

## 7. RETIREMENT & PENSION

### 7.19 Tamil Nadu Government Employees' Special Provident Fund-cum-Gratuity Scheme (1984) - Payment of interest on the employees' subscription beyond 148<sup>th</sup> instalment - Revised orders

Finance (Pension) Department

G.O. (Ms) No. 268

Dated: 31.07.2002

Read :

1. G.O. (Ms) No.62 Finance (Pension) Department dated:11.2.1997.
2. G.O. (Ms) No.473 Finance (Pension) Department dated:17.10.2000.
3. G.O. (Ms) No.334 Finance (Pension) Department dated:5.9.2001.
4. G.O. (Ms) No.151 Finance (Allowance) Department dated:6.5.2002.

#### ORDER

According to rule 5 of the Tamil Nadu Government Employee's Special Provident Fund-cum-Gratuity Scheme Rules (1984), the rate of interest shall be treated on par with the rate of interest applicable to General Provident Fund (Tamil Nadu) subscription. The recovery of subscription under the said scheme was commenced from the month of April, 1984 and the recovery of subscription accumulated to Rs.5,021/- at the end of July, 1996. The rate of interest towards General Provident Fund subscription was raised from time to time since 1984 and the rate of interest for the year 1996-97 towards General Provident Fund subscription was 12% per annum.

2. In the Government order first read above, orders have been issued allowing 12% per annum instead of 9% per annum on the second stage of interest calculation by issuing the following orders:-

Those employees subscribing to the scheme and retire before 148th installment shall receive gross amount as per the table of repayment.

3.Those who have already subscribed 148 installments at the end of month of July 1996 shall be paid the principal amount Rs.5,021/- plus the interest thereon at 12% per annum compounded annually plus the Government contribution of Rs.5,000/- (now enhanced to Rs.10,000/-). The Heads of Offices/ Heads of Departments shall work out the interest and sanction the payment under the scheme.

4. In the Government order second and third read above, orders have been issued reducing the rate of interest payable on the principal amount of Rs.5,021/- under the Tamil Nadu Government Employees Special Provident Fund-cum-Gratuity Scheme (1984) from 12% per annum to 11% per annum compounded annually with effect from 1.8.2000 and from 11% per annum to 9.5% per annum compounded annually with effect from 1.8.2001 respectively consequent on the reduction on the rate of interest towards General Provident Fund subscription made by the Government employees from 12% per annum to 11% per annum with effect from 1.4.2000 and from 11% per annum to 9.5% per annum with effect from 1.4.2001. In the G.O. fourth read above, orders have been issued reducing the rate of interest from 9.5% per annum to 9% per annum towards the General Provident Fund subscription made by the Government employees with effect from 1.4.2002.

5. The Government have decided to reduce the interest from 9.5% per annum to 9% compounded annually with effect from 1.8.2002 payable on the amount of Rs.5,021/- standing at the credit of the State Government at the end of July, 1996 under the Government Employees Special Provident fund-cum-Gratuity Scheme (1984). Accordingly, the Government direct that the rate of interest payable on the principal amount of Rs.5,021/- shall be reduced to 9% per annum compounded annually with effect from 1.8.2002.

6. An illustration for the calculation of interest is annexed to this order.

(By order of the Governor)

**N.NARAYANAN**  
SECRETARY TO GOVERNMENT

**ILLUSTRATION**

A Government employee is due to retire on superannuation on 31st January, 2003

Subscription paid for 148 instalments at Rs.20/- per month    Rs. 2960

interest allowed upto 31.7.96 as per the table of repayment    Rs. 2061

Total    Rs. 5021

From 1.8.96 onwards the principal amount for calculation of interest will be Rs.5021/-

Interest for the period from 1.8.96 to 31.7.97 on Rs.5021= $Rs.5021 \times 12/100=Rs.602.52$  rounded to nearest rupee 603

Total at the end of 31.7.97= $Rs.5021+603 = 5624$

From 1.8.97 onwards the principal amount will be Rs.5624

Interest for the period from 1.8.97 to 31.7.98 on Rs.5624= $Rs.5624 \times 12/100=Rs.674.88$  rounded to nearest rupee 675

Total at the end of 31.7.98= $Rs.5624+675 = 6299$

From 1.8.98 onwards the principal amount will be Rs.6299

Interest for the period from 1.8.98 to 31.7.99 on Rs.6299= $Rs.6299 \times 12/100=Rs.755.88$  rounded to nearest rupee 756

Total at the end of 31.7.99= $Rs.6299+756 = 7055$

From 1.8.99 onwards the principal amount will be Rs.7055

Interest for the period from 1.8.99 to 31.7.00 on Rs.7055= $Rs.7055 \times 12/100=Rs.846.88$  rounded to nearest rupee 847

Total at the end of 31.7.2000= $Rs.7055+847 = 7902$

From 1.8.2000 onwards the principal amount will be Rs.7902

Interest for the period from 1.8.2000 to 31.7.2001 on Rs.7902= $Rs.7902 \times 11/100=Rs.869.22$  rounded to nearest rupee 869

Total at the end of 31.7.2001= $Rs.7902+869 = 8771$

From 1.8.2001 onwards the principal amount will be Rs.8771

Interest for the period from 1.8.2001 to 31.7.2002 on Rs.8771= $Rs.8771 \times 9.5/100=Rs.833.25$  rounded to nearest rupee 833

Total at the end of 31.7.2002= $Rs.8771+833 = 9604$

From 1.8.2002 onwards the principal amount will be Rs.9604

Interest for the period from 1.8.2002 to 31.1.2003 on Rs.9604= $Rs.9604 \times 9/100 \times 6/12$  (for six months) = $Rs.422.18$  rounded to nearest rupee 432

Total at the end of 31.1.2003= $Rs.9604+432 = 10036$

So total interest to be allowed is (Rs.10036-2960) 7076

The retiring employee will get an aggregate amount as given below:

Principal	= Rs.2960
Interest	= Rs.7076
Government Contribution	= Rs.10000
Total amount to be paid	Rs.20036