

RETIREMENT BENEFITS

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Pension

The minimum eligibility period for receipt of pension is 10 years. A Central Government servant retiring in accordance with **the Pension Rules** is entitled to receive superannuation pension on completion of at least 10 years of qualifying service.

In the case of Family Pension the widow is eligible to receive pension on death of her spouse after completion of one year of continuous service or before even completion of one year if the Government servant had been examined by the appropriate Medical Authority and declared fit for Government service.

W.e.f 1.1.2006, Pension is calculated with reference to average emoluments namely, the average of the basic pay drawn during the last 10 months of the service or last basic pay drawn whichever is beneficial. Full pension with 10/20 years of qualifying service is 50% of the average emoluments or last basic pay drawn whichever is beneficial. Before 1.1.2006, for qualifying service of less than 33 years, amount of pension was proportionate to the actual qualifying service broken into completed half-year periods. For example, if total qualifying service is 30 years and 4 months (i.e. 61 half-year periods), pension will be calculated as under:-

$$\text{Pension amount} = \mathbf{R}/2(\mathbf{X})61/66$$

where **R** represents average reckonable emoluments for last 10 months of qualifying service or the last pay drawn as opted by the govt servant.

Minimum pension presently is Rs. **3500** per month. Maximum limit on pension is 50% of the highest pay in the Government of India (presently Rs. **45,000**) per month. Pension is payable up to and including the date of death.

Commutation of Pension

A Central Government servant has an option to commute a portion of pension, not exceeding 40% of it, into a lump sum payment with effect from 1.1.1996. No medical examination is required if the option is exercised within one year of retirement. If the option is exercised after expiry of one year, he/she will have to undergo medical examination by the specified competent authority.

Lump sum payable is calculated with reference to the Commutation Table constructed on an actuarial basis. The monthly pension will stand reduced by the portion commuted and the commuted portion will be restored on the expiry of 15 years from the date of receipt of the commuted value of pension. Dearness Relief, however, will continue to be calculated on the basis of the original pension (i.e. without reduction of commuted portion).

The formula for arriving at commuted value of Pension (CVP) is

$$\text{CVP} = 40\% (X) \text{ Commutation factor} * (X)12$$

* The commutation factor will be with reference to age next birthday on the date on which commutation becomes absolute as per the New Table as Annexure to this Deptt's [O.M. No. 38/37/08- P&PW\(A\) dated 2.9.2008](#)

Death/Retirement Gratuity

Retirement Gratuity

This is payable to the retiring Government servant. A minimum of 5 years qualifying service and eligibility to receive service gratuity/pension is essential to get this one time lump sum benefit. Retirement gratuity is calculated @ 1/4th of a month's Basic Pay plus Dearness Allowance drawn before retirement for each completed six monthly period of qualifying service. There is no minimum limit for the amount of gratuity. The retirement gratuity payable is 16½ times the Basic Pay, subject to a maximum of Rs. 10 lakhs.

Death Gratuity

This is a one-time lump sum benefit payable to the widow/widower or the nominee of a permanent or a quasi-permanent or a temporary Government servant, including CPF beneficiaries, dying in harness. There is no stipulation in regard to any minimum length of service rendered by the deceased employee. Entitlement of death gratuity is regulated as under:

Qualifying Service	Rate
Less than one year	2 times of basic pay
One year or more but less than 5 years	6 times of basic pay
5 years or more but less than 20 years	12 times of basic pay
20 years or more	Half of emoluments for every completed 6 monthly period of qualifying service subject to a maximum of 33 times of emoluments.

Maximum amount of Death Gratuity admissible is Rs. 10 lakhs w.e.f. 1.1.2006

Service Gratuity

A retiring Government servant will be entitled to receive service gratuity (and not pension) if total qualifying service is less than 10 years. Admissible amount is half month's basic pay last drawn for each completed 6 monthly period of qualifying service. There is no minimum or maximum monetary limit on the quantum. This one time lump sum payment is distinct from and is paid over and above the retirement gratuity.

