

GOVERNMENT OF KERALA  
ABSTRACT

PERMANENT TRANSFER OF GOVERNMENT SERVANTS TO  
GOVERNMENT COMPANIES CORPORATIONS- GRANT OF RETIREMENT  
BENEFITS –ORDERS ISSUED

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FINANCE(PENSION) DEPARTMENT

G.O.(P) NO.893/78/Fin.

Dated, Trivandrum,30<sup>th</sup> December 1978.

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Read:- 1. Office Memorandum No 26 (18) EV (B) 75 Dated 8-4-1976 of government  
of India Ministry of Finance (Department of Expenditure)

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2. G.O. (P) 1975/61 Fin. dated 26-7-1961.
3. G.O. (P) 174/68 FIN .Dated 2-5-1968
4. G.O. (P) 898/70Fin,dated 22-12-1970.
5. G.O. (P) 400/71 Fin dated 10-7-1971.
6. G.O. (P) 211/76/FIN dated 20-7-1976.
7. Letter no PRI/GI/6-107/77/359 DATED 1-2-1977 from the Accountant  
General, Kerala

ORDER

In the Office Memorandum read above the Government of India have issued orders consolidating all the instructions orders issued from time to time to given grant of retirement benefits to Government Servants transferred permanently to autoumous bodies. Public under taking. Government have examined the question of issuing similar orders and they are pleased to issue in suppression of all the orders cited above the following orders to regulate the grant of retirement benefits to Government employees transferred to autonomous bodies public undertaking which include a body corporate owned or controlled by the government such as Government companies, corporations Public enterprises etc.

*Basic of calculation of Retirement benefits*

Such of the Government servants as were deputed or transferred to a body corporate owned or controlled by Government or whose services were lent to such a body should in the event of their permanent absorption in service under that body with effect from a date prior to 2-5-1968 be paid an amount equal to what Government would have contributed had he officer been on contributory provident fund terms under Government together with the simple interest there on at 2% for the period of his pension able service under Government. In such cases the interest 2% on the total balance of contribution should be calculated for the entire period of pension able service of the Government servant rendered prior to his permanent absorption in an autonomous body/public under taking as an opening balance on the date of permanent absorption and Government liability in respect of the officers pension able service under them would be treated as extinguished by this payment. This decision applies how ever only where the permanent transfer from Government service to an autonomous body public under taking is in the Public interest and the transfer is to a government or to a

quasi-government corporation or an autonomous body and not to a private instruction. In all other cases, Government will not accept any liability to pay any retirement benefits for the period of service rendered by the Officer before his transfer. The concession is not to be claimed as a matter of right but is sanctioned at the discretion of Government in individual cases in the financial Department.

The retirement benefits granted to a Government Servants who is permanently absorbed in an autonomous body public sector under taking have reviewed and the following revised terms were respect of those absorbed on or after 2-5-1968.

(i) A Government Servants on absorption in a public u8ndertaking is eligible for pro-rata pension and Death-Cum-Retirement gratuity based on the length of his qualifying service under Government till the date of absorption. The Pension will be calculated on the basis of average emoluments for twelve months proceeding the date of absorption and the Death-cum-retirement Gratuity on the basis of the emoluments immediately before absorption. Temporary increase Adhoc Increase minimum/minimum pension are not admissible to the persons to whom pro-date pension is given on their permanent absorption in an autonomous body public under taking.

Note:- The expression 'emoluments' and average emoluments referred to in sub Para (1) means the emoluments and average emoluments for the purpose of pension and Death –cum-retirement gratuity as defined in Rule 70 read with Rule 63 respectively of Kerala Service Rule, Part III.

(ii) Payment of service gratuity in lieu pension.

In case where a Government employee at a time of absorption has less than 10 years service and is not entitled to pension the question of proportionate pension will not arise; he will only be eligible to proportionate service gratuity in lieu of pension and to Death –cum-retirement gratuity based on length of service.

(iii) *Exercise of option*

(iii) A Government servant who has been permitted to be absorbed in a service or post in an autonomous body public under taking shall of such absorption is cleared by the Government to be in the public interest ,he deemed to have from service from the date of such absorption. Each such Government servant is required under the relevant order applicable to him to exercise an option within six months of his absorption for either f the alternatives indicated below.

(a) Receiving the monthly pension and Death –cum- retirement gratuity already worked out ,under the usual Government arrangements.

(b) Receiving the gratuity and a lump sum amount in lieu of pension worked out with reference to communication tables obtaining on the date from which the pro-rate pension, gratuity etc ,will be disbursable.

Where no option is exercised within the prescribed period the officer will automatically be governed by alternative (b) above, option once exercised shall be final

The option shall be exercised in writing and communicated by the Government employee concerned to the under taking autonomous body.

(iv) *Commutation of pension.*

A person opting for alternative (iii) (a) above is communication of a portion of the pension admissible to him in accordance with rule in force at the time of such communication.

