

Government of Madras
LAW (EDUCATION) DEPARTMENT

G.O. No. 14, 4th January 1921

Provident Fund for teachers in non-pensionable service

Government of India's Scheme—Director of Public Instruction's proposals for introducing
the same in this Presidency—Approved with modifications.

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Provident Fund for teachers in non-pensionable service

Government of India's Scheme—Director of Public Instruction's proposals for introducing the scheme in this Presidency—Approved with modifications.

READ—the following papers:—

I

Letter—from the Hon'ble Mr. H. SHARP, C.S.I., C.I.E., Secretary to the Government of India, Department of Education (Education).

To—the Secretary to the Government of Madras, Home (Education) Department.

Dated—Simla, the 29th August 1919.

No.—946.

I am directed to invite a reference to this department circular No. 166, dated the 23rd February 1916, regarding the establishment of provident funds for teachers in non-pensionable service.

2. The replies of local Governments have been received and the Government of India are glad to find that the general idea of the scheme has been well received. Certain difficulties, arising from the conditions in various provinces, are, however, apprehended, and the general position has materially changed since the issue of the circular referred to above, as a result of the impending measures of devolution to local Governments, especially in the matter of financial powers. In these circumstances the Government of India have come to the conclusion that the exact procedure which it had been intended to follow will no longer be applicable, as greater latitude must be permitted to provincial Governments as regards both the application of the scheme and the financial arrangements for carrying it out. In this latter connexion, I am to say that the Government of India will be unable to assist local Governments from Imperial revenues though there would be no objection to the use of some portion of the Imperial grants already distributed in the carrying out of this scheme. For these and other reasons, the Government of India consider that it will suffice to authorize provincial Governments to establish such funds at their discretion on the lines of the draft scheme which accompanied this department circular of the 23rd February 1916, subject to the observations made in the following paragraphs and subject also to the consideration that the deposits will be held in the Post Office Savings Bank and that accordingly the arrangements for making and withdrawing the deposits (as also those for drawing the Government contribution) should be uniform (see paragraphs 5, 8 and 10 of the revised scheme enclosed). They are taking the necessary steps for the amendment of the Provident Funds Act, 1897 (IX of 1897) with a view to the extension of sections 3 and 4 of that Act to any funds henceforth established by local Governments under executive orders.

3. *Application of the scheme.*—In the circular of 1916, the Government of India propose that the scheme should be compulsory on all teachers in non-pensionable service of recognized institutions of the collegiate and secondary type and on all teachers of aided primary schools, each of which earns a total grant of not less than Rs. 10 a month, or such lower sum as might be decided upon by the local Government, and also on teachers of recognized unaided primary schools. In their replies various local Governments have suggested modifications of this rule to meet local conditions. While leaving entirely to the discretion of local Governments the questions as to the classes of educational institutions to which their scheme should apply,

the exemption of teachers or classes of teachers from its operation, and the framing of rules in regard to admission to the scheme, the Government of India desire to observe that in their opinion the scheme should have as wide a scope as possible. It is not, however, intended to extend it to teachers rendering pensionable service under Government or local bodies or for whom Government or a local body already maintains a provident fund, though a local body may, with the consent of the local Government, convert an existing provident fund scheme into the new scheme. Nor is it necessary to extend it to teachers holding a policy in an assurance company or belonging to a privately managed institution with a provident fund scheme of its own—provided that the policy or scheme appears to Government to be satisfactory. The local Governments may, however, arrange for the conversion of an existing provident fund scheme into that established by them, if they so desire.

4. *Contribution by the teacher.*—The Government of India's suggestion that the rate of contribution by the teacher should be $6\frac{1}{2}$ per cent of his pay, with a lower scale of eight annas a month for those in receipt of a salary of less than Rs. 16 per mensem, has been generally accepted as suitable. Accordingly, they have decided that this rate should be adopted and that contributions in excess of it should not be permitted. This contribution, together with that of the management, should be paid in and deposited in a Post Office Savings Bank in such manner as the local Government may decide. Interest will be paid on the amount deposited at the rate of 3 per cent per annum, or such higher rate as may be given by the Post Office Savings Bank.

5. *Contribution by the management.*—This question is recognized as one of the chief difficulties of the scheme. The Government of India had suggested that the management should contribute a sum equivalent to half the teacher's contribution. While one local Government has pointed out that the managers of certain private schools already make contributions to provident funds at higher rates than the above, another suggests that the rate should be fixed at $\frac{1}{4}$ instead of $\frac{1}{2}$, as proposed in the draft scheme, and others have stated that managers will demur to making any contributions and have apprehended certain evils arising from compulsory contribution. The Government of India consider that the responsibility of the management for the school should be emphasized in every way. They maintain, therefore, that contribution by the management is an essential feature of any provident fund scheme for teachers and have decided that the rate of such contribution should be as laid down in the original scheme, viz., one-half of the teacher's contribution.

It has been suggested by certain local Governments that it is only fair that the contribution by a management should be taken into consideration in assessing the grant-in-aid for the school. The Government of India would not object to this suggestion, but as the matter is one for treatment by local Governments, they merely wish to lay down that, in considering such expenditure, local Governments should as far as possible avoid rendering direct assistance to the contributions of the management. They may render indirect assistance by assessing the general grant with reference to the general obligations of the management, but in no case should a local Government make such assistance cover the whole of the contribution payable by the management.

6. *Contribution by Government.*—The suggestion that the Government contribution should be a single lump contribution at the time the depositor retires or for other legitimate reason withdraws his deposits, equivalent to one-third of the amount at his credit, has found general acceptance. In order to reassure contributors, a printed slip guaranteeing the Government contribution may be attached to the pass-book. The conditions and the manner of the payment of the Government contribution will be as follows. On a subscriber quitting his employment in circumstances which give him a title to the contribution, the claim for this contribution will be sent to the Account Office by the officer authorized on this behalf by the local Government. The claim will be accompanied by the subscriber's pass-book and by certificates showing his eligibility, etc., as prescribed by the revised scheme attached. The Account Office will then pass one-third of the total at credit in the Savings Bank (plus any balance of advance) as the contribution.

7. *Control of the fund.*—The control of the fund will rest with the local Government which should draw up rules in regard to the registers to be maintained, the disposal of unclaimed funds, the definition of pay, the amalgamation of existing funds with that which may be instituted and the steps which may be taken to deal with an institution or a person in cases of non-payment of contributions by managers or employees. The local Government may delegate its powers to officers under it. No withdrawal of any part of the deposits nor payment of any contribution by Government should be allowed without the sanction of the local Government or of the officer to whom the power may be delegated. In the opinion of the Government of India every subscriber should, on joining the fund, be required to sign a certificate in token of acceptance of the rules.

8. *Withdrawal of deposits.*—Objections have been raised in some quarters to the model rules governing the withdrawal of deposits suggested in the draft scheme. To meet these the Government of India have now decided that withdrawals will be permitted on the death or complete retirement of the depositor provided that—

(a) A teacher who resigns his post with due notice before the end of the sixth year from the commencement of his admission to the scheme will receive his own deposits and the interest thereon, and, with the sanction of the controlling authority given for good reason, the contribution of the management, the interest thereon and the contribution of Government.

(b) If a teacher is disabled or becomes invalided, he will in all cases receive his own deposits with interest on them at whatever stage of his service he is disabled or invalided, and he would ordinarily, with the sanction of the controlling authority, receive the total of the deposits to his credit and the Government contribution. Cases in which the latter course would not be pursued would be those where a teacher was incapacitated by his own fault.

(c) If a teacher is dismissed or removed from service, the portion of the deposit which is made up of the contributions of the employer and the interest thereon and the Government contribution may be withheld at the discretion of the local Government, but such a teacher will receive his own deposits with interest thereon.

(d) If the services of a teacher are dispensed with for no fault of his own, he may, with the sanction of the controlling authority, receive all deposits to his credit and the Government contribution, or if he seeks re-employment, may continue to participate in the scheme without contribution until and after the date of re-employment, provided that the period of unemployment does not exceed one year.

9. *Withdrawal of advances.*—The Government of India consider that this question should be left to the discretion of local Governments. They are of opinion, however, that in order not to make any scheme which may be instituted unpopular, advances might be allowed, as is the case in other similar schemes. They suggest that local Governments should also draw up rules governing the withdrawal and repayment of advances and that one of the rules should be that no advance may be taken till the deposit has reached a certain definite sum and that then only a certain proportion of the total deposit may be withdrawn.

10. *Management of the fund.*—The fund will be managed by means of the Post Office Savings Bank system and uniformity throughout the country is consequently necessary, so far as dealings with that agency are concerned. The requisite procedure is shown in the accompanying revised scheme.

11. It will be observed that, though the fund will be managed by a central agency, ample discretion is left to local Governments as to the application and detailed working of the scheme. The Government of India are of opinion that the fund will be of great benefit to a deserving body of men and they trust to see it established on a large scale at an early date.

ENCLOSURE

Revised scheme of Provident funds for teachers in non-pensionable service.

1. *Admission.*—Rules will be framed by local Governments as to the classes of educational institutions to which their scheme should apply, the exemption of teachers or classes of teachers from its operation, age-limits, minimum pay and all other matters connected with admission to the scheme. The scheme should not, however, be extended to teachers rendering pensionable

2. *Proportion of contribution to pay.*—The teacher's contribution will be a percentage of 6½ on his pay, with a lower scale of eight annas a month in the case of teachers earning less than Rs. 16 a month. Voluntary contributions in excess of the regular amount will not be admissible.

4. *Control of the fund.*—The control of the fund will rest with the local Government, who may delegate its powers to officers under it (e.g., the Inspectors of Schools) and will draw up rules in regard to the registers to be maintained, the disposal of unobolined funds, the definition of the term 'pay' and the steps which may be taken to deal with an institution in which a person in cases of non-payment of contributions by managers or employees. No withdrawal of a part of the deposits or the payment of any Government contribution will be allowed without the sanction of the local Government or the officer to whom the power may be delegated. Every subscriber should, on joining the fund, sign a certificate in token of acceptance of the rules.

The Post office will open individual accounts for all the contributors to the proposed provident fund. The school authorities will arrange that all sums to be credited to these accounts shall be sent to the particular post office at which the accounts stand open, accompanied by—

- Name of the institution

Month of _____

Deposits may be made at any time and as often as is desirable, so that if, owing to the temporary absence of a contributor or for any other cause, the contributions of one or more individuals cannot be deposited at the same time as other contributions, they can be deposited singly or collectively at a later date, a separate list being sent along with the pass-books in the manner already described.

Contributors to the fund, on whose behalf accounts are opened under the provisions of this scheme, will not be deprived of their right to open ordinary private accounts in the Post office savings bank.

6. *The registers to be kept by managers of institutions will be prescribed by local Governments the following documents will perhaps be sufficient:—(a) the pass-books showing the totals paid into the savings bank, the amounts withdrawn as advances, the interest added and the total at credit; (b) detailed statements showing details of the amounts paid in on behalf of each subscriber; (c) a register of advances showing advances made and their refunds.*

8. *Withdrawal of deposits.*—Withdrawals will be permitted on the death or complete retirement of the depositor, provided that—

(b) If a teacher is disabled or becomes invalided, he will in all cases receive his own deposits with interest on them at whatever stage of his service he is disabled or invalided, and he would ordinarily, with the sanction of the controlling authority, receive the total of the deposits to his credit and the Government contribution. Cases in which the latter course would not be pursued would be those where a teacher was incapacitated by his own fault.

(d) If the services of a teacher are dispensed with for no fault of his own he may, with the sanction of the controlling authority, receive all deposits to his credit and the Government contribution, or if he seeks re-employment may continue to participate in the scheme without contribution until and after the date of re-employment, provided that the period of unemployment does not exceed one year.

10. *Payment of the Government contribution.*—On a subscriber quitting his employment in circumstances which give him a title to the Government contribution, the claim for this contribution will be sent to the account officer by the officer authorized on this behalf by the local Government. The claim will be accompanied by the subscriber's pass-book and certificates showing his eligibility to join the fund and certifying that no amounts in excess of the authorized contributions by the subscriber and the managers have been deposited and declaring that the subscriber quitted the service in circumstances which give him a title to the Government contribution under the rules. If any balance of advance has not been re-paid, the amount should be certified. The account office will then pass one-third of the total at credit in the savings bank (plus any balance of advance) as the Government contribution.

II

Endorsement No. 2042/A-2, Home (Education), dated 20th October 1919.

Referred to the Director of Public Instruction who is requested to favour Government with his opinion as to the feasibility of introducing in this Presidency the scheme of provident funds for teachers in non-pensionable service drawn up by the Government of India. In particular, he is requested to submit his recommendations on the following points:—

(1) the classes of institutions and teachers to whom the scheme in question should be made compulsorily applicable,

(2) the age-limits and the minimum pay to be laid down for admission to the scheme,

(3) the classes of teachers to be exempted from the operation of the scheme, and

(4) the officers of the department who might be empowered to admit institutions and teachers to the benefits of the fund, to sanction advances or withdrawals from the fund and to permit transfer of accounts from one post office to another.

2. The Director is also requested to furnish a list of institutions under private management which have already established provident funds for the benefit of their employees and to report which of these can be allowed to retain their present status, which can be absorbed in the new scheme and which should be liquidated on account of unsatisfactory condition or other cause.

3. The Director is further requested to frame, in consultation with the Accountant-General, a draft of the rules for the management and control of the fund to be established by Government and to draw up the forms of the registers to be maintained by managers of schools and the officers of the department in connexion with the administration of the fund. The draft rules, when ready, should be submitted to Government for approval.

4. The Government desire that an approximate estimate of the cost of the scheme as recommended by the Director of Public Instruction should be framed and submitted along with his proposals.

5. A copy of G.O. Nos. 1162-63, Home (Education), dated the 10th September 1917, is forwarded to the Director of Public Instruction for information.

R. RAMACHANDRA RAO,
Secretary to Government.

To the Director of Public Instruction.

III

Letter—from the Hon'ble Mr. R. LITTLEHAILES, M.A., Director of Public Instruction.

To—the Secretary to Government, Home (Education) Department.

Dated—the 15th May 1920.

No.—R.C. 9801/19.

With reference to Government endorsement No. 2042/A-2, dated 20th October 1919, and Memorandum No. 2042/A-3, dated 29th April 1920, I have the honour to state that I consider that the scheme of provident funds for teachers in non-pensionable service drawn up by the Government of India can suitably be introduced in this Presidency.

