



ABSTRACT

Cooperative Societies - Employees of Cooperative Societies- Family Benefit Fund Scheme by taking Group Insurance Policy with LIC of India- Enhancement of risk cover amount from Rs.1,00,000/- to Rs.1,50,000/-- Orders issued.

Cooperation, Food and Consumer Protection (CB1) Department

G.O.(Ms.) No.22

Dated 4.2.2008

Read :-

1. G.O.(Ms.) No. 193 Food and Cooperation Department dated 26.3.1983
2. G.O.(Ms.) No. 41 Cooperation, Food and Consumer Protection Department dated 10.3.1998
3. From the Registrar of Cooperative Societies Letter No. Rc.49754/2007 PMCT1 dated 25.7.2007, 15.11.2007 and 7.1.2008

ORDER

As per the G.O. first read above the Family Benefit Fund Scheme is being implemented for the regular employees of Cooperative Societies including the Cooperatives under the control of other functional Registrars with effect from 1.5.1983 by Tamil Nadu State Apex Cooperative Bank taking a master policy under Group Insurance Scheme of LIC of India.

2. In the G.O. second read above the Government have raised the risk cover for each employee of Cooperative Institution from Rs.60,000/- to Rs.1.00 lakh by remitting a premium amount of Rs.650/- per employee, per annum (Employee's contribution Rs.325/- + Society's contribution Rs.325/-) to the LIC of India from 1.5.1997. The amounts are remitted by the societies to the concerned District Central Cooperative Banks who in turn remit the same to the Tamil Nadu State Apex Cooperative Bank which is the nodal agency for implementation of the scheme.

3. The Registrar of Cooperative Societies has stated that as per the announcement made by the Hon'ble Minister for Food and Cooperation in the Floor of the Assembly to increase the risk cover from Rs.1.00 lakh to Rs.1.50 lakhs from the year 2007-2008, the Tamil Nadu State Apex Cooperative Bank was requested to get the rate of premium for Rs.1.50 lakhs per annum per employee from the LIC of India. The Registrar of Cooperative Societies has stated that the LIC of India has fixed the premium of Rs.6.00 per thousand sum assured per annum per member. The premium would attract Service Tax at 12% and Education Cess 2%. Hence the annual premium payable per member by each society could be Rs.900/- + Rs.108/- (Tax) + Rs.4/- (Cess) i.e., (Rs.1012/-). The share of premium of each employee and Cooperative Institution will be Rs.506/-. The Service Tax and Education Cess are subject to change

as per the amendments that may be announced in the Finance Act from time to time and the tax portion on the premium may change.

4. The Registrar of Cooperative Societies has therefore requested the Government to issue orders to raise the risk cover under the scheme from Rs.1.00 lakh to Rs.1.50 lakhs by remitting a premium of Rs.900/- (Rupees nine hundred only) per employee per annum (Employees contribution Rs.450/- per annum plus employer's contribution Rs.450/- per annum) plus Service Tax and Education Cess at the applicable rate from 1.5.2007. The modus operandi of this scheme will however remain the same as ordered in the G.O.(Ms.) No. 193 dated 26.3.1983.

5. The Government after careful consideration has decided to accept the proposal of the Registrar of Cooperative Societies and order the risk cover for each employee of the Cooperative Societies / Institution be raised from Rs.1.00 lakh to Rs.1.50 lakhs by remitting a premium of Rs.900/- (Rupees nine hundred only) per employee per annum (Employees contribution Rs.450/- and per annum and employer's contribution Rs.450/- per annum) plus Service Tax and Education Cess at the applicable rate. The modus operandi of this scheme will however remain the same as ordered in G.O.(Ms) No. 193 dated 26.3.1983.

6. This order issues with the concurrence of Finance Department vide its U.O. No.6412/CF & CP-08 dated 4.2.2008

(By order of the Governor)

K. SHANMUGAM
Secretary to Government

To

The Registrar of Cooperative Societies, Chennai 10

All Functional Registrars - through the Registrar of Cooperative Societies,
Chennai 10

The Accountant General, Chennai 18

Copy to

The Finance Department Chennai 9

All Departments of Secretariat, Chennai 9

(with a request to issue directions to the Functional Registrars under their
control to give effect to the order)

All Sections in Cooperation, Food & Consumer Protection Department, Chennai 9

/ Forwarded / By order /

SECTION OFFICER