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National Pension System, 2021

1. **Short, title and commencement: -**

- These rules may be called the Central Civil Services (Implementation of National Pension System) Rules, 2021.
- They shall come into force on the date (30.03.2021) of their publication in the Official Gazette.

2. **Application: -**

- these rules shall apply to the Government servants,
- including civilian Government servants in the Defence Services, appointed substantively to civil services and posts in connection with the affairs of the Union on or after 1st day of January, 2004, but shall not apply to
  - Railway servants;
  - persons in casual and daily rated employment;
  - persons paid from contingencies;
  - members of the All India Services;
  - persons locally recruited for services in diplomatic, consular or other Indian establishments in foreign countries;
  - persons employed on contract;
  - persons whose terms and conditions of service are regulated by or under the provisions of the Constitution or any other law for the time being in force; and
  - persons to whom the Central Civil Services (Pension) Rules, 1972 (now 2021) apply in accordance with any special or general order issued by the Government.

3. **Definitions: -**

- "**Accredited Bank**" in relation to a Ministry or Department or Union territory means the Reserve Bank or any bank which is appointed to transact business of the Government pertaining to that Ministry or Department or Union territory and is officially recognised for transfer of funds to the Trustee Bank;
- "**Accumulated Pension Corpus**" means the monetary value of the pension investments accumulated in the Individual Pension Account of a subscriber under the National Pension System;

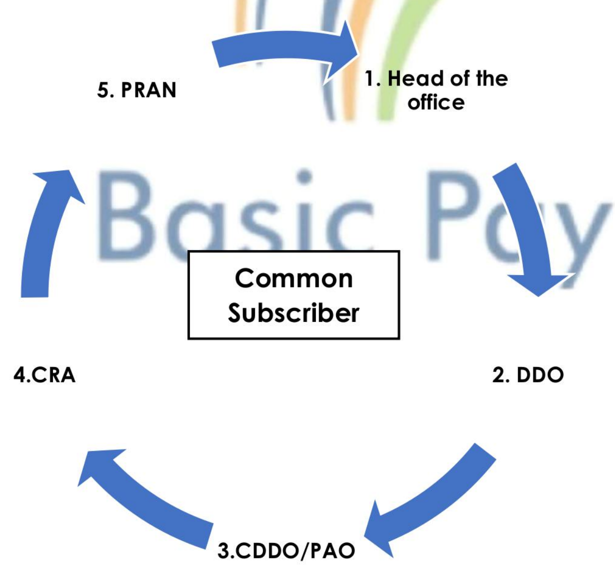
- **"Annuity"** means periodic payment by the Annuity Service Provider to the subscriber on purchase of annuity plan out of the Accumulated Pension Corpus;
- **"Authority"** means the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013
- **"Central Recordkeeping Agency"** means an agency registered under section 27 of Pension Fund Regulatory and Development Authority Act, 2013 to perform the functions of recordkeeping, accounting, administration and customer service for subscribers to schemes;
- "Drawing and Disbursing Officer" means a Head of Office and also any other Gazetted Officer so designated by a Department of the Central Government, a Head of Department or an Administrator, to draw bills and make payments on behalf of the Central Government. The term shall also include a Head of Department or an Administrator where he himself discharges such function;
- **"Cheque Drawing and Disbursing Officer"** means a drawing and disbursing officer functioning under a Ministry or Department (including Central Public Works Department, Forest Department and Departments in which the provisions of Central Public Works Account Code are authorised to be followed) or a Union territory, who is authorised to withdraw money for specified types of payments against an assignment account opened in his favour in a specified branch of an accredited bank;
- **"Pay and Accounts Officer"** means an officer, whatever his official designation, who maintains the accounts of a Ministry, Department or Office of the Central Government or Union territory and includes an Accountant-General, who is entrusted with the functions of maintaining the accounts or part of accounts of the Central Government or Union territory;
- **"Permanent Retirement Account Number"** means a unique identification number allotted to each subscriber by the Central Recordkeeping Agency;

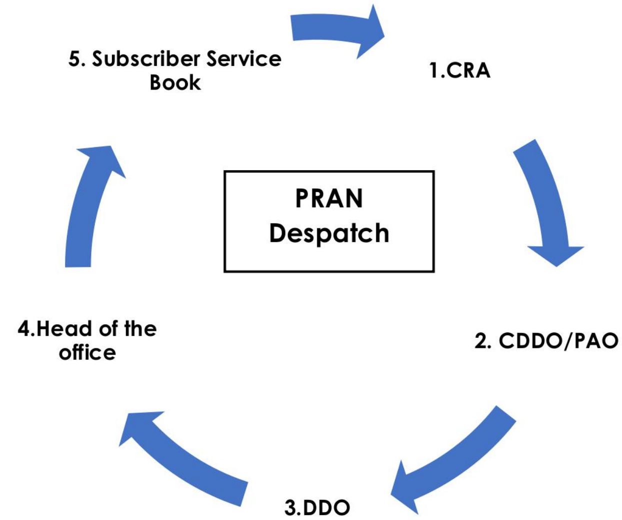
General Conditions

4. Registration into National Pension System: -

- A Government servant to whom these rules apply, shall, immediately on joining service submit an application in Common Subscriber Registration Form to the Head of Office for registration to the National Pension System.
- The Head of Office shall on receipt of the application ensure that the application is complete in all respects, countersign it indicating the date of receipt and send it to the Drawing and Disbursing Officer within three working days of joining of the Government servant. The Head of Office shall keep a copy of the application form for record.
- The Drawing and Disbursing Officer shall forward the application of individual subscriber to the Pay and Accounts Officer or Cheque Drawing and Disbursing Officer, as the case may be, within three working days from the date of receipt of the application from the Head of Office.
- The Pay and Accounts Officer or the Cheque Drawing and Disbursing Officer, as the case may be, shall process the application received from the Drawing and Disbursing Officer and forward it to the Central Recordkeeping Agency through the online system within three working days from the date of receipt of the application from the Drawing and Disbursing Officer. The Pay and Accounts Officer or the Cheque Drawing and Disbursing Officer shall also forward duly signed copy of the application to the Central Recordkeeping Agency for record.
- The Central Recordkeeping Agency shall complete registration process and allocate a Permanent Retirement Account Number in respect of each Government servant in the form specified by the Authority as per the turn-around time specified by the Authority. After completion of the registration process, the Central Recordkeeping Agency shall communicate the Permanent Retirement Account Number to the Pay and Accounts Officer or the Cheque Drawing and Disbursing Officer, as the case may be, and also forward Permanent Retirement Account Number kits to the Subscriber in accordance with the process and turn-around time laid down by the Authority.
- The Pay and Accounts Officer or the Cheque Drawing and Disbursing Officer, as the case may be, shall communicate Permanent Retirement Account Number (PRAN) to the concerned Drawing and Disbursing Officer immediately.

- The Drawing and Disbursing Officer shall communicate the Permanent Retirement Account Number (PRAN) to the Head of Office immediately.
- The Head of Office shall intimate the Permanent Retirement Account Number to the Subscriber and shall record the Permanent Retirement Account Number (PRAN) in the Common Subscriber Registration Form and in the service book of the Subscriber and also paste a certified copy of the Common Subscriber Registration Form or any other form specified by the Authority in the service book of the Subscriber within five working days thereafter.
- The first contribution of the Government servant shall be credited in his Individual Pension Account within twenty days of the date of submission of the application or by the last date of the month in which the Government servant joined, whichever is later.
- In a case where the process of registration of the Government servant in the National Pension System has not been completed before the date of drawl of the salary for the first month or any subsequent month, such salary or salaries shall be paid to the Government servant after withholding the amount of contribution as determined





5. Emoluments: -

- Basic Pay + Non-Practice Allowance + DA
- On leave – Basic Pay + Non-Practice Allowance + DA
- On Suspension – Subsistence allowance as emoluments

6. Contribution by the Subscriber to the National Pension System: -

- 10% of emoluments per month
- The amount of contribution payable shall be rounded off to the next higher rupee.
- Contribution may be made by the Subscriber, at his option, during the period of suspension.
  - *Provided that where, in the final orders passed by the Government on conclusion of the inquiry, the period spent under suspension is treated as duty or leave for which leave salary is payable, contributions to the National Pension System shall be determined based on the emoluments which the Subscriber becomes entitled to for the period of suspension. The difference of the amount of contribution to be deposited and the amount of contribution already deposited during the period of suspension, shall be credited to the Individual Pension Account of the Subscriber along with interest. The rate of interest for this purpose would be the rate of interest as decided by the Government from time to time for the Public Provident Fund deposits.*
- No contribution shall be made by the Subscriber during the period of absence from duty (whether on leave or otherwise) for which no pay or leave salary is payable.

- During the period of transfer on deputation to a Department or organisation under the Central Government or the State Government, the Subscriber shall remain subject to these rules in the same manner, as if he was not so transferred or sent on deputation and will continue to contribute towards National Pension System based on emoluments worked out.
- Contributions in respect of any arrears of salary received by the Subscriber due to retrospective increase shall be treated as the contributions for the month in which the payments are made.
- The Subscriber shall contribute toward National Pension System during the period spent under probation.
- The Drawing and Disbursing Officer shall deduct the contribution from the salary of the Government servant and send the bill to the Pay and Accounts Officer or Cheque Drawing and Disbursing Officer, as the case may be, along with details of contributions deducted in respect of each Subscriber **on or before 20th (Twentieth day) of each month.**
- A Subscriber may, at his option, make contribution in excess of the contribution in accordance with the procedure laid down by the Authority and the Government.
- The Pay and Accounts Officer or the Cheque Drawing and Disbursing Officer, as the case may be, based on the details of contributions in respect of each Subscriber sent by the Drawing and Disbursing Officer to Pay and Accounts Officer or Cheque Drawing and Disbursing Officer, shall prepare and upload a Subscription Contribution File and generate a Transaction ID by **25th (Twenty- fifth day) of each month.**
- The Pay and Accounts Officer or the Cheque Drawing and Disbursing Officer, as the case may be, shall remit the contribution to the Trustee Bank through the Accredited Bank by the **last working day of each month.**
  - *Provided that the contribution for the month of March shall be remitted by the Pay and Accounts Officer or the Cheque Drawing and Disbursing Officer to the Trustee Bank through the Accredited Bank on the first working day of the month of April*
- In case of delay in crediting of contribution to the Individual Pension Account of the Subscriber beyond the prescribed timeline due to factors not attributable to the Subscriber, the amount shall be credited to the Individual Pension Account of the Subscriber along with interest for the delayed period

