



Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University Estd. u/s 3 of UGC Act 1956, Category A by MHRD)

Re-accredited with A++ Grade by NAAC. CGPA 3.65/4, Category I by UGC

Coimbatore - 641 043, Tamil Nadu, India

No.:AIHS&HE/FS/Pen./2024-25/ 31

Dated: 24.05.2024

Circular

Sub: Provident Fund Withdrawal – Norms to be followed – Reg.

As per the direction, it is instructed to adhere the GPF Rules of 1960 as amended from time to time while making application for withdrawing the amount which is narrated briefly so as to avoid any audit objections etc.

a) There are two types of Advances/ Withdrawal

i) Temporary advance – Repayable in installments (Min 12 – Max 60)

Maximum advance: 12 months pay (or) 3/4 of the balance at credit whichever is less.

Purpose: Illness, Education, Customary Ceremonies, Legal proceedings, Cost of Consumer durables, Pilgrimage. No advance will be granted within last 3 months of service before retirement. No recovery will be done during last 3 months of service.

ii) Withdrawal from GPF – are permitted for specific purposes after specified years and maximum allowed as stated vide annexure.

The amount withdrawn need not be repaid and maximum withdrawal may vary from 75% to 90% as per the purpose specified.

iii) Only one withdrawal can be allowed for the same purpose (Except illness, Education, marriage/ betrothal on different occasions)

iv) For other details and conditions please go through the annexure available in Finance Section/ Institution Website.

Hence it is requested to follow the rules on every occasion of Advance/ Withdrawals without fail.

Encl: PF Rules

[Handwritten Signature]
24/5/24
Registrar i/c

To

Notice Board/ Website/ Finance Section Notice Board

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Interest for the year 2017-18 :

- (a) Interest for the period 1.4.2017 to 30.6.2017

$$\text{Rs. } 9,60,000 \times \frac{7.9}{100} \times \frac{1}{12} = \text{Rs. } 6,320.00$$
- (b) Interest for the period 1.7.2017 to 30.9.2017

$$\text{Rs. } 10,50,000 \times \frac{7.9}{100} \times \frac{1}{12} = \text{Rs. } 6,912.50$$
- (c) Interest for the period 1.10.2017 to 31.12.2017

$$\text{Rs. } 11,40,000 \times \frac{7.8}{100} \times \frac{1}{12} = \text{Rs. } 7,410.00$$
- (d) Interest for the period 1.1.2018 to 31.3.2018

$$\text{Rs. } 12,30,000 \times \frac{7.6}{100} \times \frac{1}{12} = \text{Rs. } 7,790.00$$
- Total interest for the year 2017-18 is Rs. 28,432.50

Interest on Arrears : Where any contribution is deposited in respect of arrears received from a retrospective date, interest shall be payable from such retrospective date.

However, contribution on arrears arising as a result of Vth Pay Commission deposited by an employee will earn interest from the date of deposit in GPF account.¹

Editorial Note: The same position should be applicable in case of deposit of arrears as a result of VII CPC.

Nomination²

- (i) An employee can nominate one or more of his family, to receive the accumulation in the fund in the event of his death.
- (ii) If the employee does not have a family, he can nominate any person/institution.
- (iii) Where the employee nominates more than one person, he shall specify the amount or share payable to each of the nominee.
- (iv) An employee can cancel/change the nomination at any time, but the change will take effect from the date of receipt of the same by A.O. The nomination can be changed even after retirement but before the amount is actually paid.³
- (v) Nomination received by H.O will be valid even if it is not received by A.O. in the event of death of the employee before it reaches A.O.⁴

'Family' for the purpose will include⁵—

- (i) Wife/wives except judicially separated wife or wives,
- (ii) Husband, unless expressly excluded,
- (iii) Parents, and if none of them is alive then a paternal grandparent,
- (iv) Children including adopted children and posthumous child,⁶
- (v) Minor brothers,

1. M.F. O.M. No. F.No. 1/1/2008-IC, dt. 30.12.2008.
2. Rule 6.
3. M.F. O.M. No. F. 52(13) E. V/60, dt. 16.7.1960.
4. C&AG's Circular letter No. 993-A/3-62, dt. 23.11.1962.
5. Rule 2(c).
6. F.D.No. D/1333-R.II/29, dt. 9.5.1929.

- (vi) Unmarried sisters,
- (vii) Deceased son's widow and children,
- (viii) Wards under the Guardians and Wards Act, 1890 living with the employee and given status of a natural child by a special will.

