



IRDAI/ADMN/CIR/PER/०६१/03/2017

24th March, 2017

CIRCULAR

Re: Revision of perks/other benefits to employees

The Authority has approved the following perquisites / other benefits as per grade-wise entitlements/limits mentioned below to be effective from 01.04.2017:

1. Scheme for reimbursement towards education expenses

Designation	Entitlement (Rs.) per month per child
ED	4,000/-
CGM	4,000/-
GM	4,000/-
DGM	4,000/-
AGM	4,000/-
MGR	4,000/-
AM	4,000/-
Assistant/Sr. Assistant	2,400/-

2. Scheme for reimbursement towards household help / cleaning at residence

Designation	Entitlement (Rs.) per month
ED	11,000/-
CGM	8,000/-
GM	6,000/-
DGM	6,000/-
AGM	4,000/-
MGR	4,000/-
AM	4,000/-

3. Reimbursement of Conveyance expenses / Driver Salary / Vehicle maintenance expenses

3.1 Conveyance expenses

Designation	Amount of reimbursement equal to litres of petrol p.m.	
	Mumbai	Other cities
ED	345+50	345+30
CGM	310+50	310+30
GM	250+50	250+30
DGM	210+50	210+30
AGM	180+50	180+30
MGR	150+50	150+30
AM	150+50	150+30
Assistant/Sr. Assistant	80+20	80+10

It has been decided to reimburse conveyance expenses at uniform rates in terms of petrol as per litres given in the table above. As such, employees need not own a vehicle for claiming conveyance expenses. It has also been decided to discontinue the scheme for payment of consolidated conveyance expenses for employees not maintaining vehicles and reimbursement of car maintenance/repair charges to employees owning motor vehicles.

3.2 Driver Salary

Designation	Amount per month (Rs.)	
	Mumbai and New Delhi	Hyderabad
ED	15,000/-	11,000/-
CGM	13,000/-	11,000/-
GM	13,000/-	11,000/-
DGM	13,000/-	11,000/-
AGM after 5 years and other eligible employees	13,000/-	11,000/-



3.3 Reimbursement of equipment maintenance allowance

Designation	Entitlement (Rs.) per month
ED	6,000/-
CGM	4,000/-
GM	4,000/-
DGM	4,000/-
AGM	1,600/-
MGR	500/-

4. House Rent Allowance (monthly)

Designation	Mumbai	Other than Mumbai
ED	75,500/-	67,500
CGM	67,500/-	60,700
GM	60,000/-	54,000
DGM	52,500/-	47,250
AGM	45,000/-	40,500
MGR	37,500/-	33,750
AM	30,000/-	27,000
Assistant/Sr. Assistant	23,000/-	20,000

5. Reimbursement of GSLIP premium

Designation	Rs. p.m.
ED	1,150
CGM	1,150
GM	1,150
DGM	1,150
AGM	925
MGR	925
AM	925
Assistant/Sr. Assistant	700

6. Sodexo Meal Voucher

Meal vouchers at the rate of Rs. 155 per day for 21 days for all employees will be given.



7. Reimbursement towards expenditure on electricity charges at residence

Designation	Entitlement (Rs.) per month
ED	400 units @ Rs. 6.40/- per unit
CGM	400 units @ Rs. 6.40/- per unit
GM	200 units @ Rs. 6.40/- per unit

8. Residential Office Allowance

Designation	Monthly reimbursement in Rs.
ED	20,000

9. Reimbursement towards expenses on disinfectant materials

It has been decided to discontinue the scheme of reimbursement for disinfectant material for all grades of employees with effect from 1st April, 2017.

10. Medical reimbursement

Designation	Entitlement per annum in Rs.
ED	50,000
CGM	45,000
GM	45,000
DGM	45,000
AGM	40,000
MGR	40,000
AM	40,000
Assistant/Sr. Assistant	35,000
20% of the limit is allowed on declaration basis.	

11. Annual Health Check-up for self and spouse

Reimbursement of expenses will be subject to a maximum of Rs. 6,750 per person.



