



FINANCE DEPARTMENT

DEMAND No. 50

Pension and Other Retirement Benefits

**POLICY NOTE
2023-2024**

Dr. PALANIVEL THIAGA RAJAN

Minister for Finance and Human Resources Management

©

**Government of Tamil Nadu
2023**

DEMAND No.50

PENSION AND OTHER RETIREMENT BENEFITS POLICY NOTE FOR 2023-2024

The employees in the State are covered under two pension schemes viz., Defined Benefit Pension Scheme (Old Pension Scheme) and Contributory Pension Scheme. The employees who have been appointed before **01.04.2003** are covered under Defined Benefit Pension Scheme and those appointed on or after **01-04-2003** are covered under Contributory Pension Scheme. Under Defined Benefit Pension Scheme, **7,07,424** Pensioners and Family Pensioners are receiving pension and family pension. As on **31.03.2023, 6,28,971** employees are covered under Contributory Pension Scheme.

I. CONTRIBUTORY PENSION SCHEME

1. Introduction

Employees appointed on or after **01-04-2003** are enrolled under Contributory Pension Scheme. Further, **29,598** applications relating to Contributory Pension Scheme subscribers who have retired /

resigned/died/terminated from service requesting Contributory Pension Scheme final settlement have been received by the Commissionerate of Treasuries and Accounts upto **31.03.2023**, of which final settlements have been made to **28,981** employees. During the year **2022-2023**, **5,820** employees have retired and settlements to the tune of **Rs.327.74 Crore** have been made.

(i) Based on the recommendations of the Fifth Tamil Nadu Pay Commission, Central Pay scales were extended to the State Government employees with effect from **01-06-1988**. Consequently, the pension of the retired employees were revised based on the revised pay scales applicable to the posts held by the employees concerned. The fiscal burden became unsustainable to the State Exchequer due to increasing salary and pension expenditure and this constrained the resources available for public welfare and infrastructure expenditure.

(ii) A High Level Expert Group (HLEG) was set up by the Union Government on **26-06-2001** under the Chairmanship of Thiru.B.K.Bhattacharya, Chief Secretary (Retired), Government of Karnataka to make recommendations for restructuring the pension scheme. The High Level Expert Group in its report submitted in

February, 2002, suggested for a new hybrid scheme that combines contributions from employees and the Government on a matching basis, on one hand, while committing to the employees a defined benefit as pension. The objective of the Union Government was to design a scheme for new entrants to Government service where the contribution is defined, with the infrastructure being created in course of time capable of serving other groups like State Government employees, middle class self-employed people and even those in the lower income bracket in the unorganized sector.

(iii) As a follow up of the Union Government's initiative on pension reform, an announcement was made in the Tamil Nadu Budget for **2002-2003** as follows:

“Tamil Nadu has the highest pension-related commitments when compared to other States in the country. It is also one of the fastest growing components of the total revenue expenditure. It has already been announced that all employees recruited from December 1, 2001, will be governed by a new contributory pension scheme similar to the one being formulated by the Union Government.”

(iv) Based on the Budget announcement, the Contributory Pension Scheme (CPS) was introduced for the employees of the State Government appointed on or after **01-04-2003**. Necessary amendments have also been issued to make the Tamil Nadu Pension Rules, 1978 non-applicable to the persons covered under Contributory Pension Scheme.

2. Methodology of Contributory Pension Scheme

(i) In respect of employees under the Contributory Pension Scheme, a subscription at the rate of **10%** of basic pay, dearness pay plus dearness allowance is being recovered from the employees with an equal matching contribution from Government.

(ii) **6,28,971** employees including employees of Local Bodies have been enrolled under this scheme as on **31-03-2023** and a sum of **Rs.61,251.16 Crore** has been accumulated as on **28-02-2023** including Employee / Employer contribution plus interest which is currently invested with the Life Insurance Corporation of India (LIC).

3. Interest

Interest is currently being sanctioned towards the Contributory Pension Scheme accumulation at the same

quarterly rate as applicable to General Provident Fund accounts. At present, the rate of interest sanctioned for GPF for the period from **01-01-2023** to **31-03-2023** is **7.1 percent**. This rate of interest is lower than the returns earned from LIC, or under many pension fund manager accounts in the National Pension Scheme Architecture.

4. Investments made from Contributory Pension Scheme accumulations

The entire accrued amount under Contributory Pension Scheme have been invested in the Life Insurance Corporation Superannuation Fund. Though this investments earn a much lower interest, the Government pays interest on the Contributory Pension Scheme accumulation as per the applicable rates for General Provident Fund. The Comptroller and Auditor General of India have raised audit objections that there is a huge financial loss to Government and also to the employees who could have received higher benefits if the balances were invested in the National Pension Scheme Architecture.

5. Settlement so far made to retirees

In the absence of framing rules under Contributory Pension Scheme, orders have been issued to settle the accumulated amounts inclusive of Employee and Government contribution along with interest in one lumpsum. The Government has so far authorized a sum of **Rs.1,919.19 Crore** towards Contributory Pension Scheme final settlement claim of **28,981** employees who have retired / resigned / died / terminated from service as on **31-03-2023**. As the above scheme has commenced from the year **2003**, the Government employees stand to lose out and are put to greater insecurity in the absence of a proper framework to create an Annuity stream from the accumulated amount. Hence, a concrete decision on the investment of the accumulated balances in the Contributory Pension Scheme with Pension Fund Regulatory and Development Authority is urgently required.

6. Contributory Pension Scheme to Local Bodies

The Commissioner of Treasuries and Accounts has been designated as the State Nodal Officer for implementing the Contributory Pension Scheme for the employees of Municipal Corporations, Municipalities, Town

Panchayats and Panchayat Unions. A software application for Local Bodies has been developed and the related data are being maintained.

7. National Pension System (NPS) for All India Service Officers (AIS) in Government of Tamil Nadu

The Government of Tamil Nadu signed an agreement on **28-06-2017** appointing National Securities Depository Limited (NSDL) as Central Record Keeping Agency (CRA) for the National Pension System (NPS) and the NPS Trust of the Pension Fund Regulatory and Development Authority (PFRDA) as the Trustee Bank, Pension Fund Manager (PFM) and Annuity Service Provider (ASP) for operationalizing the National Pension System (NPS) for All India Service (AIS) Officers of Tamil Nadu cadre. A sum of **Rs.45.26 Crore** has been transferred to National Securities Depository Limited (NSDL) as subscription amount and Government contribution for All India Service Officers up to **31-03-2023**.

