

# **A.P.GENERAL PROVIDENT FUND RULES,1935**



**By**  
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AIM : The G.P.F. Scheme is a Social Security Measure Scheme, meant for the Protection of Subscriber's Family against his sudden death or if he survives until Retirement, to provide him and his family with Additional Resources.

The GPF accumulations are not liable for Attachment under any decree of the **civil Court**.



# INTRODUCTION

- Rules 1 - 35
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# AT A GLANCE

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- Rule 14,15 : Advances from Fund
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- Schedule 1: Forms of nominations
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- Schedule 5: Authorities competent to grant Temp. Adv./part final withdrawal



- Appendix A: Nil
- Appendix B: Extracts from the Rules regulating the GPF
- Appendix C: Nil
- Appendix D: Relating to Rule 16
- Appendix E: Relating to Rule 30
- Appendix F,G: Indemnity bond proforma ( Relating to Rule 30)
- Appendix H: Final Payment Form



- Appendix I: Temp. Adv. Form
- Appendix J: Form for final payments other than GPF
- Appendix K,L,M: Form of undertaking
- Appendix N: Courses treated as technical
- Appendix O: Form for Part final
- Appendix P: Form for conversion of an advance to part final





- Appendix Q: Form for financing LIC
- Appendix R: Form for admission to  
GPF
- Appendix S: Procedure for enrolment  
of subscribers.



- **Rule 1:** Short title and commencement
  - Art. 309, 313 of Indian Constitution
  - Came into force on 01.04.1935
- **Rule 2:** Definitions
  - (a) Accounts Officer
  - (b) Emoluments: Pay + DA



(c) Family:

**Male:** Wife, Parents/paternal grand parents, legitimate children, minor brothers, unmarried sisters, deceased son's wife and his children

**Female:** Husband, Parents/paternal grand parents, legitimate children, minor brothers, unmarried sisters, deceased son's widow and his children

(d) Fund

(e) Govt., Governor and State

(f) Leave

(g) Year: financial year



- **Constitution of Fund:**
- **Rule 3:** maintained in Indian Rupees
- **Rule 4:** Omitted
- **Rule 5:** membership
- **Membership Two Types:-**
  - 1) **Compulsory:-** w.e.f. 1-3-1963 to 31-8-2004 for Regular Employees, 10(a)(i) employees; Last grade employees after completion of 5 yrs continuous service and whose date of retirement is atleast 10 years ahead  
( G.O.Ms.No.326, F&P, Dt.21.12.88 and 08.07.88)



(2) Optional :-

(i) Re-employed Pensioners and Govt. Servants who have not completed one year continuous Service

(ii) Law Officers in the City of Hyderabad viz., Advocate General, Govt. Pleaders, Public Prosecutor and the State Prosecutor.

(3) **Not applicable** to those appointed on or after 01.09.2004

(G.O.Ms.No.654, Fin.(Pen.I), Dt.22.09.04)



## How to Subscribe (Appendix S)

- 1) Proposal form (Appendix R) in Duplicate of the subscribers along with the Appendix S by H.O.O. to the A.G./D.T.O. on 15<sup>th</sup> of every month showing the eligible Govt. Servants.
- 2) Separate forms of persons whose pay and allowances are debitable to different heads of account.
- 3) The A.G./DTO will return one copy, indicating the a/c no. allotted.
- 4) If the particulars are 'NIL'; Statement need not be sent to A.G.
- 5) In respect of optional subscribers who submit application for admission to the fund. Deductions should be made only after allotment of account number.



