

The GPF subscription of an employee of the Government of Tamil Nadu is governed by the GPF (TN) Rules, 2006.

1. When & who can subscribe to the GP Fund?

- A Government Servant, who has joined Government service before 01/04/2003 and is continuously employed for not less than six months, will be required to subscribe to the General Provident Fund, irrespective of the fact whether he is a temporary or a regular Government Servant. (Rule 4 of the TN GPF Rule read with the Annexure 3)
- As per Govt. of Tamilnadu, Finance (Pension) Department G.O.No.430 dated 06/08/2004, it is mandatory for all the Government employees who have joined service **on or after 01/04/2003** to become the member of Contributory Pension Scheme only.
- As per Government clarificatory letters No.92399/Fin (Pension) Dept/2005-1 dt.13.4.2006 & No.12473/Finance (Pension) Department/2009 dt.27.05.2009, "Employees who were already in pensionable Government service prior to 1.4.03 and subsequently appointed in another Govt. service in regular scale of pay on or after 1.4.03 and join the new post **without any break**, they can continue in the pension Scheme subject to the condition that the employee **had applied for the latter appointment through proper channel.**
- The employees on daily wages / consolidated pay whose services were regularized with retrospective effect under regular time scale of pay from a date prior to 01/04/2003 will be covered under old pension / GPF scheme [Govt letter No.12473/Finance (Pension)/2009 dated27/05/2009]
- Temporary Government servants appointed under Rule 10 (a) (i) whose services are regularized prior to 01/04/2003 are eligible for old pension /GPF scheme. If they are regularized on or after 01/04/2003 they will come under CPS even though they have been allotted GPF number temporarily [Govt letter No.12473/Finance (Pension)/2009 dated27/05/2009]
- The candidates who have been selected by TNPSC prior to 01/04/2003 and joined in service after 01/04/2003 shall be brought under CPS only [Govt letter No.47286 Allowances -06-1 dated 07/09/2006]

2. Maximum interest admissible on GPF Final balance?

The maximum interest admissible as per rule 13(4) of the GPF (TN) Rules is up to the third month after the month in which such amount became payable.

3. What constitutes 'Family' for the purpose of GPF Rules?

Spouse, Parents, children, minor brothers, unmarried sisters, deceased son's widow and children and if no Parent of the subscriber is alive, a paternal grandparent. A female subscriber can exclude her husband from the list of Family members. **(Rule 2 (c))**.

4. Is an adopted child a member of the family?

Yes, if adoption is legally recognised under the personal law of the subscriber. But, a child of one person given in adoption to another is not a member of the former's family. **(Notes II & III under Rule 2 (c))**.

5. What is the minimum amount of subscription?

The government official would subscribe the minimum amount of **12%** of the total of the Basic Pay (i.e) pay drawn in prescribed level in the pay matrix, Special Pay, Personal Pay, Dearness Allowances as per Govt.of Tamilnadu, Finance (allowances) Dept.G.O.362 dated 11/12/2017.

6. What are the emoluments for determining the minimum rate of subscription?

Emoluments drawn on the 31st March of the previous year provided that :

- If, the subscriber was on leave on that day and opted not to subscribe during leave or was under suspension, the emoluments due on rejoining duty.
- If, the subscriber on deputation out of India on that day or continued to be on leave but opted to subscribe during such leave, the emoluments he would have drawn had he not proceeded on deputation or leave.
- If, the subscriber was not in Government Service on 31st March of the previous year, emoluments on the date of joining the Fund. **(Rule 10(2))**

7. Can the subscriber alter his rate of subscription?

Yes. The rate can be reduced (not below the prescribed minimum) once a year in March and increased twice a year. **(Rule 10(4))**

8. How is subscription to GPF recovered?

- From the Pay and Allowances drawn through Treasury/PAOs.
- If Pay and Allowances are drawn from any other source, the subscriber himself will forward his dues to the A.G by means of Cheque or DD drawn in favour of "The Accountant General" (A&E), Chennai, payable at Chennai.
- If on deputation to a body corporate or organisation under Societies Registration Act, the employer shall recover and forward it by Demand Draft/ Cheque drawn in favour of the A.G. **(Rule 12 (1) & (2))**

9. How should the arrears of subscription be recovered?

The arrears should either be paid by the subscriber or recovered from the emoluments in installments as directed by the authority competent to

sanction an advance from the Fund. **(Rule 12 (3))**

10. What are the occasions for non -recovery of subscription?

- During suspension
- During leave on half pay or loss of pay
- After receiving the Final Withdrawal amount under **Rule 29**, i.e. leave preparatory to retirement, employment in vacation department etc.
- During period treated as dies-non
- Last four months of service before superannuation

*Note : No proportionate recovery need be made if the subscriber dies during a month **(Rule9(4))***

