FINANCE DEPARTMENT

DEMAND No.50

Pension and Other Retirement Benefits

POLICY NOTE
2026 - 2027

Dr. N. MARIE WILSON

Minister for Finance,
Planning and Development

©
Government of Tamil Nadu
2026

DEMAND No.50

- Pension and Other Retirement Benefits is Demand No.50, carrying **Rs.47,239.75** crore for **2026-27**.

PENSION
AND OTHER RETIREMENT BENEFITS
POLICY NOTE FOR 2026-2027

Tamil Nadu Government employees appointed under time scale of pay are covered by Defined Benefit Pension Scheme, Contributory Pension Scheme and Tamil Nadu Assured Pension Scheme. The employees appointed prior to **01-04-2003** are covered by Defined Benefit Pension Scheme, employees appointed from **01-04-2003 to 31-12-2025** are covered by Contributory Pension Scheme. The employees appointed with effect from **01-01-2026** are compulsorily covered by Tamil Nadu Assured Pension Scheme. As on 31-07-2026, **6,98,040** Pensioners and Family Pensioners are receiving retirement benefits under Defined Benefit Pension

- Three regimes by date of appointment: before 01-04-**2003** the Defined Benefit Pension Scheme; 01-04-**2003** to 31-12-**2025** the Contributory Pension Scheme; from 01-01-**2026** the Tamil Nadu Assured Pension Scheme.
- 6,98,040 pensioners and family pensioners were drawing benefits under the Defined Benefit Pension Scheme as on 31-07-**2026**.

Scheme. **59,782** employees enrolled under Contributory Pension Scheme received final settlement under Contributory Pension Scheme.

I. DEFINED BENEFIT PENSION SCHEME

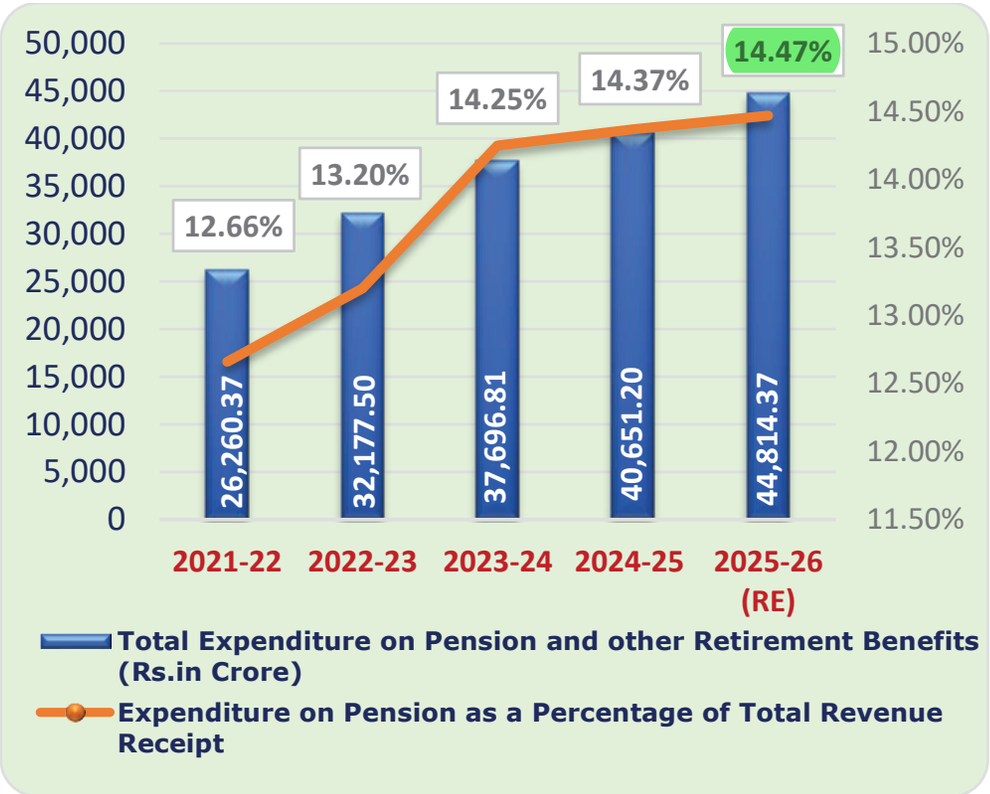
The Defined Benefit Pension Scheme covers all employees who have been appointed prior to **01-04-2003** on regular time scale of pay. As on **31-07-2026**, **1,67,350** employees are covered by this Scheme. During the year 2025–2026, a total of **31,341 employees** retired from Government service and an expenditure of **Rs.13,047.24 crore** was incurred towards settlement of their pensionary benefits. During **2025-2026,** due to demise of **13,262** pensioners, an amount of **Rs.668.88 Crore** was sanctioned towards Family Pension. A sum of **Rs.47,239.75**

- Only 1,67,350 serving employees remain under the Defined Benefit Scheme - the pre-**2003** cohort is nearly exhausted.
- **Rs.47,239.75 crore** is allocated under Demand No.50 for **2026-27** - the single largest committed liability in the State budget after salaries.