## NOMINATIONS (Rule 7)

- 1) Nomination in the prescribed form nominating one or more persons indicating the share payable to each of the nominees in the event of his death.
- (2) If Family exists at the time of nomination it should not be in favour of any person other than the member of the family.
- (3) If no family exists at the time of nomination, he shall provide in the nomination that it shall become invalid in the event of his acquiring a family subsequently.
- (4) A subscriber may at any time cancel a nomination by sending a notice to AO, and send a fresh nomination.  
( First Schedule)



- **Subscriber's Account:**
- **Rule 8 :** Individual wise Account
- **Conditions and Rates of Subscription**
- **Rule 9 :** (1) (a) Monthly subscription except under suspension ( after reinstatement the entire amount in one sum / installments )

Leave with no salary & half pay  
- subscription is optional

- (2) Not to subscribe during leave  
- a formal letter to H.O.O. is required



# RATE OF SUBSCRIPTION (Rule 9)



| Category of Employees Drawing Emoluments | If Insured with APGLI/LIC/PLI                       | If not insured                                       |
|--|---|--|
| Class IV Employees                       | 4% of pay and not more than half of basic pay       | 4% of pay and not more than half of basic pay        |
| NGO's & GO's                             | 6% of emoluments and not more than total emoluments | 12% of emoluments and not more than total emoluments |
| Optional Subscribers                     | 6% of emoluments and not more than total emoluments | 6% of emoluments and not more than total emoluments  |



- Other Conditions :-
- 1. Subscribers may enhance - Twice, or Reduce Once with in a Financial year. ( G.O.Ms.No.21, Fin., Dt.24.01.81 )
- 2. Huge amounts should not be subscribed during the last 4 months of fin. Year to avoid I.T.(MemoNo.23374/47/GPF/Pen.II/95,Dt.11.08.95)
- 3. Amount of subscription is on emoluments as on 31<sup>st</sup> March of preceding financial year. If the individual is on leave, on emoluments as on date of return to duty



- 4. If the employee is on duty for a part of a month and on leave for the remainder of that month and if he has selected not to subscribe during leave, the amount of subscription is proportionate to the no. of days on duty.
- A subscriber shall not subscribe during last four months of his service ( G.O.Ms.No.98, F&P, Dt.19.06.92)
- **Rule 11** : Applicable to the subscribers transferred to Foreign service or sent on deputation out of India

# Interest (Rule 13)



|   |  |  |
|---|--|--|
| 1 | On amount at the credit of the subscriber on the last day of preceding year less any withdrawals during the current year | Interest is calculated for the entire 12 months  |
| 2 | Amount withdrawn during the current year   | Interest is calculated from the beginning of the current year upto the last day of the month preceding the month of withdrawal |
| 3 | On all sums credited after the last day of preceding year  | From the date of deposit upto the end of the current year  |



- **Rule 13:** (3) Recovery from emoluments -  
interest from the first day of the  
month in which it is deposited.

Forwarded by subscriber -

- if the date of deposit before 5<sup>th</sup> of a month,  
interest from the first day of that month
- if the date of deposit after 5<sup>th</sup> of a month,  
interest from the first day of next month.

In case of Foreign service

- date of deposit should be 15<sup>th</sup> of that month.



In case of Final Payment, Interest will be calculated upto the preceding month of payment in case of administrative delay.( G.O.Ms.No.3, Fin.,Dt.08.01.2007)

(5) Interest shall not be credited to the account of a Muslim subscriber, if he informs the AO that he does not wish to receive it

- (6) Over drawn amount - amount with  $22 \frac{1}{2} \%$  interest or above on it will be recovered in one lumpsum / in monthly instalments, each installment should not be more than Half of (pay+DA).



**Withdrawals 2 types :-** 1) Temporary Advance  
2) Part Final Withdrawal

Temporary Advance :-

- i) Sanction for self, Sons/ Daughters or any member actually dependent on the Govt. Servant.
- ii) Advance should not exceed 3 months pay or half of the balance at credit whichever is less. **R.(14)(1)**
- iii) Pecuniary Circumstances of the applicant to be considered. **R 14(1)(a)**



- Reasons to be considered:-
- i) To pay expenses in connection with Prolonged ill-ness on Medical Grounds - R14(1) (a) (i)
- ii) To pay for overseas passage for reasons of Health or Education R14(1)(a)(ii)

To meet cost of higher education beyond high school stage.

a). Outside INDIA- For academic, Technical, Professional or Vocational Courses -

R14 (1)(a)(ii)(a)

b). In INDIA - for NGO's- For All Academic, Medical, Engineering or other or Scientific Courses - R. 14(1)(a)(ii)(b)

For GOs for Medical, Engineering or Other Technical or Specialized Courses.