11. Why should the subscriber make a nomination?

Nomination is needed to confer on one or more persons the right to receive the money at the credit of the subscriber in the event of his death before the amount becomes payable to him or not paid to him after it becomes payable. The nomination should be treated as a confidential document. **(Rule 7 (1))**

12. What is the format of the nomination?

The nomination should be made in triplicate in one of the applicable forms prescribed in the first schedule to the Rules. **(Rule 7 (3))**

13. Can a subscriber nominate more than one person?

Yes, but he should specify the share payable to each nominee so as to cover the entire amount standing to his credit. **(Rule 7 (2))**

14. Should a subscriber nominate only members of his family?

Yes, if he has a family - Proviso to **Rule 7 (1)**

15. Should the subscriber notify the change in his marital status?

Any change in marital status should be notified immediately by self-drawing subscribers to the A.G. through the Department and non-self drawing officers to the Head of Office and fresh nomination should be filed, if necessary. **(Rule 7 (7))**

16. How often should the nominations be reviewed?

Every subscriber shall review his nomination once in Five years and confirm or intimate any change, if necessary, and furnish fresh nomination **Rule 7(8))**

Each DDO should send a certificate once in Five Years to the Head of the Department to the effect that all subscribers in his office have been directed

to review their nominations and that fresh nominations obtained wherever necessary and forwarded to A.G in respect of self-drawing Officers. The certificate in respect of subscribers working in the Office of Heads of Departments should be sent to the concerned Department of Government. **Ruling (i) under Rule 7 (8)**

17. Is the nomination made by Christian and Mohammedan subscribers in favour of an adopted child acceptable?

No, because the adoption is not recognised under Christian/Mohammedan law of their respective religions. (Govt. Lr No. 80769/Codes/63-4 Dt. 09/12/63)

18. Can an unmarried subscriber nominate an adopted child?

Yes, if Hindu Adoption and Maintenance Act, 1956 is applicable to the subscriber. (Govt. Memo No. 6774/Pen/77-5 Fin (Pen) Dt. 18/05/1977)

19. Can a subscriber having no family nominate an institution?

Yes. (Govt. Memo No.33/53/Pen 2 Dt. 28/04/1959)

20. What are the purposes for which advance from GPF can be sanctioned ?

Advances can be sanctioned to meet the expenditure in connection with

- Medical treatment of the subscriber or his dependant.
- Higher education of subscriber or dependant in specified academic*, medical, engineering, technical or scientific process.
- Marriages, funerals or other ceremonies.
- Legal action faced by the subscriber or dependants except where the subscriber has initiated legal proceedings against Government challenging conditions of service, penalty etc.
- Legal fee for defending himself against official enquiry for alleged official misconduct.
- Purchase of consumer durable like TV, VCR, Computer, etc. **(Rule 14)**

(*Applicable only for non-gazetted officers)

21. Who can sanction a temporary advance?

With effect from 1.4.1978 the competent authorities to sanction TA and PFW shall be as follows. In all the cases, there should be a sanction order in writing

Categories of staff to whom sanction may be accorded	Sanctioning authority
Heads of Departments	Government
Group A and B officers coming under direct control of Regional Officers (Heads of offices cannot sanction TA for themselves; they should get the sanction from next higher authority)	Heads of Departments
Group C and D officers coming under direct control of Regional Officers (Heads of offices cannot sanction TA for themselves; they should get the sanction from next higher authority)	Regional Officers/Heads of offices, if there is no Regional Office
Group C and D officers except those coming under the direct control of Regional Officers	Head of office

22. What are the monetary limits of temporary advance?

- The advance should not exceed 50% of Fund balance. In special circumstances, advance up to 60% of balance may be sanctioned, considering the status of the subscriber and the purpose for which the advance is sanctioned. **(Rule 14 (1) (c) (i) and (iii))**

A second advance can be sanctioned only after six months from the drawal of the

first and this fact should also be certified in the sanction order. **(Rule 14 (1) (c) (ii))**

- When an advance is sanctioned when a previous one is outstanding, it should be consolidated and the subsequent installment for recovery be fixed with reference to the consolidated amount. **(Rule 15 (1))**

23. Can advance be granted to a subscriber who is under suspension?

Yes, if he agrees in writing that recovery can be effected from his subsistence allowance. Subject to the usual conditions and subscriber's written consent for effecting the recovery of the advance from his subsistence allowance. Pay drawn by the subscriber immediately before suspension should be reckoned as Pay for determining the limit. (Rule 14 (1 A))

24. How is the advance recovered?

In equal monthly installments of not less than 12 (unless the subscriber wants a lesser number) and not more than 24. In special circumstances, even the amount of advance exceeds twice the pay, recovery may be effected in not more than 36 installments. **(Rule 15 (1))** .

