

PART II. - PROVIDENT FUNDS  
CHAPTER XIII - *The Punjab General Provident Fund Rules*  
SHORT TITLE AND DEFINITIONS

13.1. The rules in this Chapter (called "The Punjab General Provident Fund Rules"), came into force on the 1st September, 1936. Subject to any express saving provisions in these rules, the rules regulating the General Provident Fund which were in force prior to 1st September, 1936 (vide Appendix 3), are superseded by these rules.

13.2. (1) In these rules :-

- (a) Accounts Officer means such officer as may be appointed in this behalf by the Controller and Accountant-General of India.
- (b) Except where otherwise expressly provided emoluments means pay, leave salary or subsistence grant as defined in the Punjab Civil Services Rules, Volume I, and includes sterling overseas pay converted at such rate of exchange as the Central Government may prescribe in this behalf and any remuneration of the nature of pay received in respect of foreign service.

Note. - Emoluments include 'Dearness Pay'.

(c) Family means.

- (i) in the case of a male subscriber, the wife or wives, and children of a subscriber, and the widow, or widows and children of a deceased son of the subscriber :

Provided that if a subscriber proves that his wife has been judicially separated from him or has ceased under the customary law of the community to which she belongs to be entitled to maintenance she shall henceforth be deemed to be no longer a member of the subscriber's family in matter to which these rules relate, unless the subscriber subsequently indicates by express notification in writing to the Accounts Officer that she shall continue to be so regarded ;

- (ii) in the case of a woman subscriber, the husband and children of a subscriber, and the widow or widows and children of a deceased son of a subscriber :

Provided that if a subscriber by notification in writing to the Accounts Officer expresses her desire to exclude her husband from her family, the husband shall henceforth be deemed to be no longer a member of the subscriber's family in matter to which these rules relate, unless the subscriber subsequently cancels formally in writing her notification excluding him.

Note 1.- Children means legitimate children.

Note 2. - An adopted child shall be considered to be a child when the Accounts Officer, or if any doubt arises in the mind of the Accounts Officer, the Legal Remembrancer to Government, Punjab, is satisfied that under the personal law of the subscriber, adoption is legally recognized as conferring the status of a natural child, but in this case only.

When a person has given his child in adoption to another person and if, under the personal law of the adopter, adoption is legally recognized as conferring the status of a natural child, such a child should, for the purposes of these rules, be considered as excluded from the family of the natural father.

- (d) Fund means the General Provident Fund.
- (e) Leave means any variety of leave recognized by the Punjab Civil Services Rules.
- (f) Year means a financial year.
- (2) Any other expression used in these rules which is defined either in the Provident Funds Act, XIX of 1925 (reproduced in Appendix IV), or in the Punjab Civil Services Rules, Volume I, is used in the sense therein defined.
- (3) Nothing in these rules shall be deemed to have the effect of terminating the existence of the General Provident Fund as heretofore, or of constituting any new Fund.

## CONSTITUTION OF THE FUND

13.3. (1) The Fund shall be maintained in India in rupees.

(2) All sums paid into the Fund under these rules shall be credited in the books of Government to an account named 'The General Provident Fund', Sums of which payment has not been taken within three years in the case of Class IV.

**Employees and six months in the case of all other employees-**After they become payable under these rules shall be transferred to "Deposits" at the end of the year and treat under the ordinary rules relating to deposits.

13.4. All temporary Government employees, after a continuous service of one year, all re-employed pensioners (other than those eligible for admission to the Contributory Provident Fund) and all permanent Government employees shall subscribe to the Fund :

Provident that no such employee as has been required or permitted to subscribe to a Contributory Provident Fund shall be eligible to join or continue as a subscriber to the Fund while he retains his right to subscribe to such Fund.

Note 1. - Apprentices and probationers shall be treated as temporary Government employees for the purpose of this rule.

Note 2. - A temporary Government employee who completes one year of continuous service during the middle of a month shall subscribe to the Fund from the subsequent month.

Note 3. - The following Government employee shall also subscribe to the Fund, provided that they have not been required or permitted to subscribe to a Contributory Provident Fund :-

(1) Section writers who are members of fixed establishments and piece-workers in Government Presses.

(2) Members of the Punjab Public Service Commission who were not in the service of a Government in India at the time of their appointment.

Note 4. - Temporary Government employees (including apprentices and probationers) who have been appointed against regular vacancies and are likely to continue for more than a year, may subscribe to the General Provident Fund any time before completion of one year's service.

Note 5A- Temporary Government employee who is borne on an establishment or factory to which the provisions of the 'Employees Provident Funds and Family Pension Fund Act, 1952 (Central Act No.19 of 1952) would apply or would have applied but for the exemption granted under Section 17 of the said Act, shall subscribe to the General Provident Fund if he has completed six months, 'continuous service or has actually worked for not less than 120 days during a period of six months or less in such establishment or factory or in any other establishment or factory to which the said Act applies under the same employer or partly in one and partly in the other or has been declared permanent whichever date is the earliest.

**Explanation** - For the purposes of this rule 'Continuous Service' shall have the same meaning as assigned to it in the Employees' Provident Fund Scheme, 1952, and the period of work for 120 days shall be computed in the manner specified in the said scheme and shall be certified by the employer.'



Govt. Instructions

See Para No.4(1) to 4(111) of Govt. Instructions dated 2/5/89 page No. 1006.

13.5. Omitted.

13.6. Omitted.

## NOMINATIONS

13.7. (1) A subscriber shall, at the time of the joining the fund, send to the Accounts Officer, a nomination conferring on one or more persons the right to receive the amount that may stand to his credit in the Fund, in the event of his death before that amount has become payable or having become payable has not been paid :

Provided that if, at the time of making the nomination the subscriber has a family the nomination shall not be in favour of any person or persons other than the members of his family.

Provided further that the nomination made by the subscriber in respect of any other provident fund to which he was subscribing before joining the Fund, shall, if the amount to his credit in such other fund, has been transferred to his credit in the Fund, be deemed to be a nomination duly made under this rule until he makes nomination in accordance with this rule.

Note 1. - An application for admission to the Fund should not be forwarded to the Accountant-General, until it is accompanied by nomination forms completed by the subscriber.

Note 2. - A declaration made by a Mohammedan subscriber in favour of his adopted child should not be accepted, as adoption is not recognized in Mohammedan Law.

(2) If a subscriber nominates more than one person under clause (1), he shall specify in the nomination the amount or share payable to each of the nominees in such manner as to cover the whole of the amount that may stand to his credit in the Fund at any time.

(3) Every nomination shall be in such one of the Forms P.F.I., I-A, I-B or I-C, as is appropriate in the circumstances.

(4) A subscriber may at any time cancel a nomination by sending a notice in writing to the Accounts Officer :

Provided that the subscriber shall, along with such notice, send a fresh nomination made in accordance with the provisions of clauses (1) to (3).

Note. - The proviso to this clause is directory and not mandatory. The additional provision that a fresh nomination should be sent along with a notice does not affect the validity or otherwise of the notice. The proviso thus, does not constitute a condition for the validity of the notice. Once a notice is given complying with the above requirements, it operates as a valid and effective notice :

Provided it is given in clear unambiguous terms. In view of this it shall not be in order to make the payment of the deposits in the General Provident Funds on the basis of the nomination, which is expressly cancelled by the subscriber by a notice given in clear and unambiguous terms but

which is not replaced by another valid nomination. After receiving such a notice of cancellation of nomination, the nomination should be cancelled forthwith and returned to the subscriber. If the subscriber fails to furnish along with the notice of cancellation or separately in due course, a fresh nomination which is in accordance with the rules and the Provident Fund become payable as a result of the death of the subscriber, the payment should be made in accordance with the rules of the Fund as if no valid nomination subsists.

(5) A subscriber may provide in a nomination --

- (a) in respect of any specified nominee, that in the event of his predeceasing the subscriber, the right conferred upon that nominee shall pass to such other person or persons shall, if the subscriber has other members of his family, be such other member or members,
- (b) that the nomination shall become invalid in the event of happening of a contingency specified therein ; provided that if at the time of making the nomination the subscriber has no family he shall provide in the nomination that it shall become invalid in the event of his subsequently acquiring a family :

Provided further that if at the time of making the nomination the subscriber has only one member of the family, he shall provide in the nomination that the right conferred upon the alternative nominee under clause (a) shall become invalid in the event of his subsequently acquiring other member or members in his family.

- (6) Immediately on the death of a nominee in respect of whom no special provision has been made in the nomination under clause (a) of sub-rule (5), or on the occurrence of any event by reason of which the nomination becomes invalid in pursuance of clause (b) of the Accounts Officer a notice in writing canceling the nomination together with a fresh nomination made in accordance with the provisions of this rule.
- (7) Every nomination made by a subscriber shall, to the extent that it is valid, take effect on the date on which it is received by the Accounts Officer.



Govt. Instructions

See Para (iv) to Para No. (ix,) of Govt. Instructions dated 2/5/89 See page 1006.

In the case of absence of nomination the payment of GPI' . is to be made to the persons concerned in accordance with the provision of section 3(i) and 4(1)(a) of the Provident Fund Act.

In case the other members of the family furnish an affidavit duly attested in favour of one of the member the payment is to be made to him.

(Letter dated 15/2/1991 See page 1024.)

## SUBSCRIBERS ACCOUNTS

- 13.8. An account shall be prepared in the name of each subscriber and shall show the amount of his subscriptions with interest, thereon calculated as prescribed in sub-rule (2) of rule 13.13.

## CONDITIONS AND RATES OF SUBSCRIPTIONS

- 13.9. (1) A subscriber shall subscribe monthly to the Fund except during the period of service treated as dies non on or when he is under suspension:

Provided that a subscriber may at his option, elect not to subscribe during any period of leave other than earned leave of less than 30 days duration as the case may be; but this option shall not be exercised during vacation when the leave is combined with vacation :

Provided further that a subscriber on reinstatement after a period passed under suspension shall be allowed the option of paying in one sum or in instalments any sum not exceeding the maximum amount of arrear subscriptions payable for the period.

- (2) The subscriber shall intimate his election not to subscribe during leave in the following manner :-

- (a) If he is an officer who draws his own pay bills, by making no deduction on account of subscription in his first pay bill drawn after proceeding on leave.
- (b) If he is not an officer who draws his own pay bills, by written communication to the head of his office before he proceeds on leave. Failure to make due and timely intimation shall be deemed to constitute an election to subscribe.

The option of a subscriber intimated under this sub-rule shall be final.

- (1) A subscriber, who has under rule 13.29 withdrawn the amount standing to his credit in the Fund, shall not subscribe to the Fund after such withdrawal unless he returns to duty.

Note. - The term 'dies non' in relation to the period of service means the period which does not exist and is not counted for the purpose of pension, leave and seniority or for any other purpose.

13.10. (1) The amount of subscription shall be fixed by the subscriber himself, subject to the following conditions --

(a) it shall be expressed in whole rupees ;

(b) it may be any sum, so expressed, not less than 8 per cent of his (including dearness pay) and not more than his total pay.



Substituted for "6 per cent" vide  
Notification No. 3-2(8)USF(C) 85/3966;  
dated 22/3/1985.

(2) For the purposes of clause (1) the emoluments of a subscriber shall be --

(a) In the case of a subscriber who was in Government service on the 31<sup>st</sup> March, of the preceding year, emoluments to which he was entitled on that date :

(i) if the subscriber was on leave on the said date and elected not to subscribe during such leave or was under suspension on the said date, or the period of service on that date is treated as dies non his emoluments shall be the emoluments to which he was entitled on the first day after his return to duty ;

(ii) if the subscriber was on deputation out of India on the said date or was on leave on the said date and continues to be on leave and has elected to subscribe during such leave, his emoluments shall be the emoluments to which he would have been entitled had he been on duty in India;

(iii) if the subscriber joined the Fund for the first time, his emoluments shall be the emoluments to which he was entitled on the date of joining the Fund.

(b) In the case of subscriber who was not in Government service on the 31<sup>st</sup> March of the preceding year, the emoluments to which he was entitled on the date he joins the Fund.