7. Contribution by the Government. –

- The Government shall make contribution of **14 % (fourteen per cent)** or such other percentage as may be notified from time to time, of the emoluments of a Government servant to the Individual Pension Account of the Subscriber every month. The amount of contribution payable shall be rounded off to the next higher rupee:
  - *Provided that in cases where the leave is granted to the Subscriber on medical ground or due to his inability to join or rejoin duty on account of civil commotion; or for pursuing higher studies considered useful in discharge of his official duty, and during such leave, leave salary is not payable or is payable at a rate which is less than full pay, the Government shall make contribution equal to fourteen per cent or such other percentage as may be notified from time to time, of the notional emoluments comprising the amount representing pay and dearness allowance in the leave salary, nonpracticing allowance.*
- In the case of a Subscriber under suspension, contribution shall be made by the Government on the basis of the emoluments determined by taking into account the subsistence allowance paid to the Subscriber during the period of such suspension:
  - Provided that no contribution shall be made by the Government during the period of suspension where the Subscriber had opted not to pay his contribution during the said period of suspension:
  - Provided further that where, in the final orders passed by the Government on conclusion of the inquiry, the period spent under suspension is treated as duty or leave for which leave salary is payable, contributions by the Government to the National Pension System shall be determined based on the emoluments which the Subscriber becomes entitled to for the period of suspension. The difference of the amount of contribution to be deposited by the Government and the amount of contribution already deposited during the period of suspension, shall be credited to the Individual Pension Account of the Subscriber along with interest. The rate of interest for this purpose would be the rate of interest as decided by the Government from time to time for the Public Provident Fund deposits.

8. Interest on delayed deposit of contributions. –

- In case of delay, due to factors not attributable to the Subscriber, in,-
  - commencement of monthly contributions on account of delay in registration of the Subscriber in the National Pension System beyond the time limits prescribed (The first contribution of the Government servant shall be credited in his Individual Pension Account within twenty days of

the date of submission of the application or by the last date of the month in which the Government servant joined, whichever is later) or

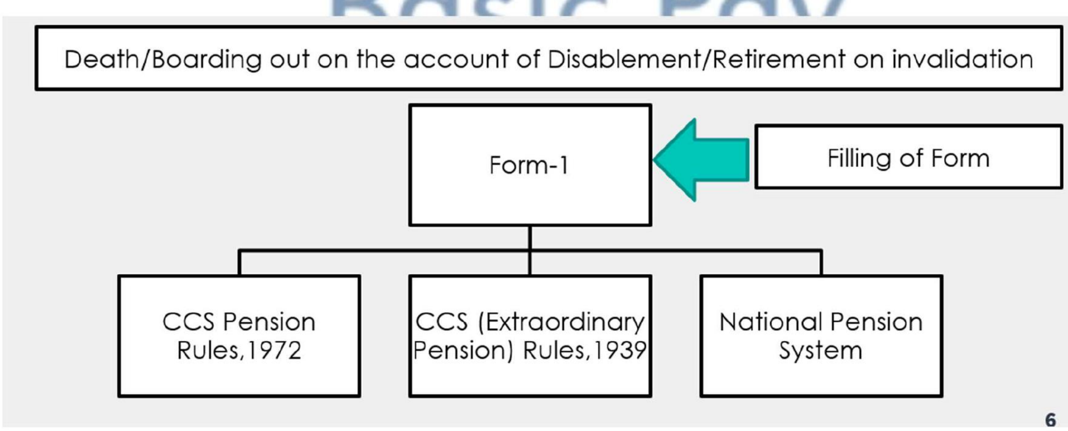
- deduction of monthly contribution from the salary of the Subscriber or crediting to his Individual Pension Account beyond the time limit prescribed; or
- crediting of the monthly contributions by the Government to the Individual Pension Account of the Subscriber beyond the time limit prescribed.

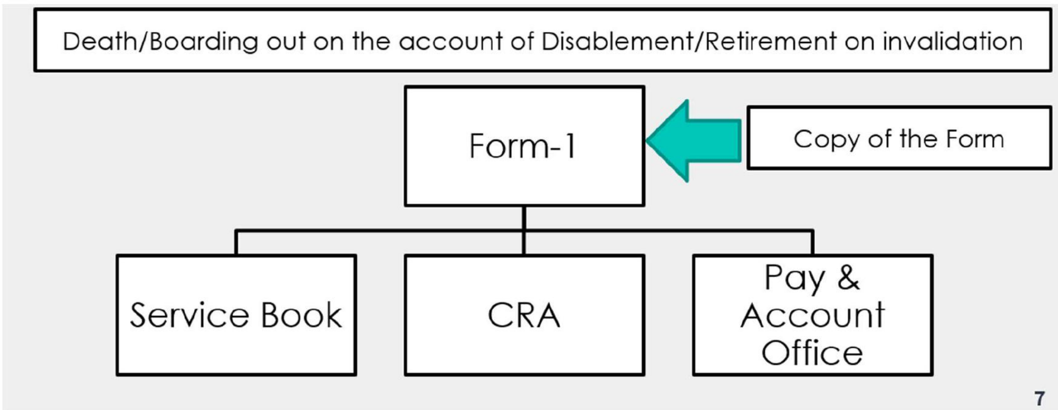
- the amount of contribution may be credited to the Individual Pension Account of the Subscriber along with interest for the delayed period. The interest shall be credited to the Individual Pension Account of the employee within a period of thirty days of the crediting of the amount of contribution.
- The rate of interest for this purpose would be the rate of interest, as decided by the Government from time to time, for the Public Provident Fund deposits.

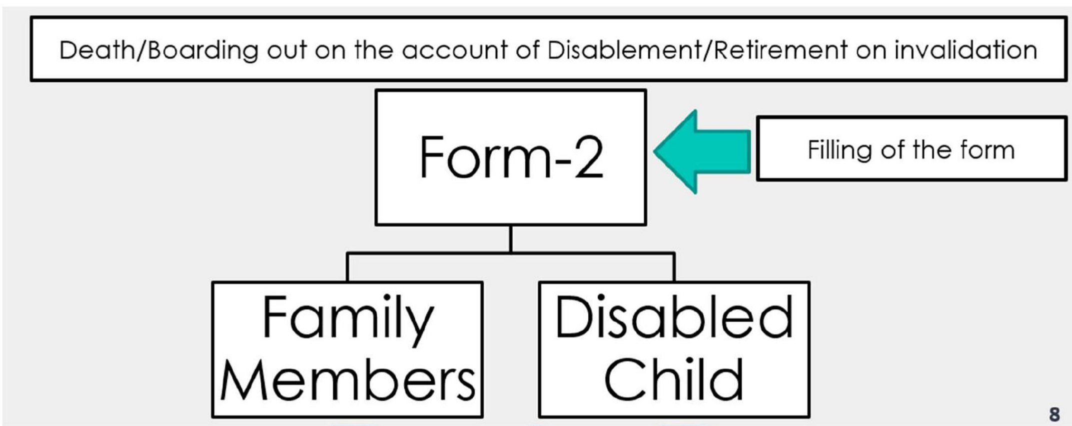
9. Investment of the Accumulated Pension Corpus: -

- The Accumulated Pension Corpus in respect of a Subscriber shall be invested by such pension fund or funds and in such manner as may be notified by the Authority.

10. Option to avail benefits on death or invalidation or disability of Subscriber during service: -







- Every Government servant covered under the National Pension System shall, at the time of joining Government service, exercise an option in Form 1 for availing benefits under the National Pension System or under the Central Civil Service (Pension) Rules, 1972 (now 2021) or the Central Civil Service (Extraordinary Pension) Rules, 1939 (now 2023) in the event of his death or boarding out on account of disablement or retirement on invalidation. Government servants, who are already in Government service and are covered by the National Pension System, shall also exercise such option as soon as possible after the notification of these rules.
- The option shall be exercised to the Head of Office who will accept the same after verifying all the facts submitted therein and place it in the service book. A copy of the option shall be forwarded by the Head of Office to the Central Recordkeeping Agency through the Drawing and Disbursing Officer and the Pay and Accounts Officer for their record. The Pay and Accounts

Officer shall also make suitable entry in the online system indicating the details regarding the option exercised by the Government servant.

- Every Government servant shall, along with the option in Form 1, also submit details of family in Form 2 to the Head of Office;
- If the Government servant has no family, he shall furnish the details in Form 2 as soon as he acquires a family.
- The Government servant shall communicate to the Head of Office any subsequent change in the size of his family, including the fact of marriage of his child.
- As and when a disability referred to in the provision rule 54 of the Central Civil Service (Pension) Rules, 1972 (now 2021) manifests itself in a child which makes him unable to earn his living, the fact shall be brought to the notice of the Head of Office duly supported by a Medical Certificate from a Medical Officer, not below the rank of a Civil Surgeon. This may be indicated in Form 2 by the Head of Office. As and when the claim for family pension arises, the legal guardian of the child may make an application supported by a fresh medical certificate from a Medical Officer, not below the rank of Civil Surgeon, that the child still suffers from the disability.
- The Head of Office shall, on receipt of the Form 2, acknowledge receipt of the Form 2 and all further communications received from the Government servant in this behalf, countersign it indicating the date of receipt and get it pasted on the service book of the Government servant concerned;
- The Head of Office on receipt of communication from the Government servant regarding any change in the size of family shall incorporate such a change in Form 2.
- The option exercised under Form-1 may be revised at any number of times by the Subscriber before his retirement by making a fresh option intimating his revised option to the Head of Office. On receipt of the revised option, the Head of Office and the Pay and Accounts Officer shall take further action.
- A Subscriber who is discharged on invalidation or disability shall be given an opportunity to submit a fresh option at the time of such discharge;

- Where such Subscriber does not exercise a fresh option or is not in a position to exercise fresh option at the time of discharge, the option already exercised by the Subscriber shall become operative;
- In the case of death of a Subscriber while in service, the last option exercised by the deceased Subscriber before his death shall be treated as final and the family shall have no right to revise the option.
- Where a Subscriber who did not exercise an option under Form-1 and dies before completion of service of **fifteen years** or within **three years** of the notification of these rules, his family will be granted family pension in
  accordance with the provisions of the Central Civil Services (Pension) Rules, 1972 (now 2021) or the Central Civil Services (Extraordinary Pension) Rules,1939 (now 2023) as the case may be, as a default option;
- Where a Subscriber is discharged from Government service on invalidation or disability before completion of service of **fifteen years or within three years of the notification** of these rules without exercising an option, and is also not in a position to exercise an option at the time of discharge, he will be granted invalid pension or disability pension in accordance with the provisions of the Central Civil Services (Pension) Rules, 1972 (now 2021) or the Central Civil Services (Extraordinary Pension) Rules,1939 (now 2023) as the case may be, as default option;
- In all other cases, where no option was exercised by the Subscriber, the claim of the Subscriber on discharge from the service and that of the family on death of the Subscriber, shall be regulated in accordance with the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015, as default option.
- In cases where the option exercised by the deceased or the default option for benefit under the Central Civil Services (Pension) Rules, 1972 (now 2021) or the Central Civil Services (Extraordinary Pension) Rules, 1939 (now 2023) becomes infructuous on account of non-availability of an eligible member of the family for grant of family pension under the Central Civil Services (Pension) Rules, 1972 (now 2021) or the Central Civil Services (Extraordinary Pension) Rules, 1939 (now 2023), such option would be deemed to have become invalid and the benefits admissible under the National Pension System shall be granted to the legal heir(s) of the

employee in accordance with the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015.

