

**Government of Odisha**  
**Housing & Urban Development Department**

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No.13-48-62/2014 15334 /HUD., Bhubaneswar, Dated the 1.8.14

**RESOLUTION**

***Sub: Revision of Pension/Family Pension/T.I. and Gratuity of the Retired Employees of the Municipalities, Notified Area Councils and Odisha State Municipal Council Union as per revised pay scales of 2008 with effect from 01.01.2006.***

Consequent upon revision of scales of pay of the Municipalities, Notified Area Councils vide Resolution No.5004/HUD., Dated 28.02.2009, the Odisha Municipal Employees Federation demanded for revision of Pension, Family Pension, T.I. and Gratuity of the retired employees of different ULBs 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 the 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 Municipalities, NACs, Odisha State Municipal Council Union 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) Employees of the Municipalities, NACs, Odisha State Municipal Council Union of the State who have rendered the minimum qualifying service of *twenty-five* 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 twenty-five 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.3500/- per month.

(b). Municipalities, NACs, Odisha State Municipal Council Union of the State 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.3500/- per month and maximum up to 50% of the last pay plus grade pay admissible to the retired employees of Municipalities, NAC & Odisha State Municipal Council Union.

(d). The qualifying service of twenty-five years for full pension will come into force with effect from 01.12.2008 but the qualifying service of *thirty three* 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 Urban Local Bodies employee after retirement, the family pension shall be payable for a period of *seven* year or a period up-to-date on which the retired/deceased Urban Local Bodies 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.3500/- per month and maximum Rs.10000/- per month including T.I.

#### **5. Temporary Increase (T.I) :**

Shall be applicable to the retired employees of Urban Local Bodies at the time of increase of D.A. to the existing regular employees of Urban Local Bodies from time to time.

#### **6. (a) Retirement Gratuity:-**

$1/4^{\text{th}} \times \text{Last Pay} \times \text{No. of Six monthly qualifying Service}$  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):-**

	<b>Length of Service</b>	<b>Rate of Gratuity</b>
(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 thirty three 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 pension 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.3500/- per month plus T.I. as admissible to the Urban Local Bodies 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 Municipalities, NACs, Odisha State Municipal Council Union of the State.

In case of Non-LFS employees, the concerned Municipalities, NACs, Odisha State Municipal Council Union 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 them.

10. The Urban Local Bodies capable of accommodating the additional liabilities may adopt the revised pension norm and Government will not have any liabilities on this account.
11. Urban Local Bodies 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 Department of Government / Heads of Department/ RDCs / Dist. Magistrates/Municipalities/ Notified Area Councils/Odisha State Municipal Council Union, Bhubaneswar.

By Order of the Governor

  
**Director Municipal Administration &  
Ex-Officio Addl. Secretary to Government**


Memo No. 15335 /HUD., Dated 1.8.14

Copy forwarded to the in-charge of Odisha Gazette Cell, Commerce & Transport (Commerce) Department, Odisha Secretariat, Bhubaneswar with a request to publish the resolution in the extra ordinary issue of Odisha Gazette and supply 100 (one hundred) copies to Housing & Urban Development Department for reference.

  
**Under Secretary to Government**

Memo No. 15336 /HUD., Dated 1.8.14

Copy forwarded to all Departments of Government/All Heads of Department/ All RDCs /All District Magistrate & Collectors/All Urban Local Bodies/ General Secretary, Odisha State Municipal Council Union, Bhubaneswar for information and necessary action.

  
**Under Secretary to Government**

Memo No. 15337 /HUD., Dated 1.8.14

Copy forwarded to the Director, Directorate of Local Fund Audit, Odisha, 2<sup>nd</sup> Floor, Treasury & Accounts Bhawan, Unit-III, Kharabela Nagar/All District Audit Officers, Local Fund Audit, Odisha/ Finance Department for information and necessary action.

  
**Under Secretary to Government**