

NO. HIN (C) A 3-17/76-II
GOVERNMENT OF HIMACHAL PRADESH
FINANCE (REGULATION) DEPARTMENT

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Dated Shimla-17 1002, the 5 July, 1996.

OFFICE MEMORANDUM

SUBJECT:-

PERMANENT TRANSFER OF STATE GOVERNMENT EMPLOYEES
TO PUBLIC SECTOR UNDERTAKINGS/AUTONOMOUS BODIES
AND VICE-VERSA -----TERMS AND CONDITIONS OF
ABSORPTION.

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The undersigned is directed to refer to the subject mentioned above and to say that the terms and conditions relating to permanent transfer of the Government servants to autonomous bodies/public sector undertakings and grant of retirement benefits were prescribed vide this Department's Office Memorandum No. 14/2/64-Fin(R&E), dated 8th July, 1976. Thereafter, these terms and conditions were modified from time to time and vide this Department's Office Memorandum of even number dated 18th May, 1992, some of the instructions issued by the Government of India were adopted in H.P. and they were given prospective effect.

2. Since 1976, the Government of India have carried out considerable liberalisation in these terms and conditions and some of these instructions were not adopted in H.P. Matter relating to updating the policy/ instructions in this regard regarding ^{their} applicability to the employees of the State Government in Himachal Pradesh was under consideration of the Government for some time past and the Governor, Himachal Pradesh, is pleased to order that the decisions contained in the instructions of Government of India mentioned below (copies of which are enclosed) shall also be applicable to the employees of Himachal Pradesh Government seeking absorption in State Public Sector Undertakings/ Autonomous Bodies and Vice-versa with effect from the date of issue of these orders:-

Sl. No. Number / Date

Subject in Brief

1. 29/10/74-Pension Unit, dated
29-8-1984 & 12/9/1985

Transfer of employees
to autonomous bodies
and vice versa.

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Sl. No. Number/ date	Subject in brief
2. 28/2/85-P&PW, dated 22/2/88	Benefit of order at sl.No.1 above shall also be applicable to those who retired prior to 29/8/1984.
3. 41(20)/88-ED(PS), 16/8/88	Guidelines for absorption.
4. 1/18/86-P&PW(D), 22/1/90	Option to absorbed employees to choose the benefit of family pension.
5. 4/15/89-P&PW(D), 30/3/90	Formats to be used for sanction of pro-rata retirement benefits.
6. 4/6/85-P&PW(L), 3/1/95	Benefits of absorption shall also be admissible to those absorbed prior to 16/6/1967.
7. F. 28/10/95-P&PW(B), 30/5/95	Clarification regarding counting of service.
8. 28/24/94-P&PW(E), dated 30/5/95	Clarification regarding non-counting of service rendered in Nationalised Banks/ GIC etc. for pension.

3. The Finance Department, vide Office Memorandum No. Fin(Pen)A(3)-1/94, dated 24th October, 1994 and 1st February 1996 have adopted Government of India's OM No. F.7/1/93, dated 25/08/1994 and OM No. 7/1/93-P&PW(F), dated 31/10/1995 vide which, rate of interest applicable in cases of refund of pensionary benefits for counting of past service has been prescribed. Copies of above OM alongwith copies of this Department's OM of even number dated 4th March, 1996 are enclosed for ready reference. In terms of decision contained in OM dated 4/3/1996, in the cases of absorption arising on or after 4-3-1996, the benefit of lump sum (one time) commutation has been withdrawn. Therefore, while issuing orders relating to permanent absorption, Admn. Departments may ensure that this clause is not added in the terms and conditions of absorption of Govt. servants in cases of absorption arising on or after 4/3/1996.

4. The Administrative Departments etc. will decide the cases relating to absorption at their own level in terms of policy / instructions of Government and in case of any doubt on a specific point, matter may be referred to Finance Department for clarification/ decision.

5. This may kindly be brought to the notice of all concerned.

R. S. Verma
Under Secretary (Finance)
to the Government of H.P.

To

All Administrative Departments
of the Government of H.P.

.....
No. Fin(G)A(3)-17/76-II. Dated the 5 July, 1996.

Copy forwarded to:-

1. All Divisional Commissioners in Himachal Pradesh.
2. All Heads of Departments in Himachal Pradesh.
3. The Resident Commissioner, Himachal Pradesh, Himachal Bhavan, Sikandra Road, New Delhi.
4. All Deputy Commissioners in Himachal Pradesh.
5. The Registrar, H.P. High Court, Shimla-1.
6. All District & Session Judges in H.P.
7. All District Treasury Officers/ Treasury Officers in H.P.
8. The Accountant General (Audit), H.P., Shimla-3.
9. The Sr. Deputy Accountant General (A&E), H.P., Shimla-3.
10. All Boards / Corporations / Universities in H.P.
11. Sh. S.K. Duggal, Atma Cottage Annexe, Upper Kaithu, Shimla-3.
12. Sh. Madan Lal Sud (Retd. Under Secretary), Village & P.O. Dharampur, Distt. Solan, H.P.
13. Sh. S.B. Garg, Garg House; Near Dalhni Mandir, ZIND, Haryana.
14. Sh. H.R. Vashisht, Vashist Niwas, Near Kaushal Nursing Home, Hamirpur Road, Una, H.P.
15. Sh. V. Verma, (Retd. Secy. Vidhan Sabha), The Pines, Panthaghati, P.O. Kasumpti, Shimla-9.
16. The Controller (R&A), Department of Personnel, H.P. Sectt., Shimla-2 with 5 copies.
17. Finance Department (Pension Cell), H.P. Sectt., Shimla-2 with 3 spare copies.
18. Secretariat Administration Department-II, H.P. Sectt., Shimla-2.
19. Guard File / Spare copies --- 50.

M.K. Bhardwaj.

R. S. Verma
Under Secretary (Finance)
to the Government of H.P.

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Copy of Govt. of India, Department of Personnel & A.R.
O.M.No. 28-10/84-Pension Unit, dated the 29th August, 1984.

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As per existing orders, service rendered outside Central Government does not count for pension in Central Government except in the case of scientific employees of autonomous bodies financed or controlled by the Government who on permanent absorption under the Central Government are allowed to count their previous service for pension subject to certain conditions. In respect of personnel other than scientific employees, who are permanent in Central Government, in the event of their subsequent permanent absorption in public sector undertakings or any autonomous body, proportionate retirement benefits for the service rendered in Govt. till the date of permanent absorption are allowed as per rules in force at the time of absorption. No such benefit is allowed to temporary employees going over to autonomous body or undertaking.

2. A number of Central autonomous/Statutory Bodies have also introduced pension scheme for their employees on the lines of the pension scheme available to the Central Govt. employees. It has, therefore, been urged by such autonomous/statutory bodies that the service rendered by their employees under the Central Government or other autonomous bodies before joining the autonomous body may be allowed to be counted in combination with service in the autonomous body, for the purpose of pension, subject to certain conditions. Similar provisions for employees of autonomous body going over to Central Government have also been urged. In other words, the suggestion is that the benefit of pension based on combined service should be introduced.