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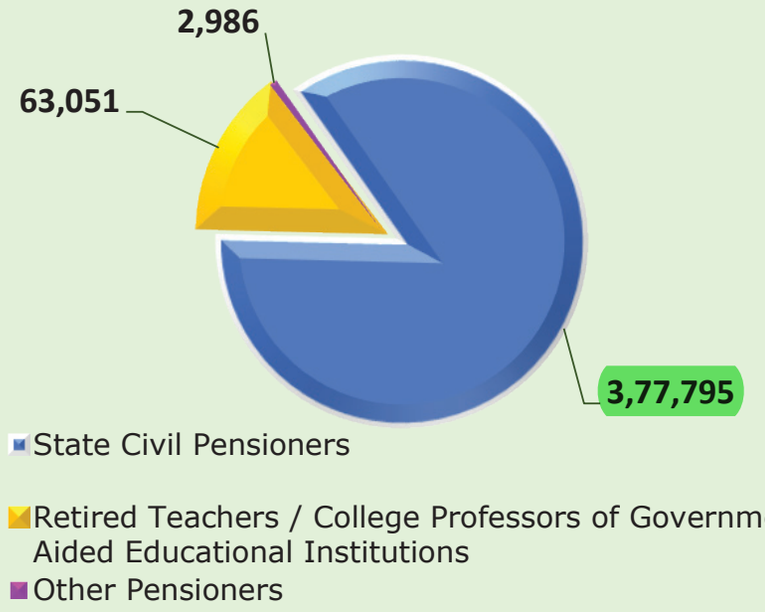
Crore is allocated under Demand No.50 towards Pension and Other Pensionary Benefits for the financial year **2026-2027**.

The Expenditure on Pension and Retirement Benefits for the past 5 years



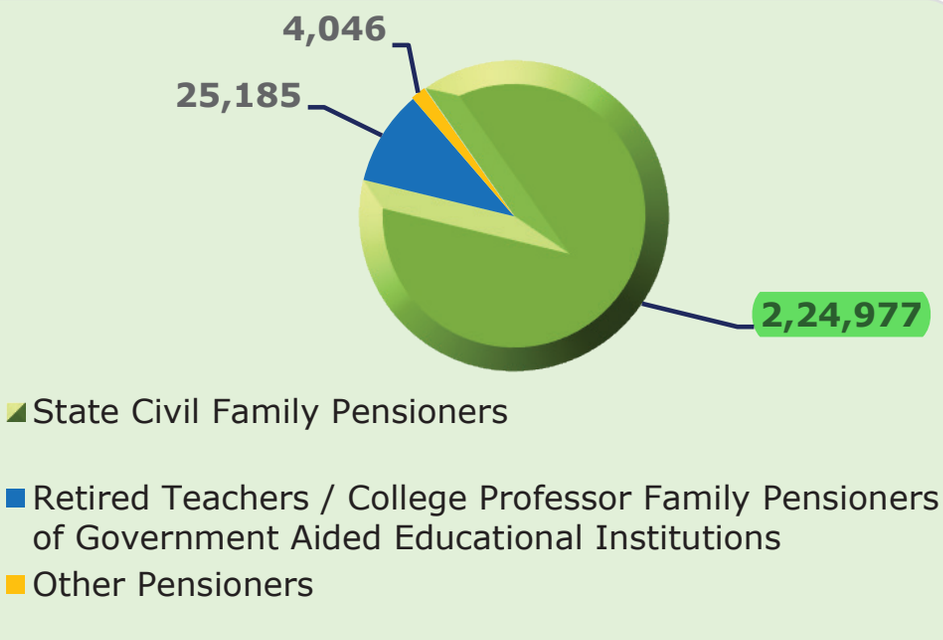
- Pension expenditure has risen from **Rs.26,260.37 crore** in **2021-22** to **Rs.44,814.37 crore** in **2025-26** (**RE**), and from 12.66% to 14.47% of total revenue receipts.

Details of Service (Civil) Pensioners as on 31-07-2026



- Service pensioners: 3,77,795 State civil pensioners, 63,051 retired teachers and college professors of aided institutions and 2,986 others.

Details of Family Pensioners as on 31-07-2026



- Family pensioners: 2,24,977 State civil, 25,185 from aided institutions and 4,046 others.

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1. Pensionary Benefits under Defined Benefit Pension Scheme

a) Pension

(i) A minimum qualifying service of **10** completed years is necessary to become eligible for Pension. The minimum qualifying service of **30** years is required to become eligible for full Pension. Pension is being determined based on **50%** of pay last drawn at the time of retirement.

- 10 completed years of qualifying service for a pension at all; 30 years for full pension, calculated at 50% of last pay drawn.

(ii) Minimum Pension of **Rs.7,850/-** per month is fixed with effect from **01-10-2017.**

- Minimum pension - and minimum family pension - is **Rs.7,850** a month from 01-10-**2017**. Staff of aided educational institutions get the same.