8. National Pension System Architecture

The National Pension System (NPS) offers the following important features to help subscribers save for retirement.

- (i) The National Pension System came into operation as the New Pension System with effect from **01-01-2004** and is applicable to all new entrants to Union Government service except one i.e., the Armed Forces, joining Government service on or after **01.01.2004**. With the extension of the scheme to all citizens from **01.05.2009**, it became the National Pension System.
- (ii) The National Pension System works on a defined contribution basis and has two tiers – Tier-I and Tier-II.
- (iii) Tier-I is a pension account and is mandatory for all Government employees joining Government service on or after **01-01-2004**. In Tier-I, Government employees contribute **10%** of Basic Pay, Dearness Pay and Dearness Allowance which will be deducted from the employee's salary every month with equal contribution from Government. Tier-I, initially is a non-withdrawal account, which has now become a partially withdrawable account.
- (iv) Tier-II account – made available from **01-12-2009**, is a voluntary savings account similar to General Provident Fund. An active Tier-I

account is a pre-requisite for opening a Tier-II account. Tier-II contributions are kept in a separate account that can be withdrawn at the option of subscribers.

- (v) The existing provision of Defined Benefit Pension and General Provident Fund would not be available to new Government servants joining Union Government service on or after **01.01.2004**.
- (vi) A subscriber can open a National Pension System account through their Drawing and Disbursing Officer / Pay and Accounts Officer (Treasury Officer) or through the online platform e-NPS or through anyone of the Points of Presence (POP) and get a Permanent Retirement Account Number (PRAN).
- (vii) Subscribers can choose their own investment option and pension fund.
- (viii) Subscribers can operate their account from anywhere in the country, even if they change their location, job or their Pension Fund Manager, thereby providing portability.

- (ix) Subscribers can exit at or after the age of **60** years from Tier-I of the Scheme. At exit, it would be mandatory to invest **40%** of the pension wealth to purchase an annuity (from an IRDA regulated Life Insurance Company), which will provide the pension for the life time of the employee and his/her dependents. In case of subscribers who leave the scheme before attaining the age of **60**, the mandatory annuitisation would be **80%** of the pension wealth.
- (x) National Pension System is regulated by Pension Fund Regulatory and Development Authority, with transparent investment norms and regular monitoring of the performance of fund managers by the National Pension System Trust.
- (xi) Pension Fund Regulatory and Development Authority (PFRDA) regulates and develops the pension market.

The Union Government has issued orders in **2016** to the effect that the Union Government employees covered under the National Pension System shall be eligible for benefit of “Retirement Gratuity and Death Gratuity” on the

same terms and conditions as are applicable to employees covered by Central Civil Service (Pension) Rule, 1972.

9. Constitution of Expert Committee

An Expert Committee was constituted by the Government of Tamil Nadu in the year **2016** to examine the feasibility of implementing the demand of various Government employees/Associations for continuing the defined benefit Pension Scheme and make recommendation on the possible options to Government for appropriate decision. The said Committee has submitted its report to Government on **27.11.2018**, which is under consideration by the Government.

10. Observation in Comptroller and Auditor General of India's Report

In the Audit report for the year ended **31st March 2018** it has been pointed out that additional expenditure of **Rs.797.12 Crore** was incurred by the State Government due to less interest received from the short investment of the fund amount and investment on Treasury bills during the period **2015-2018**.

Further, on creation of National Pension System (NPS) architecture, Pension Fund Regulatory and

Development Authority (PFRDA) repeatedly requested **(2008 and 2009)** the Government of Tamil Nadu to join National Pension System and Government of Tamil Nadu failed **(2010)** to join National Pension System architecture.

The Government is facing additional financial cost of more than **Rs.1,200 Crore** a year now in terms of negative interest carry. It was also pointed out that the State Government even after a lapse of **20** years from the inception in the Defined Contributory Pension Scheme (DCPS) has not designated a Fund Manager. Hence an early decision on this issue factoring all dimensions and including the observations of the Comptroller and Auditor General needs to be taken in the interest of the employees under the Contributory Pension Scheme.

II. GOVERNMENT DATA CENTRE

The Government has established the Central Budget Data Processing Centre in **1971**. For the Management Information System (MIS) for Government a full-fledged Government Data Centre was established in **1972**. For administrative convenience both the above centres were merged and the Government Data Centre (GDC) was established in **1975**.

The Government Data Centre deals with the following schemes viz:

1) Contributory Pension Scheme (CPS) for Government employees

2) Contributory Pension Scheme for Employees of Local Bodies

3) GPF Scheme for the employees of Puratchi Thalaivar MGR Nutritious Meal Programme (NMP) and Integrated Child Development Services (ICDS)

4) Direct Benefit Transfer of Funds to the Bank Accounts of Farmers Supplying Sugarcane to Sugar Mills

Government Data Centre has been maintaining Contributory Pension Scheme accounts of the Panchayat Union Schools, Aided Educational Institutions, Municipal Schools and Local Body Employees as per G.O.Ms.No.201, Finance (Pension) Department, dated 21.05.2009.

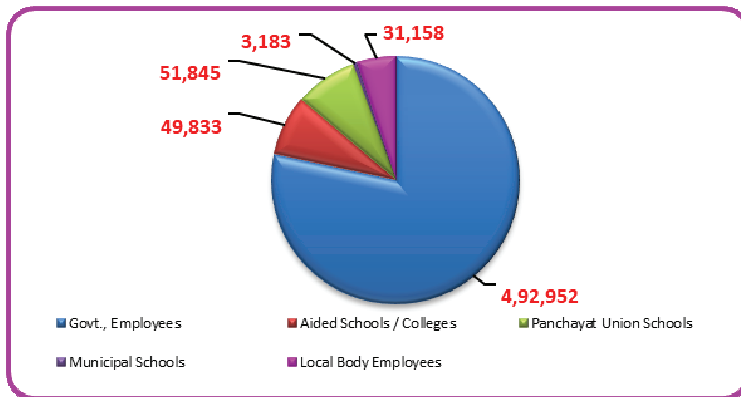
In Government Order No.463, Finance (PGC) Department, dated 27.12.2013, the Government have revised the order of maintaining the accounts of Contributory Pension Scheme (CPS) of Government Employees previously maintained in Accountant General's

Office and transferred all the CPS related works of Government Employees to Government Data Centre. The CPS Numbers to all the Government employees and Teachers and the non-provincialised employees of Local Bodies in the time scale are being allotted and the accounts are maintained in Government Data Centre.