11. Retirement on superannuation: -

- A Subscriber, who is retired on his attaining the age of superannuation or, if the service of the Subscriber has been extended beyond superannuation, on expiry of such period of extension of service beyond the age of superannuation, shall be entitled to benefits as admissible under the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015 to the Subscriber retiring on superannuation.

12. Retirement on completion of twenty years' regular service: -

- At any time after a Subscriber has completed twenty years' regular service, he may, by giving notice of not less than three months in writing to the appointing authority, retire from service :
- Provided that this rule shall not apply to a Subscriber, including scientist or technical expert, who is, –
  - on assignments under the Indian Technical and Economic Cooperation (ITEC) Programme of the Ministry of External Affairs and other aid programmes;
  - posted abroad in foreign based offices of the Ministries or Departments;
  - on a specific contract assignment to a foreign Government, unless, after having been transferred to India, he has resumed the charge of the post in India and served for a period of not less than one year.
- Explanation. - For the purposes of this rule, -
  - (a) "regular service" shall mean service commencing from the date of joining of a post in the Central Government on a regular basis, whether on direct recruitment or absorption or re-employment basis, and shall include past regular service, in the same or another Central Government Department, a State Government or an autonomous or statutory body, before joining the present service with proper permission, if such past service is allowed to be counted as qualifying service for the purpose of gratuity in accordance with the orders issued by the Government from time to time.
  - periods spent on all kinds of leave (including study leave and extraordinary leave), deputation or foreign service, duly sanctioned by the competent authority, shall be treated as regular service for the purpose of this rule.

- service rendered on casual, ad-hoc or contract basis, before appointment on regular basis, in the same or another Central Government Department, a State Government or an autonomous or statutory body, shall not be treated as regular service for the purpose of this rule.
- The notice of voluntary retirement shall require acceptance by the appointing authority:
  - Provided that where the appointing authority does not refuse to grant the permission for retirement before the expiry of the period specified in the said notice, the retirement shall become effective from the date of expiry of the said period.
- Subscriber may make a request in writing to the appointing authority to accept notice of voluntary retirement of less than three months giving reasons therefor.
- The appointing authority, on receipt of a request may consider such request for the curtailment of the period of notice of three months on merits and if he is satisfied that the curtailment of the period of notice will not cause any administrative inconvenience, the appointing authority may relax the requirement of notice of three months.
- Subscriber, who has chosen to retire under this rule and has given the necessary notice to that effect to the appointing authority, shall be precluded from withdrawing his notice except with the specific approval of such authority:
  - Provided that the request for withdrawal shall be made at least fifteen days before the intended date of his retirement.
- The Subscriber, on voluntary retirement from service, shall be entitled to benefits admissible under the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015 to the Subscriber retiring on superannuation.

13. Benefits on retirement under rule 56 of fundamental rules or under the special voluntary retirement scheme: -

- A Subscriber, who retires or is retired, in advance of the age of Compulsory retirement in accordance with rule 56 of the Fundamental Rules, 1922; or who, on being declared surplus to the establishment in which he was serving, opts for Special Voluntary Retirement Scheme of Department of Personnel and Training as notified vide Office Memorandum No. 25013/6/2001-Estt. (A) dated the 28th February, 2002 as amended from time to time, shall be entitled to benefits as admissible under the Pension Fund Regulatory and Development

Authority (Exits and Withdrawals under National Pension System) Regulations, 2015 to the Subscriber retiring on superannuation:

- Provided that a Subscriber who on being declared surplus to the establishment in which he was serving, opts for Special Voluntary Retirement Scheme of Department of Personnel and Training, shall also be entitled to the ex-gratia admissible under the Scheme in addition to benefits admissible under the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015.

- If the Subscriber intends to continue his Individual Pension Account or to defer payment of benefits under National Pension System beyond the date of retirement, he shall exercise an option in this regard in accordance with the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015.

14. Resignation from Government service. –

- On resignation from a Government service or a post, unless it is allowed to be withdrawn in the public interest by the appointing authority, the lump sum and the annuity out of the Subscriber's accumulated pension corpus shall be paid to him in accordance with the regulations notified by the Authority as admissible in the case of exit of a Subscriber from the National Pension System before superannuation:
  - Provided that such payment of lump sum withdrawal and annuity shall not be made before the expiry of a period of ninety days from the date on which the resignation becomes effective and the Subscriber is relieved of his duty:
  - Provided further that if the Subscriber dies before the expiry of a period of ninety days from the date on which the resignation becomes effective, the payment shall be made to the person eligible to receive such payment immediately in accordance with the regulations notified by the Authority as admissible in the case of exit of a Subscriber from the National Pension System before superannuation:
  - Provided also that such person may, at his option, continue to subscribe to the National Pension System with the same Permanent Retirement Account Number, as a non-Government subscriber in accordance with the regulations notified by the Authority.
- Where with proper permission, the resignation has been submitted to take up another appointment, whether temporary or permanent, in the same or any other Department of the

Central Government or the State Government and the employees of such Department are covered by the National Pension System, the Subscriber shall continue to subscribe to the National Pension System with the same Permanent Retirement Account Number on the new appointment and shall be deemed to be a member of the National Pension System from the date he joined the Government service on a post to which he was first appointed :

- Provided that where the employees of such Department or State Government are not covered by the National Pension System, the Subscriber shall be eligible to receive benefits under National Pension System in accordance with the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015 as admissible in the case of exit of Subscriber on superannuation:
- Provided further that where the employees of such Department or State Government are not covered by the National Pension System, such subscriber may, at his option, continue to subscribe to the National Pension System with the same Permanent Retirement Account Number as a non-Government subscriber, in accordance with the regulations notified by the Authority, in this regard.

15. Benefit on absorption in or under a corporation, company or body. –

- A Subscriber who has been permitted to be absorbed in a service or post in or under a Corporation or Company wholly or substantially owned or controlled by the Central Government or a State Government or in or under a Body controlled or financed by the Central Government or a State Government, shall be deemed to have retired from service from the date of such absorption and shall be eligible to receive benefits under the National Pension System in accordance with the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015 as admissible in the case of exit of Subscriber on superannuation:
  - Provided that the Subscriber shall continue to subscribe to the National Pension System with the same Permanent Retirement Account Number in the new organisation if the same system exists in the new organisation and in that case, he shall not receive any benefit under the National Pension System at the time of such absorption but shall receive benefits after exit from the new body or organisation, etc. where Subscriber has been absorbed:
  - Provided further that where the employees of such autonomous or statutory body or public sector undertaking are not covered by the National Pension System, such subscriber may, at his

option, continue to subscribe to the National Pension System with the same Permanent Retirement Account Number as a non-Government subscriber, in accordance with the regulations notified by the Authority.

- The provisions shall also apply to the Subscribers who, on conversion of the Government Department in which they were working, into a public sector undertaking or autonomous body controlled or financed by the Central Government, are absorbed in such public sector undertaking or autonomous body.
- The provisions shall also apply to the Subscribers who are permitted to be absorbed in joint sector undertakings, wholly under the joint control of Central Government and State Governments or Union territory Administrations or under the joint control of two or more State Governments or Union territory Administrations.

16. Entitlement on retirement on invalidation: -

- Where a Subscriber, who had exercised option or in whose case the default option for availing benefits under the Central Civil Service (Pension) Rules, 1972 (now 2021) or the Central Civil Services (Extraordinary Pension) Rules, 1939 (now 2023), and in whose case the provision of section 20 of the Rights of Persons with Disabilities Act, 2016 (49 of 2016) are not applicable, retires on account of any bodily or mental infirmity which permanently incapacitates him for the service, further action will be taken by the Head of Office for disbursement of benefits in accordance with the Central Civil Services (Pension) Rules, 1972 (now 2021).
- If the Subscriber, avails the benefits under the Central Civil Services (Pension) Rules, 1972 (now 2021), the individual pension account of the Subscriber shall be closed and the Government contribution and returns thereon in the accumulated pension corpus of the Subscriber shall be transferred to Government account. The remaining accumulated pension corpus shall be paid to the Subscriber in lump sum.
- Where a Subscriber, who had exercised option or in whose case the default option for availing benefits under the National Pension System and in whose case the provision of section 20 of the Rights of Persons with Disabilities Act, 2016 (49 of 2016) are not applicable, retires from the service on account of

  any bodily or mental infirmity which permanently incapacitates him for the service, he may be granted benefits in accordance with the Pension Fund Regulatory and Development Authority

(Exits and Withdrawals under National Pension System) Regulations, 2015 as admissible in the case of exit of a Subscriber on superannuation.

- If a Subscriber, who has become eligible to avail the benefits under the National Pension System, intends to continue his Individual Pension Account or to defer payment of benefits under the National Pension System beyond the date of retirement, he shall exercise an option in this regard in accordance with the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015.

