

# **A HAND BOOK ON PENSIONS**

**DIRECTOR  
STATE AUDIT DEPARTMENT  
A.P., MANGALAGIRI.**

### **Eligibility of Pension:**

A State Government employee who joined in pensionable service prior to 01/09/2004

### **Pensionary Benefits:**

- ❖ On retirement of an employee or death of a serving employee while in service and in several other circumstances, the employee or his family members receive pensionary benefits.
- ❖ These benefits consist of Pension, Family Pension, Gratuity and Commutation of pension.

### **Pension:**

**Service Pension**= Last pay drawn x No. of years of qualifying service/66.

#### **Family pension:**

Family pension is payable to an eligible family member on the death of an employee while in service or after retirement.

1. Enhanced Family Pension = Last pay drawn X 50/100
2. Normal Family Pension = Last pay drawn X 30/100

### **Gratuity :**

- ❖ Retirement Gratuity = (Last pay drawn + DA) x qualifying service in half years /4

DA at the time of retirement/death

### **Commutation :**

- ❖ A portion of pension can be commuted(CV) not more than 40% of the basic service pension which will be received in lumpsum(CVP).
- ❖ But, the portion so commuted will be reduced from the original pension and paid as such for 15 years and later on the original pension will be restored.
- ❖ Commutation is not allowed for any type of pension other than service pension/Voluntary retirement pension subject to rules in force.
- ❖ Commutation= Max. 40% of basic service pension x Commutation factor as per commutation table x 12

## **Mode of Retirements, Rules & Eligible Pensionary Benefits:**

All the pensionary benefits are governed by the A.P. Revised Pension Rules, 1980, which are as under:

### **Rule 33/Rule 42-Superannuation Pension:**

As per Rule 42 of APRPRs, 1980, Every Government servant to whom these rules apply shall compulsorily retire on attaining the age of superannuation as provided in the Fundamental Rules as amended from time to time.

- ❖ Age of superannuation upto 01.06.2014 – 58 years
- ❖ Age of superannuation in RSP 2015 – 60 years
- ❖ Age of superannuation in RSP 2022 – 62 years

The employees retired on superannuation are eligible for the following pensionary benefits:

1. Service Pension – Rule 45(2)
2. Family Pension - Rule 50
  - Enhanced Family Pension- Rule 50(3)
  - Normal Family Pension – Rule 50(2)
3. Retirement Gratuity-Rule 46
4. If employee opts for Commutation, then eligible for Commutation also.

### **Rule 34 - Retiring Pension/Voluntary Retirement:**

**Rule -43. Retirement on completion of 20 years of qualifying service**

**Rule -44. Retirement on completion of 33 years qualifying service**

- ❖ The employee retired voluntarily is eligible for the following pensionary benefits:
  1. Service Pension – Rule 45(2)
  2. Family Pension - Rule 50
    - Enhanced Family Pension- Rule 50(3)
    - Normal Family Pension – Rule 50(2)
  3. Retirement Gratuity-Rule 46
  4. If employee opts for Commutation, then eligible for Commutation also.

### **Rule 37. Invalid Pension:**

A Government servant who is declared by the appropriate medical authority to be permanently incapacitated for further service in accordance with the instructions on the subject may be granted invalid pension.

- ❖ If the Competent Medical Authority incapacitates a Govt. Servant for further service, the date of issue of M.C. is date of Retirement.



- ❖ The employee retired on Medical Invalidation is eligible for the following pensionary benefits:

1. Invalid Pension – Rule 45(2)
2. Family Pension - Rule 50
  - Enhanced Family Pension- Rule 50(3)
  - Normal Family Pension – Rule 50(2)
3. Retirement Gratuity-Rule 46.

### **Rule 39. Compulsory retirement pension:**

If a Govt. Servant is imposed with the penalty of compulsory retirement from service under CCA Rule 9(viii), then he has to be paid compulsory retirement pension.

- ❖ The day of discharge is the date of Retirement.
  - ❖ The employee retired on Compulsory retirement is eligible for the following pensionary benefits:
1. Service Pension – Rule 45(2)
  2. Family Pension - Rule 50
    - Enhanced Family Pension- Rule 50(3)
    - Normal Family Pension – Rule 50(2)
  3. Retirement Gratuity-Rule 46.