3. This matter has been carefully and the President has now been pleased to decide that the cases of Central Government employees going over to a Central autonomous body or vice versa and employees of the Central autonomous body moving to another central autonomous body may be regulated as per the following provisions:-

(a) In case of Autonomous Bodies where Pension Scheme is in operation:-

(i) Where a Central Government employee borne on pensionable establishment is allowed to be absorbed in an autonomous body, the service rendered by him under the Government shall be allowed to be counted towards pension under the autonomous body irrespective of whether the employee was temporary or permanent in Government. The pensionary benefits will, however, accrue only if temporary service is followed by confirmation. If he retires as a temporary employee in the autonomous body he will get terminal benefits as are normally available to temporary employees under the Govt.

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The same procedure will apply in the case of employees of autonomous bodies who are permanently absorbed under the Central Government.

Pension Liabilities

The Government / autonomous body will discharge its pension liability by paying in lump sum as a one-time payment, the pro-rata pension/service gratuity / terminal gratuity and retirement gratuity for the service up to the date of absorption in the autonomous body / Government, as the case may be. Lump sum amount of the pro-rata pension will be determined with reference to commutation table laid down in CCS (Commutation of Pension) Rules, 1981, as amended from time to time.

NOTE: Various Ministries/Departments of the Government of India may accept pension liability in all these cases where Central Government employees move to Central autonomous bodies with proper permission and discharge the same in the prescribed manner. (For this purpose 'proper permission' means that Government servant applies for the post in autonomous body through 'proper channel' and he resigns with due intimation that he is doing so to take up assignment in autonomous body or the Government servant is relieved of his duties by the Government Department/ Office to take up assignment in an autonomous body.) Pension liability may also be accepted in past cases provided the Government servant took up the assignment in autonomous body with proper permission. The Ministry of Defence, etc., may please issue specific directions to their Financial Advisers to advise the autonomous / Statutory bodies under their administrative control to make the above provisions in their rules and regulations. In cases where any practice other than that mentioned above is presently being followed, the same may be revised in accordance with these decisions and they may also provide for acceptance of pension liability for the past service.

(G.I. Deptt. of Pension and Pensioners' Welfare OM No.28/10/84-Pension Unit-Volume I, dated the 12th September, 85.)

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(ii) A Central Government employee with Contributory Provident Fund benefits on permanent absorption in an autonomous body will have the option either to receive CPF benefits which have accrued to him from the Government and start his service afresh in that body or choose to count service rendered in Government as qualifying service for pension in the autonomous body by forgoing Government's share of CPF contribution with interest, which will be paid to the concerned autonomous body by the concerned Government Department. The option shall be exercised within one year from the date of absorption. If no option is exercised within stipulated period, employee shall be deemed to have opted to receive CPF benefits. The option once exercised shall be final.

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(b) Autonomous body where the Pension Scheme is not in operation:

- (i) A permanent Central Government employee borne on pensionable establishment on absorption under such autonomous body will be eligible for pro-rata retirement benefits in accordance with the provisions of the Ministry of Finance OM No.26(18)E.V.(B)/75, dated the 8th April, 1976 as amended from time to time. In case of quasi permanent or temporary employees, the terminal gratuity as may be admissible under the rules would be actually payable to the individual on the date when pro-rata retirement benefits to permanent employees become payable. However, in the case of absorption of a Government employee with CPF benefits, in such an autonomous organisation, the amount of his subscription and the Government's contribution, if any, together with interest thereon shall be transferred to his new Provident Fund Account with the consent of that body.
- (ii) An employee of an autonomous body on permanent absorption under the Central Government will have the option either to receive CPF benefits which have accrued to him from the autonomous body and start his service afresh in Government or choose to count his service rendered in that body as qualifying service for pension in Government by forgoing employer's share of CPF contributions with interest thereon, which will be paid to the concerned Govt. Department by the autonomous body. The option shall be exercised within one year from the date of absorption. If no option is exercised within stipulated period, employee shall be deemed to have opted to receive CPF benefits. The option once exercised shall be final.
- (c) Absorption of employees of one Central Autonomous body in another Central Autonomous body:
The above procedure will be followed mutatis mutandis in respect of employees going from one autonomous body to another.

4. "Central autonomous body" means body which is financed wholly or substantially from cess or Central Government grants. "Substantially" means that more than 50 per cent of the expenditure of the autonomous body is met through cess or Central Government grants. Autonomous body includes a Central Statutory body or a Central University but does not include a public undertaking.

Only such service which qualifies for pension under the relevant rules of Government/ Autonomous body shall be taken into account for this purpose.

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5.(1) The employees of a Central Autonomous body or Central Government, as the case may be, who have already been sanctioned or have received pro-rata retirement benefits or other terminal benefits for their past service will have the option either-

- (a) to retain such benefits and in that event their past service will not qualify for pension under the autonomous body or the Central Government, as the case may be; or
- (b) to have the past service counted as qualifying service for pension under the new organisation in which case the pro-rata retirement or other terminal benefits, if already received by them, will have to be deposited along with interest thereon from the date of receipt of those benefits till the date of deposit with the autonomous body or the Central Government, as the case may be. The right to count previous service as qualifying service shall not revive until the whole amount has been refunded. In other cases where pro-rata retirement benefits have already been sanctioned but have not yet become payable, the concerned authorities shall cancel the sanction as soon as the individual concerned opts for counting of his previous service for pension and inform the individual in writing about accepting his option and cancellation of the sanction. The option shall be exercised within a period of one year from the date of issue of these orders. If no option is exercised by such employees within the prescribed time-limit they will be deemed to have opted for retention of the benefits already received by them. The option once exercised shall be final.

*Not
2/2/85*

NOTE - It has been decided in consultation with the Ministry of Finance that the rate of interest in such cases would be simple interest of 6% per annum.

Further the entire recovery may be made in monthly instalments not exceeding thirty-six in number, the first instalment beginning from the month following the month in which person concerned exercised option, provided that the entire recovery in instalments does not go beyond the actual date of retirement. The right to count the previous service as qualifying service shall not revive until the whole amount has been refunded.

The entire amount including interest may be credited to the normal head to which contributions are credited.

(G.I. Deptt. of Pension and Pensioners' Welfare O.M. No. 28/10/84-Pension Unit -Volume I, dated the 12th September, 1985.)

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5. (2)

Where no terminal benefits for the previous service have been received, the previous service in such cases will be counted as qualifying service for pension only if the previous employer accepts pension liability for the service in accordance with the principles laid down in this Office Memorandum. In no case pension contribution/ liability shall be accepted from the employee concerned.

6. These orders will be applicable only where the transfer of the employee from one organisation to another was/ is with the consent of the organisation under which he was serving earlier, including cases where the individual had secured employment directly on his own volition provided he had applied through proper channel/ with proper permission of the administrative authority concerned.