12. Reimbursement of expenditure incurred towards purchase of briefcase / leather bag

Designation	Entitlement (Rs.) once in a calendar year
ED	9,000/-
CGM	7,500/-
GM	7,500/-
DGM	7,500/-
AGM	5,500/-
MGR	5,500/-
AM	4,000/-
Assistant/Sr. Assistant	2,000/-

13. Reimbursement under book grant scheme

Designation	Entitlement (Rs.) per annum
ED	15,000/-
CGM	13,000/-
GM	11,000/-
DGM	11,000/-
AGM	9,000/-
MGR	8,000/-
AM	7,000/-
Assistant/Sr. Assistant	5,500/-

14. Reimbursement towards expenditure on official entertainment

Designation	Entitlement (Rs.) per annum
ED	60,000/-
CGM	40,000/-
EA to Chairman	40,000/-
GM	25,000/-
DGM	25,000/-
AGM and other eligible employees	15,000/-

15. Reimbursement towards expenditure on purchase of newspaper, etc.

Designation	Entitlement (Rs.) per annum
ED	9,600/-
CGM	7,200/-
GM	7,200/-
DGM	6,600/-
AGM	4,800/-
MGR	4,800/-
AM	4,800/-
Assistant/Sr. Assistant	3,600/-

16. Reimbursement of Telephone/Mobile/Broadband/Internet expenses

Designation	Annual reimbursement in Rs.
ED	75,000
CGM	54,000
GM	54,000
DGM	42,000
AGM	24,000
MGR	24,000
AM	18,000
Assistant/Sr. Assistant	12,000

17. Car insurance

Designation	Annual reimbursement of actual premium subject to maximum of Rs.
GM to ED	30,000
AM to DGM	25,000

18. Mediclaim Sum Assured

Designation	Sum assured in Rs. Per annum
ED	7,50,000
CGM	6,00,000
GM	6,00,000
DGM	6,00,000
AGM	5,00,000
MGR	5,00,000
AM	5,00,000
Assistant/Sr. Assistant	5,00,000

19. Accident Insurance Sum Assured

Designation	Sum Assured in Rs.
ED	5,00,000
CGM	5,00,000
GM	5,00,000
DGM	4,00,000
AGM	4,00,000
MGR	4,00,000
AM	4,00,000
Assistant/Sr. Assistant	4,00,000

20. GSLIP Sum Assured

Designation	Sum assured in Rs.
ED	11,50,000
CGM	11,50,000
GM	11,50,000
DGM	11,50,000
AGM	9,25,000
MGR	9,25,000
AM	9,25,000
Assistant/Sr. Assistant	7,00,000

21. Expenditure on Recreational Activity

Rs. 900/- per employee twice in a year.

22. Tax on non-monetary perquisites and Reimbursement towards Tax on monetary perks

It has been decided to reimburse tax on all eligible monetary perquisites as an allowance and to bear tax on all eligible non-monetary perquisites as per procedure given in **Annexure 1**.



23. Reimbursement under Eye refraction test and cost of spectacles

Designation	Entitlement (Rs.) per person once in two years (for self & spouse)
ED	20,000/-
CGM	16,000/-
GM	16,000/-
DGM	16,000/-
AGM	9,000/-
MGR	9,000/-
AM	6,500/-
Assistant/Sr. Assistant	4,500/-

24. Reimbursement towards expenditure for purchase of mobile handset

Designation	Entitlement (Rs.) once in two years
ED	60,000/-
CGM	60,000/-
GM	48,000/-
DGM	42,000/-
Other eligible employees in Grades A, B and C	30,000/-

25. Reimbursement under LTC scheme

The LTC scheme has been revised as under:

Designation	Entitlement (Rs.) / Kms per person
ED (Air travel scheme)	1,30,000/-
CGM (Air travel scheme)	1,30,000/-
GM to Manager (Air travel scheme)	1,07,000/-
AM with Basic Pay of Rs. 55,600/- and above (Air travel scheme)	1,07,000/-
All Grades (Train travel / etc.) of Basic Pay Rs. 55,600/- and above.	AC 1 st class (4,500 Kms each way)
All Grades (Train travel / etc.) up to Basic Pay Rs. 55,599/-	AC 2 Tier (4,500 Kms each way)

- i. LTC scheme is currently available for travel within India.
- ii. Package Tour and incidental expenses is permitted as per terms and conditions to be issued separately.



