

General Provident Fund (Central Services) Rules, 1960

Rule-1. Short Title and commencement

- The GPF (CS) Rules, 1960 come into force from 1st April, 1960.

Rule-2. Definition

- (a) **Accounts officer-** means the officer to whom the duty to maintain the Provident Fund Account of the subscriber has been assigned by Government.
- (b) **Emoluments – (Basic Pay)** Leave salary, or subsistence grant as defined in the Fundamental Rules.
- (c) **Family:** - Family of Subscriber.
 - (i) in the case of a male subscriber, the wife or wives, parents, children, minor brothers, unmarried sisters, deceased son's widow and children and where no parents of the subscriber are alive, a paternal grandparent.
 - (ii) in the case of a female subscriber, the husband, parents, children, minor brothers, unmarried sisters, deceased son's widow and children and where no parents of the subscriber are alive, a paternal grandparent.
- (d) **Fund:** - General Provident Fund.
- (e) **Leave:** -means any variety of leave recognized by the Fundamental Rules.
- (f) **Year:** - means 'Financial Year'.

Rule-3. Constitution of the Fund

- 1) The Fund shall be maintained in rupees
- 2) Govt Account Name "**General Provident Fund**".

Rule-4. Conditions of eligibility

- 1) All temporary Government servants after a continuous service of one year, all re-employed pensioners (other than those eligible for admission to the Contributory Provident Fund) and all permanent Government servants shall subscribe to the Fund;
- 2) These rules shall not apply to Government servant appointed on or after the 1st day of January, 2004.
- 3) Apprentices and Probationers shall be treated as temporary Government servants for the purpose of this rule
- 4) A temporary Government servant who completes one year of continuous service during the middle of a month shall subscribe to the Fund from the subsequent month.
- 5) Temporary Government servants (including Apprentices and Probationers) who have been appointed against regular vacancies and are likely to continue for more than a year may subscribe to the General Provident Fund any time before completion of one year's service.
- 6) Further one year's service not necessary if temporary Government servant transferred to



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Govt. from corporate Bodies (owned or controlled by Govt.) or state Government or another Department for subscribe the GPF, **if he has completed one year's service** under that body or state Govt. or another Department.

Rule-5. Nominations

- 1) A subscriber shall, at the time of joining the Fund, send to the Accounts Officer through the Head of Office a nomination conferring on one or more persons the right to receive the amount that may stand to his credit in the Fund in the event of his death
- 2) If a subscriber is a minor, he shall be required to make the nomination only on his attaining the age of majority:
- 3) a subscriber who has a family at the time of making the nomination shall make such nomination only in favor of a member or members of his family:
- 4) If a subscriber nominates more than one person, he shall specify in the nomination the amount or share payable to each of the nominees
- 5) A subscriber may at any time cancel a nomination by sending a notice in writing to the Accounts Officer and exercising a fresh nomination.
- 6) Every nomination made, and every notice of cancellation given by a subscriber shall, to the extent that it is valid, take effect on the date on which it is received by the Accounts Officer.
- 7) Nomination made while in service can be changed even after retirement so long as the amount remains unpaid.
- 8) Nominee facing trial for the murder of the Govt. Servant may be denied payment till the Court's decision.
- 9) Nomination of a subscriber held valid even if he dies before it reaches the Accounts Officer.

Rule-6. Subscriber's Account: - A account shall be Opened in the name of Subscriber in which shall be shown.

- (i) Subscription.
- (ii) Interest
- (iii) Bonus
- (iv) Advances and withdrawals from the fund.

Rule-7. Conditions of subscriptions

- 1) A subscriber shall subscribe monthly to the Fund **except during the period when he is under suspension:**
- 2) a subscriber may, at his option, not subscribe during leave which either does not carry any leave salary or carries leave salary equal to or less than half pay or half average pay.
- 3) a subscriber on reinstatement after a period passed under suspension shall be allowed the option of paying in one lump sum, or in instalment's, any sum not exceeding the maximum amount of arrear subscriptions payable for that period.



