

**REVISION OF AALCO'S GRATUITY SCHEME FOR THE LOCALLY RECRUITED  
STAFF**

*The Asian-African Legal Consultative Organization at its Fifty-First Session,*

**Mindful** of the Administrative, Financial and Staff Regulations of the Organization adopted in 1990;

**Having considered** the views of the Secretary-General on the rationale for the welfare of the Staff and upward revision of the amount of terminal gratuity payable to the locally recruited staff;

**Noting that** the salary structure and other staff amenities applicable to the locally recruited staff closely follows that of the Host Government of AALCO, that is, the Government of India;

**Recalling its** previous resolutions on this subject matter RES/43/ORG 10 (adopted on 25 June 2004, Bali, Indonesia) and RES/49/ORG 1 (8 August 2010, Dar es Salaam, United Republic of Tanzania), with a view to build upon them and simplify them;

**Welcoming** the initiative of the Secretary-General to revise the gratuity scheme for the locally recruited staff;

**Revising** Rule 10.3 of Chapter X on "Retiral Benefits" under the Administrative, Financial and Staff Regulations of the Organization, 1990 which shall be implemented retrospectively in the AALCO Secretariat from 1<sup>st</sup> January 2006;

1. **Approves** the proposal of the Secretary-General to revise the gratuity scheme and the formula for computation of gratuity applied to the locally recruited AALCO Secretariat Staff to be adopted, as follows;

**"10.3: Gratuity Scheme**

- (i) *There shall be a Terminal Gratuity Scheme for the locally recruited staff members of the Secretariat.*
- (ii) *The criteria for eligibility of the terminal gratuity benefits shall be as follows:*
  - (a) *An employee shall be eligible for a terminal gratuity award subject to a minimum qualifying period of five years continuous service with the Organization, and*
  - (b) *The terminal gratuity award shall be payable on retirement at the stipulated age; or on health grounds; or redundancy or other justified grounds; or in the event of death during employment.*

- (iii) *The terminal gratuity award shall be payable at the following rates:*
- (a) *For services of 20 years or above with the Organization, a full month's salary for each completed year of service upto a maximum period of 16 ½ years or alternatively, a monetary ceiling of Rs. 10,00,000/- (Rs. Ten lakhs), whichever is less, and*
  - (b) *For services under 20 years with the Organization, 85% of the monthly salary for each completed year of service upto a maximum period of 16 ½ years, or alternatively, a monetary ceiling of Rs. 10, 00,000/- (Rs. Ten lakhs) whichever is less.*

*For the purposes of calculation, 'monthly salary' shall mean the Basic Pay plus the Dearness Allowance (Basic Pay + DA) which a staff member shall be receiving immediately before his/her retirement or cessation of service. Any 'period' above six months shall be rounded off to a year and any period of less than six months, shall be ignored.*

- (iv) *In the event of an employee's death during employment, the benefits shall be payable to the mandated heir(s) or dependents of the employee.*
  - (v) *Gratuity shall not be awarded in case of dismissal for gross misconduct, misdemeanor, or behavior likely to bring the Organization into disrepute."*
2. **Gratuity Ceiling:** The ceiling limit of the terminal gratuity award shall be in consonance with the then prevailing ceiling limit as and when adopted by the Government of India;
  3. **Requests** the Secretary-General to amend the existing gratuity scheme and implement the same in accordance with the new scheme enumerated above.