b) Additional Pension / Additional Family Pension

The Pensioners / Family Pensioners who have completed **80/85/90/ 95/100**

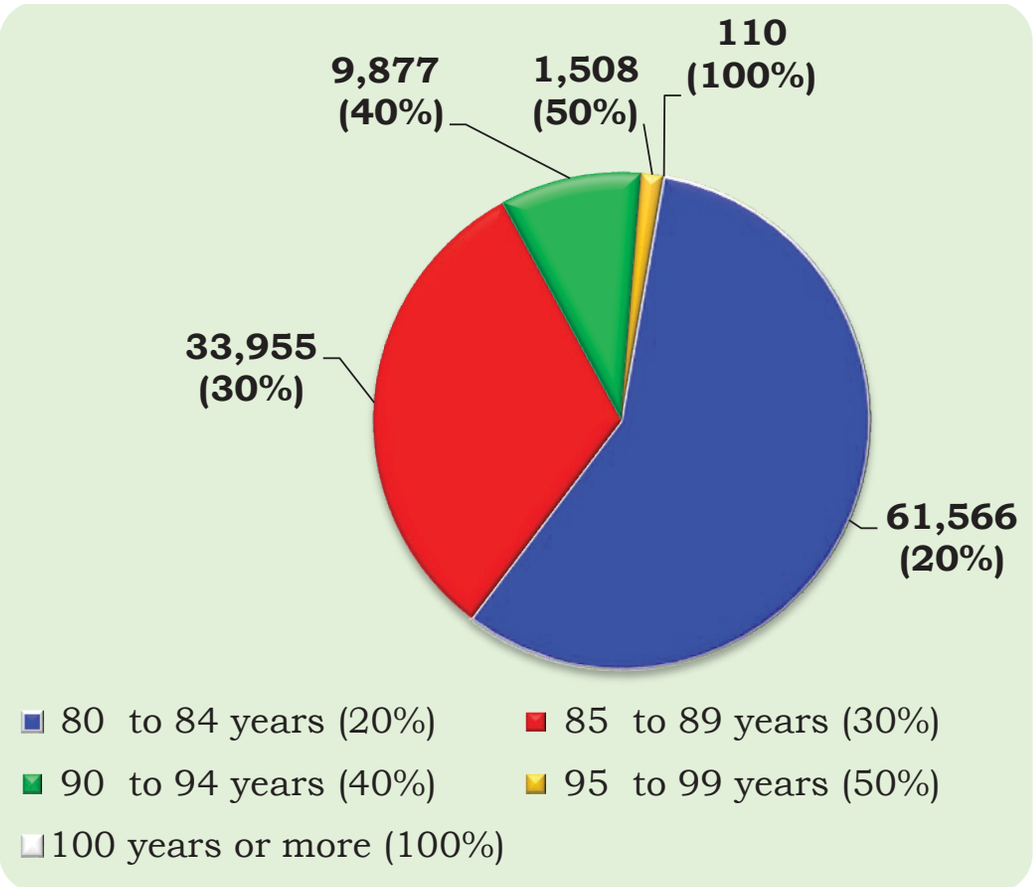
- Additional pension begins on completing 80, 85, 90, 95 and 100 years - that is, on commencement of the 81st, 86th, 91st, 96th and 101st year - at 20%, 30%, 40%, 50% and 100%.

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years of age i.e., the commencement of **81/86/91/96/101** years of age are eligible for Additional Pension / Additional Family Pension. The total number of Pensioners/ Family Pensioners drawing Additional Pension / Additional Family Pension as on **31-07-2026 is 1,07,016.**

- 1,07,016 pensioners and family pensioners draw additional pension; 110 of them are aged 100 or more and draw double.

Details of Additional Pension / Additional Family Pension



c) Pension to Staff of Aided Educational Institutions

The staff of aided educational institutions are allowed to avail the same pensionary benefits of minimum pension of Rs.7,850/- per month and other pensionary benefits as applicable to the State Government employees.

d) Leave Salary Benefits for Employees under Defined Benefit Pension Scheme and Contributory Pension Scheme

Encashment of Earned Leave, Encashment of Unearned Leave on Private Affairs is permitted to an employee upon retirement under Defined Benefit Pension Scheme/ Contributory Pension Scheme.

2. Gratuity under Defined Benefit Pension Scheme

(i) Service Gratuity

Service Gratuity is admissible to those who have rendered less than 10 years of qualifying service.

- Service Gratuity is for those with less than 10 years of qualifying service - the floor below which pension itself is not admissible.

(ii) Death Gratuity

In the event of death in harness, half of monthly emoluments for every completed six monthly services subject to a maximum of 33 times of monthly emoluments, the amount of which shall in no case, exceeds Rs.25 lakh is admissible as Death Gratuity as per Tamil Nadu Pension Rules 1978.

- Death Gratuity: half a month's emoluments for every completed six months, capped at 33 times monthly emoluments, under the Tamil Nadu Pension Rules **1978**.

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(iii) Retirement Gratuity

A Government servant who has completed 5 years of qualifying service and above is granted Retirement Gratuity on his/her retirement. In respect of employees retired on or after 01-04-1998, Gratuity is calculated based on Basic Pay and Dearness Allowance last drawn. The ceiling limit of Death Gratuity / Retirement Gratuity is fixed at **Rs.25 lakh** with effect from **01-01-2024.**

- Retirement Gratuity needs 5 years of qualifying service; for those retiring on or after 01-04-**1998** it is computed on basic pay plus dearness allowance.
- The gratuity ceiling - death and retirement alike - is **Rs.25 lakh** from 01-01-**2024**.

3. Family Pension under Defined Benefit Pension Scheme

(i) Family pension to a family of deceased retired Government servant shall not be lower than 30% of the minimum of the pay in the prescribed level in the Pay Matrix from which the Pensioner retired.

- Family pension is not less than 30% of the minimum of the pay in the level from which the pensioner retired, subject to the **Rs.7,850** floor.

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(ii) The minimum family pension payable is Rs.7,850/- per month with effect from 01-10-2017.

