



**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Foreign Service Terms and Conditions - Recommendation of the 9<sup>th</sup> Pay Revised Commission relating to Non - Payment of Leave Salary & Pensionary Contribution – Settlement of Pension in respect of State Government Employee – Orders issued.

**FINANCE (FR.II) DEPARTMENT**

**G.O.Ms.No. 160**

**Dated:07.05.2010**

**Read the following:-**

1. G.O.Ms.No.10, Finance (FR-II) Department,dt:22.01.1993
2. G.O.Ms.No. 438, G.A. (Spl. A) Department, dated: 07.07.2008.
3. G.O.Ms.No. 598, G.A. (Spl. A) Department, dated: 26.11.2009.
4. U.O.Note.No.7043.B/16/PC.I/A2/2010-4,Finance(PC-I)Dept., dated 19.4.2010.

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**ORDER:**

1. In the reference 1<sup>st</sup> read above consolidate Standard Terns and Conditions of Deputation on foreign service were issued. According to Para 2 (ix) therein, Foreign Employer should remit to the A.G.A.P., Hyderabad the amounts of the LS & PC every month by way of demand drafts, the necessary charges for which should be born by the foreign employer.

2. In the Government Order 2<sup>nd</sup> read above, orders were issued constituting Ninth Pay Revision Commission and Government appointed Sri. C.S. Rao, IAS, (Retd.) as Pay Revision Commissioner. In the Government Order 3<sup>rd</sup> read above, the terms of reference of the Pay Revision Commissioner were laid down.

3. The Ninth Pay Revision Commission submitted its report to the Government on 05.12.2009 and recommended, inter alia that, **“Verification regarding recovery of Pension Contribution may be waived in respect of all pension cases presently under consideration and also the future cases if the officers worked on deputation in the establishments mentioned earlier above even though their original deputation orders stipulated recovery of Leave Salary and Pension Contribution”.**

4. It is observed in the report that as per FR 115 (a), while a Govt. servant is on Foreign Service contributions towards the cost of his pension must be paid, F.R 115 (b) states that contributions towards the cost of leave salary also must be paid. As per the definition contained in F R 9 (7) "Foreign Service" means - service in which a Govt. servant receives his pay, with the sanction of Govt., from any source other than the consolidated fund of the Union or the State or of the Union Territory. As per the standard terms and conditions of deputation on foreign service the Foreign employer shall pay to Govt., Leave Salary and Pension Contributions at the rates specified - vide Para 2(ix) of G.O.(P) No.10 Finance & Planning (FW-FR II) Dept. dated 22-1-1993. In view of the above provision, if any Government employee is deputed to work in any Public Sector Undertaking / Local Body / University etc., whose salary is not debitable to the Consolidated Fund of the State, Pension Contribution has to be realized by the Govt., for the period he works in such body since the liability for payment of pension, to such individual after his retirement rests with the Govt. To meet that liability, Pension Contribution is being realized. According to Para 8 of Appendix-I to the A.P.R.P. Rs. 1980, **"Non payment of pension contribution by the borrowing organizations, where such payment is the responsibility of the borrowing organizations, in respect of the employees whose services were lent on foreign service terms and conditions shall not delay the settlement of pension claim of a retiring employee. It is for the lending department to claim this in time."** In spite of the above, it is brought to the notice of the Commission that pension cases are not being settled in several cases on the ground that pension contribution has not been paid by the borrowing organizations. **With a view to ensuring that the pension is settled early, the Commission recommends that in cases where the Government employees are deputed to work in Public Sector Undertakings which are wholly owned or controlled by State Government or to any State Government company where the State Government has a major share, or to any Local body or University or to any Aided Institution which is under the control of the State Government, the contributions towards Pension and Leave Salary may be waived since the amount towards salaries etc., though initially met from the funds of the institutions, it is ultimately the State Govt. that bears the salary expenditure etc., Even in respect of State Government Companies, where there is no Grant in Aid, since the Government has a major share, it should be treated as an extension of Government service and contribution may be waived. In respect of deputation of officers from one grant-in-aid institution to another granting- aid institution, it is suggested that Leave Salary and Pensionary Contributions may also be waived as in the final analysis the expenditure is met by the Govt. In cases where officers from grant-in-aid institutions are deputed to work in Govt. or in Quasi Govt. organizations these contributions should be waived on the**

