

DEMAND 50

PENSION AND OTHER RETIREMENT BENEFITS

POLICY NOTE FOR 2007-2008

This Demand comprises the following major heads:

| | | (Rupees) |
|------|--|------------------------|
| 2071 | Pensions and other Retirement Benefits | 61,72,98,03,000 |
| 2235 | Social Security and Welfare | |
| 60 | Other Social Security and Welfare Programmes | 12,09,10,000 |
| | Total | 61,85,07,13,000 |

2. Major component of the expenditure under this demand relates to pension and pensionary benefits of Government employees and teaching and non-teaching staff in Aided Educational institutions. This demand also covers the expenditure on pension and other benefits granted to freedom fighters and Ex-INA personnel.

There are about 5,21,696 pensioners and family pensioners in this state as on 31.12.2006. The details of pensioners and family pensioners in the State are given below:

| | | |
|----|---------------------------|-----------------|
| 1. | State Civil Pensioners | 2,73,192 |
| 2. | Teacher Pensioners | 63,759 |
| 3. | Civil Family Pensioners | 1,27,722 |
| 4. | Teacher Family Pensioners | 28,446 |
| 5. | Other category pensioners | 28,577 |
| | Total | 5,21,696 |

3. PENSION :

- (i) A Minimum qualifying service of 10 years is necessary for eligibility for Pension. The Government has reduced the maximum qualifying service from 33 years to 30 years to become eligible for full Pension with effect from 1.4.2003. Further, Pension will be determined based on 50% of pay last drawn

or 50% of average emoluments drawn during the last 10 months of service rendered whichever is higher w.e.f. 1.4.2003.

(ii) The Government has also issued orders treating 50% of Dearness Allowance as Dearness Pension on pension / family pension with effect from 1.1.2006.

(iii) Minimum pension a pensioner entitled is Rs.1275/- per month.

4. GRATUITY:

(i) Service Gratuity :

Service gratuity is admissible for those who have put in less than 10 years of qualifying service. It is calculated at the uniform rate of half a month's emoluments for every completed six monthly period of service. This is a one time lumpsum payment for the service rendered in addition to the retirement gratuity admissible.

(ii) Death Gratuity :

In the event of death in harness, death gratuity is admissible at the following rates:-

| | Length of Service | Rate of Gratuity |
|----|---|---|
| 1. | Less than one year | Two times monthly emoluments |
| 2. | One year or more but less than five years | Six times of monthly emoluments |
| 3. | Five years or more but less than twenty years | Twelve times of monthly emoluments |
| 4. | Twenty years or more | Half of monthly emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times of monthly emoluments provided that the amount of Death Gratuity in no case exceeds Rs.3.50 lakhs. |

iii) Retirement Gratuity :

One who has completed five years of qualifying service and above is granted retirement gratuity on his/her retirement at the rate of 1/4th of emoluments for each completed six monthly period of qualifying service subject to a maximum of 16 1/2 times of monthly emoluments. The Government has issued orders enhancing the maximum of retirement gratuity from Rs.2.50 lakhs to Rs.3.50 lakhs with effect from 1.1.1996. The Government has also issued orders that the calculation of gratuity will be based on pay and dearness allowance last drawn in respect of the employees retiring on or after 1.4.1998 and includes Dearness Pay with effect from 1.1.2006.

5. FAMILY PENSION :

The family of a Government servant is eligible for family pension in the event of his/her death either in service or after retirement. In the case of death while in service, one year continuous service in a pensionable post at any time during

his/her service is required to become eligible for family pension. In cases of death while in service the enhanced family pension is payable at the rate of 50% of the pay last drawn for a period of 7 years after death. After this the family pension is regulated at 30% of the pay last drawn. Family pension is also allowed to the family of Government Servants who die in harness before completion of one year continuous service provided that the deceased Government servant concerned immediately prior to his/her appointment to the service or post was examined by a medical authority and declared fit for Government service.

In the case of death after retirement, one should be a pensioner at the time of death for the family to become eligible for family pension. However, in cases of death after retirement minimum family pension is allowed to those who had put in less than 10 years of service and otherwise not eligible for pension.

Family pension is payable to the widow/widower till her/his remarriage or death whichever is earlier. After her/his death, it is payable to the children upto the age of 25 years or till their marriage whichever is earlier. However, if the son/unmarried daughter is suffering from any disorder or disability of mind or physically crippled or disabled so as to render him/her unable to earn a living the family pension shall be payable to such son/daughter for his/her life time even after attaining the age of 25 years.

The minimum family pension payable is Rs.1275/- per month.