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- 4) Group 'C' and Group 'D' employees of the Survey of India who are sent on departmental leave need not subscribe to the Fund, during the period of such leave.
- 5) The holder of a seasonal post in an establishment need not subscribe to the Fund, during the period of his unemployment.
- 6) A subscriber need not subscribe during a period treated as dies non.
- 7) Subscription to be compulsorily discontinued during the last 3 months of service on superannuation.

Rule-8. Rate of Subscription

- (1) The amount of subscription shall be fixed by the subscriber himself, subject to the following conditions, namely: -
 - a) It shall be expressed in whole rupees.
 - b) It may be any sum, so expressed not less than 6 per cent of his emoluments and not more than his total emoluments subjected to maximum five lakhs in a financial year from 2022-2023.
- (2) The emoluments of a subscriber shall be-
 - a) If the subscriber in Govt. service on 31st March of preceding year, the emoluments which he was entitled to that date.
 - b) If the subscriber was not in Govt. service on 31st March of preceding year, the emoluments which he was entitled on the day he joins the fund.
- (3) The amount of subscription so fixed may be-
 - a) reduced once at any time during the course of the year.
 - b) enhanced twice during the course of the year.

Rule-9. Transfer to Foreign Service or Deputation out of India

- When a subscriber is transferred to foreign service or sent on deputation out of India, he shall remain subject to the rules of the Fund in the same manner as if he were not so transferred or sent on deputation.

Rule-10. Realization of Subscription

- 1) When a subscriber is drawn his emoluments on the last working day of the month the subscription is an account for on the 1st day of the following month.
- 2) For example- The subscription is deducted from the Salary of Aug. 2023. It will be account for in the GPF account on the 1st Sept. 2023.
- 3) If the salary of any month was not drawn due to negligence of the Department the subscription is deemed to account for the 1st day of the following month from the month which salary was due and interest is also paid from the 1st day of the month.

Rule-11. Interest

- 1) The government is declared interest rate on quarterly basis on General Provident Fund and other similar funds and calculated compounded annually



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- 2) The Interest shall be credited in the GPF account on the last day of each year.
- 3) The total amount of interest shall be rounded to the nearest whole rupee (fifty paise counting as the next higher rupee):
- 4) where the emoluments for a month are drawn and disbursed on the last working day of the same month, the date of deposit shall, in the case of recovery of his subscriptions, be deemed to be the first day of the succeeding month.
- 5) Where there has been delay in the drawl of pay or leave salary and allowances of a subscriber and consequently in the recovery of his subscription towards the Fund, the interest on such subscriptions shall be payable from the month in which the pay or leave salary of the subscriber was due under the rules, irrespective of the month which it was actually drawn.
- 6) In case a subscriber is found to have drawn from the Fund an amount in excess of the amount standing to his credit on date of drawl. The recovery will made with interest of 2.5% above of the GPF rate of Interest.

Govt. Decisions

- a) In respect of persons found absconding, interest to be allowed up to 6 months from the date of report from the police that the employee has not been traced.
- b) When a subscriber retires on superannuation, the period of six months for following interest to exclude the immediate succeeding month.
For example. 31st May last working day, exclude June month the interest will be paid from July to Dec.
- c) Payment order issued after the 15th month to be made payable next month and full interest allowed for the month in which order is issued.

Rule-12. Advances from the Fund.

- (1) The limit of advance up to amount 12 months' Basic pay or three-fourth (¾) of the amount standing to his credit in the Fund, whichever is less, for one or more of the following purposes: -
 - (i) Illness of self, family member or dependents.
 - (ii) Education of family members or dependent of the subscriber. Education will include primary, secondary, higher education covering all streams and educational institutions.
 - (iii) Obligatory expenses, viz. betrothal, marriage, funerals, or other ceremonies,
 - (iv) Cost of legal proceedings,
 - (v) Cost of defense
 - (vi) Purchase of consumer durables
 - (vii) Pilgrimage and visiting places of eminence. This will be including any travel and tourism related activities.
 - The advance amount sanctioned by the Head of Office.
 - The Head of Department may sanction advance from the fund other than above mentioned reasons, if he is satisfied with special circumstances.



