

7.25 Death-cum-Retirement Gratuity-Revised rates of interest and delayed payment of Death-cum-Retirement Gratuity-Orders-Issued.

Finance (Pension) Department

G.O. (Ms) No. 122

Dated: 20.02.1995

Read:

1. G.O.Ms.No. 517, Finance (Pension) dated 12.6.87.
2. From the Government of India, Department of Pension and Pensioners' Welfare O.M. No.F7/1/93-P&PW (F) dated 25.8.1994.

ORDER

In the G.O. first read above, orders have been issued fixing the rate of interest to be paid on the delayed payment of Death-cum-Retirement Gratuity in respect of State Government employees based on the orders issued by the Government of India for their employees as follows:

- i) beyond 3 months and up to one year .. 7% per annum
- ii) beyond one year .. 10% per annum

2. The Government of India in their O.M. second read above, has issued orders enhancing the existing rate of interest on delayed payment of Death-cum-Retirement Gratuity to their employees at the rate of applicable to General Provident Fund deposits i.e. 12% per annum (compounded annually).

3. The Government have carefully examined the question of revision of rate of interest for the delayed payment of Death-cum-Retirement Gratuity and have decided to adopt the Government of India orders referred to in para 2 above in respect of State Government employees. They accordingly direct, that when payment of Death-cum-Retirement Gratuity has been delayed, the rate of interest shall be paid at the rate of 12% per annum compounded annually.

4. The orders shall take effect from the date of this Order.

5. The cases of those Government servants who retired/died while in service before the date of this order would also be covered by this order if Death-cum-Retirement Gratuity has not paid as on this date and there has been delay in the payment for which interest is payable in accordance with the existing orders. In such cases, the interest would be worked out at the rate prescribed in G.O.Ms.No.517 Finance (Pension), dated 12.6.1987 up to the date preceding the date of this order and thereafter at the rates mentioned in this order.

6. Necessary amendment to Tamil Nadu Pension Rules, 1978 will be issued separately.

(By order of the Governor)

N. NARAYANAN
SECRETARY TO GOVERNMENT