The details of Index numbers assigned by the Government Data Centre are as follows:

S. No	Type	CPS Subscribers as on 31-03-2023
1	Government Employees	4,92,952
2	Aided Schools/Colleges	49,833
3	Panchayat Union School	51,845
4	Municipal School	3,183
5	Local Body Employees	31,158
Total		6,28,971

CPS Index Numbers allotted up to 31.03.2023



Issue of Final Account Slip

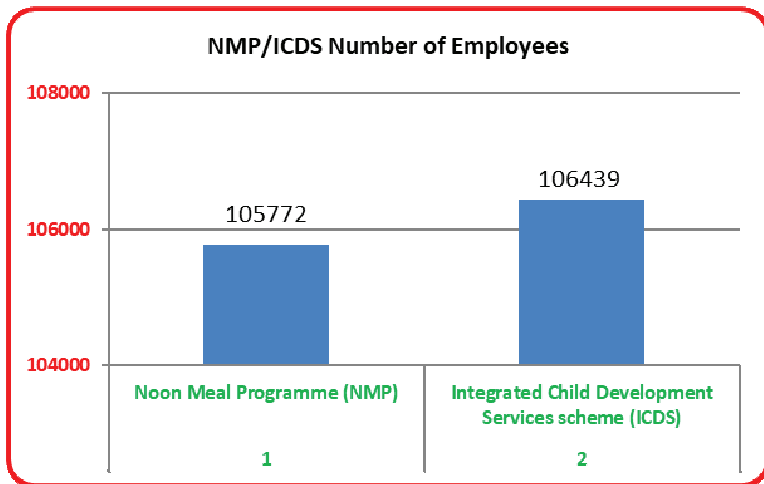
The Final Account Slips for **28,981** retired / resigned / deceased employees have been issued by Government Data Centre.

Local Body Employees - Contributory Pension Scheme

The number of non-provincialised employees working in Local Bodies under the Contributory Pension Scheme is **31,158**. Based on the online Data Entry of subscription, Matching Contributions by Local Bodies and audited by the Local Fund Audit Department have been authorized for settlement.

General Provident Fund Scheme for the Employees of Puratchi Thalaivar MGR Nutritious Meal Programme (NMP) and Integrated Child Development Services (ICDS)

The Government, in G.O.Ms.No.108, Social Welfare and Nutritious Meal Programme Department, dated 19.04.2010 has entrusted the work of maintaining the General Provident Fund Account for the Puratchi Thalaivar MGR Nutritious Meal Programme (NMP) and Integrated Child Development Services (ICDS) Scheme Employees to the Government Data Centre. The number of subscribers enrolled in this Scheme is **2,12,211** as on **31.03.2023**.



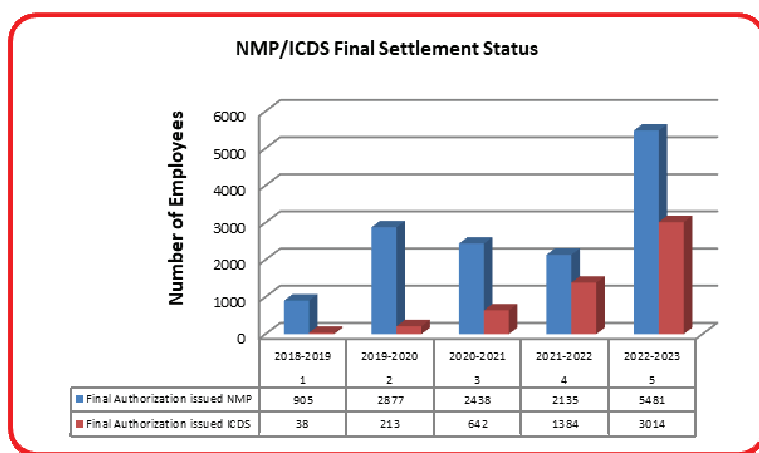
In G.O.Ms.No.53, Social Welfare and Nutritious Meal Programme Department, Dated 20.07.2015, guidelines were issued for this Scheme and accordingly, the recovery under General Provident Fund is being made from the Nutritious Meal Programme and Integrated Child Development Services employees since August 2015. Account slips of Nutritious Meal Programme and Integrated Child Development Services employees have been hosted in the web site.

Temporary Advance / 90% Part Final withdrawal to Nutritious Meal Programme and Integrated Child Development Services Employees

As per the Government Letter No:9831/SW4-2/2020-3, dated 18-06-2021, Temporary Advance can be applied by the NMP / ICDS employees who have completed 5 years of service and 90% of Part Final Withdrawal can be applied before one year of retirement by the concerned employee. Balance 10% can be sanctioned by the Drawing and Disbursing Officer (DDO) only after obtaining the final authorization from Government Data Centre.

Final Settlement Work

Upto **31.03.2023**, **19,127** GPF Final Settlement Authorisation orders for the Nutritious Meal Programme and Integrated Child Development Services employees were issued by the Government Data Centre for a total amount of **Rs.73.60 Crores**.

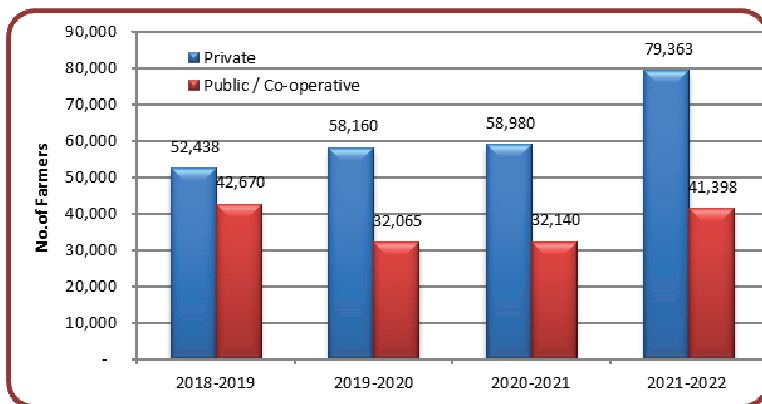


Direct Benefit Transfer of Funds to the Bank Accounts of farmers supplying sugarcane to Sugar Mills.