25. Is any interest levied on the advance?

No. **(Rule 15 (1))**

26. Can advance be sanctioned to subscribers retiring in less than a year?

Yes, but in such cases installment should be so fixed that the recovery of the entire amount is completed four months prior to the date of retirement. **(Note below Rule 15 (1))**

27. What are the circumstances under which recovery towards advance need not be made?

- Recovery may not be made except with the subscriber's consent if he is in receipt of subsistence allowance or leave on half pay or loss of pay for 10 days or more in a month.
- On specific request from the subscriber, when advance of pay granted to him is being recovered **(Rule 15 (2))**

28. What should be done if advance is wrongfully used?

The sanctioning authority may get the written explanation of the subscriber. If the explanation is not satisfactory, the subscriber should repay the amount in one lump sum immediately. If the amount is more than half the emoluments, recoveries should be effected from the salary till the entire amount is repaid. **(Rule 15 (5))**

29. When and how can a Part Final Withdrawal (PFW) be allowed?

PFW may be sanctioned by the authorities competent to sanction advance for

special reasons, at any time after the subscriber completes 15 years of service or within 10 years before retirement, whichever is earlier. (No authorisation from the A.G is necessary for drawing the amount.) **(Rule 15 A (1))**

30. What are purposes for which PFW is allowed?

PFW is admissible to meet the expenditure in connection with :

- Medical treatment of the subscriber or his dependant ;
- Higher education in specified academic*, medical, engineering, technical or scientific courses of the subscriber or his dependant
- Betrothal or marriage of children or any other dependant female relative;
- Acquisition or construction of residential house (including cost of site), repayment of loan taken for the purpose and reconstruction or making additions or alteration to a house already owned or acquired;
- Payment of an installment (other than monthly installment) to a Housing Board/Society towards cost of a house/flat subject to the limit specified in **Rule 15 B** and production of approved plan;
- Acquisition of farm land and/or business premises before six months from the date of retirement;
- Purchase of consumer durable such as TV, VCR, Computer etc.
- Purchase of a motor car or repayment of loan taken for that purpose. **(Rule 15 (A) (1)) *Applicable to non-gazetted officer**



31. How many withdrawals are allowed for the same purpose?

Only one. Marriage, education or illness of different children will not be treated as same purpose. Betrothal and marriage of the same child/female dependant are treated as different purposes. PFW for higher education, subject to monetary limits specified, may be permitted every year for the same purpose. **(Rule 15 (A) (1))**

32. Can a subscriber draw both an advance and withdrawal for the same purpose?

No. **(Rule 15 (A) (1))**

33. Can withdrawal be sanctioned to the subscriber under suspension?

Yes, If he is otherwise eligible.

34. What is the maximum amount of PFW?

As per rule 15-B of General Provident Fund (Tamil Nadu) Rules read with Government of Tamil Nadu, Finance (Allowances) Department vide G.O.No.103 dt. 01/04/2013 "Any sum withdrawn by a subscriber at any one time from the amount standing to his/her credit in the fund shall not ordinarily exceed one-half of such amount or six month's pay whichever is less. The sanctioning authority may however, sanction the withdrawal of an amount in excess of this limit up to three-fourth of the balance at his credit in the fund:

Provided that in no case, the maximum amount of withdrawal for the purposes specified in clauses (a), (b), (c) and (h) of rule 15-A (i.e) Education, Marriage, illness of self and dependant , meeting the cost of consumer durable goods) shall exceed Rs.5,00,000/- (Rupees five lakh only) or 75 times of the monthly pay, whichever is less:

Provided that in no case the maximum amount of withdrawal for the purposes specified in clauses (d), (e), (f) and (g) of rule 15-A (i.e) for the purpose of acquisition of land/ building of houses shall exceed Rs.9,00,000/- (Rupees nine lakh only) or 75 times of the monthly pay whichever is less:"

Provided also that PFW amount so sanctioned together with the House building advance from the State/central Govt. scheme and Housing loans availed from the public/private financial institution if any availed for the same purpose shall not exceed Rs.25,00,000/-.

35. What are the special conditions for the grant of PFW for purchase or construction of house?

PFW amount sanctioned to a subscriber for Housing purpose together with the House building advance from the State/central Govt. scheme and Housing loans availed from the public/private financial institution if any availed for the same purpose shall not exceed Rs.25,00,000/-.

The subscriber should not sell, mortgage, gift or exchange the property without previous permission of Government, unless the house or site is only leased for short term not exceeding 3 years or mortgaged in favour of Housing Board, LIC or other corporate bodies owned/controlled by Government;

The subscriber should submit a declaration to the sanctioning authority before 31st of December every year to the effect that he continues to possess the property or if mortgaged or leased, produce the original mortgage or lease deed and other documents.

If the subscriber parts with the possession of the property without obtaining permission from Government he should repay the amount of PFW immediately. If not paid, the amount should be recovered from his emoluments either in lump sum or in instalments, after giving him opportunity making a representation in this regard.