### **Rule 40. Compassionate allowance:**

If a Govt. Servant was Removed [CCA Rule-9(ix)] (OR) Dismissed [CCA Rule-9(x)] from service, no pension is payable to him.

- ❖ In deserving cases, the sanctioning authority may sanction Compassionate Allowance.

### **Rule 50. Family pension:**

If a Government servant dies while in Service/after retirement, family pension shall be payable to the eligible member of his family.

“family” in relation to a Government servant means-

Category-I:

- ❖ wife in the case of a male Government servant or
- ❖ husband in the case of a female Government servant
- ❖ In the case of a Son until he attains the age of 25 years or starts earning his livelihood whichever is earlier.
- ❖ In the case of Unmarried Daughter until she attains the age of 25 years or until she gets married or starts earning her livelihood, whichever is earlier.

#### **Category-II:**

- ❖ widowed/ divorced daughter/ Unmarried daughter after completion of 25 years, upto the date of marriage/ remarriage or till the date she starts earning or upto the date of death whichever is the earliest.
- ❖ Parents, who were wholly dependent on the Government servant when he / she was alive, provided the deceased employee has left behind neither a widow nor a child. Family pension to dependent parents will continue till the date of death.

The following pensionary benefits would be applicable in case of family pension:

1. Family Pension - Rule 50
  - Enhanced Family Pension- Rule 50(3)
  - Normal Family Pension – Rule 50(2)
2. Death cum Retirement Gratuity-Rule 46.

#### **Rule 52: Provisional Pension:**

1. The sanctioning authority shall sanction the provisional pension in respect of a Government servant where departmental or judicial proceeding may be pending.
2. The Provisional Pension to be sanctioned under Rule 52(1)(a) of the Andhra Pradesh Revised Pension Rules, 1980, shall not be less than 75% of the normal pension.
3. No gratuity shall be paid to the Government servant until the conclusion of the departmental or judicial proceedings and issue of final orders

- ❖ Provisional Pension- Rule 52(1)

Provisional Pension should not be less than 75% of Service Pension

#### **Rule – 51: Anticipatory Pension:**

- ❖ In respect of retirement employees, where the payment of pension has not commenced on the due date after retirement, the Head of Office concerned, irrespective of the fact whether the pension papers have been sent to Accountant-General or not shall draw and disburse anticipatory pension
- ❖ No anticipatory pension shall be admissible in cases where disciplinary proceedings are in progress under Rule 9 of these Rules.

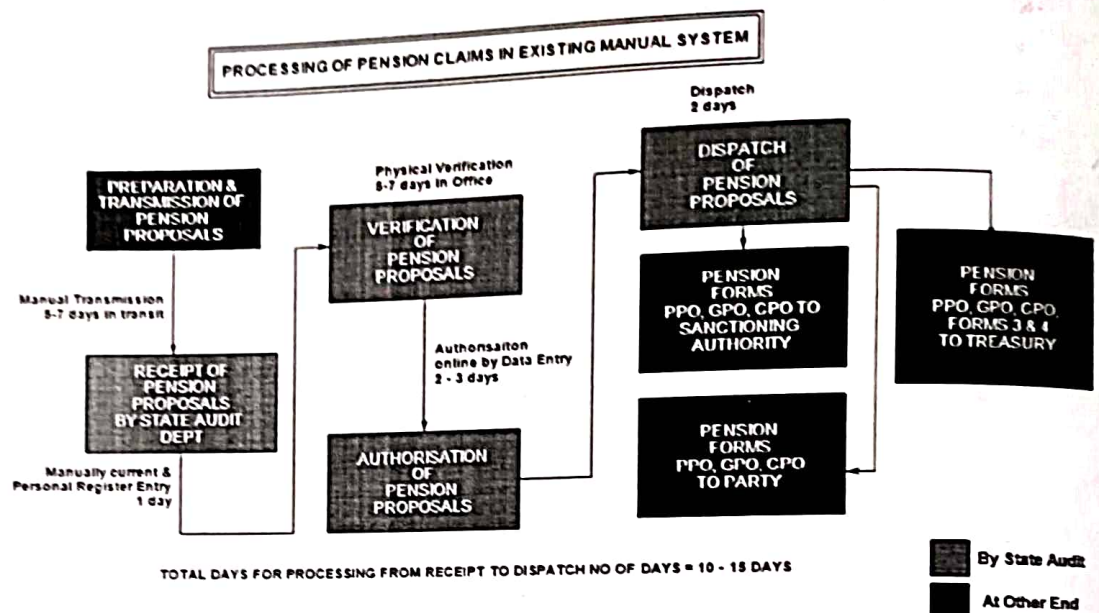
#### **CONTRIBUTORY PROVIDENT FUND(CPS)**

