

11. STATE FINANCE COMMISSION

11.17 Decisions taken and orders issued on certain recommendations of Second SFC

Rural Development (C2) Department

G.O. (Ms) No. 143

Dated : 28.10.2005

Read :

1. G.O. (Ms) No. 245, R.D.(C1) Department, dated 19.11.1998.
2. G.O. (Ms) No. 518, Finance (Resources) Department, dated 1.12.99.
3. G.O. (Ms) No. 103, Finance (Resources) Department, dated 3.3.2000.
4. Government D.O. Letter No. 75393/FC.IV/201, Finance (FC.IV) Department, dated 13.5.2002.
5. G.O. (Ms) No. 371, Finance (FC.IV) Department, dated 11.11.2002.

ORDER

As per the provisions laid down in 73rd and 74th Constitutional amendments, the Second State Finance Commission was constituted in the G.O. first read above, to review the financial position of rural and urban local bodies in Tamil Nadu and to make its recommendations. In the G.O. second read above, the Terms of Reference to the Commission were issued in which the Commission was requested to make its report available by 31.10.2001. The Commission submitted its report to Her Excellency the Governor on 21.5.2001.

2. The Action Taken Report on the recommendations of the Second State Finance Commission in respect of the Chapter X Payment of Pension among others placed before the Legislative Assembly on 8.5.2002, are examined in detail and the following orders are issued.

Chapter X – Payment of Pension

S.No	Para No.	Gist of Recommendation	Orders issued
1	Para 16.3 (a)	Out of the total ceiling of 49% on salary and pension, upto 14% may be apportioned for pension. For the new recruits, the local body is liable to pay gratuity while the pension entitlement shall be with reference to employee's contribution and this may be given effect in the respective Acts of the local bodies by way of amendments.	Accepted by Government The Government direct the DRD to send the necessary proposals to Government for issuing orders.
2	Para 16.7	Computerization of pension payment shall be attempted in a comprehensive way for which more computer systems may be deployed. The present restriction of payment through five nationalized banks may be relaxed to cover all nationalized banks to provide relief to pensioners.	Accepted by the Government The Government direct the Director of Rural Development to send the necessary proposals to Government for issuing orders.

Chapter X – Payment of Pension

S.No	Para No.	Gist of Recommendation	Orders issued
3	Para 16.8	In future all concessions available to State Government pensioners need not be extended to local body pensioners as a matter of routine. Each issue may be studied for which a separate local bodies Pay-cum-Administrative Reforms Committee may be constituted.	Accepted by the Government The Government direct the Director of Rural Development to send the necessary proposals for constituting local bodies pay-cum-Administrative Committee.
4	Para 16.9 (d)	Payment of local body pensions need not be transferred to treasuries / sub-treasuries as they are already over burdened with State pensioners.	Accepted by the Government
5	16.9 (e)	To organize release of withheld gratuity immediately on settlement of audit objections	Accepted by the Government The Government direct the Director of Rural Development to release the withheld gratuity immediately on settlement of audit objections against the pensioners, raised when they were in service.
6	Para 16.9 (g)	To make full payment to the Director of Local Fund Audit so as to ensure timely payment for which relevant Rule may be suitably amended.	Accepted by the Government The Government direct the Director of Rural Development to send the necessary proposals to Government for issuing orders.

The Director of Rural Development and the District Collectors are directed to ensure that all the orders are implemented and strictly adhered to with immediate effect and send to proposals wherever necessary.

(By order of the Governor)

SANTHA SHEELA NAIR
SECRETARY TO GOVERNMENT