

FINANCE (PENSION) DEPARTMENT

G. O. Ms. No. 334, Dated 5th September, 2001

Tamil Nadu Government Employees' Special Provident Fund - cum- Gratuity Scheme (1984) - Recovery of subscription on the completion of 148th instalment - Payment of interest on the employees' subscription beyond 148th instalment - Revised orders - Issued.

Read :

1. G. O. Ms. No. 62, Finance (Pension), dated 11.2.1997.
2. G. O. Ms. No. 473, Finance (Pension), dated 17.10.2000.
3. G. O. Ms. No. 224, Finance (Allowances), dated 7.6.2001.

ORDER :

According to rule 5 of the Tamil Nadu Government Employees' Special Provident Fund-cum-Gratuity Scheme Rules (1984), the rate of interest shall be treated on par with the rate of interest applicable to General Provident Fund subscription. The recovery of subscription under the said scheme was commenced from the month of April, 1984 and the recovery of subscription accumulated to Rs. 5,021/- at the end of July, 1996. The rate of interest towards General Provident Fund subscription was raised from time to time since 1984 and the rate of interest for the year 1996-97 towards General Provident Fund subscription was 12% per annum.

2. In the Government Order first read above, orders have been issued allowing 12% per annum instead of 9% per annum on the second stage of interest calculation by issuing the following orders.

(i) Those employees subscribing to the scheme and retire before 148th instalment shall receive gross amount as per the table of repayment.

(ii) Those who have already subscribed 148 instalments at the end of the month of July, 1996 shall be paid the principal amount of Rs.5,021/- plus the interest thereon at 12% per annum compounded annually plus the Government contribution of Rs. 5,000/- (now enhanced to Rs. 10,000/-). The Heads of Offices / Heads of Departments shall work out the interest and sanction the payment under the scheme.

3. In the Government Order second read above, orders have been issued reducing the rate of interest payable on the principal amount of Rs.5,021/- under the Tamil Nadu Government Employees' Special Provident Fund-cum-Gratuity Scheme (1984) from 12% per annum to 11% per annum compounded annually with effect from 1.8.2000 consequent on the reduction of the rate of interest towards General Provident Fund subscription made by the Government employees with effect from 1.4.2000. In the Government Order third read above, orders have been issued reducing the rate of interest from 11% per annum to 9.5% per annum towards General Provident Fund subscription made by the Government employees with effect from 1.4.2001.

4. The Government have therefore decided to reduce the rate of interest from 11% per annum to 9.5% per annum compounded annually payable on the amount of Rs. 5,021/- standing at the credit of the State Government employees at the end of July, 1996 under the Tamil Nadu Government Employees' Special Provident Fund-cum-Gratuity Scheme (1984). Accordingly, the Government direct that the rate of interest payable on the principal amount of Rs. 5,021/- shall be reduced to 9.5% per annum compounded annually with effect from 1.8.2001.

5. An Illustration for the calculation of interest is annexed to his order.

(By Order of the Governor)

R. SANTHANAM

Sd/-

SECRETARY TO GOVERNMENT.

ILLUSTRATIONS

A Government employee is due to retire on superannuation on 31st January, 2003
Subscription paid for 148 instalments at Rs. 20/- per month 2960
Interest allowed upto 31.7.96 as per the table of repayment 2061

Total 5021

From 1.8.96 onwards the principal amount for calculation of interest will be Rs. 5021

Interest for the period from 1.8.96 to 31.7.97 on Rs. 5021
= Rs. 5021 x 12/100 = Rs. 602.52 **rounded to nearest rupee** 603

Total at the end of 31.7.97 = Rs. 5021 + 603 5624

From 1.8.97 onwards the principal amount will be Rs. 5624/-

Interest for the period from 1.8.97 to 31.7.98 on Rs. 5624
= Rs. 5624 x 12/100 = Rs. 674.88 rounded to nearest rupee 675

Total at the end of 31.7.98 = Rs. 5624 + 675 6299

From 1.8.98 onwards the principal amount will be Rs. 6299/-

Interest for the period from 1.8.98 to 31.7.99 on Rs. 6299
= Rs. 6299 x 12/100 = Rs. 755.88 rounded to nearest rupee 756

Total at the end of 31.7.99 = Rs. 6299 + 756 7055

From 1.8.99 onwards the principal amount will be Rs. 7055/-

Interest for the period from 1.8.99 to 31.7.2000 on Rs. 7055
= Rs. 7055 x 12/100 = Rs. 846.60 rounded to nearest rupee 847

Total at the end of 31.7.2000 = Rs. 7055 + 847 7902

From 1.8.2000 onwards the principal amount will be Rs. 7902/-

Interest for the period from 1.8.2000 to 31.7.2001 on Rs. 7902
= Rs. 7902 x 11/100 = Rs. 869.22 **rounded to nearest rupee** 869

Total at the end of 31.7.2001 = Rs. 7902 + 869 8771

From 1.8.2001 onwards the principal amount will be Rs. 8771/-

Interest for the period from 1.8.2001 to 31.7.2002 on Rs. 8771
= Rs. 8771 x 9.5/100 = Rs. 833.25 rounded to nearest rupee 833

Total at the end of 31.7.2002 = Rs. 8771 + 833 9604

Interest for the period from 1.8.2002 to 31.1.2003 on Rs. 9604

= Rs. 9604 x 9.5/100 x 6/12 (for six months)
= Rs. 456.19 rounded to nearest rupee 456

Total at the end of 31.1.2003 = Rs. 9604 + 456 10060

So total interest to be allowed is (Rs. 10060 - 2960) 7100

The retiring employee will get an aggregate amount as given below :

Principal	=	Rs. 2960
Interest	=	Rs. 7100
Government Contribution	=	Rs. 10000
Total amount to be paid	=	Rs. 20060

Sd/-

SECTION OFFICER