- (3) The subscriber shall intimate the fixation of the amounts of his monthly subscription in each year in the following manner --
- (a) if he was on duty on the 31<sup>st</sup> March of the preceding year, by the deduction which he makes in this behalf from his pay bill for that month ;
  - (b) if he was on leave on the 31<sup>st</sup> March of the preceding year and elected not to subscribe during such leave, or was under suspension on that date the period of service on that day is treated as dies non by the deduction which he makes in this behalf from his first pay bill after his return to duty ;
  - (c) if he has entered Government service for the first time during the year, or joins the Fund for the first time by the deduction which he makes in this behalf from his pay bill for the month during which he joins the Fund ;
  - (d) if he was on leave on the 31<sup>st</sup> March of the preceding year, and continues to be on leave and has elected to subscribe during such leave, by the deduction which he causes to be made in this behalf from his pay bill for that month;
  - (e) if he was on foreign service on the 31<sup>st</sup> March of the preceding year, by the amount credited by him into the treasury on account of subscription for the month of April in the current year.
- (2) The amount of subscription so fixed may be reduced once at any time during the course of the year or may be enhanced twice during the course of the year.

Provided that if a subscriber is on leave on half pay for a part of a calendar month and he has elected not to subscribe during such leave, the amount of the subscription payable shall be proportionate to the number of days spent on duty including leave, if any, other than those referred to above.

- (i) The amount of subscription originally fixed by a subscriber is not to be varied during the course of the year on account of any increase or decrease in his rate of pay which may ultimately be found to be due in respect of the 31<sup>st</sup> March preceding.

- (ii) If a subscriber dies during the course of a month proportionate subscription should be recovered for that month from his emoluments, i.e., for the number of days during which he was alive in the month.

Note. -- (a) The subscriptions of piece-workers in Government Presses are not subject to the minimum limit of 6-1/2 per cent of pay. In their case the maximum limit of 15-5/8 percent shall be calculated on the higher earnings drawn for any day failing within the period 15<sup>th</sup> February to 14<sup>th</sup> March of the financial year preceding. If, however, a piece-worker has been absent during the whole of that period the limit of 15-5/8 percent shall be calculated on the higher earnings drawn for any day of the first subsequent press month (15<sup>th</sup> of one month to the 14<sup>th</sup> of the next month) in which he is employed. The earning taken for calculating the maximum limit of subscription shall also be taken for the purpose of calculating the limit of three months' pay ordinarily imposed on temporary advances under rule 13.14(1).

(b) The subscriptions of section-writers, typists, and other piece-rate-workers who are members of fixed establishment shall be calculated on their earnings for March of the preceding financial year. These earnings will also be taken as the monthly pay for the purposes of watching the limit of three months' pay ordinarily imposed on temporary advances under rule 13.14(1).

13.11. When a subscriber is transferred to foreign service or sent on deputation out of India, he shall remain subject to the rules of the Fund in the same manner as if he were not so transferred or sent on deputation.

## REALIZATION OF SUBSCRIPTIONS

13.12. (1) When emoluments are drawn from a Government Treasury in India or from the Treasury in U.K. or a Colonial Treasury, recovery of subscriptions on account of these emoluments and of the principal and interest of advances shall be made from the emoluments themselves; except that, when emoluments other than sterling overseas pay are so drawn in India, deductions in respect of sterling overseas pay, when admissible, shall be made in India.

(2) When emoluments are drawn from any other source the subscriber shall forward his dues monthly to the Accounts Officer.

### Govt. Instructions

Advance out of GPF is to be sanctioned to the employees on deputation/foreign Service by the GPF Maintenance Authorities after ascertaining the genuineness and obtaining undertaking for the amount of excess amount, if any, paid (Letter No.578, dated 18/1/90 See Page No. 1025)

See Para No. (9) and Para No. (10) (i) to Para No. 10(v) of Govt. Instruction dated 2/5/89 in the case of the following categories of employees.

Class iv (Group V.) employee when promoted Employees on foreign service/deputation Substituted vide Notification No.9/94/89-4E1'111/5411 w.e.f 8.2.1990 dated 15/7/1993.

Deputationists of Other States/ Central Govt. to the Punjab State.

(Letter dated 2/5/89 See Page No. 1006)

- (1) If a Government employee fails to subscribe with effect from the date on which he is required to join the Fund the total amount due to the Fund on account of arrears of subscription shall, with interest thereon at the rate provided in rule 13.13, forthwith be paid by the subscriber to the Fund, or in default be ordered by the Accounts Officer to be recovered by deduction from the emoluments of the subscriber by instalments or otherwise as may be directed by the authority competent to grant an advance under clause (1) of rule 13.14.

## INTEREST


13.13. (1) Subject to the provisions of clause (5) below, Government shall pay to the credit of the account of a subscriber interest at such rate as may be determined for each year according to the method of calculation prescribed from time to time by the competent authority.

- (2) Interest shall be credited with effect from the last day in each year in the following manner --
  - (i) on the amount at the credit of a subscriber on the last day of the preceding year, less any sums withdrawn during the current year -- interest for twelve months ;
  - (ii) on sums withdrawn during the current year -- interest from the beginning of the current year up to the last day of the month preceding the month of withdrawal ;
  - (iii) on all sums credited to subscriber's account after the last day of the preceding year -- interest from the date of deposit up to the end of the current year ;
  - (iv) the total amount of interest shall be rounded to the nearest whole rupee (fifty paise counting as the next higher rupee) :

Provided that when the amount standing at the credit of a subscriber has become payable, interest shall thereupon be credited under this clause in respect only of the period from the beginning of the current year or from the date of deposit as the case may be, up to the date on which the amount standing at the credit of the subscriber became payable.

- (3) In this rule, the date of deposit shall, in the case of a recovery from emoluments, be deemed to be the first day of the month in which it is recovered; and in the case of an amount forwarded by the subscriber shall be deemed to be the first day of the month of receipt, if it is received by the Accounts Officer before the fifty day of that month, but if it is received on or after the fifth day of that month the first day of the next succeeding month.
- (2) In addition to any amount to be paid under rules 13.28, 13.29 or 13.30, interest thereon up to the end of the month preceding that in which the payment is made, or up to the end of the sixty month after the month in which such amount became payable, whichever of these periods be less, shall be payable to the person to whom such amount is to be paid :

Provided that . - (i) in the case of a Government employees other than class IV employees the payment of interest on the Fund balances beyond a period of six months up to any period may be authorised by the ~~Accountant-General, Punjab,~~ <sup>[Head of Department] 'Substituted vide Notification No. 3/2/1/994FCD/1966 dated 13/3/1991</sup> after he has personally satisfied himself that the delay in payment was occasioned by circumstances beyond the control of the subscriber and that the administrative delay involved in the matter shall be fully investigated and action, if any, required, taken ; and

- (ii) in the case of class IV employees the payment of the interest on the Fund balances beyond a period of six months upto a period of one year may be authorised by the  Heads of Departments and payment of the interest of Fund balance beyond that period up-to any period may be authorised by the Administrative Secretary concerned after he has personally satisfied himself that the delay in payment was occasioned by circumstances beyond the control of the subscriber or the persons to whom such payment was to be made in every such case, the Administrative delay involved in the matter shall be fully investigated and action, if any, required, taken.

Provided further that where the Accounts Officer has intimated to that person (or his agent) a date on which he is prepared to make payment in cash, or has posted a cheque, in payment to that person,

interest shall be payable only up to the end of the month preceding the date so intimated, or the date of posting the cheque, as the case may be :


Provided further that where a subscriber on deputation to a body corporate, owned or controlled by Government or an autonomous

Organization, registered under the Societies Registration Act, 1860 (21 of 1860) is subsequently absorbed in such body corporate or organization with effect from a retrospective date, for the purpose of calculating the interest due on the Fund accumulations of the subscriber, the date of issue of the orders regarding absorption shall be deemed to be the date on which the amount to the credit of the subscriber became payable, subject, however, to the condition that the amount recovered as subscription during the period commencing from the date of absorption and ending with the date of issue of orders of absorption shall be deemed to be subscription to the Fund only for the purpose of awarding interest under this sub-rule.

- (3) Interest shall not be credited to the account of Mohammedan subscriber if he informs the Accounts Officer that he does not wish to receive it; but he subsequently asks for interest, it shall be credited with effect from the first day of the year in which he asks for it.
- (4) The interest on amounts which under sub-rule (3) of rule 13.12, rule 13.28 or rule 13.29, are replaced at the credit of the subscriber in the Fund shall be calculated at such rates as may be successively prescribed under clause (1) of this rule and so far as may be in the manner described in this rule.


Substituted vide Notification No. 3-2(6)USF(C) 85/22204,  
dated 2/4/1986

Note 1. - When a subscriber is dismissed, removed or retired prematurely or compulsorily from the service of Government but has appealed against his removal, the balance at his credit shall not be paid over to him until final orders confirming the decision are passed on his appeal, Interest, shall, however, be paid on the balance up to the end of the month preceding that in which such orders are passed.

Note 1: A -  When a subscriber is dismissed, removed, retired prematurely or compulsorily from the service of Government, the balance at his credit shall not be paid to him until he declares that the appeal review of memorial or judicial proceedings as the case may be, provided under

the relevant rules against such order, has been finally decided confirming the decision of dismissal, removal or premature or compulsory retirement or until a certificate to the effect that no such appeal, review, memorial or judicial proceeding is pending or would be filed, is furnished". **Inserted vide Notification No.3-2(6)USF(C) 85/22204, dated 2/4/1986.**

Note 2. - No interest shall be allowed on the amount recovered on account of the subscriptions to the Fund in excess of the actual amount due.

When the excess payment of subscription is adjusted by short payment in subsequent months, interest should be allowed for the latter months on the full amount due, the balance having been already received in the former months. 



**Rule 13.13-A omitted vide Notification No.3-2(7)-4FCD-86/602, dated 14/1/1988.**

### ADVANCES FROM THE FUND

13.14. (1) A temporary advances may be granted to a subscriber from the amount standing to his credit in the Fund at the discretion of the competent authority subject to the following conditions :-

(a) No advance shall be granted unless the sanctioning authority is satisfied that the applicant's pecuniary circumstances justify it, and that it will be expended on the following object or objects and not otherwise--

(a) to pay expenses in connection with the prolonged illness of the applicant and members of his family or any person actually dependent on him;

(ii) to pay for the overseas passage only for reasons of health or education of the applicant and members of his family or any person actually dependent on him. Advances from provident fund may also be granted to a subscriber subject to the usual conditions to meet the cost of education of himself or of any person actually dependent on him in the following types of cases:-

(1) for education outside India, whether for an academic, technical, professional or vocational course;

**Govt. Instructions**

**See Para 6 of Govt. Instructions dated 2/5/89 See Page No. 1006.**

**Interest on missing credits is to be paid to the subscriber up to the preceding month in which the amount is actually paid to him.**

**(Letter no. 219, dated 10/1/91 & Letter No. 6338, dated 12/8/91 See Page No. 1030 & 1031)**

**(1) Rates of interest on GPF admissible for the period 67-68 to 2003-2004 are given in Annexure A (See Page 1026)**

**(2)The details of the arrears of the pay fixation , interim relief and DA installmentswhich are creditable to GPF A/c of the employees and the interest accruable**

thereon

from the dates are given in Annexure-B'. (See Page 1027-1030)

Interest to be paid on normal amount of subscription deducted from monthly salary

& arrears. If any amount towards GPF is deposited into Treasury through Challan by an

employee. No interest is payable. (Letter dated 5/6/95 See Page No. 1031)

- (2) for medical, engineering and other technical or specialized course of study is not less than three years;
- (3) for the Company Secretary ship Course of the Institute of Company Secretaries of India; and
- (4) for the course of pre-sea training imparted on the Training Ship 'Rajendra' to the prospective navigation officers on merchant ships.
- (iii) to pay obligatory expenses on a scale appropriate to the subscriber's status which by customary usage the subscriber has to incur in connection with marriages, funerals, or other ceremonies;
- (iv) to meet the cost of legal proceedings instituted by the subscriber for vindicating his position in regard to any allegations made against him in respect of any act done or purporting to have been done by him in the discharge of his official duty, the advance admissible for the same purpose from any other Government source:

Provided that the advance under this sub- clause shall not be admissible to a subscriber who institutes legal proceedings in any court of law either in respect of any matter unconnected with his official duty or against Government in respect of any condition of service or penalty imposed on him;

- (v) to meet the cost of his defence where the subscriber is prosecuted by Government in any court of law or where the subscriber engages a legal practitioner to defend himself in an inquiry in respect of any alleged official misconduct on his part.