Issue of No Demand Certificate

Dues owed by the retiring employees on account of Licence Fee for Government accommodation, advances, over payment of pay and allowances are required to be assessed by the Head of Office and intimated to the Accounts Officer two months in advance of the date of retirement so that these are recovered from retirement gratuity before payment. For this purpose the Licence Fee for those in occupation of Government accommodation is taken into account up to the end of the permissible period for which accommodation can be retained after retirement under the Rules on normal rent. The recovery of Licence Fee beyond that period is the responsibility of the Directorate of Estates. If, for any reason final dues cannot be assessed on time, then 10% of gratuity is withheld from gratuity

General Provident Fund and Incentives

As per General Provident Fund (Central Services) Rules, 1960, all temporary Government servants after a continuous service of one year, all re-employed pensioners (Other than those eligible for admission to the Contributory Provident Fund) and all permanent Government servants are eligible to subscribe to the Fund. A subscriber, at the time of joining the fund is required to make a nomination, in the prescribed form, conferring on one or more persons the right to receive the amount that may stand to his credit in the fund in the event of his death, before that amount has become payable or having become payable has not been paid. A subscriber shall subscribe monthly to the Fund except during the period when he is under suspension. Subscriptions to the Provident Fund are stopped 3 months prior to the date of superannuation. Rates of subscription shall not be less than 6% of subscriber's emoluments and not more than his total emoluments. Rate of interest on GPF accumulations with effect from 1.4.2009 is 8% compounded annually and the rate of interest will vary according to notifications of the Government. The Rules provide for drawal of advances/ withdrawals from the Fund for specific purposes.

Deposit Linked Insurance Revised Scheme

Under the GPF Rules, on the death of subscriber, the person entitled to receive the amount standing to the credit of the subscriber shall be paid an additional amount equal to the average balance in the account during the 3 years immediately preceding the death of the subscriber subject to certain conditions provided in the relevant Rule. The additional amount payable under that Rule shall not exceed Rs. 60,000/-. To get this benefit, the subscriber should have put in at least 5 years service at the time of his/her death.

Contributory Provident Fund

The Contributory Provident Fund Rules (India), 1962 are applicable to every non-pensionable servant of the Government belonging to any of the services under the control of the President. A subscriber, at the time of joining the Fund is required to make a nomination in the prescribed Form conferring on one or more persons the right to receive the amount that may stand to his credit in the Fund in the event of his death, before that amount has become payable or having become payable has not been paid.

A subscriber shall subscribe monthly to the Fund when on duty or Foreign Service but not during the period of suspension. Rates of subscription shall not be less than 10% of the emoluments and not more than his emoluments. The employer's contribution at that percentage prescribed by the Government will be credited to the subscriber's account and this is 10%. Rate of interest with effect from 1.4.2009 is 8% compounded annually. The Rules provide for drawal of advances/ withdrawals from the CPF for specific purposes. As in GPF Rules, the CPF Rules also provide for Deposit Linked Insurance Revised Scheme.

Leave Encashment

Encashment of leave is a benefit granted under the CCS (Leave) Rules and not a pensionary benefit. Encashment of Earned Leave/Half Pay Leave standing at the credit of the retiring Government servant is admissible on the date of retirement subject to a maximum of 300 days. There is no provision under the Rule for payment of interest on delayed payment of Leave Encashment.

Central Government Employees Group Insurance Scheme

A portion of monthly contributions paid while in service is credited in a Saving Fund, on which interest accrues. A Government servant while entering service has to apply in Form No. 4 of the above Scheme to the Head of Office, who shall issue a sanction for the payment of subscriber's accumulation in the Savings Fund segment together with interest and arrange for its disbursement, soon after retirement. Payments under this Scheme are made in accordance with the Table of Benefit which takes in to account interest up to the date of cessation of service. Insurance cover benefit under this Scheme is available to the family in the event of death of the subscriber. No interest is payable on account of delayed payments under this Scheme.

T.A. to Central Government servants on retirement

I. Settlement at a station other than last station of duty. - It has been decided to sanction the grant of travelling allowance to retiring Government servants on the scale and the conditions set out below. The travelling allowance referred to will be admissible in respect of the journey of the Government servant and members of his family from the last station of his duty to his home town or to the place where he and his family is to settle down permanently

even if it is other than his declared home town and in respect of the transportation of his personal effects between the same places.

(a) For journeys by different modes. - Entitlement as for transfer.

EXPLANATION. - In regard to the question as to how the travelling allowance in respect of the members of the family of a retiring Government servant, who do not actually accompany him is to be regulated, it has been decided that the provisions of SR 116 (b) (iii) may be applied *mutatis mutandis* in all such cases. A member of a Government servant's family who follows him within six months or precedes him by not more than one month may, therefore, be treated as accompanying him. The period of one month or six months, as the case may be, may be counted from the date the retiring Government servant himself actually moves. The claims of travelling allowance in respect of the family members will not be payable until the head of the family himself or herself actually moves.

The time-limits of one month and six months mentioned above may be extended by the competent authority prescribed in SR 116 (b) (iii) in individual cases attendant with special circumstances.