2. I consider that it should be made compulsorily applicable to all educational institutions under private management which are recognized under the Madras Educational Rules, no matter whether they are aided or unaided. It is not in

general necessary to introduce the scheme in Government institutions or in schools under local boards or municipalities. Teachers who are servants of a local body come under the provident fund or pension scheme of the local body. If a local body does not at present have such a scheme steps may be taken to induce it to have a provident fund or pension scheme for all its servants including teachers, but pending the introduction of a provident fund scheme for all servants of all local bodies the provident fund scheme for teachers drawn up by the Government of India might be made applicable to educational institutions maintained by local bodies which do not have a provident fund or pension scheme of their own.

3. I consider that the scheme should be made compulsorily applicable to all certificated teachers whose pay is not less than Rs. 20 per mensem employed in the institutions to which it is made applicable. I do not consider it economically sound to deduct any portion of the pay of a teacher who has a bare subsistence allowance of Rs. 20 per mensem. The scheme might also be made applicable to Pandits and Munshis employed in recognized schools and colleges. Certificated teachers who are drawing less than Rs. 20 per mensem might be given the option of subscribing to the fund. I do not consider that uncertificated teachers excluding Pandits and Munshis should be admitted to the benefits of the fund.

4. No teacher should be admitted to the fund who is less than 20 years of age. I should not have any upper limit to the age for admission to the fund but I should close the fund of every teacher when he reaches the age of sixty.

5. The following classes of certificated teachers may be exempted from the operation of the scheme:—

(i) Certificated teachers holding a policy in a Life Assurance Company so long as the policy remains in force.

(ii) Certificated teachers engaged by an institution which has a provident fund of its own which is accepted by the Director of Public Instruction.

(iii) Certificated teachers—there are about 2,400—engaged in teacher-manager schools. For the purpose of contribution to the fund the salary of the teacher-manager shall be fixed by the Inspector or Director of Public Instruction, as the case may be, according to the current market rate of salary paid to a teacher of similar qualifications engaged in similar work.

(iv) Teachers who belong to a religious order.

Classes (i) and (iii) supra may be given the option of joining the scheme but not classes (ii) and (iv).

6. The officers of the department who might be empowered to admit institutions and teachers to the benefit of the fund, to sanction advances or withdrawals from the fund and to permit transfer of accounts from one post office to another might be Inspectors of Schools in the case of teachers in boys' schools and Inspectresses of girls' schools in the case of teachers in girls' schools.

7. With reference to paragraph 2 of Government endorsement No. 2042/A-2, dated 20th October 1919, I enclose herewith a list of the institutions under private management which have already established provident funds for the benefit of their employees. I beg to state that the rules for the working of the funds in the schools bearing serial Nos. 1 to 82 and 87 in the list have been approved by the Director and they are in general in conformity with the draft rules issued by the Director of Public Instruction in Proceedings Dis. No. 3504, dated 17th June 1915. I enclose herewith a copy of these draft rules and beg to invite the attention of Government to rule 24 which reads as follows:—'The management shall merge their provident fund in any general provident fund that may hereafter be started by Government if requested to do so by the Director of Public Instruction'. I beg to advise Government that the funds in all these schools might well be absorbed in the new scheme. Furthermore managers of aided institutions under private management are at present permitted to include the cost of working of their provident fund scheme provided it is approved by the Director of Public Instruction in the net cost of managing the institutions upon which a grant equal to one-half of the cost is paid annually. The

cost of the management by reason of its contribution to the new provident fund scheme proposed by the Government of India will no longer be taken into account in payment of one-half of the net cost of the institution. The financial effect will be for those institutions which earn grant no different under the revised scheme from what it is at present, for instance, under the present rules if a teacher pays Rs. 10 towards the provident fund the manager also pays Rs. 10 one-half of which is refunded to him by Government. The contribution then stands as follows:—

	RS.
Teacher	10
Manager	5
Government	5

According to the new scheme the teacher will pay Rs. 10 and the manager Rs. 5 making in all Rs. 15 while Government pays one-third of Rs. 15, i.e., Rs. 5 together with accumulated interest when the account of any teacher is closed.

8. I know of no provident fund scheme which should be liquidated on account of unsatisfactory condition or for other cause.

9. Exceptional cases where a school or a college has a fund which it considers should not be merged in the general scheme could be considered and the orders of Government taken thereon if need be. It is possible that the institutions under Pachaiyappa's charities, the Mrs. A.V.N. college, Vizagapatam, the Madras Christian college, the St. Joseph's college, Trichinopoly, and the Findlay college, Mannargudi, which have provident funds of their own the rules for the working of some of which have not been approved by the Director might require further consideration but their cases can be considered if and when the management of these institutions find themselves unwilling to subscribe to the general provident fund formulated by the Government of India.

10. With reference to paragraph 3 of the Government endorsement, I beg to state that I am forwarding to the Accountant-General a copy of the draft rules drawn up by me for the management and control of the fund to be established by Government with samples of the forms of the registers to be maintained by managers of schools and the Inspectors and Inspectresses in connexion with the administration of the fund; copies of them will be submitted to Government after they are approved by the Accountant-General.

11. The approximate cost to Government of the scheme as proposed by me is shown below:—

Qualifications of teachers.	Number of teachers holding certificates.	Average salary per mensem.	Total salary drawn per annum.	Amount of contribution to the fund (2½ per cent).	Cost to Government.	
		RS.	RS.	RS. A. P.	RS.	
Collegiate grade	1,047	124	1,298	93 0 0	$1,047 \times 93 \times 20,516 = 26,188$	76,282
Secondary grade	2,119	46	552	34 8 0	$2,119 \times 34 \times 20,516 = 26,188 \times 2 = 52,372$	52,372
Elementary grade	9,855	11	132	8 4 0	$9,855 \times 33 \times 20,516 + 26,188 \times 4 = 69,694$	69,694
Total	..	..	..	..	..	1,97,248

For the purpose of the above table the number of certificated teachers employed in all aided and unaided recognized institutions under private management on 31st March 1919 has been adopted and the average salary of each teacher under the respective grade has been assumed to be the same as that given in Statement I appended to the Madras Government's letter to the Government of India No. 1163, dated 10th September 1917. I beg to submit, however, that in view of the recent and future increase in the pay of teachers the above estimate is likely to be considerably exceeded, but that the liability to Government will be either nothing or extremely small for the first few years of the scheme.

ENCLOSURES

(1)

List of the institutions under private management which have already established provident funds for the benefit of their staff.

1. Baptist Mission Middle School, Berhampur.
2. Kallikota College, Berhampur.
3. Onslow Institution, Chatrapur.
4. Surangi Raja's High School, Ichchapuram.
5. Hindu High School, Masulipatam.
6. George Fifth Coronation Middle School, Nandigama.
7. A.E.L.M. College, Guntur.
8. Town High School, Guntur.
9. A.E.L.M. Middle School, Rentachintala.
10. Cole's Memorial High School, Kurnool.
11. Wardlaw High School, Bellary.
12. London Mission High School, Gooty.
13. R.V.M. High School, Venkatagiri.
14. Harris' High School, Royapet, Madras.
15. S.P.G. St. Paul's High School, Vepery, Madras.
16. Wesley College, Royapet, Madras.
17. Kellett High School, Triplicane, Madras.
18. St. Gabriel's High School, Georgetown, Madras.
19. Hindu High School, Triplicane, Madras.
20. Muttiyalpet High School, Madras.
21. Progressive Union Middle School, Georgetown, Madras.
22. T.T.V. Middle School, Georgetown, Madras.
23. Hindu Theological High School, Madras.
24. Wesleyan Mission High School, Tiruvallur.
25. O.R.C. High School, Perambur.
26. Voorhee's College, Vellore.
27. C.S.M. Middle School, Arkonam.
28. H.E.L.M. High School, Tirupati.
29. Hope High School, Madanapalle.
30. O.E.L.M. Middle School, Puthur.
31. A.A.M. High School, Tindivanam.
32. National High School, Trichinopoly.
33. High School, Srirangam.
34. Aryan Middle School, Trichinopoly.
35. St. Peter's High School, Tanjore.
36. Wesleyan Mission High School, Negapatam.
37. Central High School, Tiruvadi.
38. High School, Tirukkattupalli.
39. Nadar's High School, Poraiyar.
40. Town High School, Kumbakonam.
41. Banadurai High School, Kumbakonam.
42. Middle School, Umayalpuram.
43. A.M. College, Madurai.
44. A.M. High School, Pasumalai.
45. Setupati High School, Madurai.
46. V.M. High School, Bodinayakanur.
47. S.P.G. High School, Ramnad.
48. Raja's High School, Ramnad.
49. C.M. College, Tinnevely.
50. St. Francis Xavier's High School, Palamcottah.
51. Hindu College, Tinnevely.
52. Virthapati High School, Ambasamudram.
53. High School, Gopalsamudra n.
54. St. Michael's High School, Coimbatore.
55. London Mission High School, Coimbatore.
56. Diamond Jubilee High School, Gobichettipalayam.
57. St. Aloysius' College, Mangalore.
58. Rozario Middle School, Mangalore.
59. Kanara High School, Mangalore.
60. Ganapati High School, Mangalore.
61. A.E.L.M. Girls' High School, Guntur.
62. London Mission Boarding Girls' High School, Vepery, Madras.
63. C.S.M. Girls' Boarding High School, Kilpauk, Madras.
64. Pachaiyappa's College, Madras.

65. Pachaiyappa's High School, Madras.
66. Govinda Nayakar's Middle School, Madras.
67. Pachaiyappa's High School, Big Conjeeveram, and its branch Middle School at Little Conjeeveram.
68. D.R. Middle School, Big Conjeeveram.
69. Pachaiyappa's High School, Chidambaram.
70. U.F.C.M. High School, Chingleput.
71. U.F.C.M. High School, Big Conjeeveram, and its branch Middle School at Little Conjeeveram.
72. U.F.C.M. High School, Walajabad.
73. U.F.C.M. Girls' Boarding High School, Rayapuram, Madras.
74. U.F.C.M. Girls' Day School, Georgetown, Madras.
75. U.F.C.M. Training School for Mistresses, Rayapuram, Madras.
76. Caldwell High School, Tuticorin, and its branch S.P.G. Middle School, Melur, Tuticorin.
77. S.P.G. Middle School, Sawyerpuram.
78. S.P.G. Boys' Middle School, Nazareth.
79. S.P.G. Training School for Masters, Nazareth.
80. St. Mary's Girls' Middle School, Sawyerpuram.
81. St. John's Girls' High School, Nazareth.
82. St. John's Training School for Mistresses, Nazareth.
83. Mrs. A.V.N. College, Vizagapatam.
84. Madras Christian College.
85. St. Joseph's College, Trichinopoly.
86. Findlay College, Mannargudi.
87. A.B.M. High School, Ongole.

(2)

Proceedings of the Director of Public Instruction, Dis. No. 3504, dated 17th June 1915.

Draft Rules for a Teachers' Provident Fund.

The fund is instituted for the purpose of making some provision, on retirement, for certificated teachers, pandits, instructors, writers and librarians in the permanent employment of the school, and it shall be called "The Teachers' Provident Fund of the School."

2. The fund shall come into operation from

3. (a) Every person (teacher, instructor, writer, pandit or librarian) entering the service of the school on or after _____ shall join the fund.

(b) Every person (teacher, instructor, writer, pandit or librarian) who joined the service of the school before that date and still continues in service shall be entitled to join the fund, but he should make his election within a period of three months from the institution of the fund whether to join it or not. If such person fails to elect within the said period, he may not be allowed to join it later.

4. In the case of any person who, being in service on _____, has completed twelve years' service in the school before that date, it shall be open to the school committee to allow him at retirement such benefits from the general funds of the school as it may consider proper irrespective of any benefit that he may derive from the fund.

5. The resources of the fund shall be the following:—

(a) A monthly contribution of $6\frac{1}{2}$ per cent or one anna in the rupee on the salary of each contributor. No contributions should be demanded on fractions of a rupee included in a contributor's salary.

(b) A monthly payment by the manager on behalf of each contributor of a sum equal to that paid by the contributor.

6. Contributions shall be reckoned on the amount of substantive pay of the contributor, excluding recompense for special occasional services or acting and personal allowances.

7. Should a contributor be temporarily on reduced pay, on account of leave of absence or other similar cause, his contributions as well as the contributions of the manager shall be calculated on the actual salary paid to him but it shall be open to the contributor to cease from making payments during such periods and in this case the manager's contribution may also cease for the time being.

8. Separate accounts shall be kept showing the amounts paid by each contributor and by the manager: and to the amount of such payments compound interest at 3 per cent shall be added annually, but such interest shall be exhibited in a separate column in the accounts.

9. A contributor's payment shall not cease permanently until he retires from service in the school.

10. (a) In case of the retirement of a contributor, before he has completed five years' service, he shall receive only his contributions up to date, with interest calculated up to the end of the half-year immediately preceding his retirement.

(b) Death or any permanent physical unfitness occurring within five years' service will, however, entitle the contributor to the full benefits of the Provident Fund.

11. In case of the retirement of a contributor from any cause after five years and before he has completed ten years' service, a contributor shall receive his own contributions and one-half of the amounts of the contributions paid by the manager up to the date of retirement, together with interest on the sum thus calculated up to the end of the half-year immediately preceding his retirement.

12. A contributor who retires after ten years' service shall receive the amount of his own and the contributions paid by the manager, together with interest calculated up to the end of the half-year, immediately preceding his retirement.

13. In case a contributor is dismissed for incompetence, misconduct, gross insubordination or incapacity to perform his duties on account of ill-health certified by competent medical authority he shall retain his right to his own contributions up to the date of such dismissal, together with interest calculated up to the end of the half-year immediately preceding his dismissal, and to the manager's contribution, with interest, up to a date three years prior to his dismissal but shall forfeit all other benefits from the fund for the three years immediately preceding his dismissal. A contributor who is dismissed on any other grounds shall be treated as though he had voluntarily retired.

14. Any surplus in investment after paying the 3 per cent rate of interest on the contributions, all lapses from the contributions and any other income shall constitute a special fund, to be used for meeting the expenses of management of the fund.

15. A contributor shall be at liberty to nominate by entering their name or names on a register maintained for the purpose, any person or persons whether his natural heirs or other relations, who, in the event of his death, shall receive the amount that may be due to him under these rules; in case he nominates more persons than one, he shall enter on the register the proportion in which the amount payable shall be divided among them. A contributor shall be at liberty to change his nominee or nominees as often as he pleases, but only the person or persons last registered shall be recognized for the purposes of this fund and a receipt signed by the last registered nominee or nominees shall be a full and valid discharge.

