

**DEPARTMENT OF POST**

# **IPO EXAM 2025**

## **PAPER-II**

**"The Ultimate Guide to Conquering the Inspector Exam"**

### **Feature of Books**

1. Comprehensive Coverage
2. Step-by-Step Explanations
3. Exam-Oriented Approach
4. Topic-Wise Segmentation
5. MCQ-Focused Content



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# **Notes Content**

## **Paper II: Financial Rules and Service Regulations**

This paper focuses on financial rules, procurement policies, welfare measures, and service-related guidelines. The important topics are:

1. General Financial Rules, 2017
2. CVC guidelines on Public procurement, guidelines and instructions on e-Procurement in Government of India.
3. Manual of policies and procedures for purchase of goods and services available on website of Ministry of Finance
4. Schedule of Financial Power of Divisional Head, Heads of Circle, etc.
5. Welfare measures available to Departmental Employees and Gramin Dak Sevak of DoP
6. RTI Act, 2005 and RTI Rules, 2012
7. Fundamental Rules (FR) and Supplementary Rules (SR)
8. P&T FHB Volume I and Postal FHB Volume II
9. Rules relating Children Education allowance and reimbursement of Tuition fees
10. CGEGIS Rules 1980
11. CCS(GPF) Rules, 1961
12. Central Services (Medical Attendance) Rules, 1944 and CGHS Guidelines issued by Directorate.
13. New Pension Scheme, 2004 and Its amendments.
14. CCS Pension Rules, 1972 and Its amendments.
15. CCS Commutation of Pension Rules, 1981
16. Postal Manual Volume II, except,
  - Chapter III- Appeals and Petitions.
  - Chapter IV- Personal Matters,
  - Chapter V- Security Deposits Chapter
  - Chapter VII- Forged Counterfeit stamps, defaced postage stamps, coins and currency notes.
17. Postal Manual Volume IV- Leave, Pension, Gratuities, Dealings on Examination, Recruitment rules of all Cadres and Establishment norms.
18. Service Discharge Benefit Scheme, 2011

# **General Financial Rules, 2017**

## **Chapter 2: General System of Financial Management (Rule 7-41)**

### **Rule 7:**

All money received by or on behalf of the Government, whether as dues to the Government or for deposit, remittance, or any other reason, must be promptly deposited into the Government Account in accordance with Articles 150 and 283(1) of the Constitution.

### **Rule 8 (1):**

(i) Under Article 284 of the Constitution, all money received or deposited with any officer (other than revenues or public moneys raised or received by the Government) must be paid into the Public Account.

(ii) All money received by or deposited with the Supreme Court of India or any other court, except for High Courts within a Union Territory, must be paid into the Public Account.

### **Rule 8 (2):**

The Head of Account where such money should be credited and the process for withdrawing it will be governed by the relevant provisions of the Government Accounting Rules (1990) and the Central Government Account (Receipts and Payments) Rules (1983).

### **Rule 9:**

It is the responsibility of the concerned Central Government department to ensure that the Government's receipts and dues are correctly and promptly assessed, collected, and properly credited to the Consolidated Fund or the Public Account, as applicable.

### **Rule 10:**

The Controlling Officer must ensure that his subordinate officers submit monthly accounts and returns in the prescribed form, verifying credit for amounts paid into the treasury or bank.

### **Rule 11:**

In departments where officers receive money on behalf of the Government and issue receipts (Form GAR-6), proper procedures must be followed for handling the receipts.

### **Rule 12:**

Outstanding amounts due to the Government must not remain uncollected without adequate justification. If such amounts are deemed irrecoverable, approval from the competent authority must be sought for their adjustment.

**Rule 15 (1):**

Rents for buildings and lands: When a civil department (other than the Central Public Works Department) is entrusted with the maintenance of a rental property, the Administrator or Head of the Department is responsible for ensuring proper rent recovery.

**Rule 16 (1):**

Fines: Any authority with the power to impose or collect fines must ensure the proper collection, verification, and deposit of the fines into the treasury or bank.

**Rule 16 (2):**

Refund of fines: Authorities who have the power to refund fines must ensure that refunds are properly checked and deposited into the treasury or bank.

**Rule 17:**

Miscellaneous Demands: Accounts Officers must monitor the collection of miscellaneous demands of the Government, such as contributions from State Governments, local funds, contractors, and others, particularly for establishment charges.

**Rule 18:**

Remission of Revenue: A claim to revenue cannot be remitted or abandoned unless authorized by the competent authority.

**Rule 19 (1):**

Government departments, Administrators, and Heads of Departments (except those in the Department of Posts) must submit a statement on the 1st of June every year to the Audit Officer and the Accounts Officer. Individual remissions below ₹1,000 need not be included in these statements.

**Rule 21: Standards of Financial Propriety**

Every officer incurring or authorizing expenditure from public funds should adhere to high standards of financial propriety. Officers are expected to exercise the same level of vigilance over public money as a prudent person would over their own money.

- (i) Expenditure should not exceed what is necessary for the occasion.
- (ii) No authority should authorize expenditure that will directly or indirectly benefit itself.
- (iii) Public funds should not be spent for the benefit of any individual or specific group.

**Rule 22: Expenditure from Public Funds**

Expenditure, transfers, and deposits from public funds (Consolidated Fund, Contingency

Fund, and Public Accounts) must only be made if they have been authorized by a competent authority.

**Rule 23: Delegation of Financial Powers**

The financial powers of the Government have been delegated to various subordinate authorities. Any powers that have not been delegated remain vested in the Finance Ministry.

**Rule 24: Consultation with Financial Advisers**

Before incurring any expenditure, departments and ministries must consult with the Financial Adviser.