Note. - In cases falling under item (i) above, advances may be granted by the sanctioning authority to pay debts incurred : provided an application is made within a reasonable time after the event to which it relates. What is a reasonable time will be determined on the merits of each case. Advances to pay debts incurred in cases falling under items (ii) and (iii) require the sanction of **Government.**

'[vi] to pay for the purchase of wheat by the Class IV employees for their own consumption. In case where more than one member. of the same family are Class IV employees, the withdrawal will be admissible to only one such member. The withdrawal shall not be permissible after 30th June and shall be recoverable in equal monthly, instalments within a period of one year from the date of withdrawal.]



Inserted vide Notification No.3-2(2)-USF(C)84/7031, dated 22/5/1985.

- (b) The sanctioning authority shall record in writing its reasons for granting the advance.

Provided that if the reason is of a confidential nature, it may be communicated to the Accounts Officer personally and/ or confidentially.

- (c) No advance shall be granted unless --

- (i) the competent authority fully satisfies itself about the genuineness of the request for which advance is applied for;

- (ii) the earlier advances are full repaid; and

- (iii) Grant of advance by an authority lower than the Administrative Department shall not be made except for special reason to be recorded in writing by the sanctioning authority and shall be subject to the following conditions:-

- (1) it shall not exceed six months' pay or half the amount at the credit of the subscriber in the fund, whichever is less; or

- (2) unless the amount already advanced does not exceed two-thirds of the amount admissible under item C(iii), be granted until at least twelve months after the final repayment of all previous advances.

- (d) Notwithstanding anything contained in clause (c), the advance to be sanctioned for the purposes of sub-clause (iv) or sub-clause (v) of clause (a), shall not exceed three months' pay or Rs. 500, whichever is greater, and shall in no case exceed half the amount at the credit of the subscriber in the fund.


- (2) In fixing the amount of an advance, the instructions given in Annexures A and D to this Chapter should be carefully observed by the authorities competent to sanction the advances.

Note 2. - The authorities competent to grant advances under this rule and the conditions under which they can grant such advances are given in Annexure B to this Chapter.



Note 3. - For advances for meeting cost of higher technical, medical and scientific studies of the children of Government employees, in respect of degree courses and above, in addition to the amount admissible from the General Provident Funds, see rule 10.25(m) of P. F. R. Vol. I.

(3) The competent authority may in special circumstances sanction the payment to any subscriber of an advance if it is satisfied that the subscriber concerned requires the advance for reasons other than those mentioned in sub-rule (1).

(4) When an advance is sanctioned under sub-clause (c0, before repayment of last installment of any previous advance is completed, the balance not recovered shall be added to the advance so sanctioned and the instalments for recovery shall be fixed with reference to the consolidated amount. 

13.15. (1) An advance shall be recovered from the subscriber in such number of equal monthly instalments as the sanctioning authority may direct ; but such number shall not be less than twelve unless the subscriber so elects and more than twenty-four. In special cases where the amount of advance exceeds three months pay of the subscriber under rule 13.14(1)(c), the sanctioning authority may fix such number of installments to be more than twenty-four but in no case more than thirty-six. A subscriber may, at his option, repay more than one instalments in a month. Each installment shall be a number of whole rupees, the amount of the advance being raised or reduced, if necessary, to admit of the fixation of such instalments.

(2) Recovery shall be made in the manner prescribed in rule 13.12 for the realization of subscription and shall commence with the issue of pay for the month following one in which the advance was drawn. Recovery shall not be made, except with the subscriber's consent, while he is on leave for ten days or more in a calendar month or in receipt of subsistence grant and may be postponed, on the subscriber's written request, by the sanctioning authority during the recovery of an advance of pay granted to the subscriber.

Note 1. - The expression "advance of pay" includes any ordinary advance of pay granted under the relevant rules, but does not include advances for the building or repair of a house, for the purchase of a conveyance or for the payment of passages overseas which are of a different nature.

Govt. Instructions

See Para 8(i) to 8(10 of Govt. Instructions dated 2/5/89 See Page 1006.

Two refundable advances in a year can be granted to an employee for some object/obligatory functions by the authority concerned on the satisfaction of bonafide requirement of such advance. Letter No.9107 dated 6/9/2000 See Page 1032.

The GPF advance may be sanctioned without furnishing of documentary proof for its requirement by the competent authority after satisfying himself about its genuineness.(Letter dated 16/7/1991 See Page 1033)

Note 2. - Vacation combined with leave shall be treated as leave for the purpose of repayment of an advance.

- (3) If an advance has been granted to a subscriber and drawn by him and the advance is subsequently disallowed before repayment is completed, the whole of balance of the amount withdrawn, shall, forthwith be repaid by the subscriber to the Fund, or in default, be ordered by the Accounts Officer to be recovered by deduction from the emoluments of the subscriber in monthly instalments not exceeding twelve as may be directed by one of the authorities specified in Annexure B to this Chapter.

Provided that, before such advance is disallowed the subscriber shall be given an opportunity to explain to the sanctioning authority in writing and within fifteen days of the receipt of the communication why the repayment shall not be enforced and if an explanation is submitted by the subscriber within the said period of fifteen days, it shall be considered by the sanctioning authority for decision; and if no explanation within the said period is submitted by him, the repayment of the advance shall be enforced in the manner prescribed in this sub-rule.

- (4) Recoveries made under this rule shall be credited as they are made to the subscriber's account in the Fund.

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## PAYMENTS TOWARDS INSURANCE POLICIES

13.16. Subject to the conditions hereinafter contained in rules 13.17 to 13.26 :-

- (a) payments towards a policy of life insurance, may at the option of a subscriber, be substituted in whole or part for subscriptions due to the Fund;
- (b) the amount of subscriptions with interest thereon standing to the credit of a subscriber in the Fund may be withdrawn to meet --
- (i) a payment towards a policy of life insurance;
- (ii) the purchase of a single payment insurance policy;

Provided that no amount shall be withdrawn (1) before the details of the proposed policy have been submitted to the Accounts Officer and accepted by him as suitable, or (2) to meet any payment or purchase made or effected more than three months before the withdrawal; or (3) in excess of the amount required to meet a premium actually due for payment within three months of the date of withdrawal :

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Provided further that payments towards an educational endowment policy may not be substituted for subscriptions to the Fund and that no amounts may be withdrawn to meet any payment or purchase in respect of such a policy if that policy is due for payment in whole or part before the subscriber's age of normal superannuation :

Provided further that amounts withdrawn shall be rounded to the whole rupee by ignoring paise from the amount of premium.

Note 1. - When a subscriber intends to take out a life insurance policy in any company and to substitute premium on such a policy for subscription to the G P. Fund, he should notify it to the Accounts Officer.

Note 2. - See also Note 4 below rule 13.20(3).

13.16-A. (1) The number of policies in respect of which substitution for subscriptions due to the Fund or withdrawal of subscriptions from the Fund may be permitted under rule 13.16, shall not exceed four :

Provided that where immediately before the 22<sup>nd</sup> June, 1953, substitution for subscription due to the Fund or withdrawal of subscriptions from the Fund, is permitted in respect of more than four policies, such substitution or withdrawal shall continue to be permitted in respect of those policies.

(2) The premium for a policy [ including any policy referred to in the proviso to sub-rule (1)] in respect of which withdrawal of subscriptions from the Fund may be permitted under rule 13.16 shall not be payable otherwise than annually.

**Explanation.** - "In computing the maximum number of policies specified in sub-rule (1), policies which have matured or have been converted into paid up one's shall be excluded."

13.17 (1) If the total amount of any payments substituted under clause (a) of rule 13.16 is less than the amount of the minimum subscription payable to the Fund under rule 13.10 (1), the difference shall be rounded to the nearest rupee in the manner provided in sub-clause (iv) of clause (2) of rule 13.13 and paid by the subscriber as a subscription to the Fund.

Note - The period for which the difference referred to in this rule should be calculated for the purpose of effecting the recovery should be one financial year. Any amount of payments towards a policy of life insurance in excess of the minimum amount of subscription payable into the General Provident Fund in any financial year should not be set off against any difference payable under this rule in respect of any other financial year.

- (2) If the subscriber withdraws any amount standing to his credit in the Fund for any of the purposes specified in clause (b) of rule 13.16, he shall, subject to his option under clause (a) of that rule, continue to pay to the Fund the subscription payable under rule 13.10:

Provided that no subscription shall be payable by a Government employee who in exercise of the option allowed by rule 13.6(1) has ceased to subscribe to the Fund.

13.18. (1) A subscriber who desires to substitute a subscription under clause (a) of rule 13.16 may reduce his subscription to the Fund accordingly:

Provided that the subscriber shall --

- (a) Intimate to the Accounts Officer on his pay bill or by letter the fact of, and reason for, the reduction;
- (b) Send to the Accounts Officer, within such period, as the Accounts Officer may require receipts or certified copies of receipts in order to satisfy the Accounts Officer that the amount by which the subscription has been reduced was duly applied for the purposes specified in clause (a) of rule 13.16.
- (2) A subscriber who desires to withdraw any amount under clause (b) of rule 13.16, shall --

- (a) Intimate the reason for the withdrawal to the Accounts Officer by letter;
  - (b) Make arrangements with the Accounts Officer for the withdrawal; and
  - (c) Send to the Accounts Officer, within such period as the Accounts Officer may require, receipts or certified copies of receipts in order to satisfy the Accounts Officer that the amount withdrawn was duly applied for the purposes specified in clause (b) of that rule.
- (3) The Accounts Officer shall order the recovery of any amount by which subscriptions have been reduced, or of any amount withdrawn, in respect of which he has not been satisfied in the manner required by sub-clause (b) of clause (1) and sub-clause (c) of clause (2) from the emoluments of the subscriber, and place it to the credit of the subscriber in the Fund.

13.19. (1) The Government shall not make any payments on behalf of subscribers to Insurance Companies nor take steps to keep a policy alive.

- (2) A policy to be acceptable under these rules shall be one effected by the subscriber himself on his own life and shall (unless it is a policy effected by a male subscriber which is expressed on the face to it to be for the benefit of his wife, or of his wife and children, or any of them) be such as may be legally assigned by the subscriber to the Governor of the Punjab.

**Explanation 1.** - A policy on the joint lives of the subscriber and the subscriber's wife or husband shall be deemed to be a policy on the life of the subscriber for the purpose of this clause.

**Explanation 2.** - A policy which has been assigned to the subscriber's wife shall not be accepted, unless either the policy is first re-assigned to the subscriber or the subscriber and his wife both joined in an appropriate assignment.

**Explanation 3.** - The policy may not be effected for the benefit of any beneficiary other than the wife or husband of the subscriber or the wife or husband, and children of the subscriber or any of them.

13.20. (1) The policy, within six months after the first withholding of a subscription or withdrawal from the Fund in respect of the policy; or in the case of an insurance company whose headquarters are outside India, within such further period as the Accounts Officer, if he is satisfied by the production of the completion certificate (interim receipt), may fix, shall --

- (a) unless it is a policy effected by a male subscriber which is expressed on the face of it to be for the benefit of the wife of the subscriber, or of his wife and children, or any of them except an Endowment Policy of the usual type, be assigned to the Governor of the Punjab, as security for the payment of any sum which may become payable to the Fund, under rule 13.25 and delivered to the Accounts Officer, the assignment being made by endorsement on the policy in Form P.F. 3 or Form P.F. 4 or Form P.F. 5 or Form P.F. 6 or Form P.F. 6-A according to the policy is on the life of the subscriber or on the joint lives of the subscriber and the subscriber's wife or husband or the policy has previously been assigned to the subscriber's wife;
- (b) if it is a policy effected by a male subscriber which is expressed on the face of it to be for the benefit of the wife of the subscriber, or of his wife and children or any of them, be delivered to the Accounts Officer.

(2) The Accounts Officer shall satisfy himself by reference to the Insurance Company, where possible, that no prior assignment of the policy exists.

Note. - A policy on the life of a subscriber which is not expressed on the face of it to be for the benefit of his wife, or his wife and children or any of them and which has been assigned to his wife may be accepted under clause (1)(b) provided the wife joins in the assignment in favour of the Governor. The assignment in such a case shall be made out in Form P.F.4 the words "the joint assured" in that Form being omitted. The question of re-assignment of such a policy in a case in which the assured dies before the date of maturity of the policy and before his retirement should be referred for the orders of Government together with the policy.

(3) Once a policy has been accepted by an Accounts Officer for the purpose of being financed from the Fund, the terms of the policy shall not be altered, nor shall the policy be exchanged for another policy without the prior consent of the

Accounts Officer to whom details of the alterations or of the new policy shall be furnished.

