

CHAPTER-VIII

PENSION RULES

1. TYPES OF PENSIONS

- a. Service pensions comprises of
 - i. Superannuation Pension
 - ii. Retiring Pension
 - iii. Compensation Pension iv Invalid Pension
- b. Family Pension

1.1 SUPERANNUATION PENSION

Superannuation permission is granted to Government servant entitled or compelled to retire at a particular age. For this purpose an employee in superior service has to retire compulsorily on attaining the age of 58 years and an employee in the last grade service on the date on which he attains the age of 60 years (Rule 33). If he attains the prescribed age on the first day of the calendar month he will retire on the last date of the proceeding month. If it is after the first day, he will retire on the last day of the month.

1.2 COMPENSATION PENSION

If a Government servant is selected or discharged owing to the abolition of his permanent post, unless he is appointed to another post the conditions of which are equal to that of the post held by him earlier, has an option to retire from service and for taking compensation pension to which he may be entitled for the service he has rendered.

1.3 COMPULSORY RETIREMENT PENSION

A government servant compulsorily retired from service as a penalty may be granted pension or gratuity or both at a rate not less than

two thirds and not more than full invalid pension or gratuity or both admissible to him on the date of his compulsory retirement.

1.4 RETIREMENT ON COMPLETION OF 20 YEARS OF QUALIFYING SERVICE

Government servant may opt to retire from service voluntarily after he has put in not less than twenty years of qualifying service by giving a notice in writing of at least three months to the authority which has power to make a substantive appointment to the post from which he retires. In case of voluntary retirement, the Government servant is entitled to a service weightage of five years or the service whichever is less.

1.4.1 RETIREMENT ON COMPLETION OF 33 YEARS OF QUALIFYING SERVICE

Government servant who has completed thirty-three years of qualifying service may retire from service or may be required by the appointing authority to retire in public interest.

1.5 INVALID PENSION

A Government servant who is declared by the appropriate medical authority to be permanently incapacitated or further service is granted invalid pension (subject to the restriction in Rule 37 of the RP Rules 1980)

1.6 PRO RATA PENSION

Government servant opting for permanent absorption in public enterprises on or after 16-6-1967 is allowed Pro Rata Pension or gratuity with reference to the pension rules by which he is governed by his absorption in the autonomous body. The pension will be calculated on the basis of average emoluments for ten months proceeding the date of his absorption and the retirement gratuity based on the emoluments drawn immediately before absorption.

1.7 COMPASSIONATE ALLOWANCE

Government servant who is dismissed or removed from service shall forfeit his pension and gratuity. The authority competent to dismiss or remove him from service, may if the case is deserving of special consideration, sanction a compassionate allowance not exceeding two thirds of pension or gratuity or both which would have been admissible to him if he had retired on Invalid Pension.

2. CERTAIN IMPROTANT ASPECTS RELATING TO CALCULATION OF PENSION

2.1 DATE OF BIRTH OF THE EMPLOYEE

Date of birth of the employee should be taken as recorded in the service book based on the Educational records. If the Educational records are not available and where year is only known and the month is not known 1st July has to be taken as the date of birth. If the year and month are known but not the exact date, 16th of the month should be taken as the date of birth.

2.1.2 QUALIFYING SERVICE

The qualifying service of a Government servant commences from the date he takes charge of the post to which he is first appointed either substantively or in an officiating or temporary capacity.

- a. In the case of a Government servant in a Class -IV service in a pensionable post prior to 19-11-60, service rendered before attaining the age of sixteen years shall not count, for any purpose.
- b. In the case of a Government servant not covered by clause (a) above, service rendered before attaining the age of eighteen years shall not count, except for compensation gratuity.

2.1.3 CONDITIONS SUBJECTS TO WHICH SERVICE QUALITIES

The service of a Government servant shall not qualify unless his duties and pay are regulated by the Government, or under

conditions determined by the Government.

2.1.4 COUNTING OF PERIOD SPENT ON LEAVE

- i) All leave during service for which leave salary is payable and all extraordinary leave granted on medical certificate shall count as qualifying service.