**Rule 25: Provision of Funds for Sanction**

All expenditure sanctions must specify the details of the relevant grant or appropriation from which the expenditure will be met.

**Rule 26: Responsibility of Controlling Officer in Respect of Budget Allocation**

The Controlling Officer is responsible for ensuring that:

- (i) Expenditure does not exceed the budget allocation.
- (ii) Expenditure is incurred for the intended purpose.
- (iii) Adequate controls are in place to prevent waste and loss of public funds.

**Rule 27 (1): Date of Effect of Sanction**

Sanctions, orders, or rules shall take effect from the date of issue unless another date is specified.

**Rule 28: Required Previous Consent of the Finance Ministry**

Prior consent of the Finance Ministry is required when:

- (i) The action involves granting land, assigning revenue, or concessions related to mineral, forest, or water rights, or any similar privileges.
- (ii) The action involves relinquishing any revenue.

**Rule 29: Procedure for Communication of Sanctions**

All financial sanctions and orders issued by a competent authority must be communicated to the Audit Officer and Accounts Officer.

Copies of sanctions or orders, except for the following, should be forwarded to the Audit Officers:

- Sanctions related to grants or advances to Central Government employees.
- Sanctions regarding appointments, promotions, or transfers of Gazetted and non-Gazetted officers.
- Sanctions related to the creation, continuation, or abolition of posts.
- Sanctions for handing over or taking over charges.

## **Right to Information Act, 2005**

- **Enactment:**
  - **Act No. 22 of 2005**, enacted in the **56th year of the Republic of India**.
  - **Came into force:**
    - **15.06.2005** for certain sections (12, 13, 15, 16, 24, 27, 28).
    - **12.10.2005** for the remaining sections after 120 days.
    - RTI Week celebration- **5th October to 12th October**.
- **Purposes of RTI Act:**
  - Provide citizens with access to information under the control of public authorities.
  - Promote transparency and accountability in public authorities.
  - Control corruption.

### **Key Definitions:**

1. **Appropriate Government:**
  - Central Government for public authorities controlled by the Central Government.
  - State Government for public authorities controlled by the State Government.
2. **Central Information Commission (CIC):**
  - Established under **Section 12(1)**.
3. **Central Public Information Officer (CPIO):**
  - Designated under **Section 5(1) and 5(2)**.
4. **Competent Authority:**
  - Speaker (House of the People, State/Union Legislative Assembly), Chief Justice of India (Supreme Court), Chief Justice of High Court (High Court), President/Governor, Administrator (Article 239 of the Constitution).
5. **Information:**
  - Includes any material (documents, records, emails, reports, data, etc.), whether in physical or electronic form, held by a public authority.
6. **Public Authority:**
  - Any authority, body, or institution of self-government established by the Constitution, law, notification, or order. Includes bodies controlled or substantially financed by the Government.
7. **Record:**
  - Documents, manuscripts, microfilms, reproduction of images, or materials produced by any device (e.g., computer).
8. **Right to Information:**



- Right to access information, inspect work, take notes, obtain certified copies, and request information in electronic or physical format.
  - 9. **State Information Commission:**
    - Constituted under **Section 15(1)**.
  - 10. **State Public Information Officer (SPIO):**
    - Designated under **Section 5(7)**.
  - 11. **Third Party:**
    - A person or entity other than the citizen requesting information, including a public authority.
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## **Chapter II: Rights & Obligations**

1. **Section 3: Right to Information**
  - All **citizens** have the right to information, subject to the provisions of this Act.
2. **Section 4: Obligations of Public Authorities**
  - **Public authorities must:**
    - Maintain records and catalogue/index them, ensuring records are computerized and accessible nationwide.
    - **Publish within 120 days:**
      - Organisation, functions, duties of authority and employees.
      - Powers, duties, norms, rules, and regulations.
      - Budget allocation, expenditure, subsidy execution.
      - Information on the execution of public policies and decisions affecting the public.
      - Names and details of Public Information Officers (PIOs).
    - **Suo motu (Proactive Disclosure):**
      - Publish information regularly through various communication channels (e.g., internet) to reduce reliance on RTI applications.
    - Ensure that information is disseminated widely in **local languages** and in a **cost-effective** manner.
  - **Government Decisions:**
    - Courteous behavior with RTI applicants.
    - Proactive disclosure (e.g., procurement, public-private partnerships, foreign tours, CAG/PAC paras).
    - **Nodal Officer:** Appoint a senior officer (not below Joint Secretary) for compliance with proactive disclosure guidelines.

## Service Book & Suspension

- **SR-200: Suspension & Service Interruptions**
  - Any **suspension** or **interruption of service** must be recorded in the **Service Book** with full details.
  - The entry must be **attested by the Attesting Officer**.
- **SR-202: Annual Service Book Inspection**
  - Every **Head of Office** must ensure that government servants **inspect their Service Books** annually and sign to confirm.
  - A certificate must be submitted by **end of September** to the superior officer.
- **SR-203: Foreign Service & Service Book**
  - If a government servant is transferred to **foreign service**, the **Head of Office** must send the Service Book to the **Audit Officer**.
  - **Audit Officer** is the only authority that can attest entries related to foreign service.

## Foreign Service Contributions

- **SR-307: Interest on Overdue Contributions (Foreign Service)**
  - **Contributions for leave salary/pension** must be paid annually, within **15 days from the end of the financial year** or at the end of the foreign service.
  - If payment is delayed, interest will be charged at **2 paise per day per Rs. 100**.
- **SR-307-A: Traveling Allowance for Foreign Service**
  - **Foreign employer** bears the **traveling allowance** for transfer to and from foreign service.
  - **Deputation Allowance:**
    - **5% of Basic Pay** (Max Rs. 4500) for same station.
    - **10% of Basic Pay** (Max Rs. 9000) for a change in station.