Note 1. - When a subscriber proposes to convert a policy which has been assigned to the Governor of the Punjab into a paid up policy, it should first be ascertained whether the Insurance Company intends to issue a new document. If it does, the policy should be re-assigned to the subscriber in the following form namely :-

" I \_\_\_\_\_ Accountant-General, Punjab, acting on behalf of the Governor of the Punjab, hereby reassign unto \_\_\_\_\_ the within policy of assurance."

The new policy should be assigned to the Governor of the Punjab and handed over to the Accounts Officer.

If the company proposes to convert the policy into a paid up one by means of an endorsement thereon to that effect; the policy should either be handed to the subscriber for transmission to the Insurance Company or be sent direct by the Accounts Officer, but in either case with a request that the policy when so endorsed by the company may be returned direct to the Accounts Officer. If there is thereby a radical change in the benefits derivable under the policy a memorandum may be required to be endorsed and signed by the Accounts Officer as well as the subscriber acknowledging the altered position.

(2) In the case of paid up policies it is necessary to see that the paid up value of the policy is not less than the amount of the premia diverted from the Fund. The amount of interest which would have accrued on such premia had they been left in the Fund should not be taken into account in the calculation. If the paid up value is less than the total of the sums withdrawn from the Fund for premium payments, not including interest, the subscriber should forthwith be required to pay the difference into the Fund. Any profits stated by the Company to have accrued on the policy up to the date of its conversion should, however, be taken into account in calculating the difference, only if the Company is prepared to guarantee the profits by making an entry on the policy.

(3) In the case of a policy assigned to the Government of the Punjab which a subscriber wants to surrender the policy may be reassigned to the subscriber for the purpose of the surrender, on the condition that he pays the surrender value of the policy into his Fund Account, and, if the surrender value be less than the total of

the sums diverted from the Fund for premium payments, and interest thereon, that he also repays the difference, into the Fund. In other words such cases should be treated like those of lapsed policies and the Fund Account has to be restored to what it would have been had the premia not been paid out of it.

(4) In cases both of paid-up and surrendered policies in which it is considered that the recovery in a single instalment of the difference to be paid into the Fund Account will cause hardship to the individual concerned recovery should be effected in such number of instalments, not exceeding 24, as the Heads of the Department, may, with the concurrence of the Accounts Officer decide. If recovery is made in instalments interest will not be charged in the case of paid-up policies even for the period of actual recovery, but interest at the usual rate will be charged for this period in the case of surrendered policies.

Note 2. - The provisions of Note 1 above cover cases for final surrender of policies and not exchange of policies. Accordingly, a holder of a policy assigned to the Governor of the Punjab, who desires to improve his position by replacing one policy by a better one should be permitted to do so, subject to the following conditions being observed, namely :-

- (1) The new policy should carry the same or a larger amount of insurance.
- (2) The premium in respect of the new policy should not be more than premium paid in respect of the old policy.
- (3) The new policy should mature within the same year as the old policy.
- (4) The new policy should be in force on the date on which the original policy is surrendered.

Note 3. - A policy of Life Insurance may be converted into an extended term policy if a Government employee who has taken out a policy of life insurance may find after payment of premium for a certain number of years that he is unable to continue further payments. In such an event, certain insurance companies allow an option to the assured to convert the policy into an extended term policy on terms and conditions which are generally laid down at the back of the policy. The features peculiar to such an extended term policy are, viz. :-



- (i) that the assured is covered for a specified period beyond the date from which he ceases to pay premia ;
- (ii) that the company forgoes all future premia on the policy ;
- (iii) that the company undertakes to pay the assured the full amount of policy only in the event of his death within the extended period ;
- (iv) that, if the assured survives that period he is entitled to receive nothing from the company ; in certain circumstances, only a very nominal amount.

Note 4. - Certain Assurance Companies issue policies on the "term Assurance" scheme, some of the features peculiar to which are given below:-

- (1) If the assured dies within the specified period, assurance money becomes payable, but if he outlives that period no payment is made.
- (2) No surrender value is allowed at any time.
- (3) The policy holder is given the option during the currency of the policy of taking out a fresh policy under any other plan issued by the company concerned, this is restricted to endowment assurance policies in certain companies without being required to pass a medical examination. The premium payable and other conditions attaching to the new policies, however, are the same as for a fresh entrant at his age at the time of exercising the option, the only tangible benefit obtained being that the company is bound to issue him a policy irrespective of the state of his health.

As these policies partake, in essential of the features of the extended term policies referred to in Note 3 above it is undesirable that they should be allowed to be financed from Provident Funds. Such policies should not, therefore, be accepted under these rules.

Note 5. - The provisions of Note 2 above contemplate the surrender of a policy or the substitution of a better policy in another office. In many cases in which it is to the advantage of a policy holder to replace his policy by a policy in another and better office the policy which is to be replaced

may not be entirely surrendered. Insurance companies allow, as an alternative to the surrender of the existing policy a fully paid-up policy for a reduced sum insured as a quid pro-quo for premiums paid prior to discontinuance of further premiums. The existing remains in policy force as a paid-up policy and constitutes part insurance cover in addition to the sum insured under the new policy. Thus, as a result of the replacement transaction, the policy-holder holds insurance in two offices, partly in the old and partly in the new office. If the total amount of insurance cover given by the two policies be the same or larger than the amount of insurance given by the old policy prior to the discontinuance of premiums there under, the first of the conditions set out in the Note referred to above should be regarded as satisfied.

- (4) If the policy is not assigned and delivered, or delivered, within the said period of six months or such further period as the Accounts Officer may, under clause (1), have fixed, any amount withheld or withdrawn from the Fund in respect of the policy shall, forthwith be paid or repaid, as the case may be, by the subscriber to the Fund, or, in default be ordered by the Accounts Officer to be recovered by deduction from the emoluments of the subscriber, by instalments or otherwise, as may be directed by the authorities specified in Annexure B to this Chapter.
- (5) Notice of assignment of the policy shall be given by the subscriber to the Insurance Company, and the acknowledgement of the notice by the Insurance Company shall be sent to the Accounts Officer within three months of the date of assignment.

Note 1. - Subscribers should send notice of the assignment to the Insurance Company in duplicate, accompanied in cases in which the notice has to be sent to a company in Great Britain or Ireland, by a remittance of five shillings, which is the fee for the acknowledgement authorised, by the Policies of Assurance Act, 1867.

Note 2. - Subscribers who proceed to Great Britain or Ireland on quitting the service should note that under the England Stamp Law assignments or re-assignments are required to be stamped within 30 days of their first arrival in those countries. Otherwise penalty will be incurred under the Stamp Act, and difficulties may arise when the policy matures for payment.

- (6) Clear cases of exchange of policies which are covered by this Note may be decided by the Accounts Officer concerned. The cases which are doubtful and are not covered by it and cases involving alterations in terms of policies should be referred to the Government for their examination on merits.

13.21. The subscriber shall not during the currency of the policy draw any bonus the drawal of which during such currency is optional under the terms of the policy of deposit the cash value of the accrued bonus with the company to accumulate at interest. The amount of any bonus which under the terms of the policy the subscriber has no option to refrain from drawing during its currency shall be paid forthwith into the Fund by the subscriber or in default recovered by deduction from his emoluments by instalments or otherwise as may be directed by the authority competent to grant an advance under clause (1) of rule 13.14.

13.22. (1) Save as provided by rule 13.26, when the subscriber --

- (a) quits the service : or
- (b) has proceeded on leave preparatory to retirement and applies to the Accounts Officer for re-assignment or return of the policy ;  
or
- (c) while on leave has been permitted to retire or declared by a competent medical authority to be unfit for further service and applies to the Accounts Officer for re-assignment or return of the policy ;
- (d) pays or repays to the Fund the whole of any amount withheld or withdrawn from the Fund for any of the purposes mentioned in sub-clause (I) of clause (a), of rule 13.16 and sub-clauses (I) and (ii) of clause (b) of that rule.

The Accounts Officer shall --

- (i) if the policy has been assigned to the Governor of the Punjab, underrule 13.20 or under the corresponding rule hereto in force, re-assign the policy in Part I of Form P.F. 7 to the subscriber or to the subscriber and the joint assured, as the case may be, and make it over

to the subscriber together with a signed notice of the re-assignment addressed to the Insurance Company;

- (ii) if the policy has been delivered to him under sub-clause (b) of clause (1) of rule 13.20 make over the policy to the subscriber :

Provided that, if the subscriber, after proceeding on leave preparatory to retirement or after being, while on leave, permitted to retire or declared by a competent medical authority to be unfit for further service, returns to duty, any policy so re-assigned or made over shall, if it has not matured or been assigned or charged or encumbered in any way, be again assigned to the Governor of the Punjab and delivered to the Accounts Officer, or again be delivered to the Accounts Officer, as the case may be, in the manner provided in rule 13.20, and thereupon the provisions of these rules shall, so far as may be, again apply in respect of the policy :

Provided further that, if the policy has matured or been assigned or charged or encumbered in any way, the provisions of clause (4) of rule 13.20 applicable to a failure to assign and deliver a policy shall apply.

- (2) Save as provided by rule 13.26, when the subscriber dies before quitting the service, the Accounts Officer shall --

- (i) if the policy has been assigned to the Governor of the Punjab under rule 13.20 or under the corresponding rule heretofore in force, re-assign the policy in Part II of Form P.F. 7 to such person or persons as may be legally entitled to receive it, and shall make over the policy to such person or persons together with a signed notice of the re-assignment addressed to the Insurance Company ;
- (ii) if the policy has been delivered to him under sub-clause (b) of clause (1) of rule 13.20 make over the policy to the beneficiary, if any, or, if there is no beneficiary to such person or persons as may be legally entitled to receive it.

13.23. (1) If a policy assigned to the Governor under rule 13.20 matures before the subscriber quits the service, or if a policy on the joint lives of a subscriber and the subscriber's wife or husband assigned under the said rule falls due for payment by reason of the death of the subscriber's wife or husband, the Accounts Officer shall, save as provided by rule 13.26, realize the amount assured together with any accrued

bonuese and shall place the amount so realised to the credit of the subscriber in the Fund.

Provided that if the amount assured together with the amount of any accrued bonuses is more than the whole of the amount with-held or withdrawn, it shall be the duty of the Accounts Officer to pay to the subscriber the difference, on receipt of a written application in this behalf.

(2) Save as provided by Rule 13.26, if a policy delivered to the Accounts Officer under sub-clause (b) of clause (1) of Rule 13.20 matures before the subscriber quits the service, the Accounts Officer shall make over the policy to the subscriber :

Provided that if the interest in the policy of the wife of the subscriber, or of his wife and children or any of them as expressed on the face of the policy, expires when the policy matures, the subscriber, if the policy moneys are paid to him by the insurance company shall immediately on receipt thereof pay or repay to the Fund either :-

- (i) the whole of any amount withheld or withdrawn from the Fund in respect of the policy ; or
- (ii) an amount equal to amount assured together with any accrued bonuses; whichever is less, and, in default, the provisions of Rule 13.27 shall apply as they apply in relation to cases where money withheld or withdrawn from the Fund under clause (a) of clause (b) of rule 13.16 has been utilised for a purpose other than that for which sanction was given to the withholding or withdrawal.

13.24. Omitted.

13.25. If the policy lapses, or is assigned, otherwise than to the Governor of the Punjab under Rule 13.20 charged or encumbered, the provisions of clause (4) of Rule 13.20 applicable to a failure to assign and deliver a policy shall apply.

13.26. If the Accounts Officer receives notice of --

- (a) as assignment (otherwise than an assignment to the Governor of the Punjab under Rule 13.20) ; or

- (b) a charge or encumbrance on ; or
- (c) an order of a court restraining dealings with, the policy or any amount realised thereon, the Accounts Officer shall not --
  - (i) reassign or make over the policy as provided in Rule 13.22 ; or
  - (ii) realise the amount assured by the policy or reassign or make over the policy as provided in Rule 13.23.

but shall forthwith refer the matter to Government.

13.27. Notwithstanding anything contained in these rules, if the sanctioning authority has reason to doubt that money drawn as an advance from the Fund under clause (1) of rule 13.14 or clause (a) or clause (b) of rule 13.16 has been utilised for a purpose other than that for which sanction was given to the drawal of the money, he shall communicate to the subscriber the reason for his doubt and require him to explain in writing and within fifteen days of the receipt of such communication whether the advance has been utilised for the purpose for which sanction was given to the drawal of the money. If the sanctioning authority is not satisfied with the explanation furnished by the subscriber within the said period of fifteen days, the sanctioning authority shall direct the subscriber to repay the amount in question to the Fund forthwith, or in default order, the amount to be recovered by deduction in one sum from the emoluments of the subscriber even if he be on leave. If, however, the total amount to be repaid be more than half of the subscriber's emoluments recoveries shall be made in monthly instalments of moieties of his emoluments till the entire amount is repaid by him".

