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Royal Insurance Corporation of Bhutan Limited



R I C B

"Your partner for growth and security"

**GROUP SAVINGS AND INSURANCE SCHEME (GIS)
GUIDELINE 2024**

GROUP SAVINGS AND INSURANCE SCHEME 2024

**(A WELFARE SCHEME FOR GOVERNMENT EMPLOYEES INTRODUCED BY THE
ROYAL GOVERNMENT OF BHUTAN)**

SALIENT FEATURES AND GUIDELINES



INSURER

ROYAL INSURANCE CORPORATION OF BHUTAN LIMITED



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ROYAL INSURANCE CORPORATION OF BHUTAN LTD.

GROUP SAVINGS AND INSURANCE SCHEME 2024

The Group Savings and Insurance Scheme Guidelines was approved by the RIBC's Board of Directors on the 24th of August 2024, during the 236th Board Meeting. The Group Savings and Insurance Scheme (GIS) Guidelines aims to facilitate effective management and administration of the Group Savings and Insurance Scheme.

A handwritten signature in blue ink, appearing to read 'P Lhamo', written in a cursive style.

Penden Lhamo
Company Secretary
RICB

A handwritten signature in blue ink, appearing to read 'Karma', written in a cursive style.

Karma
Chief Executive Officer
RICB

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Group Savings and Insurance Scheme (GIS) Guidelines 2024

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**ARTICLE I
OBJECTIVE AND SCOPE OF APPLICATION**

- 1.1 The Group Savings and Insurance Scheme (Scheme) is a low-cost wholly contributory and self-financing Scheme giving the following twin benefits:
- a. An insurance cover to help their families in the event of death or permanent total disablement while in service; and
 - b. A lump sum payment of the accumulated savings with interest to the employee or their families on cessation of employment on account of retirement, resignation, death, or permanent/total disablement.

**ARTICLE II
COMMENCEMENT**

- 2.1 The Royal Government of Bhutan (RGOB) Employees Group Savings and Insurance Scheme 1987 hereafter referred to as the “Scheme” has come into effect from 1st April 1987.
- 2.2 This Guideline shall come into effect from 1st September, 2024.

**ARTICLE III
APPLICATION**

- 3.1 This Scheme shall compulsorily apply to all regular and contract government employees as well as the employees of all constitutional post holders, and autonomous/ corporate bodies between the ages age of 18 to 70 years, but shall not apply to the following categories of personnel:
- a. Personnel recruited after completing 65 years of age;
 - b. Experts, Consultants, and Volunteers from the UN and other international Organizations.
 - c. Employees on a special contract basis whose contract period is less than a year or (12) months;
 - d. Work charged and employees on a temporary basis;
 - e. Pre-service trainees on receipt of stipends; and

**ARTICLE IV
MEMBERSHIP**

- 4.1 The Scheme shall be compulsory for all those employees who are regular / already in the service and for those who shall be joining the service after the Scheme has been introduced.
- 4.2 The employer shall submit the details of a new member/employee along with his/her subscription to Royal Insurance Corporation of Bhutan Limited (RICBL) in the recovery schedule (Form No. 1).
- 4.3 Grouping of members/employees for insurance coverage and subscription rate shall be as reflected in Annexure I. However, it shall be subject to revision on the advice of the RGOB from time to time.

ARTICLE V
RECOVERY OF THE SUBSCRIPTION

- 5.1 The subscription of a member shall be deducted from his/her salary and remitted to RICBL within fifteen (15) days of the following month. (annexure monthly subscription form) via Form No.1.
- 5.2 The subscription shall be recovered every month, including the month in which the employee ceases to be in employment on account of death or total permanent disability, retirement, resignation, or termination from service even if he/she has worked for part of the month.
- 5.3 No part payment (on a pro-rata basis) of the monthly subscription from a member shall be recovered and remitted. Though a member may have joined the Scheme in the middle of a month, for administrative convenience, the subscription shall be remitted for the full month.
- 5.4 Before the expiry of 60 days of discontinuation of a monthly subscription, if the member so wishes to continue the membership, a member or the Disbursing Officer shall remit the subscription in arrears.

ARTICLE VI
REMITTANCE OF SUBSCRIPTION

- 6.1 The disbursing officer shall remit the monthly subscriptions supported by the recovery schedule as per Form 1 to the RICBL within fifteen (15) days of the following month.
- 6.2 The drawing and disbursing officer and the finance personnel of the concerned Agency shall be held fully responsible and accountable for the recovery the of GIS subscription and timely remittance of the recovery to the RICBL. These officials shall scrutinize and make a recovery and ensure the recovery is remitted to RICBL within the stipulated time. In the event of non-remittance and/or late remittance of the recovery, the drawing/disbursing officers/finance personnel shall be held responsible besides also being liable to make good the losses incurred by the civil servants concerned.
- 6.3 In case an employee is on long leave without pay (study, medical, or extraordinary leave, etc.) the employee shall make his or her/own arrangements to remit the subscriptions. This is to enable the continuity of the membership.