16. The fund shall be managed by a committee of five of whom the manager and the headmaster of the school shall be ex officio members; the other members of the committee shall be: one to be nominated by the manager who shall hold office until his successor is appointed; and two contributors, to be elected annually at a meeting of the contributors to be convened by the headmaster within the school premises, between July 16th and 31st in each year. The manager shall be ex officio chairman of the fund committee and the headmaster of the school ex officio secretary of the fund committee. In the event of a vacancy amongst the elected members, the fund committee shall appoint a contributor to hold the office till the next annual meeting of the contributors. When the management of the school is vested in a corporate body, that body shall nominate one of themselves as manager for the purposes of this fund. When the manager is the headmaster, the contributors shall elect three members of the committee.

17. The secretary of the fund committee shall keep the accounts of the fund and its other records.

18. The quorum for a meeting of the fund committee shall be the secretary and any two other members of the committee.

19. The committee shall invest all sums at its disposal in Government securities, Port Trust or Municipal bonds or other securities issued under the authority of Government and the uninvested balance shall at no time be allowed to exceed Rs. 500.

20. No payment shall be made to, or on account of, any contributor until any debt that he may owe to the school has been paid.

21. The managing committee shall pay the amount due to a retiring member or to the heirs and nominees of a deceased contributor not later than three months after his retirement or decease, provided however that it shall always be competent for the committee to withhold payment in the case of death, until an adequate certificate of heirship shall have been produced. Interest on the amount due in any case shall cease at the end of the half-year preceding the date of retirement or decease.

22. The committee shall appoint annually an auditor in June or July to examine the accounts and shall inform contributors of the amount standing to their credit after the presentation of the auditor's report. No individual member of the committee shall give any information concerning the fund to any one unless instructed to do so by the committee.

23. The managing committee with the approval of the Director of Public Instruction shall have full power to add to or alter or amend these rules as it may deem expedient or necessary, care being taken to see that such alterations and amendments do not prejudicially affect contributors who joined before such alterations and amendments were made.

24. The management shall merge their provident fund in any general provident fund that may hereafter be started by Government, if requested to do so by the Director of Public Instruction.

H. S. DUNCAN,
Acting Director of Public Instruction.

Order—No. 14, Law (Education), dated 4th January 1921.

The Government approve generally the proposals of the Director of Public Instruction for introducing in this Presidency the scheme of provident fund for teachers in non-pensionable service framed by the Government of India subject to the following modifications :—

(1) The scheme will be made applicable also to instructors, librarians and clerks employed in recognized institutions under private management ; and

(2) Uncertificated teachers in such institutions in receipt of a salary of Rs. 20 and over will be allowed the option of subscribing to the fund.

2. The question of extending the benefit of the scheme to teachers in the employ of local bodies which have no pensionary or provident scheme of their own is separately under consideration.

3. The Director of Public Instruction is requested to expedite the submission of the draft rules for the management and control of the fund to be established by Government promised in paragraph 10 of his letter. The rules should embody the suggestions herein approved and define the procedure to be followed in regard to the amalgamation of private provident funds with the Government fund. A rule should be inserted to the effect that in the case of transfer of teachers from an institution to which the new scheme applies to another having a separate fund of its own or vice versa, the amount at their credit should be transferred to the fund which they newly join instead of being handed over to them.

(By order of the Governor in Council)

R. RAMACHANDRA RAO,
Secretary to Government.

To the Director of Public Instruction.
" Accountant-General.
" Financial Department.
" Publicity Officer.

LAW (EDUCATION) DEPARTMENT.

NOTES CONNECTED WITH G.O. No. 14, LAW (EDUCATION),
DATED 4TH JANUARY 1921.

[SUBJECT.—*Provident fund for teachers in non-pensionable service.*]

Previous papers :

G.O. 418, Education, 18th July 1910	G.O. 1162, Home (Edn.), 10th Sep. 1917
" 611 M., 29th March 1912	" 1490 " 23rd Nov. 1918
" 692, Education, 28th July 1913	" 1480-1, Revenue, 19th June 1919
" 1212 " 19th Dec. " 1915	" 52 L., 20th Jan. 1920
" 1256 " 22nd Nov. " 1915	

From the Government of India, No. 946, dated 29th August 1919.

From the Director of Public Instruction, R.C. No. 9801/19, dated 15th May 1920.

HOME (EDUCATION) DEPARTMENT.

In 1916, the Government of India circularised local Governments on the subject of the establishment of provident funds for teachers in non-pensionable service (page 1 of G.O. No. 1162, dated 10th September 1917). They forwarded a draft scheme for the establishment of the fund through the agency of the Post office savings bank. This Government approved the main features of the scheme subject to modifications on certain points of detail. In August last, the Government of India forwarded a revised scheme for the establishment of the fund and left it to local Governments to introduce and finance it. The Director of Public Instruction was thereupon asked to report as to the feasibility of adopting the scheme in this Presidency and to submit his views on the question of classes of teachers to be brought within the scope of the scheme and certain other matters. He was also asked to frame in consultation with the Accountant-General draft rules for the management and control of the fund and to draw up the forms of the registers to be maintained by the managers of schools and the officers of the department in connexion with the administration of the fund.

2. The Director of Public Instruction now submits his views on the various points referred to him. He considers that the scheme of provident fund for teachers in non-pensionable service drawn up by the Government of India can suitably be introduced in this Presidency. He states that he has forwarded a set of draft rules to the Accountant-General, and that he would forward them to Government after approval by the latter officer. In the meanwhile, such points of detail on which he has offered his remarks are noted on below.

3. *Institutions to be brought within the scope of the scheme.*—The Government of India originally proposed that the scheme should be compulsory on all teachers in non-pensionable employment in recognised (aided and unaided) institutions of the collegiate and secondary type, on all teachers of aided primary schools which earned a total grant from public funds of not less than Rs. 10 a month or such lower sum as might be decided on by the local Government and also on teachers of recognized unaided primary schools according to rules framed in each province (rule 1, page 4, of G.O. No. 1162, dated 10th September 1917).

The Government of India have now left it to local Governments to frame rules as to the classes of educational institutions which should be brought within the scope of the scheme. They have stated that the scheme should not, however, be "extended

to teachers rendering pensionable service under Government or local bodies, or for whom Government or a local body already maintains a provident fund, though a local body may, with the consent of the local Government, convert an existing provident fund scheme into the new scheme. Nor is it necessary to extend the scheme to teachers belonging to a privately managed institution with a provident fund scheme of its own, if the local Government considers the policy or scheme satisfactory. But suitable provision may be made by local Governments for the conversion of an existing scheme into the new scheme, if desired by the local body or the privately-managed institution concerned, as well as for the winding up of any unsatisfactory scheme maintained or established by an institution and for the application thereto of the new scheme."

The Director of Public Instruction proposes that the scheme should be made compulsorily applicable to—

(i) all recognized educational institutions under private management, whether aided or unaided, and

(ii) institutions under local bodies which do not have a provident fund or pension scheme of their own.

4. Several institutions under private management now have provident funds for the teachers employed in them. The Director of Public Instruction has forwarded a list of such schools. The rules relating to these funds have in most cases been approved by the Director and one of these rules requires that the separate provident funds should, if so desired by the Director of Public Instruction, be merged in the general provident fund for teachers that may be started by Government. The Director now proposes that these separate funds should be absorbed in the new scheme and that exceptional cases where a school or college has a fund which it considers should not be so merged may be considered separately.

5. The advantages of having one general fund for all teachers in non-pensionable service instead of a multiplicity of funds established by private managers are fully set out in the report submitted by Mr. (now Sir Henry) Stone in 1909 on the question of a provident fund scheme for teachers (page 4 of G.O. No. 418, dated 18th July 1910). The Director of Public Instruction's proposal to ask the privately managed institutions named by him which have provident funds, to join the new scheme may therefore be approved. The detailed procedure in regard to the amalgamation of the funds will have to be laid down in consultation with the Accountant-General. The Director of Public Instruction may be asked to do this.

6. As regards institutions under local bodies, it is submitted that all local boards, and 47 municipal councils have established provident funds for their employees including teachers and that 25 councils have no such funds. The Local and Municipal Department may be requested to consider whether, in the case of these 25 councils, funds may be started for all the municipal employees or at any rate for teachers only, or whether the teachers under them may be asked to join the scheme proposed by Government.

S.K.—16-6-20. N.K.—16-6-20.

C. RAMANUJA ACHARIYAR—16-6-20.

A above may be considered later on. Meanwhile the Director of Public Instruction's proposals may be approved.

Paragraph 6 to Local and Municipal.

K. RAMACHANDRA RAO—19-6-20.

(Vide note of the Local and Municipal Department on page 7 infra.)

7. *Classes of teachers to whom the scheme should be made compulsorily applicable.*—The scheme drawn up by the Government of India in 1916 was sought to be made applicable to all teachers in non-pensionable employment, whether certificated or uncertificated (paragraph 1 of scheme, page 4 of G.O. No. 1162, dated 10th September 1917).

In letter No. 1163, dated 10th September 1917, this Government expressed the view that the scheme should be restricted to certificated teachers.

The Government of India have now left it to the local Government to frame rules as to the exemption of teachers or classes of teachers from the operation of the scheme.

The Director of Public Instruction again recommends that the scheme should be made applicable only to *certificated* (or trained) teachers. This proposal may be accepted. The question of exemption of certain classes of teachers is dealt with in paragraph 10 infra.

The Director further considers that certificated teachers drawing Rs. 20 and more per mensem should alone be compelled to contribute and that those drawing less than that sum should be given the option to do so. It is submitted that most of the teachers of the elementary grade will fall only under the latter category. In 1917, the average pay of such teachers was calculated at Rs. 11 per mensem (statement F, page 15, of G.O. No. 1162, dated 10th September 1917). Though the rates of grants payable to teachers in aided elementary schools have been raised recently and may still further be raised in the near future, it is doubtful whether the minimum pay will soon approximate to Rs. 20 per mensem. According to the scheme formulated by the Government of India, the teachers' contribution to the fund is at $6\frac{1}{2}$ per cent (or 1 anna in the rupee). But the scheme allows that from teachers drawing less than Rs. 16 per mensem, a fixed contribution of eight annas a month may be received. This lower rate has been introduced apparently with a view to bringing in the large body of teachers drawing salaries less than Rs. 16 per mensem and making them compulsorily to contribute to the fund. At present, district board provident funds are applicable to all teachers in superior service, i.e., drawing Rs. 10 per mensem and above. Only one district board recently asked for permission to exempt teachers drawing less than Rs. 16 per mensem from contributing to the fund. It does not appear that similar difficulty has been experienced by other boards. It is, therefore, for consideration whether the limit of Rs. 20 per mensem for *compulsory* contribution proposed by the Director of Public Instruction in the case of teachers in

Yes.

R.R.—19-6-20.

aided institutions may be approved or a lower limit may be adopted. Perhaps, the Director of Public Instruction's proposals may, for the present, be accepted as teachers drawing less than Rs. 20 per mensem will still have the option of contributing to the fund.

S.K.—16-6-20.

N.K.—16-6-20.

C. RAMANUJA ACHARIYAR—16-6-20.

In addition I would extend the option of contribution to uncertificated teachers drawing Rs. 20 per mensem or more. The provision we make for training is inadequate. The system of a provident fund is calculated to make the teacher's service continuous and we should not deny such advantage to institutions in the case of the higher paid teachers who are left untrained chiefly for no fault of their own.

R. RAMACHANDRA RAO—19-6-20.

8. The Director of Public Instruction recommends that pandits and munshis, though classed as uncertificated teachers, should be admitted to the benefits of the fund. This proposal may be accepted.

9. At present in private institutions instructors, writers and librarians are admitted to the benefits of the fund established by the management. Under the Director of Public Instruction's proposal, they will not be eligible to contribute to the general fund. They may also be included as they form part of the school establishment.

S.K.—16-6-20.

N.K.—16-6-20.

C.R.—16-6-20.

3 and 9.—Yes.

R.R.—19-6-20.

10. *Exemption of teachers from the operation of the scheme.*—The Government of India have stated that it is not necessary to extend the scheme to teachers holding a policy in an assurance company or belonging to a privately-managed institution with

a provident fund scheme of its own if the local Government considers the policy or scheme satisfactory. In the draft scheme framed in 1916 they also referred to the desirability of exempting teachers who undertake honorary work or belong to a religious body—paragraph 1 of scheme, page 4 of G.O. No. 1162, dated 10th September 1917.

The Director proposes that the undermentioned classes of teachers may be exempted from the operation of the scheme:—

- (i) certificated teachers holding a policy in a life assurance company so long as the policy remains in force,
- (ii) certificated teachers engaged by an institution which has a provident fund of its own accepted by the Director of Public Instruction,
- (iii) certificated teachers engaged in teacher-manager schools, and
- (iv) teachers who belong to a religious order.

Class (i).—The Government of India have also suggested the exemption of this class. The Director of Public Instruction, however, proposes to allow them the option to join the fund. This may be approved.

Class (ii).—Does not call for any remarks. The great majority of provident funds now existing in privately-managed institutions may be absorbed in the new scheme and there will be only a few left.

Class (iii).—The Director of Public Instruction's proposal is in accordance with the view already held by Government that teachers in teacher-manager schools should not be compelled to contribute—paragraph 2 (a) of letter No. 1257, dated 22nd November 1915. The Director of Public Instruction proposes to allow these teachers the option to join the scheme. If a teacher-manager avails himself of this option he may have to contribute both as teacher and as manager.

As teacher managers have no fixed salaries, the Director of Public Instruction proposes that for the purposes of contribution to the fund their salary will be fixed by the Inspector or the Director of Public Instruction, as the case may be, according to the current market rate of salary paid to teachers of similar qualifications doing similar work. This may be approved.

Class (iv).—As regards teachers belonging to a religious order, the Director of Public Instruction does not propose to allow them even the option to join the scheme. Many of these teachers may be doing honorary or quasi-honorary work. The proposal to exclude them from the scope of the scheme may be approved.

S.K.—16-6-20. N.K.—16-6-20. C. RAMANUJA ACHARIYAR—16-6-20.
R. RAMACHANDRA RAO—19-6-20.

11. *Age-limit for admission to the scheme.*—In the scheme forwarded by the Government of India in 1916, there was a rule that none below 20 or above 40 years of age would be admitted to the fund—paragraph 1 of the scheme, page 4 of G.O. No. 1162, dated 10th September 1917.

This Government pointed out that in cases where private funds already in existence are merged in the new scheme, teachers belonging to such funds who might have passed the maximum age-limit should be allowed to contribute to the new fund irrespective of the rule—paragraph 2 (ii) of letter No. 1163, dated 10th September 1917.

In the revised scheme forwarded by the Government of India they have left it to local Governments to fix the age-limits for admission. While recommending the adoption of the lower limit of 20 the Director of Public Instruction does not want to fix any upper limit of age for admission to the scheme, but suggests that, when a teacher reaches the age of sixty, his fund should be closed.

