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No.38/34/2001-P&PW(F)

GOVERNMENT OF INDIA
MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS
DEPARTMENT OF PENSION AND PENSIONERS WELFARE
NEW DELHI

OFFICE MEMORANDUM

Dated: 29.04.2002

Subject: Rate of interest payable on delayed payment of DCRG and rate of interest chargeable on refund of pensionary benefits already drawn, in connection with counting of past service under CCS (Pension) Rules, 1972 and Department of Pension & Pensioners' Welfare OM No. 28/10/84-PU dated 29.8.1984 as amended from time to time – reg.

In supersession of this Department's OM No. 7/1/93-P&PW(F) dated 25.8.1994 and 31.10.1995, on the above subject, the undersigned is directed to say that the President is now pleased to decide that where the payment of DCRG has been delayed beyond three months from the date of retirement, an interest at the rate applicable to GPF deposits determined from time to time by the Government of India will be paid to retired/dependants of deceased Government servants.

2. The administrative Ministries/Departments are requested to comply with the instructions contained in para 2(d) and (e) of this Department's OM No. 38/64/98-P&PW(F) dated 5.10.1999 in the matter of payment of interest on delayed payment of DCRG, fixing of responsibility and recover the amount from the concerned Dealing Official, Supervisor and Head of Office in proportion of their salary.

3. The President is also pleased to decide that wherever the employees are required to refund the pensionary benefits received by them for the service already rendered by them under the Central or State Government or Autonomous Bodies or in Armed Forces (Military Service), in order to avail of the benefit of counting of past services for pension purposes in terms of the provisions of Rules 17 to 20 of CCS (Pension) Rules, 1972 and Department of P&PW's OM No. 28/10/84-PU dated the 29th August, 1984 as amended from time to time, the rate of interest will be at the rate applicable to GPF deposits determined from time to time by the Government of India, for the period from the date of receipt of pensionary benefits to date of their refund to the Government/Autonomous Body.

4. In the case of Military pensioners re-employed in civil service, the interest will be recovered for the period from the date of joining civil service till the date of refund of pensionary benefits to Government/Autonomous Body.

5. However, interest calculation in case of refund of pensionary benefits would be as per the method indicated in Annexure-A.

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6. In cases where after the issue of the orders by the competent authority on the basis of option exercised by an employee for counting of past service for pensionary purposes, if an individual does not deposit the pensionary benefits already received by him within one months of the receipt of communication from the Government/ Autonomous Body, a penal interest @ 2 per cent per annum will be charged in addition to normal rate of interest mentioned above.

7. All the Ministries/Departments are requested to advise the attached/subordinate offices/autonomous/statutory bodies under their Administrative control and to settle cases in accordance with the provision of this Office Memorandum.

8. In so far as persons serving in the Indian Audit and Accounts Department are concerned, these orders issue after consultation with the Comptroller & Auditor General of India.

Sujit
(Sujit Datta)
Director (PW)

To

All Ministries/Departments of Government of India
(With usual number of spare copies).

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ANNEXURE 'A'

**INTEREST CALCULATION IN THE CASE OF REFUND OF
PENSIONARY BENEFITS (ILLUSTRATIVE)**

A - For a full year

Balance on 31st March, 1999 - Rs. 38,600. Interest @ 12% p.a.**

Month	Subscription	Refund	Advance/ Withdrawal	Balance at the end of the month
Apr-99	1,000	-	-	39,600
May-99	1,000	-	-	40,600
Jun-99	1,000	-	-	41,600
Jul-99	1,000	-	-	42,600
Aug-99	1,000	-	-	43,600
Sep-99	1,000	-	-	44,600
Oct-99	1,000	-	-	45,600
Nov-99	1,000	-	-	46,600
Dec-99	1,000	-	6000	41,600
Jan-00	1,000	500	-	43,100
Feb-00	1,000	500	-	44,600
Mar-00	1,000	500	-	46,100
TOTAL Rs.				520,200

Interest = $5,20,200 \times 1/12 \times 12/100 = 5,202$.

** GPF interest has been revised as under:

<u>Financial Year</u>	<u>Rate</u>
2000-2001	11.0%
2001-2002	9.5%
2002-2003	9.0%

No.F.7/1/93-PSEW(F)
GOVERNMENT OF INDIA

Department of Pension & Pensioners Welfare

3rd Floor, Lok Nayak Bhawan,
Khan Market, New Delhi-110003.

Dated 25th August, 1984.

OFFICE MEMORANDUM

SUBJECT: Enhancement of rate of interest payable on delayed payment of D.C.R.G. and rate of interest chargeable on refund of pensionary benefits already drawn, in connection with counting of past service under CCS (Pension) Rules, 1972, and Department of Pension & Pensioners' Welfare O.M. No.28/10/84-PU dated 29-3-1984 as amended from time to time.

* * * * *

The Government have had under consideration, the question of enhancing the rate of interest payable to a Government servant on delayed payment of Death-cum-Retirement Gratuity where delay occurs on account of administrative lapse or for reasons beyond the control of Government servant concerned. In supersession of this Department's O.M.No.7/3/84-PU dated 28th July, 1984, the President is now pleased to decide that where the payment of D.C.R.G. has been delayed beyond (three) months from the date of retirement, an interest at the rate applicable to GPF deposits (at present 12 per cent per annum, compounded annually) will be paid to retired/dependents of deceased Government servant.