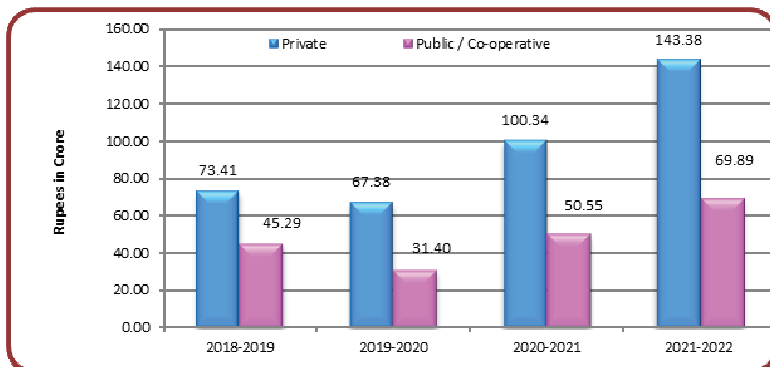
The Government introduced the Direct Benefit Transfer Scheme to the sugarcane growers for the payment of incentive through Electronic Clearing Service from 2017-2018 crushing season.

In this scheme the payment of incentive to the farmers supplying sugarcane to Sugar Mills are transferred through Direct Benefit Transfer of funds to the Bank Accounts.

No.of Farmers



Details of Payments made to farmers through Direct Benefit Transfer of Funds

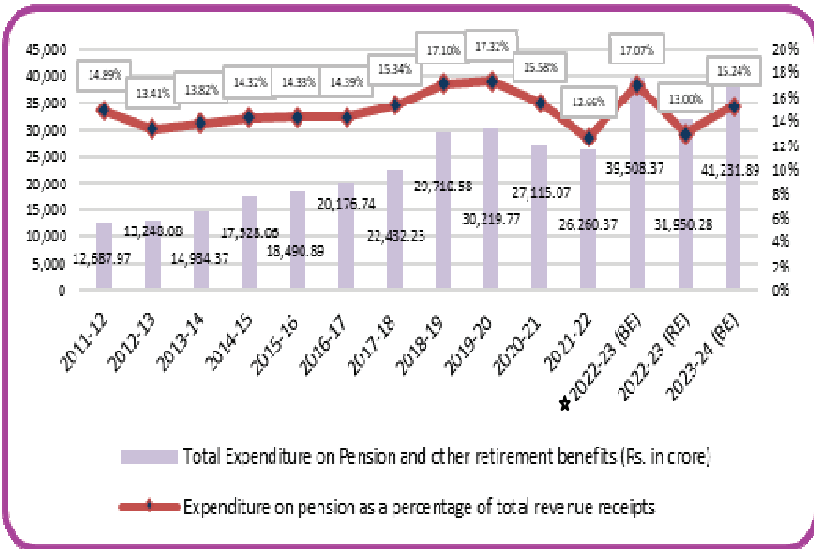


The Government Data Centre has successfully doing the above work from 2018 onwards.

III. DEFINED BENEFIT PENSION SCHEME (OLD PENSION SCHEME):

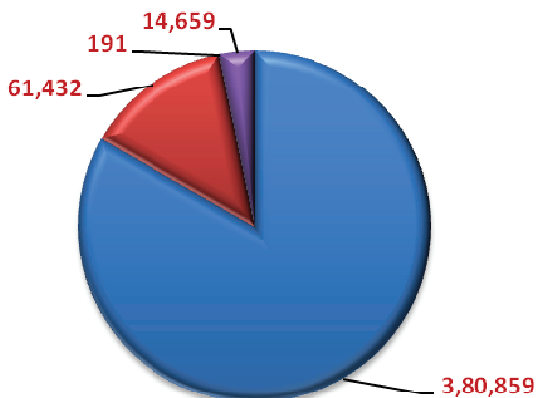
The Defined Benefit Pension Scheme (Old Pension Scheme) covers all employees who have been appointed prior to **01-04-2003**. In Government, as on 31.03.2023, **2,89,389** employees are covered under this Scheme. In **2022-2023**, **22,261** pensioners have retired and expenditure to the tune of **Rs.4,678.19 Crore** have been incurred towards pensionary benefits. In addition, **7,07,424** Pensioners and Family Pensioners are receiving pension and family pension under this Scheme. During **2022-2023**, **7,142** existing pensioners have been converted into family pensioners due to death of the pensioners and towards this, expenditure to the tune of **Rs.171.51 Crore** have been incurred. Demand No.50 provides for a total expenditure of **Rs.41,231.90 Crore** towards pension and other pensionary benefits.

The Expenditure on Pension and Retirement Benefits over the past years are as below:



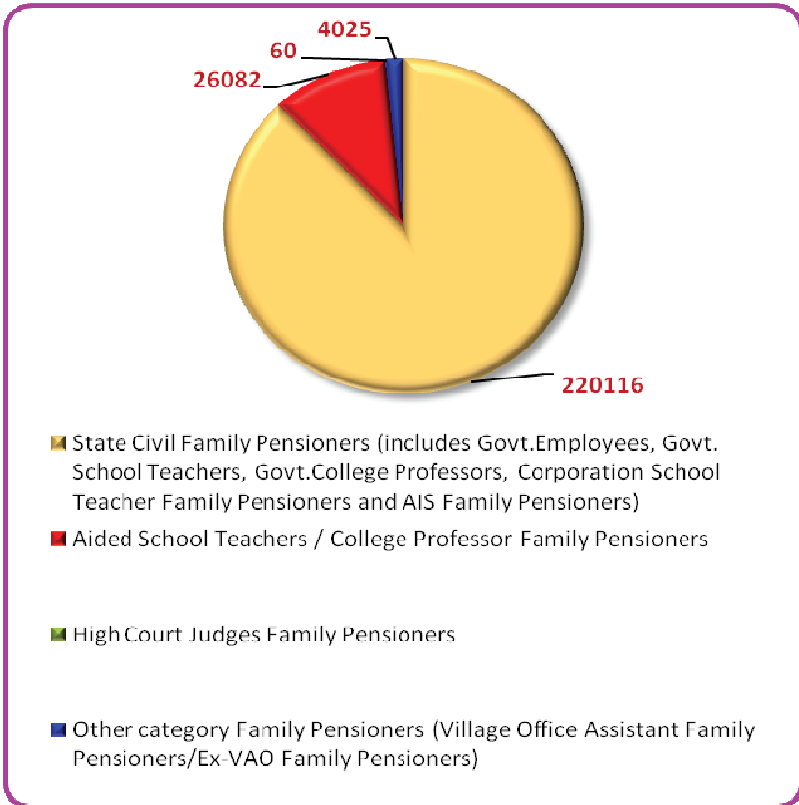
- ★ The substantial increase in Pension expenditure for the year **2022-23** is due to the increase in retirement age of Government Employees from **58** to **59** years in **2020** and **59** to **60** years in **2021**.

