

Nò.38/64/98-P&PW(F)
Government of India
Ministry of Personnel, PG & Pensions
Department of Pension & Pensioner's Welfare
(Desk-F)

3rd Floor, Lok Nayak Bhavan,
New Delhi-110003
Dated the 1st May, 2012

OFFICE MEMORANDUM

Subject: - Implementation of recommendations contained in Para 61 of 44th Report of Parliamentary Standing Committee on Home Affairs - following a time schedule for disbursement of pension – regarding.

In Para 61 of the 44th Report of Parliamentary Standing Committee on Ministry of Home Affairs, the Committee observed that timely payment of pension and retirement dues is not being made to the retiring employees of the Union Government. The Committee drew attention to the employees Provident Fund Scheme and the Notification issued by the Ministry of Labour on 27.10.1997 amending the Employees Pension Scheme, 1995. In terms of provisions under Employees Provident Fund and Misc. Provisions Act, 1952, the Ministry of Labour inserted a new provision '17 A Payment of Pension' which inter-alia says that 'in case the Commissioner fails without sufficient cause to settle a claim complete in all respects within 30 days, the Commissioner shall be liable for the delay beyond the said period and penal interest at the rate of 12% per annum may be charged on the benefit amount and the same may be deducted from the salary of the Commissioner' On the same analogy the Committee recommended that similar provisions may be formulated and enforced to ensure timely payment of Pension and retirement dues to the retiring employees of Union Government.

2. Rule 68 CCS (Pension) Rules, 1972 provides for payment of interest on delayed payment of gratuity and recovery of interest so paid from the officers responsible for such delay. The recommendations of the Committee on delayed payment of retirement dues was examined in this Department in consultation with Department of Personnel and Training and Department of Expenditure, Ministry of Finance and it was decided to implement the recommendations as below:-

- (i) All pensioners' dues are to be settled by strictly following the procedure laid down in Rule 56 to 76 of CCS (Pension) Rules, 1972.
- (ii) Wherever delays are anticipated, provisional pension should be sanctioned immediately.
- (iii) Any delay in processing of pension resulting in pension not being authorized on the last working day of retirement of the Government servant, should be reported by the Head of Office to the next higher authority who would watch the settlement of delayed cases.
- (iv) In respect of delayed payment of gratuity wherever it results in payment of penal interest at the rate applicable to GPF deposits under Rule 68 of CCS(Pension) Rules, 1972, Secretary of the Administrative Ministry or Department would initiate action to fix responsibility at all levels to recover the amount from the concerned Dealing Official, Supervisor and Head of Office in proportion to their salary by following the prescribed procedure for the purpose and should be strictly enforced.

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- (v) Once it has been decided to pay gratuity, the amount should be paid immediately pending a decision regarding payment of interest. This would reduce the interest liability if any on payment of delayed gratuity.
- (vi) In the matter of delayed payment of leave encashment, the Department of Personnel & Training in their note dated 2.8.1999 had clarified that there was no provision under CCS (Leave) Rules for payment of interest or for fixing responsibility. Moreover, encashment of leave is a benefit granted under Leave Rules and not a pensionary benefit.
- (vii) In the matter of CGEGIS, the Department of Expenditure, Ministry of Finance in their UO No. 709/EV/1999 dated 6.8.1999 had clarified that payment under CGEGIS cannot be termed as terminal benefit. As payment under this Scheme are made in accordance with the Table of Benefit which takes into account interest upto the date of cessation of service, no interest is payable on account of delayed payments under the scheme. They had also clarified that CGEGIS payment cannot be withheld and no Government dues can be recovered from the accumulation except the amount claimed by the financial institution as due from the employee on account of loans taken for house building purpose.

3. The above recommendations were circulated among all Ministries/Departments vide this Department's OM No.38/64/98-P&PW(F) dated 5th October 1999. However, it is noticed that all Ministries/Departments are not strictly following the above instructions. The above instructions provide that wherever delays are anticipated, provisional pension should be sanctioned immediately. Thus, in case where regular pension is not authorized at the time of retirement, provisional pension should invariably be sanctioned. In spite of these instructions, there have been instances where payment of pension (regular or provisional) is not authorized at the time of retirement. In some cases, the administrative departments have been directed by the Central Administrative Tribunal/Court to pay interest for delay in payment of pension and a number of proposals for payment of interest of delayed pensionary benefits is being forwarded to Department of Pension and Pensioners Welfare. Therefore, it is reiterated that all the Ministries/Departments should strictly follow the above recommendations communicated vide this Departments OM dated 5.10.1999.

4. The Ministries/Departments may circulate this OM among the concerned attached/subordinate/field organizations under the administrative control of the respective Ministry/Departments for strict compliance.

T. P. Ghosh

(Tripti P Ghosh)

Director (PP)

Phone: 24624802

To

All Ministries/Departments of the Govt. of India
(As per standard Mailing list)