It is submitted that, in the provident fund rules of local bodies also, upper limit of age for admission is laid down; but the rules provide that the fund shall be closed when the subscriber attains the age of 55 years. The Director of Public Instruction's proposal to fix no upper limit of age for admission may be approved.

Pandits and munshis, and teachers of the elementary grade may serve even after attaining fifty-fifth year and the Director of Public Instruction's proposal to close the account when the subscriber completes 60 years of age may be accepted with the concurrence of Financial.

S.K.—16-6-20. N.K.—16-6-20. C. RAMANUJA ACHARIYAR—16-6-20.
R. RAMACHANDRA RAO—19-6-20.

FINANCIAL DEPARTMENT.

The proposal at A above may be accepted.

T.A.S.—25-10-20.

We need not object.

J. M. HOOPER—27-10-25. R. A. GRAHAM—30-10-20.

12. *Officers to be empowered to admit institutions and teachers to the fund and exercise certain other powers.*—The Government of India have now ruled that the control of the fund would rest with the local Government who might delegate its powers to subordinate officers.

The Director of Public Instruction proposes that Inspectors and Inspectresses may be empowered to admit institutions and teachers to the scheme, to sanction advances and withdrawals from the fund and to permit transfer of accounts from one post office to another. The proposal may be accepted.

S.K.—16-6-20. N.K.—16-6-20. C.R.—16-6-20. R.R.—19-6-20.

13. *Contribution by the management.*—In the original scheme it was proposed that the management should contribute a sum equal to half the contribution of the teacher which should be paid into the teacher's account along with his own deposit—paragraph 3, pages 4 and 5 of G.O. No. 1162, dated 10th September 1917.

With regard to this the Government of India were informed that this Government adhered to the opinion already expressed that it would be inadvisable to call on the management of private schools to contribute—paragraph 2 (iii) of letter No. 1163, dated 10th September 1917.

On this subject the Government of India now state as follows:—

"The Government of India consider that the responsibility of the management for the school should be emphasized in every way. They maintain therefore that contribution by the management is an essential feature of any provident fund scheme for teachers and have decided that the rate of such contribution should be as laid down in the original scheme, viz., one-half of the teachers' contribution."

The Government of India also state that local Governments should, as far as possible, avoid rendering direct assistance to the contributions of the management. They are allowed to render indirect assistance by assessing the general grant with reference to the general obligations of the management and it is laid down that such assistance should not be made to cover the whole of the contribution payable by the management.

At present, managers of certain schools contribute to the provident funds established by them a sum equal to that subscribed by the teachers and include this expenditure in the net cost of the school on which a half grant is earned from provincial funds. As the managers will, under the new scheme, contribute only half of what the teachers subscribe (the other half being contributed direct by Government), the Director of Public Instruction proposes that the managers' contribution need not in future be taken into account in assessing the grant for the schools.

As pointed out by the Director, it does not throw any additional burden either on the manager or on Government so far as the schools in question are concerned. The proposal may be accepted.

S.K.—16-6-20. N.K.—16-6-20. C.R.—16-6-20. R.R.—19-6-20.

14. *Withdrawal of deposits.*—In the original scheme a rule was introduced to the effect that a teacher who resigned his post within a year from the commencement of his admission to the scheme or at any period thereafter without due notice should forfeit all contribution and interest—paragraph 8 (a), page 6 of G.O. No. 1162, dated 10th September 1917.

This Government pointed out that it was not equitable that a teacher who resigned his post within a year should be made to forfeit even his own contribution to the fund and the interest thereon—paragraph 2 (iv) of letter No. 1163, dated 10th September 1917. The Government of India have now omitted the rule.

The Government also suggested that in the case of transfers of teachers from an institution to which the scheme applied to another having a separate fund of its own or *vice versa*, the amount at their credit should be transferred to the fund which they newly joined instead of being handed over to them. The rules framed by the Government of India do not make provision for this. But there may be no objection to the Local Government framing the necessary rule.

S.K.—16-6-20. N.K.—16-6-20.

C. RAMANUJA ACHARIYAR—16-6-20.

R. RAMACHANDRA RAO—19-6-20.

15. *Cost of the scheme.*—In paragraph 5 of Letter No. 1163, dated 10th September 1917, the Government of India were informed that it would not be possible for this Government to meet any portion of the cost of the scheme, if introduced in this Presidency and that it should therefore be financed wholly by the Government of India and managed as an Imperial concern.

The Government of India now state that in view of the impending reforms they will be unable to assist Local Governments from Imperial revenues, though there would be no objection to the use of some portion of the Imperial grants already distributed in the carrying out of the scheme.

The cost of the scheme, if made applicable to certificated teachers only, is estimated by the Director of Public Instruction at Rs. 1,97,248 per annum. In arriving at this estimate the average salary of teachers is assumed to be the same as that calculated in 1917. Presumably, the Director of Public Instruction is not able to furnish later figures without difficulty. He, however, explains that in view of the recent and future increase in the pay of teachers, the above estimate is likely to be exceeded considerably but that the liability will be either nothing or extremely small for the first few years of the scheme. The Imperial grants for education have already been fully utilized. The introduction of a provident fund scheme as now proposed will throw additional burden on Provincial revenues and will be possible if additional funds to the extent referred to above are made available.

S.K.—16-6-20. N.K.—16-6-20.

C.R.—16-6-20.

A I suppose that in a proper course of accounts the liability to pay (not merely the actual payments) will be accounted every year and the amount due to the provident fund will be treated as a liability. So in the educational budget the amount may appear as a debit.

This is the main question in this file. The liability is high but from an educational point of view called for. In fact we have to create a profession with continuous interest.

R.R.—19-6-20.

16. The file may be sent to the Local and Municipal and Financial Departments for remarks.

N.K.—16-6-20.

C.R.—16-6-20.

R.R.—19-6-20.

LOCAL AND MUNICIPAL DEPARTMENT.

The remarks of this department are called for on the question whether, in the case of councils which have not established provident funds for their employees, such

funds may be started for all the employees or at any rate for teachers only or whether the teachers under them may be asked to join the scheme proposed by Government—vide paragraph 6 of Home (Education) Department's note on page 2 ante.

2. Of the 78 mufassal municipalities now in existence, 57 have established provident funds for all employees and the Anantapur Municipal Council has a provident fund for the high school staff. The remaining twenty * have not established any provident fund for their employees. Before this department offers its remarks these twenty councils may be requested to report their views in the matter. The Anantapur Municipal Council also may be requested to report if it has any objection to extend the provident fund system to the teachers of elementary schools under them. A draft reference is submitted.

V.N.—12-8-20. K.A.G.—14-8-20. K. V. VISWANATHA AYYAR—19-8-20.

I expect the proposed 'provincialization' of secondary school headmasters will complicate matters.

After issue of the official memorandum the file should go to Home (Education).

F. J. RICHARDS—22-8-20.

HOME (EDUCATION) DEPARTMENT.

This file deals mainly with the question of the establishment of a provident fund for teachers in *aided* schools. Such local bodies as have no provident funds for teachers may, however, join the Government scheme. The proposal to provincialize the staff of headmasters of secondary schools under local bodies has not yet been accepted by this department. It is understood that it is to be referred to the Financial Relations Committee which is to meet shortly. If the staff is provincialized, it will be excluded from the provident fund scheme. Teachers other than headmasters of secondary schools may then join the fund if they do not already contribute to an existing fund. It does not appear necessary to wait for a decision of the question of provincialization of the staff of headmasters. The file may be sent to the Financial Department for remarks on the main issue.

S.K.—17-9-20. N.K.—17-9-20. C. RAMANUJA ACHARIYAR—19-9-20.

R. RAMACHANDRA RAO—20-9-20.

FINANCIAL DEPARTMENT.

The main question is the provision of funds to meet the Government bonus of one-third of the total amount to the credit of the subscribers of the provident fund at the time of its withdrawal. According to the Director of Public Instruction, the provident fund scheme is to apply to certificated teachers only, and he estimates the ultimate cost to Government at Rs. 1,97,248 *per annum*. The calculations are based on the average salary of teachers in 1915-16. There has been some increase of salaries since then, and assuming it to be 20 *per cent*, the cost will be roughly Rs. 2,37,000. The Home Secretary has suggested that uncertificated teachers drawing not less than Rs. 20 *per mensem* should also be admitted to the benefits of the fund as optional subscribers, on the ground that many of them have not been trained because the Government could not provide the necessary facilities. The cost of applying the scheme to uncertificated teachers also was estimated in 1915-16 at Rs. 2,18,411 *per annum*. Adding 20 *per cent* to cover increase of salaries, the figure will be roughly Rs. 2,62,000. Of course, the calculations in this and in the previous case assume that all optional subscribers will take advantage of the fund. On the other hand, there is the fact that the number of teachers, especially in the elementary

grade is rising every year, and with the impetus given by the Elementary Education Act to the starting of more elementary schools, the growth in the number of teachers will be much more rapid. It is possible that the number of teachers may be doubled in the course of the next ten years and the cost also doubled.

2. Another factor in the calculation of extra cost is the application of the scheme to teachers under local bodies. All district boards and many of the municipalities have provident funds of their own, but twenty municipalities have not started provident funds for their servants. Local and Municipal have asked these municipalities whether they are willing to participate in the proposed scheme. It may be observed that the Government do not contribute anything to the provident funds of local bodies, while according to the present scheme, Government have to contribute one-third of the total amount at credit. In the notes to G.O. Nos. 1162-3, Home (Education), dated 10th September 1917, this department noted that where

Extract this for consideration with the report of the Financial Relations Committee, when it comes.

R.A.G.—30-10-20.

Extract taken.

P.S.R.—1-11-20.

though it might be correct in theory, the impecuniosity of the local bodies might result in Government subsidies to keep the schools alive. If the twenty municipalities are now allowed the concession of the Government bonus of one-third of the amount at credit, all other local bodies are certain to apply for admission to the **M** scheme. It has therefore to be decided once for all whether local bodies admitted to the scheme should themselves pay the whole of the contribution or should enjoy the concession of a Government bonus. Before deciding on this question, it will be necessary to know what the extra cost of the concession would be.

3. As regards the question of funds, it may be pointed out that immediate liability would arise only in the case of institutions which established provident funds some years ago which would now be absorbed in the general scheme. In other cases, there is ordinarily to be no liability for the next six years, and it will grow slowly thereafter.

Home Secretary suggests that the Government should set apart every year the amount due to the provident fund and not merely the actual payments. The Director of Public Instruction will no doubt keep an account of the amount due every year, so that the Government might know their liability, but so far as the Government accounts are concerned, they should, it is submitted, show the actual expenditure and not the liability to pay.

It is submitted that there seems to be no difficulty in finding the funds for this scheme, if it is considered to be one of pressing urgency administratively. [Please see also the note on page 5 ante.]

T.A.S.—25-10-20. J. M. HOOPER—27-10-20. R. A. GRAHAM—30-10-20.

HOME (EDUCATION) DEPARTMENT.

With reference to the portion marked **M** supra, it is submitted that the sanction of Government is necessary to the absorption of a provident fund maintained by a local body in the new scheme. No local body can claim the concession as a matter of course. The Local and Municipal Department have made a reference to those municipal councils which have no provident funds of their own asking whether they would start such funds for their teachers or would allow the latter to join the Government fund. The replies of these councils may be awaited.

2. Orders may issue on the other points raised in the notes. A draft order is submitted.

S.K.—13-11-20.

3. The scheme cannot be introduced till detailed rules for the management of the fund have been framed and published as every teacher who joins the fund has to make a declaration that he abides by the rules. The details now approved will

be embodied in the rules. For the present, it will be sufficient to accord general approval to the Director of Public Instruction's proposals subject to certain modifications and to ask the Director of Public Instruction to expedite the submission to Government of the draft rules promised in paragraph 10 of his letter. The draft below is for approval.

N.K.—23-11-20.

C. RAMANUJA ACHARIYAR—24-11-20.

(May be submitted to Honourable Member in print.)

C.R.—25-11-20.

Before scrutinizing the draft, I would submit the file to Honourable Member for orders on the sectional notes.

R. RAMACHANDRA RAO—25-11-20.

The notes have been printed. The file may now be circulated.

S.K.—10-12-20.

C.R.—11-12-20.

R.R.—13-12-20.

I am in general sympathy with the proposal to establish a provident fund of this character, but it is a decision of some importance which in respect of details will very likely be canvassed in the Legislative Council. It is better therefore that the case should be dealt with by my successor on whom will fall the brunt of defending the orders passed.

L. D[AVIDSON]—14-12-20.

Newspaper extract from the 'Madras Mail'—of the 9th December 1920.

While the Government of Madras are still considering the conditions under which it will be possible to establish a provident fund for teachers in aided schools, the Government of Mysore have already brought such a fund into existence. This does not mean, however, that the Government of Madras have been indifferent to the interests of teachers in aided schools, but that their scheme is a far bigger one than that of Mysore and wants much consideration and working out of details. The Inspector-General of Education in Mysore proposed that the scheme should be immediately introduced in institutions managed by incorporated agencies and missionary bodies or registered trusts which have funds of their own to contribute towards the necessary subscriptions due from the management. The Government share of the contribution to the fund on the introduction of the scheme is estimated at Rs. 4,828 per annum, and the Inspector-General recommends that, to allow for yearly expansion, a sum of Rs. 10,000 may be provided in future budgets for the purpose. The Government have approved the scheme and have decided that the fund should be administered by themselves.

May be circulated to the Minister for Education.

A.V.S.—18-12-20.

C.R.—18-12-20.

R.R.—20-12-20.

N.K.—18-12-20.

A. S[UBBARAYULU REDDIYAR]—21-12-20.

The draft may issue.

R.R.—3-1-21.

[G.O. No. 14, Law (Education), dated 4th January 1921.]

Provident Fund for teachers in non-pensionable service---

Govt. of India scheme--D.P.I.'s proposals
for ^{improving} ~~expanding~~ the scheme in this Presidency
— Approved with modifications.

READ AGAIN G.O. No., dated 191

” ” ” ” ” 191 .

READ ALSO:—

C. No. 2042 A of 19 From the Govt. of India, Dept. of Education, No. 946, dated 29-8-1919 191

" " " " Endt. to the D.P.I No. 2042/20, A-2 dated, 30th October 1919 191

1676 A From the --do-- R.C.9801 dated 15th May 1920
of 20

" " " " , , " 191

ORDER

Press

No. 14, dated 24 / 11 1912

The Govt. generally the proposals of the D.P.I. for introducing in this - Presidency the scheme of Provident Fund for teachers in Non-pensionable service framed by the Govt. of India subject to the following modifications:-

(1) The scheme will be made applicable also to instructors, librarians and clerks employed in recognised institutions ~~under~~ *private management.*

(2) Uncertificated teachers in such institutions in receipt of ~~the~~ ^a salary of Rs.20 and over will be ~~given~~ ^{allowed} the option of subscribing to the ~~fund~~.