When a government servant elects alternative (iii) (b) above he shall be granted on an application made in this admissible gratuity plus a lump sum amount in lieu of pension not exceeding the commuted value of pension works out with reference to the the commutation table obtaining the time the incumbent becomes eligible for the amount. An under taking should also be obtained from the pensioner (the applicant) to the effect that he surrender his right of drawing pension for the service under Government .the commutation shall become absolute and the title to receive the commuted value shall accrue on the date on which the Medical Board (Authority ) sign the medical certificate.

(v) Cases of registration from a public under taking autonomous body will for the purpose these orders be treated as resignation from Government service entailing forfeiture of earlier service under Government had loss of pensionary benefits under these orders .This will apply only in cases of employees who were absorbed permanently during the period from 2-5-1968 to 10-7-1971.

(vi) For the period of service rendered in a public under taking /autonomous body the absorbed officers will be entitled to all the benefits admissible to other corresponding employees of the organization.

(vii) *Non –admissibility of liberalization of pension Rules after absorption.*

Any further liberalization of pension rules decoded upon by the government after the permanent absorption of a Government Servant in Public under taking autonomous body would not be extended to him. However the benefit liberalization in pension shall also be allowed to a Government employee after permanent absorption if in any case such liberalization is sanctioned retrospectively with effect from a date prior to the date of such absorption.

(ix) *Public interest*

The above decisions will apply only when the permanent transfer from Government Service to a public under taking body is in the public interest. In all other cases, Government will not accept liability to pay any retirements benefits for the period of service rendered by the government servants before his transfer.

(x) *Curry forward of Leaves*

In respect of the deputations who opt for absorption in an autonomous body public undertaking. The autonomous body public under taking should take over the liability in regard to Earned leave that the optee to his credit at the time of leaving government service and in return Government should pay to the enterprises lump sum equal to leave salary for earned leave due to the government Servant on the date of his permanent absorption in the public under taking the autonomous body. while issuing the final sanction for absorption in the public under taking autonomous body, public under taking the authority concerned should also in cooperate the provision with regard to payment of a lump sum equal to leave salary by the Government. This benefit will be available only in cases where the permanent transfer from Government service is in the public interest. These orders take effect from 10-7-1971 and cases balre4ady decided otherwise will not be reopened.

(xi) *Re-fixation of pay*

The pay of the Government servant permentely absorbed in an autonomous body will be re fixed as re-employed pensioner with effect from the date from which he becomes entitled to draw the pro-rata retirement benefit.

(xii) *Family Pension.*

Government have no liability for family pension

(xiii) *Consultation with Parent Department*

In all cases where a Government servant is to be absorbed permanently by the foreign employer under his organization it would be incumbent to consult the parent employer and orders of permanent absorption should be issued only the acceptance of permanent absorption by the parent employer. While accepting the permanent absorption the parent employer shall sate whether the absorption is in public.

(xiv) *Date of payment of pro-rata retirement benefits.*

A Government servant who is permitted to be absorbed in the public interest in a public sector under taking is deemed to have retired from Government service from the date of his absorption in public sector undertaking and his retirement benefits are determined with reference to the length of qualifying service rendered under Government till the date of his absorption.

(xv) *Procedure for drawl of pro-rata retirement benefits*

Since the Government Servants are deemed to have retired from Government service on the date of absorption the procedure which applies to Government servants who retire in normal courses should mutandis apply in the case of Government servants

who are absorbed in public sector undertaking. In the case of such absorption the retirement benefits become payable from the date of their absorption in public sector under taking.

Payment of the retirement benefits will be received by the employee concerned from the treasury of his own choice.

*(xvi) contrast or other state Government employees observed in state autonomous bodies.*

Normally, when a Central or other state Government servant is absorbed in the State Government autonomous bodies, the liabilities for the benefits accruing for the benefits accruing for the past service rendered by him under the Central or state Government as the case may be falls on that Government should be discharged by them. However in case in central Government or the concerned state Government refuses to bear the liability the question whether it should be taken over by the autonomous body will arise only if the absorption is considered inescapable. In such cases the autonomous body should in their proposal relating to the initial appointment or absorption of the employee so that this factor is given due weight by Government before it is decided to absorb him.

BY order of the governor,  
F.PIUS,  
*Deputy Secretary.*

To,

The Accountant General Kerala, Trivandrum.  
All Heads of Department and officers  
The Department (all sections) of the Secretariat  
The secretary, Kerala Public Service Commission (with C.L.)  
The Registrar, High Court of Kerala, Ernakulam (with C.L.)  
The Registrar University of Kerala, /Cochin/ Calicut/ (with C.L.)  
The Registrar, Kerala Agricultural University, Trichur (with C.L.)  
The Advocate General, Ernakulam (with C.L.)  
The General Manager, Kerala Road Transport Corporation Trivandrum (with C.L.)  
The Secretary Kerala State Electricity Board, Trivandrum (with C.L.)  
The Secretary, Kerala Public Service Commission (with C.L.)  
The Accountant General (Audit), Kerala Trivandrum.  
The Secretary to Governor.  
The private Secretary To chief secretary and Additional chief Secretary  
The Stenographer to the Chief Secretary and Additional chief S secretary