The details of Service (Civil) Pensioners as on 31.03.2023 are given below



- State Civil Pensioners (includes Govt. Employees, Govt. School Teachers, Govt. College Professors)
- Aided School Teachers / College Professor Pensioners
- High Court Judges Pensioners
- Other category Pensioners (Village Office Assistant Pensioners/Special Pensioners/Ex-VAO Pensioners)

The details of Family pensioners as on 31.03.2023 are given below:



Pension

(i) A minimum qualifying service of **10** years is necessary to become eligible for Pension. The minimum qualifying service of **30** years is required to become eligible for full Pension. Further, Pension is being determined based on **50%** of pay last drawn at the time of retirement

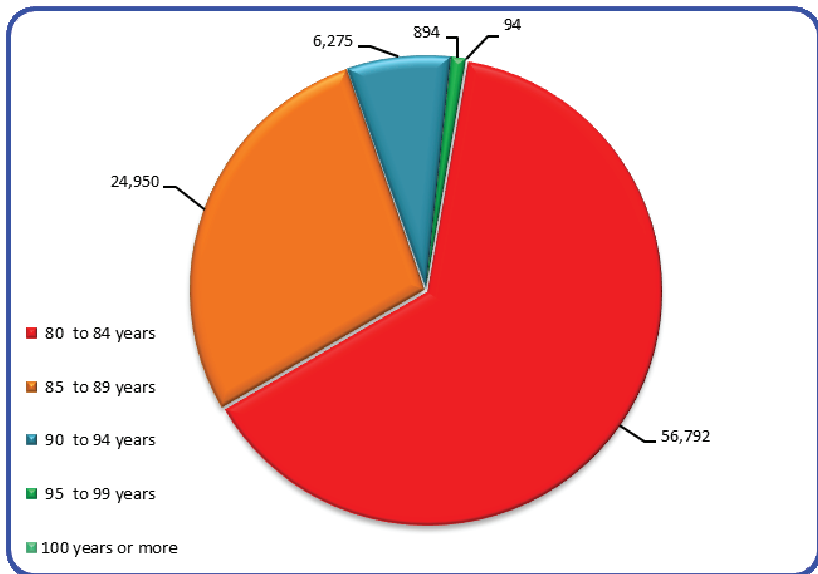
or **50%** of average emoluments drawn during the last **10** months of service rendered whichever is higher.

(ii) Minimum pension of **Rs.7,850/-** per month has been fixed with effect from **01-10-2017**.

Additional Pension / Additional Family Pension

The Pensioners / Family Pensioners who have completed **80** years of age i.e., at the commencement of age of **81** years are eligible for Additional Pension / Additional Family Pension. The total number of Pensioners/ Family Pensioners drawing Additional Pension/ Additional Family Pension as on **31-03-2023** is **89,005**.

Additional Pension / Additional Family Pension being drawn (Age wise)



Pension to Staff of Aided Educational Institutions (Schools and Colleges)

The staff of aided educational institutions are allowed to avail the same pensionary benefits such as minimum pension of **Rs.7,850/-** per month and other pensionary benefits as applicable to the State Government employees.

Retirement Benefits for Employees both under Defined Benefit Pension Scheme and Contributory Pension Scheme

Encashment of Earned Leave, Encashment of the Unearned Leave on Private Affairs and Transfer Travelling Allowance are allowed for going to native place or to any other place where an employee wishes to settle down after retirement.

Gratuity under Defined Benefit Pension Scheme

(i) Service Gratuity

Service Gratuity is admissible for those who have put in less than **10** years of qualifying service. This is a lumpsum payment for the service rendered in addition to the Retirement Gratuity admissible.

(ii) Death Gratuity

In the event of death in harness, Death Gratuity is admissible at the following rates with effect from **01-10-2017:-**

Sl. No.	Length of Service	Rate of Gratuity
1.	Less than one year	Two times of monthly emoluments
2.	One year or more but less than five years	Six times of monthly emoluments
3.	Five years or more but less than eleven years	Twelve times of monthly emoluments
4.	Eleven years or more but less than twenty years	Fifteen times of monthly emoluments
5.	Twenty years or more	Half month's emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times of monthly emoluments provided that the amount of Death Gratuity in no case exceeds Rs.20 lakh.

(iii) Retirement Gratuity

A Government servant who has completed 5 years of qualifying service and above is granted Retirement Gratuity on his/her retirement. In respect of employees retired on or after **01-04-1998**, gratuity is calculated based on basic pay and Dearness Allowance last drawn. The ceiling limit of Death Gratuity / Retirement Gratuity is **Rs.20 lakh** with effect from **01-01-2016**.

Family Pension under Defined Benefit Pension Scheme

- (i) Family pension is payable to a family of a Government servant or a retired government servant who has completed continuous qualifying service for a period of not less than one year and died on or after **1st April 1979**.
- (ii) The revised family pension shall not be lower than **30%** of the minimum of the pay in the prescribed Level in the Pay Matrix corresponding to the pre-revised pay scale / pay band and grade pay from which the pensioner had retired as per G.O.Ms.No.313, Finance (Pay Cell) Department, dated 25-10-2017.
- (iii) The minimum family pension payable is **Rs.7,850/-** per month with effect from **01-10-2017**.

Ex-Gratia Payment

At present, ex-gratia payment of **Rs.645/-** per month is being granted along with Dearness Allowance at the rate of **388** percent with effect from **1st January 2023** to the families of deceased Contributory Provident Fund / Non-Pensionable beneficiaries of State Government and the employees of former District Board who had retired / died in harness prior to **1st January 1986** and who are not eligible for family pension.

Commutation of Pension

Pensioners are eligible to commute pension upto **33 1/3 %** of pension and receive a lumpsum payment. This concession has also been extended in the case of voluntary retirement. However, Dearness Allowance is allowed on the original pension prior to Commutation.