6. EX-GRATIA PAYMENT :

Government has issued orders enhancing ex-gratia payment from Rs.150 per month to Rs.605/- per month with Dearness Allowance of Rs.31/-with effect from 1st November 1997 to the families of deceased Contributory Provident Fund / Non-Pensionable establishment beneficiaries of State Government and the employees of former

District Board who had retired / died in harness prior to 1st January 1986 and who are not eligible for family pension. They are also eligible for the increase in Dearness Allowance sanctioned by the Government from 1st January 1998 onwards.

7. COMMUTATION OF PENSION :

Pensioners are eligible to commute a portion of pension upto 33 1/3% of pension and receive a lumpsum payment. This commutation of pension is authorised by the Accountant-General without medical examination if they apply for the same within one year from the date of issue of Pension Payment Order. This concession has been extended in the case of voluntary retirement also. The Government has also allowed restoration of the commuted portion of pension after 15 years from the date of retirement in cases where commutation of pension is simultaneous with retirement or 15 years from the date of commutation where commutation of pension is done in the second or subsequent months of retirement.

8. OTHER RETIREMENT BENEFITS :

- i) Encashment of earned leave at credit at the time of retirement upto a maximum of 240 days is allowed.
- ii) Encashment of the leave on private affairs standing to their credit at the time of retirement upto a maximum of 180 days which shall be converted to 90 days for full salary is also allowed.
- iii) Pay, Dearness Pay, Dearness Allowance, House Rent Allowance, City Compensatory Allowance are allowed for the entire portion of earned leave and unearned leave on private affairs.
- iv) Transfer Travelling Allowance is allowed for going to native place or to the place wherever retired employee wishes to settle down after retirement.

9. OTHER BENEFITS TO PENSIONERS:

A. Dearness Allowance:

- i) The pensioners / family pensioners are paid Dearness Allowance on par with the serving personnel of the Government.
- ii) Military pensioners who are in receipt of State Pension are allowed to draw Dearness Allowance on State Pension also in addition to Dearness Allowance on Central Pension.

B. Medical Allowance:

The pensioners/family pensioners are allowed medical allowance of Rs.50/- per month.

Provisional Pensioners / Family Pensioners are also allowed Dearness Allowance and Medical Allowance.

10. PENSIONERS' HEALTH FUND SCHEME:

Tamil Nadu Government Pensioners' Health Fund Scheme is being implemented with effect

from 1.7.95 to provide financial assistance to pensioners for undergoing specialised treatment/surgery by constituting a fund called Tamil Nadu Government Pensioners' Health Fund. The pensioner has to contribute Rs.10/- per month towards this fund. The maximum amount of assistance under the scheme is 75% of the total cost of treatment or Rs.50,000/- whichever is less.

11. PENSIONERS' FAMILY SECURITY FUND SCHEME:

The Government has introduced the Tamil Nadu Government Pensioners' Family Security Fund Scheme with effect from 1.1.1997. Under the above scheme, a uniform contribution of Rs.70/- is deducted from the pension till the death of pensioners towards the Tamil Nadu Government Pensioners' Family Security Fund and the Fund is operated from 1.1.1998. In the case of death of a pensioner after one year of contribution to the fund, a sum of Rs.25,000/- will be paid to the family from the fund.

12. PENSION TO STAFF OF AIDED EDUCATIONAL INSTITUTIONS INCLUDING LOCAL BODIES :

The Staff of Aided Educational Institutions and Local Bodies are allowed the same pensionary benefits as available to State Government servants.

13. THE EXPENDITURE ON PENSION AND RETIREMENT BENEFITS OVER THE PAST YEARS HAS BEEN AS FOLLOWS:

| Year | Total Expenditure on Pension and other retirement benefits | Percentage of total Revenue Receipts |
|--------------|---|---|
| | (Rs. in crores) | |
| 1997-98 | 1286.77 | 9.47 |
| 1998-99 | 1691.42 | 11.45 |
| 1999-2000 | 2668.41 | 16.46 |
| 2000-2001 | 2927.24 | 15.48 |
| 2001-2002 | 3050.48 | 16.07 |
| 2002-2003 | 3488.20 | 16.86 |
| 2003-2004 | 3279.96 * | 13.84 |
| 2004-2005 | 3921.05 | 13.78 |
| 2005-2006 | 4488.83 | 13.22 |
| 2006-2007 RE | 5186.70 | 12.82 |
| 2007-2008 BE | 6185.07 | 13.89 |

* Lesser outgo due to Postponement of arrears.

14. CONTRIBUTORY PENSION SCHEME

New employees who have joined after 1.4.2003 are enrolled under the Contributory Pension Scheme. A subscription at the rate of 10% of basic pay plus dearness allowance is being recovered from the employees joined in Government service after 1.4.2003. Under the scheme the Government is also making an equal contribution every month. Accountant General is maintaining the accounts of the Contributory Pension Scheme. These funds shall be transferred to Pension Fund Regulatory and Development Authority (PFRDA), once it is fully operational.