(iii) To pay obligatory expenses in connection with marriage or other ceremonies R 14(1)(a)(iii) ( not to be sanctioned for annual shradha)

(iv) To meet the cost of Legal Proceedings instituted by the subscriber for vindicating his position in regard to any allegation made against him in discharge of his official duties. R14(1)(a)(iv)

(v) To meet the cost of his defense where the subscriber is prosecuted by the Govt. or the subscriber engages a legal practitioner to defend himself in any enquiry in respect of any alleged official misconduct on his part. R14(1)(a)(v)



(vi) To meet the cost of building / reconstruction / additions or alteration / repaying any outstanding loan expressly taken for this purpose by the subscriber.

R14(1)(a)(vi)

(vii) To meet the cost of purchasing a house site or repaying any outstanding amount of loan expressly taken for this purpose.

R 14(1)(a)(vii)

(viii) To Meet the cost of constructing a house on a site purchased utilizing the sum withdrawn under clause (vii) above.

R14(1)(a)(viii)



(ix) To meet the cost of acquiring farm or Business premises within 6 months of the date of subscriber's retirement. **R14(1)(a)(ix)**

(x) To meet the cost of purchasing a Motor Car. **R14(1)(a)(x)**

NOTE: For clauses (vi) to (x), the applicant has an approved plan/permits/relevant documents and he should produce utilisation certificate within one month from date of withdrawal.

NOTE: For special reasons to be recorded in writing, an advance shall be granted in excess of the limit laid down or before repayment of previous advance for all clauses except (iv) & (v) **R14(1)(c)**



- NOTE : Missing debits & Missing credits are to be deducted from the balance at the credit, and not to be taken into account for sanction.
- Duration:- There must be a gap of 6 months from one drawl to another drawl within a financial year.
- Recovery of Advance:- In ordinary circumstances minimum 12 maximum 24 EMIs. In special cases minimum 24, maximum 36 EMIs. Each instalment shall be a number of whole rupees **R-15(1)**



## Other Conditions:-

- i) Recovery of Temporary advance shall commence from the same month in which it was sanctioned.
- ii) Recovery of advance shall not be made except with the subscriber's consent, while in receipt of subsistence grant or is on leave does not carry any leave salary or carries leave salary equal to or less than half pay. **R15(2)**
- iii) Recoveries towards refund of temporary advances shall not be effected during the last 4 months of service of subscriber  
**R15(7) ( G.O.Ms.No.98, F&P, Dt.19.06.92)**



- Consolidation of Advances :-
- When an advance is sanctioned before repayment of last installment of any previous advance is completed the balance of any previous advance not recovered shall be added to the advance so sanctioned and the installment of recovery shall be fixed w.r.to the Consolidated Amount - R. 14(3)



## 2) PART FINAL WITHDRAWAL:-

| PURPOSES  | LIMITATIONS  |
|---|--|
| (a) For Education, Betrothal/ Marriage, illness   | 20 years of service ( including broken period if any) or within 10 years before the date of superannuation whichever is earlier. |
| (b) For House building purposes. (for purchase of House Site, Construction of House/Ready Built House at whatever place he chooses. | 15 years of Service or within 10 years before the date of Superannuation whichever is earlier.                                   |



| PURPOSE   | CONDITIONS  | RULE                |
|---|---|---------------------|
| 1. To meet the cost of higher education including where necessary travel expenses of the subscriber or any child of the subscriber beyond high school stage | i) 3 months pay or $\frac{1}{2}$ the balance whichever is less<br>ii) Sanctioning authority may relax the limit upto 10 months pay in special cases | 15-A(1)(a),<br>15-B |