7. These orders will take effect from the date of issue and the revised policy as enunciated above will be applicable to those employees who retire from Government/ autonomous body service on or after the issue of these orders.

8. The provisions contained in the Ministry of Finance Office Memorandum No. 26(18) E.V.(B)/75, dated the 8th April, 1976 and OM No. 25(1) E.V./83, dated 8th September, 1983 or any other orders shall, in so far as it provides for any of the matters contained in this Office Memorandum, cease to operate.

9. The Ministry of Education and Culture, etc., are requested to advise the autonomous /statutory bodies under their administrative control, with specific directions to the Financial Advisers concerned, to ensure to make necessary provisions in their Rules and Regulations/ Articles of Association in accordance with the provisions contained in this Office Memorandum. In cases where any practice otherwise than enumerated above is presently being followed the same may be revised in accordance with the provisions of this Office Memorandum so that uniformity is maintained in such matters in all the organisations.

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Copy of Government of India, Department of Pension & Pensioners' Welfare O.M. No. 28/2/85-P&PW, dated the 22nd February, 1988.

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The under-signed is directed to say that vide para-7 of the instructions issued vide the Department of Personnel and Administrative Reforms, O.M. No.28/10/84-Pension Unit, dated the 29th August, 1984 these instructions are effective from the date of issue i.e., 29th August, 1984. It is further stipulated therein that the revised policy as enunciated thereunder would be applicable to those employees who retired from Government/autonomous body service on or after the issue of these orders.

2. It has been held by the Supreme Court of India in its judgement, dated the 12th August, 1987, in writ petition No.3739 of 1985 -- case of Sh. R.L. Marwaha v. Union of India and others, that paragraph 7 of the Government order cannot be used against persons in the position of the petitioner to deny them the benefit of the past service for purposes of computing the pension.

3. The question regarding implementation of the Supreme Court judgement has been under consideration of the Government. The President has now been pleased to decide that the benefit under the instructions contained in the orders dated 29-8-1984 should also be extended to all those who had retired prior to the issue of said orders and who are otherwise eligible for the benefit of counting of service thereunder.

4. The arrears of pension, if any, which became due to the concerned pensioners, would be disbursed to them w.e.f. 29-8-1984, i.e., the date of the Government Order only and that they would not be entitled to get any relief in respect of the period prior to 29-8-1984.

5. All the Ministries/ Departments/ Autonomous Bodies may review the cases of such pensioners on receipt of their requests.

(10)

Copy of Govt. of India, Deptt. of Per & Trg. OM No. 41(20)/
88-ED(PS), dated 16th August, 1988.

As per the existing instructions on absorption of deputationists from Government services to Public Enterprises laid down in the Bureau of Public Enterprises OM No. 5(25)/83-BPE(PSEB), dated the 6th March, 1985, deputation of Government Officers with Public Enterprises is not permissible except under certain specified exceptions and such officers can join posts in Central Public Enterprises on "Immediate Absorption" basis. Further, the civil servants eligible to go on deputation to Public Enterprises are required to exercise an option within the deputation period, either for reversion to the parent cadre or for permanent absorption in the Public Enterprise concerned.

2. In certain exceptional cases, where the Administrative Ministry or the Department feel that an extension of deputation is absolutely essential and unavoidable, they are required to send proposals to the Establishment Officer in the Department of Personnel and Training well before the expiry of the normal period of deputation, for obtaining the prior approval of the Appointments Committee of the Cabinet. In order to avoid belated submission of proposals to the ACC, instructions have already been issued in the past. In this connection attention is invited to this Department's OM No. 41(2) ED(PS)/76, dated the 16th November, 1976 and 41(13) ED(PS)/79, dated the 27th November, 1979.

3. Despite the instructions mentioned above, instances have come to the notice of this Department where the Government Officers have been retained beyond their deputation period with the Public Sector Undertakings without reversion to their parent offices, or absorption in the Undertakings where they are working. As delayed absorption may take place in such cases, embarrassing situations have to be faced where the A.C.C. may have to be approached for ex post facto approval for the excess period of deputation, even where the proposal for a further extension had not been agreed to earlier.

To ensure that the date of absorption which shall be a date agreed to by the officer, is not later than the date of expiry of deputation or extended deputation, following guidelines are laid down for strict compliance/observance:-

- for absorption
- (1) In cases where option has been obtained from the officer, the Administrative Ministry concerned with the Public Sector Undertaking in which the officer is on deputation should initiate action in this regard at least 6 months ahead of the completion of deputation, so that there is adequate time for clarification on the points that may be raised by the Government servants being absorbed and/or the

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Public Sector Undertaking concerned.

(ii) If for any reason in the process of absorption, issue of necessary orders by the Administrative Ministry concerned cannot be completed on or before the end of the deputation period originally approved or the period of extension approved by the A.C.C., the officer should be reverted to his parent cadre / organisation on the date of expiry of the permitted deputation.

5. The Ministry of Industry, etc., are requested to keep these instructions in view while processing cases of absorption of the officers deputed to Public Enterprises.

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Copy of Government of India, Department of Pension & Pensioners' Welfare OM No. 1-18/86-P&PW, dated the 22nd January, 1990

The undersigned is directed to say that the family pension entitlements in the case of Central Government employees absorbed in Central Public Sector Undertakings (P.S.U.s)/ Autonomous Bodies on individual basis are regulated in terms of the office memoranda mentioned below—

- i) G.I., M.F., D.E.O.M.No. 26(18)-E.V.(B)/75, dated 8/4/1976.
- ii) G.I., M.F., D.E., O.M.No. 26(18)-E.V.(B)/75, dated 17/6/1977.
- iii) G.I., M.F., D.E., O.M.No. 4(10)-E.V.(B)/77, dated 10/7/1978.
- iv) G.I., D.P. & P.W., O.M.No. 1/3/85-Pension Unit, dated 20/9/1985.

These orders, inter-alia, provide that the absorbed employees would be eligible for the benefits under the Government Family pension scheme only if a family pension scheme (i.e. Employees' Family Pension Scheme, 1971) framed under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is not in operation in the P.S.U.s./Autonomous Bodies concerned or where such a scheme is in operation they are not eligible for it for one reason or the other (e.g. they may be drawing more pay than the prescribed limit for being eligible under that scheme), and that in all cases the absorbed employees would be compulsorily governed by the Employees' Family Pension Scheme, 1971 framed under the 1952 Act.

to other

2. The staff side in the 29th Ordinary meeting of the National Council (JCM) requested that the restrictions referred to in para 1 above may be removed, if necessary by even amending the 1952 Act, and all absorbed employees given a chance to opt either for the benefits under the Family Pension Scheme of the Central Government or the Employees' Family Pension Scheme, 1971.

