

No. 38/64/98-P&PW(F)

Government of India

Ministry of Personnel, Public Grievances & Pensions
(Department of Pension & Pensioners' Welfare)

Third Floor, Lok Nayak Bhavan,
New Delhi-110003

Dated the 5th October, 99

Office Memorandum

Subject: Implementation of recommendations contained in para 61 of 44th Report of Parliamentary Standing Committee on Ministry of Home Affairs- Time Schedule for disbursement of Pension- regarding.

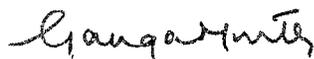
In para 61 of the 44th Report of Parliamentary Standing Committee on MHA, the Committee had observed that timely payment of pension and retirement dues is not being made to the retiring employees of Union Government. The Committee drew attention to the Employees Provident Fund Scheme and the Notification issued by the Ministry of Labour on 27.10.97 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 has 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. As per CCS (Pension) Rules, 1972, no interest is payable on delayed payment of pensions/ commuted value of pension. However, the above recommendation of the Committee on delayed payment of retirement dues has been examined in this Department in consultation with Department of Personnel & Training and Department of Expenditure, Ministry of Finance and it has been decided to implement the recommendation as detailed below:-

Contd.2

- (a) All pensioners' dues are to be settled by strictly following the procedures laid down in Rules 56 to 76 of CCS (Pension) Rules, 1972.
- (b) Wherever delays are anticipated provisional pension should be sanctioned immediately.
- (c) 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.
- (d) In respect of delayed payment of gratuity wherever it results in payment of penal interest at the rate applicable to GPF deposits (at present 12% per annum compounded annually) 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 procedures for the purpose. This should be strictly enforced with immediate effect.
- (e) 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.
- (f) In the matter of delayed payment of leave encashment, the Department of Personnel & Training in their note dated 2.8.99 has clarified that there is no provision under CCS (Leave) Rules for payment of interest or for fixing responsibility. Moreover, encashment of leave is a benefit granted under the leave rules and not a pensionary benefit.

- (g) In the matter of CGEGIS, the Department of Expenditure, Ministry of Finance in their U.O. No. 709/EV/99 dated 6.8.99 has clarified that payments under CGEGIS cannot be termed as terminal benefit. As payments 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 have 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. Contents of this OM may also be brought to the notice of concerned attached/subordinate/field organisations under the administrative control of respective Ministry/Department, for compliance.
4. 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.
5. Hindi version will follow.



(Smt. Ganga Murthy)

Director (PP)

To

All Ministries/ Departments of Government of India
Comptroller & Auditor General of India
(As per Standard Mailing List)