

# Scheme of Loan to Retirees for Payment of Medical Insurance Premium

## **1. TARGET GROUP:**

All honourable Retired Officers/Retired Award Staff (including sub staff) who have opted for “Group Medical Insurance for Retirees” and required to remit the renewal premium to the concerned Insurance Company for the same. (The loan will be sanctioned in the joint name of the retiree and spouse if alive). This scheme is available only for pension optees.

## **2. PURPOSE:**

- a) Exclusively for funding the renewal premium amount of Group Medical insurance for Retirees.
- b) No other purpose/requirements will be considered under the scheme.

## **3. MAXIMUM AMOUNT OF LOAN:**

- a) 90% of the total premium amount (inclusive of tax) for one insurance year
- b) Net take home pension after all deductions including the instalment of proposed loan should not be less than 40% of Gross Pension.

## **4. MARGIN:**

10% of the insurance premium inclusive of tax for one insurance year

## **5. REPAYMENT PERIOD:**

The entire loan is to be repaid in 12 equated monthly instalments. 1st instalment is to be paid within 30 days after the date of disbursement of loan or on date of subsequent payment of monthly pension, whichever is earlier.

## **6. RATE OF INTEREST:**

One year MCLR

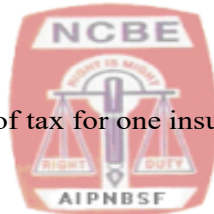
## **7. SANCTIONING AUTHORITY & LOANING POWER:**

The sanctioning Authority will be the Branch Head of the Branch where the employee is maintaining pension account.

**8.** This Loan facility will not be available, if the retiree has availed any similar facility from any other source.

## **9. DOCUMENTS TO BE OBTAINED:**

- a) Application Form (**Annexure I**)
- b) Recent Photograph
- c) Details of Pension/PPO No. etc.
- d) Demand Promissory Note
- e) Undertaking- cum-Authority (**Annexure II**)
- f) Copy of Adhaar card
- g) Demand Pronote- PNB 728



**(Human Resource Development Division Circular No. 823 dated 27.03.2020)**