

No.4/1/87.PIC-I
Government of India
Ministry of Personnel, Public Grievances and Pensions
Department of Pension and Pensioners' Welfare

New Delhi, the 1st May, 1987.

OFFICE MEMORANDUM

Subject:-*Change over of the Central Government employees from the Contributory Provident Fund Scheme to Pension Scheme - Implementation of the recommendations of the Fourth Central Pay Commission.*

The undersigned is directed to state that the Central Government employees who are governed by the Contributory Provident Fund Scheme (CPF Scheme) have been given repeated options in the past to come over to the Pension Scheme. The last such option was given in the Department of Personnel and Training O.M. No. F3(1)-Pension unit/85 dated the 6th June, 1985. However, some Central Government employees still continue under the CPF Scheme. The Fourth Central Pay Commission has now recommended that all CPF beneficiaries in service on January 1, 1986, should be deemed to have come over to the Pension Scheme on that date unless they specifically opt out to continue under the CPF Scheme.

2. After careful consideration the President is pleased to decide that the said recommendation shall be accepted and implemented in the manner hereinafter indicated.

3. All CPF beneficiaries, who were in service on 1.1.1986 and who are still in service on the date of issue of these orders will be deemed to have come over to the Pension Scheme.

3.2. The employees of the category mentioned above will, however, have an option to continue under the CPF Scheme, if they so desire. The option will have to be exercised and conveyed to the concerned Head of Office by 30.09.1987 in the form enclosed if the employees wish to continue under the CPF Scheme. If no option is received by the Head of Office by the above date the employees will be deemed to have come over to the Pension Scheme.

3.3. The CPF beneficiaries, who were in service on 1.1.1986, but have since retired and in whose case retirement benefits have also been paid under the CPF Scheme, will have an option to have their retirement benefits calculated under the Pension Scheme provided they refund to the Government, the Government contribution to the Contributory Provident Fund and the interest thereon, drawn by them at the time of settlement of the CPF Account. Such option shall be exercised latest by 30.09.1987.

3.4. In the case of CPF beneficiaries, who were in service on 1.1.1986 but have since retired, and in whose case the CPF Account has not already been paid, will be allowed retirement benefits as if they were borne on pensionable establishments unless they specifically opt by 30.09.1987 to have their retirement benefits settled under the CPF Scheme.

3.5 In the case of CPF beneficiaries, who were in service on 1.1.1986, but have since died, either before retirement or after retirement, the case will be settled in accordance with para 3.3 or 3.4 above as the case may be. Options in such cases will be exercised latest by 30.09.1987 by the widow/widower and in the absence of widow/widower by the eldest surviving member of the family who would have otherwise been eligible to family pension under the Family Pension Scheme if such scheme were applicable.

3.6 The option once exercised shall be final.

3.7 In the types of cases covered by paragraph 3.3 and 3.5 involving refund of Government's contribution to the contributory provident fund together with interest drawn at the time of retirement, the amount will have to be refunded latest by the 30th September, 1987. If the amount is not refunded by the said date, simple interest thereon will be payable at 10% per annum for period of delay beyond 30.9.1987.

4.1 In the case of employees who are deemed to come over or who opt to come over to the Pension Scheme in terms of paragraphs 3.3, 3.4 and 3.5, the retirement and death benefits will be regulated in the same manner as in case of temporary/quasi-permanent or permanent Government servants, as the case may be, borne on pensionable establishment.

4.2 In the case of employees referred to above, who come over or are deemed to come over to the Pension Scheme, the Government's contribution to the CPF together with the interest thereon credited to the CPF Account of the employee will be resumed by the Government. The employees contribution together with the interest thereon at his credit in the CPF Account will be transferred to the GPF Account to be allotted to him on his coming over to the Pension Scheme.

4.3 Action to discontinue subscriptions/contributions to CPF Account may be taken only after the last date specified for exercise of option, viz., 30.09.1987.

5. A proposal to grant ex-gratia payment to the CPF beneficiaries, who retired prior to 1.1.1986 and to the families of CPF beneficiaries who died prior to 1.1.1986, on the basis of the recommendations of the Fourth Central Pay Commission is separately under consideration of the Government. The said ex-gratia payment, if and when sanctioned, will not be admissible to the employees or their families who opt to continue under the CPF Scheme from 1.1.1986 onward.

