

**THE HIMACHAL PRADESH MUNICIPALITY EMPLOYEES  
(PENSION, GRATUITY AND GENERAL PROVIDENT FUND)  
RULES, 2000**

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**URBAN DEVELOPMENT DEPARTMENT  
NOTIFICATION**

Shimla-2, the 25<sup>th</sup> April, 2000

**No. LSG-B(1)-1/79-III.-** Whereas the draft Himachal Pradesh Municipality Employees (Pension, Gratuity and General Provident Fund) Rules, 2000, notified vide this department notification of even number dated 31-7-1999, were published in the Rajpatra, Himachal Pradesh (Extra-ordinary) dated the 6th August, 1999 for inviting objections from the persons likely to be affected ;

And whereas the objections received within the specified period have been considered by the State Government;

Now, therefore, in exercise of the powers conferred by section 21 read with section 14 of the Himachal Pradesh Municipal Services Act, 1994 (Act No.11 of 1994), section 67 of the Himachal Pradesh Municipal Corporation Act, 1994 (Act No.12 of 1994) and section 306 of Himachal Pradesh Municipal Act, 1994 (Act No.13 of 1994), the Governor, Himachal Pradesh is pleased to make the following rules, namely:-

**1. Short title, commencement and application.** - (i) These rules may be called the Himachal Pradesh Municipality Employees (Pension, Gratuity and General Provident Fund) Rules, 2000.

(ii) These rules shall come into force from the date of publication in the Rajpatra, Himachal Pradesh.

(iii) These rules shall apply to the employees of the municipality who-

- (a) were/are appointed on or after the first day of April, 1992 on whole time regular basis; and
- (b) were in the regular service of Municipality on the first day of April, 1992 and opt for service and family pension under the Act:

Provided that these rules shall not apply to the employees who-

- (a) are Members of All India Services or the Members of Himachal Pradesh Administrative Service serving in the Municipality;
- (b) are contingent paid employees;
- (c) are employees on contract basis except when the contract provides otherwise ;

- (d) are re-employed after superannuation ; and
- (e) are employed on daily wages.

**2. Definitions.** - (1) In these rules, unless, there is anything repugnant in the subject or context, -

- (a) "Act" means the Himachal Pradesh Municipal Services Act, 1994, Himachal Pradesh Municipal Corporation Act, 1994 and Himachal Pradesh Municipal Act, 1994;
- (b) "Director" means the Director, Urban Development, Himachal Pradesh;
- (c) "General Provident Fund" means the fund established under rule 9 of these rules;
- (d) "Government" means Government of Himachal Pradesh;
- (e) "Municipality" means an Institution of self-government,-
  - (i) a Nagar Panchayat and a Municipal Council constituted under the Himachal Pradesh Municipal Act, 1994 ; and
  - (ii) a Municipal Corporation constituted under the Himachal Pradesh Municipal Corporation Act, 1994;
- (f) "Municipal Fund" means the fund constituted under section 52 of the Himachal Pradesh Municipal Act, 1994 and under section 69 of the Himachal Pradesh Municipal Corporation Act, 1994;
- (g) "pension" means pension including Family Pension and its commuted value ;
- (h) "pension and gratuity fund" means the fund established under rule 3 of these rules ; and
- (i) "services" means the service rendered under the control and in the cadre of a Municipality.

(2) The words and expressions used herein but not defined in these rules, shall have the same meanings as assigned to them in the Central Civil Services (Pension) Rules, 1972 and General Provident Fund (Central Services) Rules, 1960.

**3. Establishment of Pension and Gratuity Fund.**- (1) There shall be established and maintained a Pension and Gratuity Fund by the Director for the purpose of payment of pension, family pension, commuted value of pension and gratuity to the employees of the Municipality.

(2) The share of money contributed by the concerned Municipality, alongwith interest accrued thereon standing in the Contributory Provident Fund account of an employee of Municipality, who has opted for service and family pension under the Act, shall be credited to the Pension and Gratuity Fund established under sub-rule (1).

(3) A Municipality shall make monthly contributions towards Pension and Gratuity Fund @ of 12% and 5% respectively on the maximum of the time pay scale of employees of the Municipality.

(4) The amount of pension and gratuity fund shall be kept in a Nationalised Bank or in other Scheduled Bank or Co-operative Bank or with the State Government or in the Post Office and shall be suitably invested in Government securities, bonds etc. so as to earn maximum interest for the pension and gratuity fund.