Note. -- The term 'emoluments' as used in this rule does not include subsistence grant.

13.27-A. Restriction of the provisions relating to financing of policies to existing subscribers in respect of existing policies :-

The provisions of Rules 13.16 to 13.27 shall apply only to subscriber who, before 30<sup>th</sup> October, 1963, have been substituting in whole or in part payments towards policies of life insurance for subscriptions to the fund or making withdrawals from the fund for such payments:

Provided that such subscribers shall not be permitted to substitute such payments for subscriptions due to the Fund or to withdrawals from the Fund for making such payments in respect of any new policy.

## FINAL WITHDRAWAL OF ACCUMULATIONS IN THE FUND

13.28 When a subscriber quits the service, the amount standing to his credit in the Fund shall become payable to him :

Subscribed vide Notification

No.3-2(6)JSF(C)-85/22204, dated 2/4/1986.

Provided that a subscriber, who has been dismissed from the service and is, subsequently, reinstated in the service, shall, if required, to do so by Government, repay any amount paid to him from the Fund in pursuance of this Rule, with interest thereon at the rate provided in Rule 13.13, in the manner provided in the proviso to Rule 13.29. S removed or retired prematurely or compulsorily]

The amount so repaid shall be credited to his account in the Fund.

**Note. -** A subscriber re-employed in Government service after retirement is considered to have quitted service from the date of retirement even though his reemployment may have been in continuation of his active service without break. He can not, therefore, get interest on his accumulation in his Fund beyond six months from the date of retirement.

**Explanation I. -** A subscriber, who is granted refused leave shall be deemed to have quitted the service from the date of compulsory retirement or on the expiry of an extension of service.

**Explanation II. -** A subscriber, other than one who is appointed on contract or one who has retired from service and is subsequently re-employed with or without a break in service shall not be deemed to quit the service, when he is transferred without any break in service to a new post under any other Government or in another department of the State Government (in which he is governed by another set of Provident Fund Rules) and without retaining any connection with his former post. In such a case, his subscription together with interest thereon shall be transferred :-

- (a) to his account in the other Fund in accordance with the Rules of the Fund, if the new post is in another department of the State Government, or
- (b) to a new account under the Government concerned if the new post is under any other Government and that Government consents, by general or special order, to such transfer of subscription and interest.

**Note.** Transfers should be held to include cases of resignation from service in order to take up appointment in another Department of the State Government or under any other Government in India, without any break and with proper permission of the State Government. In cases where there has been a nominal break it should strictly be limited to the joining time allowed on transfer to a different station. The same shall hold good in cases of retrenchment followed by immediate employment whether under the same or different Government.


**Explanation III.** -- When a subscriber is transferred without any break, to the service under a body corporate, owned or controlled by Government the amount of subscription together with interest thereon, shall not be paid to him but shall be transferred, with the consent of that body, to his new Provident Fund Account under that body.

Transfers shall include cases of resignation from service in order to take up appointment under the body corporate, owned or controlled by Government without any break and with proper permission of the Government. The time taken to join the new post shall not be treated as a break in service, if it does not exceed the joining time admissible to a Government employee on transfer from one post to another.

**Note 1.** In cases where the corporate bodies do not have any provident fund scheme or whose provident fund rules do not provide for the acceptance of balances from other provident funds, the amount in question should be finally paid to the subscriber concerned at the time of his permanent transfer to such a body.

**Note 2** In cases where the Provident Fund money is accepted by the corporate body subject to fulfillment of certain conditions, viz., that the Government employee should complete the probationary period with them or that he should be confirmed in a post under them, the Provident Fund money of the persons concerned may be retained with Government till such time as it is transferred to the body concerned. In such cases the Provident Fund Accounts of the individual concerned would cease to be alive on the date of permanent transfer



of the persons concerned to such a body. In other words, no withdrawals from the Provident Fund will be permitted for any purpose including payment of premia towards life insurance policies. Fresh subscription to the fund, except recoveries in respect of outstanding advances shall not be accepted. The Provident fund money held by Government would continue to earn interest at the normal rate till the date of transfer of the amount to the corporate body 

**13.28-A.-Deposit Linked Insurance Scheme -(1)-**Subject to the provisions of sub-rule (2), on the death of a subscriber in service, the person or persons entitled to receive the amount standing to the credit of the deceased subscriber in the Fund shall also be entitled to an additional amount equal to the average amount standing to the credit of the deceased subscriber in the Fun during a period of thirty-six months immediately preceding the date of his death subject to a maximum of ten thousand rupees.

(2) The additional amount referred to in sub-rule (1) shall be sanctioned subject to the fulfillment of the following conditions :--

- (i) The amount standing to the credit of the subscriber in the Fund should not have fallen below the following limits at any time during the period of thirty-six months immediately preceding the date of death of the subscriber :-

In the case of Class I employees.	Four thousand rupees.
In the case of Class II employees.	Two thousand and five hundred rupees.
In the case of Class III employees	One thousand and five hundred rupees.
In the case of Class IV employees	One thousand rupees :

Provided that in case where the subscriber held post(s) borne on the different groups during the thirty-six months immediately preceding the date of his death, the appropriate minimum qualifying balance in the case of such a deceased subscriber shall be the one relating to the group in which he held the post for the greater part of the said period of thirty-six months:

Govt. Instructions

See Para 8(iii) to 8(vi) of Govt. Instructions 2/5/89 See Page .

(1) GPF subscription is required to be stopped 6 months ahead of the actual month of retirement of an employee by the D.D.O.Letter No.14688 dated 2/5/89 See Page 1006.

(2) All the withdrawal (Refundable and non-refundable) drawn by the subscribers are to be verified for the period 4/80 to 3/89 before adopting the final balance as intimated by A. G.(Letter 10.52 73 dated 15/11/90 See Page 1034) . (Letter No. 10751, dated 21/12/90 See Page 1034)

Provided further that in the case of a subscriber whose death occurred during the period from the 8<sup>th</sup> day of January, 1975 to the 31<sup>st</sup> day of March, 1978 (both days inclusive), the condition of minimum balance shall not be insisted upon and in such a case Government shall pay an amount equal to the average of whatever amount stood at the credit of such a subscriber at the end of each of thirty-six months immediately preceding the death of the subscriber but all other conditions of the scheme will continue to apply in all such cases ; and

- (ii) the subscriber should have put in at least five years regular Government service at the time of his death.

Substituted vide Notification No.9/94/89-4F P111/5411, dated 15/7/1993 w.e.f. 8/2/1990. "

(3) **the Accountant-General**, Punjab, shall authorise the payment of the additional amount referred to in this rule without any further sanction. It shall be accounted for under the head "288--Social Security and Welfare--E--Other Social Security Welfare Programmes--C--Other Programmes--Expenditure on Deposit Linked Insurance Scheme".

"the Head of Office in the case of a Class IV employee and the Accountant-General, Punjab, in other cases."


### 13.29 When a subscriber :-

- (a) has preceded on leave preparatory to retirement or, if he is employed in a vacation department, on leave preparatory to retirement combined with vacation, or
- (b) while on leave, has been permitted to retire or been declared by a competent medical authority to be unfit for further service.

the amount standing to his credit in the Fund, shall, upon application made by him in that behalf to the Accounts Officer, become payable to the subscriber :

Provided that the subscriber, if he returns to duty, shall, except where the Government decides otherwise, repay to the Fund, for credit to his account the whole or part of any amount paid to him from the Fund in pursuance of this Rule with interest thereon at the rate provided in Rule 13.13 in cash or securities or partly in cash and partly in securities, by instalments or otherwise, by recovery from his emoluments or otherwise, as may be directed by the authority competent to grant an advance under clause (1) of Rule 13.14.

[( 3 ) The Head of Department or Head of Office, who maintains the General Provident Fund account, shall authorise the payment of the additional amount referred to in this rule without any further sanction and the payment so authorised shall be accounted for under the head "2235-Social Security and Welfare-60-Other Social Security and Welfare Programme-I04-Deposit Linked Insurance Scheme Government P.F.--01-Deposit Linked Insurance Scheme.]

Note. -- When vacation precedes the leave preparatory to retirement, the amount standing at the credit of a subscriber shall, upon application made to the Accounts Officer becomes payable at any time between the commencement of such vacation and the date of actual retirement. 

13.29-A. Omitted.

13.29-B. If a retired Government employee who, before his retirement was a subscriber to a Provident Fund governing his conditions of service, is re-employed, under the Punjab Government (whether immediately after his retirement or sometime afterwards, but before having drawn the balance outstanding in his old Provident Fund Account) and is permitted as a condition of his service to join the Punjab General Provident Fund Account, he shall be given the option to carry forward the balance in his old Account to the new one. If he opts to carry forward the balance in his old Account to the new one, he shall be allotted a new Account Number. In respect of balance carried forward interest shall be due at the privileged rate of interest (if he was entitled to such rate before retirement) up to the end of the month preceding the date intimated by the Accounts Officer as being the date on which he is prepared to make payment in cash or up to the end of the 6<sup>th</sup> month after the month in which such an amount became payable, whichever period be less. thereafter, interest on such accumulations together with subscriptions during the period of re-employment shall be calculated at the rate sanctioned by Government from time to time and not at the privileged rate.

13.29-C. Omitted.

## WITHDRAWAL FROM GENERAL PROVIDENT FUND

13.29-D. (1) A non-refundable advance may be granted to a subscriber at any time, after the completion of 10 years' service (including broken periods, if any) from the amount standing to his credit in the Fund at the discretion of the competent authority mentioned in Annexure E for one or more of the following purposes, namely :-

- (i) Building or acquiring a suitable house for his residence including the cost of the site or repaying any outstanding amount on account of loan, expressly taken for this purpose

Goyt. Instructions

A retiring employee can be granted 90% of the amount in credit in his GPF account without any reason during 12 months before the date of the Retirement by the competent authority provided he has applied for the same. Letter No. 524 dated 21/1/91 See Page No.1037. Letter No. 5783 of dated 22/7/91 See Page No.1037. Special non-refundable advance in the case of acute nature such as ailment in the family of an employee may be granted after satisfying about its justification by the Head of the Department in the case of class III and Class IV (Group 'C' and D ) employees and in respect of Class I and II (Group 'A' and 'B) employees. Letter No.9107 dated 6/9/2000 See Page No.1032.

before the date of receipt of the application for withdrawal but not earlier than twelve months of that date, or reconstructing or making addition or alteration to a house already owned or acquired by a subscriber.

(ii) Purchasing a house-site or repaying any outstanding amount on account of loan expressly taken for this purpose before the date of receipt of the application for withdrawal but not earlier than twelve months of that date.

(iii) For constructing a house on a site purchased utilizing the sum withdrawn under sub-clause (ii) above.

(2) A competent authority may grant a second non-refundable advance out of the Fund Account for the constructing of a second house at a place other than Chandigarh to an employee who has already built a house at Chandigarh before the 14<sup>th</sup> December, 1967, and thereafter only one advance would be allowed or the construction of a house either at Chandigarh or at any other place :

Provident that a subscriber who has availed himself of an advance under the scheme of the Ministry of Housing for the grant of advances for house-building purposes or has been allowed any assistance in this regard from any other Government source, shall not be eligible for the grant of a final withdrawal under the provisions of this Rule except for the purpose of repayment of any loan taken under the aforesaid scheme.

(3) Any sum withdrawn by the subscriber with the sanction of the Administrative Department shall not exceed  $\frac{3}{4}$ <sup>th</sup> of the credit balance in his Fund Account. If sanctioned by any other authority, it shall not exceed one-half of his credit balance in his Fund Account or six months' pay, whichever is less, at the time he actually applies for the grant of such advance. The sanctioning authority may, however, recommend to the Administrative Department, the withdrawal of an amount in excess of this limit up to  $\frac{3}{4}$ <sup>th</sup> of the balance at the credit in the fund.

(4) The actual withdrawal from the Fund shall be made only on receipt of an authorization from the Accounts Officer concerned who will arrange this as soon as the formal sanction of the sanctioning authority has been issued.

