GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Public Services - Pensions - Settlement of Pensionary benefits in-time to the retired Government Employees - Payment of penal interest in case of delay – Rate of Interest where the payment of Pension/Gratuity delayed – Revised orders -Issued.

FINANCE (HR-III-PENSION & GPF) DEPARTMENT

G.O.MS.No. 59 **Dated: 07-10-2025**

Read the Following:

1. G.O. Ms No.268, Finance & Planning (FW-Pen. I) Department, dated:07-10-1986.
2. Cir. Memo No.37989/A/494/A.2/ Pen.I/98, dated 21-04-1999 of Finance & Planning (FW-Pen. I) Department.
3. Cir. Memo No.16077/135/A.2/Pen.I/ 2004, dated 20-02-2006 of Finance (Pen. I) Department.
4 Office Memorandum No.12(9)/2020 -P&PW (C)-6450, Government of India, dated 23rd February, 2022.
5. Appendix -I of AP Revised Pension Rules 1980.
6.G.O.Rt.No. 1097, Fin (FW: Pen-I) Department, dated 22-6-2000.

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ORDER

In the reference 1st cited, orders were issued based on the then-existing guidelines of Government of India interest was allowed on the delayed payment of Retirement Gratuity, arising due to administrative reasons, @7% per annum for the period beyond 3 months and up to one year, beyond one year @10% per annum, after the gratuity becomes due and payable till the end of the month preceding the month, in which the payment is actually made. The interest is calculated from the date the gratuity becomes due and payable till the end of the month preceding the month in which the payment is actually made.

2. In the reference 2nd cited, certain instructions were issued stipulating the following conditions for the payment of interest on delayed gratuity:

(i) Interest should be sanctioned by the Administrative Department concerned with the concurrence of the Finance Department;

(ii) Where disciplinary or judicial proceedings are pending, interest is payable from the date of conclusion of such proceedings;

(iii) The delay should be due to administrative lapses or for reasons beyond the control of the Government servant concerned.

3. Subsequently, vide reference 3rd cited, orders were issued to allow the rate of interest @4.5% p.a for the period beyond 3 months and up to 1 year, @5% p.a beyond 1 year after the gratuity becomes due and payable till the end of the month preceding the month in which the payment is actually made.

4. In the reference 4th cited, Government of India have adopted the interest rate applicable on GPF as benchmark for delayed payment of all pensionary benefits. It has been provided that in all cases where pension/family pension/gratuity (including provisional pension/family pension/gratuity) has not been sanctioned or is delayed, and it is clearly established that the delay in payment was attributable to administrative reasons or lapses, interest shall be paid on arrears of pension/family pension/gratuity at the rate and in the manner as applicable to General Provident Fund amount. It has been also clarified that responsibility shall be fixed and disciplinary action shall be taken against the Government servant or servants who are found responsible for the delay on account of administrative lapses.

5. However, despite the orders issued vide reference 3rd cited, several Orders of the Hon'ble Courts are being received with a direction to pay interest on the delayed payment of pensionary benefits @ 9% - 12%.

6. In view of the above circumstances, and after careful examination of the matter, the Government, in supersession of all the orders issued earlier in this regard, hereby order that in all cases where the pension or gratuity has not been sanctioned in time or where there is a delay and it is clearly established that such delay is attributable to administrative reasons or lapses, interest shall be paid on the arrears of pension/gratuity at the rate of interest applicable to the General Provident Fund (GPF) as on the date of sanction of the payment, subject to the following terms and conditions:

i. Interest on delayed payment of pensionary benefits shall be sanctioned by the administrative department concerned with the concurrence of Finance Department only.

ii. Where disciplinary or judicial proceedings are pending, the interest on delayed payment of pensionary benefits is payable from the date of issue of orders concluding the disciplinary or judicial proceedings.

iii. The delay should be on account of administrative lapse or for reasons beyond the control of the Government servant concerned.

iv. Where it is found that the delay in payment of pension / gratuity is not on account of conditions mentioned at Para 6 (ii) and (iii) stated above, the responsibility shall be fixed and disciplinary action shall be taken against the Government servant or servants responsible for the delay.

7. Further, the detailed comprehensive procedure/guidelines described in Appendix-I under A.P. Revised Pension Rules, 1980 referred at 5th cited above are reiterated herewith for strict implementation.

a. The Head of the Office shall send the prescribed application form for pension to the retiring Government servant 18 months in advance of the date of retirement with instructions to submit the forms within two months.

b. Every Government servant shall submit the forms duly filled within a period of two months from the date of receipt.

c. The Head of Offices concerned shall ensure that the service particulars are duly entered in the service registers and kept up to date which shall be certified by the DDO every year.

d. The Head of the office in respect of non-gazetted officers and Head of the Department in respect of gazetted officers are responsible for correct assessment of dues payable by a Government servant due for retirement. Accordingly, action should be taken 2 years prior to the date of retirement of a Government servant to assess the dues.

e. Every Head of the Department / Head of the Office shall undertake the work of preparation of pension papers for assessing Pension & Gratuity, 6 months before the date on which a Government servant is due to retire on superannuation after verifying the service particulars, dues position etc. during the preceding 12 months.

f. The pension papers shall be processed and submitted to the Accountant General/ Audit Officer, State Audit, six months before the date of retirement of the employee.