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## CCS (Joining Time) Rules, 1979

- **Rule 1: Title & Commencement**
  - The rules are called the **CCS (Joining Time) Rules, 1979**, effective from **19th May 1979**.
- **Rule 3: Purpose of Joining Time**
  - **Joining time** is granted to enable a government servant to join a new post in **public interest**.
- **Rule 4: No Joining Time for Temporary Transfers**



- No joining time is allowed for temporary transfers  $\leq 180$  days. Only actual **transit time** is permitted.
- **Rule 5: Joining Time for Different Transfers**
  - **Same Station:** 1 day joining time if no change of residence.
  - **Changed Station (by road):**
    - **1000 km or less:** 10 days.
    - **1000-2000 km:** 12 days.
    - **More than 2000 km:** 15 days.
  - **By Air:** 12 days for  $>2000$  km.
  - Additional **2 days** for transfers to **N-E, Sikkim, A&N, Lakshadweep, Ladakh.**
- **Rule 6: Joining Time Extension**
  - Extension of joining time beyond **30 days** requires approval from **Head of Department or Department of Government of India.**
- **Rule 7: Unutilized Joining Time**
  - Unused joining time can be credited as **earned leave**, subject to a maximum of **300 days** accumulation.
- **Rule 8: Combining Joining Time with Leave**
  - Joining time can be combined with regular leave or vacation, **except casual leave.**
- **Rule 13: Joining Time Pay**
  - Government servants are treated as on **duty** during joining time and will receive joining time **pay** equal to the pay drawn before relinquishing charge.
- **Rule 14: Joining Time & Technical Resignation**
  - **Permanent or provisionally permanent employees** are entitled to joining time pay and **travel allowance** on **technical resignation.**
  - **Temporary employees** (less than 3 years service) are not entitled to **travel allowance.**
- **Rule 15: Own Request Transfer**
  - Regular leave may be granted to cover the transit period, but **leave is not needed** for intervening holidays.
- **Rule 16: Cancellation of Transfer**
  - If a transfer order is canceled after **relinquishing charge** but before taking charge of the new post, the intervening period is treated as **joining time.**

### **Key Points for MCQ Exam**

| <b>Rule</b>   | <b>Topic</b>                              | <b>Key Points</b>  |
|---------------|---|--|
| <b>SR-200</b> | <b>Suspension/Interruption of Service</b> | Suspension/interruptions noted in <b>Service Book</b> , attested by Attesting Officer. |
| <b>SR-202</b> | <b>Service Book Inspection</b>            | <b>Head of Office</b> ensures government servants inspect and sign service books       |

|                               |   |  |
|-------------------------------|---|--|
|                               |   | yearly.  |
| <b>SR-203</b>                 | <b>Foreign Service &amp; Service Book</b> | Service Book sent to <b>Audit Officer</b> for foreign service entries.                       |
| <b>SR-307</b>                 | <b>Interest on Overdue Contributions</b>  | Interest of <b>2 paise per day per Rs. 100</b> for overdue contributions.                    |
| <b>SR-307-A</b>               | <b>Traveling Allowance</b>                | <b>Foreign employer</b> pays travel costs. <b>Deputation Allowance:</b> 5%-10% of Basic Pay. |
| <b>CCS Joining Time Rules</b> | <b>Joining Time</b>                       | <b>Joining time</b> allowed for transfers, based on distance (10-15 days).                   |
| <b>Rule 7</b>                 | <b>Unutilized Joining Time</b>            | <b>Unutilized joining time</b> credited as earned leave (max 300 days).                      |
| <b>Rule 13</b>                | <b>Joining Time Pay</b>                   | <b>Joining time pay</b> = last drawn pay before relinquishing charge.                        |
| <b>Rule 16</b>                | <b>Transfer Cancellation</b>              | <b>Cancellation after relinquishing charge</b> is treated as joining time.                   |

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## **Financial Handbook Volume-I (2022 Edition)**

**Rule 1:** Procedures for initial and compiled accounts of Department of Posts officers, governed by Receipts and Payment Rules-1983, Treasury Rules, Government Accounting Rules (GAR) 1990, GFR-2017, and other Central Government Financial Rules.

### **Rule 2 - Definitions:**

- **Accounts Officer:** Head of Office of Accounts.
- **Bank:** RBI office, State Bank of India (RBI agent), or RBI-appointed agency.
- **Secretary:** Secretary, Department of Posts.
- **Director General:** Director-General of Department of Posts.
- **Department:** Department of Posts.
- **Head of a Circle:** Chief Postmaster General of a Circle.
- **Head of a Department:** Authority declared under S. R. 2(10) (DG is Head of Dept. of Posts).
- **Treasury:** Includes sub-Treasury.

**Rule 3:** In offices with multiple Gazetted Officers, the Head of Department can designate one as the Head of Office for these rules.

## **Chapter II: General Principles and Rules (Rule 4 to 69)**

### **Receipt of Money:**

**Rule 4:** Government moneys must be deposited into Treasury/Bank promptly.

**Rule 5:** Moneys, other than revenues, must be deposited into the Public Account (Article 284, Constitution).

**Rule 6:** Government servants must deposit all received moneys into the Public Account without delay.

**Rule 8:** Head of Office must issue signed receipt/e-receipt after verifying entry in Cash Book/e-Cash Book (proper GL code). Digital ACG 67 to be issued.

