

**No.46324/FD/F3/2014**  
**Government of Puducherry**  
**Finance Department**

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Puducherry, dt.01/12/2022

I. D. Note / Office Memorandum

**Sub:** Finance Department – Formulation of uniform procedure and Guidelines for the engagement of retired Govt. Officials as Consultants in Govt. Departments – Instructions – Issued.

**Ref:** 1. I.D. Note/Memorandum of even No. dated 11.09.2014 of the Finance Department, Puducherry.  
2. O.M.No.3-25/2020-E.IIIA dated 9.12.2020 of the Dept.of Expenditure, Ministry of Finance, GOI, New Delhi.

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Subsequent to the Government of India, Ministry of Finance, Department of Expenditure O.M.No.3-25/2020-E.IIIA on regulation of Remuneration in case of Contract Appointment of Retired Government Employees, the clause “(vi) FEE” of the I.D.Note/Memorandum under reference(1) is modified and replaced by para “6 Remuneration” of the O.M. second cited as below:

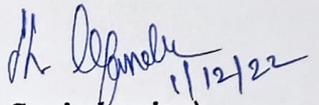
<b>FOR</b>	<b>READ</b>
<p><b>(vi) FEE</b></p> <p>The Consultancy Fee fixed by the Department concerned shall be proportionate to the work to be carried out. The amount of Consultancy fee for the retired Govt.Officials shall not exceed the ceiling of Last Pay Drawn minus Pension and DA.</p> <p>The retired Government officials appointed as Consultants shall however continue to draw pension and dearness relief on pension during the period of his/her engagement as Consultant.</p>	<p><b>(vi) Remuneration</b></p> <p>(vi)(a) A fixed monthly amount shall be admissible, arrived at by deducting the basic pension from the pay drawn at the time of retirement. The amount of remuneration so fixed shall remain unchanged for the term of the contract. There will no annual increment/percentage increase during the contract period.</p> <p>Example: An employee retired in the Pay Level 13 and the pay at the time of retirement was ₹1,55,900. Thus, the basic pension will be ₹77,950. If the employee is appointed on contract basis, including as Consultant, the remuneration shall be fixed at ₹77,950 (1,55,900-77950).</p> <p>(vi)(b) The basic pension to be deducted from the last pay drawn shall be pension as fixed at the time of retirement and as such, if the employee has availed of the commuted value of pension, the commuted portion of pension shall also be included in the portion of pension to be deducted. Thus, in the above example, if 40% of pension was commuted, the commuted portion shall be ₹31,180 (40% of ₹77,950) and the pension actually drawn shall be ₹46,770. However, the amount of pension to be deducted from the last salary shall be ₹77,950.</p>

<b>FOR</b>	<b>READ</b>
	(vi)(c) No Increment and Dearness Allowance shall be allowed during the term of contract.

2. The other clauses of the I.D.Note/Memorandum dated 11.09.2014 shall remain the same without any alterations.

3. This Order comes into force with immediate effect from the date of issue for all the Contracts to be entered into for Consultancy with retired Government servants from this date. However, the existing six-month contracts already entered into for Consultancy with retired Government servants shall not be affected by this Order till date of expiry of such contracts without any extension whatsoever.

//By Order//

  
**(K. Govindarajan)**  
**Under Secretary (Finance)**

To

All Secretariat Departments  
All Heads of Departments/Offices  
All SAOs/JAOs  
The P.S. to the Chief Secretary