- ❖ Applicability: Employees appointed on or after 1-9-2004
- ❖ Only two modes of pensions are applicable
  1. Invalid Pension
  2. Family Pension



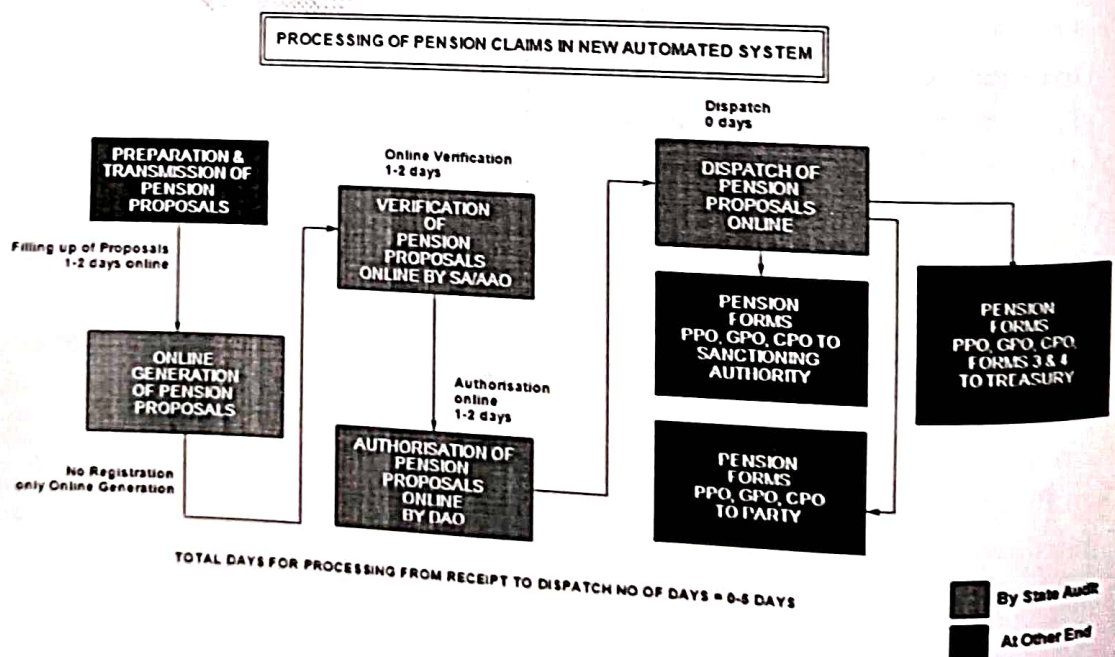
## Present Pension Authorization System :

The Present mode of Pension Authorization by the State Audit Department was done manually, causing abnormal delays. Due to many difficulties faced by the Pensioners as well as the administration, under the aegis of the Director of State Audit, a New Automated Pension Software has been developed with many advantageous and unique features.



## New Pension Authorization System :

As per G.O.Ms.no. the existing pension proposals and authorization forms are simplified and reduced in new online pension authorization system.