(5) A subscriber who has been permitted to withdraw money from the Fund under this Rule shall satisfy the sanctioning authority within a reasonable

Govt. Instructions 1. 75% of the balance at credit of an employee at the end of preceding financial year may be sanctioned as non-refundable advance to him after 10 years of service for the construction /build up of only one house regardless of other loans taken by him from any other source.

2. Further after 5 years of construction advance sanctioned to him, 50% of the balance at credit is admissible as non-refundable advance for addition and alteration of house. Letter No.9107 dated 6/9/2000 See Page 1032.


Non-refundable advance for the purchase of computer is also admissible. Letter No. 6028 dated 11/7/2001 See Page 1038. 75% of the balance of G.P.F at his/her credit is admissible to an employee after 10 year service for the purchase of a plot or residential house/flat. This withdrawal can be allowed in portion/installments spread over one or more financial years.

Up to 50% of the balance at credit is admissible as non-refundable advance to an employee after 10 year service for repair/additions/alterations in an existing residential

house/flat. If the employee has already been granted non-refundable advance as above for the purchase of House/Flat., this advance will be allowed only 5 years after such acquisition or completion of construction.

Explanation: In case the employee has already been sanctioned non-refundable advance for repairs/ addition/alterations of the existing house/flat, he will be eligible for the non-refundable advance for the purchase of plot/house/flat or construction of house. If the employee has been sanctioned non-refundable advance for the purchase of a plot subsequently he can be allowed non-refundable advance up to maximum of 50% of the balance at credit during a single financial year or over more than one financial year. The sanction of such advances should not exceed the eligibility limit based on the balance at credit if sought in installments and issued in a single order. Letter No.471 dated 11/6/2001 See Page 1038. The GPF advance is admissible for the purpose of depositing earnest money for the purpose of depositing earnest money while applying for the allotment of Plot/flat offered by PUDA but such amount of advance will be returned and deposited in GPF A/c within 15 days after its refund in case of non-allotment of Plot/Flat. Letter dated 5 /2/2002 See Page 1039.

period as may be specified by that authority that the money has been utilised for the purpose for which it was withdrawn and if he fails to do so, the whole of the sum so withdrawn, or so much thereof as has not been applied for the purpose for which it was drawn, shall forthwith be repaid in one lump-sum by the subscriber to the Fund, and in default of such payment it shall be ordered by the sanctioning authority to be recovered from his emoluments either in lump-sum or in such number of monthly instalments, as may be determined by the Finance Department.

"Provided that, before repayment of a withdrawal is enforced under this sub-rule, the subscriber shall be given an opportunity to explain in writing within fifteen days of the receipt of the communication why the repayment shall not be enforced and if the sanctioning authority is not satisfied with the explanation or no explanation is submitted by the subscriber within the said period of fifteen days, the sanctioning authority shall enforce the repayment in the manner prescribed in this sub-rule 

13.29-E. (1) A non-refundable advance may be granted to a subscriber any time, after the completion of 20 years service (including broken periods, if any) or within 10 years before the date of his retirement on superannuation, whichever is earlier, from the amount standing to his credit in the Fund at the discretion of the competent authority mentioned in Annexure 'E' to meet the cost of education of himself or of children actually dependent on him in the following types of cases :-

- (i) for education outside India beyond the High School stage whether for an academic, technical, professional or vocational course; and
- (ii) for medical, engineering and other technical or specialised courses in India beyond the High School stage, provided that the course of study is not less than three years, duration.

(2) Any sum withdrawn by the subscriber with the sanction of the Administrative Department shall not exceed  $\frac{3}{4}$ <sup>th</sup> of the credit balance in his Fund Account. If sanctioned by any other authority, it shall not exceed one-half of his credit balance in his Fund Account or six months pay, whichever is less, at the time he actually applies for the grant of such advance.

(3) The withdrawal will be permissible once every six month, i.e., twice in any financial year and the withdrawal will not ordinarily be allowed before the expiry of six months from the date of the previous withdrawal :

Provided that the subscribers concerned satisfy the sanctioning authority within a period of six months from the date of drawing the money that it has been utilised for the purpose for which it was intended; otherwise the whole amount of withdrawal will be liable to recover, in one lump-sum :

Provided further that in cases where a portion of the money withdrawn is not likely to be spent within six months of the date of withdrawal and the officer contemplates making a further withdrawal during the following half-year, he may, by notifying in writing to the sanctioning authority before the expiry of the said period of six months, adjust the excess amount in the proposed withdrawal, provided that such excess amount is not more than 10 per cent of the amount utilised and action to withdraw the further amount is taken within one month of the expiry of the six months period. If no further withdrawal is contemplated, the excess amount should be deposited forthwith in the provident fund.

(4) The actual withdrawal from the fund will be made only on receipt of an authorisation from the Accountant-General, Punjab, who will arrange this as soon as the formal sanction of the competent authority has been issued. After the withdrawal has been made by the subscriber concerned, the sanctioning authorities will satisfy themselves within six months of withdrawal that the conditions mentioned above are fulfilled and they should furnish a certificate to that effect to the Accountant-General, Punjab.

(5) While sanctioning non-refundable advances by the competent authority, the temporary advances outstanding against the subscriber, if any, will not be taken into account.

Note 1. - The courses detailed below should be treated as technical in nature provided that the course of study is of not less than 3 years duration and is beyond High School stage in India or outside India :-

- (a) Diploma courses in the various fields of Engineering and Technology, e.g., Civil Engineering, Mechanical Engineering, Electrical Engineering, Tele-communication/ Radio Engineering, Metallurgy, Automobile Engineering, Textile Technology, Leather Technology, Printing Technology, Chemical Technology, etc., etc., conducted by recognized technical institutions.

- (b) Degree courses in the various fields of Engineering and Technology, e.g., Civil Engineering, Mechanical Engineering, Electrical Engineering, Tele-Electrical Communications Engineering and Electronics, Mining Engineering, Metallurgy, Aeronautical Engineering, Chemical Engineering, Chemical Technology, Textile Technology, Leather Technology, Pharmacy, Ceramics, etc., etc., conducted by Universities and recognised technical institutions.
- (c) Post-Graduate courses in the various fields of Engineering and Technology conducted by the Universities and recognised institutions.
- (d) Degree and Diploma courses in Architecture, Town Planning and allied fields conducted by recognised institutions.
- (e) Diploma and Certificate courses in Commerce conducted by recognized institutions.
- (f) Diploma courses in Management conducted by recognised institutions.
- (g) Degree courses in Agriculture, Veteriniary Science and allied subjects conducted by recognised Universities and institutions.
- (h) Courses conducted by Junior Technical Schools.
- (i) Courses conducted by Industrial Training Institutes under the Ministry of Labour and Employment (D.G.E.&T.).
- (j) Degree and Diploma courses in Art/ Applied and allied subjects conducted by recognized institutions.
- (k) Draftsmanship courses by recognised institutions.
- (l) Medical courses.
- (m) All M.Sc. (Hons. School) courses of Punjab University.

- (n) B.Sc. (Home Science) course of three years duration.

Note 2. - The following courses, irrespective of their duration, shall also be treated as technical/ specialized for purpose of allowing advances/ final withdrawals :-

- (i) Degree and Post-Graduate courses in Home Science.
- (ii) Pro-Professional course in Medicine if part of regular 5 years course in Medicine.
- (iii) Ph.D. in Biochemistry.
- (iv) Bachelor and Masters Degree courses in Physical Education.
- (v) Honours course in Microbiology.
- (vi) Associateship of the Institute of Chartered Accountants.
- (vii) Associateship of the Institute of Costs and Works Accountants.
- (viii) Degree and Masters courses in Business Administration or Management.
- (ix) Diploma course in Hotel Management.
- (x) M.Sc. course in Statistics.
- (xi) The payment of initial charges for admission to the National Defence Academy, Khadakvasala, will also qualify for advances for final withdrawal.
- (xii) The Company Secretaryship Course of the Institute of Company Secretaries of India.
- (xiii) The course of pre-sea training imparted on the training ship 'Rajendra' to the prospective navigation officers on merchantships.



13.29-F. A non-refundable advance may be granted to a subscriber any time, after the completion of 20 years' service (including broken periods, if any) or within 10 years before the date of his retirement on superannuation whichever is earlier, from the amount standing to his credit in the Fund, at the discretion of the competent authority mentioned in Annexure 'E' to meet the expenses in connection with each marriage of the subscriber's daughters and if the subscriber has no daughter, for any female relation dependent on him, on the following conditions :-

- (1) Any sum withdrawn by the subscriber with the sanction of the Administrative Department shall not exceed  $\frac{3}{4}$ <sup>th</sup> of the credit balance in his Fund Account. If sanctioned by any other authority, it shall not exceed one-half of his credit balance in his Fund Account or six months pay, whichever is less, at the time he actually applies for the grant of such advance.

Note 1. - When a Government employee subscribes to more than one Provident Fund, withdrawal in terms of these Rules will be permitted only in respect of one of these Funds, which may be selected for the purpose by the subscriber the amount being regulated with reference to total sum at the credit of the Government employee in all the Provident Funds to which he is subscribing.

Note 2. -- If two or more marriages are to be celebrated simultaneously the amount admissible in respect of each marriage will be determined as if the advances are sanctioned separately one after the other.

- (2) In respect of the same marriage, a subscriber may either withdraw the money in terms of this Rule or draw an advance under the ordinary Rules.
- (3) A subscriber who draws a refundable advance under the ordinary rules, may convert at his discretion by written request addressed to the Accounts Officer through the sanctioning authority, the balance outstanding against him into a final withdrawal on his satisfying the conditions laid down in this rule.
- (4) The withdrawal may be allowed to the subscriber not earlier than three months preceding the month in which the marriage actually takes place.

- (5) The subscriber shall furnish a certificate to the sanctioning authority mentioned in Annexure 'E' within a period of one month from the date of marriage, or if he is on leave, within one month on return from leave, that the money withdrawn has actually been utilised for a purpose for which it was intended. If the subscriber fails to furnish the requisite certificate or if the amount withdrawn is utilised for a purpose other than that for which sanction was accorded, the entire amount together with interest thereon at the rate provided in Rule 13.13 from the month of withdrawal, shall be re-deposited into the Fund in a lump-sum.
- (6) Any amount actually with drawn from the fund, which in found in encess of that actually utilised by the subscriber for the purpose, shall be re-deposited forthwith into the Fund, together with interest due thereon at the rate provided in Rule 13.13 from the money of such withdrawal.
- (7) The actual withdrawal from the Fund will be made only on receipt of an authorization from the Accountant-General, Punjab, who will arrange this as soon as the formal sanction of the competent authority has been issued.
- (8) In sanctioning non-refundable advances under these Rules, the temporary advances outstanding against the subscriber, if any, will not be taken into account.

Note. -- Marriage is a foreseeable event and ordinarily it should not be difficult for the Government employee concerned to make up his mind beforehand whether he would be able to meet the entire expenditure thereon from his private resources on whether he would have to resort to a final withdrawal from his provident fund account for the purposes mentioned above. In the latter case, the subscriber has to apply for final withdrawal sufficiently in advance of the date of marriage. Where, however, an officer applies for the withdrawal well before the date of the marriage, but the application is sanctioned after the aforesaid date or, if sanctioned before that date, the case is received in audit office for the issue of authority for payment after that date, there will be no objection to the payment of the amount being made after the date of marriage. The certificate in terms of clause (5) of this Rule should be furnished in such cases to the sanctioning authority within a month of the actual withdrawal of the amount from the Fund. Cases in which the

withdrawal is applied for after the marriage is over should not ordinarily be entertained.

13.29-G. A non-refundable advance may be granted to a subscriber any time, after the completion of 20 years' service (including broken periods, if any) or within 10 years before the date of his retirement on superannuation whichever is earlier from the amount standing to his credit in the Fund at the discretion of the competent authority mentioned in Annexure 'E' to meet the expenses in connection with each marriage of the subscriber's sons, on the following conditions :-

(1) Any sum withdrawn by the subscriber with the sanction of the Administrative Department shall not exceed  $\frac{3}{4}$ <sup>th</sup> of the credit balance in his Fund Account. If sanctioned by any other authority, it shall not exceed one-half of his credit balance in his Fund Account or three months' pay of the subscriber, whichever is less, at the time of he actually applies for the grant of such advance.

In special cases, however, the sanctioning authority, if it is other than the Administrative Department, relax the limit of three months' pay but in no case it will exceed six month's pay.

(2) The other conditions will be the same as those laid down in rule 13.29F.

Note. -- It is not necessary that the daughter or the son should be actually dependent on the subscriber for the purpose of final withdrawal from the Fund.

