



GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

GRATUITY:- Formula for fixation of quantum of gratuity Revised Order – Issued.

FINANCE & PLANNING (FW.PEN-I) DEPARTMENT

G.O.(P) No. 234

Date: 01-06-1993.

Read the following.

- i). G.O.Ms.No. 242 Finance & Planning (Fw.Pen-I) Department Dt: 04-05-1990.
- ii). G.O.Ms.No. 143 Finance & Planning (Fw.Pen-I) Department Dt: 26-04-1993
- iii). G.O.Ms.No. 62 Finance & Planning (Fw.Pen-I) Department Dt: 20-05-1993.

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ORDER:-

APUS

In the G.O. Ist Read above, the Government ordered that the employees be given a choice regarding the method of calculation of gratuity as indicated below

1/3rd pay last drawn for every six monthly period of service subject to the limit of 20 months pay last drawn of Rs. 5000/- whichever is less.

1/4th of pay last drawn for every six monthly period of service subject to the limit of 16 ½ months pay last drawn of Rs. 1,00,000/- whichever is less.

The existing formula laid down in the G.O. Ist Read above gives two options regarding the calculation of gratuity and there are two maximum limits in two methods.

In the G.O. 3rd read above the Government employees were allowed to opt the revised scales of pay 1993 however employees drawing pay in the U.G.C revised pay scales 1986 are not allowed to opt for the revised pay scale 1993.

Government have reviewed all formula for the calculation of gratuity be revised accordingly the government direct as follows.

A Government employee who has completed five years of qualifying service and has become eligible for service gratuity or pension under rule 45 of the A.P revised pension rules 1980 shall on his retirement be given a choice regarding the method of calculation of gratuity.

The Government employees drawing pay in the revised pay scales, 1993 shall be entitled to choice between the following formula namely.

1/4th of emoluments for each completed six monthly period of qualifying service subject to a maximum of 12.375 times the emoluments or Rs. 1,00,000/- whichever is less.

3/16th of emoluments for each completed six monthly period of qualifying service, subject to a maximum of 12.375 times the emoluments or Rs. 1,00,000/- whichever is less.

The employees who not draw pay in the revised scales of pay 1993 he shall be entitled to choose between the following for mule namely.

1/3rd of the emoluments for each completed six monthly period of qualifying service subject to a maximum of 20 times the emoluments or Rs. 50,000/- whichever is less.

1/4th of employees for each completed six monthly period of qualifying service subject to a maximum 16 ½ times emoluments or 1,00,000/- whichever is less

Government further direct that these order shall have effect from 01-01-1993 and that they shall apply to all government employees who retire whose death takes place while in service on or after that date.

The Relevant provisions of the A.P.R.P Rs.1980 Shall be deemed to have been modified to the extent these orders with effect from 01-01-1993 necessary amendments to the rules will be issued separately.

An illustrative table showing the quantion of gratuity for different pay levels is given in the annex to this order for of all concerned.

Necessary steps shall be taken to provide additional funds of Rs.30 crores for meeting the additional commitment on gratuity payment during the financial gear 1993-1994 by way of supplementary estimates

(BY ORDER AND IN THE NAME OF THE GOVERNMENT OF A.P)

JAINDER SINGH
Secretary to Government.