3. The demand of the Staff side was referred to a Joint Committee of the National Council (JCM) which recommended that the employees' Provident Funds and Miscellaneous Provisions Act, 1952, has since been amended providing for the grant of exemption to any employee or class of employees from the operation of the employees' Family Pension Scheme, 1971, the absorbed employees who will otherwise be governed by the pensionary benefits of the PSU's/ Autonomous Bodies may be allowed to exercise an option to retain the Family Pension Scheme under the Central Government.

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4. This recommendation has been accepted by the Government. The President is, therefore, now pleased to decide that, in partial modification of the Office Memoranda mentioned in para 1 above, the family pension entitlements of the absorbed employees will be regulated as under:

(i) the absorbed employees shall have an option to be governed either by the Family Pension Scheme of the Central Government or by that of the PSUs/Autonomous Bodies, but not both. However, the benefit of Family Pension Scheme of the Central Government will be available to such of the absorbed employees who are permanent and have a qualifying service of not less than ten years; and

(ii) the liability of the Central Government in this regard will be frozen as on the date of permanent absorption of the individual employees; that is to say, the amount of family pension payable will be calculated with reference to the pay drawn and the rules in force on the date of permanent absorption.

5. The absorbed employees who opt for the Family Pension Scheme of the Central Government will have to seek exemption from the operation of the Provisions of the Employees' Family Pension Scheme, 1971, under Section 17(1-C) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, wherever necessary. For this purpose, the concerned employee should submit a formal application for exemption to the Central Provident Fund Commissioner through their employers i.e. the concerned PSUs/Autonomous Bodies.

6. The other terms and conditions stipulated in the various office memoranda mentioned in para 1 above which have not been specifically modified by this Office Memorandum, will continue to be operative.

7. These orders take effect from the date of issue. The Central Government employees absorbed in PSUs/Autonomous Bodies and who are in service on this date will be eligible to exercise the option for being governed by the Family Pension Scheme of the Central Government. This option shall be exercised within a period of six months from the date of issue of this Office Memorandum. The option once exercised shall be final.

8. In their application to the persons belonging to the Indian Audit & Accounts Department, these orders issue in consultation with the Comptroller & Auditor General of India.

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Government of India Deptt. of Pension & Pensioners Welfare
Office Memorandum No 4/15/9-PW(D) dated the 30th March, 1990

Permanent Central Government employees are entitled to payment of pro rata retirement benefits on absorption in Central Public Sector Undertakings/Central Autonomous Bodies, as per the option exercised by by them, and the same is admissible under the Department of Personnel and Trg. O.M. NO. 28016/5/85-Estt. (C), dated the 31st January, 1986 and this Department's O.M. No 4(12)/85-P & PW, dated the 31st March, 1987. The Administrative Ministries/Departments have already been delegated powers to deal with such cases of absorption without obtaining prior concurrence of this Department.

2. After the issue of this Department's O.M. NO 4(5)/86 P & PW, dated the 26th May, 1986 under which a format was prescribed for dealing with cases of absorption of Central Government employees in Central autonomous bodies, no other formats have been prescribed by this Department. With the issue of the O.Ms, dated the 31st January, 1986 and 31st March, 1987, it has been become essential that the orders of permanent absorption in a Central public sector undertaking which has taken place on and after 6th March, 1985 and the absorption in a Central autonomous body which has taken place on and after 31st March, 1987, should be issued by prescribing separate set of formats since the terms and conditions of absorption have undergone change during the course of time,

3. The position has now been reviewed and it has been decided that sanction of pro rata retirement benefits to permanent Government servants absorbed in Central public sector undertaking on and after 6th March, 1985 and in Central autonomous bodies on and after 31st March, 1987, have to be issued by the Administrative Ministries/Departments in the enclosed format(s) (Formats I, II, III) which contains the terms and conditions of permanent absorption. For the cases of permanent absorption in a Central Public sector undertaking which has taken place from a date prior to 6th March, 1985, the format prescribed by the Bureau of Public Enterprises will continue to be used. Permanent absorption which has taken place in a Central autonomous body prior to 31st March, 1987, format prescribed under this Department's O.M NO. 4/5/86-P & PW dated the 26th May, 1986, *ibid*(format-IV) may be made use of.

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Format to be used on absorption in a Central Public Sector Undertaking in respect of cases arising on or after 6-3-1985.

Central Public Sector Undertakings)

Subject: P Permanent absorption of Shri/Smt.....Name and Designation)in(Name of organisation)

Sir,

I am directed to refer to your letter No..... dated.... on the abovementioned subject and to convey the sanction of the President to the permanent absorption in..... of Shri/Smt/ Kumari.....** a permanent Central Government employees and** in the Ministry/Department/Office.....**on the terms and conditions envisaged in the Department of Personnel and Training, O.M. No. 28016/5/85-Estt(C) dated the 31st January, 1986 as amended from time to time, w.e.f. the date and on the terms and conditions as indicated hereafter.

2. Dated of effect.---The permanent absorption shall take effect from.....(date) forenoon/afternoon.

3. Pension/Gratuity (1) He/She will exercise an option within six months of the date of issue of these orders--

(i) either to receive pro rata monthly pension.

(ii) or to receive a lump sum amount in lieu of monthly pension.

The option shall be exercised in writing. The option once exercised shall be final. In case no option is exercised within the stipulated period, he/she will be deemed to have opted in favour of sub-clause (1) above.

(2) In the event of his/her option in favour of sub-clause (1) of clause (1), he/she will draw pro rata pension and retirement gratuity for the service rendered under the Government. He/She will also be eligible to commute upto 1/3rd of his/her pension.

(3) If he/she opts in favour of sub-clause (ii) of clause (1) he/she will receive lump sum amount in lieu of pro rata pension and retirement gratuity the lump sum amount will be calculated by applying the commutation table under the C.C.S. (Commutation of Pension) Rules, 1981, applicable on the date of his/her cessation of service under the Government. The commutation shall be subject to medical examination. The pension so commuted shall not be restored at any stage.

(4) Calculation of pro rata retirement benefits--The retirement gratuity and pro rata pension will be calculated in accordance with the Central Civil Services (Pension) Rules, 1972.

NOTE: The benefit of the scheme of voluntary retirement issued vide Department of Personnel and A.R. O.M. No 25013/7/77/Estt. (A) dated the 26th August, 1977, as embodied in Rule 48-A of the C.C.S. (Pension) Rules, 1972, is not admissible in this case.

(5) Date of payment of pro rata retirement benefits.-- The amount of retirement gratuity and lump sum amount in lieu of pension wherever opted will be payable immediately after the date of his/her permanent absorption. The amount of pro-rata monthly pension wherever applicable will also be payable from the date following the date of cessation of service under the Central Government.

(6) Limitation as to the total amount of gratuity.-- The total gratuity admissible in respect of the service rendered under the Government of India and that under the shall not exceed the amount that would have been admissible had Shri/Smt ** continued in Government service from on the same pay which he/she drew on retirement *.