6.1 These orders apply to all Civilian Central Government employees who are subscribing to the Contributory Provident Fund under the Contributory Provident Fund Rules (India), 1962. In the case of other contributory provident funds, such as Special Railway Provident Fund or Indian Ordnance Factory Workers Provident Fund or Indian Naval Dockyard Workers Provident Fund, etc., the necessary orders will be issued by the respective administrative authorities.

6.2 These orders do not apply to Central Government employees who, on re-employment, are allowed to subscribe to Contributory Provident Fund. These orders

also do not apply to Central Government employees appointed on contract basis where the contribution to the Contributory Provident Fund is regulated in accordance with the terms of contract.

6.3 These orders do not also apply to scientific and technical personnel of the Department of Atomic Energy, Department of Space, Department of Electronics and such other Scientific Departments as have adopted the system prevailing in the Department of Atomic Energy. Separate orders will be issued in their respect in due course.

7.1 Ministry of Agriculture etc., are requested to bring these orders to the notice of all CPF beneficiaries under them, including those who have retired since 1.1.1986 and to the families covered by paragraph 3.5 of these orders.

7.2 Administrative Ministries administering any of the Contributory Provident Fund Rules, other than Contributory Provident Fund Rules (India), 1962, are also advised to issue similar orders in respect of CPF beneficiaries covered by those rules in consultation with the Department of Pension and Pensioners' Welfare.

8. These orders issue with the concurrence of the Ministry of Finance Department of Expenditure vide their U.O. No.2038/JS (Pers)/87 dated 13.4.1987.

9. In their application to the persons belonging to Indian Audit and Accounts Department, these orders issue after consultation with the Comptroller and Auditor General of India.

10. Hindi version of these orders follows.



(I.K. Rasgotra)

Additional Secretary to the Government of India

To

All Ministries/Departments of the Government of India.

Copy to :-

1. President's Secretariat
2. Vice President's Secretariat
3. Prime Minister's Office
4. Lok Sabha Secretariat
5. Rajya Sabha Secretariat
6. Cabinet Secretariat
7. Secretary, U.P.S.C., New Delhi
8. Supreme Court of India
9. Election Commission
10. Planning Commission
11. Comptroller and Auditor General of India
12. Accountants General of all States
13. Director of Audit, Central, Madhu Industrial Estate, P.B.Marg, Bombay
14. Director of Audit (Central), Calcutta
15. Director of Audit, Central Revenue, New Delhi

16. Director of Audit, Central, Bombay
17. Director of Audit, Scientific and Commercial Department, Bombay
18. Director of Audit Commerce, Works and Miscellaneous, New Delhi
19. Controller General of Accounts
20. Directorate of Accounts, P.A.I. Section, Panaji, Goa
21. Controller of Accounts, Delhi Administration, 'B' Block, Vikas Bhavan, Indraprastha Estate, N. Delhi
22. Controller General of Defence Accounts
23. Controller of Defence Accounts (Pension) Allahabad
24. Controller of Defence Accounts (Navy), Bombay
25. Controller of Defence Accounts (Air Force), N. Delhi
26. Deputy Controller of Defence Accounts, (Pension Disbursement), New Delhi
27. Finance Secretaries of All States and U. Ts.
28. Chief Secretaries of Governments of all States and Union Territories
29. All Attached and Subordinate Offices of the Department of Personnel & Training
30. All Officers and Sections in the Department of Personnel & Training/Department of Pension & Pensioners' Welfare
31. A.I.S. Division, Department of Personnel & Training (10 copies)
32. E.V. Section, Department of Expenditure (10 copies)
33. J.C.A. Section (With 100 spare copies for circulation among members of National Council (JCM))
34. Under Secretary (P), Deptt. of Pension & Pensioners' Welfare (with 30 spare copies for circulation among members of SCOVA)
35. Parliament Library (10 copies)
36. National Library. (10 copies)

M. R. Vaidya

(M.R. Vaidya)

Deputy Secretary to the Govt. of India

Form of Option

I _____, employed
(Name)

as _____, in the Ministry/
(designation)

Department/Office of _____
(name of the Ministry/Deptt./Office)

do hereby opt to continue under the Contributory Provident Fund Scheme in terms of
the Department of Pension & Pensioners' Welfare OM NO.4/1/87-PIC-I dated 1.5.1987

Place _____

(Signature of the Optee)

Date _____