

New Delhi, the 22 May 2019

To

The Chief of the Army Staff  
The Chief of the Air Staff  
The Chief of the Naval Staff

**Subject:- Amendment to the provisions of general Provident Fund (Central Service) Rules, 1960- liberalization of provisions for drawal of advance from the Fund by the subscribers-regarding.**

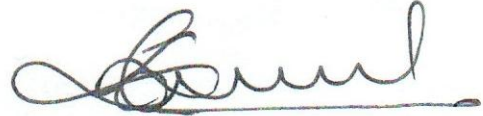
Sir,

I am directed to refer to Ministry of Personnel, PG & Pension' OM No. 3/2/2017-P&PW (F)(i) & OM No. 3/2/2017-P&PW (F)(ii) dated 7<sup>th</sup> March, 2017 on the above subject. The provisions of the said letter will mutatis-mutandis be applicable to Armed Forces Personnel.

2. This letter issues with concurrence of Defence (Finance) vide their Dy. No 209/AG/PD/2019 dated 17.05.2019.

Encl. As above.

Yours Faithfully,



(Arun Kumar)

Under Secretary to the Government of India

Tele:- 23012739

**Distribution:** As per standard list attached.

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Director of Accounts (Postal), APS Accounts Section, Nagpur.

Army HQ,- Director, AG/PS-3

Air HQ, Dte. of Acctt (PA & R)

Naval HQ/DPA

PCDA (HQ), New Delhi.

Def(Fin)/(AG/PA)

Guard Folder.



No 3/2/2017-P&PW(F)(II)  
Ministry of Personnel, PG & Pensions  
Department of Pension & Pensioners' Welfare  
Desk-F

3<sup>rd</sup> Floor, Lok Nayak Bhavan,  
Khan Market, New Delhi-110003  
Dated the 7<sup>th</sup> March, 2017.

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 or making additions on a house already acquired,
- (x) Renovating, 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 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.

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- (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 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.

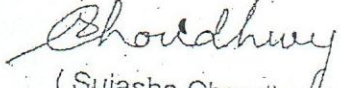
8 As per the GPF(CS) Rule 1960, no time limit has been prescribed for sanction and payment of withdrawal amount. Therefore, it has been decided to prescribe a maximum time limit of fifteen days for sanction and payment of withdrawal from the Fund. In case of emergencies like illness etc., the time limit may be 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 issued in consultation with the Comptroller and Auditor General of India.

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

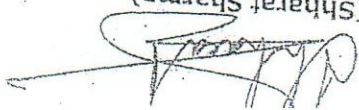
12 Hindi version of this OM will follow

  
(Sujasha Choudhury)  
Director

To,

1. All Ministries/Departments (As per Standard Mailing list)
2. Office of C&AG, DDU Marg, New Delhi.
3. Copy to NIC Cell for uploading on the website of the Department.

(Shharat Sharma)  
Jt. CGDA (I&RS)





No 3/2/2017-P&PW(F)(I)  
Ministry of Personnel, PG & Pensions  
Department of Pension & Pensioners' Welfare  
Desk-F

3<sup>rd</sup> Floor, Lok Nayak Bhavan,  
Khan Market, New Delhi-110003  
Dated 7<sup>th</sup> March, 2017.

OFFICE MEMORANDUM

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

The General Provident Fund (Central Service) Rules came into force in 1960. Rule 12 of the said rules provide for drawal of advance by the subscribers, to be sanctioned by the competent authority for reasons indicated in the Rules. 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 now been reviewed and it has been decided to permit the subscriber to prefer an advance from General Provident Fund (Central Service) Rules 1960 for the following purposes:

- 109 Oct 95 letter  
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above*
- (i) Illness of self, family members or dependents,
  - (ii) Education of family members or dependent of the subscriber. Education will include primary, secondary and higher education, covering all streams in educational institutions,
  - (iii) Obligatory Expenses viz. betrothal, marriage, funerals, or other ceremonies,
  - (iv) Cost of Legal proceedings,
  - (v) Cost of defence,
  - (vi) Purchase of consumer durables,
  - (vii) Pilgrimage and visiting places of eminence. This will include any travel and tourism related activities.

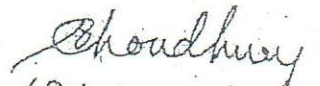
3. It has been decided to enhance the limit of advance upto 12 months of pay or three-fourth of the amount at credit, whichever is less. Amount of advance will be recoverable in a maximum of 60 installments. The advance may be sanctioned by the declared Head of Office.

4. The declared Head of Department is competent to sanction an advance from the fund for reasons not covered above.

5. Maximum time limit of fifteen days is being prescribed for sanction and payment of an advance from the Fund. In case of emergencies like illness etc., the time limit may be restricted to seven days.

Contd../-

6. In all the above cases of advance, no documentary proof is required to be furnished by the subscriber. A simple declaration by the subscriber explaining the reasons for advance would be sufficient.
7. Necessary amendment to the GPF (Central Service) Rules 1960, giving effect to the above provisions will be issued in due course.
8. 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.
9. This issues with approval of Department of Expenditure, vide their ID No. 4(1)/E-V/2017 dated 28.02.2017.
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