GOVERNMENT OF ODISHA
FINANCE DEPARTMENT
***

No. FIN-CS3-MEET-0001-2026/ 12333 /F., Date: 11.05.2026

OFFICE MEMORANDUM

Sub: Reference to Finance Department seeking views/ clarifications on the provisions contained under the OCS (Pension) Rules, 1992, in case any doubt/ ambiguity arises as to the interpretation of rules.

OCS (Pension) Rules, 1992 (hereinafter, Rules, 1992) relating to grant of pension, family pension, DCRG has been modified and liberalised in OCS (Pension) Rules, 1992(Second edition updated up to 31.12.2015). A simplified procedure streamlining the action oriented time schedule for preparation, processing and sanction of pension, family pension and gratuity at various levels has been prescribed under **Chapter-VII, VIII, IX and X** of the Rules, 1992. The intention behind the statutory rules is that, in all case of retirement or death, either provisional (equal to 100% final) pension/ provisional family pension or final pension/ family pension as the case may be, should be sanctioned on the first day of the month in which it is due to the retired employee or family member(s) of the deceased employee/ Pensioner.

2. Despite such clear codal provision embedded in the Rules, 1992, advent of online pension submission and processing platform in iFMS from 2017, making the pension sanctioning procedure simpler and further transparent for the Head of Office and Pension Sanctioning Authority, the delay in the release of all statutory entitlement to a pensioner/ family pensioner has not been minimised to the desired extent, primarily because of the action oriented time schedule is not strictly adhered to by different Head of Office and Pension Sanctioning Authority. As a result, processing of pension/ family pension proposals gets delayed and often misses the timeline fixed to reach the Pension Issuing Authority (Office of the Principal Accountant General (A&E), Odisha/ Controller of Accounts, Odisha). Delay in preparation, sanction and authorisation of Pension Payment Order (PPO) and Gratuity Payment Order (GPO) invites resentment and litigation which very often lead to payment of penal interest on held up terminal benefits by the order of Court of Law.

3. Regarding the assessment of eligibility criterion for sanction of family pension in favour of a child, provisions contained in rule 2(1) (b) read with rule 56(5) of the Rules, 1992 are to be referred. Conditions have been specifically prescribed for assessing the eligibility of a disabled child, widowed/ divorced daughters of a deceased Government servant/ Pensioner. Subsequently, this Department has also simplified the provisions by incorporating a dependency factor for assessment of the proposals for sanction of family pension vide FD Notification No. 15316/F, dated 19.05.2025 and a Ready Reckoner to the amendment has also been issued vide FD OM No. 26028/F, dated 29.05.2025.

4. Often, it has been observed that the Head of Offices and Pension Sanctioning Authorities, without proper analysis of the statutory rule position,

plainly recommend and sanction family pension, especially in case of disabled child, widowed daughters and divorced daughters without assessing their eligibility conditions incorporated under **Chapter-VII of the Rules, 1992**. Since the Office of the Principal Accountant General (A&E), Odisha, is the last authority that is vested with pension/ family pension authorisation (final), they scrutinise thoroughly. Upon scrutiny, they often find that the proposals of the PSAs are not in conformity with the statutory rules, which leads to objection/ return of the proposals. Due to such objection/ denial, the claimants often drag the said office as well as the FD of Government of Odisha into litigation as Opposite Party No. 1 or 2. Though the Office of the Principal AG (A&E), Odisha and Finance Department are only Proforma Parties, they are made main parties and need to respond to the writ petition for the fault of the Head of Offices and Pension Sanctioning Authorities.

5. Another important concern is delay in payment of final pension and DCRG inviting litigation and payment of penal interest for such delay after intervention of the Court of Law. All the Administrative Department and their subordinate Offices have been repetitively instructed to strictly adhere to the time-bound procedure laid down under **Chapter-VIII of the OCS (Pension) Rules, 1992 read with FD OM No. 643/F, dated 06.01.2020, FD Letter No. 26092/F, dated 20.10.2022, FD Notification No. 26635/F, 22.09.2023 and FD OM No. 28288/F, dated 09.10.2023,** respectively. However, inordinate delay in sanctioning of pension, DCRG often noticed due to indifferent attitude of the concerned Offices dealing with the matter.

6. **Rule 49(5) in Chapter-VI of the Rules, 1992** envisages penal interest provision @7% per annum for the period beyond one year on delayed payment of DCRG delayed for more than a year from the date of retirement or death arising out of administrative lapses. It has been further mentioned therein that, where the interest is so sanctioned and is paid, the amount of such interest shall be recovered from the Pension Sanctioning Authority or the authority who is responsible for such delay. However, cases are noticed where inordinate delay occurs beyond one year relaxation period, inviting litigation and payment of interest without fixation of direct responsibility on any erring Officer/ Official.