Dearness Allowance

The Pensioners / Family Pensioners including Provisional Pensioners / Provisional Family Pensioners are paid Dearness Allowance at par with the serving employees of the Government.

Medical Allowance

The Pensioners / Family Pensioners including Provisional Pensioners / Provisional Family Pensioners are allowed to draw Medical Allowance of **Rs.300/-** per month with effect from **01-10-2017**.

Pongal Prize

A lumpsum Pongal Prize amount of **Rs.500/-** is sanctioned to all Government Pensioners those who retired from the categories of 'C' and 'D' Group including all 'C' and 'D' Group Pensioners of Aided Educational Institutions, Local Bodies, Ex-Village Establishment (Ex-Village Officers and Village Servants / Assistants), adhoc pensioners of all categories and to all Family Pensioners irrespective of the Groups from which Pensioners / Deceased Government employee had retired / died while in service.

Festival Advance

Pensioners are being given festival advance of **Rs.4,000/-** with effect from **02-08-2019**.

e-PENSION

A web-enabled software to process the pension payment and to have a Centralized Database of the pensioners is implemented in all the Districts and Pension Pay Office, Chennai. Under this scheme, the monthly pension and other retirement benefits to the pensioners are now credited directly to the bank account of pensioners through Electronic Clearing Service / Regional Electronic Clearing Service. Further, migration of pension related information from Accountant General's database into the e-pension Central Server is being done to ensure data accuracy and saving of time and resources.

e-Mustering

The State Government pensioners/ family pensioners submit their Life Certificate during the months of July, August and September every year for annual mustering. At present, mustering can be done by Pensioners / Family Pensioners by exercising any one of the following options, (i) Direct Mustering (Physical Appearance), (ii) Submission of Life Certificate through Post and (iii) Digital Life Certificate (DLC) through Jeevan Pramaan Portal by using biometric device. Due to COVID, orders were issued exempting the Pensioners/Family Pensioners from appearing for Annual Mustering Process

including furnishing of Life Certificate for the years **2020** and **2021**.

The Government of Tamil Nadu has issued revised orders to carry out mustering process on a regular basis from the year **2022** in the months of July, August and September and ensure that at least **80%** Annual mustering is done through Jeevan Pramaan Portal utilizing the door step services of the India Post Payments Bank (IPPB)/ e-Seva Centres / Common Service Centers / Pensioner's Associations having Biometric Devices thereby avoiding hardship to the aged Pensioners / Family Pensioners coming to the Pension Office / Treasuries in person for Mustering. The Pensioners at their convenience were allowed to choose any one of the following facilities:-

- 1) Digital Life Certificate (DLC) through Jeevan Pramaan Portal by using the services of any one of the following entities as per the option of the pensioners.
 - a. India Post Payments Bank (IPPB) with Door Step Service.
 - b. e-Seva Centres / Common Service Centers.
 - c. Pensioner's Associations having biometric device connected with Jeevan Pramaan Portal.
- 2) Submission of Life Certificate through Post.
- 3) Direct Mustering (Physical Appearance).

Accordingly, out of total number of **7,05,712** Pensioners, **6,09,613** Pensioners have been mustered by Digital Life Certificate (Online) in which **1.41** lakh pensioners were mustered by providing the door step services of India Post Payment Bank (IPPB) and more than **80%** of mustering have been completed through online by Digital Life Certificate (DLC).

Digitization of Pension Records

Government has sanctioned a sum of **Rs.95.53 lakh** towards digitization of pension records by the office of the Accountant General (A&E) Chennai for the Phase-I. Revised administrative sanction for a sum of **Rs.135 lakh** has been accorded. A sum of **Rs.129.31 lakh** has so far been sanctioned under Phase-II for the above purpose.

Pensioners' Portal

Due to the implementation of the IFHRMS in the year 2020, the pensioners details are updated and available in the IFHRMS portal. Pensioners can visit <https://www.karuvoolam.tn.gov.in> (IFHRMS) to view and download their pension drawn details from **November' 2020** onwards.

IV. DIRECTORATE OF PENSION:

The Government established the Directorate of Pension with effect from **01-09-1994**. This Directorate is now headed by a Director who is in the rank of Additional Secretary to Government, Finance Department. The major activities of this Directorate are as follows:

- (i) Redressal of the grievances of the State Civil and Teacher pensioners.
- (ii) Settlement of pensioner's grievances through Pensioners' Adalat.
- (iii) Attending to the clarifications sought for by the pensioners.
- (iv) Administering and implementing the Tamil Nadu Government Industrial Employees Provident Fund Scheme for Government Departments.
- (v) Administering and implementing Tamil Nadu Government Pensioners' Family Security Fund Scheme, 1997.
- (vi) Administering and implementing Tamil Nadu Social Security Scheme, 1974 for unorganized daily wages, labourers and Public.
- (vii) Estimating, Reconciling and Controlling Authority for Tamil Nadu Government Employees Special Provident Fund cum Gratuity Schemes, 1984 and 2000.
- (viii) Settlement of old cases under the Tamil Nadu Government Pensioners' Health Fund Scheme, 1995 for Pensioners / Family Pensioners.

Tamil Nadu Government Pensioners' Family Security Fund Scheme

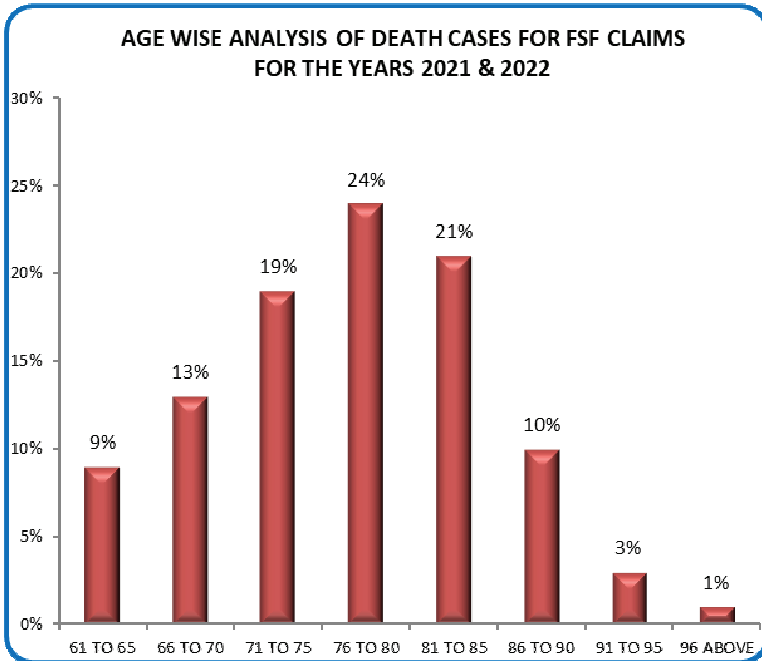
- (i) The Government is implementing the Tamil Nadu Government Pensioners' Family Security Fund Scheme with effect from **01-01-1997**. Under this scheme in case of death of pensioner after one month of contribution to the fund, a sum of **Rs.50,000/-** is paid to the eligible family members or nominee of the pensioners.