26. Reimbursement towards expenditure under Home Office Scheme

Designation	Entitlement (Rs.) once in four years
ED	80,000/-
CGM	60,000/-
GM	60,000/-
DGM	60,000/-
AGM	40,000/-
MGR	40,000/-
AM	40,000/-

27. Scheme for furnishing of residence of employees

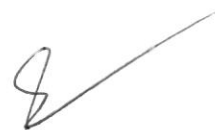
Designation	Entitlement (Rs.) once in five years
ED	5,00,000/-
CGM	2,50,000/-
GM	1,87,500/-
DGM	1,37,500/-
AGM	1,12,500/-
MGR	87,500/-
AM	87,500/-
Assistant/Sr. Assistant	37,500/-

28. Expenses towards car purchase facility to senior officers

Designation	Entitlement (Rs.) on ex-showroom price once in five years
ED	9,30,000/-
CGM	8,00,000/-
GM (minimum 5 years of service in the grade)	8,00,000/-

29. Reimbursement towards expenditure on purchase of Air Conditioner at residence

Designation	Entitlement (Rs.) including installation charges once in five years
ED	32,000/-
CGM	32,000/-
GM	32,000/-



30. Car facility for private visits of ED

ED is/are eligible to be reimbursed an amount equal to maximum upto 6,000 K.M. in a financial year and Rs. 2.50 per K.M. shall be recovered.

Facilities on official tours

31. Official Travel entitlement

Designation	Class of Travel
ED	Air (Business Class) for International travel and AC 1 st Class by rail or Air (Business Class) for Domestic Travel
CGM	Air (Business Class) for International travel and AC 1 st Class by rail or Air (Economy Class) for Domestic Travel
GM, DGM, AGM, Manager and AM with Basic Pay of Rs. 55,600/- and above	AC 1 st Class by rail or Air (Economy Class)
Other Grades	AC II Tier by rail

32. Lodging entitlement

Designation	Category I / II / III cities
ED	10,000 for 5 Star / 9,000 for others
CGM	9,000 / 6,000 / 4,000
GM	8,000 / 5,000 / 3,500
DGM	8,000 / 5,000 / 3,500
AGM	5,000 / 3,500 / 2,500
MGR	4,000 / 3,000 / 2,000
AM	4,000 / 3,000 / 2,000

33. Halting Allowance

Designation	Metro / Other Cities
ED	1800 / 1500
CGM	1800 / 1500
GM	1800 / 1500
DGM	1800 / 1500
AGM	1500 / 1300
MGR	1500 / 1300
AM	1500 / 1300
Assistant/Sr. Assistant	1300 / 1150

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34. Facilities on transfer - Transfer grant

One month Basic Pay + DA.

35. Visiting Card

Visiting cards will be provided by office on demand for AM and above Grades.

Loans and advances

36. Housing loan

Designation	Entitlement (Rs.)
For all Grades	90 times of Pay (Pay = Basic Pay+GA+Special Pay+Stagnation Increment) subject to maximum of Rs. 65 lakhs. The broadbanding of other eligible loans/advances towards housing loan shall remain unchanged. Employees can avail housing loan along with provident fund withdrawal. However, the aggregate ceiling of Housing Loan, broadbanding and Provident Fund advance/withdrawal shall be Rs. 80 lakhs.

37. Special advance

Designation	Entitlement (Rs.) in a calendar year
For all Grades	Rs. 50,000 repayable in 10 monthly installments

The existing festival advance facility has been replaced by Special advance.

38. Other loans

Type of Loan	Limit in Rs.
Vehicle Loan – 4 wheelers	7,00,000
Vehicle Loan – 2 wheelers	75,000
Computer Loan	75,000
Consumer Articles Loan – Assistant/Sr. Asst. and AM & above	90,000 / 1,20,000
Educational Loan	5,00,000



39. Scheme for Recognizing and rewarding academic excellence of children of employees

Mementos for Class X and Class XII for first three toppers.

Facilities on retirement

40. Gold coin on retirement

22 carat 8 gm gold coin on retirement

41. Retirement Fare Concession

Fare for self and eligible family members and other expenditure as per rules.

Compassionate facilities

42. Compassionate lump sum ex-gratia and other benefits

41.1 Housing Loan/Other Loans with outstanding principal and accrued interest thereon will be waived subject to a maximum of:

Designation	Rs.
GM to ED	4,00,000
Assistant to DGM	3,50,000

42.2 One-month Gross salary last drawn for every completed year of service or
one and a half month Gross salary for last drawn for every year of remaining service whichever is higher.