4. Ex-Gratia Relief

At present, ex-gratia relief of **Rs.645/-** per month is being granted along with Dearness Allowance at the rate of **458 percent** with effect from **1st January 2025** to the families of deceased Contributory Provident Fund / Non-Pensionable beneficiaries of State Government and the employees of former District Board who had retired / deceased prior to **1st January 1986** and who are not eligible for Family Pension.

- Ex-gratia relief of **Rs.645** a month with 458% dearness allowance goes to families of **CPF** and non-pensionable beneficiaries and former District Board employees who retired or died before 01-01-**1986**.

5. Commutation of Pension

Pensioners are eligible to commute a portion upto **33 1/3 %** of pension and receive a lumpsum payment. This

- Up to one-third of pension may be commuted for a lump sum, including on voluntary retirement, but dearness allowance is still paid on the original uncommuted pension.

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concession has also been extended in the case of voluntary retirement. However, Dearness Allowance is allowed on the original pension prior to Commutation.

6. Dearness Allowance

The Pensioners / Family Pensioners including Provisional Pensioners are paid Dearness Allowance at par with the serving employees of the Government.

7. Medical Allowance

The Pensioners / Family Pensioners including Provisional Pensioners are allowed to draw Medical Allowance of **Rs.300/-** per month with effect from **01-10-2017**.

- Medical allowance of **Rs.300** a month from 01-10-**2017**, on top of dearness allowance paid at par with serving employees.

8. Pongal Prize

Pongal Prize amount of **Rs.1,000/-** is sanctioned to Pensioners retired from the categories of 'C' and 'D' including all 'C' and

- Pongal Prize of **Rs.1,000** to Group C and D pensioners and to all family pensioners irrespective of group, from 01-01-**2026**. Festival advance is **Rs.6,000,** recovered in ten instalments.

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'D' Group Pensioners of Aided Educational Institutions, Local Bodies, Ex-Village Establishment, adhoc pensioners of all categories and to all Family Pensioners irrespective of the Groups from which Pensioners retired with effect from **01-01-2026**.

9. Festival Advance

Festival advance to Pensioners is sanctioned at **Rs.6,000/-** with effect from **22-05-2025** which is recovered at ten monthly equal instalments.

10.Sanction and Disbursal Mechanism

(i) IFHRMS – Pension

An integrated software system with a centralized database of pensioners has been established for processing pension payments. Under this system, monthly pension and other retirement benefits are

credited directly to the bank accounts of pensioners through the Reserve Bank of India's **e-Kuber** system.

Pension is credited directly through the **RBI**'s e-Kuber system; the Accountant General sends authorisations electronically into **IFHRMS**, which auto-generates the bills.

The Accountant General shares the pension and gratuity authorizations in electronic data format, which are consumed by the Integrated Finance and Human Resource Management System (IFHRMS). Upon receipt of the No Objection Certificate from the Drawing and Disbursing Officer, the bills are auto-generated and processed for payment to the pensioners.

(ii) Annual e-Mustering

The State Government Pensioners / Family Pensioners submit their Life Certificate at their convenience to choose any one of the following facilities:-

1) Digital Life Certificate through Jeevan Pramaan Portal by using the services of

Life certificates can be given four ways: a digital certificate on the Jeevan Pramaan portal, by post, by physical appearance, or through the Kalanjiyam mobile app.

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any one of the following entities as per the option of the pensioners:

(i) India Post Payments Bank with Door Step Service on the request of Pensioners/Family Pensioners.

(ii) e-Seva Centres / Common Service Centers.

(iii) Pensioner's Associations having biometric device connected with Jeevan Pramaan Portal

2) Submission of Life Certificate through Post.

3) Direct Mustering (Physical Appearance).

4) Kalanjiyam Mobile App.

Accordingly, out of total number of **7,11,113** Pensioners (including Ulema and State Freedom Fighters Pensioners),

- India Post Payments Bank offers doorstep life-certificate service; 40,054 pensioners used it.

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6,06,852 Pensioners have mustered Digital Life Certificate (Online). **40,054** Pensioners mustered by utilizing the door step services of India Post Payment Bank and remaining in the Pension Pay Office / Treasury Offices.

The mustering process is conducted throughout the year as follows:-

i. Mustering in respect of Service Pensioners commences in the month of retirement of the Pensioner every year;

ii. In the case of Pensioner drawing both Service and Family Pension (double Pension) the month of mustering is the retirement month of the Service pensioner every year;

iii. In respect of Family Pensioners, Ex-gratia Pensioners and Special category Pensioners (Ulema Pensioners

- Of 7,11,113 pensioners, 6,06,852 mustered online - digital life certificates are now the normal route, not the exception.

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and State Freedom Fighters Pension) the mustering is conducted in the month of commencement of Family Pension, Ex-gratia Pension and Special category Pension every year;

iv. If the Pensioners, Family Pensioners and Special Category Pensioners failed to do the mustering process, then the pension will be stopped in the succeeding month of the grace period of the year.

- Mustering falls in the pensioner's own retirement month each year; failure to muster stops the pension in the month after the grace period.

(iii) Annual e-Mustering through Kalanjiyam Mobile App:

1. Annual mustering can be carried out by pensioners through the Kalanjiyam Mobile App using the Aadhaar-based face authentication facility, either for themselves or on behalf of other pensioners.

- The Kalanjiyam app allows Aadhaar-based face authentication, and a pensioner can muster on behalf of another.

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2. Pensioners can also complete the annual mustering by visiting the nearest Treasury, where Aadhaar-based biometric authentication is available.