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- In all cases of advance, no documentary proof is required. A Simple declaration by the subscriber explaining the reasons for advance would be sufficient.
- Normal conditions, maximum time limit for **sanction** of Advance= **15 Days**
- In case of emergencies like illness, the time limit may be restricted = **7 Days**

Note: -

- (i) During the period of a central Govt. employees' deputation on foreign service, the competent authority in **his parent department only can sanction advances/ withdrawals** to him from his GPF account.
- (ii) **No temporary advance** to be sanctioned during the **last three month of service.**
- (iii) A subscriber shall be permitted to take an advance once in every **six months for education for family and dependents.**

Rule-13. Recovery of Advances: -

- 1) An advance shall be recovered not more than **60 installments.**
- 2) Recovery **commence from the following month** in which advance was drawn.
- 3) **Consent is necessary in case** when Subscriber is receipt **subsistence grant** or on leave for **10 days** in a calendar month and does not carry any leave salary or carries leave salary equal to half of pay. **The recovery will be postponed, on the subscriber's written request.**

Rule-14. Wrongful use of Advance

- 1) If the sanctioning authority has reason to doubt that money drawn as an advance from the Fund has been utilized for a purpose other than that for which sanction was given to the drawl.
- 2) The sanctioning authority shall give a reasonable opportunity to explain the reason **within 15 days from the receipt of communication.**
- 3) If the sanctioning authority is not satisfied with the explanation furnished by the subscriber within the said period of **fifteen days.**
- 4) The sanctioning authority shall direct the subscriber to repay the amount, order the amount to be recovered by deduction in **one sum (if not more than 50% of emoluments)** from salary or in the **monthly installments.**

Rule-15. Withdrawals from the Fund: -

- 1) After completion of 10-years' service or within 10 years before the date of retirement on superannuation, whichever is earlier. Permit to withdrawal of up to **12 month's pay or three-fourth (3/4)** of the amount standing at credit, whichever is less. **For illness, the withdrawal may be allowed up to 90% of the amount standing at credit of the subscriber.**
- (i) **Education-** This will include primary, secondary and Higher education, covering all streams and institutions.



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- (ii) **Obligatory expenses**, viz. betrothal, marriage, funerals, or other ceremonies of self or family members and dependents.
- (iii) Illness of self, family members or dependents (**up to 90% of Standing credit**).
- (iv) Purchase of consumer durables.

Withdrawal up to 90% of the amount standing at credit for the below purposes

- (v) Housing including building or acquiring a suitable house or a ready built flat for his residence.
- (vi) Repayment of outstanding housing loan,
- (vii) Purchase of house site for building a house.
- (viii) Constructing a house on a site acquired.
- (ix) Reconstructing or making additions on a house already acquired
- (x) Renovating, additions or alterations of ancestral house.

Permitted to withdraw three fourth of the amount standing at credit or Cost of Vehicle, whichever is less for the below purposes

- (xi) Purchase of motor Car/ motor cycle/scooter, etc. repayment of loan already taken for the purpose.
- (xii) Extensive repairs/ overhauling of motor car,
- (xiii) Making deposit to book a car/ motor cycle/scooter, mopped, etc.
- 2) During the last **three months of service**, a GPF subscriber may be sanctioned, at request, part final withdrawal with the approval of the Head of the Department under exceptional circumstances
- 3) A subscriber can **withdrawal up to 90% of the amount standing to the credit** in the Fund within **2 years** before the date of retirement on superannuation from, without linking to any purpose.
- 4) **No documentary proof** will be required to be furnished by the subscriber. A simple declaration for by the subscriber explaining the reasons for withdrawal would be sufficient.
- 5) **Only one withdrawal** shall be allowed for the same purpose under this rule. But the marriage or education of different children or illness on different occasions or alteration to a house or further addition or flat shall not be treated as the same purpose.
- 6) **Once during the course of a financial year**, an amount equivalent to **one year's subscription paid** for by the subscriber towards the Group Insurance Scheme for the Central Government employees on self-financing and contributory basis.
- 7) Withdrawal for education of children allowed **annual basis**.
- 8) **Normal conditions**, maximum time limit for **sanction** of withdrawal= **15 Days**
- 9) **In case of emergencies** like illness, the time limit may be restricted = **7 Days**

Rule-16. Conditions of Withdrawal

- Any sum withdrawn by a subscriber at any one time for one or more of the purposes



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specified in Rule 15 from the amount standing to his credit maximum up to **12 months' pay** or **three-fourth** of amount standing to his credit and maximum 90 % of amount standing to his credit for **(iii) and (v) to (x) purposes.**

- (i) An advance and a final withdrawal for **same purpose** should not be sanctioned together.
- (ii) Withdrawal not to be sanctioned for more than **one house**.

