Department of Pension & Pension Welfare (Desk-F), Ministry of Personnel PG & Pension vide order No. 3/2/2017-P&PW(F)(ii) dt. 07.03.2017 has liberalized the provisions, rates the limits and simplified the procedure for withdrawal from fund. Copy of order dt. 07.03.2017 annexed.

Pension Trust is following the amended order, however, it is noticed that in number of cases the sanctioning authority allow withdrawal beyond the limits and the eligibility conditions decided for different purpose of withdrawal. The amended order also liberalized the condition of submission of documents by stating that a simple declaration by the subscriber explaining the reason for withdrawal would be sufficient and Head of Department is competent to sanction the withdrawal in such cases. Number of applicants are reluctant to submit any documentary evidence for withdrawal of loan towards home appliances, house loan etc. stating that as per the amended order it is not required.
In view of above and to provide relief to GPF subscriber of DVB employees, it is requested to follow amended order 07.03.2017 for implementation while sanctioning the amount of withdrawal by the competent authority. Considering the liberalized provisions, to obviate any misuse of the provisions, it may be ensured that sanction for withdrawal of advance or non refundable loan there should be atleast six month interval to be maintained between two sanctions. Henceforth, GPF section will process the request for withdrawals on the basis of sanction accorded by the competent authority as per the amended rules and amount will be released accordingly.

The applications /sanction already submitted for fund withdrawal will be processed and fund released as per the existing procedure.

Manager (PT)
DVB ETBF-2002

Encls: As above
OFFICE MEMORANDUM

Subject: Amendment to the provisions of General Provident Fund (Central Service) Rules 1960- liberalization of provisions for withdrawals from the Fund by the subscribers - regarding.

The General Provident Fund (Central Service) Rules came into force in 1960 and Rule 15 of the said rules provide for withdrawals by the subscribers. Some amendments have been made from time to time to address the concerns raised by the subscribers. However, the provisions largely remain restrictive. There is a felt need to liberalize provisions, raise limits and simplify the procedure.

2. The provisions in the rules have been reviewed and it has now been decided to permit withdrawals from the fund by the subscriber for the following purposes:

(i) Education – This will include primary, secondary and higher education, covering all streams and institutions,
(ii) Obligatory Expenses viz. betrothal, marriage, funerals, or other ceremonies of self or family members and dependants,
(iii) Illness of self, family members or dependants,
(iv) Purchase of consumer durables.

3. It has been decided to permit withdrawal of upto twelve months pay or three-fourth of the amount standing at credit, whichever is less. For illness, the withdrawal may be allowed upto 90% of the amount standing at credit of the subscriber. A subscriber may seek withdrawal after completion of ten years of service.

(v) Housing including building or acquiring a suitable house or a ready built flat for his residence,
(vi) Repayment of outstanding housing loan,
(vii) Purchase of house site for building a house,
(viii) Constructing a house on a site acquired,
(ix) Reconstructing, additions or alterations of ancestral house.

4. A subscriber may be allowed to withdraw upto ninety percent of the amount standing at credit for the above purposes. It is also decided to do away with the present instructions which lay down that subsequent to the sale of house for which GPF withdrawal has been availed, the amount withdrawn has to be deposited back. GPF withdrawal for housing purpose will no longer be linked with the limits prescribed under HBA rules. A subscriber may be permitted to avail the facility at any time during his service.

Contd./-
(xi) Purchase of motor car/motor cycle/scooter etc. or repayment of loan already taken for the purpose,
(xii) Extensive repairs/overhauling of motor car,
(xiii) Making deposit to book a motor car/motor cycle/scooter, moped etc.

5. A subscriber may be permitted to withdraw three-fourth of the amount standing at credit or cost of the vehicle, whichever is less for the above purposes. Withdrawal for the above purpose will be permitted after completion of 10 years of service.

6. Presently, withdrawal of upto 90% of balance without assigning reasons is allowed for Government servants who are due for retirement on superannuation within a year. It is proposed that this may be allowed for upto two years before superannuation.

7. In all cases of withdrawal from the fund by the subscriber, the declared Head of Department is competent to sanction withdrawal. No documentary proof will be required to be furnished by the subscriber. A simple declaration form by the subscriber explaining the reasons for withdrawal would be sufficient.

8. As per the GPF(CS) Rule 1960, no time limit has been prescribed for sanction and payment of withdrawal amount. Therefore, it has been decided to prescribe a maximum time limit of fifteen days for sanction and payment of withdrawal from the Fund. In case of emergencies like illness etc., the time limit maybe restricted to seven days.

9. Necessary amendment to the GPF(Central Service) Rules 1960, giving effect to the above provisions will be issued in due course.

10. In so far as persons serving in Indian Audit and Accounts Department are concerned, these orders issue in consultation with the Comptroller and Auditor General of India.

11. This issues with approval of Department of Expenditure, vide their ID No. 4(1)/E-V/2017 dated 28.02.2017.

12. Hindi version of this OM will follow.

(Sujasha Choudhury)
Director

To:
1. All Ministries/Departments (As per Standard Mailing List)
3. Copy to NIC Cell for uploading on the website of the Department.