

Withdrawal

Withdrawal from the Fund – (1) Subject to the conditions specified therein, withdrawals may be sanctioned by the authorities competent to sanction an advance for special reasons under sub-rules (1) of Rule 13 at any time.

(A) After the completion of twenty years of service (including broken periods of service, if any) of a subscriber or within ten years before the date of his retirement on superannuation whichever is earlier, from the amount standing to his credit in fund for one or more of the following purposes, namely –

(a) meeting the cost of higher education, including where necessary, the travelling expenses of the subscriber or any child of the subscriber in the following cases, namely:-

(i) for education outside India for academic, technical, professional or vocational course beyond the High School stage and

(ii) for any medical, engineering or other technical or specialized course in India beyond the High School stage:

(b) meeting the expenditure in connection with the betrothal marriage of the subscriber or his sons or his daughters' and any other female relation actually dependent on him;

(c) meeting the expenses in connection with the illness, including where necessary, the travelling expenses, of the subscriber and members of his family or any person actually dependent on him;

(B) after the completion of fifteen years of service (including broken periods of service, if any) of a subscriber or within ten years before the date of retirement on superannuation, whichever is earlier from the amount standing to his credit in the fund for one or more of the following purposes, namely –

(a) building or acquiring a suitable house or ready-built flat for his residence including the cost of the site;

(b) repaying an outstanding amount on account of loan expressly taken for building or acquiring a suitable house or ready built flat for his residence;

(c) purchasing a house-site for building a house thereon for his residence or repaying any outstanding amount on account of loan expressly taken for this purpose;

(d) reconstructing or making additions or alterations to a house or a flat already owned or acquired by a subscriber;

(e) renovating, additions or alterations or upkeep of an ancestral house at a place other than the place of duty or to a house built with the assistance of loan from Government at a place other than the place of duty;

(f) constructing a house on a site purchased under clause (c);

(g) Within six months before the date of the subscriber's retirement, from the amount standing to his credit in the fund for the purpose of acquiring a farm land or business premises or both.

NOTE 1. – A subscriber who has availed himself of an advance under the scheme of housing for the grant of advance for house building purpose, or has been allowed any assistance in this regard from any other Government source, shall be eligible for the grant of final withdrawal under sub-clauses (a),(c). (d), and (f) of clause (B) for the purposes specified therein and also for the purpose of repayment of any loan taken under the aforesaid scheme subject to the limit specified in the proviso to sub-rule (1) of Rule 17.

If a subscriber has an ancestral house or built a house at a place other than the place of his duty with the assistance of loan taken from the Government he shall be eligible for the grant of a final withdrawal under sub-clauses (a), (c) and (f) of clause (B) for purchase of a house site or for construction of another house or for acquiring a ready-built flat at the place of his duty.

NOTE 2. – Withdrawal under sub-clauses (a), (d), (e) and (f) of clause (B) shall be sanctioned only after a subscriber has submitted a plan of the house to be constructed or of the additions or alteration to be made, duly approved by the local municipal body or by local competent authority of the area where the site or house is situated and only in cases where the plan is actually get to be approved.

NOTE 3. – The amount of withdrawal sanctioned under sub-clauses (b) of clause (B) shall not exceed $3/4^{\text{th}}$ of the balance on date of application together with the amount of previous withdrawal under sub-clause (a), reduced by the amount of previous withdrawal. The formula to be followed is $3/4^{\text{th}}$ of the balance as on date plus amount of previous withdrawal (s) for the house in question minus the amount of the previous withdrawal (s)

NOTE 4. – Withdrawal under sub-clauses (a) or (d) of clause (B) shall also be allowed where the house site or house is in the name of wife or husband provided she or he is the first nominee to receive provident Fund money in the nomination made by the subscriber.

NOTE 5. – Only one withdrawal shall be allowed for the same purpose under this rule. But marriage or education of different children or illness on different occasion or a further addition or alteration to a house or flat covered by a fresh plan duly approved by the local municipal body Local competent authority of the area where the house or flat is situated shall not be treated as the same purpose. Second or subsequent withdrawal under sub-clause (a) or (f) of clause (B) for completion of the same house shall be allowed up to the limit laid down under Note 3.