II. CONTRIBUTORY PENSION SCHEME

1. Introduction

Contributory Pension Scheme was introduced for the employees of the State Government appointed with effect from **01-04-2003**. Necessary amendment has also been issued to the Tamil Nadu Pension Rules, 1978 accordingly.

2. Methodology of Contributory Pension Scheme

(i) In respect of employees under the Contributory Pension Scheme, a subscription at the rate of 10% of Basic pay plus Dearness Allowance is being recovered from the

Under the Contributory Pension Scheme the employee subscribes 10% of basic pay plus **DA**, matched equally by Government.

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employees with an equal matching contribution from Government.

(ii) **6,26,146** employees including employees of Local Bodies is enrolled under this scheme as on **31-07-2026** and a sum of **Rs.1,02,493.02 Crore** accumulated till **31-07-2026** as Employee / Employer contribution with interest.

- 6,26,146 employees including local body staff are enrolled under **CPS**, with **Rs.1,02,493.02 crore** accumulated as on 31-07-**2026**.

3. Interest

Interest is currently being sanctioned towards the Contributory Pension Scheme accumulation at the same quarterly rate as applicable to General Provident Fund accounts. At present, the rate of interest sanctioned for GPF for the period from **01-07-2026** to **30-09-2026** is **7.1 percent**.

- **CPS** accumulations earn interest at the **GPF** quarterly rate - 7.1% for 01-07-**2026** to 30-09-**2026**.

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4. Investments made from Contributory Pension Scheme accumulations

The entire accrued amount under Contributory Pension Scheme is invested in the Superannuation Fund of Life Insurance Corporation of India.

- The entire **CPS** corpus is invested in the Superannuation Fund of the Life Insurance Corporation of India.

5. Settlement so far made to retirees

The accumulated amount inclusive of Employees and Government contribution along with interest is being settled in one lumpsum. Final settlement applications have been received from 59,950 employees who have retired / resigned / deceased / terminated from service till **31-07-2026**. Out of which, final settlement made to **59,782** employees for a sum of **Rs.7,278.04 Crore.** During the year **2025-2026, 13,646** employees retired from Government Service

- Final settlement has been made to 59,782 retired, resigned, deceased or terminated employees for **Rs.7,278.04** crore.

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and a sum of **Rs.2,558.33 Crore** has been settled to them.

6. Contributory Pension Scheme for Local Body employees

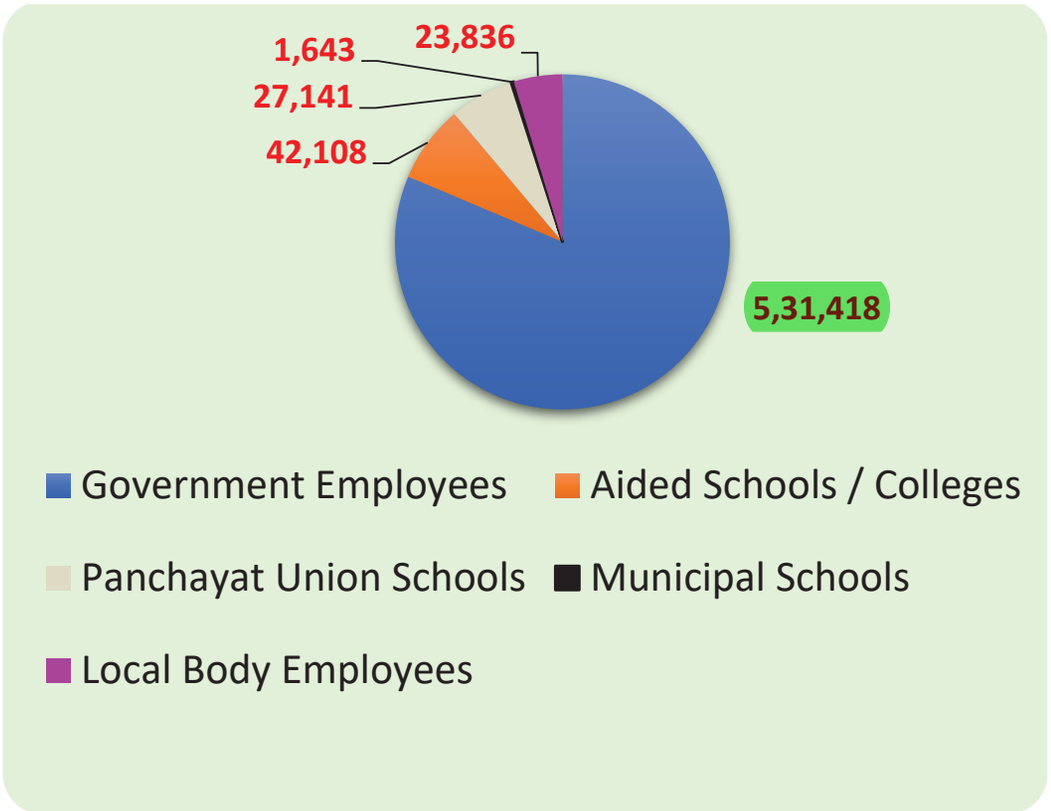
The Director of Treasuries and Accounts has been appointed as the State Nodal Officer for implementing the Contributory Pension Scheme for the employees of Corporations, Municipalities, Town Panchayats and other Local Bodies. A software application is developed along with web portal to facilitate online entry of employee subscription, deductions and corresponding contributions from the respective Local Bodies and the accounts of the same are being audited by the Directorate of Local Fund Audit.