### **Salient features of the New system:**

1. Submission of proposals and forwarding of PPO/GPO/CPO to treasury authorities and the departmental authorities through online mode only, it promotes swift processing of pensions.
2. Old pension proposals/Forms containing 13 pages are simplified and reduced now to 2 pages.
3. Most of the data of the retired employee is automatically captured from the existing CFMS data to reduce time to fill up the forms.
4. All the calculations are made automatic in the new software to facilitate the pensioners.
5. Comprehensive pension proposal preparation by the Pension sanctioning authority only to remove middlemen.
6. Biometric authentication is being adopted.
7. SMS alert facility on the status of the pension case to the mobile number of the retiree, establishes transparency.

### **Procedure to be followed by the employee while applying for pension:**

- ❖ A retirement notification is generated for each retiring employee in the CFMS login of the respective DDO 6 months before his/her retirement and the same will be sent to the individual.
- ❖ Then to apply for pension, the employee has to follow the steps as detailed below :
  1. Open the CFMS portal
  2. Then Login using the CFMS ID of the employee
  3. Click on the Pension module tile
  4. Then the basic information of the employee will be auto populated.
  5. The employee has to enter the information required.
    - i. Address of the employee
    - ii. Whether willing to commute pension etc,
  6. Then the employee has to submit the details of all the family members
  7. While submitting details of family members, the following documents/ Particulars are required
    - i. Aadhar Card linked with registered Mobile Number of the employee.
    - ii. Aadhar Card linked with registered Mobile Number of all the family members of the employee.
  8. The employee has to enter the nomination details duly taking the signature of the witnesses.
  9. After confirmation and e-sign by the employee, the pension proposals would automatically appear in the DDO Login.



## Procedure to be followed by the Pension Sanctioning Authority while sanctioning Pension:

- ❖ A retirement notification is generated for each retiring employee in the CFMS login of the respective DDO, 6 months before his/her retirement.
- 1. Log in to the CFMS portal using the DDO log in which is used for submission of salary bills
- 2. Click on the Pension module tile on the dash board and pension proposal will be available.
- 3. Then enter the CFMS Id of the retiring employee.
- 4. On entering the CFMS Id, employee data automatically appears on the screen.
- 5. Next enter the service particulars like qualifying service, non qualifying service etc as per the service register.
- 6. Certify the family particulars and nomination of the employee along with the biometrics/OTP based authentication as the case may be.
- 7. Finally authenticate the entire pension proposal through biometric thumb impression (same as the salary bill) and submit the same to the pension sanctioning Authority, if different from the DDO.
- 8. The pension proposal then appears in Pension Sanctioning Authority Login.
- 9. Then the Pension Sanctioning Authority authenticates and confirms the entire pension proposal through Digital Sign/ E-Sign after taking a pdf print out and may be kept for records.
- 10. The sanctioned pension proposal then appears on the State Audit Authorization module.
- 11. **Precautions Recommended to the Sanctioning Authority/DDO :**
  - i. He/She has to verify the employee id/CFMS id of the retiring employee with respect to the previous salary bills.
  - ii. He/She has to verify the correctness of the service particulars with respect to the Service Register of the employee.
  - iii. He/She has to ensure that no disciplinary/vigilance cases are pending/ No audit objections are pending before certifying to that effect.
  - iv. He/She should verify from the records in his/her custody and certify that no disciplinary or judicial proceedings are pending / contemplated against retiring / retired government servant
  - v. He/She is satisfied about the correctness of the particulars of family furnished by the government servant / Applicant in the pension proposals.



## How Pensionary benefits are authorized by the State Audit Department

1. **Verification** : Service particulars as per Service Register of the employee are verified by the Sr. Auditor and if everything is in order, then forward the proposals for approval and authorization of pensionary benefits or if not in order with a query through Asst. Audit Officer to the District Audit Officer.
  2. **Authorization/Return** : The District Audit Officer either authorizes if everything is in order or returns the same to the DDO for rectification action if not in order or any query is required to be answered. On resubmission if found rectified in all respects the pension proposal will be authorized immediately.
  3. After authorization the Pension Payment Order, Gratuity Payment Order & Commutation Payment Order will be sent electronically to the District Treasury Officer and the Pension Sanctioning Authority. A copy will be communicated to the pensioner either physically or through electronic mode if he so desires and provides an email address or he can download from the CFMS portal with his login credentials.
- ❖ A copy of this hand book is available at <http://www.dsa.ap.gov.in> .