NOTE 6 – A withdrawal under this rule shall not be sanctioned if an advance under Rule 13 is being sanctioned for the same purpose and at the same time.

(2) Whenever a subscriber is in a position to satisfy the competent authority about the amount standing to his credit in the General Provident Fund Account with reference to the latest available statement of General provident Fund Account together with the evidence of subsequent contribution, the competent authority may itself sanction withdrawal within the prescribed limit, as in case of a refundable advance already sanctioned by it in favour of the subscriber. Where, however, the subscriber is not in a position to satisfy the competent authority about the amount standing to his credit or where there is any doubt about the admissibility of the withdrawal applied for, a reference may be made to the Accounts Officer by the competent authority for ascertaining the amount standing to the credit by the competent authority to determine the admissibility of the amount of withdrawal. The sanction for the withdrawal should prominently indicate the General Provident Fund Account Number and the Accounts Officers maintaining the accounts and a copy of the sanction for withdrawal should invariably be endorsed to that Accounts Officer. The sanctioning authority shall be responsible to ensure that an acknowledgement is obtained from the Accounts Officer that the sanction for withdrawal has been noted in the ledger account of the subscriber. In the case the Accounts Officer reports that the withdrawal as sanctioned is in excess of the amount to the credit of the subscriber or otherwise inadmissible the sum withdrawn by the subscriber shall forthwith be repaid in one lump sum by the subscriber to the Fund and in default of such repayment, it shall be ordered by the sanctioning authority to be recovered from his emoluments either in a lump sum or in such number of monthly installments as may be determined by the Governor.

State Government's Decision

Decision No. (1) – Grant of final withdrawal for the purchase of motor cars.- State Government servants who have completed 25 years of service or who have less than 5 years to attain the age of superannuation may be permitted to make final withdrawals from the provident funds (General Provident Fund) for purchasing a motor car or for repaying a government loan already taken by them for the purpose, subject to the following conditions:-

- (i) The officers pay is Rs.1,000 or more;
- (ii) The amount of withdrawal is limited to Rs. 16,000 or one-third of the amount standing to the credit of the subscriber in the General Provident Fund or one third of the amount of subscription with interest thereon standing to the credit of the subscriber in the General Provident Fund, as the case may be, or the actual price of the car, whichever is the least. The sanctioning authority may,

however, sanction the withdrawal of an amount in excess of this limit up to one-half of the balance at subscriber's credit in the fund account, if considered necessary, as a special case.

2. Such withdrawal shall be allowed only on one occasion. If the case of withdrawal for purchase of another car, the motor car advance under the provisions of the Meghalaya Financial Rules, 389 as supplemented by executive instructions issued from time to time will not be admissible.

3. The authority competent to sanction an advance for special reason under the relevant Provident Fund Rules may sanction final withdrawal in terms of these orders subject to the fulfillment of the conditions mentioned above. The procedural details will be as in the case of other withdrawals.

Decision No. (2) – Grant of final withdrawal for the extensive repairs or overhauling of motor cars:- State government servants who have completed 28 years of service or who have less than 3 years to attain the age of superannuation, may be permitted to make final withdrawals from Provident Funds (General Provident Fund) for the extensive repairs or overhauling of their motor cars subject to the following conditions:-

- (i) The officer's pay is Rs.1,000 or more,
- (ii) The amount of withdrawal is limited to Rs. 5,000 or 1/3rd of the amount standing to the credit of the subscriber in the General Provident Fund, or 1/3rd of the amount of subscription with interest thereon standing to the credit of the subscriber in the General Provident Fund, as the case may be, or the actual amount of repairing/overhauling, whichever is the least.
- (iii) Not less than 5 years should have elapsed since the car was purchased by the Officer concerned. In the case of secondhand car, the initial date of purchase by the first purchaser will be taken into account.
- (iv) Such withdrawal shall be allowed only once in the service career of the subscriber.

The authority competent to sanction an advance for special reasons under the relevant Provident Fund Rules may sanction a final withdrawal in terms of these orders subject to the fulfillment of the conditions mentioned above. The procedural details will be as in the case of other withdrawals.