Advance from GPF

Purposes¹

- (a) **Illness :** For expenses connected to illness, confinement or disability, of the employee or any family member or any person dependent on him, including travelling for the purpose.
- (b) **Education :** For cost of education (including primary, secondary and higher education) of the employee or any family member or any person dependent on him, covering all streams and educational institutions.
- (c) **Obligatory expenses :** For expenses related to customary ceremonies such as betrothal, marriage, funeral, first shradh ceremony² etc. incurred by the employee.
- (d) **Legal proceedings :** For the cost of legal proceedings instituted by or against the employee or any family member or any person dependent on him.
- (e) **Cost of defence :** When a legal practitioner is engaged to defend in case of disciplinary proceedings against the employee.
- (f) **Cost of Consumer Durables :** For purchase of consumer durables such as TV, VCR, VCP, Washing Machine, Cooking range, geysers, Computers etc.
- (g) **Pilgrimage :** For pilgrimage or visiting places of eminence of any religion including any travel and tourism related activities.³

Amount of Advance⁴

The maximum amount of advance(s) for purposes above shall be 12 months' pay or 3/4th of the balance at credit, whichever is less.

Normally, second advance is not granted until repayment of the previous advance. However, in special cases, advance may be granted in excess of the limit aforesaid and before repayment of previous advance.

Note : Pay for this purpose includes dearness pay, if any. In case of an employee under suspension, pay means pay drawn by him immediately before suspension⁴.

Other Conditions

- (a) The advance for education can be drawn once in 6 months.
- (b) Separate advances can be taken for betrothal ceremony and marriage⁵.
- (c) No advance shall be granted within last three months of service before retirement⁶.
- (d) Advance may be granted by the sanctioning authority (i.e. declared Head of Department), after expenditure is incurred⁷—
 - (i) in case event is foreseen, with the concurrence of the Ministry of Finance; and

1. Rule 12(1) and (2) r/w DP&PW, O.M. No. 3/2/2017-P&PW(F)(i), dt. 7.3.2017.
2. M.F., O.M. No. F. 22(13)-E.V(B)/64, dt. 23.1.1965.
3. DP&PW, O.M. No. 13/1/06-P&PW (F) dt. 20.11.2006.
4. M.F., Letter No. D.21(7) E-V/48, dt. 1.7.1948.
5. M.F., O.M. No. F. 32(3)-E.V/67, dt. 23.9.1967.
6. Deptt. of Pen. & P.W., O.M. No. 13(3)-Pen/85, dt. 31.1.1986.
7. Attorney General, 3146. N.G.E. II/KW. 63-49, dt. 28.9.1949 and M.F., U.O. No. 3672, P&T 1/63, dt., 19.7.1963.

- (ii) in case of unforeseen events viz. prolonged illness, funeral, etc., if the application is furnished within a reasonable time.
- (e) Advance shall be sanctioned within maximum period of 15 days (7 days in case of emergencies like illness, etc.).¹
- (f) No documentary proof is required to be furnished. A simple declaration explaining the reasons of advance will be sufficient.¹

Consolidation of advance²

When a second advance is taken before complete repayment of the first, the amount outstanding of the first advance will be added to the second to be considered as a single advance and instalments for recovery will be refixed.

Recovery of Advance³

- (a) The advance shall be recovered from the employee in minimum 12 and maximum 60, equal monthly instalments.
- (b) In special cases, where amount of advance exceeds 3 months' pay, advance can be recovered in maximum 36 instalments.
- (c) An employee may opt for less than 12 instalments, or may repay more than one instalment in a month.
- (d) Recovery will commence from the month next to the month in which the advance was drawn.
- (e) When consolidation is done recovery as per first advance will be done in the month of consolidation and recovery as per consolidation will be done from the next month onwards⁴.
- (f) No recovery will be done, except with the consent of employee, while he is under suspension, or on half-pay leave or leave without pay for 10 days or more in a calendar month.
- (g) No recovery will be done during last 3 months of service.⁵
- (h) If the employee requests in writing, recovery of GPF advance may be postponed, when the pay advance is being recovered.

Recovery on Misuse of Advance⁶

If the sanctioning authority has a reason to doubt that the advance for a specific purpose, granted to an employee has been utilised for some other purpose, he may call for an explanation from the employee within 15 days. If the sanctioning authority is not satisfied with the explanation, he may direct the employee to repay the advance immediately. If the employee fails to repay, the advance shall be recovered from the employee's emoluments upto 50% of his emoluments.

1. DP&PW, O.M. No. 3/2/2017-P&PW(F)(i), dt. 7.3.2017.
2. Rule 12(3).
3. Rule 13.
4. M.F., O.M. No. 2(2)-E. V(B)/71, dt. 18.6.1974.
5. D.P.&P.W., O.M. No. 13(3)-Pen/85, dt. 31.1.1986.
6. Rule 14.