- (ii) Due to Covid, the death claims have increased and with a view to reduce the backlog, in G.O.Ms.No.125, Finance (Pension) Department, dated 09.05.2022, Government have sanctioned a sum of **Rs.50 Crore** as advance from the Government account to the Tamil Nadu Government Pensioners' Family Security Fund schemes to reduce pending claims.

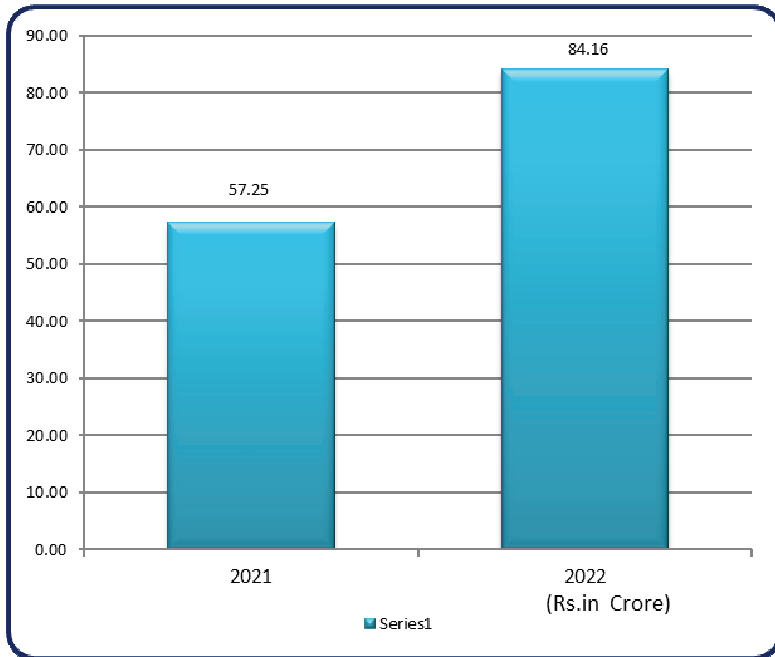
- (iii) Further, Government have now sanctioned a sum of **Rs.25 Crore** as Special allocation from the Government account to the Tamil Nadu Government Pensioners' Family Security Fund schemes. Accordingly orders were issued in G.O.Ms.No.84, Finance (Pension) Department, dated 28.03.2023,

through which **5,000** pending claims have been settled.

Age wise Analysis of death cases in respect of Family Security Fund Claims during the years 2021 & 2022

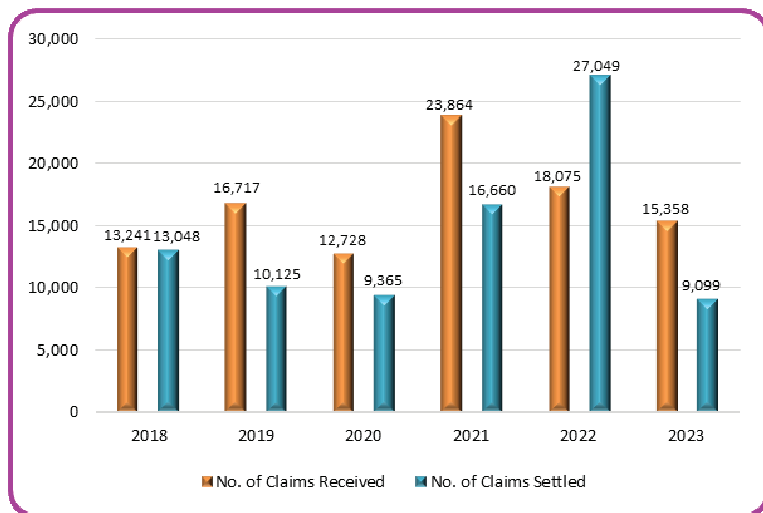


Pensioner's Contribution under Family Security Fund Scheme during years 2021 & 2022



NOTE: Pensioners Contribution Enhanced from Rs.80/- to Rs.150/- P.M w.e.f 01/07/2021.

YEAR WISE CLAIMS AND SETTLEMENTS OF DEATH CASES IN RESPECT OF FAMILY SECURITY FUND 2018-2023



Tamil Nadu Government Employees Special Provident Fund cum Gratuity Scheme 1984

This Scheme was introduced with effect from **01-04-1984**. A monthly subscription of **Rs.20/-** per month was being recovered from Government employee for **148** months and the total subscription is being repaid along with interest accrued thereon at the time of retirement with Government contribution of **Rs.10,000/-**. Under this scheme settlements has been made to **11,682** retired employees from **01.04.2022 to 31.03.2023**.

Tamil Nadu Government Employees Special Provident Fund cum Gratuity Scheme 2000

After introduction of the new scheme viz., Tamil Nadu Government Special Provident Fund cum Gratuity Scheme, 2000 from **01-10-2000**, the enrolment of employees in the old scheme had ceased. However, the employees who had already been enrolled under the earlier scheme are being paid the monetary benefits continuously at the time of their retirement. Further, all regular Government employees in service up to **30-09-2000** were allowed to opt and subscribe **Rs.50/-** per month till one month prior to the date of retirement which is refundable along with interest accrued thereon. Under this scheme settlements has been made to **1,848** retired employees from **01.04.2022 to 31.03.2023**. This Scheme was made compulsory to all the employees appointed on or after **01-10-2000** and the subscription was fixed as **Rs.70/-** per month. The total subscription is refunded with interest at the time of retirement with Government contribution of **Rs.10,000/-**.