17. Conditions for withdrawal. – (1) Any sum withdrawn by a subscriber at any one time for one or more of the purposes specified in Rule 16 from the amount standing to his credit in the Fund shall not ordinarily exceed one-half of such amount or six months' pay, whichever is less. The sanctioning authority may, however, Sanction the withdrawal of an amount in excess of this limit upto 3/4th of the balance at his credit in the Fund having due regard to (i) the object for which the withdrawal is being made, (ii) the status of the subscriber, and (iii) the amount to his credit in the Fund.

NOTE 1.- A withdrawal sanctioned to a subscriber under sub-clause (a) of clause (A) of sub-rule (1) of Rule 16 may be drawn in installments, the number of which shall not exceed four in a period of twelve calendar months counted from the date of sanction.

NOTE 2. – In cases where a subscriber has to pay in installments for a site or a house or flat purchased, through the State Housing Board or a House Building Cooperative Society, he shall be permitted to make a withdrawal as and when he is called upon to make a payment in any installment. Every such payment shall be treated as a payment for a separate purpose for the purposes of sub-rule (1) of Rule 17.

NOTE 3. – In case the sanctioning authority is satisfied that the amount standing to the credit of a subscriber in the Fund is insufficient and he is unable to meet his requirements otherwise than by withdrawal, the amount already withdrawn by the subscriber from the Fund to finance any insurance policy or policies under Rule 19, may be taken into account as an addition to the actual amount standing to his credit in the Fund for the purpose of the limit laid down in this sub-rule. After the amount of withdrawal admissible has been so determined:-

- (i) if the amount so determined exceeds the amount already withdrawn from the

Fund to finance insurance policy or policies under Rule 19, the amount so withdrawn may be treated as final withdrawal and the difference and the difference, if any, between the amount so treated and the total amount of withdrawal admissible may be paid in cash; and

- (ii) If the amount so determined does not exceed the amount already withdrawn from the Fund to Finance any insurance policy or policies under Rule 19, the amount so withdrawn and may, irrespective of the limit specified in sub-rule (1), be treated a final withdrawal.

For the above purpose, the Accounts Officer shall reassign the policy or policies to the subscriber or to the subscribers and the joint assured, as the case may be, and made it over to the subscriber who will then be free to utilise the same for the purpose for which it has been released.

(2) A subscriber who has been permitted to withdraw money from the fund under Rule 16 shall satisfy the sanctioning authority within a reasonable period as may be specified by that authority that the money has been utilised for the purpose for which it was withdrawn, and if he fails to do so, the whole of the sum so withdrawn or so much thereof as has not been applied for the purpose for which it was withdrawn shall forthwith be repaid in one lump sum by the subscriber to the fund and in default of such payment, it shall be ordered by the sanctioning authority to be recovered from his emoluments either in a lumpsum or in such number of monthly installments, as may be determined by the Governor.

Provided that, before repayment of a withdrawal is enforced under this sub-rule, the subscriber shall be given an opportunity to explain in writing and within fifteen days of the receipt of communication why the repayment shall not be enforced; and if the sanctioning authority is not satisfied with the explanation or no explanation is submitted by the subscriber within the said period of fifteen days the sanctioning authority shall enforce the repayment in the manner prescribed in this sub-rule.

(3) (a) A subscriber who has been permitted under sub-clause (a) Sub-clause (b) or sub-clause (b) or sub-clause (c) of clause (B) of sub rule (1) of Rule 16 to withdraw money from the amount standing to his credit in the fund, shall not part with the possession of the house built or acquired or house-site purchased with the money so withdrawn, whether by way of sale, mortgage (other than mortgage to the Governor), gift, exchange or otherwise, without the previous permission of the Governor:

Provided that such permission shall not be necessary for –

- (i) the house or house site being leased for any term not exceeding three years, or
- (ii) its being mortgage in favour of a Housing Board, Nationalised Banks, the Life Insurance Corporation or any other Corporation owned or controlled by the State Government which advances loans for the construction of a new house or for making additions or alteration to an existing house.