ARTICLE VII
COMMENCEMENT OF RISK

- 7.1 The risk on the life of a fresh or newly recruited employee shall commence from the date the GIS contribution is received by RICBL and not on the joining date. Therefore, the date of joining the scheme is the date of the first subscription.
- 7.2 The Scheme shall automatically cease to cover the risk:
 - a. From the day the employee(s) is/are relieved from employment; or
 - b. If there is a break of 60 days in payment of subscription from the first day of default on the 1st of every month.
- 7.3 RICBL shall deduct from the benefits eligible from the Scheme, unpaid subscriptions for the duration for which the risk is covered as per 7.2 (b) and late fees thereon separately for each incident of the break in the subscription payment. The late fee shall be levied at the rate of interest applicable under Article 12.1

7.4 In case of any revision to the Scheme and in the event that a claim arises between the date of revision and remittance of the revised subscriptions, the claim benefits payable shall be based on the Scheme's existence before the revision of the Scheme. The benefits payable based on the revised Scheme shall take effect only upon receipt of the revised subscriptions and not from the day of the announcement of the revision.

**ARTICLE VIII
PROMOTION**

8.1 In the event of promotion and change in the grouping, the subscription shall be of the new group from the date of promotion. However, the risk on the promoted member shall commence from the date of receipt of the subscription at the rate applicable to the next higher group.

**ARTICLE IX
TRANSFER**

9.1 In case of transfer of a member from one Department/Agency to another Department/Agency and his/her subscription is added for the first time in the recovery schedule (Form No. 1) of the Department/Agency where he/she is transferred to, the disbursing officer shall indicate the GIS account number and his/her previous Department/Agency in the status column of the GIS Monthly Contribution Schedule).

**ARTICLE X
INSURANCE FUND**

10.1 In order to provide an insurance cover to each member of the Scheme a portion of the subscription shall be credited to the insurance fund subject to revision by RGOB and RICBL from time to time and specified in Member Grouping, Sum Assured, and Subscription Rate Table.

**ARTICLE XI
SAVINGS FUND**

11.1 The balance portion of the subscription shall be credited to a savings fund as per Member Grouping, Sum Assured, and Subscription Rate Table. The RICBL shall maintain this savings fund in individual member accounts. The savings fund is subject to revision from time to time by RGOB and RICBL on mutual consent.

**ARTICLE XII
INTEREST ON SAVINGS**

12.1 For the Savings Fund, the Royal Insurance Corporation of Bhutan Limited shall maintain an individual account for each member and pay interest as may be determined and agreed from time to time between the Ministry of Finance and the RICBL and indicated in Annexure.

**ARTICLE XIII
NOMINATION**

- 13.1 If a member dies/is reported missing while in service the claim eligible under Articles XV and XVI shall be payable to his/her nominee(s) or legal heir(s). The nominee(s) or legal heir(s) shall be as per the record duly attested by the relevant officials of the employer and submitted to the RICBL in Form No. 2 at the time of lodging the claim.
- 13.2 In the case of a minor nominee or a permanently disabled member, the name of a guardian to whom the claim is to be paid shall be identified by the employer and specified in Form No.
- 13.3 The signature of the guardian shall be attested by the employer.
- 13.4 If the nomination is in favor of more than one person, the employer shall specify the percentage of share for each nominee.

**ARTICLE XIV
PAYMENT FROM SAVINGS FUND**

- 14.1 If a member is separated from service, the authorized person of the organization shall issue a letter/advice for payment of the member's accumulation in the savings with interest as per the Refund application form (Form No.2), (applicable for off-line application) and online refund applications shall be as per the terms and conditions of MoU signed with RCSC. The member shall sign the Discharge Voucher (Form No. 4) duly signed by him/her and witnessed by someone known to the member if the payments are not made through an online platform. The net amount payable shall be after adjustment of any due subscriptions payable to the RICBL and adjustments applicable under Article 7.3
- 14.2 If an employee attains the age of 70 years as per the records submitted to RICBL, but the employee continues to be in service, the membership shall stand terminated without insurance coverage and the savings fund with interest shall be refunded.

**ARTICLE XV
PAYMENT OF DEATH CLAIM**

- 15.1 If a member dies or is reported missing while in service, the claim amount payable shall be:
- a. The appropriate amount of insurance coverage to which he/she was entitled at the time of his/her last service before death or is reported missing as the case may be.
Plus
 - b. An amount due to him/her out of the accumulated savings fund for the entire period of his/her membership with interest.
Plus
 - c. The excess amount received out of the actual subscription from the disbursing office after having verified from latest remittance schedules received from the Agency.
Less
 - d. Any due subscriptions payable to the RICBL and adjustments applicable under Article 7.3.
- 15.2 The employer shall intimate any death claim to RICBL within 90 days from the date of demise.