- The Director of Treasuries and Accounts is the State Nodal Officer for **CPS** in corporations, municipalities and town panchayats; the Local Fund Audit Directorate audits those accounts.

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7. Details of Employees under Contributory Pension Scheme

Details of **6,26,146** Contributory Pension Scheme employees as on 31-07-2026 is as follows:



- **CPS** membership by employer: 5,31,418 Government employees, 42,108 in aided schools and colleges, 27,141 in panchayat union schools, 1,643 in municipal schools and 23,836 local body employees.

8. Issue of Final Account Slip

The Final Account Slips for **59,782** retired / resigned / deceased / terminated employees is issued by the Directorate of Treasuries and Accounts, CPS Wing.

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III. TAMIL NADU ASSURED PENSION SCHEME (TAPS)

Tamil Nadu Assured Pension Scheme (TAPS) is mandatory for all eligible Government servants who enter the Government service from 01-01-2026 and all eligible Government servants who were hitherto covered under the Contributory Pension Scheme (CPS) and who were in service as on 01-01-2026.

- **TAPS** is compulsory for all who join from 01-01-**2026**, and covers **CPS** employees who were in service on that date.

2. The broad features of Tamil Nadu Assured Pension Scheme (TAPS) is as follows:

(i) Assured monthly payout equal to 50% of the last drawn monthly pay.

- **TAPS** assures 50% of last drawn monthly pay, with 60% of that as family payout, dearness relief on par with serving employees and gratuity up to **Rs.25 lakh**.

(ii) In case of death of the superannuated Government servant, monthly family payout to the eligible family members, equal to 60% of the monthly payout last

drawn by the superannuated Government servant.

(iii) Entitlement of minimum payout for those coming under TAPS, as may be prescribed.

(iv) Dearness Relief increases on par with serving Government servants.

(v) Towards this, Government servants contribute 10 per cent of their basic pay plus Dearness Allowance. The entire additional financial requirement borne by the Government.

- The employee still contributes 10% of basic pay plus **DA** under **TAPS**, but the entire additional requirement is borne by Government - that is what makes the payout assured rather than market linked.

(vi) Gratuity, proportionate to the length of qualifying service rendered, subject to a maximum of Rs.25 lakh.

(vii) Permission for Commutation of a portion of payout subject to the conditions.

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(viii) Permission at the time of retirement to choose those benefits under the CPS, to all Government servants who were hitherto covered under CPS and subsequently covered under TAPS, in accordance with the provisions to be notified.

(ix) Special Compassionate Pension proportionate to the length of service rendered, to Government servants who joined service under the CPS and retired during the intervening period prior to the implementation of TAPS.

- A Special Compassionate Pension covers those who joined under **CPS** and retired before **TAPS** came in - the gap cohort the transition would otherwise strand.

3. Interim procedure has been laid down as a temporary measure to Government servants appointed in regular scale of pay on or after 01-04-2003, who were hitherto covered under the CPS, and in service as on 01-01-2026 and who cease to be in service on account of superannuation after completing

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not less than 10 years of service or death-in-harness on or after 01-01-2026.

Interim Monthly Payout/ Family Payout

1) Interim monthly payout for superannuated Government servant / family payout in the event of death while service computed at 30% of the monthly Basic Pay last drawn or Rs.10,000/-, whichever is higher, plus 60% Dearness Relief every month from the date of retirement or death-in-harness.

2) In the event of death of the retired Government servant, interim monthly family payout at 60% of the interim monthly payout to eligible family member.

3) The option for availing the interim monthly payout / family payout shall be exercised by the persons concerned.

- Interim payout pending **TAPS** rules: 30% of last basic pay or **Rs.10,000,** whichever is higher, plus 60% dearness relief.

Two Stage Exit Options

1) 'Immediate Opt-Out' option to opt out of TAPS immediately and to get the accumulated balance at the credit of the Government servant's CPS account, as per the existing CPS guidelines.

2) 'Post Notification Further Opt-Out' option, providing another opportunity upon notification of the TAPS rules to remain under TAPS framework, or to opt out and receive the full and final settlement of the CPS accumulated wealth, after adjusting the interim monthly payout / family payout already received.

- Two exit options: immediate opt-out with the **CPS** balance, or a further opt-out after the **TAPS** rules are notified, adjusting interim payouts already received.

IV. MONITORING AND CONTROLLING AUTHORITY OF SCHEMES

The Directorate of Pension established on **01-09-1994** has been integrated with

- The Directorate of Pension, set up 01-09-**1994**, was merged into Treasuries and Accounts by G.O.Ms.No.343 dated 12-11-**2024** and now works as its Pension Wing.

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Treasuries and Accounts Department vide G.O.Ms.No.343, Finance (Treasuries and Accounts-III) Department, Dated 12-11-2024 and functioning well as Pension Wing of Directorate of Treasuries and Accounts.

The major activities of this Pension Wing are as follows:

(i) Redressal of the grievances of State Civil and Teacher Pensioners;

(ii) Settlement of pensioners' grievances through Pensioners' Adalat;

(iii) Attending to the clarifications sought for by the pensioners;

(iv) Administering and implementing the Tamil Nadu Government Industrial Employees Provident Fund Scheme for Government Departments;

Grievances are settled through Pensioners' Adalat, and District Collectors hold a Pensioners' Grievances Day once a year in every district.