Withdrawals from G.P.F

Withdrawals from GPF are permitted for specific purposes after specified years service as stated hereunder. The amount withdrawn need not be repaid :

Sl. No.	Purpose of Withdrawal	Condition	Permissible Amount		
1.	Illness, (including travelling for the purpose) of the employee or his family member or any person dependent on him. ¹	After completion of 10 years of service (including broken periods of service or within 10 years before date of superannuation whichever is earlier.	Maximum : 3/4th of the amount to the credit of employee or 12 months' pay, whichever is less. For illness : Up to 90% of the balance at his credit.		
2.	Education including primary, secondary and Higher education of the employee or any family member or any person dependent on him, covering all streams and institutions. ²				
3.	Obligatory expenses viz. Betrothal, Marriage, Funeral or other ceremonies of self, family members or any other person dependent on him. ³				
4.	Purchase of consumer durables such as TV, VCR/VCP, washing machines, cooking range, geysers computers, etc. ⁴				
5.	Building/acquiring a residential house/flat including cost of the site of any payment towards allotment of a plot/flat by DDA/ State Housing Building Society. ⁵				
6.	Repayment of a loan expressly taken for building/acquiring a residential house/flat. ⁶			Any time during the service.	Maximum : 90% of the amount to the credit of the employee.
7.	Purchasing a site for building a house thereon or repayment of loan taken for the purpose. ⁷				
8.	Constructing a house on a site purchased (as in 7 above) ⁸				
9.	Reconstruction/Additions to a house or flat. ⁹				
10.	Renovation/Addition/Alteration/ Upkeep of an ancestral house or house built with Govt. assistance/loan. ¹⁰				
1.	Rule 15(1)(A)(c) and Rule 16(1) r/w DP&PW, O.M. No. 3/2/2017-P&PW(F)(ii), dt. 7.3.2017.				
2.	Rule 15(1)(A)(a) and Rule 16(1) r/w DP&PW, O.M. No. 3/2/2017-P&PW(F)(ii), dt. 7.3.2017.				
3.	Rule 15(1)(A)(b) and Rule 16(1) r/w DP&PW, O.M. No. 3/2/2017-P&PW(F)(ii), dt. 7.3.2017.				
4.	Rule 15(1)(A)(d) and Rule 16(1) r/w DP&PW, O.M. No. 3/2/2017-P&PW(F)(ii), dt. 7.3.2017.				
5.	Rule 15(1)(B)(a) and Rule 16(1) First Proviso r/w DP&PW, O.M. No. 3/2/2017-P&PW(F)(ii), dt. 7.3.2017.				
6.	Rule 15(1)(B)(b) and Rule 16(1) First Proviso r/w DP&PW, O.M. No. 3/2/2017-P&PW(F)(ii), dt. 7.3.2017.				
7.	Rule 15(1)(B)(c) and Rule 16(1) First Proviso r/w DP&PW, O.M. No. 3/2/2017-P&PW(F)(ii), dt. 7.3.2017.				
8.	Rule 15(1)(B)(f) and Rule 16(1) First Proviso r/w DP&PW, O.M. No. 3/2/2017-P&PW(F)(ii), dt. 7.3.2017.				
9.	Rule 15(1)(B)(d) and Rule 16(1) First Proviso r/w DP&PW, O.M. No. 3/2/2017-P&PW(F)(ii), dt. 7.3.2017.				
10.	Rule 15(1)(B)(e) and Rule 16(1) First Proviso r/w DP&PW, O.M. No. 3/2/2017-P&PW(F)(ii), dt. 7.3.2017.				

S. No.	Purpose of Withdrawal	Condition	Permissible Amount
11.	Payment of conversion charges from leasehold to freehold/ in respect of property allotted/ transferred by the DDA/ State Housing Boards/ House Building Society. ¹	Any time during the service	Maximum : 90% of the amount to the credit of the employee.
12.	Booking of motor car, motor cycle, scooter, etc. ²	After completion of 10 years of service (including broken periods)	Maximum : 3/4th of the amount to the credit of the employee or cost of vehicle, whichever is less.
13.	Purchase of motor car/motor cycle/scooter/moped etc. or repayment of loan already taken for the purpose ³		
14.	Extensive repairs or overhauling of the motor car. ⁴		
15.	Any other purpose ⁵ or without any reason.	Within two years before the date of superannuation.	Up to 90% of the amount to his credit.