2. The question^{ing} of extending the benefit of the scheme to teachers in ~~the~~ employ of local bodies which have no pensionary or provident scheme of their own is - separately under consideration.

3. The D.P.I is requested to expedite

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the submission ~~of~~ of the draft rules for the management and control of the fund ~~proposed~~ to be established by Govt. promised in para 10 of his letter. The rules should embody the suggestions herein approved and define the procedure to be followed in regard to the amalgamation of private provident funds with the Govt. fund. ~~the~~ rule ~~to~~ should be inserted to the effect that ⁱⁿ the case of transfer of teachers from an institution to which the new scheme applies to another having a separate fund of its own or vice versa, the amount ~~of~~ ^{at} their credit should be transferred to the fund which they newly join ~~instead~~ instead of being handed over to them.

To
The D.P.I.
The A.G. ~~through~~ ~~Final~~ Dept
The Financial Dept
The Publicity Officer

25
G.O. No. 14, 4th January 1921

Provident Fund for teachers in non-pensionable service
Government of India's Scheme—Director of Public Instruction's proposals for introducing the scheme in this Presidency—Approved with modifications.

READ—the following papers :—

I
Letter—from the Hon'ble Mr. H. SHARP, C.S.I., C.I.E., Secretary to the Government of India, Department of Education (Education).
To—the Secretary to the Government of Madras, Home (Education) Department.
Dated—Simla, the 29th August 1919.
No.—946.

I am directed to invite a reference to this department circular No. 166, dated the 23rd February 1916, regarding the establishment of provident funds for teachers in non-pensionable service.

2. The replies of local Governments have been received and the Government of India are glad to find that the general idea of the scheme has been well received. Certain difficulties, arising from the conditions in various provinces, are, however, apprehended, and the general position has materially changed since the issue of the circular referred to above, as a result of the impending measures of devolution to local Governments, especially in the matter of financial powers. In these circumstances the Government of India have come to the conclusion that the exact procedure which it had been intended to follow will no longer be applicable, as greater latitude must be permitted to provincial Governments as regards both the application of the scheme and the financial arrangements for carrying it out. In this latter connexion, I am to say that the Government of India will be unable to assist local Governments from Imperial revenues though there would be no objection to the use of some portion of the Imperial grants already distributed in the carrying out of this scheme. For these and other reasons, the Government of India consider that it will suffice to authorize provincial Governments to establish such funds at their discretion on the lines of the draft scheme which accompanied this department circular of the 23rd February 1916, subject to the observations made in the following paragraphs and subject also to the consideration that the deposits will be held in the Post Office Savings Bank and that accordingly the arrangements for making and withdrawing the deposits (as also those for drawing the Government contribution) should be uniform (see paragraphs 5, 8 and 10 of the revised scheme enclosed). They are taking the necessary steps for the amendment of the Provident Funds Act, 1897 (IX of 1897) with a view to the extension of sections 3 and 4 of that Act to any funds henceforth established by local Governments under executive orders.

3. Application of the scheme.—In the circular of 1916, the Government of India propose that the scheme should be compulsory on all teachers in non-pensionable service of recognized institutions of the collegiate and secondary type and on all teachers of aided primary schools, each of which earns a total grant of not less than Rs. 10 a month, or such lower sum as might be decided upon by the local Government, and also on teachers of recognized unaided primary schools. In their replies various local Governments have suggested modifications of this rule to meet local conditions. While leaving entirely to the discretion of local Governments the questions as to the classes of educational institutions to which their scheme should apply, the exemption of teachers or classes of teachers from its operation, and the framing of rules in regard to admission to the scheme, the Government of India desire to observe that in their opinion the scheme should have as wide a scope as possible. It is not, however, intended to extend it to teachers rendering pensionable service under Government or local bodies or for whom Government or a local body already maintains a provident fund, though a local body may, with the consent of the local Government, convert an existing provident fund scheme into the new scheme. Nor

Pres
Please with the A.G.
was not called
in this case. He
has not signed. Please
to print & send a copy
to separate file
20/1/21

is it necessary to extend it to teachers holding a policy in an assurance company or belonging to a privately managed institution with a provident fund scheme of its own—provided that the policy or scheme appears to Government to be satisfactory. The local Governments may, however, arrange for the conversion of an existing provident fund scheme into that established by them, if they so desire.

4. *Contribution by the teacher.*—The Government of India's suggestion that the rate of contribution by the teacher should be $6\frac{1}{2}$ per cent of his pay, with a lower scale of eight annas a month for those in receipt of a salary of less than Rs. 16 per mensem, has been generally accepted as suitable. Accordingly, they have decided that this rate should be adopted and that contributions in excess of it should not be permitted. This contribution, together with that of the management, should be paid in and deposited in a Post Office Savings Bank in such manner as the local Government may decide. Interest will be paid on the amount deposited at the rate of 3 per cent per annum, or such higher rate as may be given by the Post Office Savings Bank.

5. *Contribution by the management.*—This question is recognized as one of the chief difficulties of the scheme. The Government of India had suggested that the management should contribute a sum equivalent to half the teacher's contribution. While one local Government has pointed out that the managers of certain private schools already make contributions to provident funds at higher rates than the above, another suggests that the rate should be fixed at $\frac{1}{2}$ instead of $\frac{1}{4}$, as proposed in the draft scheme, and others have stated that managers will demur to making any contributions and have apprehended certain evils arising from compulsory contribution. The Government of India consider that the responsibility of the management for the school should be emphasized in every way. They maintain, therefore, that contribution by the management is an essential feature of any provident fund scheme for teachers and have decided that the rate of such contribution should be as laid down in the original scheme, viz., one-half of the teacher's contribution.

It has been suggested by certain local Governments that it is only fair that the contribution by a management should be taken into consideration in assessing the grant-in-aid for the school. The Government of India would not object to this suggestion, but as the matter is one for treatment by local Governments, they merely wish to lay down that, in considering such expenditure, local Governments should as far as possible avoid rendering direct assistance to the contributions of the management. They may render indirect assistance by assessing the general grant with reference to the general obligations of the management, but in no case should a local Government make such assistance cover the whole of the contribution payable by the management.

6. *Contribution by Government.*—The suggestion that the Government contribution should be a single lump contribution at the time the depositor retires or for other legitimate reason withdraws his deposits, equivalent to one-third of the amount at his credit, has found general acceptance. In order to reassure contributors, a printed slip guaranteeing the Government contribution may be attached to the pass-book. The conditions and the manner of the payment of the Government contribution will be as follows. On a subscriber quitting his employment in circumstances which give him a title to the contribution, the claim for this contribution will be sent to the Account Office by the officer authorized on this behalf by the local Government. The claim will be accompanied by the subscriber's pass-book and by certificates showing his eligibility, etc., as prescribed by the revised scheme attached. The Account Office will then pass one-third of the total at credit in the Savings Bank (plus any balance of advance) as the contribution.

7. *Control of the fund.*—The control of the fund will rest with the local Government which should draw up rules in regard to the registers to be maintained, the disposal of unclaimed funds, the definition of pay, the amalgamation of existing funds

with that which may be instituted and the steps which may be taken to deal with an institution or a person in cases of non-payment of contributions by managers or employees. The local Government may delegate its powers to officers under it. No withdrawal of any part of the deposits nor payment of any contribution by Government should be allowed without the sanction of the local Government or of the officer to whom the power may be delegated. In the opinion of the Government of India every subscriber should, on joining the fund, be required to sign a certificate in token of acceptance of the rules.

8. *Withdrawal of deposits.*—Objections have been raised in some quarters to the model rules governing the withdrawal of deposits suggested in the draft scheme. To meet these the Government of India have now decided that withdrawals will be permitted on the death or complete retirement of the depositor provided that—

(a) A teacher who resigns his post with due notice before the end of the sixth year from the commencement of his admission to the scheme will receive his own deposits and the interest thereon, and, with the sanction of the controlling authority given for good reason, the contribution of the management, the interest thereon and the contribution of Government.

(b) If a teacher is disabled or becomes invalided, he will in all cases receive his own deposits with interest on them at whatever stage of his service he is disabled or invalided, and he would ordinarily, with the sanction of the controlling authority, receive the total of the deposits to his credit and the Government contribution. Cases in which the latter course would not be pursued would be those where a teacher was incapacitated by his own fault.

(c) If a teacher is dismissed or removed from service, the portion of the deposit which is made up of the contributions of the employer and the interest thereon and the Government contribution may be withheld at the discretion of the local Government, but such a teacher will receive his own deposits with interest thereon.

(d) If the services of a teacher are dispensed with for no fault of his own, he may, with the sanction of the controlling authority, receive all deposits to his credit and the Government contribution, or if he seeks re-employment, may continue to participate in the scheme without contribution until and after the date of re-employment, provided that the period of unemployment does not exceed one year.

9. *Withdrawal of advances.*—The Government of India consider that this question should be left to the discretion of local Governments. They are of opinion, however, that in order not to make any scheme which may be instituted unpopular, advances might be allowed, as is the case in other similar schemes. They suggest that local Governments should also draw up rules governing the withdrawal and repayment of advances and that one of the rules should be that no advance may be taken till the deposit has reached a certain definite sum and that then only a certain proportion of the total deposit may be withdrawn.

10. *Management of the fund.*—The fund will be managed by means of the Post Office Savings Bank system and uniformity throughout the country is consequently necessary, so far as dealings with that agency are concerned. The requisite procedure is shown in the accompanying revised scheme.

11. It will be observed that, though the fund will be managed by a central agency, ample discretion is left to local Governments as to the application and detailed working of the scheme. The Government of India are of opinion that the fund will be of great benefit to a deserving body of men and they trust to see it established on a large scale at an early date.

ENCLOSURE

Revised scheme of Provident funds for teachers in non-pensionable service.

1. *Admission.*—Rules will be framed by local Governments as to the classes of educational institutions to which their scheme should apply, the exemption of teachers or classes of teachers from its operation, age-limits, minimum pay and all other matters connected with admission to the scheme. The scheme should not, however, be extended to teachers rendering pensionable

The Post office will open individual accounts for all the contributors to the proposed provident fund. The school authorities will arrange that all sums to be credited to these accounts shall be sent to the particular post office at which the accounts stand open, accompanied by—

Month of _____

Account number as in the pass-book.	Name of subscriber.	Monthly pay of subscriber.	[His contribution.	Manager's contribution.	Amo nt of advance refunded.	Total.
		\$8	\$8.	\$9,	\$8.	\$8.
	Total ..					

The money received in the Post office will be credited to the different accounts, in accordance with the entries in the list, and the postmaster, after satisfying himself that this has been done and that the amount of the deposit has been correctly entered in each pass-book, will sign the list, stamp it with the Post office date stamp, and return it with the pass-books to the manager of the institution from whom they were received. The latter official will be required to compare the entries made in the pass-book with the entries in the list, to see that the former are correct. Any error that may be detected should be brought at once to the notice of the postmaster.

So far as the Post office is concerned, the list need not be in duplicate, as the deposits will be entered in the usual course in the Post office savings bank ledger and journals which will furnish a complete record of the transaction.

Deposits may be made at any time and as often as is desirable, so that if, owing to the temporary absence of a contributor or for any other cause, the contributions of one or more individuals cannot be deposited at the same time as other contributions, they can be deposited singly or collectively at a later date, a separate list being sent along with the pass-books in the manner already described.

Accounts may be transferred with the sanction of the local Government or the officer to whom the power may be delegated, to any Post office savings bank under the rules governing the transfer of ordinary savings bank accounts.

Contributors to the fund, on whose behalf accounts are opened under the provisions of this scheme, will not be deprived of their right to open ordinary private accounts in the Post office savings bank.

As the Government contribution will be calculated on the last balance at credit of the subscriber, the savings bank account will be closed at the time the depositor retires or for other legitimate reasons withdraws his deposits. The savings bank pass-book will, after closure, be delivered to the manager of the school to enable him to claim the Government contribution from the Education Department. An application to close an account or to withdraw any advance sanctioned must be supported by the sanction of the local Government or the officer to whom the power may be delegated.

6. *The registers to be kept by managers of institutions* will be prescribed by local Governments. The following documents will perhaps be sufficient:—(a) the pass-books showing the totals paid into the savings bank, the amounts withdrawn as advances, the interest added and the total at credit; (b) certified statements showing details of the amounts paid in on behalf of each subscriber; (c) a register of advances showing advances made and their refunds.

7. *Interest to the depositor.*—Interest will be allowed on all deposits at the rate of 3 per cent per annum, or such higher rate as may from time to time be determined for deposits in post office savings banks.

8. *Withdrawal of deposits.*—Withdrawals will be permitted on the death or complete retirement of the depositor, provided that—

(a) A teacher who resigns his post with due notice before the end of the sixth year from the commencement of his admission to the scheme will receive his own deposits and the interest thereon, and, with the sanction of the controlling authority given for good reason, the contribution of the management, the interest thereon and the contribution of Government.

(b) If a teacher is disabled or becomes invalided, he will in all cases receive his own deposits with interest on them at whatever stage of his service he is disabled or invalided, and he would ordinarily, with the sanction of the controlling authority, receive the total of the deposits to his credit and the Government contribution. Cases in which the latter course would not be pursued would be those where a teacher was incapacitated by his own fault.

(c) If a teacher is dismissed or removed from service, the portion of the deposit which is made up of the contributions of the employer and the interest thereon and the Government contribution may be withheld at the discretion of the local Government, but such a teacher will receive his own deposits with interest thereon.

(d) If the services of a teacher are dispensed with for no fault of his own he may, with the sanction of the controlling authority, receive all deposits to his credit and the Government contribution, or if he seeks re-employment may continue to participate in the scheme without contribution until and after the date of re-employment, provided that the period of unemployment does not exceed one year.

9. *Withdrawal of advances* will be left to the discretion of local Governments in accordance with the rules which they may make to govern their withdrawal and repayment. But only a certain proportion of the total deposit may be allowed to be withdrawn and that only when the deposit has reached a certain definite sum.

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10. *Payment of the Government contribution.*—On a subscriber quitting his employment in circumstances which give him a title to the Government contribution, the claim for this contribution will be sent to the account office by the officer authorized on this behalf by the local Government. The claim will be accompanied by the subscriber's pass-book and by certificates showing his eligibility to join the fund and certifying that no amounts in excess of the authorized contributions by the subscriber and the managers have been deposited and declaring that the subscriber quitted the service in circumstances which give him a title to the Government contribution under the rules. If any balance of advance has not been re-paid, the amount should be certified. The account office will then pass one-third of the total at credit in the savings bank (plus any balance of advance) as the Government contribution.