In the case of extraordinary leave other than extraordinary leave granted on medical certificate the appointing authority may, at the time of granting such leave, allow the period of that leave to count as qualifying service if such leave is granted to a government servant.

- a. Due to his inability to join or rejoin duty of account of civil commotion or
- b. for prosecuting higher scientific & technical studies
- ii) Extraordinary leave granted for other reasons than those mentioned above will count as qualifying service up to a maximum extent of 36 months in the entire service period. In the case of Government servant taking employment elsewhere, extraordinary leave will count as qualifying service subject to payment of pension contribution and leave contribution, as may be prescribed.

2.1.5 COUNTING OF PERIODS SPENT ON TRAINING

The Government may by order, decide whether the time spent by the Government servant under training immediately before appointment to service under that Government shall count as qualifying service.

The service of a trainee shall count for pension provided that he is selected for the post as direct recruit and is appointed to it prior to being sent on training and is paid during the period of such training the initial pay of the scale of the post.

2.1.6 COUNTING OF PERIODS SUSPENSION

Time passed by a Government servant under suspension pending enquiry into conduct shall count as qualifying service where, on

conclusion of such inquiry he has been fully exonerated or the suspension is held to be wholly unjustified; in other cases, the period of suspension shall not count unless the authority competent to pass orders under the rule governing such cases expressly declares at the time that it shall count to such extent as the competent authority may declare.

2.1.7 FORFEITURE OF SERVICE ON DISMISSAL OR REMOVAL

Dismissal or removal of Government servant from a service or post entails forfeiture of his past service.

2.1.8 COUNTING OF PAST SERVICE ON REINSTATEMENT

- i) A Government servant who is dismissed, removed or compulsorily retired from service, but is reinstated on appeal or review, is entitled to count his past service as qualifying service.
- ii) The period of interruption is service between the date of dismissal, removal or compulsory retirement, as the case may be, and the date of reinstatement and the period of suspension, if any, shall not count as qualifying service unless regularised as duty or leave by a specific order of the authority which passed the order of reinstatement.

2.1.9 FOR FEITURE OF SERVICE ON RESIGNATION

- i) Resignation from a service or post entails forfeiture of past service, if it has been submitted to take up, with proper permission another appointment, whether temporary or permanent under the Government where service qualifies.
- ii) Interruption in service due to the appointments being at different stations, not exceeding the joining time permissible under the rules of transfer, shall be covered by grant of leave of any kind due to the Government servant on the date of relief or by formal condonation to the extent to which the period is not covered by leave due to him. Under provision to rule 26, resignation of an

appointment to take up with proper permission another appointment whether permanent or temporary, service which counts in full or in part, is not resignation from public service. A question has been raised whether in such cases a separate sanction should be issued indicating that the resignation has been accepted under the above provisions, in order to enable the audit/ administrative officer to regulate the consequential benefits in the matter of pay fixation, carry forward of leave, pension etc. In case of the above type the order accepting the resignation should clearly indicate that the employee is resigning to join another appointment with proper permission and that the benefits under provision to rule 26 will be admissible to him. The contents of such order should also be noted in the service book of the individual concerned under proper attestation. No separated order sanctioning these benefits in such case each time would be necessary.

Note : A member of a service or services, who is selected for appointment by direct recruitment to another post, category or class in the same or different service and is appointed to it shall, as soon as he has been selected by direct recruitment, be deemed to have resigned from the service or services of which he is a member prior to his appointment as aforesaid.

2.1.10 EFFECTS OF INTERRUPTION IN SERVICE

As interruption in the service of a Government servant entails forfeiture of his past service except in the following cases : (a) authorised leave of absence (b) unauthorised absence in continuation of authorised leave if the post of the absentee is not filled substantively (c) suspension where it is immediately followed by reinstatement or where the Government servant dies or is permitted to retire on attaining the age of compulsory retirement while under suspension (d) Abolition of post owing to reduction of establishment (e) transfer to non qualifying service in an establishment under the control of Government under orders of competent authority in public interest (f) joining time on transfer.