PENSION AND OTHER BENEFITS TO FREEDOM FIGHTERS AND EX-INA PERSONNEL

15. For the benefit and welfare of the Freedom Fighters and their families who had participated in the Freedom Movement and had experienced untold miseries, the Government of Tamil Nadu has instituted a number of welfare schemes such as Freedom Fighters Pension,

Medical facilities, free transport facilities, priority in Government employment, allotment of houses etc.

16. According to the State Freedom Fighters Pension Scheme which is being implemented from 1.10.1966, Freedom Fighters who were sentenced to imprisonment or held under detention for not less than three months or who were killed in action or who became permanently incapacitated due to firing or lathi charge during their participation in the National Freedom Movement were eligible to get Freedom Fighters Pension. Later, the Ex-INA personnel and persons who participated in Naval Mutiny, 1946 and those who suffered imprisonment in Madurai Conspiracy Case were also made eligible for the Pension. In addition to these, Freedom Fighters who went underground avoiding the arrest warrant or whose property was confiscated / attached or who were removed / dismissed from service on account of their participation in the Freedom Movement were also made eligible for Freedom Fighter Pension, provided that such claims are supported by

documentary evidence through Court records or other official records. The period of three months of imprisonment which was fixed as one of the eligibility criteria for getting pension was reduced to three weeks with effect from 1.4.1980. The income ceiling originally fixed was also removed with effect from 11.3.1983.

17. Extracts of the concerned jail records or judgement of the concerned Court in proof of the imprisonment undergone are essentially to be enclosed along with the application. In the absence of the above records, 'Co-prisoner' certificate obtained from the legislators who served during the period 1980 or before was accepted as evidence for jail imprisonment with effect from 1-4-1980. Since some deficiencies in the above system were brought to the notice of the Government, the system of issuing co-prisoners certificate by the MLAs was modified during the year 1988. As per the orders dated 16.11.1988 issued by the Public Department, an applicant may obtain co-prisoner's certificates from any two of the fifteen Freedom

Fighters authorised to issue such co-prisoner's certificates throughout the State and apply for sanction of pension. As certain difficulties in the above system were also brought to the notice of the Government, a District Level Screening Committee was formed in each District as per the orders of the Public Department dated 7th February 1996, consisting of the Collector of the District as Chairman, the District Revenue Officer, as Vice-Chairman, three prominent freedom fighters as members and two prominent Freedom Fighters as certifiers. The members and certifiers should be in receipt of Freedom Fighter's Pension on the basis of their original Court or jail records. The applicant who claim freedom fighter pension should have completed 18 years of age at the time of imprisonment. The application in the prescribed format should be submitted to the Collector concerned. These cases are examined by the District Level Screening Committee, as per the guidelines issued and are recommended to Government.

18. The pension payable to Freedom Fighters had been enhanced from time to time. The details have been indicated in Annexure I.

19. In the event of death of any State Freedom Fighter Pensioner, the pension is paid continuously to the wife/husband/minor children of the Freedom Fighter. In case they suffer from any permanent physical disability or mental illness, they are paid the pension till their life time. This pension scale has been enhanced from time to time. The details have been indicated in Annexure II.

20. The Government has been sanctioning Special pension to the descendants of eminent persons in recognition of their significant role played by them in the Freedom Movement. Accordingly 211 descendants of Marudhu Pandiar Brothers, 5 direct and senior descendants of Veerapandia Kattabomman and 80 eligible descendants of Muthuramalinga Vijaya Raghunatha Sethupathy of Ramanathapuram are receiving

pension at the rate of Rs.500/- per month. They will receive the above pension till their life time.

21. The other concessions granted to the Freedom Fighters and their dependants are given below:-

a) Medical Facilities:-

A sum of Rs.15/- per month is paid as Medical Allowance to those who are receiving Central pension or State pension or both and to the widows and minor children. The above pensioners or their dependants are permitted to have free Medical treatment in Government Hospitals with 'A' class ward facilities.

b) Housing Facility:

Reservation of 1% has been made to the Freedom Fighters in the allotment of houses/plots/flats made by the Tamil Nadu Housing Board from out of 18% reserved for SCs/STs, out of 5% reserved for Dhobies and Barbers and out of 37% reserved for the General Public.

c) Transport facility:

The Freedom Fighters drawing Central or State pension, their widows and legal heirs are given free bus passes to travel in the buses of State Transport Corporation.

d) Funeral Expenses:-

In the event of death of the freedom fighter, a sum of Rs.2,000/- is being sanctioned immediately to the wife or the immediate legal heirs of the Freedom Fighter towards funeral expenses. This is applicable to all the Freedom Fighters receiving State/Central Pension or both. As a mark of respect to the deceased Freedom Fighter, an officer not below the rank of a Tahsildar of the Revenue Department on behalf of the Government will place a wreath on the body of the deceased Freedom Fighter.

e) Employment Assistance:

Priority is given for the legal heirs of Freedom Fighter, when names are sent by

Employment Exchanges to Government Departments and undertakings for filling up vacancies.

