



## GOVERNMENT OF KERALA

### Abstract

Local Self Government Department- Order dated 23-1-2023 in OA(EKM)1924/2022 filed by Kerala Municipal and Corporation Pensioners Federation before the Hon'ble Kerala Administrative Tribunal complied with-orders issued.

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### **LOCAL SELF GOVERNEMENT(EU)DEPARTMENT**

G.O.(Rt)No.1363/2023/LSGD Dated,Thiruvananthapuram, 03-07-2023

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Read 1. GO(MS)49/2016/LSGD dated 4-3-2016

2. Submission dated 14-2-2022 from the Kerala Municipal&Corporation Pensioners Federation.(Annexure - A4)

Order dated 23-1-2023 in OA(EKM)1924/2022 filed by  
3. Kerala Municipal and corporation pensioners Federation before the Hon'ble Kerala Administrative Tribunal

4. Letter No.LSGD/PD/2472/2023-PEN A7 dated 4-4-2023 from the Director,LSGD(Urban)

### ORDER

The Kerala Municipal and Corporation pensioners Fedaration filed OA(EKM)1924/2022 before the Hon'ble Kerala Administrative Tribunal with a prayer to declare that the pensionary benefits are to be disbursed from the state exchequer and to consider the Annexure A4 representation.The petitioners submitted that there is much delay in disbursing the pensionary benefits to employees citing reasons of insufficient fund. It is submitted that the petitioners had submitted Annexure A4 representation. Hon'ble Kerala Administrative Tribunal vide order referred 3<sup>rd</sup> above observed that the delay in payment of retirement benefits to the municipal employees and the municipalities are due to the insufficiency of funds and denial of funds from the central pension fund. The Hon'ble Tribunal disposed the case by directing the 2<sup>nd</sup> respondent,ie, Principal Secretary, Local Self Government Department to look into the grievances of the applicants and to take appropriate decision for resolving the problems pointed out by the

applicants after affording an opportunity of hearing to the representative of 1<sup>st</sup> applicant and taking note of the contentions raised in the original application, within a period of four months from the date of receipt of a copy of the order.

2. In Annexure A4 representation referred 2<sup>nd</sup> above, the petitioners requested to allot 750 crores towards pension fund and to take up the pension and salary of employees by Government. As per the order referred 3<sup>rd</sup> above in OA(EKM)1924/2022 filed by the Kerala Municipal and Corporation Pensioners Federation before the Hon'ble Kerala Administrative Tribunal, the petitioners were heard on 27/03/2023 by the Under Secretary,LSGD(EU) department. During hearing, the petitioners furnished a statement pointing out their grievances. They submitted that since there occurs much delay in disbursing the pensionary benefits to the employees of Municipal Common Service, it is requested to disburse their pension directly by the Government. They alleged that pension is being paid to the Technical Employees in the Engineering Wing of the Municipalities directly by the Government and the Municipal Employees despite they being declared as 'Government Employees' are not paid pension directly by the Government. They submitted that most of the retired employees are at the fag end of their life and badly in need of medical and financial assistance and hence requested that retirement benefits and pension be disbursed from the State exchequer directly as in the case of other pensioners.

3. Vide letter referred 4<sup>th</sup> paper above, Director, Urban Affairs department reported that the Central Pension Fund Scheme was started in 10/1991 to provide pension and pension benefits to the regular category employees retiring from the Municipal Common Service. 15% of the total salary of the regular category employees working in the Municipality is deposited into the central pension fund by the Municipality from the Municipal fund. The Employees joined after 01/04/2013 are coming under NPS Scheme. The mission of the Central Fund is to provide pension allotment to the Municipal Corporations from the Central Pension Fund as pension allotment to the regular employees of the Municipal Corporation when they retire from service. Now there is a situation wherein it is not possible to pay pension allotment from the central pension fund to Municipalities because 15% of the total salary of the regular category employees of the Municipality is deposited in the Central Pension Fund as pension contribution, which

is Rs.2,84,29,882. At present in Municipal Common Service, there are 6144 Regular/Family Pensioners. For providing pension to them, per month Rs.14,03,97,755 is required. While Rs.2,84,29,882 is received in the Central Pension Fund, the monthly cost of sanctioning pension is Rs.14,03,97,755. Accordingly, at present an additional cost of Rs.11,19,67,873 per month and Rs.134,36,14,476 per year has to be incurred towards distributing pensionary benefits to Municipal common service employees. Apart from that around 200 - 250 employees retire per year on superannuation. An additional amount has to be incurred for payment of pension benefits (DCRG, commutation etc) to these employees. Director,Urban Affairs department reported that because of these reasons Municipal Corporations are not in a position to grant pension allotment to the employees without the financial assistance of Government , at present.

4. Government vide Order referred 1<sup>st</sup> above, granted sanction to utilise the amount from General purpose Grant of Municipal Corporations to pay pension and pensionary benefits to retired employees of Municipal Corporations, on condition that additional amount for pensionary benefits will not be allowed. Considering the shortfall of amount in Central Pension Fund, Government have allocated Rs.310 crores from 2010-11 to 2022-23. Also administrative sanction for an amount of 25 crores has been sanctioned vide GO (Rt).2041/2022/LSGD dated 22-8-2022.

5. Government have examined the matter in detail. A policy decision on taking over the pension of Municipal Common Service (of the existing pensioners and the future pensioners) directly by the Government can only be taken after examining the current financial situation of the State. In the above circumstances, the claim of the applicants cannot be considered at present due to the current financial situation of the State. Hence the request of Kerala Municipal and Corporation Pensioners Federation to take over the pension by State Government is hereby rejected.

6. Order dated 23-1-2023 in OA(EKM)1924/2022 of the Hon'ble Kerala Administrative Tribunal is complied accordingly.

(By order of the Governor)  
DR MANJU K  
UNDER SECRETARY

To:

General Secretary, Kerala Municipal and Corporation Pensioners

Federation, 43/2015 A, Pooma, SRM Road, Pachalam, Ernakulam,  
Cochin-682012.

Advocate General, Kerala, Ernakulam

Principal Director, Local Self Government Department,  
Thiruvananthapuram.

Director, Kerala State Audit Department, Thiruvananthapuram.

Executive Director, Information Kerala Mission, Thiruvananthapuram.

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Section Officer