

Comp. No. 6885: BSNLCO-CA/11/18/2020-CA-ERP-FICO

Dated: 13/03/2026

To All Circle Heads/IFAs
All BSNL Territorial and non-Territorial Circles

Subject: Verification of Employee Data and Payment of Insurance Benefits under BSNL Gratuity and Leave Encashment Schemes.

The BSNL Gratuity Scheme was introduced to provide gratuity benefits to the directly recruited employees of BSNL. In addition, the Company has established a fund with LIC to provide leave encashment benefits to both absorbed and directly recruited employees of BSNL.

Both the Gratuity and Leave Encashment policies include provisions for insurance benefits payable to the beneficiaries of employees covered under these schemes who are separated from service due to death. These policies are subject to annual renewal in the month of August. At present, the policies stand renewed up to **31.07.2026**.

As per the terms and conditions of the policies, an insurance coverage amount is payable to the beneficiaries of employees who separated due to death. Earlier, the premium required to secure a life assurance benefit of **Rs. 1,000/- for one year** was **Rs. 1.50 per thousand**, payable on the annual renewal date. However, with effect from **August 2024**, LIC has enhanced the insurance coverage to **Rs. 5,000/-** at the same premium rate of **Rs. 1.50 per thousand**.

Insurance Benefit Payable is as follows:-

1. Absorbed Employees

For absorbed employees of BSNL who separated due to death while in service:

Date of Death	Insurance Benefit Payable
Before 01.08.2024	Rs. 1,000/- under Leave Encashment Policy
On or after 01.08.2024	Rs. 5,000/- under Leave Encashment Policy

No insurance benefit under the Gratuity Policy is applicable to absorbed employees.

2. Directly Recruited Employees of BSNL

For directly recruited employees who separated due to death while in service:

Date of Death	Leave Encashment Policy	Gratuity Policy	Total Benefit
Before 01.08.2024	Rs. 1,000	Rs. 1,000	Rs. 2,000
On or after 01.08.2024	Rs. 5,000	Rs. 5,000	Rs. 10,000

Continue...Page-2

BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)
Corporate Office, CA Section, First Floor,
Bharat Sanchar Bhavan, Janpath, New Delhi- 110001.



The list of deceased employees for FY April 2020-21 to 2025-26, as received from the ERP HCM Core Team is enclosed herewith. All Circles and Business Areas are directed to verify the details contained in the list without delay.

The bank details of the beneficiaries (legal heir/ nominee) of the verified employees who are eligible to receive this payment shall be updated in IT0009 by the payroll DDOs on priority so as to facilitate timely processing of the payments. The wage types required for effecting these payments are presently under creation and the same will be communicated separately, latest by forth coming week. The guidelines and precautions to be observed by the Circles for settlement of the claim are enclosed as **Annexure-A**

For settlement of the claim, LIC has insisted on submission of an attested copy of the Death Certificate of the concerned employee. In this regard, the Circles are requested to consolidate all such cases and forward the scanned copies of the attested Death Certificates to the CA Section in one lot.

After receipt of the claim amount from LIC upon submission of the requisite documents, the same will be intimated to the Circles for further processing in ERP-SAP.

Enclosure: Year wise employee data

Pr. General Manager (CA/ERP/FICO)
BSNL CO , New Delhi

Copy to :-

1. PS to Director (Finance) BSNL CO New Delhi for information please.

Annexure- A

All Circles and Business Areas are hereby directed to:

1. Carefully verify the details of the deceased employees mentioned in the enclosed list.
2. Confirm:
 - Employee Name
 - HR Number
 - Date of Death
 - Employee Category (Absorbed / Direct Recruit)
 - Nominee / Beneficiary details.
3. Identify the eligible beneficiaries for payment of insurance benefits.

The verification must be completed on priority to avoid delay in settlement of the claims

Updating of Beneficiary Bank Details

To facilitate the timely processing of payments, the bank account details of the beneficiaries of eligible employees must be updated in the SAP HR system (Info type IT0009) by the concerned Payroll DDOs.

The following precautions should be ensured while updating the records:

- Correct name of beneficiary
- Accurate bank account number
- IFSC code
- Relationship with deceased employee
- Supporting documents such as cancelled cheque or bank passbook copy

All entries in IT0009 must be verified and authenticated by the concerned DDO.

Creation of Wage Types

The wage types required for processing these insurance payments in the payroll system are currently under creation in the ERP system.

The details of the wage types and the procedure for payroll processing will be communicated separately.

Record Keeping and Documentation

For proper audit trail, financial control and future verification, the following records must be maintained by the Circles/Business Areas:

1. Deceased Employee Insurance Register

Each Circle/BA should maintain a register containing the following details:

| Sl No | Employee Name | HR No | Category | Date of Death | Nominee Name | Policy Applicable | Amount Payable
| Payment Status | Remarks |

Claim File

A separate claim file should be maintained for containing following documents for each of the deceased employee

- Copy of Death Certificate
- Nomination details from service book
- Beneficiary bank details (to be cross checked by BAs)
- Payment sanction note
- Payment confirmation

Since Service Books in case of the absorbed deceased employees will be available with CCA office, proper arrangement should be made for collecting required details from the service books

Monitoring and Compliance

Circles / Business Areas shall ensure that:

- The verification of employee data is completed promptly.
- Bank details are updated without delay.
- Any discrepancy found in the list should be reported immediately to Corporate Office for correction.