no dependent member of the deceased employee is employed in the Company on compassionate ground, provided he/she is within the age limit specified by the Insurance Company for the purpose of entry into the Insurance Policy.

2.4 The Chief Executive and other whole-time Directors who are appointed on contractual service would be covered by the scheme irrespective of their length of service in the Company, provided they do not leave the service on their own before expiry of their tenure, provided further that if they leave the services of this Company for another PSU on being appointed by Govt. of India, this will not disqualify them.

### **Clarification :**

- i) **"Employee"** means the regular employees of the Company including the Chief Executive and Whole-time Directors and also deputationists, provided such Chief Executive, Whole-time Director and deputationist is not covered by a scheme in the organisation from where he has come on deputation, provided further that he/she absorbed in the rolls of the Company subsequently, subject to the other provisions of this Scheme.
- ii) All the employees and their spouses as referred to in para 2.0 above and covered by the Scheme will hereinafter be referred to as **"Member"**.

### **3.0 Scheme**

3.1 The Post Retirement Medical Benefit Scheme shall be managed and regulated by a registered Trust Fund called "MSTC Employees and Retired Employees Medical Benefit Fund" (hereinafter called 'The Trust') which will be set up to extend medical benefits, both domiciliary and hospitalisation, to the 'Members' and their spouses;

The members will be covered by a suitable Group Insurance Policy from a reputed General Insurance Company for benefits of hospitalisation treatment in hospitals anywhere in India specified by the Insurance Company.

Only the members who shall retire from the Company either on superannuation or voluntary retirement and members covered under clauses 2.2, 2.3 and 2.4 shall be eligible for reimbursement of cost of domiciliary treatment subject to an annual ceiling limit as

per clause 4.1 for which the member will be required to submit claims from time to time to the Trust respective Accounts Offices of MSTC. All claims and reimbursement shall be governed by the provisions of the Company's Medical Reimbursement Rules.

Any other member covered under the Scheme shall not get the benefit of domiciliary treatment.

#### 4.0 **Benefits**

#### 4.1 **Domiciliary Treatment**

- 4.1.1 On submission of claims in the prescribed format for reimbursement of cost of domiciliary treatment, the members shall be reimbursed by MSTC such costs as permissible under the Company's Medical Reimbursement Rules. However, in a financial year, the reimbursement of cost of domiciliary treatment to the members of the Scheme shall be limited to *\*75% of (Basic+DA+VDA) drawn on the date of cessation of service or Rs.40,000/-, whichever is less.* In the event of death of the member/spouse, the surviving spouse/member shall continue to get reimbursement up to 50% of the entitlement of the member until death, provided the employee opts to cover the spouse under the Scheme subject, inter alia, to other provisions of the Scheme. For this purpose, the member will be required to submit claims from time to time to the respective Accounts Offices of MSTC. Again, in case of death in harness of an employee at any age, the surviving spouse shall get the reimbursement of cost of domiciliary treatment for self only limited to 50% entitlement of the member as aforesaid subject, of course, to other provisions of clause 2.3.

[ \*Since enhanced to 100% w.e.f.1-12-2012 ]

#### 4.2 **Hospitalisation Treatment**

- 4.2.1 The Members who are covered under the Scheme shall be covered by a suitable General Insurance Policy. But the hospitalised treatment benefits as per the Scheme shall be available after the retirement age as prevalent at the relevant point in time, provided they get themselves admitted in hospitals anywhere in India specified by the said Insurance Company for approved course of treatment of surgical and non-surgical ailments.
- 4.2.2 However, such hospitalisation benefit shall be available to the spouse from the age at which the Member attains age of superannuation.
- 4.2.3 The member shall be admitted in the specified hospitals on presentation of the Identity Card issued by the Insurance Company provided, of course, the hospital authority is satisfied that the ailing member requires hospitalisation treatment. The employee will not be required to make any payment to the hospital authorities who will settle the bills with the Insurance, provided the amount of the bill is within the admissible limit. The member/heir/heirs will, however, have to pay any amount in excess of the admissible limit in the bill.
- 4.2.4 The updated brochure of the Insurance Company indicating the list of hospitals and approved course of treatment of surgical/non-surgical ailments shall be made available to each member once the same is made available to this office.