17. Entitlement on boarding out from service on account of disablement. –

- Where a Subscriber, who had exercised option or in whose case the default option is for availing benefits under the Central Civil Services (Pension) Rules, 1972 (now 2021) or the Central Civil Services (Extraordinary Pension) Rules, 1939 (now 2023), is boarded out on account of disablement attributable to Government service, further action will be taken by the Head of Office for disbursement of benefits in accordance with the Central Civil Services (Extraordinary Pension) Rules, 1939 (now 2023).
- If the Subscriber avails the benefits under the Central Civil Services (Extraordinary Pension) Rules, 1939 (now 2023), the individual pension account of the Subscriber shall be closed and the Government contribution and returns thereon in the accumulated pension corpus of the Subscriber shall be transferred to Government account. The remaining accumulated pension corpus shall be paid to the Subscriber in lump sum.
- Where a Subscriber, who had exercised option or in whose case the default option of these rules is for availing benefits under the National Pension System, is boarded out on account of disablement attributable to Government service, he may be granted benefits in accordance with the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015 as admissible in the case of exit of a Subscriber on superannuation.
- If a Subscriber, who has become eligible to avail the benefits under the National Pension System intends to continue his Individual Pension Account or to defer payment of benefits under the National Pension System beyond the date of retirement, he shall exercise an opt ion in this regard in accordance with the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015.

18. Effect of compulsory retirement or dismissal or removal from Government service: -

- Where a Subscriber, is compulsorily retired from service as a penalty or is dismissed or removed from Government service, the lump sum and the annuity out of his accumulated pension corpus shall be paid to him in accordance with the regulations notified by the Authority payable to the Subscriber as admissible in the case of exit of a Subscriber from the National Pension System before superannuation.
  - Provided that the Subscriber, at his option, may continue to subscribe to the National Pension System with the same Permanent Retirement Account Number as a non-Government subscriber, in accordance with the regulations notified by the Authority.
- This shall be without prejudice to any action being taken in such cases in respect of gratuity and other retirement benefits not covered by these rules and those benefits shall be regulated in accordance with the rules as applicable to such benefits.

19. Effect of departmental or judicial proceedings pending on retirement: -

- Departmental or judicial proceedings, which were instituted while the Subscriber was in service but are not concluded before retirement or the judicial proceedings instituted after retirement of the Subscriber, shall not affect the benefits payable to the Subscriber out of his accumulated pension corpus and the lump sum and the annuity out of his accumulated pension corpus shall be paid to him in accordance with the regulations notified by the Authority as admissible in the case of exit of a Subscriber from the National Pension System on superannuation.
- The provision under this rule shall be without prejudice to any action being taken in such cases in respect of gratuity and other retirement benefits not covered by these rules and those benefits shall be regulated in accordance with the rules as applicable to such benefits gratuity and other retirement benefits not covered by these rules and those benefits shall be regulated in accordance with the rules as applicable to such benefits.

20. Entitlement for family on death of a Subscriber. –

- On death of, - a Subscriber, who had exercised option or in whose case the default option under rule 10 is for availing benefits under the Central Civil Services (Pension) Rules, 1972 (now 2021) or Central Civil Services (Extraordinary Pension) Rules, 1939 (now 2023); or
- a retired Subscriber, who was in receipt of an Invalid Pension under the Central Civil Services (Pension) Rules, 1972 (now 2021) in terms of rule 16 or a disability pension under the Central

Civil Services (Extraordinary Pension) Rules, 1939 (now 2023) in terms of rule 17, further action will be taken by the Head of Office for disbursement of benefits in accordance with the Central Civil Services (Pension) Rules, 1972 (now 2021):

- Provided that if the death is attributable to Government service, further action will be taken by the Head of Office for disbursement of benefits in accordance with the Central Civil Services (Extraordinary Pension) Rules, 1939 (now 2023)subject to fulfilment of all the conditions for grant of benefits under those rules.
- If on death of the Subscriber, benefits are payable to the family under the Central Civil Services (Extraordinary Pension) Rules, 1939 (now 2023) or the Central Civil Services (Pension) Rules, 1972 (now 2021) in accordance with sub-rule the Government contribution and returns thereon in the accumulated pension corpus of the Subscriber shall be transferred to Government account. The remaining accumulated pension corpus shall be paid in lump sum to the person(s) in whose favour a nomination has been made under the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015. If there is no such nomination or if the nomination made does not subsist, the amount of remaining accumulated pension corpus shall be paid to the legal heir(s).
- In the case of death of a Subscriber who had exercised option or in whose case the default option is for availing benefits under the National Pension System, such benefits may be granted in accordance with the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015.

21. Preparation of list of Subscriber due for retirement. –

- Every Head of Department shall have a list prepared every three months, that is, on the 1st January, 1st April, 1st July and 1st October each year of all Subscribers who are due to retire within the next twelve to fifteen months from that date.
- A copy of every such list shall be supplied to the Pay and Accounts Officer concerned not later than the 31st January, 30th April, 31st July or the 31st October, as the case may be, of that year.
- In the case of a Subscriber retiring for reasons other than by way of superannuation, the Head of Office shall promptly inform the Drawing and Disbursing Officer and the Pay and Accounts Officer concerned, as soon as the fact of such retirement becomes known to him. A copy of intimation sent by the Head of Office to the Pay and Accounts Officer shall also be endorsed to

the Directorate of Estates, if the Subscriber concerned is an allottee of Government accommodation.

22. Intimation to the Directorate of Estates regarding issue of "no demand certificate".-

- The Head of Office shall write to the Directorate of Estates at least one year before the anticipated date of retirement of the Subscriber who was or is in occupation of a Government accommodation (hereinafter referred to as allottee) for issuing a `No demand certificate' in respect of the period preceding eight months of the retirement of the allottee.
- On receipt of the intimation, the Directorate of Estates shall take further action as required.

23. Submission of claim for benefits under the National Pension System on superannuation. –

- A Subscriber shall have the option for submission of claim for benefit under the National Pension System through a mode, as specified by the Authority from time to time.
- Every Subscriber shall, six months before the date on which he is due to retire on superannuation, or on the date on which he proceeds on leave preparatory to retirement, whichever is earlier, submit to the Head of Office, duly filled withdrawal Form prescribed by the Authority along with the documents mentioned in the withdrawal form. In other cases of retirement or exit from the National Pension System, the Subscriber shall submit to the Head of Office, duly filled withdrawal Form prescribed by the Authority along with the documents mentioned in the withdrawal Form immediately after issue of orders of the competent authority for such retirement or exit. Where the Subscriber has submitted the claim through online mode, he shall submit a signed copy of the print-out of the said withdrawal Form along with the documents mentioned in the withdrawal Form.
- The National Pension System shall generate claim IDs and inform nodal officers, i.e. the Pay and Accounts Officers or the Cheque Drawing and Disbursing Officers six months before the date of retirement for those Subscribers who shall retire on superannuation in the next six months .

24. Completion and forwarding of papers for benefits under National Pension System. –

- The Head of office shall complete the papers on his part and forward the same to the Pay and Accounts Officer through the Drawing and Disbursing Officer with a covering letter in the Form mentioned below, namely : -

Mode of retirement or exit.	Form of covering letter.
Superannuation or Voluntary Retirement or Premature retirement under rule 56(j) of Fundamental Rules or Special Voluntary Retirement Scheme of Department of Personnel and Training.	Form 4-A.
Technical Resignation or Absorption in an autonomous body or Public Sector Undertaking.	Form 4-B.
Resignation or Compulsory Retirement as a measure of penalty or Dismissal or Removal from service.	Form 4-C.
Retirement on Invalidation or Disablement.	Form 4-D.
Death during service.	Form 4-E.

- In the case of a Subscriber retiring on superannuation, the Head of Office shall forward the complete papers to the Pay and Accounts Officer through the Drawing and Disbursing Officer not later than four months before the date of retirement of the Subscriber and in other cases, not later than one month after the date of retirement or exit of the Subscriber. The Head of Office shall retain a copy of each of the forms and documents for his record.
- After processing the withdrawal request in the online system of Central Recordkeeping Agency in accordance with the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015, the Pay and Accounts Officer shall forward the documents to the Central Recordkeeping Agency not later than one month before the date of retirement of Subscriber.
- In case the Subscriber intends to continue his Individual Pension Account or to defer payment of benefits under the National Pension System beyond the date of superannuation or exit, he shall exercise an option in this regard and send it to the Pay and Accounts Officer through the Drawing and Disbursing Officer not later than fifteen days before the date of superannuation. Such option shall be processed by the Pay and Accounts Officer in accordance with the Pension

Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015.

25. Subscribers on deputation. –

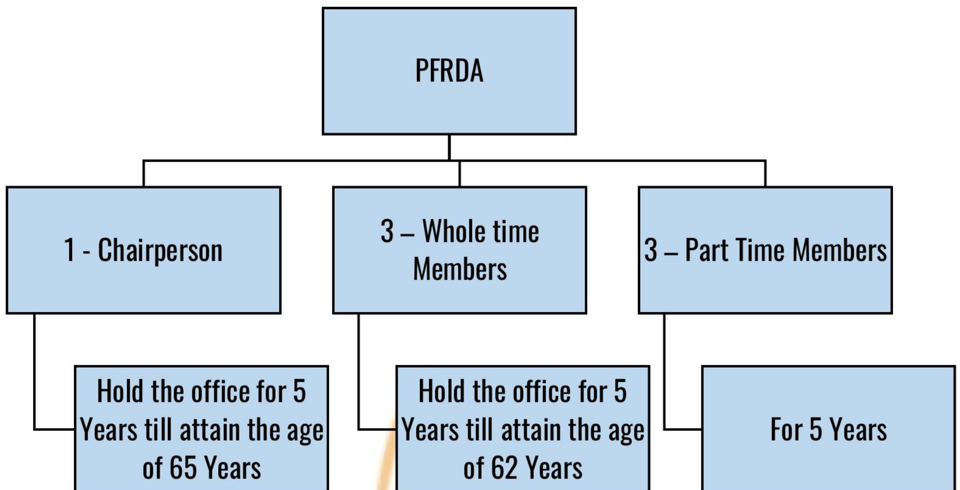
- In the case of Subscriber who retires while on deputation to another Central Government Department, action to authorise benefits in accordance with the provisions of this rule shall be taken by the Head of Office of the borrowing Department.
- In the case of a Subscriber who retires from service, while on deputation to a State Government or while on foreign service, action to authorise benefits in accordance with the provisions of this rule shall be taken by the Head of Office or the Cadre authority which sanctioned deputation to the State Government or to foreign service.