II

Endorsement No. 2042/A-2, Home (Education), dated 20th October 1919.

Referred to the Director of Public Instruction who is requested to favour Government with his opinion as to the feasibility of introducing in this Presidency the scheme of provident funds for teachers in non-pensionable service drawn up by the Government of India. In particular, he is requested to submit his recommendations on the following points:—

- (1) the classes of institutions and teachers to whom the scheme in question should be made compulsorily applicable,
- (2) the age-limits and the minimum pay to be laid down for admission to the scheme,
- (3) the classes of teachers to be exempted from the operation of the scheme,

and
(4) the officers of the department who might be empowered to admit institutions and teachers to the benefits of the fund, to sanction advances or withdrawals from the fund and to permit transfer of accounts from one post office to another.

2. The Director is also requested to furnish a list of institutions under private management which have already established provident funds for the benefit of their employees and to report which of these can be allowed to retain their present status, which can be absorbed in the new scheme and which should be liquidated on account of unsatisfactory condition or other cause.

3. The Director is further requested to frame, in consultation with the Accountant-General, a draft of the rules for the management and control of the fund to be established by Government and to draw up the forms of the registers to be maintained by managers of schools and the officers of the department in connexion with the administration of the fund. The draft rules, when ready, should be submitted to Government for approval.

4. The Government desire that an approximate estimate of the cost of the scheme as recommended by the Director of Public Instruction should be framed and submitted along with his proposals.

5. A copy of G.O. No. 1162-63, Home (Education), dated the 10th September 1917, is forwarded to the Director of Public Instruction for information.

R. RAMACHANDRA RAO,
Secretary to Government.

To the Director of Public Instruction.

III

Letter—from the Hon'ble Mr. R. LITTLEHAILES, M.A., Director of Public Instruction.

To—the Secretary to Government, Home (Education) Department.

Dated—the 15th May 1920.

No.—R.C. 9801/19.

With reference to Government endorsement No. 2042/A-2, dated 20th October 1919, and Memorandum No. 2042/A-3, dated 29th April 1920, I have the honour to state that I consider that the scheme of provident funds for teachers in non-pensionable service drawn up by the Government of India can suitably be introduced in this Presidency.

2. I consider that it should be made compulsorily applicable to all educational institutions under private management which are recognized under the Madras Educational Rules, no matter whether they are aided or unaided. It is not in general necessary to introduce the scheme in Government institutions or in schools under local boards or municipalities. Teachers who are servants of a local body come under the provident fund or pension scheme of the local body. If a local body does not at present have such a scheme steps may be taken to induce it to have a provident fund or pension scheme for all its servants including teachers, but pending the introduction of a provident fund scheme for all servants of all local bodies the provident fund scheme for teachers drawn up by the Government of India might be made applicable to educational institutions maintained by local bodies which do not have a provident fund or pension scheme of their own.

3. I consider that the scheme should be made compulsorily applicable to all certificated teachers whose pay is not less than Rs. 20 per mensem employed in the institutions to which it is made applicable. I do not consider it economically sound to deduct any portion of the pay of a teacher who has a bare subsistence allowance of Rs. 20 per mensem. The scheme might also be made applicable to Pandits and Munshis employed in recognized schools and colleges. Certificated teachers who are drawing less than Rs. 20 per mensem might be given the option of subscribing to the fund. I do not consider that uncertificated teachers excluding Pandits and Munshis should be admitted to the benefits of the fund.

4. No teacher should be admitted to the fund who is less than 20 years of age. I should not have any upper limit to the age for admission to the fund but I should close the fund of every teacher when he reaches the age of sixty.

5. The following classes of certificated teachers may be exempted from the operation of the scheme:—

(i) Certificated teachers holding a policy in a Life Assurance Company so long as the policy remains in force.

(ii) Certificated teachers engaged by an institution which has a provident fund of its own which is accepted by the Director of Public Instruction.

(iii) Certificated teachers—there are about 2,400—engaged in teacher-manager schools. For the purpose of contribution to the fund the salary of the teacher-manager shall be fixed by the Inspector or Director of Public Instruction, as the case may be, according to the current market rate of salary paid to a teacher of similar qualifications engaged in similar work.

(iv) Teachers who belong to a religious order.
Classes (i) and (iii) supra may be given the option of joining the scheme but not classes (ii) and (iv).

6. The officers of the department who might be empowered to admit institutions and teachers to the benefit of the fund, to sanction advances or withdrawals from the fund and to permit transfer of accounts from one post office to another might be Inspectors of Schools in the case of teachers in boys' schools and Inspectresses of girls' schools in the case of teachers in girls' schools.

7. With reference to paragraph 2 of Government endorsement No. 2042/A-2, dated 20th October 1919, I enclose herewith a list of the institutions under private management which have already established provident funds for the benefit of their employees. I beg to state that the rules for the working of the funds in the schools bearing serial Nos. 1 to 82 and 87 in the list have been approved by the Director and they are in general in conformity with the draft rules issued by the Director of Public Instruction in Proceedings Dis. No. 3504, dated 17th June 1915. I enclose herewith a copy of these draft rules and beg to invite the attention of Government to rule 24 which reads as follows:—'The management shall merge their provident fund in any general provident fund that may hereafter be started by Government if requested to do so by the Director of Public Instruction'. I beg to advise Government that the funds in all these schools might well be absorbed in the new scheme. Furthermore managers of aided institutions under private management are at present permitted to include the cost of working of their provident fund scheme provided it

is approved by the Director of Public Instruction in the net cost of managing the institutions upon which a grant equal to one-half of the cost is paid annually. The cost of the management by reason of its contribution to the new provident fund scheme proposed by the Government of India will no longer be taken into account in payment of one-half of the net cost of the institution. The financial effect will be for those institutions which earn grant no different under the revised scheme from what it is at present, for instance, under the present rules if a teacher pays Rs. 10 towards the provident fund the manager also pays Rs. 10 one-half of which is refunded to him by Government. The contribution then stands as follows:—

	Rs.
Teacher	10
Manager	5
Government	5

According to the new scheme the teacher will pay Rs. 10 and the manager Rs. 5 making in all Rs. 15 while Government pays one-third of Rs. 15, i.e., Rs. 5 together with accumulated interest when the account of any teacher is closed.

8. I know of no provident fund scheme which should be liquidated on account of unsatisfactory condition or for other cause.

9. Exceptional cases where a school or a college has a fund which it considers should not be merged in the general scheme could be considered and the orders of Government taken thereon if need be. It is possible that the institutions under Pachaiyappa's charities, the Mrs. A.V.N. college, Vizagapatam, the Madras Christian college, the St. Joseph's college, Trichinopoly, and the Findlay college, Mannargudi, which have provident funds of their own the rules for the working of some of which have not been approved by the Director might require further consideration but their cases can be considered if and when the management of these institutions find themselves unwilling to subscribe to the general provident fund formulated by the Government of India.

10. With reference to paragraph 3 of the Government endorsement, I beg to state that I am forwarding to the Accountant-General a copy of the draft rules drawn up by me for the management and control of the fund to be established by Government with samples of the forms of the registers to be maintained by managers of schools and the Inspectors and Inspectresses in connexion with the administration of the fund; copies of them will be submitted to Government after they are approved by the Accountant-General.

11. The approximate cost to Government of the scheme as proposed by me is shown below:—

Qualifications of teachers.	Number of teachers holding certificates.	Average salary per mensem.	Total salary drawn per annum.	Amount of contribution to the fund (¢ per cent).	Cost to Government.
		Rs.	Rs.	Rs. & P.	Rs.
Collegiate grade	1,047	124	1,488	33 0 0	$1,047 \times 93 \times 20,516 \div 26,188 = 75,282$
Secondary grade	2,119	46	652	34 8 0	$2,119 \times 69 \times 20,516 \div 26,188 \times 2 = 67,272$
Elementary grade	9,855	11	132	8 4 0	$9,855 \times 93 \times 20,516 \div 26,188 \times 4 = 68,594$
Total					1,97,148

For the purpose of the above table the number of certificated teachers employed in all aided and unaided recognized institutions under private management on 31st March 1919 has been adopted and the average salary of each teacher under the respective grade has been assumed to be the same as that given in Statement I appended to the Madras Government's letter to the Government of India No. 1163, dated 10th September 1917. I beg to submit, however, that in view of the recent and future increase in the pay of teachers the above estimate is likely to be considerably exceeded, but that the liability to Government will be either nothing or extremely small for the first few years of the scheme.

(1)
*List of the institutions under private management which have already established
provident funds for the benefit of their staff.*

1. Baptist Mission Middle School, Berhampur.
2. Kallikota College, Berhampur.
3. Onslow Institution, Chattrapur.
4. Surangi Raja's High School, Ichohapuram.
5. Hindu High School, Masulipatam.
6. George Fifth Coronation Middle School, Nandigama.
7. A.E.L.M. College, Guntur.
8. Town High School, Guntur.
9. A.E.L.M. Middle School, Rentachintala.
10. Cole's Memorial High School, Kurnool.
11. Wardlaw High School, Bellary.
12. London Mission High School, Gooty.
13. R.V.M. High School, Venkatagiri.
14. Harris' High School, Royapetta, Madras.
15. E.P.G. St. Paul's High School, Vepery, Madras.
16. Wesley College, Royapetta, Madras.
17. Kellett High School, Triplicane, Madras.
18. St. Gabriel's High School, Georgetown, Madras.
19. Hindu High School, Triplicane, Madras.
20. Muttiyalpet High School, Madras.
21. Progressive Union Middle School, Georgetown, Madras.
22. T.T.V. Middle School, Georgetown, Madras.
23. Hindu Theological High School, Madras.
24. Wesleyan Mission High School, Tiruvallur.
25. O.R.C. High School, Perambur.
26. Voorhee's College, Vellore.
27. O.S.M. Middle School, Arkonam.
28. H.E.L.M. High School, Tirupati.
29. Hope High School, Madanapalle.
30. O.E.L.M. Middle School, Puthur.
31. A.A.M. High School, Tindivanam.
32. National High School, Trichinopoly.
33. High School, Srirangam.
34. Aryan Middle School, Trichinopoly.
35. St. Peter's High School, Tanjore.
36. Wesleyan Mission High School, Negapatam.
37. Central High School, Tiruvadi.
38. High School, Tirukkattupalli.
39. Nadar's High School, Poraiyar.
40. Town High School, Kumbakonam.
41. Banadurai High School, Kumbakonam.
42. Middle School, Umayalpuram.
43. A.M. College, Madura.
44. A.M. High School, Pasumalai.
45. Setupati High School, Madura.
46. V.M. High School, Bodinayakanur.
47. S.P.G. High School, Ramnad.
48. Raja's High School, Ramnad.
49. C.M. College, Tinnevely.
50. St. Francis Xavier's High School, Palamcottah.
51. Hindu College, Tinnevely.
52. Tirthapati High School, Ambasamudram.
53. High School, Gopalamudram.
54. St. Michael's High School, Coimbatore.
55. London Mission High School, Coimbatore.
56. Diamond Jubilee High School, Gobichettipalayam.
57. St. Aloysius' College, Mangalore.
58. Rosario Middle School, Mangalore.
59. Kanara High School, Mangalore.
60. Ganapati High School, Mangalore.
61. A.E.L.M. Girls' High School, Guntur.
62. London Mission Boarding Girls' High School, Vepery, Madras.
63. O.S.M. Girls' Boarding High School, Kilpauk, Madras.
64. Pachaiyappa's College, Madras.

65. Pachaiyappa's High School, Madras.
 66. Govinda Nayakar's Middle School, Madras.
 67. Pachaiyappa's High School, Big Conjeeveram, and its branch Middle School at Little Conjeeveram.
 68. D.R. Middle School, Big Conjeeveram.
 69. Pachaiyappa's High School, Chidambaram.
 70. U.F.C.M. High School, Chingleput.
 71. U.F.C.M. High School, Big Conjeeveram, and its branch Middle School at Little Conjeeveram.
 72. U.F.C.M. High School, Walajabad.
 73. U.F.C.M. Girls' Boarding High School, Rayapuram, Madras.
 74. U.F.C.M. Girls' Day School, Georgetown, Madras.
 75. U.F.C.M. Training School for Mistresses, Rayapuram, Madras.
 76. Caldwell High School, Tuticorin, and its branch S.P.G. Middle School, Melur, Tuticorin.
 77. S.P.G. Middle School, Sawyerpuram.
 78. S.P.G. Boys' Middle School, Nazareth.
 79. S.P.G. Training School for Masters, Nazareth.
 80. St. Mary's Girls' Middle School, Sawyerpuram.
 81. St. John's Girls' High School, Nazareth.
 82. St. John's Training School for Mistresses, Nazareth.
 83. Mrs. A.V.N. College, Vizagapatam.
 84. Madras Christian College.
 85. St. Joseph's College, Trichinopoly.
 86. Findlay College, Mannargudi.
 87. A.B.M. High School, Ongole.

(2)

Proceedings of the Director of Public Instruction., Dis. No. 3504, dated 17th June 1915.

Draft Rules for a Teachers' Provident Fund.

The fund is instituted for the purpose of making some provision, on retirement, for certificated teachers, pandits, instructors, writers and librarians in the permanent employment of the school, and it shall be called "The Teachers' Provident Fund of the School."

2. The fund shall come into operation from

3. (a) Every person (teacher, instructor, writer, pandit or librarian) entering the service of the school on or after shall join the fund.

(b) Every person (teacher, instructor, writer, pandit or librarian) who joined the service of the school before that date and still continues in service shall be entitled to join the fund, but he should make his election within a period of three months from the institution of the fund whether to join it or not. If such person fails to elect within the said period, he may not be allowed to join it later.

4. In the case of any person who, being in service on , has completed twelve years' service in the school before that date, it shall be open to the school committee to allow him at retirement such benefits from the general funds of the school as it may consider proper irrespective of any benefit that he may derive from the fund.

5. The resources of the fund shall be the following:—

(a) A monthly contribution of 6½ per cent or one anna in the rupee on the salary of each contributor. No contributions should be demanded on fractions of a rupee included in a contributor's salary.

(b) A monthly payment by the manager on behalf of each contributor of a sum equal to that paid by the contributor.

6. Contributions shall be reckoned on the amount of substantive pay of the contributor, excluding recompense for special occasional services or acting and personal allowances.

7. Should a contributor be temporarily on reduced pay, on account of leave of absence or other similar cause, his contributions as well as the contributions of the manager shall be calculated on the actual salary paid to him but it shall be open to the contributor to cease from making payments during such periods and in this case the manager's contribution may also cease for the time being.