43. Compassionate gratuity

Minimum of Rs. 25,000/- or two months gross pay whichever is higher.

44. Provident Fund

It has been decided to introduce a New Pension Scheme (NPS). NPS shall be compulsory for all new appointees/recruits who join on or after 1.4.2017

and optional for existing employees to migrate from Provident Fund Scheme after exercising their option to NPS. w.e.f. a date to be specified after carrying out necessary amendment to Regulation 76.

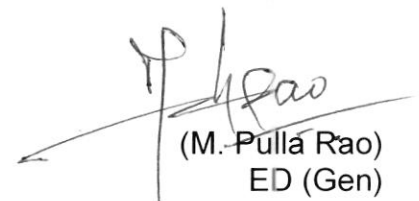
45. IRDA Employees Superannuation Fund Scheme

45.1 The Superannuation Fund Scheme for existing employees will continue with the following structure:

- a) freeze the amount equivalent to 15% contribution by IRDAI as on 31.3.2017 for 2 years; thereafter,
- b) reduction in the frozen amount by one-third for the next 2 years from 1.4.2019 to 31.3.2021; thereafter,
- c) reduction in the frozen amount by another one-third for the next 2 years from 1.4.2021 to 31.3.2023; thereafter,
- d) nil contribution by IRDAI from 1.4.2023.
- e) modify the period of vesting to 10 years or retirement age, whichever is earlier.
- f) The scheme shall continue with only Employees' contribution from 1.4.2023.

45.2 The new appointees/recruits who join on or after 1.4.2017 may join the Superannuation Fund Scheme with their own contribution up to 15% of their pay. The Authority shall not contribute to their Superannuation Fund.

All other existing terms and conditions except the entitlements/limits governing the above perks/other benefits under respective circulars/master circulars will remain unchanged till further instructions.


(M. Pulla Rao)
ED (Gen)

Encls: as above

Valuation of perquisites and taxation

It has been decided to follow the undernoted procedure for valuation of perquisites and tax thereon from the financial year 2017-18 onwards.

VALUATION OF PERQUISITES:

Taking into consideration Rule 3 of the Income Tax Rules, 1962, for the purpose of valuing and calculating the tax on perquisites, they are segregated into two groups as under:

A. NON-MONETARY PERQUISITES:

Non-monetary perquisites are those benefits that are not provided by way of monetary payment directly to the employees. Accordingly, the following perquisites provided by IRDAI shall be treated as non-monetary perquisites and taxed accordingly.

a) Interest-free loans/Advances and Loans at concessional rate of interest:

If loans (Housing Loan, Vehicle Loan, Consumer loan and Educational Loan, Computer Loan and Special Advance) at Concessional rate of interest are provided to an employee or any member of his household, it shall be treated as a perquisite chargeable to tax. These perquisites are calculated as per the steps laid down below:

- | | | |
|------|--|-----|
| i. | First, find out the 'maximum outstanding monthly balance (i.e., the aggregate outstanding balance of each loan as on the last day of each month) | XXX |
| ii. | Calculate Interest on loans @ applicable to the similar loans as prescribed by the State Bank of India as on the first day of the relevant previous year (e.g. 1st April 2017 for the A/Y 2018-19) on the amount derived in step i | XXX |
| iii. | Less: Interest on loans charged by IRDAI, i.e. 6% | XXX |
| iv. | Balance amount is the taxable non- monetary perquisites on concessional loans | XXX |

Note: Exemption is given to the above rule in the case of following situation:



When the amount of the original loan (or loans) in the aggregate does not exceed Rs. 20,000/-.

b) Use of movable assets:

If a movable asset (except computer / laptops or car), owned or hired by the employer, is given for use to an employee, it shall be treated as a perquisite chargeable to tax. These perquisites are calculated as per the steps laid down below:

- i. 10% p.a. of actual cost if asset is owned by employer or rent paid or payable if taken on hire by the employer XXX
- ii. ii. Less: Amount recovered from the employee XXX
- iii. Balance amount is the taxable non-monetary perquisite on use of movable assets XXX

c) Transfer of movable assets:

If a movable asset is transferred directly or indirectly to the employee or any member of his household, it shall be treated as a perquisite chargeable to tax. These perquisites are calculated as under:

- i. Actual cost of the asset to the employer XXX
- ii. **Less:** Cost of normal wear and tear which shall be as per the Income Tax Act, 1961 (as amended) as under XXX

Sl. No	Asset Type	Rate	Method of Depreciation
1	Motor car	20%	Written Down Value Method
2	Computer and Electronic gadgets	50%	Written Down Value Method
3	Other Assets	10%	Straight line Method

- iii. **Less:** Amount recovered from the employee XXX
- iv. Balance amount is the taxable non-monetary perquisite on transfer of movable assets XXX



d) Membership Fees:

Any membership fees and annual fees incurred by the employee, which is charged to credit card (including any add-on-card) provided by the employer is taxable on the following basis:

1. Amount of expenditure incurred by the employer	XXX
2. Less: Expenditure on use for official purposes	XXX
3. Less: Amount, if any, recovered from the employee	XXX
4. Balance amount is the taxable non- monetary perquisite	XXX

e) Club Expenditure:

Any annual or periodical fee on Club facility used by the employee, which is paid or reimbursed by the employer, is taxable on the following basis:

1. Amount of expenditure incurred by the employer	XXX
2. Less: Expenditure on use for official purposes	XXX
3. Less: Amount, if any, recovered from the employee	XXX
4. Balance amount is the taxable non- monetary perquisite	XXX

Note:

1) Health club, sport facilities etc. provided uniformly to all classes of employees by the employer at the employer's premises and consequently expenditure incurred on them are exempt.

2) The initial one-time deposits or fees for corporate or institutional membership where benefit does not remain with a particular employee after cessation of employment are exempt. Initial fees / deposits, in such cases, are not included.

f) Value of Sodexo Meal vouchers provided by the employer:

The perquisite value of Sodexo meal vouchers provided by the employer to an employee is calculated as per the procedure laid down below:

- i. Expenditure incurred by the employer on the value of Sodexo meal vouchers which are not transferable

and usable only at eating joints	XXX
ii. Less: Fixed value of a sum of Rs. 50/- per day meal	XXX
iii. Less: Amount recovered from the employee	XXX
iv. Balance amount is the taxable non-monetary perquisite on the value of meal voucher provided to the employees	XXX

Note: Exemption is given in case of tea / snacks provided during the working hours.

B. MONETARY PERQUISITES:

Monetary perquisites are those benefits that are provided by way of monetary payment directly to the employees. Accordingly, the following perquisites provided by IRDAI shall be treated as monetary perquisites and taxed accordingly.

a) Reimbursement of conveyance expenses/Driver salary

Reimbursements in the nature of conveyance expenses including driver's salary are considered as taxable perquisites. The exemption will be allowed as per the extant provisions of the Income Tax Act.

b) Reimbursement of Equipment Maintenance Allowance

The value of such benefit provided to employees shall be the actual cost paid or reimbursed by the employer as reduced by the amount, if any, recovered from the employee.

c) Reimbursement towards household / Cleaning at residence:

The value of such benefit provided to employees shall be the actual cost paid or reimbursed by the employer as reduced by the amount, if any, recovered from the employee.



d) Reimbursement under Book Grant scheme

Since book grant reimbursement is for official purposes only and reimbursed based on actual bills provided, it forms nature of reimbursement which is treated as an office expenditure and hence not taxable as perquisites.

e) Reimbursement of expenditure incurred towards purchase of briefcase/leather bag

Since briefcase reimbursement is based on declaration basis which is treated as a taxable perquisite.

f) Reimbursement of GSLI premium

GSLI reimbursement is considered as a taxable perquisite.

g) Medical reimbursement:

Medical reimbursement by the employer on amounts spent by the employee in obtaining medical treatment for himself or his dependents, from any doctor, exceeding in the aggregate Rs. 15,000/- in a year shall be treated as a monetary perquisite. It includes amount paid for **annual health checkup and eye refraction test**. The premium under Group medical insurance paid by the employer shall be exempted as per the proviso to Section 17 (2) (viii) of the Income Tax Act, 1961.

h) Scheme of furnishing of residence of employees

Since the above scheme provided to the employees are considered to be of purely personal nature, it is entirely treated as a monetary perquisite chargeable to tax.

