

GENERAL PROVIDENT FUND

23.1 **Eligibility**

Temporary government servants with one year's service, re-employed pensioners not covered by Contributory Provident Fund Rules, and all permanent government servants have to subscribe compulsorily at a minimum of 6% pay (maximum 100% pay) every month to General Provident Fund. Persons completing one year's service during a month are to subscribe from the following month, i.e., recovery commencing from the pay for the month following the one in which they complete one year's service. Temporary government servants (including Probationers and Apprentices) likely to continue for more than a year in service may subscribe any time before one year. No recovery should be made during the last three months service before superannuation (e.g. For employees retiring on 30th June, subscriptions are not to be recovered from the pay for April, May and June).

23.2 **Procedure to be followed by Head of Office**

The Head of Office is required to send to PAO statement in duplicate by 15th of every month with particulars of employees eligible to subscribe to GPF three months hence, for allotment of account numbers, in the prescribed form. No application from the official is necessary. The duplicate copy of the statement will be returned by the PAO duly completed with account numbers allotted to the officials. However, in the case of temporary employees choosing to subscribe before one year, applications are to be forwarded as per the old procedure for allotment of account numbers. In any case, subscriptions should be recovered only after the account numbers are allotted.

23.3 **Nomination**

23.3.1 **Submission of nominations** - Every government servant should submit nomination in the prescribed form immediately on joining the Fund. While an employee not having family may nominate any other person, the nomination should be in favour of family member(s) only in the case of one having family. The subscriber may provide in the nomination that the nomination shall become invalid in the event of the happening of a contingency specified therein e.g. a bachelor may nominate his father or mother. He can specify in the nomination that the nomination will become invalid in the event of his subsequently getting married. If the nomination is made in favour of more than one person, the proportionate share in which the amount will be payable should be specified clearly in the relevant column. At any time, the nomination may be cancelled by the government servant. Revised nomination may be sent to the PAO through the

Head of Office. Change of nomination is permitted even after retirement but before the final payment is made. Every nomination takes effect from the date it is received by the PAO.

23.3.2 **Action by the Head of Office** : Nominations submitted by the officials should be carefully scrutinized by the Head of Office before forwarding the same to PAO and it should be ensured that the instructions contained in the nomination form as also the provisions in GPF Rules are complied with to avoid complications at a later stage. A copy of the nomination may be kept in Part II of the service book of the official. Receipt of acknowledgement from PAO should be watched and kept in record.

23.3.3 **Definition of Family** : 'Family' includes, spouse, parents, children (including adopted child/ward), minor brothers, unmarried sisters, deceased son's widow and children and where no parents of the subscriber is alive, a paternal grandparent. For a male subscriber, more than one wife is included, but a judiciously separated wife is excluded, unless the subscriber expresses in writing otherwise. A female subscriber may exclude her husband from her family for this purpose.

23.4 **Noting GPF Account Number in Service Book**

As soon as the account number is allotted by the PAO, this should be entered in the service book of the official.

23.5 **Subscription**

23.5.1 **Rates** : The amount of subscription should be fixed by the government servant in whole rupees, subject to a minimum of 6% of emoluments and not more than the total emoluments. The subscription will be rounded off to the nearest rupee, even if it happens to be less than 6%. For this purpose, pay drawn on 31st March will be taken into account for subscription during the ensuing financial year. For subscribers joining service during the year and start subscribing to the GPF, emoluments drawn on the date of joining the Fund is taken into account. The rate of subscription need not be varied consequent on revision of pay during the year, except when required under specific orders e.g. on revision of pay scales on the recommendations of Pay Commission.

23.5.2 **Change of amount of subscription** : Subscription may be increased twice and/or reduced once at any time during a year.

23.5.3 **Recovery of subscription** - Recovery should commence from the pay for the month following the one in which a temporary employee completes one year service. During periods of suspension, recovery is not to be made. On reinstatement, he may opt for recovery of arrear subscriptions due for the period of suspension. During the period of EOL/HPL, the official can opt not to subscribe

to the Fund. In such cases, subscription recovered shall be proportionate to the number of days spent on duty including leave, if any, other than EOL/HPL.

23.6 **Interest:**

The rate of interest to be allowed on GPF deposits is determined by the government each year.

23.7 **Advances:**

An advance up to three months' pay or half the amount at credit, whichever is less, may be sanctioned by the Head of Office to a subscriber for one or more of the reasons mentioned in GPF Rules - Rule 12(1) : GID's 2,3,4,6 & 11. Advance in the case of Head of Office will be sanctioned by the next higher authority.