2.1.11 ADDITION TO QUALIFYING SERVICE

Every Government servant who at the time of retirement on superannuation, has put in a qualifying service of less than 33 years, shall be entitled to add to the qualifying service for the purpose of pensionary benefits the difference between 33 years and the qualifying service at the time of superannuation, such difference not exceeding three years.

The benefit under this rule shall not be admissible in cases where the government servant is eligible for the benefit under the rules 19 and 20 of these relating to counting of military service and war service.

3.1 EMOLUMENTS

The expression “emoluments” means “pay” as defined in rule 9(21) of the fundamental Rule which a Government servant was receiving immediately before his retirement or on the date of his death, (from 30-6-88, pay for the purpose of pension is only basic pay)

If Government servant immediately, before his retirement or death while in service had been absent from duty on leave for which leave salary is payable or having been suspended had been reinstated without forfeiture of service, the emoluments which he would have drawn had not been absent from duty or suspension shall be the emoluments.

Any increase in pay (other than the increment referred to in Note 4) which is not actually drawn shall not form part of his emoluments.

If a Government servant immediately before his retirement or death while in service had proceeded on leave for which leave salary is payable after having held a higher post whether in an officiating or temporary capacity, the benefit of emoluments drawn in such higher appointment shall be given for pension calculation only if it is certified that the Government servant would have continued to hold the higher appointment but for his proceeding on leave.

If a Government servant immediately before his retirement or death

whole in service had been absent from duty on extraordinary leave or had been under suspension, the period of which does not count as service, the emoluments which he drew immediately before proceeding on such leave or being placed under suspension shall be the emoluments for the purpose of calculating pension.

If a Government servant immediately before his retirement or death while in service was on earned leave on average pay as the case may be and earned an increment, which was not withheld.

- a) During the currency of the earned leave not exceeding one hundred and twenty days, or during the first one hundred and twenty days of earned leave exceeding one hundred and twenty days, or
- b) During the currency of leave on average pay not exceeding four months, or during the first four months of leave on average pay exceeding four months such increment, though not actually drawn shall form part of his emoluments for purpose of pension calculations.

Pay drawn by a Government servant in a tenure appointment shall not be treated as emoluments .

Fees or Commission, if they are authorised emoluments of an appointment and are in addition to pay. In this case, "emoluments" means the average earning for the last six months of service.

1. Any emoluments treated as personal pay to protect the employee from loss and which would be absorbed in future increments shall be reckoned as emoluments for purpose of pension. These orders take effect from 25.5.98 (G.O. Ms. No. 87 Fin (Pen.I) dt. 25.5.98)
2. The pay of Government servants whose date of seniority / promotion has been revised and pay fixed from an earlier date have to be allowed arrears of pay for the periods of actual service rendered in such posts as per F.R. 26 (a.a). The pay of such officials would be notional if they have not joined the post due to issue of orders after their retirement. The provisions and notes under F.R. 26 (a.a.) stipulate pensionary benefits shall also be revised on the basis of notional pay and the monetary benefit of pension / FP shall be

allowed from the date of retirement / death. As such the notes (1) to (4) under F.R. 26 (a.a.) have been incorporated under Rule 31 of A.P. Revised Pension Rules 1980.

(G.O. Ms. No. 786 Fin (Pen. I) dt. 11.9.2002)

3.2 AVERAGE EMOLUMENTS

Average emoluments shall be determined with reference to the emoluments drawn by a Government servant during the last ten months of his service.

For the purpose of working out average emoluments in order to compute the pension admissible if during the last ten months of his service a Government servant had been absent from duty on leave for which leave salary is payable or having been suspended have been reinstated without forfeiture of service, the emoluments which he would have drawn had he not been absent from duty or suspended shall be taken into account for determining the average emoluments. The increase in pay other than the increment referred to in the provision under emoluments which is not actually drawn shall not form part of his emoluments.

If during the last ten months of his service, a Government servant had been absent from duty on extraordinary leave or had been under suspension the period thereof does not count as service, the aforesaid period of leave or suspension shall be disregarded in the calculation of the average emoluments and equal period before the ten months shall be included.