Note: 1) 6 months gap between the 1<sup>st</sup> and 2<sup>nd</sup> withdrawal and in any case not more than two withdrawals in any financial year

2) Utilisation certificate should be submitted within 6 months, Otherwise the entire amount will be recovered in one lumpsum





| PURPOSE   | CONDITIONS   | RULE                             |
|---|--|----------------------------------|
| 2. Betrothal / Marriage of the subscriber or his sons or daughters and any female relation actually dependent on him. | Daughters and any other female relation<br>i) 6 months pay or $\frac{1}{2}$ the balance whichever is less<br>Relaxation upto 10 months in special cases subject to half of the balance | 15-A(1)(b) & 15-D<br><br>15-D(i) |
|   | Sons<br>ii) 3 months pay or $\frac{1}{2}$ the balance whichever is less<br>Relaxation upto 6 months pay in special cases subject to half of the balance                                | 15-D(ii)                         |



| PURPOSE  | CONDITIONS   | RULE                         |
|--|--|------------------------------|
| <p>3) To meet expenses in connection with the illness including where necessary travel expenditure of the subscriber and members of his family or any other persons actually dependent on him.</p> | <ul style="list-style-type: none"><li>(i) 6 months pay or <math>\frac{1}{2}</math> the Balance whichever is less.</li><li>(i) Relaxation is up to <math>\frac{3}{4}</math><sup>th</sup> of Balance</li><li>(i) Only one part final withdrawal is allowed for the same purpose</li><li>(i) Illness of different persons on different occasions will not be treated as the same purpose.</li></ul> | <p>15-A(1)(c) &amp; 15-C</p> |



| PURPOSE   | CONDITIONS  | RULE                      |
|---|---|---------------------------|
| <p>4. (i) To Build or Acquire a suitable house for his residence including the cost of site or</p> <p>(ii) repaying any outstanding amount of loan expressly taken for this purpose or</p> <p>(iii) reconstruction or</p> <p>(iv) making additions or</p> <p>(v) alterations to a house already owned or required by a subscriber</p> | <p>1) 3/4<sup>th</sup> Balance or Actual Cost/Loan to be repaid whichever is less.</p> <p>2) In the case of husband &amp; Wife who are both subscribers to GPF both of them may withdraw from the Fund for Building one House.</p> <p>3. Part final withdrawal for Alterations or making additions shall not exceed half of the Max limit prescribed for the purpose under HBA rules.</p> | <p>15-A(2) &amp; 15-E</p> |



| PURPOSE | CONDITIONS   | RULE           |
|---------|--|----------------|
|         | <p>4. Withdrawal under this rule shall also be allowed where the house site or house is in the name of wife or husband provided she or he is the first nominee to receive P.F. money in the Nomination made by the subscriber.</p> <p>5. The Construction should be commenced within 6 months from the date of withdrawal and should be completed within one year from the date of commencement of construction.</p> | 15-A(2) & 15-E |



| PURPOSE  | CONDITIONS  | RULE                     |
|--|---|--------------------------|
| 5. For purchasing a house site or repaying any outstanding amount of loan expressly taken for this purpose | <ol style="list-style-type: none"><li>1. <math>\frac{1}{4}</math> th of the credit or the actual cost whichever is less.</li><li>2) The house site shall be purchased within 1 month from the date of withdrawal.</li></ol> | 15-A(2)<br>(b), 15-F     |
| 6. To Construct a House on the site purchased utilising the amount withdrawn from GPF                      | 1/3 <sup>rd</sup> of the Balance Standing to the Credit or the actual cost whichever is less  | 15(A)(2)<br>(c),<br>15-G |



| PURPOSE   | CONDITIONS   | RULE |
|---|--|------|
| 7. To Acquire farm land or business premises within 6 months from the date of retirement. | 6 months pay or $\frac{1}{2}$ the balance whichever is less.<br>Relaxation upto $\frac{3}{4}$ <sup>th</sup> the balance.   | 15-H |
| 8. To purchase a motor car or repaying a Govt. Loan taken for the purpose.                | Rs. 12,000/- or $\frac{1}{4}$ <sup>th</sup> of the Balance or Actual price whichever is less.<br><b>Only one withdrawal is allowed.</b><br>One should have completed 28 years of service or 3 years left for retirement whichever is earlier | 15-I |



## -SANCTIONING AUTHORITY:-

-5 th schedule, G.O.Ms.No.42, Fin (Pen.II) Dept.,  
Dt.29.01.03

-For N.G.O. s - the DDO concerned, if DDO is N.G.O.  
the next G.O.

