

**No.20/16/1998-P&PW (F)**  
**Government of India**  
**Ministry of Personnel Public Grievances and Pensions**  
**Department of Pension and Pensioners Welfare**

**3rd Floor, Lok Nayak Bhawan,**  
**Khan Market, New Delhi – 110 003**  
**Dated the 19th February 2013.**

**Subject: Withholding of 10% gratuity from the retiring Government servants – clarification regarding.**

The undersigned is directed to say that this Department has been receiving representations from individuals and Pensioners Associations that Government Departments have been withholding 10% of the amount of gratuity from each retirees even when they had not been provided any Government accommodation.

2. The recovery and adjustment of Govt. dues from retirement gratuity is regulated under Rules 71 to 73 of the CCS (Pension) Rules, 1972. Rule (1) to (3) of Rule 72 ibid provide for recovered of actual amount of Govt. dues in respect of Govt. accommodation from pay & allowances before retirement and from Retirement Gratuity. Sub rule (5) of Rule 72 ibid stipulates that if, in any particular case, it is not possible for the Directorate of Estates to determine the outstanding licence fee, that Directorate shall inform the Head of Office that ten per cent of gratuity may be withheld pending receipt of further information. The withheld amount of gratuity is to be paid back to government servant immediately on production of 'No Demand Certificate' (NDU) from Dte of Estates. Thus, if no 'Govt. dues' in respect of Govt. accommodation are outstanding then the rules do not provide for withholding of any part of the gratuity on retirement of the Govt. servant. If no Government accommodation is allotted to a Government servant, in accordance with Dte of Estate's OM No. 18011/5/1990-Pol-III dated 12.10.2010, it is for the Administrative Ministry to issue an 'NDC'.

3. As regards recovery in respect of 'Govt. dues' other than those pertaining to Govt. accommodation, the Head of Office is required to complete assessment of such dues eight months prior to the date of retirement [Rule 73(2)]. The actual amount of such dues and the dues which come to the notice subsequently and remaining outstanding are to be adjusted against the amount of retirement gratuity becoming payable to the Govt. servant on retirement. Thus, there is no provision for withholding any part of gratuity for the purpose of recovery of outstanding government dues other than those pertaining to government accommodation.

sd/-  
**(Tripti P. Ghosh)**  
Director