(7) Effect of Liberalisation of Pension/Gratuity Rules after absorption.--- Any further liberalisation of pension gratuity rules decided upon by Government of India in respect of its officers after the permanent absorption of Sh/Smt. ** in * will NOT be extended to him/her in case Shri/Smt ** has opted to receive lump sum amount in lieu of pension on absorption and the permanent absorption has taken place from a date prior to the date from which rationalisation/liberalisation in Pension Rules has been given effect to by the Central Government.

4. Family Pension admissible from one source only.---On his/her permanent absorption in (name of organisation), the family of Shri/Smt ** will be eligible for family pension as ~~admissible~~ admissible under the Central Government only if there is no family pension scheme in the (name of organisation) or only if he/she is not eligible to join the family pension scheme available in the (name of organisation) or only if he/she is specifically exempted by the Central Provident Fund Commissioner on the basis of a formal application submitted by him/her through (name of Organisation) from the coverage of family pension scheme of the (name of the organisation). In all other situation he/she will be compulsorily covered by the family pension scheme of the (name of organisation).

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ii) The liability of the Central Government in regard to the amount of family pension will be frozen as on the date of permanent absorption in the (name of organisation) and will be calculated with reference to the pay drawn and the rules in force on the date of permanent absorption. The eligibility of family members to receive family pension will be regulated in accordance with the Central Government Rules/Orders in force at the relevant time.

(iii) Family pension will be admissible only from one source i.e either from the central Government or from the (name of the organisation) and not from both.

NOTE: The family will not be eligible for any benefit under the family pension scheme of the Central Government if he/she is not permanent and also does not have a qualifying service of not less than ten years on the date of absorption.

5. Fixation of pay on absorption--Shri/Smt ** will be free to negotiate his emoluments with autonomous body. On his/her absorption, he/she will be at par with other employees of the autonomous body and will be governed by the rules of the autonomous body in all respects.

6. Leave--Shri Smt/.... ** will be entitled to encashment of earned leave to his/her credit at the time of acceptance of his/her credit at the time of acceptance of his/her resignation from Government service subject to a maximum of 240 days. Half pay leave will stand forfeited.

7. Benefits after permanent absorption--For the period of service rendered by Shri/Smt....** in.....* from the date of permanent absorption he/she will be entitled to all the benefits admissible to the corresponding employees of the said organisation and continue to be governed by its rules in all respects.

8. Provident Fund : The amount of subscription together with interest thereon standing to the credit of Shri/Smt..... in the General Provident Fund account will be transferred to his/her new Provident Fund Account under the (orgn) with its consent. In case the autonomous body does not have Provident Fund Scheme or the P.F Scheme of the autonomous body does not provide for acceptance of balance from other Provident Funds, the G.P.F. balance shall be paid to Shri/Smt.....** in cash. Once such a transfer of Provident Fund balance has taken place, Shri Smt..... will be subject to the Provident Fund Rules of the (organisation) and not of the P Provident Fund Rules of the (organisation) and not of the Provident Fund Rules of the Government of India.

*Name of the Organisation to which proceeding

Yours Faithfully,

**Name of the Official

***Designation at the time of absorption

Officer competent to issue the sanction from the Ministry/Department.

Copy forwarded for information & necessary action to:

- 1. Pay and Accounts officer....
2. Shri/Smt.....

**** Name of Office/Deptt. /Ministry from which proceeding.

Officer competent to issue the sanction from the Ministry/Department.

-16- (11)

Format to be used on absorption in a Central Autonomous Body having a pension scheme in respect of cases arising on or after 31.1.1987.

To

(Central Autonomous Body)

Subject: Permanent absorption of Shri/Smt
(Name & Designation in _____ (Name of Orgn).)

Sir,

I am directed to refer to your letter No _____ dated _____ on the above mentioned subject and to convey the sanction of the President to the permanent absorption in _____ of Shri/Smt/Kumari _____ ** a permanent Central Government employee and _____ *** in the Ministry/Department/Office of _____ **** on the terms and conditions envisaged on the Department of Pension and Pensioners' Welfare Office Memorandum No 4(12)85-P-PW, dated 31.3.1987, as amended from time to time with effect from the date and on the terms and conditions as indicated hereafter.

2. Date of effect. --- The permanent absorption shall take effect from (date) forenoon/afternoon.

3. Pension/Gratuity. --- (1) Shri/Smt/Kumari will exercise option within six months of the issue of this order-

(i) either to count the service rendered under the Central Government for pension in _____ under the D.P. & A.R.'s O.M No 28/10/84-PU, dated 29-8-1984.

(ii) or to receive pro rata retirement benefits for the service rendered under the Central Government,

The option shall be exercised in writing. The option once exercised shall be final. In case no option is exercised within the stipulated period., he/she will be deemed to have opted in favour of sub-clause (1) above.

(2) In case he/she opts in favour of sub clause (1) of Clause (1) above he/she will be eligible to draw pension in accordance with the rules of the _____ * for the combined service under the Central Government and that under the _____ * on her final retirement from that body. If he/she resigns from service of the _____ * his/her resignation will be treated as resignation from the Central Government services entailing forfeiture of past service including that under the Government and consequent loss of pensionary benefits for the combined service.

(3) (a) In case he/she opts in favour of sub clause (ii) of clause (1), he/she will have further option which will also have to be exercised along with the option referred to in clause (1) above--

- (i) either to receive pro rata monthly pension,
(ii) or to receive a lump sum amount in lieu of monthly pension.

In case no specific option is indicated by him/her in his behalf, he/she will be deemed to have opted in favour of sub-clause (i) of this clause.

(3) (b) In the event of his/her option in favour of sub clause (i) of clause (3) (a); he/she will draw pro rata pension and retirement gratuity for the service rendered under the Government. He/she will also be eligible to commute up to 1/3rd of his/her pension.

(3) (c) If he/she opts in favour of sub-clause (ii) of clause 3(a), he/she will receive lump sum amount in lieu of pro rata pension and retirement gratuity. The lump sum amount will be calculated by applying the commutation table under the C.C.S. (Commutation of Pension) Rules, 1981, applicable on the date of his/her cessation of service under the Government. The commutation shall be subject to medical examination. The pension so commuted shall not be restored at any stage.

(3) (d) Calculation of pro rata retirement benefits--
The retirement gratuity and pro rata pension will be calculated in accordance with the Central Civil Service (Pension) Rules, 1972.

NOTE:- The benefit of the scheme of voluntary retirement issued vide Department of Personnel and Administrative Reforms, O.M. No. 25013/7/77-Estt. (A), dated the 26th August, 1977, as embodied in Rule 48-A of the C.C.S. (Pension) Rules, 1972, is not admissible in this case.

(3) (e) Date of payment of pro rata retirement benefits--
The amount of retirement gratuity and lump sum amount in lieu of pension wherever opted will be payable immediately after the date of his/her permanent absorption. The amount of pro rata monthly pension wherever applicable will also be payable from the date following the date of cessation of service under the Central Government.