i) Reimbursement towards expenditure on official entertainment

Any amount reimbursed to employees is on expenditure towards entertainment is treated as a monetary perquisite chargeable to tax.



j) Reimbursement towards expenditure on electricity charges at residence

Any amount reimbursed to employees on expenditure towards electricity charges is treated as a monetary perquisite chargeable to tax.

k) Car facility for private visits of ED

Any amount reimbursed to employees on expenditure towards car facility for private visits is entirely treated as a monetary perquisite chargeable to tax.

l) Reimbursement towards expenditure on car insurance premium

Any amount reimbursed to employees on expenditure towards car insurance premium is treated as a monetary perquisite chargeable to tax.

m) Reimbursement towards expenditure on purchase of Air conditioner at residence

Any amount reimbursed to employees on expenditure towards expenditure on purchase of Air conditioner at residence is treated as a monetary perquisite chargeable to tax.

n) Transfer Grant

IRDAI pays charges for transportation and traveling expenses for packing and unpacking of goods and one-month basic pay and DA as transfer grant for meeting incidental expenses (repair of household articles, children's school admission, etc.) on declaration basis to that effect.

In this regard, the amount equivalent to one-month basic pay and DA for meeting incidental expenses shall be taxable as monetary perquisites. Any other allowance granted to meet the cost of travel on tour or on transfer includes any sum paid in connection with transfer, packing and transportation of personal effects on such transfer shall be exempt under Section 10(14) read with Rule 2BB of the Income Tax Rules, 1962.



o) Purchase of newspaper and Telephone reimbursement (including mobile phones):

As per circular No. 06/2004, dated 06.12.2004, issued by the Income Tax Department, periodicals and journals required for discharge of work and expenses on telephones, including mobile phones shall be exempt and hence not considered as perquisites.

p) Maintenance of office at residence

Any amount reimbursed on declaration basis to employees to meet expenditure on Attendant, Secretarial Assistant, stationery, etc. is treated as a monetary perquisite chargeable to tax.

q) Leave Travel Concession

Facility of Leave Travel Concession is treated as a monetary perquisite and the same will be taxed as per Income Tax Act, 1961 (as amended).

TAXATION PROCEDURE:

For the purpose of calculating the tax on the above perquisites, the mechanism to be followed is explained below:

A. Tax on Monetary Perquisites:

IRDAI shall pay Special Perquisite Allowance, as a one-time measure every year, to the employees for an amount equal to the tax arising out of monetary perquisites. The special perquisite allowance will be computed as detailed below and will be paid along with the salary for the month of March of every financial year:

Particulars	Amount
Net tax liability including all Monetary and Non-monetary Perquisites	(A)
Net tax liability excluding all monetary perquisites	(B)
Difference of tax will be paid by IRDAI directly to Employees as special perquisite allowance	(A) – (B)



It may be further noted that the special perquisite allowance paid as above will be taxed under the head "Income from Salary" in the hands of the employees.

B. Tax on Non- monetary Perquisites:

As per Section 192 (1A) of the Income Tax Act, 1961, an employer may at his option pay full or part of tax payable on any non-monetary perquisites provided to his employees, referred to in Section 17 (2), without making any deduction there from. The tax so paid shall not be treated as an allowable expenditure in the hands of the employer and shall be exempted in the hands of the employee under Section 10 (10CC) of the Income Tax Act, 1961.

In view of the above provision, the computation shall be explained as under:

Particulars	Amount
Net tax liability including all Non-monetary perquisites and Monetary perquisites (including special perquisite allowance as calculated in "A" above)	(A)
Net tax liability excluding all non-monetary perquisites	(B)
Difference of tax will be paid by IRDAI directly to Income Tax Department	(A) – (B)

Tax along with surcharge, as computed above, will be paid directly to the Income Tax Department. The tax paid as above will not be taxable in the hands of the employee. Further, the tax on non-monetary perquisites so paid shall be adjusted towards meeting the employee's tax liability for the relevant assessment year.

The benefits of reimbursement towards tax on monetary perquisites will be given on the eligible items of perquisites/benefits falling due and incurred thereon from 01.04. 2017. In other words reimbursement given in year 2017-18 for the eligible limits of previous financial year/s shall not be eligible for tax reimbursement.