**Rule 9:** Departmental Officers ensure dues are regularly collected and accounted for.

## **Payment of Money:**

**Rule 12:** Disbursing Officers may permit withdrawals for Govt. dues, claims, loans, etc.

**Rule 14:** Payments made only at the office where the claim arises.

**Rule 15:** No payment from Public Funds without sanction from the President or delegated authority.

**Rule 17:** Disbursing Officer may correct arithmetical errors or eliminate doubtful items in bills and make payment.

## **Endorsement:**

**Rule 18:** Cheques/bills for Treasury payment are non-negotiable and can be endorsed only once. Re-endorsements allowed under certain conditions (e.g., banker for collection).

## **Seal and Specimen Signature:**

**Rule 19:** Accounts Officer provides specimen signatures to disbursing offices.

**Rule 19-A:** Officers authorized to draw funds must send their signature specimen through a superior officer.

**Rule 19-B:** GPF final payment authorities must bear a special metallic embossing seal. No GPF payment without verification of the seal and authorized signature.

## **Claims by Government Servants:**

**Rule 21:** Pay/allowances claims for the first time must be supported by a Last Pay Certificate.

**Rule 22:** No payment to transferred Government servants without Accounts Office order.

**Rule 23:** Pay, leave salary, allowances, and pensions of Gazetted officers can only be paid after Accounts Officer's intimation.

## Arrear Claims:

**Rule 25:** Claims not presented within two years require authorization from Circle Accounts Officer for payment. Claims  $\leq$  Rs. 500 may be paid without pre-check within three years.

**Rule 25:** Travel allowance claims must be made within 60 days from when due.

**Rule 26:** Claims related to Railways (overcharges/undercharges) must be presented within 6 months.

**Rule 27:** Claims  $>2$  years but  $\leq 6$  years old may be investigated with specific approval from the Head of Department. Claims  $>6$  years old require Head of Department approval.

## Notes:

- (1) Heads of Circles can sanction investigation of arrear claims  $>6$  years old, provided records are available.
- (2) LTC claims must be made within one month if an advance was drawn, or within three months if no advance was drawn.
- (3) Pay increments are payable on the succeeding day of the period they relate to.
- (4) Claims for deceased officials not made within 2 years will be pre-audited.
- (5) Leave salary claims are due from the date leave is taken, not when it becomes due in normal course.

## Rule 28:

Old claims with destroyed records in the Circle Accounts Office, which cannot be verified, may be paid if sanctioned by the Government.

## Rule 30 - Payments to Persons Not in Government Service:

- Claims for work, services, or articles supplied by non-Government individuals must be supported by:
  1. Submission of the claim by the Head of the Circle or responsible Government Officer.
  2. Income Tax @ 2% (or prescribed rate) deducted at source for contractors/sub-contractors exceeding Rs. 30,000 as per Section 194-C of the Income Tax Act, 1961.

## CEA

1. **Eligibility:** CEA/Hostel Subsidy is for the two eldest surviving children. In case of twins or multiple births, this rule is relaxed.  
*Special Case:* CEA/Hostel Subsidy is allowed for children born due to failed sterilization.
2. **Fixed Allowance:**
  - CEA: ₹2,250/month per child.
  - Hostel Subsidy: ₹6,750/month maximum.
3. **Reimbursement for Hostel Subsidy:** Employees will be reimbursed the actual expenditure or ₹6,750 (whichever is lower).
4. **Divyang Children:** CEA is double (₹4,500/month, ₹5,625 after 25% increase). CEA can be claimed for special education if a Divyang child cannot attend school.
5. **Concurrent Claims:** Both CEA and Hostel Subsidy can be claimed simultaneously.
6. **Claim Frequency:** CEA/Hostel Subsidy can be claimed once per financial year, after its conclusion.
7. **Documentation:**
  - Certificate from the institution's Head for CEA.
  - If unavailable, self-attested report card/receipt can be used.
8. **Hostel Subsidy Distance:** Applicable only if the residential institution is at least 50 km away.
9. **Spousal Claims:** Only one spouse (if both are government servants) can claim CEA/Hostel Subsidy.
10. **Performance Irrelevance:** Claims are unaffected by the child's academic performance.
11. **Same Class Admission:** CEA is not reimbursed if a child repeats the same class in a different school.
12. **Posthumous Claims:** CEA/Hostel Subsidy continues for children if the government servant dies, provided the spouse is not in specific government roles.
13. **Retirement/Exit from Service:** CEA/Hostel Subsidy continues until the end of the academic year in which the government servant exits service.
14. **Age Limits:**
  - Divyang children: Up to 22 years.
  - Other children: Up to 20 years or completion of 12th grade.
15. **Scope:** CEA/Hostel Subsidy applies from 03 classes before 1st grade to the 12th grade, and for two years post-10th diploma/certificate courses (if 11th/12th not claimed).



16. **Divyang Children Institutions:** CEA reimbursed even if the institution is not recognized.
17. **Correspondence Learning:** CEA applicable for children in correspondence/distance learning.
18. **International Employees:** CEA is payable for children of Nepalese/Bhutanese citizens employed by the Government of India, subject to certification from the Indian Mission.
19. **Admissibility During Various Status:** CEA/Hostel Subsidy is admissible during duty, suspension, or any leave (except extraordinary leave).
20. **"Dies-non" Period:** CEA/Hostel Subsidy is not admissible during a "Dies-non" period.