26. Date of retirement to be notified. –

- When a Subscriber retires from service, –
  - a notification in the Official Gazette in the case of a Gazetted Subscriber; and
  - an office order in the case of a non-Gazetted Subscriber, shall be issued specifying the date of retirement within a week of such date and a copy of every such notification or office order, as the case may be, shall be forwarded immediately to the Pay and Accounts Officer.

Pension Fund Regulatory and Development Authority (Exits and Withdrawals Under the National Pension System) Regulations 2015

PFRDA – Composition of Authority



EXIT FROM NATIONAL PENSION SYSTEM: -

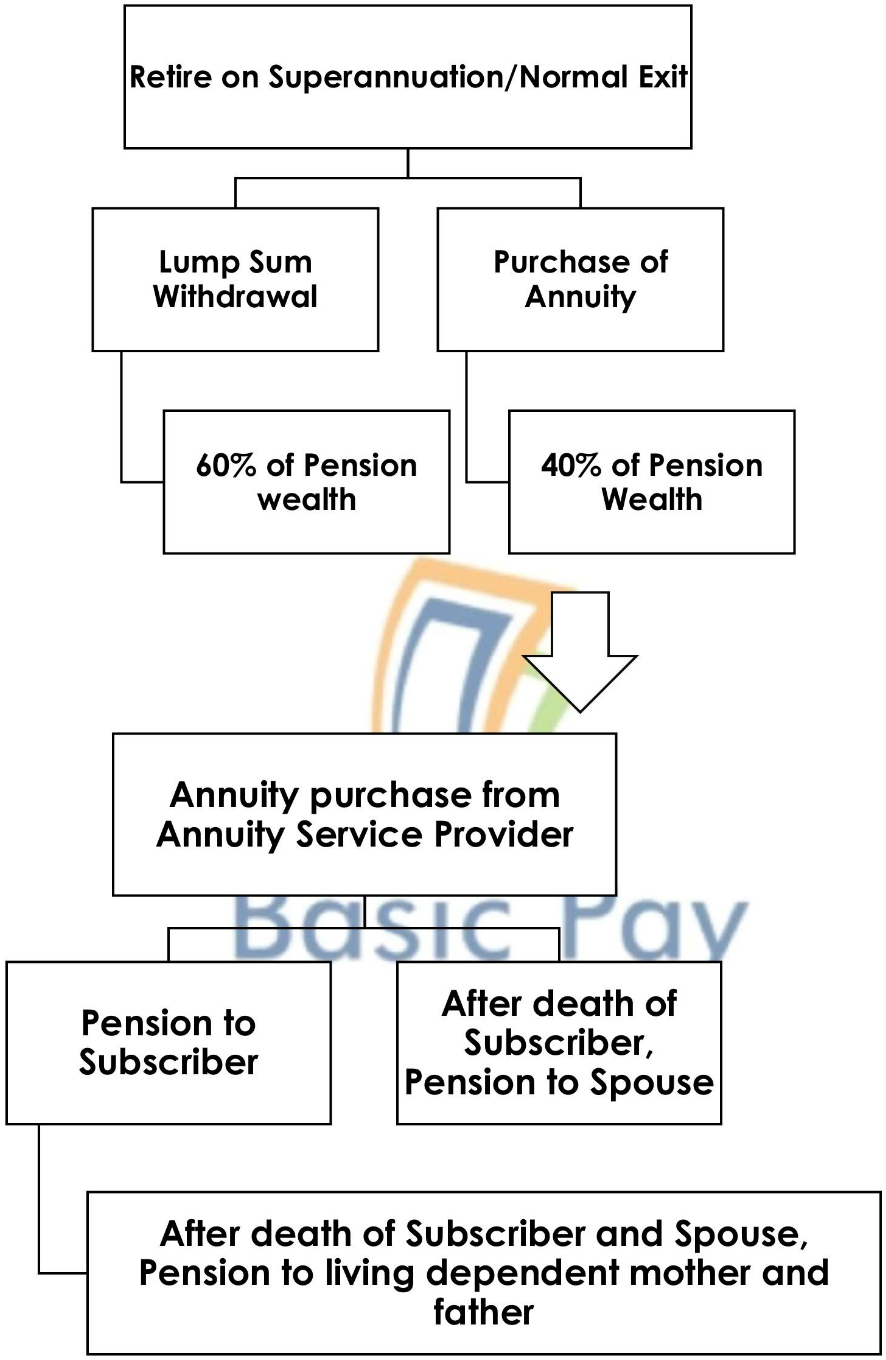
For the purpose of exit from the National Pension System, the subscribers are categorized and defined as,

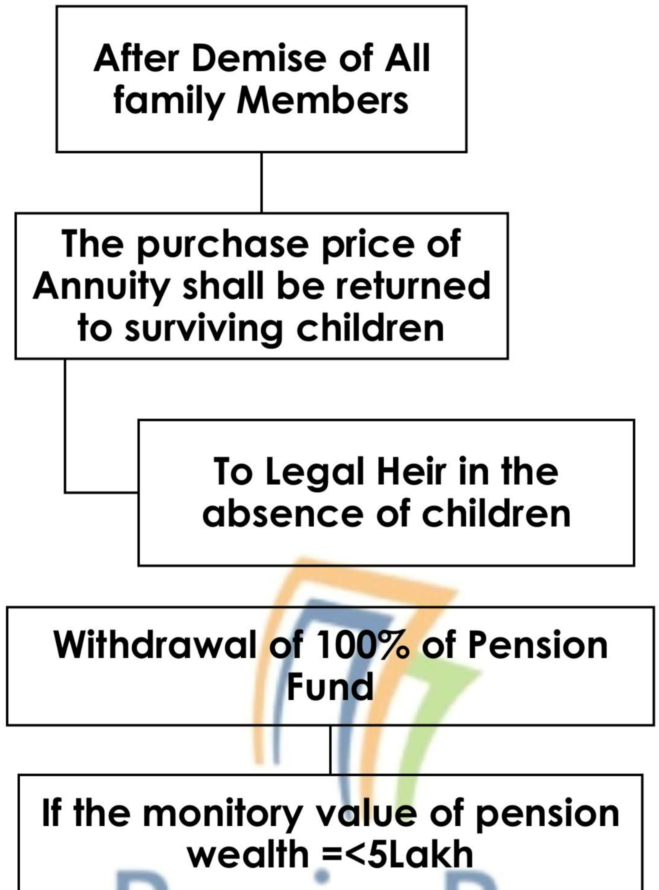
1) Government sector,
2) All citizens including corporate sector and
3) NPS- Lite and Swavalamban subscribers.

For Government Sector Employees – Retire on Superannuation/Normal Exit: -

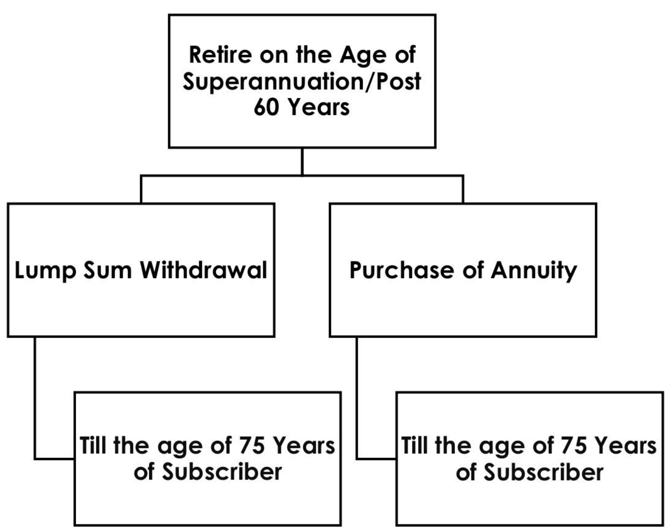
The following case are covered under this rule.

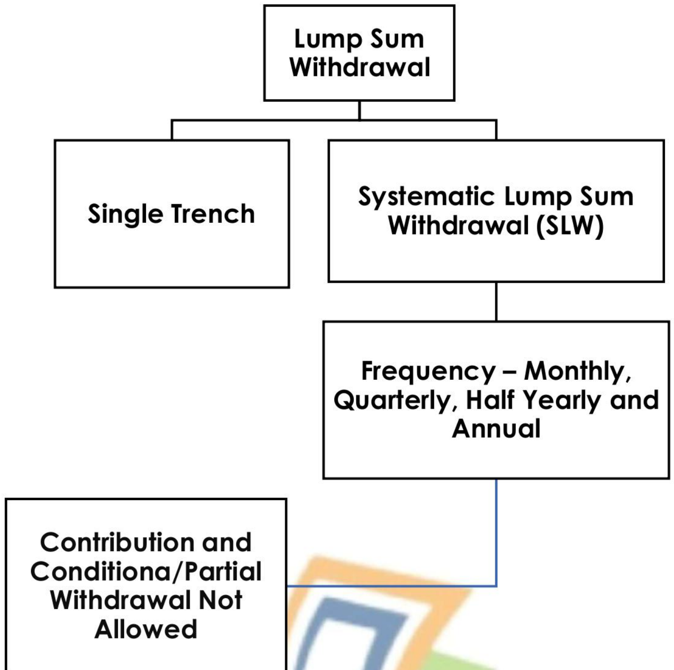
(a) Retire on the Age of Superannuation
(b) On Completion of 20 years of Qualifying Service.
(c) Retirement under the rule 56 of FR and special voluntary retirement scheme.
(d) Absorption in or under a corporation, company or body
(e) Retirement on Invalidation and Discharge due boarding out from service due to disablement.
(f) Technically Resignation when the pension rules are different in new department.


Retire on Superannuation/Normal Exit
Lump Sum Withdrawal
Purchase of Annuity
60% of Pension wealth
40% of Pension Wealth
Annuity purchase from Annuity Service Provider
Pension to Subscriber
After death of Subscriber, Pension to Spouse
After death of Subscriber and Spouse, Pension to living dependent mother and father



Deferment of Lumpsum Withdrawal and Annuity: -

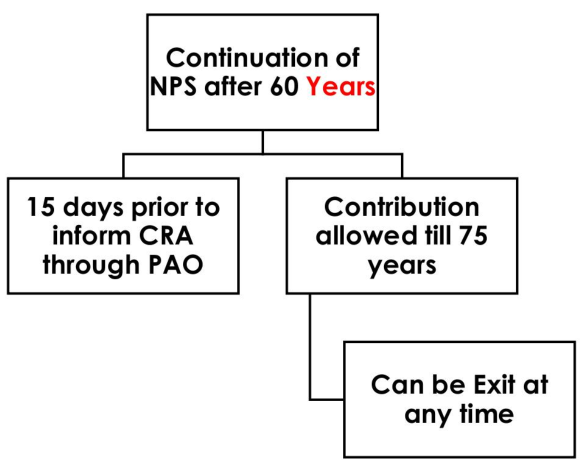




Stoppage of last month deductions by employer at the time of Superannuation–

- There is no deduction of contribution from the last month salary of employee.
- The employer co-contribution will be paid with salary of employee.