g. Non-payment of pension contribution by the borrowing organizations, where such payment is the responsibility of the borrowing organizations, in respect of the employees whose services were lent on foreign service terms and conditions shall not delay the settlement of pension claim of a retiring employee. It is for the lending department to claim the pension in-time.

h. The Pension papers shall be forwarded to the Accountant General, A.P to issue authorization of pensionary benefits to the employees of the State. In respect of Class-IV and other low paid employees i.e., Police Constables, Head Constables, Excise Constables & Forest Guards the pension sanctioning authority is vested with the Audit Officers of the State Audit Department in each district. The authorization for pensionary benefits in respect of Class-IV employees of Andhra Pradesh Guest House at New Delhi is entrusted to Pay & Accounts Officer, Andhra Pradesh Bhavan at New Delhi w.e.f 1.4.1990.

i. The detailed procedure to be followed for sanction of pension and other retirement benefits in the case of serving employees whose whereabouts are not known is prescribed in detail at 14 (B) of Appendix-I AP RPRs 1980.

8. It is also clarified that the revision of the pay consequent on promotion, sanction of increment etc., will be taken into account as and when communicated by the Pension Sanctioning Authority to the Pension Authorizing Authority(AG/DSA) for which the processing of pension proposals shall not be delayed.

9. In addition to the above and in order to ensure the timely sanction of Provisional Pension, detailed instructions have already been issued vide 6^{th} reference cited regarding the payment of gratuity and provisional pension in respect of employees against whom disciplinary or judicial proceedings are pending at the time of retirement. The same are hereby reiterated below for strict compliance and adherence.

(i) Retirement Gratuity: According to clause [c] of sub-rule (1) of Rule 52 of the A.P.R.P.Rs, 1980, no gratuity shall be paid until the conclusion of the departmental or judicial proceedings and issue of final orders. According to the proviso to the above said rule, where departmental proceedings have been instituted under Rule 9 of the Andhra Pradesh Civil Services [Classification, Control and Appeal] Rules, 1991, for imposing any of the penalties specified in clauses (i), (ii) and (iv) of rule 9 of the said rules, except the cases falling under sub-rule (2) of rule 22 of the said rules, the payment of gratuity shall be authorized to be paid to the Government servant. It is also further provided in the said rule that where a conclusion has been reached that a portion of pension only should be withheld or withdrawn and the retirement gratuity remains unaffected in the contemplated final orders, the retirement gratuity can be released up to 80% of the eligible retirement gratuity.

(ii) Provisional Pension: (1). As per sub-rule (4) of rule 9 of the Andhra Pradesh Revised Pension Rules, 1980, the retired employees mentioned in the above cases shall be sanctioned provisional pension as provided in Rule 52 of the said rules. According to Rule 52 of the said Rules, the Audit Officer/head of office shall pay the provisional pension not exceeding the eligible pension. The provisional pension shall be paid from the date of retirement to the date on which final orders are passed by the competent authority on conclusion of the departmental or judicial proceedings pending against the retired employee. The provisional pension shall not be less than 75% of the normal pension entitlement.

10. All the Departments of Secretariat and Pension Sanctioning Authorities are requested to take action accordingly and finalize the cases as quickly as possible so as to avoid the payment of interest on delayed payment of pensionary benefits.

11. This order is available online and can be accessed at http:// https://goir.ap.gov.in.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PEEYUSH KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Accountant General, Andhra Pradesh, Vijayawada.
The Director of State Audit, Nidhi Bhavan, Mangalagiri, Guntur District., A.P.
The Director of Treasuries & Accounts, Nidhi Bhavan, Mangalagiri, Guntur District., A.P.

The Pay & Accounts Officer, Nidhi Bhavan, Mangalagiri, Guntur District., A.P.
All Special Chief Secretaries/Principal Secretaries/Secretaries to Government.
All the Departments of Secretariat.
The Registrar General, High Court of Andhra Pradesh, Nelapadu, Guntur district.
The Resident Commission of Andhra Pradesh in New Delhi, AndhraBhawan,1Ashoka Road, New Delhi
All the Heads of Departments.
All District Collectors.
All District Judges of Andhra Pradesh.
<u>Copy to:</u>
The Chief Secretary to the Government of Andhra Pradesh.
The Principal Secretary to Governor, Andhra Pradesh, Vijayawada.
The Principal Secretary to the Chief Minister and Private Secretaries to all Ministers.
The Secretary, Andhra Pradesh Public Service Commission, Vijayawada.
All the District Treasury Officers (with copies for Sub-Treasury Officers).
The Chairman and Managing Director of Andhra Pradesh GENCO/TRANSCO
All District Educational Officers.
All the District Development Officer, Zilla Praja Parishads.
All District Panchayat Officers.
All Principals of Junior and Degree Colleges of Andhra Pradesh.
All Mandal Development Officers.
All Secretaries of Zilla Grandhalaya Samsthas through Director of Public Libraries, Vijayawada.
All Secretaries of Agricultural Market Committees through the Commissioner and Director of Marketing, A.P.,
All Commissioners/ Special Officers of Municipal Corporations & Municipalities.
The Commissioner Printing, Stationery and stores purchase, Mutyalampadu Andhra Pradesh (with a request to notify in the A.P., Gazette)
The General Administration (Cabinet) Department.
The General Administration (SW) Department
The Finance (BG) Department.
The Registrars of all the Universities in Andhra Pradesh
All Recognized Pensioners Associations.

//FORWARDED::BY ORDER//

SECTION OFFICER