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## **Central Government Employees Group Insurance Scheme (CGEGIS), 1980**

**Notified:** 01 November 1980

**Came into Force:** 01 January 1982

### **Scope & Objective**

- **Purpose:** The scheme offers low-cost, fully contributory benefits, providing insurance coverage to support the family in case of the employee's death during service, as well as a lump sum payment to enhance resources upon retirement, resignation, or other similar events.
- **Applies to:**
  - All Central Government employees (including Railways, DOP).
  - Defence personnel (except armed and paramilitary forces).
  - Work-charged & Industrial Employees (regular Central Government employees).
  - Employees on deputation to Central Government from State Governments, autonomous bodies, PSU, etc.
  - Canteen employees (from 01-10-1991).
- **Does not apply to:**
  - Contract, part-time, ad-hoc employees.
  - Employees on deputation from State Govt/UT/PSUs/Autonomous bodies.
  - Casual laborers and re-employed defense personnel with separate insurance.

### **Membership**

- **Compulsory:** For employees entering service after 01 November 1980.
- **Enrollment:** Employees are enrolled from 1st January of each year.
  - **Exception:** If an employee enters service after 2nd January, enrollment is from the 1st January of the next year, but insurance coverage starts immediately with premium payment.

### **Insurance and Saving Fund**

- The scheme has two funds:
  1. **Insurance Fund** – Pays to the nominee in case of death.
  2. **Saving Fund** – Paid to the employee with interest upon retirement or resignation.

### Subscription Ratio:

- **01-01-1982 to 31-12-1987:**
  - **Insurance Fund:** 31.25%
  - **Saving Fund:** 68.75%
- **01-01-1988 onwards:**
  - **Insurance Fund:** 30%
  - **Saving Fund:** 70%

### Discontinuation of CGEGIS 1977:

- Discontinued from **01.01.1980**.

### Central Government Employees Group Insurance Scheme (CGEGIS), 1980 - Subscription & Benefits

#### Monthly Subscription & Insurance Cover

| Group                 | Subscription<br>(Before<br>Enrollment) | Subscription<br>(After<br>Enrollment) | Insurance Cover<br>(Before Enrollment) |
|-----------------------|--|---------------------------------------|--|
| <b>Up to Dec 1989</b> |  |                                       |  |
| Group 'A'             | 24                                     | 80                                    | 80,000                                 |
| Group 'B'             | 12                                     | 40                                    | 40,000                                 |
| Group 'C'             | 6                                      | 20                                    | 20,000                                 |
| Group 'D'             | 3                                      | 10                                    | 10,000                                 |
| <b>From Jan 1990</b>  |  |                                       |  |
| Group 'A'             | 40                                     | 120                                   | 120,000                                |
| Group 'B'             | 20                                     | 60                                    | 60,000                                 |
| Group 'C'             | 10                                     | 30                                    | 30,000                                 |
| Group 'D'             | 5                                      | 15                                    | 15,000                                 |

**Note- Group D employees in PB-1 with a Grade Pay of 1800 are classified as Group C, with a monthly subscription of ₹30, effective from 1st January 2011.**

### Recovery of Subscription

- **Due Date:**
  - Initial subscription is due on the date of joining.
  - Subsequent subscriptions are due on the 1st day of every month.
- **Recovery Process:**

- **Salary/Wages Deduction:**  
Subscription is deducted directly from the employee's salary/wages.
- **Deputation/Foreign Service:**  
For employees on deputation or foreign service, the borrowing authority ensures the subscription payment.  
Employees on foreign service must send the subscription amount to their parent department.
- **Subscription Duration:**  
Subscription is recovered until the end of service, including retirement, resignation, or death.
- **Death Before Subscription Recovery:**  
If the employee dies before the monthly subscription is recovered, it will be deducted from the benefits payable to the family.
- **Extraordinary Leave:**  
If an employee is on extraordinary leave, the arrears will be recovered with interest.
- **Delayed Salary Payment:**  
No interest will be charged on arrears if non-recovery is due to delayed salary payment.
- **If Employee Disappears:**
  - Full subscription is payable for 1 year after disappearance.
  - After 1 year, a reduced insurance premium of Rs. 5 for every Rs. 15,000 cover is payable for the next 6 years.

### **Promotion During the Year**

- **Subscription Changes:**
  - If promoted to a higher group, the new subscription rate applies only from the 1st January of the next year.
  - **Example:** If promoted from Group C to B on 01-08-2022, subscription and cover stay the same until 31st December 2022, then increase from January 2023.

### **Benefits Payable**

- **On Retirement/Resignation:**
  - Lump sum payment from the **Saving Fund**.
- **On Death in Service:**
  - Family/nominee entitled to:
    - Lump sum payment from **Saving Fund**.
    - **Insurance Cover** amount as per the group and rate at the time of death.

- **Before Joining Scheme:**
  - Family/nominee is entitled to only the **Insurance Cover** (no Saving Fund benefits).

### **Financing & Contributions**

- **GPF/CPF Withdrawal:**
  - Not allowed except if the financial position of an employee doesn't allow contributions to both GPF/CPF and CGEGIS. In such cases, a non-refundable withdrawal of an amount equal to a year's subscription may be allowed from GPF/CPF.
- **Income Tax Rebate:**
  - Income tax rebate under **Section 80-C** is available for the subscription paid under the scheme.

### **Withdrawals, Loans & Advances**

- **No Withdrawals/Loans/Advances:**
  - No withdrawals, loans, or advances are permitted from the Insurance Fund or Saving Fund of the scheme.
- **Assignment of Insurance and Saving Fund:**
  - Employees can assign their insurance cover or Saving Fund to recognized financial institutions as security for house loans (using **Form No. 11**).
  - Permission must be obtained from the Head of Department (HOD) and entered in the employee's service book (**Form No. 12**).