(b) The subscriber shall submit a declaration not later than the 31st day of December of every year as to whether the house or the house site, as the case may be continued to be in his possession or has been mortgage, otherwise transfer or let out as aforesaid and shall, if so required, produce before the sanctioning authority on or before the date specified by that authority in that behalf, the original sale, mortgage or lease deed and also the documents on which his title to the property is based.

(c) If, at any time before his retirement, the subscriber parts with his possession of the house or house or house-site without obtaining the previous permission of the Governor, he shall forthwith repay the sum so withdrawn by him in a lumpsum to the Fund, and in default of such repayment, the sanctioning authority shall after giving the subscriber a reasonable opportunity of making a representation in the matter, cause the said sum to be recovered from the emoluments of the subscriber either in a lump sum or in such a number

of monthly installments, as may be determined by it.

NOTE – A subscriber who has taken loans from Government in lieu thereof mortgaged the house or house site to the Government shall be required to furnish the declaration to the following effect namely,-

“I do hereby certify that the house or house-site for the construction of which or for the acquisition of which I have taken a final withdrawal from the Provident Fund continues to be in my possession but stands mortgaged to Government”.

State Government, Decisions:

Decision No. (I) – Only one final withdrawal for the same purpose and an advance and final withdrawal not to be sanctioned for the same purpose- Rule 17 (1) lays down conditions for withdrawal of the amount by subscriber at any one time for one or more of the purposes specified in the Rule 16 *ibid* from the amount standing to his credit in the Fund. Doubts have been raised whether the amount of second final withdrawal for the same purpose is permissible under Rule 17 (I) *ibid*.

2. The matter has been considered and it is clarified that –

- (i) A subscriber shall be permitted to make a final withdrawal once in every six months for purposes of sub-rule (a) of Rule 16 and that the withdrawal on each occasion shall be created as a separate purpose for purposes of Rule 17 (1). In this context the marriage/education of different daughters/sons will not be treated as the same purpose, Similarly the illness of subscriber or his dependants on different occasions will not be treated as the same purpose.

(See 5 below Rule 16 and Note 1 below Rule 17)

- (ii) An advance and a final withdrawal for the same purpose should not be sanctioned together. In other words, a person should be granted either an advance or a final withdrawal for a particular purpose subject to the conditions mentioned in Rule 16. Further the advance which is subsequently converted into final withdrawal should be treated as a final withdrawal under Rule 16; that is to say, if a person has got an advance converted into a final withdrawal under Rule 18 he should not be allowed another final withdrawal for the same purpose under Rule 16.

3. The principle mentioned in para 2 above shall also apply to advance under Rule 13 (b) of the General Provident Fund Rules.

4. When a subscriber is required to pay in installments for site-house purchased through house building co-operative societies or similar agencies, he shall be permitted to make a final withdrawal as and when he is called upon to pay and installment. The calls for payment of installments shall be treated as separate purpose for the purposes of Rule 17 of General Provident Fund Rules.

Decision No. (2) – **Withdrawal permissible separately for betrothal ceremony and marriage** – “Betrothal ceremony should be treated as part of the marriage and that there is no objection to the withdrawal being allowed on that occasion. As clarified in Decision No.

(1) above, only one final withdrawal from the General Provident Fund is allowed for the same purpose. Thus a subscriber who has taken a withdrawal for “betrothal ceremony” becomes ineligible for another withdrawal on the occasion of the marriage ceremony. With a view to avoid undue hardship to the subscriber it has been decided that a subscriber shall be permitted to make a final withdrawal both on the occasion of the betrothal ceremony and the marriage ceremony. Each occasion shall be treated as separate purpose for the purpose of Rule 17 (1) of the General Provident Fund Rules.

The principle mentioned above shall also apply to advances for marriage under clause (c) of Rule 13 (1).

Decision No. (3) – **Withdrawal not to be sanctioned for more than one house** – A subscriber should not be granted a second withdrawal for house-building purpose at any place if he has already been granted a final withdrawal for similar purposes on the same or another place. In other words final withdrawals should not be allowed for more than one house.