Rule-16-A. Conversion of an Advance into a withdrawal

- A subscriber who has already drawn or may draw in future an advance for any of the purposes may convert, at his discretion by written request addressed to the Accounts Officer through the sanctioning authority.

Rule-31. Final withdrawal of accumulations in the Fund: -

- When a subscriber quits the service, the amount standing to his credit in the Fund shall become payable to him.
- (i) **Recovery of Govt. Dues** and **final payment of GPF** not to be mixed up.
- (ii) Amount misappropriated **not adjustable from GPF**.

Rule-32. Retirement of Subscriber

- When a subscriber retires from service on superannuation /VRS, unfit declared by authority, has proceed on LPR, etc., the amount standing to his credit in the fund shall be payable to the subscriber.
- Production of no-demand certificates not necessary for making final payment of Provident fund balance.

Rule-33. Procedure on death of a Subscriber

- On the death of a subscriber before the amount standing to his credit has become payable, or where the amount has become payable, before payment has been made-
- (i) **When the subscriber leaves a family-**
 - (a) If a nomination made by the subscriber in accordance with the provisions of Rule 5 in favor of a member or members of his family, the amount standing to his credit in the Fund shall become payable **to his nominee or nominees in the proportion specified in the nomination.**
 - (b) If **no such nomination in favor of a member** or members of the family of the subscriber subsists, or if such nomination relates only to a part of the amount standing to his credit in the Fund, the whole amount or the part thereof to which the nomination does not relate, as the case may be, shall, notwithstanding any nomination purporting to be in favor of any person or persons other than a member or members of his family, **become payable to the members of his family in equal shares:**

Provided that no share shall be payable to-

- 1) sons who have attained majority;
- 2) Sons of a deceased son who have attained majority



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- 3) married daughters whose husbands are alive;
- 4) married daughters of a deceased son whose husbands are alive;

But that the widow or widows and the child or children of a deceased son shall receive between them in equal parts only the share which that son would have received if he had survived the subscriber.

- (ii) When the **subscriber leaves no family**, if a nomination made by him in accordance with the provisions of Rule 5 in favor of any person or persons subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates, shall become payable to his nominee or nominees in the proportion specified in the nomination.

Note: -

- (a) Disbursement of Provident fund moneys to persons on behalf of minors **Rs. 10000/-** where amount is standing in account greater than 10000/-
- (b) Subscriber's posthumous child a member of his family is treated as same way as surviving child born before the subscriber's death.
- (c) Payment of GPF when the whereabouts of the official is not known. The payment of GPF will be paid after the **elapse of a period of one year**.
- (d) Payment not to be made to the nominee facing trial for the murder of the Govt. servant.

Rule-33-B. Deposit- Linked Insurance Revised Scheme.

- On the death of a subscriber, the person entitled to receive the amount standing to the credit, an additional amount equal to the average balance in the account during the **3 years immediately preceding the death of such subscriber**, subject to the condition that
- (a) The balance at the credit of such subscriber **shall not at any time during the 3 years preceding the month of death** have fallen below the limits of-

| Balance at the credit of such subscriber | Pay Band with grade pay (Pay level as per 7 th CPC) |
|--|--|
| Rs. 25000/- | Pay Band-2 (9300-34800) with grade pay 4800/- and more (Level 8 and above) |
| Rs. 15000/- | Pay Band-2 (9300-34800) with grade pay 4200/- and less than Rs. 4800/- (Level 6 to 7) |
| Rs. 10000/- | Pay Band-1 (5200-20200) with grade pay 1800/- and less than Rs. 4200/- (Level 1 to 5) |
| Rs. 6000/- | Pay Band- 1S (4440-7440) with grade Rs. 1300/- and less than Rs. 1400/- |

- (b) The additional amount payable under this rule shall not exceed **Rs.60000/-**
- (c) The subscriber has put in at least **5 years** 's service at time of his/her death.