Continuation of Individual Pension Account (NPS) after Superannuation: -



For Government Sector Employees –Retirement before Superannuation/ Premature Exit: -

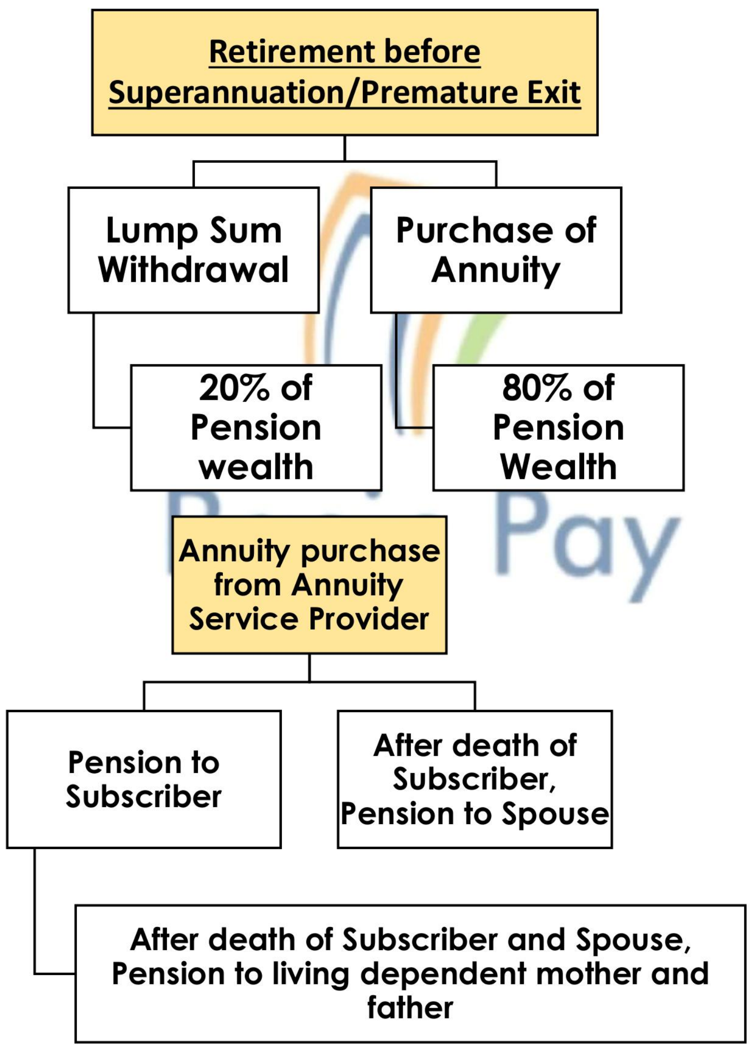
The following case are covered under this rule.

(a) Leaving the service before attaining the age of superannuation prescribed by the service rules applicable.

(b) Death of Subscriber

(c) Resignation from service voluntarily

(d) Compulsory Retirement, dismissal or removal from service.



After Demise of All family Members

The purchase price of Annuity shall be returned to surviving children

To Legal Heir in the absence of children

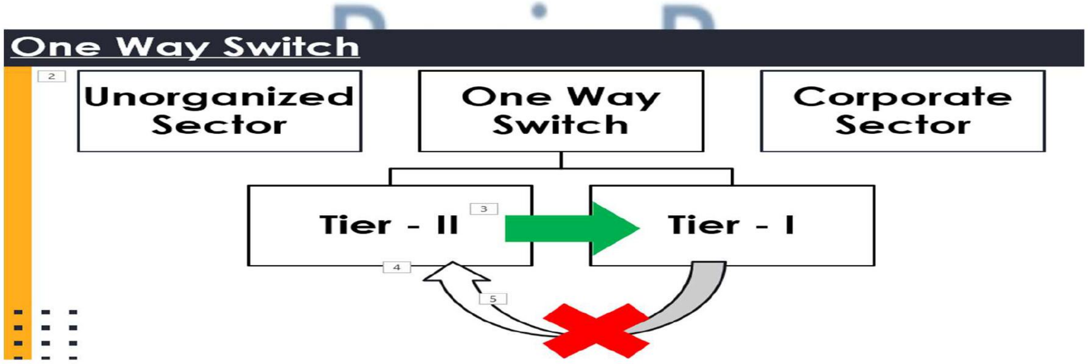
Withdrawal of 100% of Pension Fund in the case of Prematue Exit/Before Superannuation

If the monetary value of pension wealth =<2.5Lakh

NPS- Lite and Swavalamban subscribers: -

- For a Swavalamban subscriber the annuity purchased by utilizing the mandatory minimum of 40%.
- Out of the accumulated pension wealth shall yield at least a monthly annuity or pension of Rs.1000 per month, failing which the entire accumulated pension wealth shall be annuitized in such a manner so as to yield at least a monthly annuity or pension of Rs.1000 and balance if any thereafter shall be paid as lump sum to the subscriber.
- However there shall be no implicit or explicit guarantee that the annuity purchased even with entire accumulated pension wealth would yield a monthly annuity or pension of one thousand rupees:

- Where the accumulated pension wealth does not exceed Rs.2.5 Lakhs, the whole of the pension wealth shall be paid to the subscriber, without any annuitization.
- Provided further that the migration of Swavalamban subscriber or subscribers to any other pension scheme of Government of India and as approved by the Authority shall not be deemed as an exit and withdrawal for the purposes of these regulations.
- Where a subscriber who, before attaining the age of sixty years, dies, the entire accumulated pension wealth of the subscriber shall be paid to the nominee, or the legal heir of such subscriber and there shall not be any condition of mandatory purchase of annuity and provision of a monthly or periodical pension and there shall not be any requirement of the annuitization of the accumulated pension wealth of such deceased subscriber.
- The nominee or family members of the deceased subscriber shall have the option to purchase any of the annuities being offered upon exit, if they so desire.
- Provided that, where a nomination is not registered by the subscriber before his death, the accumulated pension wealth of such subscriber shall be paid to the family members on the basis of the legal heir certificate issued by the Revenue authorities of the State concerned or the succession certificate issued by a court of competent jurisdiction.



WITHDRAWALS, PURPOSE, FREQUENCY AND LIMITS UNDER NATIONAL PENSION SYSTEM

i. A partial withdrawal of accumulated pension wealth of the subscriber, not exceeding 25%. of the contributions made by the subscriber and excluding contribution made by employer, if any, at any time before exit from National Pension System for any of the following purposes only:-

a) for Higher education of his or her children including a legally adopted child
b) for the marriage of his or her children, including a legally adopted child;
c) for the purchase or construction of a residential house or flat in his or her own name or in a joint name with his or her legally wedded spouse. In case, the subscriber already owns either individually or in the joint name a residential house or flat, other than ancestral property, no withdrawal under these regulations shall be permitted;
d) for treatment of specified illnesses: if the subscriber, his legally wedded spouse, children, including a legally adopted child or dependent parents suffer from any specified illness, which shall comprise of hospitalization and treatment in respect of the following diseases:

(i) Cancer;

(ii) Kidney Failure (End Stage Renal Failure);

(iii) Primary Pulmonary Arterial Hypertension;

(iv) Multiple Sclerosis;

(v) Major Organ Transplant;

(vi) Coronary Artery Bypass Graft;

(vii) Aorta Graft Surgery;

(viii) Heart Valve Surgery;

(ix) Stroke;

(x) Myocardial Infarction

(xi) Coma;

(xii) Total blindness;

(xiii) Paralysis;

(xiv) Accident of serious/ life threatening nature.

(xv)any other critical illness of a life threatening nature as stipulated in the circulars, guidelines or notifications issued by the Authority from time to time.

- **(B) Limits:** the permitted withdrawal shall be allowed only if the following eligibility criteria and limit for availing the benefit are complied with by the subscriber:-
- (a) the subscriber shall have been in the National Pension System at least for a period of **last three years from the date of his or her joining**;
- (b) the subscriber shall be permitted to withdraw accumulations **not exceeding 25%** of the contributions made by him or her and standing to his or her credit in his or her individual pension account, as on the date of application for withdrawal;
- **(C) Frequency:** the subscriber shall be allowed to withdraw only a **maximum of three times** during the entire tenure of subscription under the National Pension System and **not less than a period of five years** shall have elapsed from the last date of each of such withdrawal.
- The mandatory requirement of five years having elapsed between two withdrawals shall not apply in case of "treatment for specified illnesses or in case of withdrawal arising out of exit from National Pension System due to the death of the subscriber.
- A subscriber having a valid and active Tier-II account of the Permanent Retirement Account can withdraw the accumulated wealth either in full or part, at any time by applying for such withdrawal, on such application form and in such mode and manner, as may be specified by the Authority in this behalf.
- There shall be no limit on such withdrawals till the account has sufficient amount of accumulated pension wealth to take care of the applicable charges and the withdrawal amount:
- Provided that the Tier-II account shall stand automatically closed at the time of exit of the subscriber from the National Pension System, even if an application so specified for the purpose has not been received from the subscriber, and the accumulated wealth in such account shall be transferred to the bank account provided by the subscriber, while submitting his application for exit from the National Pension System.

Pension Fund Manager under NPS: -

A. Pension Funds (PFs) for Government Sector

1) SBI Pension Funds Pvt. Ltd.

2) LIC Pension Fund Ltd.
3) UTI Retirement Solutions Ltd.

B. Pension Funds (PFs) for Other than Government Sector

1) SBI Pension Funds Pvt. Ltd.
2) LIC Pension Fund Ltd.
3) UTI Retirement Solutions Ltd.
4) HDFC Pension Management Co. Ltd.
5) ICICI Prudential Pension Fund Management Co. Ltd.
6) Kotak Mahindra Pension Fund Ltd.
7) Aditya Birla Sunlife Pension Management Ltd
8) Axis Pension Fund Management Ltd.
9) DSP Pension Fund Managers Pvt Ltd.
10) Max Life Pension Fund Management Ltd
11) Tata Pension Management Pvt Ltd.

