

No.20/16/1998-P&PW (F)
Government of India
Ministry of Personnel Public Grievances and Pensions
Department of Pension and Pensioners Welfare

3rd Floor, Lok Nayak Bhawan,
Khan Market, New Delhi-110 003
Dated the 11th July, 2013.

OFFICE MEMORANDUM

Subject: Withholding of 10% gratuity from the retiring Government servants – clarification regarding.

The undersigned is directed to refer to this Department's OM of even number dated the 19th February 2013 on the above cited subject and to say that this Department is still receiving representations from individuals and Pensioners Associations that Government Departments have been withholding 10% of the amount of gratuity from retirees even when they had not been provided any Government accommodation. This is in contravention of existing instructions.

2 The recovery and adjustment of Govt. dues from retirement gratuity is regulated under Rules 71 to 73 of the CCS (Pension) Rules, 1972. Rule (1) to (3) of Rule 72 *ibid* provide for recovery of actual amount of Govt. dues in respect of Govt. accommodation from pay & allowances before retirement and from Retirement Gratuity. Sub rule (5) of Rule 72 *ibid* stipulates that if, in any particular case, it is not possible for the Directorate of Estates to determine the outstanding licence fee, that Directorate shall inform the Head of Office that ten per cent of gratuity may be withheld pending receipt of further information. Further, if no Government accommodation is allotted to a Government servant, in accordance with Dte of Estate's OM No.18011/5/1990-Pol-III dated 12.10.2010, it is for the Administrative Ministry to issue an 'NDC'.

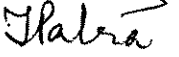
3. As regards recovery in respect of 'Govt. dues' other than those pertaining to Govt. accommodation, the Head of Office is required to complete assessment of such dues eight months prior to the date of retirement [Rule 73(2)]. The actual amount of such dues and the dues which come to notice subsequently and remain outstanding are to be adjusted against the amount of retirement gratuity becoming payable to the Govt. servant on retirement.

4. It is, therefore, clear that there is no provision for withholding any part of gratuity at the time of retirement for the purpose of recovery of outstanding government dues other than those pertaining to government accommodation and the onus of timely collection of license fee is on the Directorate of Estates. If the Directorate of Estate does not specifically inform the Administrative Department of the outstanding dues and requests for withholding of 10% gratuity for the outstanding license fee, Gratuity cannot be withheld on this account. The only other circumstance under which gratuity can be withheld is in case of ongoing disciplinary proceedings against the Government servant. Thus the Pay and Accounts Officer **shall not withhold any gratuity unless** the Head of Office

- (a) encloses instructions received from Directorate of Estate for withholding of 10% gratuity for outstanding license fee or
- (b) Informs of ongoing disciplinary proceedings.

These instructions are for strict compliance of all Administrative Ministries/ Departments.

5. A revised FORM 8 – form of letter to the Accounts Officer forwarding the pension papers of Government servant is also enclosed. Formal amendment in the CCS(Pension) Rules for revised Form 8 will be notified later.


(Tripti P. Ghosh)
Director (PP)
TEL: 24624802

To,

1 All Ministries/Departments of the Government of India as per standard distribution list.

2. Copy to President's Secretariat, Vice President's Secretariat, Prime Minister's Office, Cabinet Secretariat, Supreme Court of India, C&AG, UPSC, etc. as per standard endorsement list.

FORM 8

[Form of letter to the Accounts Officer forwarding the pension papers of a Government servant]

No.....
Government of India
Ministry of.....
Department/ Office.....
Dated the

To

The Pay and Accounts Officer/
Accountant General,
.....
.....
.....
.....

Sub:- Pension papers of Shri/Smt/Kumari
For authorization of pension.

Sir,

I am directed to forward herewith the pension papers of Shri/Smt./Kumari..... of this Ministry/Department/ Office for further necessary action.

2. The details of Government dues which will remain outstanding on the date of retirement of the Government servant and which need to be recovered out of the amount of retirement gratuity are indicated below.

(a) Balance of the house building or conveyance advance	Rs.
(b) Overpayment of pay and allowances including leave salary	Rs.
(c) Income Tax deductible at source under the Income Tax Act, 1961 (43 of 1961)	Rs.
(d) Arrears of licence fee for occupation of Government accommodation... ..	Rs.
(e) The amount of licence fee for the retention of Government accommodation for the permissible period of two months beyond the date of retirement	Rs.
(f) Any other assessed dues and the nature thereof... ..	Rs.

3. Your attention is invited to the list of enclosures which is forwarded herewith.

4. The receipt of this letter may be acknowledged and this Ministry/Department/Office informed that necessary instructions for the disbursement of pension have been issued to disbursing authority concerned.

5. The retirement gratuity will be drawn and disbursed by this Ministry/ Department/ Office on receipt of authority from you. The outstanding Government dues as mentioned in para 2 above will also be recovered out of the retirement gratuity before making payment.

Yours faithfully,

Head of Office.

List of enclosures

1. Form 5* and Form 7 duly completed.
2. Medical certificate of incapacity (if the claim is for invalid pension).
3. Statement of the savings effected and the reasons why employment could not be found elsewhere (if claim is for compensation pension or gratuity).
4. Service Book (date of retirement to be indicated in the service book).
5. (a) Two specimen signatures, duly attested by a Gazette Government servant or in the case of pensioner not literate enough to sign his name, two slips bearing the left hand thumb and finger impressions, duly attested by a Gazetted Government servant.

**(b) Three copies of passport size photograph with wife or husband (either jointly or separately) duly attested by the Head of Office.

(c) Two slips showing the particulars of height and identification marks, duly attested by a Gazetted Government servant.
6. A statement indicating the reasons for delay in case the pension papers are not forwarded before six months of the retirement of Government servant.
7. Written statement, if any, of the Government servant as required under Rule 59(1)(a).
8. Brief statement leading to re-instatement of Government servant in case the Government servant has been re-instated after having been suspended, compulsorily retired, removed or dismissed from service.

[NOTE- When initials or name of the Government servant are or is incorrectly given in the various records consulted, this fact should be mentioned in the letter.]

[FOOTNOTE- * If a Government servant is compulsorily retired from service and delay is anticipated in obtaining Form 5 from the Government servant, the Head of Office may forward the pension papers to the Accounts officer without Form 5. The Form may be sent as soon as it is obtained from the Government servant.]

[**Only two copies of passport size photograph need to be furnished if the Government servant is governed by Rule 54 of the Central Civil Services (Pension) Rules, 1972 and is unmarried or a widower or a widow.]