



No. 500-50/2010-11/CA-II/BSNL/Vol. II

Dated: 01-April -2014

To,  
The Chief General Manager,  
All Circles  
BSNL**Sub: 2<sup>nd</sup> Amendment in BSNL Employees Gratuity Trust Rules –reg.**

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BSNL Board in its 139<sup>th</sup> meetings & 141<sup>st</sup> meeting held on 17<sup>th</sup> January 2012 (vide item no. 139.06) and 21<sup>st</sup> May 2012 (vide items no.141.16) respectively had approved the amendment to the existing BSNL Employees Gratuity Trust Rules which are applicable on the employees recruited by BSNL in view of the incorporating/substituting the definitions of “Completed year of service” and “Continuous Service” in the Rules in line with the definition of these terms given in “The Payment of Gratuity Act,1972”. This amendment has also been approved by the Commissioner of Income-tax vide order dated 11.02.2014.

After amendment, the following existing definition under the Trust Rules **wherever appearing in the BSNL Employees Gratuity Trust Rules thereto**, have been substituted as tabulated below.

Sl. No.	Rule No.	Existing Definition under the Trust Rules	New Definition as approved by BSNL Board
1.	1(ii)	“CONTINUOUS SERVICE” means uninterrupted service and includes service, which is interrupted by sickness, accident, leave, lay-off or lockout, or cessation of work not caused due to any fault of the employee.	“CONTINUOUS SERVICE” means continuous service as defined in clause (c) of section 2 of ‘The Payment of Gratuity Act, 1972’.
2	1(xii)	“SERVICE” shall mean continuous service as defined in the Payment of Gratuity Act, 1972. For the purpose of this scheme, any part of service period of six months or more, after completion of the initial period of 5 years is to be treated as one year.	For the purpose of this scheme, any part of service of six months or more, after completion of the initial period of 5 years continuous service is to be treated as one year.
3.	1(xvi)	---	“COMPLETED YEAR OF SERVICE” means continuous service for one year as defined in section 2(b) of ‘The Payment of Gratuity Act, 1972’.



4.	22 Proviso (a)	Gratuity will not be admissible to an employee who resigns from service before completing five years or whose service are terminated for mis-conduct, insolvency or inefficiency.	<i>Gratuity will not be admissible to an employee who resigns before completing five years of continuous service or whose service are terminated for misconduct, insolvency or inefficiency.</i>
5	22 Pro- viso (b)	The word "qualifying" shall be substituted with "continuous".	
6	25	The words "five years of service" shall be substituted with "five years of continuous service".	

Amended BSNL Employees Gratuity Trust Rules are enclosed herewith for vide circulation and implementation by all concerned. This amendment will come into force w.e.f 04.06.2013.

Encls: As above

**Asstt. General Manager (CA)**

**Copy to:**

1. Executive Director (Finance), BSNL.
2. PGM/ GM (Finance)/IFA of all BSNL Circles.
3. Chairperson/ Trustees of BSNL Employees Gratuity Fund Trust
4. GM (Estt.)/(Pers.), Corporate Office, BSNL
5. GM (SR) for forwarding amongst recognized BSNL unions.
6. AGM(R&P), CO, BSNL.
7. CPAO (ITI) Bills, Bengaluru.