**Press Information Bureau**

**Government of India**

**Ministry of Finance**

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**Gratuity Pay under New Pension System**

Death-cum-Retirement Gratuity is paid to Central Government employees under New  Pension System (NPS) as it is paid under the old pension scheme. The monthly annuity under the New Pension System (NPS) is only a replacement of pension on retirement and family pension of death after retirement.  
  
  
The benefits of Death cum Retirement Gratuity (DCRG) and pension/family pension have been provisionally allowed,  vide the Office Memorandum of Department of Pension and Pensioners’ Welfare No. 38/41/06-P & PW(A) dated 5.5.2009 in respect of Central Government servants covered under NPS in cases where a Government Servant is retired on invalidation/disability and in the case of death of a Government servant in service on the same rates as are applicable under the old pension scheme Central Civil Service (Pension) Rules, 1972.  
  
The retirement gratuity is payable to the retiring Government servant. A minimum of 5 years’ qualifying service and eligibility to receive service gratuity/pension is essential to get this one time lump sum benefit. Retirement gratuity is calculated @ 1/4th of a month’s Basic Pay plus Dearness Allowance drawn before retirement for each completed six monthly period of qualifying service.  
  
The maximum retirement gratuity payable is 16½ times the Basic Pay, subject to a maximum of Rs. 10 lakh. If the Government Servant dies while in service, the death gratuity shall be paid to his family at rates furnished in the table below:

|  |  |  |
| --- | --- | --- |
| **Sl. No.** | **Length of Qualifying Service** | **Rate of Death Gratuity** |
| 1. | Less than one year | 2 times of emoluments |
| 2. | One year or more but less than 5 years | 6 times of emoluments |
| 3. | 5 years or more but less than 20 years | 12 times of emoluments |
| 4. | 20 years or more | Half of emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times of emoluments. |

Maximum amount of Death Gratuity admissible is Rs, 10 lakh with effect from 1.1.2006.  
  
This was stated by Minister of State for Finance, Shri Namo Narain Meena, in written reply to a question in the Lok Sabha today.