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HOUSING & URBAN DEVELOPMENT DEPARTMENT

RESOLUTION

The 1st August, 2014

Sub: Revision of Pension/Family Pension/T.I. and Gratuity of the Retired Employees of the Municipal Corporations as per revised pay scales of 2008 with effect from 01.01.2006.

Consequent upon revision of scales of pay of the Municipal Corporations vide Resolution No.5000/HUD., dated 28.02.2009, the Odisha Municipal Employees Federation demanded for revision of Pension, Family Pension, T.I. and Gratuity of the retired Municipal Employees as per revised Scales of Pay 2008. Further the Hon'ble High Court, Odisha in W.P.(C) No.18909/2009 (Cuttack Municipal Corporation Retired Employees Association and others-Versus –State of Odisha and Others) vide their Order No.10, dated 04.05.2012 have directed to the State Government to take a decision for grant of pension in revised scales of pay 2008.

2. The matter was under active consideration of the State Government for some time past. Having regard to the orders of the Hon'ble High Court, Odisha in W.P.(C) No.18909/2009 (Cuttack Municipal Corporation Retired Employees Association and others-Versus.-State of Odisha and others) the Government after careful consideration of the matter have been pleased to revise the Pension, Family Pension, T.I. of the retired employees of Municipal Corporations of the State as per revised scales of pay 2008 with effect from 01.01.2006 as detailed below and Gratuity will be revised with effect from 01.12.2008.

3. Pension:

(a) The Corporation employee who have rendered the minimum qualifying service of 25 years would now be entitled for pension at the rate of 50% of the last pay (Basic pay + Grade Pay) drawn by him/her on the date of his/her retirement.

In case the employee retiring before completion of 25 years of qualifying service, but after completion of ten years, the amount of pension shall be proportionate to the amount of pension admissible and in no case the amount of pension shall be less than the minimum pension admissible to be fixed at Rs.3,500/- per month

(b) Municipal Corporation employees retiring in accordance with provisions of Odisha Local Fund Service (Pension) Rules, 1980 and Odisha Municipal Employees (Pension) Rules, 1989 before completion of the minimum qualifying service of ten years shall not be entitled for pension, but he/she shall be entitled to get service gratuity. The amount of service gratuity shall be paid at a uniform rate of half months emoluments (Basic Pay + Grade Pay) for every completed six monthly period of service.

(c) The minimum amount of pension admissible shall be Rs.3,500/- per month and maximum up to 50% of the last pay plus grade pay admissible to the Corporation employees of the State.

(d) The qualifying service of 25 years for full pension will come in to force With effect from 01.12.2008 but the qualifying service of 33 years shall continue for the employees who have retired on or after 01.01.2006 but before 01.12.2008.

4. Family Pension:

(a) 30% of the last pay (Basic Pay + Grade Pay) drawn in all cases and shall be subject to a minimum of Rs.3500/- per month and maximum family pension shall in no case exceed Rs.10,000/- per month including T.I. as admissible from time to time.

(b) Where an employee dies while in service after having rendered not less than seven years of service, the rate of family pension shall be equal to 50% of the pay (Basic Pay + Grade Pay) last drawn shall be payable to the family for a period of ten years without any upper age limit with effect from 01.12.2008.

(c) In the event of death of an Corporation employee after retirement, the family pension shall be payable for a period of seven years or a period up-to-date on which the retired/deceased Corporation employee would have attended Sixty five years had he/she survived, whichever is less at the rate of 50% of last pay drawn, but the amount of family pension should not exceed the pension amount admissible or sanctioned. Thereafter, the

amount of family pension shall be 30% of last pay drawn subject to a minimum amount of Rs.3,500/- per month and maximum Rs.10,000/- per month including T.I.

5. Temporary Increase (T.I):

Shall be applicable to the retired employees of Municipal Corporations at the time of increase of D.A. to the existing regular employees of Municipal Corporations from time to time.

6. (a) Retirement Gratuity:

$1/4^{\text{th}}$ x Last Pay x No. of Six monthly qualifying Service subject to a maximum of $16 \frac{1}{2}$ x (Last Pay + Grade Pay), provided that the amount of Retirement Gratuity payable shall in no case exceed Rs. 4.00 Lakhs.

(b) Death-cum-Retirement Gratuity(DCRG) :-

	Length of Service	Rate of Gratuity
(i)	Less than one year	Two times of last pay drawn
(ii)	One year or more but less than Five years service.	Six times of last pay drawn
(iii)	Five years or more but less than Twenty years service.	Twelve times of last pay drawn
(iv)	Twenty years or more	$\frac{1}{2}$ x last pay drawn x No. of Six monthly qualifying service subject to a maximum of 33 times of pay provided that the amount of DCRG shall in no case exceed Rs.4.00 lakhs.

7. Pre-2006 Pensioners:

The Pre-2006 Pensioners including family pensioners shall be allowed to avail pension by adding 40% of their basic pension. The amount so arrived may be regarded as the consolidated pension with effect from 01.01.2006. The minimum pension shall be Rs.3,500/- per month plus T.I. as admissible to the Municipal Corporation employees from time to time with a maximum amount of Rs.10,000/- per month including T.I.

8. No additional grant shall be provided by the State Government on account of revision of Pension, Family Pension, T.I. and Gratuity in the revised Scale of Pay, 2008 in case of Non-LFS employee.

9. The cost of Pension, Family Pension, T.I. and Gratuity including additional financial liabilities on this account in case of Local Fund Service employees shall be fully borne by the respective municipal corporations of the State.

In case of Non-LFS employees, the concerned Municipal Corporation of the state shall continue to contribute 15% of monthly pay (Basic Pay + Grade Pay) towards the cost of pension, family pension and the additional financial liabilities to be accrued for revision of Pension, Family Pension and T.I. etc. shall be fully borne by the Municipal Corporation.

10. The Municipal Corporations capable of accommodating the additional liabilities may adopt the revised pension norm and Government will not have any liabilities on this account.
11. The Municipal Corporations may make payment of arrear pension on instalments depending on their financial capability, but arrear pension should be cleared within a stipulated period of four years from the date of issue of this Resolution.
12. Employees appointed on or after 01.01.2005 shall not be eligible to get this benefit.
13. This resolution shall be deemed to have come into force with effect from 01.01.2006.
14. This has been concurred in by Finance Department in their UOR No. **3581-ACSF dated-17.07.2014.**

ORDER

Ordered that the Resolution be published in an Extraordinary issue of the *Odisha Gazette* and forwarded to all Departments of Government / Heads of Department / RDCs / Dist. Magistrates / BMC, Bhubaneswar / CMC, Cuttack / BMC, Berhampur.

By Order of the Governor

S. MISHRA

Director Municipal Administration &
Ex Officio Addl. Secretary to Government