Annuity Service Provider: -

1) Life Insurance Corporation of India
2) HDFC Standard Life Insurance Co. Ltd.
3) ICICI Prudential Life Insurance Co. Ltd
4) SBI Life Insurance Co. Ltd
5) Star Union Dai-ichi Life Insurance Co. Ltd
6) Kotak Mahindra Life Insurance Co. Ltd.
7) India First Life Insurance Co. Ltd.
8) Max Life Insurance Co. Ltd.
9) Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited
10) BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED
11) Tata AIA Life Insurance Company Ltd.
12) Edelweiss Tokio Life Insurance Company Limited
13) PNB Metlife India Insurance Company Limited
14) Shriram Life Insurance Company Ltd

15) Aditya Birla Sun Life Insurance Company Ltd.

Tax Benefits under NPS (Old Tax Regime)

- Any individual who is Subscriber of NPS can claim tax benefit under Sec 80 CCD (1) with in the overall ceiling of Rs. 1.5 lac under Sec 80 CCE.
- Employer's contribution: - Up to 14% of Basic and DA (no upper limit ceiling) under section 80-CCD(2).This rebate is over and above section 80-C.
- An additional deduction for investment up to Rs. 50,000 in NPS (Tier I account) is available exclusively to NPS subscribers under subsection 80CCD (1B). This is over and above the deduction of Rs. 1.5 lakh available under section 80C of Income Tax Act. 1961.
- Subscriber can partially withdraw from NPS tier I account before the age of 60 for specified purposes. According to Budget 2017, amount withdrawn up to 25 per cent of Subscriber contribution is exempt from tax.
- Amount invested in purchase of Annuity, is fully exempt from tax. However, annuity income that you receive in the subsequent years will be subject to income tax.
- After Subscriber attain the age of 60 or superannuation, up to 60 % of the total corpus withdrawn in lump sum is exempt from tax under section 10(12A).
- For example: If total corpus at exit is 10 lakhs, then 60% of the total corpus i.e., 6 lakhs, you can withdraw without paying any tax. So, if you use 60% of NPS corpus for lump sum withdrawal and remaining 40% for annuity purchase, you do not pay any tax at that time. Only the annuity income that you receive in the subsequent years will be subject to income tax as per the applicable tax slab.

Tax Benefits under NPS (New Tax Regime)

- Employer's contribution: - Up to 14% of Basic and DA (no upper limit ceiling) under section 80-CCD(2)
- After Subscriber attain the age of 60 or superannuation, up to 60 % of the total corpus withdrawn in lump sum and 40% annuity purchase is exempt from tax under section 10(12A).

Minimum contribution criteria in NPS

	Tier-I	Tier-II
Initial Contribution	Rs.500/-	Rs.1000/-
Minimum amount per Contribution	Rs.500/-	Rs.250/-
Minimum contribution per financial year	Rs.1000/-	NIL

National Pension Scheme Tier II- Tax Saver Scheme, 2020

Short title and commencement.

1) This scheme may be called the National Pension Scheme Tier II- Tax Saver Scheme, 2020
2) It shall come into force from the date of its publication in the Official Gazette (07.07.2020)

Investment

1) The assesses, being **a Central Government employee**, shall make contribution to the specified account which has been activated by the authority in accordance with the provisions of this scheme. The minimum amount of contribution to activate the specified account shall be **Rs.1000/-** and minimum amount of subsequent contribution shall be Rs.**250/-**

Lock- in-period

1) The contribution made under this scheme shall have a lock in period of **3 years** from the date of credit of amount to the specified account

Transferability

1) The contribution made to the specified account shall not be permitted to be assigned, pledged or hypothecated during the lock-in-period

Investment choice for Government Sector Employee in NPS –

The Central Government NPS Subscriber can choose any one of the available PFs and investment option as per their choice among the following

(a) Active Choice – 100% Allocation in Government Security (G)

(b) Conservative Auto Choice – 25% Allocation in Equity Asset Class (E), 45% Allocation in Corporate bond and 30% Allocation in Government Security. (up to 35 years). After 35years the ratio in equity and corporate bond will be decreased and increased in Government Securities. At the age of 55 years and above the ratio in E:C:G = 5:5:90

(c) Moderate Auto Choice – 50% Allocation in Equity Asset Class (E), 30% Allocation in Corporate Bond (C) and 20% Allocation Government Security (G). (up to 35 years). After 35years the ratio in equity and corporate bond will be decreased and increased in Government Securities. At the age of 55 years and above the ratio in E:C:G = 10:10:80

- The Asset allocation as mentioned above can be changed two times in a year and PF can be changed once in a year.

Central Civil Services (Payment of Gratuity under National Pension System) Rules, 2021

1. Short title and commencement: -

- These rules may be called the Central Civil Services (Payment of Gratuity under National Pension System) Rules, 2021.
- They shall come into force on the date (23-Sept-2021) of their publication in the Official Gazette.

2. Application.-

- Save as otherwise provided in these rules, these rules shall apply to the Government servants including civilian Government servants in the Defence Services, appointed substantively to civil services and posts in connection with the affairs of the Union on or after the 1st day of January 2004, and to whom the Central Civil Services (Implementation of National Pension System) Rules, 2021 apply :
  - Provided that in the case of a Government servant who dies during service or is boarded out on account of disablement or retires on invalidation and who had exercised option under rule 10 of the Central Civil Services (Implementation of National Pension System) Rules, 2021 for availing benefits under the Central Civil Services (Pension) Rules, 1972 (now 2021) or the Central Civil Services (Extraordinary Pension) Rules, 1939 (now 2023), payment of gratuity shall be made in accordance with the said rules.

Chapter – II

General Conditions

4.Regulation of claims to gratuity. –

- Any claim to gratuity shall be regulated by the provisions of these rules in force at the time when a Government servant retires or is retired or is discharged or is allowed to resign from service or dies, as the case may be.
- The day on which a Government servant retires or is retired or is discharged or is allowed to resign from service, as the case may be, shall be treated as his last working day and the date of death of a Government servant shall also be treated as a working day.

5. Right of President to withhold gratuity.-

- The President reserves to himself the right of withholding gratuity, either in full or in part, and of ordering recovery from gratuity of the whole or part of any pecuniary loss caused to the

Government, if, in any departmental or judicial proceedings instituted while the Government servant was in service, the retired Government servant is found guilty of grave misconduct or negligence.

- Provided that the Union Public Service Commission shall be consulted before any final orders are passed by the President under this rule:
- No gratuity shall be payable to the Government servant until the conclusion of the departmental or judicial proceedings and issue of final orders thereon.
- **departmental proceedings shall be deemed to be instituted** on the date on which the statement of charges is issued to the Government servant or pensioner, or if the Government servant has been placed under suspension from an earlier date, on such date ; and

- **judicial proceedings shall be deemed to be instituted** –
  - in the case of criminal proceedings, on the date on which the complaint or report of a police officer, of which the Magistrate takes cognizance, is made, and
  - in the case of civil proceedings, on the date the plaint is presented in the court.

CHAPTER III

EMOLUMENTS AND AVERAGE EMOLUMENTS

6. Emoluments. -

- The expression 'emoluments' for the purpose of determining the amount of gratuity payable under these rules shall include the basic pay as defined in rule 9 (21) (a) (i) of the Fundamental Rules, 1922, which a Government servant was receiving immediately before his retirement or on the date of his death and shall also include non-practicing allowance granted to medical officer in lieu of private practice.
- Explanation. - For the purposes of this sub-rule, stagnation increment shall be treated as emoluments for calculation of gratuity.
- Where a Government servant immediately before his retirement or death while in service, was on earned leave, and earned an increment which was not withheld, such increment though not actually drawn, shall form part of his emoluments:
  - Provided that the increment was earned 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 where such leave was for more than one hundred and twenty days.

- Where a Government servant immediately before his retirement or death while in service had been absent from duty or was 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 he not been absent from duty or suspended shall be the emoluments for the purposes of this rule:
  - Provided that any increase in pay which is not actually drawn shall not form the part of his emoluments

7. 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.

CHAPTER IV
QUALIFYING SERVICE

8. Commencement of qualifying service. –

- Subject to the provisions of these rules, qualifying service of a Government servant shall commence from the date he takes charge of the post to which he is first appointed either substantively or in an officiating or temporary capacity:
  - Provided that officiating or temporary service is followed without interruption by substantive appointment in the same or another service or post.

9. Conditions subject to which service qualifies. –

- 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.
- Explanation. - For the purposes of this sub-rule, the expression "service" means service under the Government and paid by that Government from the Consolidated Fund of India or a Local Fund administered by that Government.
- In the case of Government servant belonging to a State Government who is permanently transferred to a service or post to which these rules apply, the continuous service rendered under the State Government in an officiating or temporary capacity, if any, followed without interruption by substantive appointment, or the continuous service rendered under that Government in an officiating or temporary capacity, as the case may be, shall qualify.

10. Counting of service on probation: -

- Service on probation against a post if followed by confirmation in the same or another post shall qualify.

11. Counting of service as apprentice: -

- Service as an apprentice shall not qualify, except in the case of Subordinate Audit or Account Services (S.A.S.) apprentice in the Indian Audit and Accounts Department or the Defence Accounts Department.

12. Counting of periods spent on leave: -

- All leave during service for which leave salary is payable and all extraordinary leave granted on medical certificate shall count as qualifying service:
  - Provided that 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, –

i. due to his inability to join or rejoin duty on account of civil commotion; or

ii. for pursuing higher studies considered useful in discharge of the official duty of the Government servant.

13. Counting of periods spent on training. –

- The Government may, by order, decide whether the time spent by a Government servant under training immediately before appointment to a Group 'A' or Group 'B' post under that Government shall count as qualifying service.
- Time spent by a Government servant under training immediately before appointment to a Group 'C' post under the Government shall count as qualifying service.
- Group 'C' employees, who are required to undergo departmental training relating to jobs before they are put on regular employment, training period may be treated as qualifying service for gratuity, if the training is followed immediately by an appointment and the benefit shall be admissible to Group 'C' employees even if the officers concerned are not given the scale of pay of the post but only a nominal allowance.

14. Counting of periods of suspension. -

- Time passed by a Government servant under suspension pending inquiry into conduct shall count as qualifying service where, on conclusion of such inquiry, he has been fully exonerated or a minor penalty is imposed on the Government servant 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.