As per provisions contained in the GOMs No .87 Fin & Pig. dt.25-5-98 the last pay is treated as emoluments for fixation of pension instead of last ten months emoluments provided officiation in a promoted post during last two months preceding the retirement, is in a regular vacancy. G.O. Ms No 235 F & P Dt. 27-10-98 stipulates that where an employees date of increment falls due on the day following his retirement, the benefit of increment may be given-purily for Pensionary benefits.

Government have clarified that the person promoted in a regular

vacancy is eligible for the benefit specified in G.O. Ms. No. 87 Fin (Pen.I) dt. 25.5.98 irrespective of the number of days he acted in the promoted post.

(Govt. Letter No. 108/A2/Pen. I/99 dt. 26.6.99)

3.3 AMOUNT OF PENSION

- i) In the case of a Government servant retiring before completing qualifying service of 10 years, the amount of service gratuity shall be appropriate amount as set out in the table under Rule 45.
- ii) After completing qualifying service of not less than ten years, the amount of pension shall be the appropriate amount as set out below, namely the Pension formula is :

Average emoluments X Number of Years of qualifying service 66

- iii) Fraction of a year equal to 3 months or more be treated one half year for the purpose of calculation of qualifying service for purpose of pension applies to persons who retire on or after 10-9-1988.
- iv) The amount of pension shall be fixed at monthly rates and be expressed in whole rupees and where the pension contains a fraction of a rupee it shall be rounded off to the next higher rupee.

3.4 RETIREMENT GRATUITY

- i(a) A Government servant who has completed 5 years of qualifying service is eligible for service gratuity or pension, shall on his retirement be granted retirement gratuity equal to 1/3 of his emoluments for each completed 6 months period of qualifying service subject to a maximum of 20 times the emoluments or Rs.50,000/- whichever is less. In G.O.Ms No. 242 Finance & Planning dt.4-5-90, Government have raised the above ceiling to Rs. 1 lakh. However the mode of calculation is at 1/4 of pay last drawn for every six monthly period of service subject to the limit of Rs 16 ½ months pay last drawn or Rs 1.00,000 whichever is less. In G.O.Ms. No. 157 F& P Dt. 16-9-99, the maximum gratuity is raised to Rs. 2,50,000 formula for calculation is at the rate of 1/4 of last pay for each completed period of half year subject to a maximum of 16 and 1/2 times or Rs. 2,50,000 which ever is less.

Government employees who are in service as on 4-5-90 are allowed option either to receive gratuity under the Pre Revised formula or the new formula introduced above at any time one year prior to date of retirement.

If the emoluments of a Government servant have been reduced during the last 10 months of his service otherwise than as penalty the average emoluments may be treated as emoluments for the purpose of calculation of gratuity.

If a Government servant dies while in service after completing 5 years qualifying service, the amount of retirement gratuity shall be calculated as if he had 18 yrs of qualifying service or his actual qualifying service which is more.

If a government servant dies in the first year of qualifying service but before five years of qualifying service the amount of retirement gratuity shall be calculated as if he had three years of qualifying service.

If a govt. servant dies after completion of one years of qualifying service but before completion of five years of qualifying the amount of retirement gratuity shall be calculated as if he had 9 yrs of qualifying service.

(G.O. Ms. No.235 Fin (Pen.I) dt. 1.6.93 read upto G.O. (P) No. 48. Fin (Pen.I) dt. 15.2.94)

FAMILY

Family for the purpose of gratuity is divided into two categories. In the 1st category the wife or wives in the case of a male Government servant, husband in the case of a female Government servant, sons including step sons, postumous son adopted sons and unmarried daughters included in the 2nd category, the widowed daughters including step daughters and adopted daughters, father, mother, brothers below the age of 18 years, unmarried sisters and widowed sisters, married daughters and children of predeceased sons are included.

NOMINATION

A Government servant shall in his appointment, make a nomination concurring on one or more persons to receive the retirement gratuity. If there is nomination or if the nomination made by the Government employee does not subsist, in the event of death of the employee, the gratuity shall be paid in the manner indicated below:

If there are one or more surviving members of the family as in the first category described above the gratuity is payable to all members in equal shares.