### **Government Dues**

- **Recovery of Dues:**
  - No government dues can be recovered from CGEGIS benefits, except dues under the scheme or those specifically authorized by the employee.

### **Nominations**

- **Nomination Rules:**
  - If an employee has a family, nominations must be made in favor of family members.
  - Nominations can be changed at any time by giving notice and making a fresh nomination.
  - Nominations are to be countersigned by the Head of Office and recorded in the service book.
- **Family Definition:**

# **Central Civil Services (National Pension System) Rules, 2021**

## **1. Short Title and Commencement:**

- These rules may be called the **Central Civil Services (Implementation of National Pension System) Rules, 2021**.

## **2. Application:**

- Applicable to **Government servants** (including civilian Defence services) appointed substantively after **1st January 2004**.
- **Exemptions:**
  - Railway servants
  - Casual/daily-rated employees
  - Contractual employees
  - Members of All India Services
  - Locally recruited foreign employees
  - Pensioners under **C.C.S. (Pension) Rules, 1972**

## **3. Definitions:**

- **Accredited Bank:** A bank designated by the **Government** to handle pension fund transactions.
- **Accumulated Pension Corpus:** Total value of pension investments in a subscriber's account.
- **Annuity:** Periodic payment made from the **Accumulated Pension Corpus** to the subscriber.
- **Annuity Service Provider:** IRDA-registered life insurance companies providing annuity services.
- **Authority:** **PFRDA** (Pension Fund Regulatory and Development Authority).
- **Central Recordkeeping Agency:** Agency managing NPS subscriber records (under **PFRDA Act, 2013**).
- **Drawing and Disbursing Officer:** Officer authorized to make Government payments.
- **Defence Services:** Excludes Air Force, Army, and Navy services governed by respective Acts.
- **Emoluments:** Salary and allowances as defined in **Rule 5**.
- **Foreign Service:** Service where pay is from non-Government sources with Government consent.
- **Government:** Refers to **Central Government**.
- **Head of Department/Office:** Defined authorities responsible for financial delegation.
- **Individual Pension Account:** Account of a subscriber under NPS.
- **Local Fund Administered by Government:** Fund managed by a Government-controlled body.
- **National Pension System (NPS):** Contributory pension scheme under **PFRDA Act, 2013**.



- **Pay and Accounts Officer:** Officer managing government financial accounts.
- **Pension Fund:** Intermediary registered to manage and invest pension contributions.
- **Permanent Retirement Account Number (PRAN):** Unique ID assigned to each NPS subscriber.
- **Subscriber:** Government servant contributing to NPS.
- **Trustee Bank:** Bank responsible for managing NPS funds under the **Banking Regulation Act, 1949**.

## **National Pension System (NPS) - Key Features**

- **Contributory Scheme:** Both **employee** (10% of basic salary + DA) and **employer** (14% of basic salary + DA) contribute to the pension account.
- **Mandatory for Central Govt Employees:** Compulsory for Central Government employees (excluding Armed Forces) and Central Autonomous Bodies joining after **1st January 2004**.
- **Regulated by PFRDA:** Governed by the **Pension Fund Regulatory and Development Authority (PFRDA)**.
- **Objective:** To ensure a **sustainable pension** system for retirement by encouraging **regular savings**.
- **Open to All:** Available for **Indian citizens** and **NRIs** aged between **18 to 70** years.

## **NPS System of Investment & Account Types**

Under the **National Pension System (NPS)**, individual savings are pooled into a pension fund managed by **PFRDA-regulated fund managers**. The funds are invested in **diversified portfolios** (government bonds, corporate debentures, shares) as per approved investment guidelines, with returns accumulating over time.

### **Account Types under NPS:**

1. **Tier I Account:**
  - **Mandatory contributions:** 10% of Basic Pay and DA from the employee, plus 14% from the employer.
  - Funds are **locked until retirement**.
2. **Tier II Account:**
  - **Voluntary account:** Allows flexibility for withdrawals.
  - No mandatory contributions.

### **Statement of Transaction (SOT):**

- Contains details of contributions, invested amounts, and allocated units for the financial year.

## **Eligibility Criteria for Joining NPS**

- **Age Criteria:**
  - Must be between **18 to 70 years** at the time of joining NPS.
  - Can continue contributing until **75 years**.
- **Account Type:**
  - Individual or employer-based.
- **Rejoining NPS:**
  - As per **PFRDA Circular No: PFRDA/2021/36/SUPCRA/14 (26.08.2021)**, subscribers who closed their accounts can rejoin till age 70.
- **Exclusions:**
  - Not eligible if **undischarged insolvent** or **of unsound mind**.
- **Non-Residents:**
  - NRI accounts can be opened, but will be closed if NRI status changes.

## **Investment Options in NPS**

1. **Equity (E):**
  - Invests in **stocks**; maximum exposure of **75%** for those up to **50 years**.
2. **Corporate Bonds (C):**
  - Fixed-income securities with stable returns.
3. **Government Securities (G):**
  - Low-risk government bonds with stable returns.

### **Investment Strategies:**

- **Auto Choice:** Automatically adjusts asset allocation based on age.
- **Active Choice:** Subscriber actively selects investment proportion in **Equity, Corporate Bonds, and Government Securities**.

## **Tax Benefits on NPS Contributions**

1. **Section 80C:**
  - Deduction up to **₹1,50,000** (included in the overall 80C limit).
2. **Section 80CCD(1B):**
  - Additional deduction of **₹50,000** over and above ₹1.5 lakh for **Tier I** contributions.
3. **Section 80CCD(2):**
  - **Employer Contributions** deductible up to **10%** of **Basic + DA** with no upper limit.