(3) (f) Limitation as to the total amount of gratuity--
The total gratuity admissible in respect of the service rendered under the Government of India and that under the * shall not exceed the amount that would have been admissible had he/she continued in Government service and retired on the same pay which he/she drew on retirement from *.

(22)

Format to be used on absorption in a Central Autonomous Body not having a pension scheme in respect of cases arising on or after 31-3-1987

To
(Central Autonomous Body)

Subject:- Permanent absorption of Shri/Smt _____ (Name and Designation) in _____ (Name of Organisation)

Sir,

I am directed to refer to your letter No _____ dated _____ on the abovementioned subject and to convey the sanction of the President to the permanent absorption in _____ of Shri/Smt/Kumari _____ ** a permanent Central Government employee and _____ *** in the Ministry/Department/Office of _____ **** on the terms and conditions envisaged in the Department of Pension and Pensioners' Welfare, Office Memorandum No.4(12)/85-P&PW, dated 31-3-1987, as amended from time to time, w.e.f. the date and on the terms and conditions as indicated hereafter.

2. Date of effect. The permanent absorption shall take effect from (date) forenoon/afternoon.

3. Pension/Gratuity. (1) He/she will exercise an option with six months of the issue of this order _____

(i) either to receive pro rata monthly pension,

(ii) or to receive a lump sum amount in lieu of monthly pension.

The option shall be exercised in writing. The option once exercised shall be final. In case no option is exercised within the stipulated period, he/she will be deemed to have opted in favour of sub-clause (i) above.

(2) In the event of his/her option in favour of sub-clause (i) of clause (1), he/she will draw pro rata pension and retirement gratuity for the service rendered under the Government. He/she will also be eligible to commute up to 1/3rd of his/her pension.

(3) If he/she opts in favour of sub-clause (ii) of clause (1), he/she will receive lump sum amount in lieu of pro rata pension and retirement gratuity. The lump sum amount will be calculated by applying the commutation table under the C.C.S. (Commutation of Pension) Rules, 1981, applicable on the date of his/her cessation of service under the Government. The commutation shall be subject to medical examination. The pension so commuted shall not be restored at any stage.

(4) Calculation of pro rata retirement benefits. The retirement gratuity and pro rata pension will be calculated in accordance with the Central Civil Services (Pension) Rules, 1972.

Note.- The benefit for the scheme of voluntary retirement issued by Department of Personnel and Administrative Reforms, O.M.No.25013/7/77-Estt.(A), dated the 26th August, 1977, as embodied in Rule 48-A- of the C.C.S.(Pension) Rules, 1972, is not admissible in this case.

(5) Date of payment of pro rata retirement benefits.- The amount of retirement gratuity and lump sum amount in lieu of pension wherever opted will be payable immediately after the date of his/her permanent absorption. The amount of pro rata monthly pension wherever applicable will also be payable from the date following the date of cessation of service under the Central Government.

(6) Limitation as to the total amount of gratuity.- The total gratuity admissible in respect of the service rendered under the Government of India and that under the _____ * shall not exceed the amount that would have been admissible, had Shri Smt _____ ** continued in Government service and retired on the same pay which he/she drew on retirement from _____ *

(7) Effect of Liberalisation of Pension/Gratuity Rules after absorption.-----Any further liberalisation of pension/gratuity rules decided upon by Government of India in respect of its officers after the permanent absorption of Shri/Smt. _____ * in _____ * will NOT/extended to him/her in case Shri/Smt. _____ ** Has opted to received lump sum amount in lieu of pension on absorption and the permanent absorption has taken place from a date prior to the date from which rationalisation/liberalisation in pension rules has been given effect to by the Central Government.

4. Family pension admissible from one source only.---

(i) On his/her permanent absorption in (name of organisation), the family of Shri/Smt. _____ * Will be eligible for family pension as admissible under the Central Government only if there is no family pension scheme in the (name of organisation) or only if he/she is not eligible to join the family pension scheme available in the (name of the organisation) or only if he/she is specifically exempted by the Central Provident Fund Commissioner on the basis of a formal application submitted by him/her through the (name of the organisation) from the coverage of the family pension scheme of the (name of organisation). In all other situation HE/she will be compulsorily covered by the family pension scheme of the (name of organisation).

(ii) The liability of the Central Government in regard to the amount of family pension will be frozen as on the date of permanent absorption in the (name of organisation) and will be calculated with reference to the pay drawn and the rules in force on the date of permanent absorption. The eligibility of family members to receive family pension will be regulated in accordance with the Central Government Rules/Orders in force at the relevant time.

(iii) Family pension will be admissible only from one source i.e. either from the Central Government or from the (name of the organisation) and not from both.

(24)

NOTE: The family will not be eligible for any benefit under the family pension scheme of the Central Government if he/she is not permanent and also does not have a qualifying service of not less than ten years, on the date of absorption.

5. Fixation of pay on absorption. Shri/Smt. ** will be free to negotiate his emoluments with autonomous body. On his/her absorption, he/she will be at par with other employees of the autonomous body and will be governed by the rules of the autonomous body in all respects.

6. Leave.-- Shri/Smt. _____ will be entitled to encashment of earned leave to his/her credit at the time of acceptance of his/her resignation from Government service subject to a maximum of 240 days Half pay leave will stand forfeited.

7. Benefit after permanent absorption.-- For the period of service rendered by Shri /Smt _____ ** in _____ * from THE date of permanent absorption he/she will be entitled to all the benefits admissible to the corresponding employees of the said organisation and continue to be governed by its rules in all respects.

8. Provident Fund.--The amount of subscription together with interest thereon standing to the credit of Shri/Smt _____ in the General Provident Fund account will be transferred to his/her new Provident Fund Account under the (Orgn)with its consent. In case the autonomous body does not have Provident Fund Scheme or the P.F. Scheme of Autonomous Body does not Provide for acceptance of balance from other Provident Funds, the G.P.F. balance shall be paid to Shri/Smt. _____ ** in cash. Once such a transfer of Provident Fund balance has taken place, Shri/Smt. _____ ** will be subject to the Provident Fund Rules of the (Organisation) and not of the Provident Fund Rules of the Government of India.

Yours faithfully,

Officer competent to issue the sanction from the Ministry/Department.

Copy forwarded for information and necessary action to:

- 1. Pay and Accounts Officer....
- 2. Shri/Smt** _____

- *Name of the Organisation to which proceeding.
- **Name of the official
- *** Designation at the time of permanent absorption.
- **** Name of Office/ Department

Officer competent to issue the sanction from the Ministry/Department.

Ministry to which proceeding.

To be used on absorption in a Central Autonomous Body
in respect of cases which arose prior to 31.3.1987.

To

(25)

Sub: Permanent absorption of Shri/Smt. _____ Name and
Designation) in _____ (Name of organisation)

Sir,

I am directed to refer to your letter No _____
dated _____ on the above subject, and to convey the sanction
of the President to the permanent absorption of _____
Name and Designation) of the permanent post held _____
as _____ (Designation) in _____ (Name of Organisation)
on his/her own volition/in the public interest* on the terms
and conditions envisaged in the Ministry of Finance (Department
of Expenditure) O.M. NO. 26(18)/E.V(B)/75, dated the 8th April,
1976, as amended from time to time, with effect from the date
and on the principal terms and conditions as indicated hereafter...

