Rule – 12: Advances from the fund

(1) The appropriate sanctioning authority may sanction the payment to any subscriber of an advance consisting of a sum of whole rupees and not exceeding in amount three months’ pay or half the amount standing to his credit in the Fund, whichever is less, for one or more of the following purposes.

(a) to pay expenses in connection with the illness, confinement or a disability, including where necessary, the traveling expenses of the subscriber and members of his family or any person actually dependent on him;

(b) to meet cost of higher education, including where necessary the traveling expenses of the subscriber and members of his family or any person actually dependent on him 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, provided that the course of study is for not less than three years.

(c) to pay obligatory expenses on a scale appropriate to the subscriber’s status which by customary usage the subscriber has to incur in connection with betrothal or marriages, funerals or other ceremonies;

(d) to meet the cost of legal proceedings instituted by or against the subscriber, any member of his family or any person actually dependent upon him, the advance in this case being available in addition to any advance admissible for the same purpose from any other Government source.

(e) to meet the cost of the subscriber’s defence where he engages a legal practitioner to defend himself in an enquiry in respect of any alleged official misconduct on his part.

(f) to purchase consumer durables such as TV, VCR/VCP, washing machines, cooking range, geysers and computers.

(1) The president may, in special circumstances, sanction the payment to any subscriber of an advance if he is satisfied that the subscriber concerned requires the advance for reasons other than those mentioned in sub-rule (1).

(2) An advance shall not, except for special reasons to be recorded in writing, be granted to any subscriber in excess of the limit laid down in sub-rule (1) or until repayment of the last installment of any previous advance.

(3) When an advance is sanctioned under sub-rule (2) before repayment of last installment of any previous advance is completed, the balance of any previous advance not recovered shall be added to the advance so sanctioned and the installments for recovery shall be fixed with reference to the consolidated amount.
Rule – 15: Withdrawals 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-rule (2) of Rule 12, at any time –

(A) after the completion of (fifteen) years of service (including broken periods of service, if any) of a subscriber or within then years before the date of his 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) meeting the cost of higher education, including where necessary, the traveling 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 traveling expenses of the subscriber and members of his family or any person actually dependent on him;

(d) meeting the cost of consumer durables such as TV, VCR/VCP, washing machines, cooking range, geyser and computers.

(B) during the service of a subscriber, 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, or any payment towards allotment of a plot or flat by the Delhi Development Authority, State Housing Board or a House Building Society;

(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 the ancestral house or a house built with the assistance or loan from Government;

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

(C) within twelve months before the date of subscriber’s retirement on superannuation from the amount standing to the credit in the Fund, without linking to any purpose.
**Rule – 16: Conditions for withdrawal**

(1) Any sum withdrawn by a subscriber at any one time for one or more of the purposes specified in Rule 15 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 up to \( \frac{3}{4} \) 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 the subscriber, and (iii) the amount to his credit in the Fund (in case of withdrawal under Clause(A) and up to 90% of balance at credit in cases of withdrawals under clause (B) of sub-rule (1) of Rule 15.

(2) A subscriber who has been permitted to withdraw money from the Fund under Rule 15 shall satisfy the sanctioning authority within a reasonable period as may be specified by the authority that the money has been utilized 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 lump sum or in such number of monthly installments, as may be determined by the President.
CIRCULAR ON RULES AND PROCEDURES FOR PROCESSING OF ADVANCE/WITHDRAWAL/REFUND

No. NITR/BOT/Circular/07/M/295 Dt: 21-08-2007


For some time, our Institute has been recommending undue requests of GPF/CPF subscribers for advances / withdrawals in violation of Govt. guidelines. This is attracting criticism of Audit and exposing BOT officials to disciplinary action. Depleted PF balances are also reducing protection of our employees after retirement.

In view of the above it is decided that the following rules and procedures will be strictly followed while processing cases of advance, withdrawal or refund w.e.f. the date of issue.

I. Eligibility:

A subscriber can apply for temporary advance at any time after commencement of subscription and for withdrawals after completion of 15 years of service or within 10 years before the date of retirement on superannuation, which ever is earlier, for purposes mentioned in Rule 15(1)(A) and any time after commencement of subscription for purposes mentioned in Rule 15(1)(B), except during last 3 months of service.

II. Purpose:

Applications for advance/withdrawal for any purpose other than those contained in Rule 12(1)/15(1) will not be entertained / processed. However, withdrawal(s) during last 12 months of service may be sanctioned without linking to any purpose.

III. Quantum:

Advances from the fund will be sanctioned for an amount not exceeding 3 months pay or half the amount standing to the credit of the applicant subscriber whichever is less. Similarly, withdrawals from the fund will be sanctioned for an amount not exceeding 6 months pay or half the amount standing to the credit of the applicant subscriber whichever is less.

IV. Subsequent Advance/Withdrawal:

Subsequent advance will be sanctioned only after 30 days of recovery of the last installment and/or full refund of outstanding balance of the previous advance(s), if any. Application for subsequent withdrawal for any purpose for which a withdrawal has been sanctioned to the subscriber in any earlier occasion will be processed according to GoI, Dept. of Pen & PW, Notification No. 45/44/97-P & PW (F), dated 18.11.1998.

V. Time Gap:

At least 6 months time gap will be maintained between any two advances and/or withdrawals.

VI. Disbursement

Disbursement of sanctioned amount of advances and withdrawals will be made twice (on 10th & 25th) every month for general cases and once (on 10th) every month for special cases. Where 10th and 25th happens to be a Saturday/Sunday/Holiday disbursement will be made in the next working day.
VII. Processing Period

Applications for advance/withdrawals must be submitted at least 3 working days before the designated dates for disbursement.

VIII. Exceptional Cases

(a) Advances in excess of the limit laid down in Rule 12(1) or until repayment of the last installment of any previous advance, withdrawals in excess of the limit (up to 75% of the accumulations) in excess of the limit laid down in Rule 15 (1), and applications for subsequent advance and/or withdrawal within 6 months will not be considered/sanctioned, except for any special reasons, to be intimated by the applicant subscriber and to be approved by the Director, in writing.

(b) Similarly, applications for advance/withdrawal in less than 3 working days and/or requesting disbursement in any date other than 10th and 25th will not be considered, except for any emergency case(s) to be intimated by the applicant subscriber and agreed by the Chairman, BOT in writing.

IX. Refund

Refund of withdrawals and partial refund of advances will not be entertained under any circumstances.
Refund of whole outstanding advance will be accepted only within the first week of every month and subject to the condition that the subscriber will not apply for another advance within the next 30 days.

X. Application

All applications for advance / withdrawal are to be in the new prescribed format available with the BOT section (sample copy enclosed).

XI. General

Rules referred in this circular are of General Provident Fund (Central Services) Rules, 1960. Any other cases not covered in this circular will be as per General Provident Fund (Central Services) Rules, 1960 or Contributory Provident Fund (India) Rules, 1962 or Provident Fund Act, 1925 as the case may be. This circular supersedes all circulars issued in this regard till date.

These issues with the approval of the competent authority.