23.8 **Special Advance**

23.8.1 An advance in excess of 50% of the amount at credit, or three months pay, or involving recovery in more than 24 installments, or when the earlier advance is not fully recovered or where the advance is required for reasons other than those mentioned under Para 23.7, is treated as Special Advance. This can be sanctioned by Heads of Departments and various other authorities specified in V Schedule to GPF Rules. Heads of Offices authorized to exercise the powers of Heads of Departments under DFPRs can also sanction the Special Advance. Special reasons are to be recorded for sanction of such advances.

23.8.2 If the Special Advance is sanctioned before the completion of the earlier advance, the balance of the previous advance remaining outstanding will be added to the amount sanctioned as special advance and the total consolidated amount recovered in suitable number of installments not exceeding 36.

Note : Advance is not to be sanctioned during the last three months of service before superannuation.

23.9 **Recovery**

Recovery of the advance under Rule 12(1) in not more than 24 installments should commence from the pay for the month following the one in which the advance is drawn. Recovery of the Special Advance under rule 12(2) in not more than 36 installments will also be made in the same way, but it should be ensured that there is no break in the recovery of the earlier advance and the Special Advance. In other words, the Special Advance will be sanctioned and the installments fixed after taking into account the installments to be recovered in the next month against the earlier advance (Rule 13).

23.10 **Withdrawals**

Authorities competent to sanction Special Advances can sanction withdrawals from GPF for one or more of the purposes mentioned in Rule 15, after completing stipulated service.

23.11 **Final Payment of GPF Accumulations**

Final payment of GPF accumulations arises in the following events :

- (a) Resignation, termination of service, discharge for want of vacancy, dismissal and removal from service; or
- (b) Retirement; or
- (c) Death.

In all the above cases, the amount standing to the credit of the subscriber with accrued interest becomes payable.

23.12 **GPF Accounts of Group 'D' Employees**

The GPF account of Group 'D' employees is maintained by the Head of Office/Head of Department.

23.12.1 **Duties of Head of Office:**

- (i) The detailed PF Ledger Account in Form (Civil Accounts Manual) 47 should be maintained by the Head of Office in bound ledgers which will be machine numbered.
- (ii) The Head of Office or a gazetted officer nominated by him should initial the PF accounts monthly to ensure that the amount of subscription deducted, refund of advance and temporary and final withdrawals are posted correctly. He should also initial the entries in the ledger when signing for withdrawal from PF.
- (iii) He should ensure that the subscription recovered is subject to the minimum as per the GPF Rules. Regarding reducing/enhancing the quantum, he should ensure that reduction is not made more than once in a year and enhancement not more than twice in a year. When the subscription is reduced, it should not go below the minimum of 6% of pay prescribed in the rules.

- (iv) He should maintain a broad sheet in Form CAM 48 and all deposits and withdrawals should be posted direct from the ledgers and not from the schedules. He shall verify that the amount as booked in the broad sheet agrees with that of the total in the certificate of deductions attached to the pay bills/payments made during the month.
- (v) In all cases of new admission, he should verify the eligibility of the new subscriber and assign the Account No. with a prefix indicating the office to which the subscriber belongs. All permanent employees and temporary employees with a continuous service of more than one year are eligible.
- (vi) On receipt of a nomination, he should satisfy himself that it has been made as per the provisions of GPF Rules. Appropriate arrangements should be made for the safe custody of the nomination under lock and key in his personal custody or under the custody of a gazetted officer nominated by him in this behalf. Necessary entries should be made in the ledger/ and General Index Register and an acknowledgment should be issued to the official concerned.
- (vii) He should maintain a General Index Register in Form CAM 44.
- (viii) Pass Books are to be issued to all the subscribers. At the end of each year, the Head of Office should obtain the Passbook, complete the entries in the Passbook and after making necessary endorsement to the effect that “the account has been transferred to PAO, CBI, New Delhi”, return the Pass book to the employee.
- (ix) When an official is transferred to another Ministry/Department, the Head of Office should complete the entries in the Pass book and after making necessary endorsement to the effect that “the account has been transferred to DDO concerned”, return the concerned Passbook to the employee.

23.12.2 **On promotion to Group ‘C’:**

If the Head of Office is able to certify that there are reasonable prospects of the promoted employee continuing in Group `C' for at least one year, the GPF account should be transferred to the A.O. concerned immediately. In case he is not able to certify as above, it should continue to be maintained by the Head of Office and transferred to the Accounts Officer after the concerned employee renders one year's continuous service in Group `C' post.