(i) Date of effect.-- The permanent absorption shall have
effect from _____ (date) forenoon/afternoon.

(ii) Pension/Gratuity.-- On his/her permanent absorption
in _____ (name of the organisation) Shri/Smt. _____ shall
be eligible for pro rata pension and retirement gratuity based
on the length of his/her qualifying service under the Government
of India till the date of his/her permanent absorption in
_____ (Name of organisation) as admissible under the rules
applicable to officers of the Central Civil Service in force
on the above mentioned date.

(iii) Calculation of pro rata retirement benefits---
The pro rata retirement gratuity and pension will be calculated
respectively on the basis of "emoluments" and "average emoluments"
as defined in Rule 33 and 34 of the Central Civil Services
(Pension) Rules, 1972.

(iv) Date of payment of pro rata retirement benefits.---
The amounts of pro rata pension and retirement gratuity which
will be worked out and intimated to Shri/Smt. _____ as well as
to _____ (Organisation) would be dibursable to the officer from
the earliest date from which he/she could have become eligible
for voluntary retirement had he/she continued under Government
of India or from the date of his/her permanent absorption in the
_____ (Name of organisation) whichever is later.

NOTE: The benefit of the scheme of voluntary retirement issued
vide Deptt. of Personnel & A.R. O.M. NO: 25013/7/77-Estt (A)
dated the 25th August, 1977, as embodied in rule 48-A of the
C. C.S. (Pension) Rules, 1972 is not admissible in this case.

(v) Option.-- The officer will exercise an option, within six months of the date of issue of this letter, for either of the alternatives indicated below --

- (a) receiving the pro rata monthly pension and retirement gratuity as admissible under clauses (ii) and (iii) and (iv) above under the Government of India Rules.
- or
- (b) receiving the pro rata Gratuity and a lump sum amount in lieu of pension worked out with reference to the commutation tables obtaining on the date from which pension will be admissible and the commuted value becomes payable.

Where no option is exercised within the prescribed period, the officer will automatically be governed by alternative (b) above. Option once exercised shall be final. The option shall be exercised in writing.

(vi) Commutation--- In case Shri/Smt. _____ opts to receive pension as in para (v) (a) above but wishes to commute a portion of his/her pension, such commutation will be regulated in accordance with the Government of India Rules in force at the time of his/her permanent absorption in _____ (Organisation).

(vii) Limitation as to total amount of gratuity---- The total gratuity admissible in respect of the service rendered under the Government of India and that under _____ (Organisation) shall not exceed the amount that would have been admissible and Shri/Smt. _____ continued in Government service and retired on the same pay which he/she drew on retirement from..... (Organisation).

(viii) Family Pension/Admissibility from one source only.--- (1) On his/her permanent absorption in _____ (Orgn) Shri/Smt. _____'s family will be eligible for family pension as admissible under the Central Government if there is no family pension scheme in the _____ (Organisation) or if the officer does not become eligible to join family pension scheme in..... (organisation).

(2) Family pension will be admissible only from one source, i.e., either from the Central Government or from the autonomous body in case such an organisation has a scheme for payment of family pension.

(ix) Effect of liberalisation of pension/gratuity rules after absorption---- Any further liberalisation of pension/gratuity rules decided upon by Government of India in respect of Officers of the Central Civil Services, after the permanent absorption of Shri/Smt. in _____ (organisation) will NOT be extended to him/her.

(x) Fixation of pay on absorption.--The pay of Shri/Smt. _____ will be fixed on absorption as for a re-employed pensioner with effect from the date he/she becomes entitled to draw the pro rata retirement benefits.

(xi) Effect of resignation.-- If Shri/Smt. _____ resigns from (Orgn) his/her resignation for purpose of these orders will be treated as resignation from government service, entailing forfeiture of earlier service under Government and loss of pensionary benefits including gra-tuity under these orders.

(xii) Leave.--- The carry-forward of leave on average pay/earned leave in the case of Shri/Smt. _____ on his/her permanent absorption.....(organisation) will be regulated in accordance with the provisions of paragraph 7 of the Ministry of Finance (Department of Expenditure) O.M. NO. 26(18)E.V(B)/76 dated 8.11.1976 quoted above. Accordingly the benefit is available only if the officer is absorbed in public interest. *Since in this case the absorption is in the public interest the earned leave/leave on average pay to the credit of the officer as on the date of his/her permanent absorption will be communicated separately.

OR

Since in this case the absorption is not in the public interest, Shri Smt.....will not be eligible for the benefit of carry forward of leave.

(xiii) Benefits after permanent absorption.---For the period of service rendered by Shri/Smt.....in.....(Orgn.) from the date of permanent absorption, he/she will be entitled to all the benefits admissible to the corresponding employees of the said organisation and continue to be governed by its rules in all respects.

(xiv) Provident Fund.---The amount of subscription together with interest thereon standing to credit of Shri/Smt.... in the General Provident Fund account will be transferred to his/her new Provident Fund Account under the....(Orgn.)with its consent. Once such a transfer of Provident Fund balance has taken place Shri/Smt....will be subject to the Provident Fund Rules of....(Orgn.) and not to the Provident Fund Rules of the Government of India.

(xv) Interpretation.--In case any doubt or difference of opinion arises regarding interpretation of the terms and conditions set out in this order, the matter shall be referred to the Deptt of Pension and Pensioner's Welfare whose decision shall be final.

Yours faithfully,

Officer competent to issue the sanction
from the Ministry/Department

A Copy is forwarded for information and necessary action to--
The Pay & Accounts Officer.

.....
*Strike out whichever is
not applicable.

Officer competent to issue the sanction
from the Ministry/Department.

...

(29)

No.4(6)/85-P&PW(D)
Government of India
Ministry of Personnel, Public Grievances & Pensions.
(Department of Pension & Pensioners' Welfare)

New Delhi, the 3rd January, 1995.

OFFICE MEMORANDUM

Subject: Permanent transfer of Government servants to Government Companies / Corporations -- Grant of retirement benefits.

....

The undersigned is directed to say that as per the provisions contained in Ministry of Finance, Department of Expenditure OM No. F.24(12)-E.V./66, dated 16th June, 1967, permanent Government servants were entitled to the payment of the pro-rata retirement benefits on absorption in Central Public Sector Undertakings, provided, the absorption in Central Public Sector Undertakings was in Public interest. The provisions contained in the above OM were applicable in respect of those Government servants who were absorbed in the Central PSUs on or after the above date.

2. In its judgement dated 17-2-1993 in Civil Appeal No. 666 of 1993 (arising out of the SLP(C) No. 12010 of 1988) filed by Shri T.S. Thituvengadam vs. Union of India, the Hon'ble Supreme Court has held that restricting the benefits of OM dated 16-6-1967 only to those Central Government employees who were absorbed in PSUs after 16th June, 1967 would be arbitrary.