## **Tax on Withdrawals from NPS**

1. **At Retirement (60% Lump Sum):**
  - **Tax-exempt**.

# CCS(Pension) Rules 2021

## Central Civil Services (CCS) Pension Rules 2021

### **Rule 1: Short Title and Commencement**

- **Title:** Central Civil Services (Pension) Rules, 2021.

### **Rule 2: Application**

- **Applies to:** Government servants appointed on or before 31st December 2003, including civilian government servants in Defence Services appointed substantively to civil services and posts in Union-affiliated establishments on pensionable posts.
- **Exemptions:**
  - Railway servants.
  - Casual/daily rated employees.
  - Persons paid from contingencies.
  - Persons entitled to Contributory Provident Fund.
  - Members of All India Services.
  - Locally recruited persons in diplomatic/consular Indian establishments abroad.
  - Persons employed on contract (unless contract specifies otherwise).
  - Persons whose service terms are regulated by the Constitution or any other applicable law.

### **Rule 3: Definitions**

- **Emoluments:** Basic Pay of Government servant.
- **Average Emolument:** Last 10 months' average basic pay from the date of retirement.
- **Qualifying Service:** Service rendered while on duty or otherwise, counted for pensions and gratuities.
- **Government:** Central Government.
- **Pension:** Includes gratuity but excludes dearness relief.
- **Family Pension:** Defined under Family Pension 1964.
- **Gratuity:**
  - Service Gratuity (Rule 49(1)).
  - Retirement/Death Gratuity (Rule 50(a)).
  - Residuary Gratuity (Rule 50(2)).
- **Pension Disbursement Authority:**
  - Account Officer.
  - Treasury/Sub-treasury.
  - Branch of Nationalized Bank.

- **Head of Office:** Gazetted officer under Rule 14 of Delegation of Financial Power Rules 1978.
- **Head of Department:** Authority in Schedule 1 of Delegation of Financial Power Rules 1978.
- **Retirement Benefits:** Includes pension and service or retirement gratuity.
- **Account Officer:** Officer responsible for maintaining accounts of a Ministry/Department/Office.
- **Allottee:** Government servant allotted government accommodation.
- **Child:** Son/daughter of a government servant eligible for Death Gratuity or Family Pension.
- **Defence Service:** Ministry of Defence excluding Armed Forces, Navy, and Air Force.
- **Minor:** Person under 18 years.
- **Pension Payment Order:** Includes e-Pension Payment Order.
- **Service Book:** Includes service rolls, if applicable.

#### **Rule 4: Transfer of Government Servants to Applicable Services/Posts**

- **Transfer to applicable post:** A government servant transferred permanently to a post where these rules apply must follow these rules.
- **Option to remain under old rules:** They can choose to stay under the pension rules of the previous service within 6 months of transfer.
- **Final option:** Once exercised, the option is final.

### **GENERAL CONDITION**

#### **Rule 5: Regulation of Claims to Pension or Family Pension**

1. **Regulated by:** Claims to pension/family pension are governed by the rules in force at the time of the government servant's retirement, discharge, resignation, or death.
2. **Last working day:** The day of retirement, voluntary retirement, discharge, resignation, or death is treated as the last working day.
3. **Death during leave:** If a government servant dies on EXOL, EL, or medical leave, the day of death is treated as part of the leave.

#### **Rule 6: Limitation on Number of Pensions**

1. **Single pension:** A government servant cannot earn two pensions from the same service/post or continuous service.
2. **Re-employment:** A government servant who retires on a pension and is re-employed is not entitled to a separate pension/gratuity during re-employment (except for armed forces).

#### **Rule 7: Pension Subject to Future Good Conduct**

1. **Implied condition:** Future good conduct is an implied condition for the grant and continuance of pension.
2. **Withholding pension:** Pension can be withheld/withdrawn if the pensioner is convicted of a serious crime or found guilty of grave misconduct.
3. **Minimum pension:** Withheld pension will not be reduced below Rs. 9,000/month.
4. **Competent authority:** The President may pass an order under this rule.

#### **Rule 8: Right of President to Withhold or Withdraw Pension**

- **President's authority:** The President can withhold/withdraw pension or gratuity (in full/part) if the pensioner is found guilty of misconduct during service or re-employment. The President can also recover pecuniary loss caused to the Government.

#### **Rule 9: Commercial Employment After Retirement**

1. **Permission required:** A Group-A pensioner must obtain prior government sanction (Form 25) before accepting commercial employment within one year of retirement.
2. **Appeal:** If permission is denied or granted with conditions, the applicant can appeal within 30 days.

#### **Rule 10: Employment After Retirement Outside India**

- **No pension:** Pension will not be payable if the pensioner accepts employment outside India without proper permission.

### **Qualifying Service**

#### **Rule 11: Qualifying Service for Pension**

- **Qualifying Service:** Service rendered while on duty or otherwise, considered for pensions and gratuities under these rules.

#### **Rule 12: Conditions for Qualifying Service**

1. Service qualifies only if duties and pay are regulated by applicable rules.
2. **Government service:** Paid by Government of India or local government funds.
3. **Temporary service:** Half of temporary status service may count.
4. Service in **Central Government autonomous bodies** before being taken over by the government can count.

#### **Rule 13: Commencement of Qualifying Service**

- **Commences:** From the date of charge in a permanent post.
- **Temporary service** followed by confirmation counts.

- **Before 18 years:** Does not count for pension or gratuity.

#### **Rule 14 - Conditions subject to which service qualifies -**

The service of a Government servant shall not qualify, unless his duties and pay are regulated by the Government, or under conditions determined by the Government.

