

DEMAND 50

PENSIONS AND OTHER RETIREMENT BENEFITS

POLICY NOTE FOR 2006-2007

This Demand comprises the following major heads:

		(Rupees)
2071	Pensions and other Retirement Benefits	5,676,09,90,000
2235	Social Security and Welfare	
60	Other Social Security and Welfare Programme	11,61,85,000
	Total	5,687,71,75,000

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 5,60,166 pensioners and family pensioners in this state as on 31.03.2006. The details of pensioners and family pensioners in the State are given below:

1.	State Civil Pensioners	2,91,230
2.	Teacher Pensioners	65,458
3.	Civil Family Pensioners	1,26,888
4.	Teacher Family Pensioners	27,162
5.	Other category pensioners	49,428
	Total	5,60,166

3. PENSION :

- (i) A minimum qualifying service of 10 years is necessary for eligibility for pension. Upto 31.7.2006 Pension was calculated based on

the average emoluments drawn during the last 10 months of service and full pension was admissible for a maximum qualifying service of 33 years and proportionate pension was paid to employees who have put in a qualifying service of less than 33 years.

- (ii) The Government has reduced the maximum qualifying service from 33 years to 30 years to become eligible for full Pension with effect from 31.7.2006. 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. 31.7.2006.
- (iii) The Government has also issued orders treating 50% of Dearness Allowance as Dearness Pension on pension / family pension with effect from 1.1.2006.
- (iv) 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

	Length of Service	Rate of Gratuity
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.

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)	
1996-97	1070.15	8.95
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 RE	4693.52	14.26
2006-2007 BE	5687.72	14.68

* 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 a 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, special reservation for their dependants in educational institutions, 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 participating 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 1988. As per the orders dated 16.11.1988 issued by the Public Department, an applicant may obtain co-prisoner's certificate from any two of the fifteen Freedom Fighters authorised to issue such co-prisoner's certificate

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 State 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. Apart from this, State Pension of Rs.500/- per month is also paid to those who receive Central Pension.

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 are furnished in Annexure II.

20. The Government has been sanctioning Special pension to eminent persons or their descendants in recognition of the significant role played by them in the Freedom Movement. Accordingly 214 descendants of Marudhu Pandiar Brothers, 7 direct and senior descendants of

Veerapandia Kattabomman and 82 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) Educational concession:-

Fee concession and scholarships are granted to the children / grand children of freedom

fighters studying in schools, colleges, professional and technical institutions.

Further, reservation of seats have been made to children / grand children of Freedom Fighters in Professional Colleges, Polytechnics and other special institutions.

c) 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.

d) 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.

e) 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.

f) Employment Assistance:

Priority is given for the legal heirs of Freedom Fighters and Tamil Savants, when names are sent by Employment Exchanges to Government Departments and undertakings for filling up vacancies.

22. Central Pension scheme:-

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 certificate has to be obtained from the freedom fighter pensioners who had undergone jail suffering for one year or one co-prisoner's

certificate from a sitting M.P. or M.L.A. or from an Ex-M.P. or an Ex-M.L.A. specifying the period of imprisonment.

- 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) The annual income ceiling of Rs.5,000/- prescribed for the grant of pension was removed with effect from 01.08.1980.
- iv) Persons who had remained underground for six months or more but are unable to produce official documents can produce a Co-prisoners 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 certifiers should belong to the same District as that of the Freedom Fighters certified.

- v) Ten strokes of flogging / whipping / caning inflicted for participation in the freedom Movement will be treated as equivalent to six months of imprisonment.
- vi) Further, Ex-INA personnel are also eligible for pension if the imprisonment/ detention suffered by them was outside India for six months or more. The monthly pension payable under the Central Freedom Fighters Pension Scheme has been enhanced from time to time. The details have been indicated in Annexure III.
- vii) In the event of death of any Central Freedom Fighters' pensioner, State Pension of Rs.500/- p.m. from the State Funds along with the Central Pension is paid continuously to the legal heirs.
- viii) The recipient of Swatantrata Sainik Samman Pensioners are getting 50% D.A. along with pension with effect from 15.08.2005.

23. The number of Freedom Fighters in Tamil Nadu who are now drawing State /Central Pension are as follows:-

1.	No. of Freedom Fighters receiving State Freedom Fighters Pension (Rs.3000 + Rs.15/- Medical Allowance)	1112
2.	No. of Dependants receiving continuance of State Freedom Fighters Pension (Rs.1500 + Rs.15/- Medical Allowance)	2114
3.	No. of Freedom Fighters receiving Central Freedom Fighters Pension (Rs.4000 + Rs.2000/- Dearness Relief + Rs.15/- Medical Allowance)	878
4.	No. of Dependants receiving continuance of Central Freedom Fighters Pension (Rs.4000 + Rs.2000/- Dearness Relief + Rs.15/- Medical Allowance)	1593
5.	No. of Central Pensioners receiving State Pension of Rs.500/-	2471
6.	Descendants of Veerapandia Kattabomman (Rs.500/- per month)	7
7.	Descendants of Sivagangai Marudhu Pandiar Brothers (Rs.500/- per month)	214
8.	Descendants of Muthuramalinga Vijaya Raghunatha Sethupathy (Rs.500/- per month)	82

24. For the year, 2006-2007 a total sum of Rs.11,30,85,000/- 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
		<u>Rs.</u>
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
		<u>Rs.</u>
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/-

ANNEXURE - III

Rate of monthly pension paid to the Swatantrata Sainik Samman Pensioners by Central Government.

Sl. No.	Period	Pension Amount
		Rs.
1.	With effect from 15-08-1972	200/-
2.	With effect from 01-08-1980	300/-
3.	With effect from 01-06-1985	500/-
4.	With effect from 14-11-1988	750/-
5.	With effect from 12-08-1992	1000/-
6.	With effect from 02-10-1994	1500/-
7.	With effect from 15-08-1997	3000/-
8.	With effect from 15.08.2005	6000/-