Decision No. (4) – **Withdrawals for higher education permissible in installments** – Normally, a second final withdrawal for the same purpose is not allowed. Only one final withdrawal can be had for recognised purposes, otherwise the provident fund account will be reduced to a banking account, which is against the spirit of the rules. However, for the purposes of higher education, the final withdrawal, which should of course, be only one, can be drawn in yearly or half-yearly installments in cases where the course exceeds a year.

18. Conversion of an advance into a withdrawal – A subscriber who has already drawn or may draw in future an advance under Rule 13 for any of the purpose specified in sub-rule (I) of Rule 16 may convert, at his discretion by written request addressed to the Accounts Officer through the sanctioning authority, the balance outstanding against it into a final withdrawal on his satisfying the conditions laid down in Rule 16 and Rule 17.

NOTE 1. – The Head of office in the case of non-gazetted subscribers and the Treasury Officer concerned in the case of gazette subscribers may be asked by the administrative authority to stop recoveries from the pay bills when the application for such conversion is forwarded to the Accounts Officer by that authority. In the case of gazetted subscribers, the administrative authority shall endorse a copy of the letter forwarding the subscriber’s intimation to the Treasury Officer from where he withdraws his pay in order to permit stoppage of further recoveries.

NOTE 2. – For the purposes of sub-rule (1) of Rule 17 the amount or subscription with interest thereon standing to the credit of the subscriber in the account at the time of conversion plus the outstanding amount of advance shall be taken as the balance; Each withdrawal shall be treated as a separate one and the same principle shall apply in the event of more than one conversion.

State Government’s Decisions:

Decision No. (1) – **Method of computing the balance at credit for the purpose of applying the limitations in Rule 17 (1) while permitting conversion of advance into withdrawal** – Conversion of outstanding balance of an advance into a final withdrawal on a particular date is tantamount to granting a final withdrawal on that date but for his taking the advance. Therefore, it is obvious that the outstanding balance of advance must be added to the amount of subscriptions, standing to his credit in his account on the date of conversion for determining the amount with reference to which the outstanding balance

should be converted into a final withdrawal. When more than one outstanding advance is to be converted the same procedure should be followed separately in respect of each advance. Accordingly the following clarification is given for the guidance of all concerned:-

- (i) For conversion of an advance into final withdrawal under Rule 18, the balance for the purpose of Rule 17 (1) should be taken as the amount/subscriptions and interest thereon standing to the credit of the subscriber in account at the time of the conversion plus the outstanding amount of the advance.
- (ii) Under the rules each withdrawal is to be treated as a separate one and hence the same principle would apply in the case of more than one conversion, I.e., in each case the limit under Rule 17 (1) would be applied taking into consideration the balance.

Decision No. (2)- Conversion of advance taken on two occasions for a common purpose – There should not be any objection to the conversion of second advance into final withdrawal, if the subscriber so desires, subject to the condition that the total amount so desired for conversion into final withdrawal should not exceed the limit prescribed in Rule

17. In such cases where more than one advance taken for the same purpose on different occasions are allowed to be converted into final withdrawals individually and separately, the sanctioning authority, while forwarding the application to the Accounts Officer, should indicate therein the total amount to be converted to date.

Decision No. (3) - Clarification regarding conversion of temporary advance into part final withdrawal – Under Rule 18 of General Provident Fund Rules, conversion of the balance outstanding against an advance drawn under Rules 13 for any of the purposes specified in clauses (a), (b) and (c) of Rule 16 (1) into part-final withdrawal, is admissible subject to the subscriber satisfying the conditions laid down in Rules 16 and 17. Rule 16 (1)

(b) of General Provident Fund Rules contemplates that withdrawal shall be permissible *inter alia* for meeting the expenditure in connection with marriage of “other female relations actually dependent upon the subscriber” whereas, such condition is not there in Rule 13 (1) (c). As the dependency status of the person for whose marriage the advance had been drawn, will change between the time of grant of advance and that of application for conversion of this advance into part final withdrawal, a point of doubt has been raised in regard to the certificate regarding dependency to be furnished by the subscriber at the time of applying for conversion of advance into part-final withdrawal. It is clarified that the certificate which reflects the dependency status at the time of drawal of advance will meet the requirements of the rules in such cases.