

7. RETIREMENT & PENSION

7.21 Death-cum-Retirement Gratuity-Revised rates of interest on delayed-Payment of Death-cum-Retirement Gratuity

Finance (Pension) Department

G.O. (Ms) No. 517

Dated : 12.06.1987

Read :

1. G.O. (Ms) No. 1475, Finance (Pension) dated 23.11.73.
2. From the Government of India, O.M.No. 7/3/84-Pension Unit dated 28.7.84.
3. From the General Secretary Retired Officials' Association, Madras Lr.No. RC.I/86, dt.7.2.87.

ORDER

In the G.O. first read above, Government have fixed rate of interest to be paid on Death-cum-Retirement Gratuity remaining unpaid for more than 2 months from the date of retirement at 8% per annum. The General Secretary, Retired Officials Association has requested the Government to raise the above rate of interest to that applicable to General Provident Fund rate of interest from year to year.

2. The Government of India in its Office Memorandum second cited have fixed the rate of interest payable on belated payment of Death-cum-Retirement Gratuity as follows:

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

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. They accordingly direct, that when payment of Death-cum-Retirement Gratuity has been delayed, the rate of interest will be as follows:

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

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

5. The cases of these 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 been 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.1475 Finance, dated 23.11.73 up to the date this order and thereafter at the rates mentioned in para 3 above.

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

(By order of the Governor)

C. RAMACHANDRAN
COMMISSIONER & SECRETARY TO GOVERNMENT