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(v) Settlement of pending cases under the Tamil Nadu Government Pensioners' Health Fund Scheme, 1995 for Pensioners / Family Pensioners;

(vi) Administering and implementing Tamil Nadu Government Pensioners' Family Security Fund Scheme, 1997;

(vii) Estimating, Reconciling and Controlling Authority for Tamil Nadu Government Employees Special Provident Fund cum Gratuity Schemes, 1984 and 2000;

(viii) Administering and implementing Tamil Nadu Social Security Scheme, 1974 for unorganized daily wages, labourers and Public.

1. Tamil Nadu Government Pensioners' Family Security Fund Scheme

Tamil Nadu Government Pensioners' Family Security Fund Scheme was

- The Pensioners' Family Security Fund Scheme was introduced 01-01-**1997** and implemented 01-01-**1998**; a **Rs.150** monthly contribution buys **Rs.50,000** on the pensioner's death.

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introduced with effect from 01-01-1997 and implemented from 01-01-1998. In the case of death of Pensioner after one month of contribution to the fund, a sum of Rs.50,000/- is paid to the eligible family members or nominee of the Pensioners.

The pensioners' contribution towards Tamil Nadu Government Pensioners' Family Security Fund is fixed at Rs.150/- per month. Based on this contribution on an average, a sum of Rs.6.50 Crore is received every month and 1300 claims are settled to the nominees of the deceased pensioners.

From the inception of the scheme **3,11,354** claims to the tune of **Rs.1,268.53 Crore** has been settled as on **31-07-2026**.

- 3,11,354 claims worth **Rs.1,268.53 crore** have been settled under the Family Security Fund since inception - about 1,300 claims a month.

The Government has now authorised the Pension Payment Officer, Chennai, and

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the Treasury Officers/Sub-Treasury Officers to sanction payments under the Family Security Fund Scheme to the spouse / legal heirs of deceased pensioners at their respective levels thereby expediting settlement.

2. Tamil Nadu Government Employees Special Provident Fund cum Gratuity Scheme 1984

- Special Provident Fund cum Gratuity Scheme **1984**: **Rs.20** a month for 148 months, refunded with interest plus a **Rs.10,000** Government contribution. The **2000** scheme took **Rs.50** (optional) or **Rs.70** (compulsory from 01-10-**2000**).

This Scheme was introduced with effect from **01-04-1984**. A monthly subscription of Rs.20/- per month from Government employees for **148** months is deducted and the total subscription is refundable along with interest accrued thereon at the time of retirement with Government contribution of **Rs.10,000/-.** Under this scheme settlements have been made to **24,519** retired employees from **01-04-2025 to 31-07-2026**.

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3. Tamil Nadu Government Employees Special Provident Fund cum Gratuity Scheme 2000

This Scheme was introduced with effect from **01-10-2000.** The employees who had already been enrolled under the earlier scheme are being paid the monetary benefits continuously at the time of their retirement. All regular Government employees in service till **30-09-2000** were allowed to opt and subscribe **Rs.50/-** per month till one month prior to the date of retirement which is refundable along with interest accrued thereon. This Scheme was made compulsory to all the employees appointed on or after **01-10-2000** and the subscription was fixed as **Rs.70/-** per month. The total subscription is refunded with interest at the time of retirement with Government contribution of **Rs.10,000/-**. Under this scheme settlements

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have been made to **9,040** retired employees from **01-04-2025 to 31-07-2026**.

4. Tamil Nadu Government Industrial Employees Contributory Provident Fund Scheme 1969

The Scheme was introduced in the year **1969** for the welfare of the casual Labourers earning wages in the Government Industrial Establishments vide G.O.No.1883, Finance (Miscellaneous) Department, dated 26-12-1969. Prior to 01-04-1989, **8.33%** of the wages was contributed by the employees and equal share of contribution was paid by the employers to the scheme. From 01-04-1989, **10%** of wages is being contributed by the employees and equal share is made by the Government Industrial Establishments as employer's contribution to the scheme.

- The Industrial Employees Contributory Provident Fund Scheme dates from **G.O.No.1883** of 26-12-**1969**, for casual labourers in Government industrial establishments.
- Contribution under the **1969** industrial scheme was 8.33% of wages until 01-04-**1989** and 10% since, matched by the employer establishment.

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At present, **eight** Government Departments viz. Agriculture, Agriculture (Oilseeds), Tamil Nadu Agricultural University, Forest, Public Works Department, Animal Husbandry, Sericulture and Horticulture enrolled in this Scheme. As on **31.07.2026, 5,204** members are in this Scheme. A sum of **Rs.69.30 Lakh** has been disbursed as final payment to **102** beneficiaries during the period from **01-04-2025 to 31-07-2026.**

Eight departments are enrolled in the industrial **PF** scheme - Agriculture, Agriculture (Oilseeds), **TNAU**, Forest, **PWD**, Animal Husbandry, Sericulture and Horticulture - with 5,204 members.

5. Redressal of Pensioners' Grievances

The representations received from Pensioners / Family Pensioners in various Districts, through e-mail, Chief Minister's Special Cell and Right to Information Act are given due attention by the Pension Wing of Directorate of Treasuries and Accounts for immediate settlement of Pensioners' grievances.