3. The manner of implementation of the Supreme Court judgement has been under consideration of the Government for some time past. After careful examination of the judgement, the President has now been pleased to decide that the benefits of OM dated 16-6-1967 may be extended to all Central Government employees who were absorbed in Central Public Sector Undertakings prior to 16/6/1967, subject to the following conditions:

i) The absorbee should satisfy all the terms and conditions regarding grant of retirement benefits as laid down in the Ministry of Finance, Department of Expenditure OM dated 16/6/1967, as amended vide OM No. 44(8)/E.V./71 dated 19-6-1972. The question of proportionate pension will not arise in cases where an officer, at the time of absorption, had rendered less than 10 years of service under Government and was not entitled to pension. In such cases, he will only be eligible to proportionate service gratuity in lieu of pension and to D.C.R. Gratuity based on the length of service.

ii) The absorbee should have proceeded to a Central PSU in public interest and absorbed

.. contd/-

therein prior to 16/6/1967.

29

iii) The absorbee should have received the retirement benefits as per Ministry of Finance, Department of Expenditure OM No. F.2 (33)/EVA/60, dated 10th November, 1960, viz., an amount equal to what Government would have contributed had the officer been on Contributory Provident Fund terms under Government, together with simple interest thereon at 2% for the period of his pensionable service under Government, should have been credited to his Contributory Provident Fund Account with the PSU as an opening balance within one year from the date of his/her permanent absorption.

4. Ministry of Finance etc., are requested to settle the claims of the Central Government employees who were permanently absorbed in the Central PSUs prior to 16/6/1967 on the above basis, on receipt of a formal request from each such employee. C.P.F benefits received in terms of Ministry of Finance OM dated 10/11/1960 will have to be refunded by the said employees to Government together with interest at the rate applicable to GPF accumulations on the date of such refund and calculated in the same manner as interest on GPF is worked out.

Hindi version of this OM is enclosed.

Sd/-

(Swaran Dass)

Deputy Secretary to the Government of India

(30)

No. F 28/10/95-P&PW(B)
Government of India
Department of Pension & Pensioners' Welfare

New Delhi, 30th May, 1995.

OFFICE MEMORANDUM

Subject:- Mobility of Personnel between Central Government Departments and Autonomous Bodies -- Counting of service for pension.

The undersigned is directed to refer to this Department's O.M.No. 28/10/84-Pension Unit dated 29/8/1984 and No. 28/10/84-P&PW (Vol.II) dated 7.2.1986 on the subject mentioned above and to say that enquiries have been made to the effect whether it would be necessary for the parent Government Department or the autonomous body to discharge pro-rata pensionary benefits in cases in which the employee has rendered less than 5 years of qualifying service and is not entitled to any terminal benefits on the date of his permanent absorption in the autonomous body / Government.

2. The matter has been considered in consultation with the Ministry of Finance (Department of Expenditure). It is clarified that discharge of pro-rata pensionary liability by the parent organisation is necessary in all cases of mobility of personnel from Government to Autonomous Bodies and vice-versa, if the employee opts for the pensionary benefits based on combined service in accordance with the above mentioned office memorandum. The settlement of payments of pro-rata pension etc. is required to be made between a government department and an autonomous body and not between government and the individuals. The question of employee's actual entitlement at the time of such mobility is not relevant. The amount should appropriately be calculated pro-rata based on length of service rendered and would comprise of the terminal gratuity or service gratuity or pension, as the case may be, and retirement gratuity for the employees on pensionable establishments.

3. In the case of an employee of autonomous body, with CPF benefits, the autonomous body will have to pay to the Government the employer's contribution together with interest for the period of service rendered by him in the said body irrespective of fact whether or not the employee is actually entitled to receive benefits at the time of his absorption.

4. Ministry of Defence etc. are requested to clarify this position to all concerned authorities under their administrative control.

Sd/-

(S.C. Batra)

Deputy Secretary to the Govt. of India (FP)

To

All Ministries/Depts. of the Govt. of India.

(31)

No. 28/24/94-P&PW(B)
Government of India
Department of Pension & Pensioners' Welfare

New Delhi, the 30th May, 1995.

OFFICE MEMORANDUM

Subject:-

Grant of pro-rata retirement benefits to the permanent Central Government employees who are absorbed in the Nationalised Banks, General Insurance Corporation and its subsidiaries --
Question regarding.

The undersigned is directed to refer to this Department's O.M.No. 4/8/94-P&PW dated 14th May, 1986 & No. 4/23/87-P&PW dated 10th November, 1987 on the subject mentioned above and to say that inquiries have been made to the effect whether the benefit of counting of service for the purpose of pensionary benefits, as admissible in terms of this Department's O.M.No. 28/10/84-Pension Unit dated the 29th August, 1984 is to be allowed in the case of mobility of personnel from Government to Nationalised Banks and financial institutions like Life Insurance Corporation of India & General Insurance Corporation etc. and vice versa.

2. The matter has been considered in the light of instructions issued by this Department in regard to mobility of personnel between Government and non-Government Organisations including Public Sector Undertakings and Autonomous Bodies. The orders contained in this Department's OM No. 4/8/84-P&PW dated 14th May, 1986 and OM No. 4/23/87-P&PW dated the 10th November, 1987, stated that the Nationalised Banks including the Reserve Bank of India and the State Bank of India and its subsidiaries, the General Insurance Corporation of India and its four subsidiaries, are to be treated as Autonomous Bodies for the purpose of grant of pro-rata retirement benefits to the permanent Central Government employees who are absorbed by these Bodies on the terms and conditions envisaged in Ministry of Finance, Department of Expenditure OM No. 26/(18)/EV/75 dated 8th April, 1970, as amended from time to time. It is clarified that such employees are not entitled to count the service rendered in Government for the purpose of pension on absorption in the Nationalised Banks including the Reserve Bank of India and the State Bank of India and its subsidiaries and other financial institutions including Life Insurance Corporation of India, General Insurance Corporation of India and its subsidiaries as per our OM No. 28/10/84-Pension Unit dated the 29th August, 1984 referred to above.

3. Central Government employees who have rendered service in the Nationalised Banks as well as other financial institutions including Life Insurance Corporation of India/General Insurance Corporation prior to their appointment in the Central Government are also not entitled to

--- contd/-

count such service for the pensionary benefits under the Central Government. They are, however, free to seek terminal benefits as admissible under the relevant rules from the concerned Nationalised Banks and such other institutions in which they had rendered service before being appointed in the Central Government.

4. Ministry of Defence, etc., are requested to clarify this position to all concerned authorities under their administrative control. The past cases decided otherwise than the procedure clarified above may be reviewed in case the concerned employees are still in service.

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

Sd/-
(S.C. Batra)
Deputy Secretary to the Govt. of India.