22. The number of Freedom Fighters in Tamil Nadu who are now drawing various State Pension are as follows:

| | | |
|---|---|------|
| 1 | No. of Freedom Fighters receiving State Freedom Fighters Pension (Rs.3000 + Rs.15/- Medical Allowance) | 1024 |
| 2 | No. of Dependants receiving continuance of State Freedom Fighters Pension (Rs.1500 + Rs.15/- Medical Allowance) | 2251 |
| 3 | Descendants of Veerapandia Kattabomman (Rs.500/- per month) | 5 |
| 4 | Descendants of Sivagangai Marudhu Pandiar Brothers (Rs.500/- per month) | 211 |
| 5 | Descendants of Muthuramalinga Vijaya Raghunatha Sethupathy (Rs.500/- per month) | 80 |

Central Pension scheme:-

23. The Central Scheme of freedom fighters pension is being implemented by the Central Government with effect from 15.08.1972. According to this Scheme, the following concessions are granted:

- i) Persons who had suffered a minimum imprisonment of six months in connection with freedom struggle are eligible for Swatantrata Sainik Samman Pension. They have to produce jail certificate in support of their imprisonment and in the absence of jail certificate from official records, a certificate indicating "Non Availability of Records" from the jail authorities concerned along with two co-prisoner's certificates in the prescribed form will have to be produced. The co-prisoner's certificates have to be obtained from two freedom fighters who had undergone jail suffering for one year. In case the certifier happens to be a sitting or Ex-M.P./M.L.A., only one certificate in place of the two is required.
- ii) The period of imprisonment has been reduced from six months to three months in respect of Scheduled Caste /

Scheduled Tribe and Women Freedom Fighters.

- iii) Persons who had remained underground for six months or more but are unable to produce official documents can produce a Personal Knowledge Certificate from a prominent freedom fighter who had undergone imprisonment for a period of two years or more along with a certificate to indicate "Non Availability of Records" from the concerned authorities. The certifier should belong to the same District as that of the Freedom Fighters certified.
- iv) Ten strokes of flogging / whipping / caning inflicted for participation in the freedom Movement will be treated as equivalent to six months of imprisonment.
- v) Further, Ex-INA personnel are also eligible for pension if the imprisonment/ detention suffered by them was outside India for six months or more.

- vi) Each recipient of Swatantrata Sainik Samman Pension is getting Rs.6,330/- as pension along with 58% D.A. i.e. Rs.10,001/- with effect from 2.10.2006.
- vii) State Pension of Rs.500/- p.m. from the State Funds is paid to those who receive Central Pension/Central Family Pension. The total number of Central Pensioners / Central Family Pensioners receiving State Pension is 2927.

24. For the year, 2007-2008 a total sum of Rs. 11.74 crores has been provided for the purpose of political pension mentioned above.

K. ANBAZHAGAN
Minister for Finance

ANNEXURE -I**Rate of monthly pension
paid by the State Government to
Freedom Fighters**

| Sl. No. | Period | Pension Amount (Rs.) |
|--------------------|-----------------------------|-------------------------------------|
| 1. | With effect from 01-10-1966 | 50 |
| 2. | With effect from 15-08-1972 | 75 |
| 3. | With effect from 01-04-1979 | 100 |
| 4. | With effect from 25-01-1981 | 150 |
| 5. | With effect from 10-06-1986 | 250 |
| 6. | With effect from 01-08-1989 | 350 |
| 7. | With effect from 01-01-1991 | 400 |
| 8. | With effect from 01-08-1992 | 1000 |
| 9. | With effect from 01-09-1995 | 1500 |
| 10. | With effect from 15-08-1997 | 3000 |

ANNEXURE -II**Rate of monthly pension
paid to the Dependants of
State Freedom Fighters Pensioners**

| Sl. No. | Period | Pension Amount (Rs.) |
|----------------|-----------------------------|-----------------------------|
| 1. | With effect from 01-10-1966 | 50 |
| 2. | With effect from 15-08-1972 | 75 |
| 3. | With effect from 01-04-1979 | 100 |
| 4. | With effect from 25-01-1981 | 150 |
| 5. | With effect from 10-06-1986 | 250 |
| 6. | With effect from 01-08-1989 | 350 |
| 7. | With effect from 01-01-1991 | 400 |
| 8. | With effect from 01-08-1992 | 500 |
| 9. | With effect from 01-09-1995 | 750 |
| 10 | With effect from 15-08-1997 | 1500 |