**4. Operation of Pension and Gratuity Fund.**- (1) The Pension and Gratuity Fund shall be held and administered by the Director.

(2) The monthly contribution as specified in sub-rule (3) of rule 3 shall be drawn out of the Municipal Funds and credited into the Pension and Gratuity Fund through a bank draft by the Drawing and Disbursing Officer of the Municipality but not later than 5th day of the month following the month to which these contributions relate. In case of default in making contributions within stipulated period, the defaulting Municipality shall pay penal interest at the rate of 1.5% over and above the simple rate of interest prevalent at that time till the default continues.

(3) All the payments under these rules shall be made through a Bank or Post Office as specified in sub-rule (4) of rule 3.

(4) The Pension and Gratuity Fund shall be utilised only for the purpose of payment of pension, family pension, commuted value of pension and gratuity.

**5. Maintenance of accounts.**- The accounts of Pension and Gratuity Fund shall be maintained by the Director. The Bank/Post Office through which Pension and Gratuity is disbursed may also be required to maintain the accounts as per instructions to be issued from time to time by the Director.

**6. Grant of pension and gratuity.**- (1) For the purpose of grant of Pension and Gratuity the rules relating to pension and gratuity as contained in Central Civil Services (Pension) Rules, 1972 as applicable to the employees of the State Government shall apply *mutatis mutandis* to the Employees of the Municipality:

Provided that in case of employees who were in regular service of Municipality on 1-4-1992 qualifying service for Pension and Gratuity shall be taken into account from the date the employee and employer contributed towards Contributory Provident Fund.

(2) The Commissioner/Executive Officer/Secretary of a Municipality, as the case may be, shall have a list prepared every six months i.e. on first January and first July of each year of all employees of the Municipality who are due to retire within next 24 to 30 months from that date. The list should be forwarded to the Director, who is responsible for issue of Pension Payment Order, not later than 31<sup>st</sup> January or 31<sup>st</sup> July, each year, as the case may be. In case of an employee of Municipality retiring for reasons other than by way of

superannuation, the Head of a Municipality shall promptly inform the Director as soon as the fact of such retirement comes to his notice.

(3) The Municipality concerned shall be required to furnish a list of employees of Municipality in occupation of Municipal accommodation alongwith application of the individual for issue of "No Demand Certificate" by the Head of the Municipality concerned at least two years before superannuation of the employee concerned. The Head of Municipality concerned in its turn would issue in advance "No Demand Certificate" to the individual concerned, 8 months before the date of superannuation informing,-

- (a) the amount of licence fee due up to that period i.e. 8 months prior to the date of superannuation ;
- (b) the monthly rate of recovery of licence fee for the rest of the service i.e. 8 months ; and
- (c) the amount of licence fee recoverable for two months, the period of retention, allowed after retirement.

(4) The Head of the Municipality or the authority responsible for the preparation of pension papers would undertake the preparation of pension papers including verification of service and complete the particulars required in Form-7 of Central Civil Service (Pension) Rules, 1972 which shall be forwarded to the Director alongwith Form 5 of the said Rules in original alongwith three copies of calculation sheet showing how the Pension and retirement Gratuity etc. have been determined, with a covering letter in Form-8 of the said rules alongwith service book/roll duly completed upto date.

**7. Payment of Pension and Gratuity.-** The Pension Payment Order and authorisation order of Gratuity shall be issued by the Director.

**8. Nominations.-** An employee of the Municipality shall make a nomination in Form 1 and 2 appended to Central Civil Service (Pension Rules, 1972, as may be appropriate in the circumstances of the case in accordance with the provisions of rule 53 of Central Civil Service (Pension) Rules, 1972, which shall be kept in safe custody by the Director or by any other officer authorised by the Director. The nomination shall be countersigned with date by the Commissioner, Municipal Corporation, Shimla or the Executive Officer, Municipal Council or secretary, Nagar Panchayat, as the case may be. The receipt of nominations shall be acknowledged.

**9. Establishment of General Provident fund.-** There shall be established and maintained a provident fund called "General Provident Fund" of the employees of the Municipality by the Director for the purpose of payment out of this fund.

**10. Transfer of amount of Contributory Provident Fund to General Provident Fund.-** (1) From the date of commencement of these rules, the subscriptions made by the employees of the Municipality to the Contributory Provident Fund alongwith interest, accrued thereon, shall be

transferred to General Provident Fund of the employees of the municipality established under rule-9 of these rules.

(2) Every employee of the Municipality shall make monthly subscription towards the General Provident Fund at the rate not less than 10% of basic pay and every Municipality shall further transmit the same in consolidated form to the Director by the 5th day of the following month to which these subscriptions shall relate.