(b) The Government servant shall, besides the fares, be also eligible to composite transfer grant equal to one month's basic pay, if the distance from the last station of duty is more than 20 km.

(c) Transportation of personal effects at the scale of allowance laid down in Order below SR 116 is allowable. The Government servant will also be entitled to claim the cost of transportation of personal effects between railway station and residence at either end of the journey as in the case of transfer.

(d) The actual cost of transporting a motor car or other conveyance maintained by the Government servant before his retirement is reimbursable as per Order below SR 116.

EXPLANATION. - In regard to the time-limits applicable for the transportation of personal effects on availment of the concession, it has been decided that the time-limits prescribed in the Explanation below sub-para. (a) above in the case of members of the family, namely, one month anterior and six months posterior to the date of the move of the retiring Government servant himself, should apply in the case of transport of his personal effects. These limits may, however, be extended by the competent authority prescribed under SR 116 (b) (iii) in individual cases attendant with special circumstances.

2. The grant of the concession will be further subject to the following conditions, clarifications and subsidiary instructions :-

(i)	The concession will be admissible by the shortest route from the last place of duty of the Government servant to his home town or to the place where he and his family are to settle down permanently even if it is other than his declared home town.
(ii)	***
(iii)	The concession may be availed of by a Government servant who is eligible for it, at any time during his leave preparatory to retirement, or within one year of the date of his retirement.

	Power to extend the time-limit of one year will be exercised by the Administrative Ministries/Departments with the approval of the F.A. concerned, in individual cases attendant with special circumstances.
(iv)	The concession will be admissible to permanent Central Government servants who retire on a retiring pension or on superannuation, invalid or compensation pension.
(v)	The concession will also be admissible to temporary employees who retire on attaining the age of superannuation or are invalided or are retrenched from service, without being offered alternative employment, provided that they have put in a total service of not less than 10 years under the Central Government at the time of retirement/invalidment/retrenchment.
(vi)	In the case of a person whose domicile is elsewhere than in India or who intends to reside permanently outside India after retirement, the concession will be admissible up to the railway station nearest to the port of his embarkation. In the case of such a person who travels by air, the concession of travelling allowance by rail/road under these Orders will be admissible up to the airport of emplanement for himself and members of his family and up to the port of despatch for his personal effects.
(vii)	Where an officer is re-employed under the Central Government while he is on leave preparatory to retirement or within six months of the date of his retirement, the concession admissible under these orders may be allowed to be availed of by him within one year of the expiry of the period of his re-employment.
(viii)	A Government servant will be eligible to the retirement travelling allowance concession in full, notwithstanding the fact that he had availed of leave travel concession to home town or any place in India during one year preceding the date of retirement or commencement of leave preparatory to retirement.

3. Not admissible to. - The concession is not admissible to Government servants -

(a)	who quit service by resignation; or
(b)	who may be dismissed or removed from service; or
(c)	who are compulsorily retired as a measure of punishment; or
(d)	who are temporary employees with less than ten years of service retiring on superannuation/invalidation/retrenched.

4. The Travelling Allowance claims admissible under these Orders will be drawn, on Travelling Allowance Bill forms like Transfer Travelling Allowance claims. The claims of officers who were their own controlling officers before retirement, will, however, be countersigned by the next superior administrative authority. The claim of an officer who before retirement was employed as the Comptroller and Auditor-General or as a Secretary to the Government of India may be countersigned by his successor in office. The certificate required to be furnished by the officers in respect of Transfer Travelling Allowance claims will also be required to be furnished in respect of claims of Travelling Allowance under these orders.

5. Before reimbursing the Travelling Allowance admissible under these orders, the countersigning authorities should satisfy themselves, as far as possible, that the claimant and members of his family actually performed the journey to the home town or the other place to which he might have proceeded to settle there, e.g., by requiring the production of original railway vouchers relating to transportation of personal effects, conveyance, etc.

[Clarification. - The checks prescribed on retirement travelling allowance claims would be with reference to duties and powers of the controlling officers enumerated under SR 195 and

no separate set of guidelines would be necessary vide G.I., M.F., D.O., Dy. No. 1914-IV/89, dated the 7th December, 1989, in reply to C. & A.G., U.O. No. 1009-A.I./82-86, dated the 1st November, 1989.]

6. Payment of Travelling Allowance claims under these orders may be made by the Treasury Officer in relaxation of Rule 21 of the Central Treasury Rules, i.e., may make the payment of such claims even after the issue of a last pay certificate which will be required for the purpose of the finalization of his pension.