7. **Rule 115 of the Rules, 1992** empowers the Finance Department in State Government to take a decision and issue necessary instructions within the purview of the statutory provisions of the said Rules. Whereas, a recurring lapse has been noted where PSAs of Administrative Departments sanction pension without prior consultation in complicated cases, and only refer the matter to the Finance Department after the Office of the Principal Accountant General AG (A&E) raises an objection or where some specific order by the Court of Law has already been passed.

8. Therefore, Government expect that Head of Offices and Pension Sanctioning Authorities will pay attention and follow the procedure of the statutory rules and guidelines issued by Finance Department from time to time, as discussed and outlined above, in the aforementioned paragraphs while dealing with the sanction of pension, family pension, DCRG etc., making the

administration more responsive, humane and litigation free, ensuring timely payment of the admissible retirement benefits.

It is advised to seek clarification or consult with this Department, with promptitude in the complicated issues or where ambiguity relating to interpretation of any rule/ guidelines in connection with the Pension Rules, 1992, and allied matters arises. The matter should also be preliminarily examined by the Financial Advisors of the Administrative Departments, and then, with their specific views/opinions, matters may be referred to this department for clarification, along with all records/ documents pertaining to the proposal before sanctioning pension/ family pension in order to avoid any form of litigation.

(Sanjeeb Kumar Mishra)
Principal Secretary to Government

Memo No. 12334 **/F.,** **Date:** 11.05.2026

Copy forwarded to the Additional Chief Secretary to Hon'ble Chief Minister/ OSD to the Chief Secretary/ OSD to Principal Secretary to Government, Finance Department for kind information of Hon'ble Chief Minister/ Chief Secretary/ Principal Secretary, Finance Department.

Joint Secretary to Government

Memo No. 12335 **/F.,** **Date:** 11.05.2026

Copy forwarded to All Departments of Government/ All Heads of Departments/ All RDCs/ All Collectors/ All District and Sessions Judges/ Secretary to Odisha Legislative Assembly/ Secretary, OPSC, Cuttack/ Secretary, OSSC/ Secretary, OSSSC / Secretary, Rajya Sainik Board, Odisha/ Director General, Gopabandhu Academy of Administration(GAA), Chandrasekharpur, Bhubaneswar/ Director, Madhusudan Das Regional Academy of Financial Management (MDRAFM), Chandrasekharpur, Bhubaneswar/ All Sub-collectors/ Principal, Secretariat Training Institute, Bhubaneswar for information and necessary action.

Joint Secretary to Government

Memo No. 12336 /F., Date: 11. 05.2026

Copy forwarded to the Principal Accountant General (A&E), Odisha, Bhubaneswar/Accountant General (Audit-I), Odisha/ Deputy Accountant General, Odisha, Puri for information and necessary action.

PKMishra

Joint Secretary to Government

Memo No. 12337/F., Date: 11.05.2026

Copy forwarded to the Commissioner of CT & GST, Odisha, Cuttack / Director of Treasuries and Inspection, Odisha, Bhubaneswar/ Controller of Accounts, Odisha, Bhubaneswar/ Director, Local Fund Audit, Odisha, Bhubaneswar/ Secretary, Odisha Sales Tax Tribunal, Odisha, Cuttack/ All Treasury Officers of District Treasuries and Special Treasuries/ Sub-Treasuries for information and necessary action.

PKMishra

Joint Secretary to Government

Memo No. 12338/F., Date: 11.05.2026

Copy forwarded to the Director Printing, Stationery and Publication, Odisha, Cuttack with a request to publish the OM in the next issue of weekly Odisha Gazette and supply 20 copies to Finance Department for reference.

PKMishra

Joint Secretary to Government

Memo No. 12339/F., Date: 11.05.2026

Copy forwarded to all Officers and all Branches of Finance Department for information and necessary action.

PKMishra

Joint Secretary to Government

Memo No. 12340/F., Date: 11.05.2026

Copy forwarded to Sri Tapan Kumar Pattanaik, Sub-Nodal Officer (E-Gazette), FID, Finance Department for information and necessary action.

He is requested to hoist this Office Memorandum in the Official Website/ portal (https:finance.odisha.gov.in) of Finance Department for General Information.

PKMishra

Joint Secretary to Government

FID