

Subject No : 113

Re. No. J

Sub:- VUDA - Visakhapatnam - Medical Allowance to VUDA employees
in lieu of reimbursement - Reconsideration - Reg.

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AGENDA NOTE

The employees of the former Town Planning Trust and present VUDA are not having the benefit of medical re-imburement as in the case of State Government employees and the employees of the other sister organization. Even though the State Government rules are applicable to Urban Development Authorities employees the medical re-imburement concessions have not been extended to the employees.

The employees were felt much hardship to meet medical expenses and they have represented the facts.

The matter was examined with reference to the HUDA, Hyderabad medical re-imburement rules and proposals were placed before the Board for payment of Medical Allowance equal to one month basic and payable in 4 quarterly instalments. The above proposals were approved by VUDA in its Resolution No:120 dt. 31.8.1989.

As per the above Resolution the VUDA employees are being paid medical allowance equal to one month basic pay in the scale of pay applicable to him / her in 4 quarterly instalments alongwith pay bills at each quarter end.

The Accountant General Audit have requested to seek ratification orders from the Government in payment of medical allowance to the VUDA employees as per the VUDA Resolution No.120 dt. 31.8.89.

Hence, the Government were addressed in the letter dt. 22.5.2002 for ratification in the matter.

In response to the above letter the Government in their letter No. 10336/B1/2002-1 dt. 16.10.2002 have requested to recover the amounts paid so far to the employees towards medical allowance in lieu of medical reimbursement and also take action against the Officers responsible for those unauthorized payments and to send compliance report to the Government in the matter. In pursuance of the Government letter the payment medical allowance to the VUDA employees was stopped from the quarter ending 12/2002 onwards.

Hence, the matter has been placed before the VUDA Board for information and to accord permission to address the Government for reconsideration of medical allowance to VUDA employees as is being paid to all other employees of Urban Development Authorities in the State as usual i.e., one month Basic Pay payable in 4 quarterly instalments.

The VUDA in its Resolution No.80 dt. 14.5.2003 has resolved to examine the Medi claim Scheme and to place the same in the next Board Meeting.

The Medi claim Policies of different Insurance Companies viz United India Insurance Co Ltd., New India Insurance Co Ltd., Oriental Insurance Co Ltd., have been examined. The medical expenses under this scheme can be claimed only in the case of hospitalization and the VUDA has to pay to the Insurance Company every year to an amount of Rs. 7.00 lakhs towards premium. In fact only few individuals will get benefit from the Policy who are hospitalized. Hence, the medi claim policy is not found feasible and useful for the employees to meet their medical requirements.

In this connection, it is submitted that there is an existing practice in all Urban Development Authorities in the State in payment of medical allowance equal to one month basic pay and payable in 4 quarterly instalments to the employees. Hence, the denial of payment of medical allowance to the employees of VUDA is discriminatory against the existing policy prevailing in other Urban Development Authorities.

If the medical allowance to the VUDA employees is continued an amount of Rs. 20.00 lakhs is required per annum. The expenditure is to be met from VUDA funds.

Hence the matter is again placed before the VUDA Board for information and to recommend to the Government to ratify the action taken by the Board in having paid 1 month Basic Pay per annum in 4 quarterly instalments towards medical allowance and also for reconsideration of payment of medical allowance to VUDA Employees as is being paid to all other employees of Urban Development Authorities in the State.

VUDA Board Resolution No.113

Resolved to approve the proposals to extend the medical allowance equal to one months basic pay payable in four quaterly instalments as approved by VUDA in its Resolution No.120 dated 31-8-89 and re-approach the Government for ratification.