2. The Administrative Ministries are requested to ensure that in all cases where interest has to be paid on Death-cum-Retirement Gratuity, because of administrative delay, action should be taken to fix responsibility and disciplinary action should be taken against the officer responsible for the delay.

3. The President is also pleased to decide that wherever the employees are required to refund the pensionary benefits received by them for the service already rendered by them under the Central or State Government or autonomous bodies in order to avail of the benefit of counting of past services for pension purposes in terms of the provisions of Rules 17 to 20 of CCS (Pension) Rules, 1972 and Department of Pension & Pensioners' Welfare's O.M. No.28/10/84-PU dated the 29th August, 1984 as amended from time to time, the rate of interest will be the rate applicable on GPF accumulations from time to time, for the period from the date of receipt of pensionary benefits to date of their refund to the Government/Autonomous Body.

..../...

4. In cases where after the issue of the orders by the competent authority on the basis of option exercised by an employee for counting of past service for pensionary purposes, if an individual does not deposit the pensionary benefits already received by him within one month of the receipt of communication from the Government/Autonomous Body, a penal interest @ 1 per cent per annum will be charged in addition to normal rate of interest mentioned above.

5. (a) The rate of interest mentioned in para 1 above will be applicable in all cases where the D.C.R.G. has not been paid as on date of issue of this O.M.

(b) The rate of interest mentioned in para 3 above will be applicable in cases of Government servants/employees of Autonomous Bodies where pensionary benefits already drawn have not been refunded to Government/Autonomous Body, as on date of issue of this O.M.

6. All existing instructions relating to interest rate payable by the Government or the employees, as the case may be, will cease to operate w.e.f. the date of issue of this O.M.

7. All the Ministries/Departments are requested to advise the attached/subordinate offices/autonomous/statutory bodies under their Administrative control and to settle cases in accordance with the provision of this Office Memorandum.

8. In so far as persons serving in the Indian Audit and Accounts Department are concerned, these orders issue after consultation with the Comptroller & Auditor General of India.


(S.C. BATRA)

DY. SECRETARY TO THE GOVERNMENT OF INDIA

To

All Ministries/Departments of Govt. of India
(With usual number of spare copies).

No.7/1/93-P&PW(F)
Government of India
Department of Pension & Pensioners' Welfare

New Delhi, 31 October, 1995.

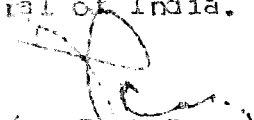
OFFICE MEMORANDUM

SUB: Enhancement of rate of interest payable on delayed payment of DCRG and rate of interest chargeable on refund of pensionary benefits already drawn, in connection with counting of past service under CCS (Pension) Rules, 1972 and Department of Pension & P.W. O.M.No. 28/10/84-Pension Unit dated 29-8-1984 as amended from time to time.

The undersigned is directed to invite attention on this Department's O.M. of even number dated 25-8-1994 on the subject mentioned above and to clarify that in the case of refund of the pensionary benefits by the employees opting for counting of service already rendered by them for pension in terms of the provisions of rule 17 to 20 of CCS (Pension) Rules, 1972 referred to in para 3 of the O.M., the interest will be calculated in the same manner as is done in respect of GPF balances. The manner in which interest on GPF balances is calculated is illustrated in Annexure-A.

2. It has also been decided in consultation with Ministry of Finance that the penal interest to be charged, in addition to normal rate of interest applicable for GPF accumulations, in the case of non-deposit of pensionary benefits by the employees opting for counting of service within the stipulated period of 1 month after the issue of orders or competent authority will be 2 per cent per annum instead of 1 per cent per annum as earlier indicated in para 4 of the aforesaid Office Memorandum.

3. In so far as persons serving in Indian Audit & Accounts Department are concerned, these orders issue after consultation with the Comptroller & Auditor General of India.


(S.C. BATRA)

DY. SECRETARY TO THE GOVERNMENT OF INDIA

All Ministries/Departments of Govt. of India.

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(ANNEXURE 'A')

INTEREST CALCULATION IN THE CASE OF REFUND OF PENSIONARY BENEFITS (ILLUSTRATIVE)

A - For a full year

Balance on 31st March, 1993 - Rs. 38,600. Interest 12% P.a.

Month	Subscription Rs.	Refund Rs.	Advance/ Withdrawal Rs.	Balance at the end of the month Rs.
4/93	1,000	-	-	39,600
5/93	1,000	-	-	40,600
6/93	1,000	-	-	41,600
7/93	1,000	-	-	42,600
8/93	1,000	-	-	43,600
9/93	1,000	-	-	44,600
10/93	1,000	-	-	45,600
11/93	1,000	-	6,000	40,600
12/93	1,000	-	-	41,600
1/94	1,000	500	-	43,100
2/94	1,000	500	-	44,600
3/94	1,000	500	-	46,100
Total				5,14,200

$$\text{Interest} = 5,14,200 \times \frac{1}{12} \times \frac{12}{100} = \text{Rs. } 5,142.$$