ABSTRACT

Budget Announcement 2025-2026 - Treasuries and Accounts Department – State Government salary package – Salary accounts maintained by employees - Memorandum of Understanding (MoU) between the Director of Treasuries and Accounts and Banks – Permission accorded – Orders – Issued.

FINANCE (Treasuries and Accounts-III) DEPARTMENT

G.O.(MS).No.113

Dated: 14.05.2025
சித்திரை- 31
திருவள்ளுவர் ஆண்டு -2056

Read:-

1. Announcement made in the Budget Speech 2025-2026 by the Hon'ble Minister for Finance and E&CC on the floor of the Assembly on 14.03.2025.
2. Government Letter No.9980258/Fin (T&A-III)/2025, Dated 28.03.2025.
3. Letter received from the Director of Treasuries and Accounts Rc.No.1388206/K1/2025, Dated 07.04.2025 and 30.04.2025.

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ORDER:

The Hon'ble Minister for Finance and Environment & Climate Change has made the following announcement on the floor of legislative assembly on 14.03.2025 during the Budget Speech for the year 2025 - 2026:-

> Our Government is committed towards the welfare of the Government employees who are working tirelessly to implement the welfare schemes for the people in the State. As a result of the efforts taken by the Government, major

P.T.O.

banks in Tamil Nadu, where Government
maintain their salary accounts, have come
provide various concessions free of cost to the government employees and their families.

- Personal accident insurance cover of Rs.1 crore will given by banks to Government employees in case accidental death or permanent disability due to accident.
- Financial assistance of Rs.5 lakh each, up to a total of Rs.10 lakh, will be given by banks for the marriage expenses of daughters, of the Government servant deceased due to accident, who have attained the eligible age for marriage.
- Higher education assistance of up to Rs.10 lakh will be given by banks to the daughter, of the government servant deceased due to accident, who has completed school and is pursuing higher studies.
- In the event of natural death during service period, a sum of Rs.10 lakh will be given by banks as term life insurance cover.
- Interest concession will be given by banks to Government employees while availing Personal Loan, Housing Loan and Education Loan.
- The Government will enter into Memoranda of Understanding (MoUs) with banks which are willing to provide this insurance cover to Government servant in the coming financial year 2025-2026. The Department of Treasuries and Accounts will coordinate the timely disbursement of these benefits to the families of the deceased Government employees through the banks".

2. Based on the above announcement, in the reference third read above, the Director of Treasuries and Accounts has stated that:-

a. The top 10 banks maintaining employee salary accounts are invited to a meeting to discuss providing minimum benefits of Rs.10 Lakh Term life insurance coverage and Rs.100 lakh Personal Accident Insurance Coverage to Government employees. In the event of an employee's death due to personal accident, their children will receive educational benefits and unmarried daughters will get marriage assistance. Banks must provide these benefits to Government employees at no cost, regardless of their salary band.

b. The above conditions are fulfilled by the following 7 banks and they have agreed to provide the insurance coverage benefits to Government employees free of cost.

i. State Bank of India
ii. Indian Bank
iii. Indian Overseas Bank
iv. AXIS Bank
v. Bank of Baroda
vi. Union Bank of India
vii. Canara Bank.

c. Since, the Government has entrusted the responsibilities to facilitate and oversee that these benefits are extended by the banks to those who are in need, multiple rounds of discussions and negotiations between the banks and the Department were undertaken to extend the benefits to the Government employees on agreeable terms between both organizations.

3. In this regard, the Director of Treasuries & Accounts has requested the Government to accord permission for entering into an Memorandum of Understanding with the above Banks towards extension of benefits to Government Employees who are maintaining their salary accounts.

4. The Government after careful examination of the proposal of the Director of Treasuries and Accounts and accord permission to the Director of Treasuries and Accounts for execution of Memorandum of Understanding (MoU) with the Banks at para 2(b) above to extend the benefits to Government Employees who are maintaining their salary accounts. The draft Memorandum of Understanding is annexed to this order.

5. The Director of Treasuries and Accounts shall coordinate the timely disbursement of the benefits to the families of the deceased Government employees through the banks.

(BY ORDER OF THE GOVERNOR)

T. UDHAYACHANDRAN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Director of Treasuries and Accounts, Chennai-35.