36. What are special conditions for the grant of PFW for purchase of car?

- 25 years of service or within 5 years before retirement, whichever is earlier;
- Pay should be Rs. 10,000 - Rs. 15,200 and above;
- The amount of withdrawal shall be limited to Rs. 1 lakh or one-third of the amount standing at the credit of the subscriber or the actual cost of the car, whichever is least.
- Withdrawal is allowed only once for this purpose;
- Withdrawal for extensive repairs or overhauling of car may be allowed, subject to the conditions prescribed in **Rule 15-E (1)**. (**Rule 15 (D)**)

37. Can the subscriber get PFW during the last year of service?

Yes.

- The authority competent to sanction PFW can sanction withdrawal up to 90 percent of the balance at credit of the subscriber
- Should be applied for within 12 months before retirement.
- Can be availed of only once and without assigning any reason for the withdrawal
- Authorisation from A.G. not necessary even if it is applied for during the last four months of service.
- Shall be granted irrespective of the period of interval between previous Advance / PFW drawn (Govt letter No.140075/A11/93-1 Finance (Allowances) Dept. dated 15/01/1993
- Outstanding balance of Temporary Advance drawn cannot be converted
- Subscribers under suspension shall also be eligible
- After drawal of 90% PFW, no further PFW can be sanctioned
- If services of the subscriber is extended beyond the date of superannuation after drawal of 90% PFW, the amount need not be refunded
- The balances under V pay commission arrears, UGC arrears and IDA credited prior to one year can be taken into account for computing 90% of the balance (Govt letter No.140075/A11/93-1 Finance (Allowances) Dept dated 15/01/1993

(Rule 27A of GPF (TN) Rules)

38. Can an advance be converted to withdrawal?

Yes. The balance of an advance drawn under Rule 14 for any of the purposes specified in Rule 15-A (1) may be converted into PFW if the conditions laid down in rules 15-A and 15-B are satisfied. (Rule 15-C)

39. Are all the outstanding advances eligible for conversion?

If all the advances consolidated are convertible and the subscriber requests

for such conversion, the entire outstanding balance can be converted into PFW

40. When will the GPF amount become finally payable?

Following are the occasions for the final payment of GPF :

- **Retirement** on superannuation;
- **Death** while in service (payable to nominees or legal heirs);
- **Dismissal, removal, compulsory retirement or invalidation from service.**
If appeal has been preferred, payment can be made only after the appeal is finally disposed of or withdrawn by the subscriber (Rule 28 (1) (a) of GPF (TN) Rules. Otherwise, after the expiry of the mandatory period up to which the subscriber can prefer appeal or if he gives in writing that he would not prefer any appeal. In the case of officials who are compulsorily retired under FR 56 (d), the amount becomes payable on the day of retirement even if he has preferred an appeal.
- **Resignation** - payable after the issue of final orders accepting the resignation. Resignation to take up appointments under a body corporate, autonomous organisation etc. will be treated as absorption and the balance in the Fund will be transferred if he joins the new post without break and with proper permission of Government.
- **Voluntary retirement** - after the issue of orders permitting to retire voluntarily.
- **If a temporary official is terminated**, he can either withdraw the amount or leave it in the Fund to be withdrawn while quitting service finally.
- **On permanent transfer to another Government or Corporate Body or Organization controlled/owned by Government**, the balance together with interest will be transferred to the new institution (if the institution and the subscriber agree for the transfer Otherwise, the amount together with interest may be paid to the subscriber.) (Rule 28 ,29, 30, 32 & G.O. 284)

41. How PF money is paid to a minor beneficiary of the deceased subscriber?

The amount may be paid to the guardian nominated by the subscriber in a declaration made under the rules. If no such declaration exists, payment should be made to the guardian appointed by a court* except in the following cases:

- Payment up to Rs.10,000/- may be made to the natural guardian without guardianship certificate on production of indemnity bond;
- In cases governed by Hindu Law, entire amount due to a minor may be paid to the Hindu widow of the subscriber unless the interests of the mother are adverse to those of the minor children.
- Payment may be made to the Hindu father of the minor unless the interests of the father are adverse to those of the children. **Note 1 below Rule 30 (ii)**
- * Guardianship Certificate may be obtained either from the Court of Law or District Local Level Committee constituted under National Trust Act functioning at District Headquarters.

42. What is the procedure for making payment to a person other than natural Guardian?

As per G.O.22 dt. 18/01/2012 of Finance (Allowances) Dept., the DDO shall draw the amount payable to the minor beneficiary by means of a crossed account payee cheque in the name of the minor beneficiary and hand it over to the guardian/defacto guardian with the instruction to deposit the amount in any scheduled bank for such period till the minor attains legal majority