If there are no such surviving members of the family in the first category but there are one or more members in category two or all such members in equal shares.

3.5 FAMILY PENSION

Family pension is payable to the survivors of a Government servant in the event of death of the Government servant while in service and also after retirement from public service.(vide Rule 50) It is payable at the rate of 30% of the pay last drawn by the deceased employee If the Government servant had rendered not less than seven years of continuous service, the rate of family pension payable to the family shall be equal to 50% of the pay last drawn and the amount so admissible shall be payable from the date of death of the Government servant for a period of seven years or till the date on which the Government servant would have reached the age of 65 years had he been alive whichever is earlier.

In the event of death of a retired Government servant Family Pension at 50% of last pay drawn immediately before the retirement shall be payable for a period of seven years or for a period of up to the date on which the retired deceased Government servant would have attained the age of 65 years had he survived whichever is less. But the enhanced family pension should not exceed the service pension drawn by the employee. After the expiry of the period specified above, the family is entitled to family pension at the rate of 30% of last pay drawn.

Family for the purpose of Family pension include wife in the case of a male Government servant or husband in the case of a female Government servant, sons and unmarried daughters also form part of family. As per orders contained in the GOMs No.27 Finance & Planning dt. 19-10-87, Family pension is payable in the case of a son until he attains the age of 25 years or starts earning livelihood whichever is earlier, in the case of unmarried daughter until she attains the age of 25 years or until she gets married or starts earning her livelihood whichever is earlier. Family pension is payable to the widow or the widower as the case may be. If the sons and unmarried daughters are among the survivors, unmarried daughters are not eligible for family pension unless the sons get the age of 25 years and thereby becomes ineligible for the grant of family pension.

Only one member of the family as per eligibility is entitled to receive family pension (vide Rule 50)

In the GOMs No.22 Finance & Planning Department dt.16-1-1971 the benefit of family pension was extended to the survivors of Government servants who died while in service on or after 1-11-1956 but before 31-3-1961 and also those who retired during that period. This benefit was subsequently extended to the survivors of Government servants/ pensioners who served the Andhra State on its formation on 1-10-1953 and retired before 1-11-1956 or died while in service during that period. In the GOMs No.83 Finance & Planning Department dt 5-3-1983, Government have ordered that the widows of Government servants who at the time of retirement or death while in service before 1-10-1953 served in areas which now form part of A.P State shall be eligible for family pension of Rs 100 p.m. subject to the other circumstances stipulated in the Government order.

3.6 ANTICIPATORY PENSION

After the pension papers of a Government servant have been sent to the Audit Officer concerned, the Head of the Office shall draw and disburse anticipatory pension not exceeding 4/10th of the last drawn emoluments which counts towards pension, if the

Government servant has put in 33 years of qualifying service, or reduce the anticipatory pension correspondingly, if the Government servant has put in less than 33 years of qualifying service.

3.7 ANTICIPATORY FAMILY PENSION

After the Family pension papers of the family of a Deceased Government servant have been sent to the Audit the Head of the Office shall draw and disburse family pension not exceeding 75% of the family pension admissible under the rules. It is adjusted in full from the family pension.

3.8 ANTICIPATORY GRATUITY

Where there is likely to be delay in releasing pensionary benefits due to the pensioners, anticipatory gratuity should be released to the extent of 80% of the amount worked out by the Department authorities with reference to the records available and the qualifying service verified pending verifications and authorities of the full gratuity of by the AG after adjusting all the dues known to the Department up to the date of release of the anticipatory gratuity. No anticipatory gratuity should be released to the pensioner if there are any departmental or judicial proceedings pending or are contemplated against the pensioner until the conclusion of the departmental or judicial proceedings and issue of final orders thereon (GOMs No 230 Finance & Planning) Department dt 18-6-1985.