(3) The amount of General Provident Fund shall be kept in a Nationalised Bank or any Scheduled Bank or Cooperative Banks in Himachal Pradesh or with the State Government or in the Post Office and will suitably be invested in Government securities/Bonds etc. so as to earn maximum interest for the fund.

**11. Operation of General Provident Fund.-** (1) The General Provident Fund shall be held and administered by the Director.

(2) The monthly subscription of General Provident Fund of each employee of the Municipality shall be deducted by the Drawing and Disbursing Officer of the municipality from the pay of each employee of Municipality and credited into the General Provident Fund through Bank Draft by the 5th day of the month following the month to which these subscriptions relate. In case of default in transmitting the amount of General Provident Fund subscription of every employee of the Municipality within stipulated period the defaulting Municipality shall pay penal interest at the rate of 1.5% over and above the normal rate of interest prevalent at that time till the default continues.

(3) The Commissioner or the Executive Officer or the Secretary, as the case may be, or their authorised officers shall be personally responsible for timely transmission of monthly subscription towards General Provident Fund deducted under sub-rule (2).

(4) All the payments of General Provident Fund, to be made to the employees under these rules, shall be paid through a Bank or Post Office as specified in sub-rule (3) of rule 10 of these rules.

(5) These General Provident Fund shall not be utilised for any other purpose except for the payment of advances, withdrawals and final payments to the subscribing employees of the Municipality.

**12. Maintenance of General Provident Fund Accounts.-** (1) The accounts of General Provident Fund shall be maintained by the Director.

(2) The accounts of General Provident Fund of the employees of every Municipality may also be maintained in their offices by the concerned Municipality which shall be reconciled with the accounts maintained in the office of the Director.

(3) Pass Books of General Provident Fund shall be provided to the employees of the Municipality at their cost which shall be completed every

month by the Municipality. The copy of the same may be provided at double the cost in case it is lost.

**13. Grant of advances, withdrawals and final payments.**-(1) The advances, withdrawals and final payments from General Provident Fund shall be sanctioned by the Director.

(2) The sanction of advances, withdrawals, final payments and the recovery/adjustments of advances shall be made in accordance with the provisions of General Provident Fund (Central Services) Rules, 1960 as applicable to the employees of the State Government.

**14. Provisions for nomination, subscription, interest, annual statement and system of accounting of General Provident Fund of employees of Municipality.**- For the purpose of nomination, subscription, interest, annual statement and system of accounting of General Provident Fund of the employees of the Municipality, the provisions of General Provident Fund (Central Services) Rules, 1960, as applicable to the employees of the State Government, shall apply mutatis-mutandis.

**15. Failure to deposit contributions of Pension and Gratuity Fund and subscription of General Provident Fund of the employees of the Municipality.**- In case any Municipality fails to deposit the contribution of Pension and Gratuity Fund and subscriptions of General Provident Fund of employees, the same amount alongwith interest, shall be deducted from the functional Grant-in -Aid of the Municipality concerned by the Director.

**16. Departmental charges.**- One percent of the total budget of a Municipality shall be payable as Departmental charges to the Director for maintaining and to upkeep of the accounts of the funds prescribed in these rules.

**17. Audit of accounts.**- The audit of Pension and Gratuity Fund and General Provident Fund shall be conducted as per provisions of Himachal Pradesh Municipal Corporation Act, 1994 and Himachal Pradesh Municipal Act, 1994 by an Independent Audit Agency under the control of Director or by any other Agency as may be deemed fit by the Director.

**18. Matters not specifically covered under these rules.**- The matters which are not specifically covered in these rules, shall be governed by the relevant provisions of Central Civil Services (Pension) Rules, 1972 and General Provident Fund (Central Services) Rules, 1960 as applicable to the Employees of State Government as amended from time to time.

**19. Forms.**- The necessary forms prescribed under Central Civil Services (Pension) Rules, 1972 and General Provident Fund (Central Services) Rules, 1960, shall be applicable to the employees of the Municipality subject to the following modifications :-

- (1) In place of words "Government Servant" the words "Municipal Employees" shall be substituted/inserted while submitting forms for Pension, Gratuity etc. by the Municipal Employees.

- (2) In place of words "Accountant General" and "Accounts Officer" the words "Director, Urban Development, Himachal Pradesh" shall be substituted.

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(R.H.P. Extra., dated 3.5.2000 p.1160-1165).

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