**same analogy. Government issued orders waiving the payment of Leave Salary Contribution and Pension Contribution in the case of deputation of employees to certain institutions such as DRDA, ITDA etc. Extension of similar concession to the category of Institutions mentioned earlier would ensure that pension papers are not delayed on the ground of non receipt of Pension Contribution from the borrowing institution.** The commission therefore suggests that Para 2(ix) of G.O.(P) No.10 Fin & Plg. (FW – FRII) dated 22-1-1993 may be deleted and a specific clause regarding recovery of Pension and Leave Salary Contribution may be indicated only in those exceptional cases where the Government feels that recovery of Leave Salary and Pension Contribution is warranted. In all other cases it would be presumed that such a recovery is waived. Therefore, Commission recommends that, **“Verification regarding recovery of Pension Contribution may be waived in respect of all pension cases presently under consideration and also the future cases if the officers worked on deputation in the establishments mentioned earlier above even though their original deputation orders stipulated recovery of Leave Salary and Pension Contribution”.**

5. After careful consideration of report Government decided to accept the recommendation of the Pay Revision Commissioner and hereby ordered that the **existing Para 2 (ix) of G.O(P),No.10 Fin & Plg. (FW – FRII) dated 22-1-1993 (Executive Instruction (1): under FR 126)** is modified as follows:

<b>Existing Para 2 (ix) to be deleted.</b>	<b>Revised Para 2 (ix) to be inserted.</b>
<p><b>(ix) Leave Salary and Pension Contribution :</b>  The foreign employer shall pay to Government Leave Salary and Pension Contribution at the following rates :</p> <p><b>(1).Rate of Leave salary contribution:</b></p> <p>11% of the pay drawn in Foreign Service, if governed by Leave Rules in Fundamental Rules or Hyderabad Leave Rules,1357 Fasli (1947)</p> <p>or</p> <p>11% of pay drawn in Foreign Service, if governed by A.P. Leave Rules, 1933 or Hyderabad Revised Leave Rules, 1952.</p>	<p><b>(ix):Leave Salary and Pension Contribution :</b></p> <p>(a) While accepting the proposal of the deputation, the competent authority should include in the order of deputation a specific clause regarding the recovery of Leave Salary and Pension Contribution and shall mention the exceptional circumstances under which the Government feels that recovery of Leave Salary and Pension Contribution is warranted. If specific clause is not mentioned in the deputation order, it would be presumed that such a recovery is waived.</p> <p>(b) Verification regarding recovery of Pension Contribution shall be waived in respect of all pension</p>

<p><b>(2) Rate of Pension contribution:</b>  % of the maximum monthly Pay of the grade held by the Govt. Servant in Government Service.</p> <p><u>Note:-</u> The appropriate rate applicable according to the Table of the rates in Fundamental Rules 116 which are based on length of Service should be specified.</p> <p>The above rates are only provisional subject to revision by the Accountant General/Pay and Accounts Officer, Hyderabad, as the case may be. The Foreign employer should remit to the Accountant General, Andhra Pradesh, Hyderabad, the amounts of the above contributions every month by way of demand drafts, the necessary charges for which should be borne by the Foreign employer.</p>	<p><i>cases presently under consideration and also the future cases, if the officers worked on deputation in the establishments such as Public Sector Undertakings which are wholly owned or controlled by State Government or to any State Government company where the State Government has a major share, or to any Local Body or University or to any Aided Institution which is under the control of the State Government, even though their original deputation orders stipulated recovery of Leave Salary and Pension Contribution.</i></p> <p><i>(c) Even in respect of State Government Companies, where there is no Grant in Aid, since the Government has a major share, it should be treated as an extension of Government service and contribution shall be waived. In respect of deputation of officers from one grant-in-aid institution to another grant-in-aid institution, the Leave Salary and Pensionary Contributions shall also be waived, as in the final analysis, the expenditure is met by the Govt. In cases where officers from grant-in-aid institutions are deputed to work in Govt. or in Quasi Govt. organizations these contributions shall be waived on the same analogy.</i></p>
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6. These orders will come into force with immediate effect.

7. This order is available in the Internet and can be accessed at the address <http://www.aponline.gov.in> and <http://www.apfinance.gov.in>

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**L.V.SUBRAHMANYAM  
PRINCIPAL SECRETARY TO GOVERNMENT (FP)**

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