3.9 INTEREST ON DELAYED PAYMENT OF GRATUITY

As per (GOMs No 268 Finance & Planning Department dt. 17-10-1986, interest may be allowed on delayed payments of Retirement gratuity at the rate of 7% per annum for the period beyond three months and up to one year and beyond one year 10% per the month preceding the month in which the payment is actually made. Sanction of the Government in the administrative department with the concurrence of Finance is necessary in every case of payment of interest. Where disciplinary or Judicial proceedings against a Government servant are pending on the date of his retirement, the

date of reckoning the 'payment' of gratuity is the date of issue of orders by the competent authority in conclusion of the proceedings.

4. PREPARTATION OF PENSION PAPERS

4.1 STEPS TO ACCELERATE PROCESS OF PENSION PAPERS

- i) A list of all Government servants due to retire during the next 18 months should be prepared every six months on the first January and first July of each year by the Heads of Offices and Heads of Departments,
- ii) Every Government servant should submit a formal application for pension in Form No.5 to his Head of the office 18 months in advance of the date of his retirement, iii) Every Head of Office should forward the service book of Government servant who have completed 25 years of service, to the Accountant General for verification of service particulars.

4.2 PREPARATION OF PENSION PAPERS

The work of preparation of pension should begin at least 6 months before the date of retirements of the Government servant after verifying the service particulars, dues positions etc. 4.2.1 In GOMs No 263 Finance & Planning dt. 23-11-1998 the existing pension forms have been simplified. The following are salient features of this GO.

SERVICE PENSION

The pension application form part -I is the common application form for pension, family pension gratuity service gratuity and commuted value of pension to be submitted to the Head of the office in duplicate by the retiring employee. The employee is required to fill up only his personal data like Name, post held permanent address, address after retirement communication particulars, name of Pension office and Bank. The application should contains: - List of family members. The head of the office should endorse on this application.

- i) Declaration : The retiring employee has to furnish a declaration as to whether he is in receipt of any other pension.
- ii) Descriptive rolls : For identification of the pensioner by the Pension Disbursing officer, the retired employee has to furnish descriptive rolls like photo, specimen signature and identification marks duly attested by a Gazetted Officer. 4 copies of descriptive rolls are required to be furnished.
- iii) Joint Photo : The retired employee has also to submit 4 copies of joint photo of himself and his spouse for authorisation/of family pension simultaneously with service pension.

According to the existing forms, the history of service is required to be furnished by the head of the office along with the pension papers. As the service register invariably accompanies the pension forms, the submission of history of services is modified and simple assessment form has to be furnished by the head of the office for the processing of the case. This is not required to be filled in by the retired employee.

This is meant for recording the sanction of pension sanctioning authority for payment of pension under the rules.

The forwarding form is prescribed and it should be accompanied by the following described earlier under Parts i, ii & iii namely the following.

1. Application form for pension.
2. Nomination
3. List of family members
4. Declaration of non receipt of other pensions.
5. Descriptive rolls
6. Joint Photo of family.
7. Part - II indicating calculation of pension and gratuity
8. Service Register of the pensioner.

FAMILY PENSION

In respect of death while in service, the family of the deceased Government servant has to submit the application form in Part -I for Family Pension and DCRG along with the following :

- i) Copy of death certificate
- ii) List of family members
- iii) Declaration regarding non-receipt of other pensions
- iv) Descriptive rolls

The head of the office will furnish particulars for assessing the family pension/ gratuity in form prescribed in Part - II

The family pension papers are required to be forwarded to the Accountant General, in the prescribed Forwarding Form in Part III. The following are the documents to follow along with the Forwarding Form.

- 1. The application for sanction of family from the survivor in Part I
 - 2. List of family members
 - 3. Declaration
 - 4. Descriptive rolls
 - 5. Form for assessing family pension, gratuity and DCRG along with no demand certificate in duplicate
 - 6. Nomination for gratuity
 - 7. Guardianship certificate in respect of minors
 - 8. Service Register of deceased government servant
 - 9. List Pay Certificate
 - 10. Death Certificate.
- 4.3 The Heads of offices are required to maintain registers of pension cases and conduct review regarding the progress of settlement.



*In early life, people give up
their health to gain wealth...*



*Then, in later life,
they give up some wealth
to regain health*