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6. Pensioners' Grievances Meeting in the Districts

As per the revised guidelines issued by Government, the District Collectors convene Pensioners' Grievances Day Meeting once in a year in their Districts. The Additional/ Joint Director of Treasuries and Accounts Department participate in the meeting and assist expeditious disposal of such grievance petitions in Districts. The pension proposals pending with the Office of the Principal Accountant General are also followed for speedy settlement.

From **01-04-2025 to 31-07-2026**, Pensioners' Grievance Meetings were conducted in all the Districts. Pension related grievances like non-payment of medical expenses under New Health Insurance Scheme, Issue of Identity Cards under New Health Insurance Scheme, payment of

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additional pension, restoration of Commutation, payment of Ex-gratia and delay in commencing Family Pension are the main grievances raised in the meeting and various issues settled thereon.

Computerisation of Major Schemes

Separate modules have been developed under Integrated Finance and Human Resource Management System for two major schemes viz., Tamil Nadu Family Security Fund Scheme 1997 and the Tamil Nadu Industrial Employees Provident Fund Scheme, 1969. Payments to the beneficiaries' bank accounts are made directly through IFHRMS.

Online Pension and Provident Fund Authorisation System (OPPAS)

Online Pension and Provident Fund Authorisation System has been introduced for sending online pension and General Provident

OPPAS sends pension and **GPF** settlement proposals online to the Accountant General and generates **DCRG** and pension bills from the e-authorisation data.

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Fund final settlement proposal to the Accountant General and to create DCRG, General Provident Fund final withdrawal and pension bills in the system on the strength of the e-authorisation data provided by the Accountant General to IFHRMS. This ensures speedy, transparent and accurate settlement. Individual can submit the pension proposals well in time which is to be forwarded by the Drawing and Disbursing Officer / Head of Department to the Accountant General for sanction.

General Provident Fund Final Settlement

The process of final payment of General Provident Fund to the retired Government employees is settled expeditiously by Treasury Officials without insisting through the concerned Drawing and Disbursing Officers and the annexure modified suitably.

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V. NEW HEALTH INSURANCE SCHEME, 2026 FOR PENSIONERS

The Government of Tamil Nadu has implemented the New Health Insurance Scheme, 2026 for Pensioners (including spouse) / Family Pensioners through the United India Insurance Company Limited (UIIC), Chennai, for a block period of five years from **01-07-2026 to 30-06-2031**. The scheme provides health care assistance to eligible Pensioners, Family Pensioners and specified categories of retired employees.

The scheme has also been extended to retired Contributory Pension Scheme (CPS) employees and their spouses and to retired Government servants covered under the Tamil Nadu Assured Pension Scheme (TAPS), subject to the conditions prescribed in the

- The New Health Insurance Scheme **2026** for pensioners runs through United India Insurance for a five-year block, 01-07-**2026** to 30-06-**2031**.

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Guidelines and payment of the prescribed insurance premium.

Particulars	Benefit
Basic Sum Insured	Rs.7.50 lakh
Enhanced Sum Insured for specified illnesses	Up to Rs.12.00 lakh
Approved treatments / surgeries	2,992
Specified treatments	46
Scheme period	01.07.2026–30.06.2031
Cashless treatment	Available in Network Hospitals
Empanelled private hospitals	1,535

- Basic sum insured **Rs.7.50 lakh** over the five-year block, enhanced to **Rs.12.00** lakh for specified illnesses; family floater capped at **Rs.12.00 lakh**.
- 2,992 approved treatments and surgeries, 46 specified treatments and 1,535 empanelled private hospitals.

The scheme provides medical assistance up to **Rs.7.50 lakh** during the five-year block period, with enhanced assistance up to **Rs.12.00 lakh** for specified illnesses/treatments. The overall assistance for a family on a floater basis shall not exceed Rs.12.00 lakh. The scheme covers

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2,992 approved treatments and surgeries and **46** specified treatments, with 1,535 empanelled private hospitals and Government Institutions covered under the scheme.

Treatment for approved procedures is provided on a package-rate-based cashless model in Network Hospitals. Approved treatment in Non-Network Hospitals is also eligible for reimbursement subject to the conditions prescribed under the scheme. In Non-Network Hospitals under Non-Emergency conditions, reimbursement is restricted to **60%** of the applicable package rate of the corresponding treatment in a Network Hospital of the lowest grade, subject to the prescribed conditions.

- In non-network hospitals under non-emergency conditions, reimbursement is capped at 60% of the package rate for the lowest-grade network hospital.

The annual premium payable by the Government is **Rs.7,728** per Pensioner /

- The premium is **Rs.7,728** a year - **Rs.644** a month - paid first by Government and then recovered from the pension itself from July **2026**.

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Family Pensioner, equivalent to **Rs.644** per month, for the block period from **01-07-2026 to 30-06-2031**. The premium initially borne by the Government shall be recovered at **Rs.644** per month from July 2026 by deduction from the pension, family pension and interim payout, as applicable.

In respect of retired CPS employees, those opting for the scheme are required to exercise the prescribed option and remit the annual subscription in one lumpsum every year on or before 31st July directly to the United India Insurance Company Limited or through its District offices.

The Scheme is therefore intended to strengthen medical protection for Pensioners, Family Pensioners, retired CPS employees and eligible retired Government servants covered under TAPS, by providing

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enhanced financial assistance, wider treatment coverage and cashless medical facilities during the five-year block period from **01-07-2026 to 30-06-2031**.

Dr N. MARIE WILSON
Minister for Finance,
Planning and Development

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Printed by Govt. Central Press, Chennai - 600 001.