13.29-H. A non-refundable advance may be granted to a subscriber any time, after the completion of 25 years of service or within a period of less than five years prior to his attaining the age of superannuation for purchasing a motor car or for repaying a Government loan already taken by him for the purpose, subject to the following conditions :-

- (i) the officer's pay is Rs.1,000 or more;
- (ii) the amount of withdrawal is limited to Rs.16,000 or  $\frac{1}{3}$ <sup>rd</sup> of the amount standing to the credit of the subscriber in General Provident Fund or the actual price of the car, whichever is less. The sanctioning authority may, however, sanction the withdrawal is less. The sanctioning authority may, however,

sanction the withdrawal of an amount in excess of this limit up to one-half of the balance at subscriber's credit in the General Provident Fund Account, if considered necessary, as a special case.

Note 1. - The withdrawal shall be allowed only on one occasion. in the case of withdrawal for purchase of another car, the car advance under the provisions of rule 10.20 of the Punjab Financial Rules, Volume I, as supplemented by instructions issued from time to time will not be admissible.

Note 2. -- The subscriber is to be allowed to withdraw the amount admissible under the provision of rule 10.21 of the Punjab Financial Rules, Volume I, as supplemented by the executive instructions issued from time to time, so as to make the total of both the advances equal to Rs.16,000 or the actual price of the car, whichever is less.

Note 3. -- The procedural details will be as in the case of other withdrawals 

13.29-I. A non-refundable advance may be granted to a subscriber any time after the completion of 20 years' service (including broken periods, if any) or within 10 years before the date of his retirement on superannuation whichever is earlier, from the amount standing to his credit in the Fund at the discretion of the competent authority mentioned in Annexure 'E' to meet the expenses in connection with each betrothal of subscriber's sons and daughters and if the subscriber has no son or daughter, for any other male or female relation actually dependent on him, on the following conditions :-

(1) The amount of withdrawal in respect of each betrothal will normally be limited to :-

(a) three months' pay of the subscriber; or

(b) 20% of the amount standing to the credit of the subscriber; whichever is less.

(2) The other conditions will be the same as those laid down in rule 13.29-F.

**Govt. Instructions**

(1) There is no income limit for the grant of non-refundable advance for the purchase of Car/Scooter/Motor provided the other conditions are fulfilled  
Letter No.9107 dated 6/9/2000 See Page 1032.

(2) Advance of GPF for the purchase of new car is admissible up to 75% of balance in credit or Rs.2,50,000/- whichever is less and for second hand Car up to 75% of depreciated value or Rs.2,50,000/- whichever is less. Other Conditions will remain unchanged  
Letter No.8599, dated 31/10/2001 See Page 1040.

13.29-II. Whenever a subscriber is in a position to satisfy the competent authority about the amount standing to his credit in the General Provident Fund Account with reference to the latest available statement of General Provident Fund Account together with the evidence of subsequent contribution to that Fund, the competent authority may under rules 13.29-D, 13.29-E, 13.29-F, 13.29-G, 13.29-H and 13.29-I, sanction withdrawal from the said Fund within the prescribed limits, as in the case of a refundable advance. In doing so, the competent authority shall take into account any withdrawal or refundable advance already sanctioned by it in favour of the subscriber. Where, however, the subscriber is not in a position to satisfy the competent authority about the amount standing to his credit or where there is any doubt about the admissibility of the withdrawal applied for, a reference may be made to the Accounts Officer by the competent authority for ascertaining the amount standing to the credit of the subscriber with a view to enable the competent authority to determine the admissibility of the amount of withdrawal. The sanction for withdrawal should invariably be endorsed to that Accounts Officer. The sanctioning authority shall be responsible to ensure that an acknowledgement is obtained from the Accounts Officer that the sanction for withdrawal has been noted in the ledger account of the subscriber. In case the Accounts Officer reports that the withdrawal as sanctioned is in excess of the amount standing to the credit of the subscriber or is otherwise inadmissible, the sum withdrawn by the subscriber shall forthwith be repaid in one lump-sum together with interest thereon and in default of such repayment, it shall be ordered by the sanctioning authority to be recovered from his emoluments either in a lump-sum or in such number of monthly instalments as may be determined by the Government.

Note. -- The following certificate shall be recorded on all sanctions issued for withdrawal :-

"Sh./ Shrimati \_\_\_\_\_ was last sanctioned a part final withdrawal by this office for an amount of Rs. \_\_\_\_\_, vide \_\_\_\_\_".

or

"Sh. / Shrimati \_\_\_\_\_ is understood (as stated by him/ her) to have been last sanctioned a part final withdrawal of Rs. \_\_\_\_\_."

Sanctioning Authority

"(The alternate certificate mentioned above is to be recorded in the sanction of those subscribers in whose case the particulars of last sanction for part-final withdrawal, are not available with office for reasons such as transfer of an employee from another office, etc., etc.)."

13.29-J. (i) A non-refundable advance may be granted by the Heads of Department to a subscriber at any time after the completion of 10 years' service from the General Provident Fund for purchasing a Motor-Cycle or Scooter or Moped or for repaying a loan already taken by him for the said purpose subject to the following conditions:-

- (a) The subscriber's basic pay is not less than Rs.500 per mensem.
- (b) The amount of withdrawal is limited to Rs.4,500 or 15 months' pay of the subscriber or one-half of the amount standing to the credit of the subscriber in the Fund or the actual price of Motor-Cycle or Scooter, or Moped whichever is the least.
- (c) A second advance for this purpose shall not be granted until at least 8 years have passed since the grant of the first advance.

(ii) A non-refundable advance may be granted by the appointing authority to a subscriber from the General Provident Fund for the purchase of a bicycle subject to the following conditions :-

- (a) The subscriber has not less than five years of service at his credit.
- (b) The amount of withdrawal is limited to Rs.250 or one-half of the balance in the Fund or the actual price of the bicycle, whichever is the least.
- (c) A second advance for this purpose shall not be granted until at least 8 years have passed since the grant of the first advance.

(iii) The authority of Accountant-General, Punjab will not be necessary for the withdrawal of the sanctioned amount. The Treasury Officer shall allow the withdrawal on the basis of sanction issued by the competent authority.

iv) Once during the course of a financial year, a non-refundable advance of an amount equivalent to one year's subscription paid for by the subscriber towards the Group Insurance Scheme for the Punjab Government Employees on self financing and contributory basis may be granted by the Head of Office to a subscriber from the General Provident Fund.]  
inserted vide Notification 3-2(20)-4FCD-85320, dated 9/ 1 /1 98 7 after remembering the existing clause (iii) as No.(iv)

13.20 On the death of a subscriber before the amount standing to his credit has become payable (see Annexure 'E' to this Chapter), or where the amount has become payable, before payment has been made;

- (i) When the subscriber leaves a family --
  - (a) if a nomination made by the subscriber in accordance with the provisions of Rule 13.7 or the corresponding rule heretofore in force, in favour of a member or members of his family subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates shall become payable to his nominee or nominees in the proportion specified in the nomination ;
  - (b) if no such nomination in favour of a member or members of the family of the subscriber subsists or if such nomination relates only to a part of the amount standing to his credit in the Fund the whole amount or the part thereof to which the nomination does not relate, as the case may be, shall notwithstanding any nomination purporting to be in favour of any person or persons other than a member or members of his family become payable to the members of his family in equal share :

Provided that no share shall be payable to --

- (1) sons who have attained legal majority;
- (2) sons of a deceased son, who have attained legal majority;
- (3) married daughters whose husbands are alive;
- (4) married daughters of a deceased son whose husbands are alive;

if there is any member of the family other than those specified in clauses (1), (2), (3) and (4):

Provided further that the widow or widows and the child or children of a deceased son shall receive between them in equal parts only the share which that son would have received if he had survived the subscriber

and had been exempted from the provisions of clause (1) of the first proviso;

- (ii) When the subscriber leaves no family, if a no family, if a nomination made by him in accordance with the provisions of Rule 13.7 or of the corresponding Rule heretofore in force, in favour of any person or persons subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates, shall become payable to his nominee or nominees in the proportion specified in the nomination.

Note 1. -- A posthumous child of the deceased or the posthumous child of a son of the deceased who, had he been alive would have been entitled to a share of the sum at the subscriber's credit shall be treated as a member of the family provided the existence (en ventre da sa mere) of the posthumous child is brought to the notice of the disbursing officer.

Note 2. -- When a person named in a form of nomination under Rule 13.7, dies before the subscriber, the nomination shall in the absence of a direction to the contrary in the form of nomination, become null and void in respect of that person only and his or her share shall be distributed in the manner prescribed in sub-clause (b) of clause (i) above.

13.28. (1) When the amount standing to the credit of a subscriber in the Fund becomes payable, it shall be the duty of the Accounts Officer to make payment, as provided in section 4 of the Provident Fund Act, 1925 (See Appendix IV).

(2) If the person to whom under these rules, any amount or policy is to be paid, assigned, reassigned or delivered, is a lunatic, for whose estate a manager has been appointed in this behalf under the Indian Lunacy Act, 1912, the payment or reassignment or delivery will be made to such manager, and not to the lunatic :

Provided that where no manager has been appointed and the person to whom the sum is payable is certified by a Magistrate to be a lunatic, the payment under the orders of the collector be made in terms of sub-section (1) of section (1) section 95 of the Indian Lunacy Act, 1912, to the person having charge of such Lunatic and the Accounts Officer shall pay only the amount which he thinks fit to the person having charge of the lunatic and the surplus, if any, or such part thereof as he thinks fit, shall be paid for the maintenance of such members of the lunatic's family as are dependent on him for maintenance.



(3) Any person who desires to claim payment under this rule shall send a written application in that behalf to the Accounts Officer. Payment of amounts withdrawn shall be made in India only. The persons to whom the amounts are payable shall make their own arrangements to receive payment in India.

Note 1. -- When the amount standing to the credit of a subscriber has become payable under Rules 13.28, 13.29 or 13.30 the Accounts Officer shall authorise prompt payment of that portion of the amount standing to the credit of a subscriber in regard to which there is no dispute or doubt, the balance being adjusted as soon after as may be

Note 2. -- When the amount standing to the credit of a subscriber has become payable under Rules 13.28, 13.29 and 13.30 the Heads of Department / Office should immediately take up the preparation of G.P.Fund papers for furnishing them to the Audit Office. In the case of the subscribers who are likely to retire in a particular year, their papers should be prepared and furnished in the requisite forms in time (i.e. 6 months in advance of the anticipated date of retirement). The Heads of Department/ Office should see to it that these forms are furnished to the Audit in time.

13.29. (a) If a Government employee who is a subscriber to any other General Provident Fund, which is a non-contributory provident fund, is permanently transferred to pensionable service under the Punjab Government, the amount of the subscriptions, together with interest thereon, standing to his credit in such other Fund at the date of transfer shall, with the consent of the other Government concerned, if any, be transferred to his credit in the Fund.

(b) If a Government employee who is a subscriber to the State Railway Provident Fund or any other Central Provident Fund of the Central Government, or a State Contributory Provident Fund is permanently transferred to pensionable service under the Punjab Government and elects or is required to earn pension in respect of such pensionable service:--

(i) the amount of subscriptions, with interest thereon, standing to his credit in such Central Provident Fund at the date of transfer shall, with the consent of the other Government, if any, be transferred to his credit in the Fund;

- (ii) the amount of Government contribution with interest thereon standing to his credit in such Central Provident Fund shall with the consent of the other Government, if any, be repaid to Government and credited to State revenues;and
- (iii) he shall in exchange be entitled to count towards pension such part of the period during which he subscribed to such Central Provident Fund as the competent authority may determine.

(c) If a Government employee who is a subscriber to any other Non-Contributory Provident Fund of the State Government, is permanently transferred to pensionable service in a Department of the State Government in which he is governed by these rules, the amount of subscription together with interest thereon standing to his credit in such other Fund on the date of transfer shall be transferred to his credit in the Fund.

Note 1-- The provisions of this rule do not apply to a subscriber who has retired from service and is subsequently re-employed with or without a break in service, or to a subscriber who was holding the former appointment on contract.

Note 2:-- The provision of this rule shall, however, apply to persons who are appointed without break whether temporarily or permanently to a post carrying the benefits of these rules after resignation /retrenchment from service under another Department of State Government or under any other Government.