7. These orders do not apply to persons who -

(i)	are not in the whole-time employ of the Government or are engaged on contract ;
(ii)	are paid from contingencies ;
(iii)	are Railway servants ;
(iv)	are Members of the Armed Forces; and
(v)	are eligible for any other form of travel concession on retirement.

[G.I., M.F., O.M. No. 5 (109)-E. IV/57, dated the 11th July, 1960 as amended from time to time including O.M. No. 102/98/IC & 19030/2/97-E. IV, dated the 17th April, 1998.]

NOTE. - The provisions of these orders, as amended from time to time, apply mutatis mutandis to industrial employees in the Government industrial establishments also.

[G.I., M.F., O.M. No. F. 5 (30)-E. IV (B)/65, dated the 27th August, 1965.]

II. For settling down at the last station of duty/at a station not more than 20 km. from the last station of duty. - It has been decided that in cases where the Government servant wishes to settle down permanently at the last station of duty, travelling allowance may be allowed to the extent indicated below, provided the Government servant concerned is required to change his residence as a result of his retirement -

(a)	Self and family.	Actual cost of conveyance but not exceeding the road mileage allowance admissible under SR 116 (a) II (i) and (ii).
(b)	Personal effects.	Actual cost of transportation not exceeding the amount admissible under SR 116 (a) II (iii).
(c)	Transportation of conveyance.	An allowance for car/scooter/motorcycle at the rates notified by the concerned Directorate of Transport for taxi/autorickshaws. Where the above allowance is claimed, mileage allowance will not be admissible to the Government servant/ members of family travelling by the conveyance. If they travel otherwise than by the conveyance they will be entitled to the mileage allowance as per SR 116 (a) II (i) and (ii).
(d)	Composite Transport Grant	Equal to one-third of basic pay.

NOTE. - For the purpose of this Order, the term 'last station of duty' will be interpreted to mean the area falling within the jurisdiction of the Municipality or Corporation, including such of suburban municipalities, notified areas or cantonments as are contiguous to the named municipality, etc., where the Government servant was posted immediately before his retirement.

The admissibility of travelling allowance as above will also be subject to other conditions for the grant of travelling allowance on retirement as contained in Order (1) above as amended from time to time.

[G.I., M.F., O.M. No. 19016/1/81-E. IV, dated the 13th August, 1981 read with O.M., dated 17-4-1998.]

(2) Concession extended to employees of the Andaman and Nicobar Administration. - It has been decided that the concession, vide Order (1) above be extended to the employees of the Andaman and Nicobar Administration on their retrenchment/invalidment/retirement subject to the conditions laid down therein. Accordingly, application of the provisions of SR 150 will now be restricted to such of the Central Government employees of the Andaman and Nicobar Administration as are not eligible for the concession granted in decision referred to above.

[G.I., M.F., O.M. No. 5 (5)-E. IV (B)/61, dated the 20th February, 1961.]

(3) T.A. for journeys to attend departmental enquiry by Government servants after removal/dismissal or compulsory retirement from service. - The question was under consideration whether and, if so, at what rates, travelling allowance should be allowed to a Central Government servants who is removed/dismissed or compulsorily retired from service as a penalty in cases, where, under the orders of the appellate or reviewing authority, it is decided to hold a further/de novo departmental enquiry and the Government servant is required to attend such enquiry. It has been decided that the Government servant concerned may be allowed travelling allowance as for a journey on tour from the place where the summons to attend to enquiry reaches him to the place of enquiry and back but not exceeding that to which he would be entitled, had he performed the journey from his home town to the place of enquiry and back. The travelling allowance may be regulated in accordance with the pay of the post held by the Government servant immediately before his removal/dismissal or compulsory retirement.

[G.I., M.F., O.M. No. 19012/1//80-E. IV, dated the 19th April, 1980.]

(4) T.A. for retired Government servant for attending departmental enquiry/judicial proceedings against him. - See Government of India's Order below SR 153-A.

(5) No advance of T.A. in case of journeys performed after retirement. - A question has been raised whether an advance of travelling allowance under the normal rules can be given in the cases covered by Order (1) above. It has been decided that an advance of travelling allowance may be sanctioned by the authorities competent to sanction such an advance in cases of journeys performed during leave preparatory to retirement but not in case of journeys performed after the date of retirement.

[G.I., M.F., O.M. No. F. 16-A (10)-E. II (A)/60, dated the 30th November, 1969 and Rule 224, G.F.R.]