ARTICLE XVI
MISSING EMPLOYEE

- 16.1 If an employee is found/reported missing during the period of his/her active service, the concerned Authority/Agency shall inform RICBL in writing within 90 days from the date of reporting to relevant authorities.
- 16.2 The RICBL shall observe one year from the date of reporting as a waiting period, and on cessation of the waiting period or earlier as may be decided by the Court of Law, the claims as per Article XV shall be paid to the claimant subject to the execution of a bond with RICBL (Missing Bond) by the claimant duly verified by the Disbursing Officer undertaking to refund the claimed amount with interest at the prevailing rate of interest of the Scheme at the time of refund to RICBL in the event the employee reappears.

ARTICLE XVII
PROCEDURES FOR SETTLEMENT OF DEATH CLAIM

- 17.1 For settlement of death claim, the following formalities shall be completed.
- a. Refund/Claim Application form (Form No. 2).
 - b. A copy of the Death Certificate from a competent Authority.
 - c. Discharge Voucher (Form No 4) duly signed by the nominee/legal heir over in the presence of a witness if payments are not made through online channels.
 - d. Execute Bond (Form No. 5) if the claim is a missing case.

ARTICLE XVIII
PERMANENT AND TOTAL DISABILITY

- 18.1 The permanent and total disability herein referred to must be total and permanent that there is neither then nor any time thereafter any work, occupation or profession that an employee can do or follow to earn any wages or salaries.
- 18.2 The RICBL shall have the right to have the disabled member examined by an independent doctor of its own choice for which the expenses shall be borne by the RICBL.
- 18.3 However, the RICBL shall not be liable if the disability is caused by intentional self-injury, attempted suicide, insanity or immorality, or in violation of any law of the land.
- 18.4 The permanent and total disability shall mean:
- a. By Accident: The loss of sight of both eyes or amputation of both hands at or above the wrists, or amputation of both feet at or above the ankles, or amputation of one hand at or above the wrist and one foot at or above the ankle.
 - b. By Sickness: The paralysis of the complete body or paralysis of either side of the body with upper and lower limbs, or total blindness of both eyes or total mental disorder shall be deemed to constitute such disability.

ARTICLE XIX

PAYMENT OF PERMANENT TOTAL DISABILITY CLAIM

- 19.1 The permanent total disability benefits equal to the sum assured to which he/she is entitled at the time of disablement shall be payable in addition to the accumulated savings with interest and the excess amount received if any, from the Disbursing Office after verification.
- 19.2 RICBL shall settle the claim in one lump sum payment after adjustment of any due subscriptions owing to the RICBL and any adjustments under Article 7.3.

ARTICLE XX

PROCEDURES FOR SETTLEMENT OF PERMANENT TOTAL DISABILITY CLAIM

- 20.1 For settlement of permanent total disability claim, the following formalities are required to be completed.
- a. The Employer shall lodge the claim to RICBL either on the happening of permanent total disablement by accident or during the course of treatment if caused by sickness, but not later than two weeks from the date of accident or disability.
 - b. The claimant shall furnish medical certificates to RICBL proving permanent total disability. A copy of the Police Inquest Report is to be submitted if the disability is due to an accident. If the disability is due to sickness, Medical Treatment documents must be produced to support the claim.
 - c. Claim Application Form (Form No. 2).
 - d. Discharge Voucher (Form No. 4) duly signed by the disabled employee or their legal guardian in the presence of a witness if payments are not made through online platforms.

ARTICLE XXI

RECOVERY OF SAVINGS OR DEATH/DISABILITY COMPENSATION AGAINST GOVERNMENT LOAN

- 21.1 The Employer shall have the right to realize the savings with interest or death/disability compensation payable to the member for recovery of loans, advances, and misappropriation of government funds and property during the service.

ARTICLE XXII

WITHDRAWAL FROM INSURANCE/SAVINGS FUND

- 22.1 Withdrawal by the member in part or whole of the savings shall not be permitted while the member is in service.

ARTICLE XXIII

LOAN AND ADVANCE

- 23.1 No loans or advances shall be permitted under the Scheme.

ARTICLE XXIV

DELIVERY OF BENEFITS

- 24.1 RICBL shall ensure that the benefits eligible from the scheme are delivered within seven business days from the receipt date of the complete documents required to claim benefits.

**ARTICLE XXV
MISCELLANEOUS**

- 25.1 The information received from the Disbursing Officer of the concerned Employer regarding grading or grouping of employees at the time of remittances shall be considered as the single source of information and be the basis for subscription and claim settlement.
- 25.2 In case of disputed beneficiaries over claims, RICBL shall settle the claims only upon obtaining either of the following documents:
- 25.3 Letter from the Agency mentioning the details of beneficiaries and percentage of share of the benefits; OR
- a. Court Order for settling the disputed beneficiaries.
- 25.4 Only one active membership should exist against one person at any time.

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