#### 4.3 **Separation before superannuation**

- 4.3.1 The cases of the employees who separate from the Company on their own before attaining the age of superannuation shall not be covered by this Scheme except those covered under clauses 2.2, 2.3 and 2.4;
- 4.3.2 Separating employees will have to leave the Company with prior permission of the Company and proper release order, otherwise they will not be entitled to get the benefits. On separation from the Company, they would not indulge in any activity, which is prejudicial to the interest of the Company, in which case, their coverage under the Scheme will be discontinued. The Company's decision in the matter shall be final and binding.

## 5.0 Amount of Coverage

5.1 The amount of maximum total benefit available under the basic Policy for hospitalisation treatment will be as under :

- a) **Rs. 5.00 lac** for self and spouse for executives; and
- b) **Rs. 3.00 lac** for self and spouse for non-executives.

## 6.0 SUBMISSION & PROCESSING OF CLAIM :

6.1 The Member shall intimate to the Trust as well as the Regional/Branch Office of the Company anywhere in India and nearest to the station where the Member or in case of his/her death, the spouse settles down about his/her place of stay, nearest office for lodging the claim along with his last pay drawn. The retired employee, for the purpose, shall, immediately on retirement, inform the Personnel Department the address of such station as well as his preference for Regional/Branch Office to get reimbursement

6.2 The claim for reimbursement should be submitted to his/her nearest Regional/Branch/Head office as the case may be in prescribed form along with all bills, documents, reports, cash memo, release order from hospital in case of hospitalisation and other documents as are required to substantiate his/her claim. On receipt of claim by the Trust, the claim will be finally processed and will be remitted to office where the claim was submitted.

## 7.0 Payment of the amount of Premium for the coverage

7.1 The amount of premium is to be paid *annually*. The amount will vary at the discretion of the Insurance Company from time to time. On attaining the age of 59 years, each employee opting to be covered under the Scheme will be required to pay 15% of the annual premium and the balance amount will be paid by the Trust. All employees shall inform the Personnel Department of his/her intention to be covered by the scheme through respective Controlling Officers at least 6 months before he/she becomes eligible to be covered under the Scheme. The Personnel Department, in turn, shall intimate the Trust of the same. Thereafter, he/she should execute all such documents for this purpose as may be directed by the Trust.

7.2 An employee covered under the scheme cannot unilaterally withdraw from the scheme at any stage without the permission of MSTC and the Trust. If an employee already covered under the scheme goes on deputation to any other organisation or is transferred to any other PSU/Govt. Department, benefits of the scheme shall be governed by terms and conditions of such deputation/transfer and provisions of this Scheme.

## 8.0 Special Provisions

8.1 Retired employees covered under the earlier Post Retirement Medical Benefit Scheme for Already Retired employees (ref: Circular No. P&T/01/057/88/267 dated 17.1.1995 ) who were not extended the benefit of hospitalisation treatment can also opt for coverage under this Scheme, subject to other provisions of the same;

8.2 All others employees including employees who have retired either on superannuation or voluntary retirement and already covered by any other Post Retirement Medical Benefit Scheme of the Company will have the option to be covered under this Scheme, provided he/she bears the cost of withdrawal from the previous Insurance Policy (of Unit Trust of India or New India Assurance Co. Ltd.) subject, however, to the other provisions of the Scheme.

8.3 The ceiling for reimbursement of cost of domiciliary treatment to the employees who retired/separated before 31.12.1996 shall continue to be as follows :

Employees who retired separated **250%** 250 % of (Basic + DA +VDA)  
**before 1.1.1987** drawn monthly on the date of cessation of

service

Employees who retired separated **175%** 175% of (Basic + DA +VDA) drawn  
**between 1.1.1987 and 31.12.1991** monthly on the date of cessation of service

Employees who retired/ separated **125%** 125% of (Basic + DA +VDA) drawn  
**between 1.1.1992 and 31.12.1996** monthly on the date of cessation of service

#### 9.0 **Insurance Policy**

9.1 The Group Policy will be issued in the name of the Trust, and the beneficiaries will be the individual employees covered by the Policy.

#### 10.0 **Tenure**

10.1 The scheme comes into effect on and from **1.1.2009**.

#### 11.0 **Amendment**

11.1 The scheme is subject to change in accordance with the requirements of the Insurance Company.

11.2 The Scheme is liable to be altered/amended at the discretion of the Chief Executive of the Company without any notice and without assigning any reason therefor. Powers of interpretation of any provision of the Scheme rest with the Chief Executive.

11.3 The Company reserves the right to withdraw/cancel the Scheme at any time without assigning any reason whatsoever and without notice.