#### **Period counting as qualifying service**

- a. Duty and periods treated as duty
- b. All kinds of leave with leave salary
- c. Deputation and Foreign service
- d. Extraordinary leave on medical certificate and extraordinary leave without medical certificate granted due to inability of the employee to join/rejoin on account of civil commotion or for prosecuting higher technical and scientific studies.
- e. Pre-appointment training followed immediately by appointment as Group C and D employees
- f. Service on probation followed by confirmation
- g. Service as SAS Apprentice.
- h. Suspension followed by minor penalty & Major penalty

#### **Period not counting as qualifying service**

1. Service rendered before attaining the age of 18 years
2. Service as apprentice except SAS apprentice
3. Unauthorized absence treated as dies non
4. Overstay of leave/joining time not regularized as leave with leave salary
5. EOL without MC other the circumstances specified in rule (d)
6. Suspension followed by major penalty, if the reinstating authority does not order that it shall count as qualifying service.

**Note:** Extraordinary leave taken for other reasons is considered non-qualifying. Specific entries must be made in service records to indicate non-qualifying extraordinary leave. if no specific entry exists, it will be considered qualifying service.

#### **Rule 15: Temporary Status of Casual Labourers**

- **50%** of service in temporary status before 31st December 2003 counts as qualifying service.

#### **Rule 16: Service on Probation**

- Service on probation followed by confirmation counts as qualifying service.

#### **Rule 17: Service as Apprentice**



## Service Discharge Benefit Scheme (SDBS) 2011

### 1. Scheme Name and Effective Date

- **Name:** Service Discharge Benefit Scheme (SDBS)
- **Effective Date:** 1st April 2011

### 2. Definitions:

- **PFRDA:** Pension Fund Regulatory and Development Authority of India.
- **Oversight Offices:** Office of P.I., New Delhi.
- **Aggregator cum Account Officer:** GM Finance or Director of Accounts (Postal).
- **Collection Centre (CC):** Office of Director/Sr. Supdt./Supdt. or Head of Postal Division.
- **Accumulations:** Total amount in the Permanent Retirement Account (PRA) of a GDS beneficiary/subscriber, including severance amount
- **Annuity:** Mandatory Annuity purchased by the subscriber/beneficiary at exit from the scheme.
- **Severance Amount:** Amount payable when a GDS ends engagement with the Department.
- **CRA:** Central Record Keeping Agency for record management.
- **Custodian:** Agency responsible for holding NPS Trust assets (e.g., SCIL).
- **Trustee Bank:** Bank holding funds under SDBS.
- **PFRDA:** Regulator of the Pension Fund and SDBS.

### 3. Eligibility:

- **Existing GDS:**
  - Must have at least 1 year of satisfactory service.
  - **Ineligible:** GDS due to be discharged within 3 years (as of 1st Jan 2011).
  - **Option:** Choose between SDBS or existing Severance Amount scheme.
  - **Severance Accumulation:** Severance amount (Rs. 1500 per year of service) added to PRA on joining SDBS.
- **Newly Appointed GDS:**
  - Mandatory participation after 1 year of satisfactory service.
  - **Ineligible** for Severance Amount benefits.
- **Provisional GDS/Substitutes:** Not eligible for SDBS

### 4. Subscription:

- **Contribution:** From 01.07.2018, Government **contributes ₹300 per month**, matched by GDS.
- **No Contribution During Absence:**

1. No contribution is made during periods of '**Put off**' duty or unauthorized absence (when TRCA is not drawn).

#### 5. **Permanent Absorption in Regular Departmental Post**

- **GDS absorbed into regular departmental posts** must exit SDBS and transfer their **accrued accumulations** (from SDBS and severance amount) to the **New Pension Scheme (NPS)** for Central Government employees.
- **Transfer Application:** To be submitted using **Form SDBS-1**.
- **Other Scenario:** Applies if GDS is appointed in a regular post under the Central or State Government where NPS is applicable.

#### 6. **Scheme Preferences**

- GDS beneficiaries will have a **common scheme preference**, selected by the **Department of Posts**.
- **Pension Fund Managers** and **Annuity Providers** are also chosen by the Department of Posts in consultation with PFRDA.
- **Current Investment Preferences:** Based on **Central Government scheme preferences**, and investments are made across three PFMs as decided by **PFRDA/NPS Trust**.

#### 7. **Nodal Agency**

- **PFRDA** is the **Nodal Agency**.
- The **Central Record Keeping Agency (CRA)** manages records and transmits data to the **Trustee Bank** for fund transfers to the relevant **Pension Fund Manager (PFM)** for investment.
- **Current CRA:** **National Securities Depository Limited (NSDL), Mumbai**.

#### 11. **Exit from the SDBS**

- **Normal Exit (Discharge):**
  - **Life Annuity:** Outgoing GDS must invest **40% of accumulations** to purchase a life annuity from an **IRDA-approved Life Insurance Company**. They can invest more than 40%.
  - **Lump Sum:** The remaining **60% of accumulations** will be paid as a lump sum.
  - **Application:** To be submitted in **Form SDBS-6**.
- **Premature Exit (Post 58 years):**
  - GDS can withdraw **up to 20% of accumulations** after 58 years.
  - The remaining **80%** must be invested in a life annuity.
  - No Department contributions after premature withdrawal.
  - **Application:** To be submitted in **Form SDBS-6**.
- **Resignation from Service:**
  - Upon resignation, the **PR Account is closed**.
  - **85% of accumulations** must be used to purchase a life annuity, and **15%** is paid as a lump sum.