8. Separate accounts shall be kept showing the amounts paid by each contributor and by the manager: and to the amount of such payments compound interest at 3 per cent shall be added annually, but such interest shall be exhibited in a separate column in the accounts.

9. A contributor's payment shall not cease permanently until he retires from service in the school.

10. (a) In case of the retirement of a contributor, before he has completed five years' service, he shall receive only his contributions up to date, with interest calculated up to the end of the half-year immediately preceding his retirement.

(b) Death or any permanent physical infirmity occurring within five years' service will, however, entitle the contributor to the full benefits of the Provident Fund.

11. In case of the retirement of a contributor from any cause after five years and before he has completed ten years' service, a contributor shall receive his own contributions and one-half of the amounts of the contributions paid by the manager up to the date of retirement, together with interest on the sum thus calculated up to the end of the half-year immediately preceding his retirement.

12. A contributor who retires after ten years' service shall receive the amount of his own and the contributions paid by the manager, together with interest calculated up to the end of the half-year, immediately preceding his retirement.

13. In case a contributor is dismissed for incompetence, misconduct, gross insubordination or incapacity to perform his duties on account of ill-health certified by competent medical authority he shall retain his right to his own contributions up to the date of such dismissal, together with interest calculated up to the end of the half-year immediately preceding his dismissal, and to the manager's contribution, with interest, up to a date three years prior to his dismissal but shall forfeit all other benefits from the fund for the three years immediately preceding his dismissal. A contributor who is dismissed on any other grounds shall be treated as though he had voluntarily retired.

14. Any surplus in investment after paying the 3 per cent rate of interest on the contributions, all lapses from the contributions and any other income shall constitute a special fund, to be used for meeting the expenses of management of the fund.

15. A contributor shall be at liberty to nominate by entering their name or names on a register maintained for the purpose, any person or persons whether his natural heirs or other relations, who, in the event of his death, shall receive the amount that may be due to him under these rules; in case he nominates more persons than one, he shall enter on the register the proportion in which the amount payable shall be divided among them. A contributor shall be at liberty to change his nominee or nominees as often as he pleases, but only the person or persons last registered shall be recognized for the purposes of this fund and a receipt signed by the last registered nominee or nominees shall be a full and valid discharge.

16. The fund shall be managed by a committee of five of whom the manager and the headmaster of the school shall be ex officio members; the other members of the committee shall be: one to be nominated by the manager who shall hold office until his successor is appointed; and two contributors, to be elected annually at a meeting of the contributors to be convened by the headmaster within the school premises, between July 16th and 31st in each year. The manager shall be ex officio chairman of the fund committee and the headmaster of the school ex officio secretary of the fund committee. In the event of a vacancy amongst the elected members, the fund committee shall appoint a contributor to hold the office till the next annual meeting of the contributors. When the management of the school is vested in a corporate body, that body shall nominate one of themselves as manager for the purposes of this fund. When the manager is the headmaster, the contributors shall elect three members of the committee.

17. The secretary of the fund committee shall keep the accounts of the fund and its other records.

18. The quorum for a meeting of the fund committee shall be the secretary and any two other members of the committee.

19. The committee shall invest all sums at its disposal in Government securities, Port Trust or Municipal bonds or other securities issued under the authority of Government and the uninvested balance shall at no time be allowed to exceed Rs. 500.

20. No payment shall be made to, or on account of, any contributor until any debt that he may owe to the school has been paid.

21. The managing committee shall pay the amount due to a retiring member or to the heirs and nominees of a deceased contributor not later than three months after his retirement or and provided however that it shall always be competent for the committee to withhold payment in the case of death, until an adequate certificate of heirship shall have been produced. Interest on the amount due in any case shall cease at the end of the half-year preceding the date of retirement or decease.

22. The committee shall appoint annually an auditor in June or July to examine the accounts and shall inform contributors of the amount standing to their credit after the presentation of the auditor's report. No individual member of the committee shall give any presentation concerning the fund to any one unless instructed to do so by the committee.

23. The managing committee with the approval of the Director of Public Instruction shall have full power to add to or alter or amend these rules as it may deem expedient or necessary, care being taken to see that such alterations and amendments do not prejudicially affect contributors who joined before such alterations and amendments were made.

24. The management shall merge their provident fund in any general provident fund that may hereafter be started by Government, if requested to do so by the Director of Public Instruction.

H. S. DUNCAN,
Acting Director of Public Instruction.

No. 14, HOME (EDUCATION), 4TH JANUARY 1921

Order—No. 14, Home (Education), dated 4th January 1921.

The Government approve generally the proposals of the Director of Public Instruction for introducing in this Presidency the scheme of provident fund for teachers in non-pensionable service framed by the Government of India subject to the following modifications:—

(1) The scheme will be made applicable also to instructors, librarians and clerks employed in recognized institutions under private management; and

(2) Uncertificated teachers in such institutions in receipt of a salary of Rs. 20 and over will be allowed the option of subscribing to the fund.

2. The question of extending the benefit of the scheme to teachers in the employ of local bodies which have no pensionary or provident scheme of their own is separately under consideration.

3. The Director of Public Instruction is requested to expedite the submission of the draft rules for the management and control of the fund to be established by Government promised in paragraph 10 of his letter. The rules should embody the suggestions herein approved and define the procedure to be followed in regard to the amalgamation of private provident funds with the Government fund. A rule should be inserted to the effect that in the case of transfer of teachers from an institution to which the new scheme applies to another having a separate fund of its own or vice versa, the amount at their credit should be transferred to the fund which they newly join instead of being handed over to them.

(By order of the Governor in Council.)

R. RAMACHANDRA RAO,
Secretary to Government.

To the Director of Public Instruction.
" Accountant-General.
" Financial Department.
" Publicity Officer.

NOTES CONNECTED WITH G.O. No. 14, LAW (EDUCATION),
DATED 4TH JANUARY 1921.

[SUBJECT.—Provident fund for teachers in non-pensionable service.]

G.O.		Previous papers:	
418,	Education, 18th July 1910	G.O. 1162, Home (Edn.), 10th Sep. 1917	
611 M.	29th March 1912	" 1490	23rd Nov. 1918
692,	Education, 28th July 1913	" 1480-1, Revenue,	19th June 1919
1212	" 19th Dec. "	" 52 L.,	20th Jan. 1920
1256	" 22nd Nov. 1915		

From the Government of India, No. 946, dated 29th August 1919.

From the Director of Public Instruction, R.G. No. 9801/19, dated 15th May 1920.

HOME (EDUCATION) DEPARTMENT.

In 1916, the Government of India circularised local Governments on the subject of the establishment of provident funds for teachers in non-pensionable service (page 1 of G.O. No. 1162, dated 10th September 1917). They forwarded a draft scheme for the establishment of the fund through the agency of the Post office savings bank. This Government approved the main features of the scheme subject to modifications on certain points of detail. In August last, the Government of India forwarded a revised scheme for the establishment of the fund and left it to local Governments to introduce and finance it. The Director of Public Instruction was thereupon asked to report as to the feasibility of adopting the scheme in this Presidency and to submit his views on the question of classes of teachers to be brought within the scope of the scheme and certain other matters. He was also asked to frame in consultation with the Accountant-General draft rules for the management and control of the fund and to draw up the forms of the registers to be maintained by the managers of schools and the officers of the department in connexion with the administration of the fund.

2. The Director of Public Instruction now submits his views on the various points referred to him. He considers that the scheme of provident fund for teachers in non-pensionable service drawn up by the Government of India can suitably be introduced in this Presidency. He states that he has forwarded a set of draft rules to the Accountant-General, and that he would forward them to Government after approval by the latter officer. In the meanwhile, such points of detail on which he has offered his remarks are noted on below.

3. *Institutions to be brought within the scope of the scheme.*—The Government of India originally proposed that the scheme should be compulsory on all teachers in non-pensionable employment in recognised (aided and unaided) institutions of the collegiate and secondary type, on all teachers of aided primary schools which earned a total grant from public funds of not less than Rs. 10 a month or such lower sum as might be decided on by the local Government and also on teachers of recognized unaided primary schools according to rules framed in each province (rule 1, page 4, of G.O. No. 1162, dated 10th September 1917).

The Government of India have now left it to local Governments to frame rules as to the classes of educational institutions which should be brought within the scope of the scheme. They have stated that the scheme should not, however, be "extended

to teachers rendering pensionable service under Government or local bodies, or for whom Government or a local body already maintains a provident fund, though a local body may, with the consent of the local Government, convert an existing provident fund scheme into the new scheme. Nor is it necessary to extend the scheme to teachers belonging to a privately managed institution with a provident fund scheme of its own, if the local Government considers the policy or scheme satisfactory. But suitable provision may be made by local Governments for the conversion of an existing scheme into the new scheme, if desired by the local body or the privately-managed institution concerned, as well as for the winding up of any unsatisfactory scheme maintained or established by an institution and for the application thereto of the new scheme."

The Director of Public Instruction proposes that the scheme should be made compulsorily applicable to—

(i) all recognized educational institutions under private management, whether aided or unaided, and

(ii) institutions under local bodies which do not have a provident fund or pension scheme of their own.

4. Several institutions under private management now have provident funds for the teachers employed in them. The Director of Public Instruction has forwarded a list of such schools. The rules relating to these funds have in most cases been approved by the Director and one of these rules requires that the separate provident funds should, if so desired by the Director of Public Instruction, be merged in the general provident fund for teachers that may be started by Government. The Director now proposes that these separate funds should be absorbed in the new scheme and that exceptional cases where a school or college has a fund which it considers should not be so merged may be considered separately.

5. The advantages of having one general fund for all teachers in non-pensionable service instead of a multiplicity of funds established by private managers are fully set out in the report submitted by Mr. (now Sir Henry) Stone in 1909 on the question of a provident fund scheme for teachers (page 4 of G.O. No. 418, dated 18th July 1910). The Director of Public Instruction's proposal to ask the privately

managed institutions named by him which have provident funds, to join the new scheme may therefore be approved. The detailed procedure in regard to the amalgamation of the funds will have to be laid down in consultation with the Accountant-General. The Director of Public Instruction may be asked to do this.

6. As regards institutions under local bodies, it is submitted that all local boards, and 47 municipal councils have established provident funds for their employees including teachers and that 25 councils have no such funds. The Local and Municipal Department may be requested to consider whether, in the case of these 25 councils, funds may be started for all the municipal employees or at any rate for teachers only, or whether the teachers under them may be asked to join the scheme proposed by Government.

S.K.—16-6-20. N.K.—16-6-20. C. RAMANUJA ACHARIYAR—16-6-20.

A above may be considered later on. Meanwhile the Director of Public Instruction's proposals may be approved.

Paragraph 6 to Local and Municipal.

R. RAMACHANDRA RAO—19-6-20.

(Vide note of the Local and Municipal Department on page 5 infra.)

7. *Classes of teachers to whom the scheme should be made compulsorily applicable.*—The scheme drawn up by the Government of India in 1916 was sought to be made applicable to all teachers in non-pensionable employment, whether certificated or uncertificated (paragraph 1 of scheme, page 4 of G.O. No. 1162, dated 10th September 1917).

In letter No. 1163, dated 10th September 1917, this Government expressed the view that the scheme should be restricted to certificated teachers.

The Government of India have now left it to the local Government to frame rules as to the exemption of teachers or classes of teachers from the operation of the scheme.

The Director of Public Instruction again recommends that the scheme should be made applicable only to *certificated* (or trained) teachers. This proposal may be accepted. The question of exemption of certain classes of teachers is dealt with in paragraph 10 *infra*.

The Director further considers that certificated teachers drawing Rs. 20 and more per mensem should alone be compelled to contribute and that those drawing less than that sum should be given the option to do so. It is submitted that most of the teachers of the elementary grade will fall only under the latter category. In 1917, the average pay of such teachers was calculated at Rs. 11 per mensem (statement F, page 15, of G.O. No. 1162, dated 10th September 1917). Though the rates of grants payable to teachers in aided elementary schools have been raised recently and may still further be raised in the near future, it is doubtful whether the minimum pay will soon approximate to Rs. 20 per mensem. According to the scheme formulated by the Government of India, the teachers' contribution to the fund is at $6\frac{1}{2}$ per cent (or 1 anna in the rupee). But the scheme allows that from teachers drawing less than Rs. 16 per mensem, a fixed contribution of eight annas a month may be received. This lower rate has been introduced apparently with a view to bringing in the large body of teachers drawing salaries less than Rs. 16 per mensem and making them compulsorily to contribute to the fund. At present, district board provident funds are applicable to all teachers in superior service, i.e., drawing Rs. 10 per mensem and above. Only one district board recently asked for permission to exempt teachers drawing less than Rs. 16 per mensem from contributing to the fund. It does not appear that similar difficulty has been experienced by other boards. It is, therefore, for consideration whether the limit of Rs. 20 per mensem for *compulsory* contribution proposed by the Director of Public Instruction in the case of teachers in

Yes.

R.R.—19-6-20.

aided institutions may be approved or a lower limit may be adopted. Perhaps, the Director of Public Instruction's proposals may, for the present, be accepted as teachers drawing less than Rs. 20 per mensem will still have the option of contributing to the fund.

S.K.—16-6-20. N.K.—16-6-20.

C. RAMANUJA ACHARIYAR—16-6-20.

In addition I would extend the option of contribution to uncertificated teachers drawing Rs. 20 per mensem or more. The provision we make for training is inadequate. The system of a provident fund is calculated to make the teacher's service continuous and we should not deny such advantage to institutions in the case of the higher paid teachers who are left untrained chiefly for no fault of their own.

R. RAMACHANDRA RAO—19-6-20.

8. The Director of Public Instruction recommends that pundits and munshis, though classed as uncertificated teachers, should be admitted to the benefits of the fund. This proposal may be accepted.

9. At present in private institutions instructors, writers and librarians are admitted to the benefits of the fund established by the management. Under the Director of Public Instruction's proposal, they will not be eligible to contribute to the general fund. They may also be included as they form part of the school establishment.

S.K.—16-6-20. N.K.—16-6-20.

C. RAMANUJA ACHARIYAR—16-6-20.

8 and 9 Yes.

R. RAMACHANDRA RAO—19-6-20.

10. *Exemption of teachers from the operation of the scheme.*—The Government of India have stated that it is not necessary to extend the scheme to teachers holding a policy in an assurance company or belonging to a privately-managed institution with a provident fund scheme of its own if the local Government considers the policy or scheme satisfactory. In the draft scheme framed in 1916 they also referred to the desirability of exempting teachers who undertake honorary work or belong to a religious body—paragraph 1 of scheme, page 4 of G.O. No. 1162, dated 10th September 1917.