13.33 If a subscriber to the Fund is subsequently admitted to the benefits of the Punjab Contributory Provident Fund Rules, vide Chapter XIV, the amount of the subscription, together with interest thereon shall be transferred to the credit of his account in Punjab Contributory Provident Fund.

Note. -- The provisions of this rule do not apply to a subscriber, who is appointed on a contract or who has retired from service and is subsequently re- employed with or without a break in service in other post carrying contributory provident fund benefits.

Govt. Instructions

See Para No.11, 12, 13 of Govt. Instructions dated 2/5/89 See Page No.1006.General Instructions: Letter dated 7/1/99 See Page No. I 041

Letter dated 16/12/91 See Page No. 1042

Letter dated 20/8/2002 See Page No.1043

Relating to Education Deptt. Letter dated 4/5/2001 See Page No. 1044

Letter dated 24/5/2001 See Page No.1045


Letter dated 4/4/2001 See Page No. 1046


Letter dated 17/9/2002. See Page No. 1049

Relating to Agriculture Deptt. Letter dated 7/5/2001 See Page No.1048

Relating to P.W.D. Deptt. Letter dated 9/5/2001 See Page No.1048

## PROCEDURE RULES

13.34. All sums paid into the Fund under these rules shall be credited in the books of Government to an account named "The General Provident Fund" Sums of which payment has not been taken within six months after they became payable under these rules, shall be transferred to "Deposits" at the end of the year and treated under the ordinary rules relating to deposits 

13.35. When paying a subscription in India, either by deduction from emoluments or in cash, a subscriber shall quote the number of his account in the Fund which shall be communicated to him by the Accounts Officer. Any change in the number shall similarly be communicated to the subscriber by the Accounts Officer. 

13.36. (1) As soon as possible after the close of each year, the Accounts Officer shall send to each subscriber a statement of his account in the Fund showing the opening balance as on the 1st April of the year, the total amount credited or debited during the year, the total amount of interest credited as on the 31<sup>st</sup> March of the year and the closing balance on that date. The Accounts Officer shall attach to the statement of account an enquiry whether the subscriber --

- (a) desires to make any alteration in any nomination made under Rule 13.7 or under the corresponding rule heretofore in force ;
- (b) has acquired a family in cases where the subscriber has made no nomination in favour of a member of his family under the proviso to clause (I) of Rule 13.7.

(2) Subscribers should satisfy themselves as to the correctness of the annual statement and errors should be brought to the notice of the Accounts Officer within three months from the date of receipt of the statement.

(3) The Accounts Officer shall, if required by a subscriber, once but not more than once, in a year inform the subscriber of the total amount standing to his credit in the Fund at the end of the last month for which his account has been written up.



## ANNEXURE A

(See Note 1 under Rule 13.14).

### General Principles which should determine the grant of an advance from the General Provident Fund

1. The fund is designed solely for the protection of a subscriber's family against his sudden death, or, if he survives until retirement, to provide both him and them with additional resources in his old age. Any thing which interferes with a subscriber's normal accumulations detracts from these purposes and tends to defeat the true object of the Fund. Rule 13.14, merely permits a temporary and wholly exceptional departure from the real purposes of the scheme, and unless it is strictly interpreted, there is danger that subscribers will come to regard the Fund as an ordinary banking account, the existence of which absolves them from the necessity of providing for the normal incidents of life with the prudence which a private individual would exercise. The inevitable result, if this tendency is countenanced, will be to discourage thrift, and to leave the subscriber with a depleted account at the time when it ought to be most helpful to him or his family. Sanctioning authorities ought, therefore, to have no hesitation in resisting any attempt to use the Fund as a cheap loan account and in enforcing the altogether exceptional character of Rule 13.14, as a provision to meet urgent needs which would not ordinarily have been anticipated. Every prudent married man, for example, should be prepared to meet certain demands upon his resources on account of doctor's bills, and it is only when the burden is exceptionally prolonged, or the necessity usually grave and sudden, that he ought to think of making use of the Provident Fund for this object.
2. For the same reasons, a careful scrutiny should be applied to requests for withdrawals on account of marriage or funeral expenses. Even where ceremonial expenditure is by religious custom obligatory, its extent should nevertheless be limited by the resources of the family, and no subscriber should be enabled to enhance such expenditure on the strength of deposits in the Fund. An advance from the Fund can legitimately be made for obligatory ceremonial expenditure where no other resources exist but not in order to raise such expenditure to a more pretentious scale.
3. The intention of these instructions is not to limit the powers of the authorities competent to sanction withdrawals from the Fund in cases of absolute necessity, but the observance of the principles enunciated above is in the real interest of the body of subscribers to the Fund.

4. With reference to the provisions of the Provident Fund Act, 1925 there is no real difference regarding the validity of temporary advances between :-

(a) a non-repayable advance ; and

(b) an outright repayment of an amount equivalent to the advance.

The grant of a non-repayment advance amounts to an outright repayment of a part of the "compulsory deposit". Under section 2(a) of the Provident Fund Act, "Compulsory Deposit" is one, the whole of which is repayable on the happening of some specified contingency under the rules of the Provident Fund. A partial repayment of a deposit in the Provident Fund thus deprives the deposits of the character of "Compulsory Deposits" as defined in section 2 of the Provident Fund Act, and, therefore, the immunity provided under section 3(1) *ibid* will be lost. In other words, the Provident Funds in question will cease to be a provident fund subject to the provisions of the Provident Fund Act.

All sanctioning authorities, therefore, should, while sanctioning temporary advances from General Provident Fund take into consideration the date of retirement of subscriber and fix the number of instalments in such a manner that it is possible to recover the entire amount of the advance, with interest accruing thereon before his actual retirement.

## ANNEXURE B

[See Note 2 below Rule 13.14, Rule 13.15 (5) and Rule 13.20 (4)].

List of authorities competent to sanction temporary advances under the Punjab  
General Provident Fund Rules.

SN	Power	To whom delegated	Extent
1	2	3	4
1.	To grant temporary advance to the Government employees from their General Provident Fund.	All Departments of Government.	Full powers subject to the conditions laid down in rule 13.14 and provided further that the amount of the advance does not exceed 2/3 <sup>rd</sup> the amount of the credit of the subscriber in the Fund
2.	(i) To sanction temporary advances to gazetted Government employees serving under them from their General Provident Fund Accounts.	Heads of Departments.	Subject to the conditions laid down in Rule 13.14 and provided further --  (a) that the amount of the advance does not exceed 3 months' pay, and  (b) that a second advance is not granted until the lapse of 12 months from the date of repayment of all previous advances.
	(ii) To sanction the grant to Non-Gazetted Government employees serving under them of temporary advances from their General	(a) *Heads of Department s.  (b) *Heads of Departm ents.	Full powers subject to the conditions laid down in Rule 13.14 and in Annexure D to this Chapter.  Full powers Subject to the conditions laid down in Rule 13.14 and in Annexure D to this chapter in the case the employees who are members of a class III or a Class IV

	Provident Fund.		Service or who hold a Class III or a Class IV Post
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\* Commissioners of Divisions, District and Sessions Judges, Superintending Engineers in the Public Works Department, Conservator of Forests, Controller of Printing and Stationery, Deputy Inspector General of Police, Circle Education Officers, Principals of Government Arts and Professional Colleges, Sub-Divisional Officers in the Sub-Divisions of the Civil Departments and General Assistants at Headquarters of the District exercise the powers of Heads of Departments for this purpose.

Note 1. -- Chief Commissioner, Delhi exercises the powers of Heads of Department, for this purpose in respect of Gazetted and Non-Gazetted Government employees of the Government of the Punjab serving under the Delhi Administration.

Note 2. -- The Administrative Departments and Heads of Departments may redelegate the powers delegated to them in the above table, on their own responsibility and subject to such restriction as they may like to impose, to any officer under them at their headquarter offices. They may also delegate their powers on the same lines to any subordinate authority in respect of grant of temporary advances from General Provident Fund Accounts. Copies of such orders should invariably be endorsed to Finance Department and Accountant-General, Punjab.

## ANNEXURE C

(See rule 13.30).

1. Any sum payable under Rule 13.30 to a member of the family of a subscriber vests in such member under sub-section (2) of section 3 of the Provident Fund Act, 1925.
2. When a nominee is a dependent of the subscriber as defined in clause (c) of section 2 of the Provident Fund Act, 1925, the amount vests in such nominee under sub-section (2) of section 3 of the Act.
3. When the subscriber leaves no family and no nomination made by him in accordance with the provisions of Rule 13.7 subsists, or if such nomination relates only to part of the amount standing to his credit in the Fund the relevant provisions of clause (b) and of sub-clause (ii) of clause (c) of sub-section (1) of section (4) of the Provident Funds Act, 1925, are applicable to the whole amount or the part thereof to which the nomination does not relate.



## ANNEXURE 'D'

(See Note 1 under Rule 13.14)

The expression "earlier advances" appearing in sub-clause (ii) of clause (c) of Rule 13.14 (1) should be taken as referring to the first advance that may be granted up to two-third of the amount at the credit of the subscriber in the Fund admissible under clause (c) *ibid*. Thus under clause (c) if a subscriber who had already been granted an advance up to two-third of the amount admissible and who under clause (c) applies for a second advance for authority which sanctioned the first advance, is competent to sanction the 2<sup>nd</sup> advance if the earlier advance is fully repaid. If the individual subscriber may apply for a third advance within the twelve months of the final repayment of the previous advances or while one or both of them are still current, in such a case it would be necessary for the sanctioning authority to seek the sanction of the next higher administrative authority to the grant of the 3<sup>rd</sup> advance.

## ANNEXURE E

[See Rules 13.29(D), 13.29(E), 13.29(F) and 13.29(G)]

### List of authorities competent to sanction final withdrawals under the Punjab Provident Fund Rules

SN	Power	To whom delegated	Extent
1	2	3	4
1.	To grant non-refundable advances to Government employees from their General Provident Fund Accounts.	All Departments of Government.	Full powers subject to the conditions laid down in rules 13.29 (D), 13.29(E), 13.29(F) and 13.29(G) and provided further that the amount of the advance does not exceed 3/4 <sup>th</sup> the amount of the credit of the subscriber in the Fund.
2.	To sanction the final withdrawals under Rules 13.29(D), 13.29(E), 13.29(F) and 13.29(G) to Gazetted Government Employees serving under them from their General Provident Fund.	Heads of Departments.	Full powers subject to the conditions laid down in the rules and provided further that the amount of advance does not exceed six months' pay or half the amount at the credit of subscriber in the Fund, whichever is less.
3.	To sanction final withdrawals under Rules 13.29(D), 13.29(E), 13.29(F) to Non-Gazetted Government Employees working under them from their	(i) *Heads of Departments.  (ii) Heads of Offices.	Full powers subject to the conditions laid down in rules.  Full powers subject to the conditions laid down in Rules 13.29(D), 13.29(E) and 13.29(F) in the case the employees who are members

	General Provident Fund Accounts.		of a class III or a Class IV Service IV who hold a Class III or a Class IV Post.
4.	To sanction final withdrawal under Rule 13.29(G) to Non-Gazetted Government employees working under them from their General Provident Fund Accounts.	(i) *Heads of Department s.  (iii) Heads of Offices.	Full powers subject to the conditions laid down in Rule 13.29(G), and provided further that the amount of advance does not exceed three months' pay or half the amount at the credit of subscriber in the Fund, whichever is less.  Full powers subject to the conditions laid down in Rule 13.29(G), and provided further that the amount of advance does not exceed three months' pay or half the amount at the credit of subscriber in the Fund, whichever is less in the case the employees who are members of a class III or a Class IV Service IV who hold a Class III or a Class IV post.

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employee and he has no others source to meet the expenditure. One non-refundable advance only will be admissible during a year in addition if conditions prescribed in Rules 13A 29 ibid are satisfied.

b) In case of the acute nature i.e. like serious ailment in the family of the employee he may be allowed in draw a special Non-refundable advances with the sanction of the Head of Department in case of Class III and IV employees and the Administrative Secretary concerned in the case of Class I & II employees. The responsibility for verification of the justification shall be of the sanctioning authority.

b) There should be no income limit for grant of non-refundable advance for the purchase of car /scooter /moped provided the employee fulfil the other conditions laid down in Rule 13.29 (H)

5. With the liberalization of these rules there shall be no need to refer any case to the Finance Department as no further relaxation will be allowed.

6. . These instructions may please be brought to the notice of all concerned and receipt acknowledged.

**ALL THESE RULES ARE AMMENDED TIME TO TIME WHICH ALSO UPLOADED ON WEBSITE.**