



GOVERNMENT OF KERALA

Abstract

RULES—KERALA SERVICE RULES, PART III—DELAY IN PAYMENT OF PENSIONARY  
BENEFITS—GUIDELINES TO AVOID—ORDERS ISSUED

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FINANCE (PENSION-B) DEPARTMENT

G. O. (P) No. 185/2002/Fin. Dated, Thiruvananthapuram, 27th March, 2002.

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- Read:—*1. Circular No. 73/99/Fin. dated 30-11-1999.  
2. Letter No. 14284/96/OP/1/2000/AAG dated 10-1-2000 from the Additional Advocate General, Kerala.  
3. D.O. Letter No. P1/G1/6-44/2001-02/20 dated 22-5-2001 from the Deputy Accountant General (Pension).

ORDER

So many instances have come to notice wherein the pensionary benefits due to retired employees could not be disbursed even after 2 or 3 years of retirement due to non-finalisation of Departmental/Disciplinary/Vigilance Proceedings initiated against employees while in service. In certain such cases Government had to pay even huge amount of interest upto 18% for the pensionary benefits on the basis of Court/Lok Ayuktha directions to that effect. Eventhough Circular instructions were issued in the matter from time to time, delay still persists. To tide over the situation, some additional measures are found necessary. Accordingly, the following orders are issued for the speedy settlement of pensionary claims.

- (i) Cases of departmental action. In pension cases where the delay is due to non-finalisation of departmental action pending against the employee, efforts should be made to reduce the incidence of payment of interest to the maximum extent possible by expediting the conclusion of departmental action within one year. Pension Sanctioning Authorities will finalise the departmental action continued under Rule 3 within one year of retirement positively by closely

monitoring the action. This should be made an item of agenda for the periodical departmental conference and the higher authority should specially review the progress of departmental action so that it is completed within the time allowed/specified.

Provisional pension upto admitted pension and commutation can be sanctioned after withholding DCRG alone in cases of departmental/Judicial action to make good direct pecuniary loss mentioned in Article 303 A of KFC Vol. I. Accordingly proviso under Rule 3 of Part A of pension (Commutation) Rules will be deleted. In cases of non-quantification of liability due to administrative reasons and reasons other than departmental or judicial action, all pensionary benefits should be settled within 60 days of retirement after withholding the percentage of DCRG for a period of one year after accepting an undertaking from the pensioner that the liability fixed can be recovered from the pension in monthly instalments, if the withheld portion of DCRG is insufficient. This procedure will be followed instead of Surety Bond mentioned in Ruling No. 1 under Rule 116 Part III KSRs.

- (ii) *Cases of Vigilance Enquiry:* In the cases of Vigilance enquiry pending at the time of retirement a preliminary report may be obtained and if the report reveals that it is a long drawn out process, pensionary benefits may be settled and recovery of loss made through R.R or civil proceedings on conclusion of Vigilance enquiry. For any delay beyond one year of retirement, persons entrusted with internal and Vigilance enquiry and disciplinary action will be held personally responsible and interest if payable will be realised from them.
- (iii) *Cases not involving departmental or Judicial Proceedings:* In cases, where the employee was not dealing with cash, stores, stock and other valuables, etc. the fact whether there is any liability or not is to be reported to the new office along with LPC and Service Book in the case of NGO's and along with CTR in the case of Gazetted Employees. If any audit is required to know the liability in the case of those who are dealing with cash, stores, etc., a quick test audit is to be got done and assessed liability reported to the new office within 2 months of such transfer. Liability for the last 3 years prior to superannuation need alone be quantified for the purpose of finalisation of pensionary benefits and its recovery from DCRG. It is also incumbent upon the employee as well, for his own interest to ensure that the NLC/LC from other offices in which he worked during last 3 years of his

he is going to superannuate. So the employee also should take steps to collect the NLC from the offices he worked for the last 3 years by requesting that head of office to issue NLC/LC and if necessary through personal contact. It should not be left to the convenience of the Office. Both the Head of Office and employee should act in mutually a complementary manner. Efforts should be made to ensure that NLC/LC in respect of the Office in which an employee worked in the year of superannuation alone remains quantification at the time of retirement.

- (iv) *Delays to due to Audit Objection/Enquiry reports, etc. :* In cases where the delay in payment of pensionary benefits is due to delay in finalising/clearing audit objections/enquiry reports and delay in conducting audit in time, pensionary benefits cannot be withheld on ground of non-clearance of audit objection/Inspection reports of the Internal Audit Wing etc. unless there are convincing reasons to believe that there are malafide intentions on the part of the retired officer to cause loss to Government. NLC should be issued in all cases where departmental action is not pending within 3 months after retirement.
- (v) *Issuance of NLC/Payment of Interest:* At present interest on delayed payment of pensionary benefits is paid by Government to satisfy, Court directions and to avoid possible contempt, pending realisation of the same from the persons responsible. For any delay beyond 1 year in cases of pending departmental/judicial action at the time of retirement and 6 months in normal cases, the pension sanctioning Authority/ Authority who is to issue consolidated NLC/LC will be personally held responsible for the delay and may be made liable to remit to Government account the interest amount before interest is actually paid by Government.

Formal necessary amendments to Rules in Part III, KSRs will be issued separately.

By order of the Governor,

V. S. SENTHIL  
Secretary (Finance and Audit).

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.  
 The Accountant General (A&E), Kerala, Thiruvananthapuram.  
 All Heads of Departments and Offices/All Departments (all Sections) of the  
 Secretariat.  
 The Secretary, Kerala Public Service Commission (with C.L.).  
 The Registrar, University of Kerala/Cochin/Calicut (with C.L.)  
 The Registrar, Mahatma Gandhi University, Kottayam (with C.L.)  
 The Registrar, Kerala Agricultural University, Thrissur (with C.L.)  
 The Secretary, Kerala State Electricity Board (with C.L.)  
 The General Manager, Kerala State Road Transport Corporation,  
 Thiruvananthapuram (with C.L.)  
 The Registrar, High Court, Ernakulam (with C.L.)  
 The NORKA Department.  
 All Secretaries/Additional Secretaries/Joint Secretaries/Deputy Secretaries/Under  
 Secretaries to Government.  
 The Secretary to Governor.  
 The Private Secretaries to Chief Minister and other Ministers.  
 The Private Secretaries to the Leader of Opposition and Government Chief  
 Whip.  
 The Private Secretary to the Hon'ble Speaker.  
 The Director of Public Relations, Thiruvananthapuram.  
 The Additional Secretary to the Chief Secretary.  
 The Director of Treasuries, Thiruvananthapuram.  
 The District Treasuries/Sub Treasuries  
 The General Administration (SC) Department—Vide decision of Council  
 dated 9-1-2002 under item No. 699.  
 The Public Relations Department.

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