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Note: -

- (i) Govt. Servant to treated as a subscriber even during the last three month of his service, when subscription has been discontinued.
- (ii) Benefit of Deposit link insurance scheme to the successor of the untraceable subscriber to be made only after as lapse of **7 years**.
- (iii) Benefits admissible even in **suicide cases**.

Rule-34. Manner of payment of amount in the Fund.

- (1) When the amount standing to the credit of a subscriber in the Fund becomes payable, it shall be the duty of the Accounts Officer to make payment.
- (2) Payments of the amount withdrawn shall be made in India only. The persons to whom the amounts are payable shall make their own arrangements to receive payment in India.

Note- Payment of interest on the Fund balance beyond a period of **6 months (PAO)** may be authorized by-

- a) the Head of Accounts Office up to a period of **one year**; and
- b) the immediate superior to the Head of Accounts Office (Controller of Accounts, or the Financial Adviser to the concerned Administrative Ministry or Department) **beyond 1 year to any period**

Rule-35. Procedure on transfer of a Govt. servant from one Department to another-

- If a government servant who is a subscriber to any other non-Contributory Provident Fund of the Central Government or of a State Government is permanently transferred to **pensionable service in a Department of the Central Government in which he is governed by these rules**, the amount of subscriptions, together with interest thereon, standing to his credit in such other fund on the date of transfer shall be transferred to his credit in the Fund.

Rule-35-A. Procedure on transfer to government service of a person from the service under a body corporate owned or controlled by government or an autonomous organization, registered under the society's registration act, 1860-

- If a Government servant admitted to the benefit of the Fund was previously a subscriber to any Provident Fund of a body corporate owned or controlled by Government, or an autonomous organization, registered under the Societies Registration Act, 1860, the amount of his subscriptions and the employer's contribution, if any, together with the interest thereon shall be transferred to his credit in the Fund with the consent of that body.

Rule-36. Transfer of amount to the contributory provident fund (India)-

- If a subscriber to the Fund is subsequently admitted to the benefits of the Contributory Provident Fund (India), the amount of his subscriptions, together with interest thereon, shall be transferred to the credit of his account in the Contributory Provident Fund (India).



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Rule-38. Number of accounts to be quoted at the time of the payment of subscription-

- When paying a subscription in India, either by deduction from emoluments or in cash, a subscriber shall quote the number of his account in the Fund, communicated to him by the Accounts Officer. Any change in the number shall similarly be communicated to the subscriber by the Accounts Officer.

Rule-39. Annual statement of accounts to be supplied to subscriber-

- (1) As soon as possible after the **31st March of each year**, the Accounts Officer shall send to each subscriber a statement of his account in the Fund showing the opening balance as on the 1st April of the year, the total amount credited or debited during the year, the total amount of interest credited as on the 31st March of the year and the closing balance on that date.
- (2) Subscribers should satisfy themselves as to the correctness of the annual statement and errors should be brought to the notice of the Accounts Officer **within the three months** from the date of the receipt of the statement.
- (3) The Accounts Officer shall, if required by a subscriber once, but not more than once, in a year inform the subscriber of the total amount standing to his credit in the Fund at the end of the last month for which his account has been written up.

Amendments

- (i) It shall be mandatory for all offices maintaining GPF Accounts to intimate the particulars of missing credits, once every financial year, to the authority responsible for deducting the GPF subscription, under intimation to the concerned subscriber.
- (ii) A complete statement of all credits, debits and interest, since inception of the GPF account, shall be provided to every subscriber, mandatorily **two years** before his date of retirement and thereafter **one year** before the date of retirement.
- (iii) Any subscriber can make a representation on such a statement provided to him and the office maintaining the GPF account shall resolve the grievance within **60 days** from the date of receipt of such a grievance.



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