15. Forfeiture of service on dismissal or removal. -

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

16. Counting of past service on reinstatement. –

- 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.
- The period of interruption in 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.

17. Forfeiture of service on resignation. –

- Resignation from a service or a post, unless it is allowed to be withdrawn in the public interest by the appointing authority, entails forfeiture of past service.
- A resignation shall not entail 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.

18. Effect of interruption in service. –

- An interruption in the service of a Government servant entails forfeiture of his past service, except in the following cases, namely: -

a) authorised leave of absence;

b) unauthorised absence in continuation of authorised leave of absence so long as the post of absentee is not filled substantively;
c) suspension, where it is immediately followed by reinstatement, whether in the same or a different post, or where the Government servant dies or is permitted to retire or is retired on attaining the age of compulsory retirement while under suspension;
d) transfer to non-qualifying service in an establishment under the control of the Government if such transfer has been ordered by a competent authority in the public interest;
e) joining time while on transfer from one post to another.

- the appointing authority may, by order, commute retrospectively the periods of absence without leave as extraordinary leave.

19. Condonation of interruption in service. –

- In the absence of a specific indication to the contrary in the service book, an interruption between two spells of civil service rendered by a Government servant under Government including civil service rendered and paid out of Defence Services Estimates or Railway Estimates shall be treated as automatically condoned and the pre-interruption service treated as qualifying service.

20. Period of deputation. –

- Service rendered by a Government servant on foreign service in India or abroad or on deputation to United Nations or other International organisations shall count as qualifying service for gratuity

I. provided contributions in respect of gratuity have been deposited for the said period either by the Government servant himself or by the foreign employer.

21. Verification of qualifying service after eighteen years' service and five years before retirement. –

- On each occasion after a Government servant has completed eighteen years of service and on his being left with five years of service before the date of superannuation, the Head of Office in consultation with Accounts Officer shall, in accordance with the rules for the time being in force, verify the service rendered by such a Government servant, determine the qualifying service and communicate to him, in Form 1, the period of qualifying service so determined.

CHAPTER V

Regulation of Retirement Gratuity and Death Gratuity

22. Retirement gratuity or death gratuity. –

- A Government servant, who has completed five years' qualifying service and who, -

I. retires on attaining the age of superannuation, or on invalidation, or

II. retires or is retired, in advance of the age of superannuation in accordance with rule 56 of the Fundamental Rules, 1922 or rule 12 of the Central Civil Services (Implementation of National Pension System) Rules, 2021; or

III. on being declared surplus to the establishment in which he was serving, opts for Special Voluntary Retirement Scheme relating to voluntary retirement of surplus employees; or

IV. on has been permitted to be absorbed in a service or post in or under a corporation or Company wholly or substantially owned or controlled by the Central Government or a State Government or in or under a body controlled or financed by the Central Government or a State Government,

V. shall, on his retirement, be granted retirement gratuity **equal to one-fourth of his emoluments for each completed six monthly period of qualifying service, subject to a maximum of 16½ times the emoluments.**

- Where a Government servant dies while in service, the death gratuity shall be payable to his family at the rates given in the following Table, namely : -

Sl. No.	Length of qualifying service	Rate of death gratuity
1	Less than 1 year	Two times of emoluments.
2	1 year or more but less than 5 years	Six times of emoluments.
3	5 years or more but less than 11 years	Twelve times of emoluments.
4	11 years or more but less than 20 years	Twenty times of emoluments.
5	20 years or more	Half of emoluments for every completed six monthly period of qualifying service subject to a maximum of thirty-three times of emoluments:

- Provided that the amount of retirement gratuity or death gratuity payable under this rule shall in no case exceed twenty-five lakh rupees w.e.f. 01.01.2024:
- The emoluments for the purpose of gratuity admissible under this rule, shall be reckoned in accordance with rule 6:
- Provided further that the dearness allowance admissible on the date of retirement or death, as the case may be, shall also be treated as emoluments for the purpose of this rule.
- Where a Government servant, who has become eligible for retirement gratuity dies within five years from the date of his retirement from service including compulsory retirement as a penalty and the sums actually received by him at the time of death on account of such annuity under National Pension System, if any, together with the retirement gratuity admissible are less that the amount equal to twelve times of his emoluments, a residuary gratuity equal to the deficiency may be granted to his family.
- family', in relation to a Government servant, means, –

  (i) wife or wives including judicially separated wife or wives in the case of a male Government servant;

  (ii) husband, including judicially separated husband in the case of a female Government servant;

  (iii) sons including stepsons and adopted sons;

  (iv) unmarried daughters including stepdaughters and adopted daughters;

  (v) widowed or divorced daughters including stepdaughters and adopted daughters;

  (vi) father, including adoptive parents in the case of individuals whose personal law permits adoption;

  (vii) mother, including adoptive parents in the case of individuals whose personal law permits adoption;

  (viii) brothers below the age of eighteen years including stepbrothers;

  (ix) unmarried sisters and widowed sisters including stepsisters;

  (x) married daughters, and

  (xi) children of a pre-deceased son.
- In calculating the length of qualifying service, fraction of a year equal to three months and above shall be treated as a completed one half-year and reckoned as qualifying service.
- Death gratuity shall also be admissible in the case of a Government servant who commits suicide

23. Nominations. –

- A Government servant shall, on his initial confirmation in a service or post, make a nomination in Form 2, conferring on one or more persons the right to receive the retirement gratuity or death gratuity.

25. Debarring a person from receiving gratuity. –

- Where a person who in the event of death of a Government servant while in service is eligible to receive gratuity in terms of rule 24, is charged with the offence of murdering the Government servant or for abetting in the commission of such an offence, his claim to receive his share of gratuity shall remain suspended till the conclusion of the criminal proceedings instituted against him.

26. Lapse of retirement gratuity or death gratuity. -

- Where a Government servant dies while in service or after retirement without receiving the amount of gratuity and leaves behind no family, and, –

a) has made no nomination; or
b) the nomination made by him does not subsist,

- the amount of retirement gratuity or death gratuity payable in respect of such Government servant shall lapse to the Government :
  - Provided that the amount of death gratuity or retirement gratuity shall be payable to the person in whose favour a Succession Certificate in respect of the gratuity in question has been granted by a Court of Law.

27. Superannuation gratuity. -

- A superannuation gratuity shall be granted to a Government servant who is retired on his attaining the age of superannuation or, if the service of the Government servant has been extended beyond superannuation, on expiry of such period of extension of service beyond the age of superannuation.

28. Invalid gratuity. -

- An Invalid Gratuity shall be granted to a Government servant who retires from the service on account of any bodily or mental infirmity which permanently incapacitates him for the service in accordance with rule 16 of the Central Civil Services (Implementation of National Pension System) Rules, 2021 and who had exercised option or in whose case the default option under rule 10 of that rules, is for availing benefits under National Pension System:

- Provided that where a Government servant, who had exercised option or in whose case the default option under rule 10 of the Central Civil Services (Implementation of National Pension System) Rules, 2021 is for availing benefits under the Central Civil Services (Pension) Rules, 1972 (now 2021) or the Central Civil Services (Extraordinary Pension) Rules, 1939 (now 2023) and in whose case the provision of section 20 of the Rights of Persons with Disabilities Act, 2016 (49 of 2016) are not applicable, retires on account of any bodily or mental infirmity which permanently incapacitates him for the service, further action will be taken by the Head of Office for disbursement of benefits in accordance with the Central Civil Services (Pension) Rules, 1972 (now 2021) or the Central Civil Services (Extraordinary Pension) Rules,1939 (now 2023) as the case may be.

29. Retiring gratuity. –

- A Government servant who retires or is retired, in advance of the age of superannuation in accordance with rule 56 of the Fundamental Rules, 1922 or rule 12 of the Central Civil Services (Implementation of National Pension System) Rules, 2021 on being declared surplus to the establishment in which he was serving, opts for Special Voluntary Retirement Scheme for surplus employees notified by the Department of Personnel and Training vide Office Memorandum No. 25013/6/2001-Estt. (A), dated the 28th February, 2002 as amended from time to time, shall be entitled to gratuity admissible.

30. Gratuity on compulsory retirement: -

- A Government servant compulsorily retired from service as a penalty may be granted, by the authority competent to impose such penalty, gratuity at a rate not less than two-thirds of gratuity admissible to him on the date of his compulsory retirement.
- Whenever in the case of a Government servant the President passes an order (whether original, appellate or in exercise of power of review) awarding a gratuity less than the full gratuity admissible under these rules, the Union Public Service Commission shall be consulted before such order is passed.

31. Effect of dismissal or removal. –

- A Government servant who is dismissed or removed from service shall forfeit his gratuity:
- Provided that the authority competent to dismiss or remove him from service may, if the case is deserving of special consideration, sanction a compassionate gratuity not exceeding two - thirds of retirement gratuity.

32. Benefit on absorption in or under a corporation, company or body. –

- A Government servant who has been permitted to be absorbed in a service or post in or under a corporation or company wholly or substantially owned or controlled by the Central Government or a State Government or in or under a body controlled or financed by the Central Government or a State Government, shall be deemed to have retired from service from the date of such absorption and he shall be eligible, on such absorption, to receive retirement gratuity on the basis of the qualifying service and emoluments on the date of absorption.
- Where a gratuity scheme similar to the gratuity scheme under these rules exists in a body controlled or financed by the Central Government or a State Government in which a Government servant is absorbed, he shall be entitled to exercise option either, -

a) to receive retirement benefits for the service rendered under the Central Government.
b) to count the service rendered under the Central Government in that body for pension

33. Payment of gratuity in the case of missing Government servant. –

- Where a Government servant is missing, the family shall lodge a complaint with the concerned police station and obtain report from the police, that the Government servant has not been traced despite all efforts made by the police and the report may be the First Information Report or any other report such as Daily Diary or General Diary Entry.
- The family after six months of lodging police complaint may apply in Form 4 for the grant of retirement gratuity to the Head of Office of the organization where the Government servant had last served.
- The retirement gratuity shall be paid to the family within three months of the date of application and in case of any delay, the interest shall be paid at the applicable Public Provident Fund rates and responsibility for delay shall be fixed.
- The difference between the death gratuity and retirement gratuity shall be payable after the death of the employee is conclusively established or on the expiry of the period of seven years from the date of the police report.

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