Other Conditions of Withdrawal

- Only one withdrawal can be allowed for the same purpose.⁶
- Illness on different occasions and education/marriage/betrothal of different children or further additions/alterations to house/flat with a fresh plan duly approved by the local authority are treated as different purposes.⁶
- Betrothal and marriage of the same child will be treated as different purposes.⁷
- Withdrawal and advance cannot be sanctioned for one and the same purpose and at the same time.⁸
- Balance advance outstanding can be converted into a withdrawal on satisfying the conditions for withdrawal.⁹
- Withdrawal for the purpose of higher education may be drawn on annual basis till the child continues the technical/professional course.¹⁰
- The employee shall furnish within a reasonable period, proof of utilisation of the money for the purpose of withdrawal. If he fails to do so, the unutilised amount shall be repaid forthwith.¹¹
- Withdrawal for building/constructing a house or for additions/alterations

- Dept. of Pen. & P.W. O.M. No. 13(1)-P& PW/92-E, dt. 18.2.1993.
- D.P. & A.R., O.M. No. F. 15(7)-Pen. Univ/83, dt. 28.4.1983 and DP & PW, O.M. No. 20/3/98-P&PW (F) dt. 6.7.1998.
- Dept of Pen. & P.W. O.M. No. 13(3) - P & PW/87., dt. 2.12.1987, No. 20(8) - P&PW/90.E dt. 20.8.1990, O.M. No. 20/3/98-P (PW(F) dt. 3.3.1998 and 6.7.1998.
- M.F., O.M. No. 10(1), E(v)(B)/74 dt. 20.9.1974 and D.P. & A.R., O.M. No. 16(9)-Pen.180, dt. 9.6.1980 and 23.10.1980 and DP&PW, O.M. No. 20/3/98 - P&PW(F) dt. 3.3.98 and 6.7.98.
- Rule 15(1)(c) read with Rule 16(1) Third Proviso.
- Rule 15(1), Note 5.
- M.F. O.M. No. F. 32(3)-E.V/67, dt. 23.9.1967.
- Rule 15(1), Note 6.
- Rule 16(A).
- Rule 16(1), Note 1.
- Rule 16(2).

- thereto, shall be sanctioned only on submission of a house plan approved by the local municipal body.¹
- Withdrawal for repayment of a housing loan shall be restricted to 3/4th of [balance as on the date plus amount of previous withdrawal(s) for the house] minus the amount of previous withdrawal(s).²
 - Withdrawal is also permissible for building or acquiring a house/flat, or payment towards allotment of a plot/flat by DDA or State Housing Board or Housing Society, or for reconstruction/additions/alterations to a house/flat owned by the spouse of the employee, provided the spouse is also the first nominee.³
 - Normally withdrawal for more than one house is not permissible.⁴ However, withdrawal for building, acquiring, constructing a house/flat at the employee's place of duty is also permissible, even if he has an ancestral house or his own built house at a place other than his place of duty.⁵
 - Where the amount for purchase of a house/flat is to be paid in instalments, the withdrawal may be allowed as and when the instalment is to be paid.⁶
 - If the house for which GPF withdrawal has been availed, is sold, the amount withdrawn need not be deposited back.⁷
 - GPF withdrawal for housing purpose will no longer be linked with the limits prescribed under HBA rules.⁷
 - The withdrawal may be sanctioned by the declared Head of Department, within a maximum period of 15 days (7 days in case of emergencies like illness, etc.).⁷
 - No documentary proof is required to be furnished. A simple declaration explaining the reasons for withdrawal would be sufficient.⁷
 - An annual declaration as to the status of the house shall be furnished by the employees.⁸

Annual Statement of GPF

An annual statement of GPF containing number, contribution, withdrawal etc. monthwise may be issued.

Final Payment of Accumulations in Provident Funds

- The entire amount at credit shall become payable to the employee on following occasions :
 - retirement on superannuation or otherwise, or quitting service,¹⁰
 - dismissal/removal from service,¹⁰
 - proceeding on leave preparatory to retirement,¹¹
 - while on leave, he is permitted to retire/declared unfit for further service by competent medical authority¹², and
 - death while in service (in this case the amount is payable to nominee/ member of the family).¹¹

- Rule 15(1), Note 2.
- Rule 15(1), Note 3.
- Rule 15(1), Note 4.
- M.F. O.M. No. F. 4(1)-E.V(B)/62, dt. 17.4.1962.
- Rule 15(1), Note 1.
- Rule 16(1), Note 2.
- DP&PW, O.M. No. 3/2/2017-P&PW(F)(ii), dt. 7.3.2017.
- Rule 16(3)(b).
- DP&PW, O.M. No. 20/1/99-P&PW(F), Vol. I, dt. 17.2.2000.
- Rule 31
- Rule 32
- Rule 33.