The Director proposes that the undermentioned classes of teachers may be exempted from the operation of the scheme:—

- (i) certificated teachers holding a policy in a life assurance company so long as the policy remains in force,
- (ii) certificated teachers engaged by an institution which has a provident fund of its own accepted by the Director of Public Instruction,
- (iii) certificated teachers engaged in teacher-manager schools, and
- (iv) teachers who belong to a religious order.

Class (i).—The Government of India have also suggested the exemption of this class. The Director of Public Instruction, however, proposes to allow them the option to join the fund. This may be approved.

Class (ii).—Does not call for any remarks. The great majority of provident funds now existing in privately-managed institutions may be absorbed in the new scheme and there will be only a few left.

Class (iii).—The Director of Public Instruction's proposal is in accordance with the view already held by Government that teachers in teacher-manager schools should not be compelled to contribute—paragraph 2 (a) of letter No. 1257, dated 22nd November 1915. The Director of Public Instruction proposes to allow these teachers the option to join the scheme. If a teacher-manager avails himself of this option he may have to contribute both as teacher and as manager.

As teacher managers have no fixed salaries, the Director of Public Instruction proposes that for the purposes of contribution to the fund their salary will be fixed by the Inspector or the Director of Public Instruction, as the case may be, according to the current market rate of salary paid to teachers of similar qualifications doing similar work. This may be approved.

Class (iv).—As regards teachers belonging to a religious order, the Director of Public Instruction does not propose to allow them even the option to join the scheme. Many of these teachers may be doing honorary or quasi-honorary work. The proposal to exclude them from the scope of the scheme may be approved.

S.K.—16-6-20. N.K.—16-6-20.

C. RAMANUJA ACHARYAR—16-6-20.
R. RAMACHANDRA RAO—19-6-20.

11. *Age-limit for admission to the scheme.*—In the scheme forwarded by the Government of India in 1916, there was a rule that none below 20 or above 40 years of age would be admitted to the fund—paragraph 1 of the scheme, page 4 of G.O. No. 1162, dated 10th September 1917.

This Government pointed out that in cases where private funds already in existence are merged in the new scheme, teachers belonging to such funds who might have passed the maximum age-limit should be allowed to contribute to the new fund irrespective of the rule—paragraph 2 (ii) of letter No. 1163, dated 10th September 1917.

In the revised scheme forwarded by the Government of India they have left it to local Governments to fix the age-limits for admission. While recommending the adoption of the lower limit of 20 the Director of Public Instruction does not want to fix any upper limit of age for admission to the scheme, but suggests that, when a teacher reaches the age of sixty, his fund should be closed.

It is submitted that, in the provident fund rules of local bodies also, no upper limit of age for admission is laid down; but the rules provide that the fund shall be closed when the subscriber attains the age of 55 years. The Director of Public Instruction's proposal to fix no upper limit of age for admission may be approved.

Pundits and munshis, and teachers of the elementary grade may serve even after attaining fifty-fifth year and the Director of Public Instruction's proposal to close the account when the subscriber completes 60 years of age may be accepted with the concurrence of Financial.

S.K.—16-6-20. N.K.—16-6-20.

C. RAMANUJA ACHARIYAR—16-6-20.
R. RAMACHANDRA RAO—19-6-20.

FINANCIAL DEPARTMENT.

The proposal at A above may be accepted.

T.A.S.—25-10-20.

We need not object.

J. M. HOOPER—27-10-20. R. A. GRAHAM—30-10-20.

12. Officers to be empowered to admit institutions and teachers to the fund and exercise certain other powers—The Government of India have now ruled that the control of the fund would rest with the local Government who might delegate its powers to subordinate officers.

The Director of Public Instruction proposes that Inspectors and Inspectresses may be empowered to admit institutions and teachers to the scheme, to sanction advances and withdrawals from the fund and to permit transfer of accounts from one post office to another. The proposal may be accepted.

S.K.—16-6-20. N.K.—16-6-20.

C.R.—16-6-20.
R.R.—19-6-20.

13. Contribution by the management—In the original scheme it was proposed that the management should contribute a sum equal to half the contribution of the teacher which should be paid into the teacher's account along with his own deposit—paragraph 3, pages 4 and 5 of G.O. No. 1162, dated 10th September 1917.

With regard to this the Government of India were informed that this Government adhered to the opinion already expressed that it would be inadvisable to call on the management of private schools to contribute—paragraph 2 (iii) of letter No. 1163, dated 10th September 1917.

On this subject the Government of India now state as follows:—

"The Government of India consider that the responsibility of the management for the school should be emphasized in every way. They maintain therefore that contribution by the management is an essential feature of any provident fund scheme for teachers and have decided that the rate of such contribution should be as laid down in the original scheme, viz., one-half of the teachers' contribution."

The Government of India also state that local Governments should, as far as possible, avoid rendering direct assistance to the contributions of the management. They are allowed to render indirect assistance by assessing the general grant with reference to the general obligations of the management and it is laid down that such assistance should not be made to cover the whole of the contribution payable by the management.

At present, managers of certain schools contribute to the provident funds established by them a sum equal to that subscribed by the teachers and include this expenditure in the net cost of the school on which a half grant is earned from provincial funds. As the managers will, under the new scheme, contribute only half of what the teachers subscribe (the other half being contributed direct by Government), the Director of Public Instruction proposes that the managers' contribution need not in future be taken into account in assessing the grant for the schools.

As pointed out by the Director, it does not throw any additional burden either on the manager or on Government so far as the schools in question are concerned. The proposal may be accepted.

S.K.—16-6-20. N.K.—16-6-20.

C.R.—16-6-20.
R.R.—19-6-20.

14. Withdrawal of deposits—In the original scheme a rule was introduced to the effect that a teacher who resigned his post within a year from the commencement of his admission to the scheme or at any period thereafter without due notice should forfeit all contribution and interest—paragraph 8 (a), page 6 of G.O. No. 1162, dated 10th September 1917.

NOTES TO G.O. No. 14, ^{Law} ~~Home~~ (EDUCATION), 4TH JANUARY 1921

16. The file may be sent to the Local and Municipal and Financial Departments for remarks.

N.K.—16-6-20.

C. RAMANUJA ACHARIYAR—16-6-20.
R. RAMACHANDRA RAO—19-6-20.

LOCAL AND MUNICIPAL DEPARTMENT.

The remarks of this department are called for on the question whether, in the case of councils which have not established provident funds for their employees, such funds may be started for all the employees or at any rate for teachers only or whether the teachers under them may be asked to join the scheme proposed by Government—vide paragraph 6 of Home (Education) Department's note on page 2 ante.

2. Of the 78 mufassal municipalities now in existence, 57 have established provident funds for all employees and the Anantapur Municipal Council has a

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| (1) Hindupur. | (11) Chinnacole. |
| (2) Tadpatri. | (12) Chirala. |
| (3) Tirupattūr. | (13) Narasaraopet. |
| (4) Tiruvannāmalai. | (14) Repalle. |
| (5) Villupuram. | (15) Mangalore. |
| (6) Adōni. | (16) Palacole. |
| (7) Chingleput. | (17) Tellicherry. |
| (8) Chittoor. | (18) Virudupatti. |
| (9) Tirupati. | (19) Tiruvāliur. |
| (10) Coimbatore. | (20) Binlipatam. |

provident fund for the high school staff. The remaining twenty have not established any provident fund for their employees. Before this department offers its remarks these twenty councils may be requested to report their views in the matter. The Anantapur Municipal Council also may be requested to report if it has any objection to extend the provident fund system to the teachers of elementary schools under them. A draft reference is submitted.

V.N.—12-8-20. K.A.G.—14-8-20. K. V. VISWANATHA AYYAR—19-8-20.

I expect the proposed 'provincialization' of secondary school headmasters will complicate matters.

After issue of the official memorandum the file should go to Home (Education).
F. J. RICHARDS—22-8-20.

HOME (EDUCATION) DEPARTMENT.

This file deals mainly with the question of the establishment of a provident fund for teachers in aided schools. Such local bodies as have no provident funds for teachers may, however, join the Government scheme. The proposal to provincialize the staff of headmasters of secondary schools under local bodies has not yet been accepted by this department. It is understood that it is to be referred to the Financial Relations Committee which is to meet shortly. If the staff is provincialized, it will be excluded from the provident fund scheme. Teachers other than headmasters of secondary schools may then join the fund if they do not already contribute to an existing fund. It does not appear necessary to wait for a decision of the question of provincialization of the staff of headmasters. The file may be sent to the Financial Department for remarks on the main issue.

S.K.—17-9-20. N.K.—17-9-20. C. RAMANUJA ACHARIAR—19-9-20.
R. RAMACHANDRA RAO—20-9-20.

FINANCIAL DEPARTMENT.

The main question is the provision of funds to meet the Government bonus of one-third of the total amount to the credit of the subscribers of the provident fund at the time of its withdrawal. According to the Director of Public Instruction, the provident fund scheme is to apply to certificated teachers only, and he estimates the ultimate cost to Government at Rs. 1,97,248 per annum. The calculations are based on the average salary of teachers in 1915-16. There has been some increase of salaries since then, and assuming it to be 20 per cent, the cost will be roughly Rs. 2,37,000. The Home Secretary has suggested that uncertificated teachers drawing not less than Rs. 20 per mensem should also be admitted to the benefits of the fund as optional subscribers, on the ground that many of them have not been trained because the Government could not provide the necessary facilities. The cost of applying the scheme to uncertificated teachers also was estimated in 1915-16 at Rs. 2,18,411 per annum. Adding 20 per cent to cover increase of salaries, the figure will be roughly Rs. 2,62,000. Of course, the calculations in this and in the previous

case assume that all optional subscribers will take advantage of the fund. On the other hand, there is the fact that the number of teachers, especially in the elementary grade is rising every year, and with the impetus given by the Elementary Education Act to the starting of more elementary schools, the growth in the number of teachers will be much more rapid. It is possible that the number of teachers may be doubled in the course of the next ten years and the cost also doubled.

2. Another factor in the calculation of extra cost is the application of the scheme to teachers under local bodies. All district boards and many of the municipalities have provident funds of their own, but twenty municipalities have not started provident funds for their servants. Local and Municipal have asked these municipalities whether they are willing to participate in the proposed scheme. It may be observed that the Government do not contribute anything to the provident funds of local bodies, while according to the present scheme, Government have to contribute one-third of the total amount at credit. In the notes to G.O. Nos. 1162-3, Home (Education), dated 10th September 1917, this department noted that where

Extract this for consideration with the report of the Financial Relations Committee, when it comes.

R.A.G.—30-10-20.

Extract taken.

P.S.R.—1-11-20.

though it might be correct in theory, the impecuniosity of the local bodies might result in Government subsidies to keep the schools alive. If the twenty municipalities are now allowed the concession of the Government bonus of one-third of the amount at credit, all other local bodies are certain to apply for admission to the scheme. It has therefore to be decided once for all whether local bodies admitted to the scheme should themselves pay the whole of the contribution or should enjoy the concession of a Government bonus. Before deciding on this question, it will be necessary to know what the extra cost of the concession would be.

3. As regards the question of funds, it may be pointed out that immediate liability would arise only in the case of institutions which established provident funds some years ago which would now be absorbed in the general scheme. In other cases, there is ordinarily to be no liability for the next six years, and it will grow slowly thereafter.

Home Secretary suggests that the Government should set apart every year the amount due to the provident fund and not merely the actual payments. The Director of Public Instruction will no doubt keep an account of the amount due every year, so that the Government might know their liability, but so far as the Government accounts are concerned, they should, it is submitted, show the actual expenditure and not the liability to pay.

It is submitted that there seems to be no difficulty in finding the funds for this scheme, if it is considered to be one of pressing urgency administratively. [Please see also the note on page 1 ante.]

T.A.S.—25-10-20. J. M. HOOPER—27-10-20. R. A. GRAHAM—30-10-20.

HOME (EDUCATION) DEPARTMENT.

With reference to the portion marked M on page 13 ante, it is submitted that the sanction of Government is necessary to the absorption of a provident fund maintained by a local body in the new scheme. No local body can claim the concession as a matter of course. The Local and Municipal Department have made a reference to those municipal councils which have no provident funds of their own asking whether they would start such funds for their teachers or would allow the latter to join the Government fund. The replies of these councils may be awaited.

2. Orders may issue on the other points raised in the notes. A draft order is submitted.

S.K.—13-11-20.

NOTES to G.O. No. 14, Home (Education), 4TH JANUARY 1921.

3. The scheme cannot be introduced till detailed rules for the management of the fund have been framed and published as every teacher who joins the fund has to make a declaration that he abides by the rules. The details now approved will be embodied in the rules. For the present, it will be sufficient to accord general approval to the Director of Public Instruction's proposals subject to certain modifications and to ask the Director of Public Instruction to expedite the submission to Government of the draft rules promised in paragraph 10 of his letter. The draft below is for approval.

N.K.—23-11-20.

C. RAMANUJA ACHARIYAR—24-11-20.

(May be submitted to Honourable Member in print.)

Before scrutinizing the draft, I would submit the file to Honourable Member for orders on the sectional notes.

C.R.—25-11-20.

R. KAMACHANDRA RAO—25-11-20.

The notes have been printed. The file may now be circulated.

S.K.—10-12-20.

C.R.—11-12-20.

R.R.—13-12-20.

I am in general sympathy with the proposal to establish a provident fund of this character, but it is a decision of some importance which in respect of details will very likely be canvassed in the Legislative Council. It is better therefore that the case should be dealt with by my successor on whom will fall the brunt of defending the orders passed.

L. D[AVIDSON]—14-12-20.

OCCASIONAL NOTES.

While the Government of Madras are still considering the conditions under which it will be possible to establish a provident fund for teachers in aided schools, the Government of Mysore have already brought such a fund into existence. This does not mean, however, that the Government of Madras have been indifferent to the interests of teachers in aided schools, but that their scheme is a far bigger one than that of Mysore and wants much consideration and working out of details. The Inspector-General of Education in Mysore proposed that the scheme should be immediately introduced in institutions managed by incorporated agencies and missionary bodies or registered trusts which have funds of their own to contribute towards the necessary subscriptions due from the management. The Government share of the contribution to the fund on the introduction of the scheme is estimated at Rs. 4,828 per annum, and the Inspector-General recommends that, to allow for yearly expansion, a sum of Rs. 10,000 may be provided in future budgets for the purpose. The Government have approved the scheme and have decided that the fund should be administered by themselves.

May be circulated to the Minister for Education.

A.V.S.—18-12-20.

C.R.—18-12-20.

R.R.—20-12-20.

N.K.—18-12-20.

A. S[URESHAYULU REDDIYAR]—21-12-20.

The draft may issue.

R.R.—3-1-21.

[Notes to G.O. No. 14, Home (Education), dated 4th January 1921.]

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from the
Madras Mail
of 15th
December
1920

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