-For G.O. s - the next highest authority is competent.

-For H.O.D' s and their immediate deputies -Govt.(  
secretary )

-For Secretaries - the chief secretary is competent.

-Sanction order is to be communicated to the A.G. and  
his acknowledgement should be obtained by the drawing  
officer.



## FINAL WITHDRAWALS :

The amount at the credit of the subscriber shall become payable when he retires/quits service provided:-

1. Application for final payment to be submitted 4 months in advance of retirement.
2. Recoveries towards refund or temp advance not to be effected during the last 4 months of service.
3. No temp. advance/part final withdrawal to be sanctioned during the last 4 months.





–If dismissed, removed or compulsorily retired:

(a) He shall not be paid if an appeal is preferred until it is disposed.

(b) Where no appeal is preferred until the time allowed for preferring the appeal is over.

(c) However, if the individual certifies that he will not prefer an appeal, final withdrawal is permitted.



## SOCIAL SECURITY-CUM-P.F. SCHEME ( Booster Scheme) Rule 30 A

- a) The Additional amount payable under this rule shall not exceed Rs. 20,000/-
- b) The Subscriber should have put in at least 5 years of service at the time of his death.
- c) The accounts officer in the A.G' s Office will authorize the payment of the amount.



- d) On the death of a subscriber in service, the person (s) eligible to receive P.F. Balance, will be entitled for an additional amount equal to the average balance in the account of the subscriber should not have fallen below the following limits at time-
  - For G.O. s- Rs. 8,000/-
  - N.G.O' s- Rs. 6,000/-
  - Class IV. Rs. 2,000/-
- For this purpose as also for checking the minimum balance prescribed the post which the subscriber was holding for the greater part of three years, Immediately prior to death, shall be taken into account for purpose of reckoning the minimum balance limits.



## EXAMPLE OF CALCULATION OF INTEREST

The Interest will be calculated as Follows:-

$$\text{Interest} = \text{Cumulative Balance} \times (1/12) \times (R/100)$$

where R = Rate of interest.

|                                |                   |
|--------------------------------|-------------------|
| Balance as on 31-3-2012        | - Rs. 1,00,000-00 |
| Contribution per month         | - Rs. 1000/-      |
| Withdrawal T/A During the Year | - Rs. 10,000/-    |



| Month        | Subscription | Recovery of loan | Advance | Bal at the end of the month |
|--------------|--------------|------------------|---------|-----------------------------|
| 4/2012       | 1000         | -                |         | 101000                      |
| 5/2012       | 1000         | -                |         | 102000                      |
| 6/2012       | 1000         | -                |         | 103000                      |
| 7/2012       | 1000         | -                |         | 104000                      |
| 8/2012       | 1000         | -                |         | 105000                      |
| 9/2012       | 1000         | -                |         | 106000                      |
| 10/2012      | 1000         | -                | 10,000  | 97000                       |
| 11/2012      | 1000         | 1000             |         | 99000                       |
| 12/2012      | 1000         | 1000             |         | 101000                      |
| 1/2013       | 1000         | 1000             |         | 103000                      |
| 2/2013       | 1000         | 1000             |         | 105000                      |
| 3/2013       | 1000         | 1000             |         | 107000                      |
| <b>Total</b> |              |                  |         | 1,23,300                    |

Interest =  $1,23,300 \times \frac{1}{12} \times \frac{8.8}{100} = \text{Rs.}9042$



THANK YOU