Tamil Nadu Government Industrial Employees Contributory Provident Fund Scheme 1969

The Scheme was introduced in the year **1969** for the welfare of the casual Labourers earning wages in the

Government Industrial Establishments vide G.O.No.1883, Finance (Miscellaneous) Department, dated 26.12.1969. Prior to 01.04.1989, **8.33%** of the wages was contributed by the employees and equal share of contribution was paid by the employers to the scheme. From 01.04.1989, **10%** of wages is being contributed by the employees and equal share is made by the Government Industrial Establishments as employer's contribution to the scheme fund.

At present, nine Government Departments viz. Agriculture, Forest, Public Works Department, Animal Husbandry, Sericulture, Horticulture, Agriculture (Oilseeds), Tamil Nadu Agricultural University and Transport are enrolled in this Scheme. **12,269** members have so far been enrolled in this Scheme. Employees share amount recovered by the unit officer are remitted into Government P.D. Account.

Delegation has been given to Accounts Officer (Funds) of the Directorate to settle the final closure amount through IFHRMS to the members of the Employees Provident Fund. The Account slips upto the Financial Year **2021-2022** have been issued. A sum of **Rs.95.97 lakh**

has been disbursed as final payment to 90 beneficiaries during the period from **01.04.2022 to 31.03.2023**.

Redressal of Pensioners Grievances

The petitions received from Pensioners / Family Pensioners in various Districts, through Directorate of Pension e-mail, Chief Minister's Special Cell and under Right to Information Act are given due attention for immediate settlement.

Pensioners' Grievances Meeting in the Districts

The District Collectors conduct Pensioners' Grievances Day Meeting once in four months in their districts. The Director or Joint Director attends these meetings and assist in the expeditious disposal of such grievance petitions in the Districts. The pension benefit proposals pending with the Office of the Accountant General are also followed up by this Directorate to speed up settlement. As a follow up action, in respect of the District Grievance petitions, the concerned Head of Departments are addressed and department-wise meetings are conducted periodically to review the progress on settlement of these grievance petitions.

From **01.04.2022 to 31.03.2023**, **54** Pensioners Grievance meetings were held in various districts. Pension related grievances like non-Payment of medical expenses under New Health Insurance Scheme, Issue of ID Cards under New Health Insurance Scheme, Payment of additional pension, Restoration of commutation, Payment of Ex-gratia, Refixation of Pension, Delay in payment of arrears of pension and Delay in commencing Family Pension are received in grievances meetings.

In respect of the service benefit request of pensioners the Head of Departments / Head of Offices are addressed to redress the Grievances of pensioners and final settlements / compliances are followed up both by the District Collectors as well as the Pension Directorate. **1,813** pensioners' Grievance petitions received from various districts during the period from **01.04.2022 to 31.03.2023** have been settled. Now Government have issued revised guidelines for the conduct of Pensioners Grievances meeting in the districts once in a year.

Guide to Pensioners

A Guide to Pensioners showing information about pension and other retirement benefits, orders issued by Government from time to time and guidelines for

submission of pension / family pension proposals has been displayed in the website **www.tn.gov.in/dop**. The Directorate of Pension may be contacted through e.mail at **dop.tn@nic.in**.

Computerisation of Pension Directorate

Two major schemes which are being dealt with by the Directorate of Pension viz., Tamil Nadu Family Security Fund Scheme and the Tamil Nadu Industrial Employees Provident Fund Scheme, 1969 are also computerized and the amount is being credited to the individuals Savings Bank Account through the National Electronic Fund Transfer payment system (NEFT).

V. NEW HEALTH INSURANCE SCHEME, 2022 FOR PENSIONERS (INCLUDING SPOUSE)/ FAMILY PENSIONERS

- (i) The New Health Insurance Scheme, 2014 for Pensioners (including spouse) / Family Pensioners is being implemented from **01-07-2014**. The Government have extended this Scheme with some additional features for a block period of four years covering the period from **01-07-2022** to **30-06-2026**. This Scheme is implemented through United India Insurance Company Limited, a Public

Sector Undertaking. Under the new Scheme, the ceiling on medical assistance has been enhanced from **Rs.4 lakh** to **Rs.5 lakh** for availing approved treatments and surgeries undertaken.

- (ii) Under the new scheme, this benefit has also been extended to the son/unmarried daughter who is suffering from any disorder or disability of mind or physically disabled and divorced / widowed daughter who are unable to earn a livelihood.
- (iii) Under the new scheme, medical assistance has been enhanced to the maximum limit of **Rs.10 lakh** for the diseases and treatments viz.,
 - 1) Surgery, Chemotherapy, Radiotherapy and Immunotherapy for all Malignancies including inpatient procedures for diagnosis
 - 2) Liver, Kidney, Heart, Lungs and Bone Marrow Transplantation and Kidney Dialysis process
 - 3) Complex Open Heart Surgeries and Implants
 - 4) Accident and Trauma cases involving Fractures
 - 5) Heart Valve Replacements, Aneurysms and Angioplasties
 - 6) Management of Burn Injuries
 - 7) Organ Harvesting Expenses of Donor for transplantation surgeries
 - 8) COVID-19 ICU Management.

- (iv) ID cards have been issued to **6,12,060** Pensioners / Family Pensioners to avail the cashless medical assistance through the medical network hospitals under the above scheme and for the balance pensioners, the ID cards will be issued soon.
- (v) Under this Scheme from **01-07-2022 upto 31.03.2023**, a total of **57,058** beneficiaries have so far availed medical assistance to the tune of **Rs.235.71 Crore**.
- (vi) Further, Government has accorded permission to extend this Scheme mutatis mutandis to pensioners / family pensioners of the Local Bodies, Statutory Boards, State Public Sector Undertaking, Universities and willing State Government Organizations / Institutions, where pension/family pension is being paid from their own fund and capable of bearing the employer share of the premium without financial liability befalling on the State Budget.

Apart from these, for the treatment of COVID under the New Health Insurance Scheme for Pensioners, a corpus fund has been created with a sum of **Rs.2.50 Crore**. A sum of **Rs.52.50 crore** has been sanctioned to **6,864** beneficiaries so far. Further,

Rs.6 Crore has been sanctioned a special package to reimburse the medical expenses incurred by the pensioners for COVID treatment taken in non-Network Hospitals under non-Emergency Condition. **581** pensioners have been benefitted under the above special allocation made by Government.

Dr. Palanivel Thiaga Rajan,
Minister for Finance and Human
Resources Management.

