M.R.O. 1—77,066—8-6-37.

(1) Number of pages 6

(2) Date of repair 27-7-37

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	396	Press Mis.
63-64		
Dated	31-8-	1868.

63-64 4/5

Not to be folded or roughly handled

No. 63. Read the following letter from the Secretary to the Government of India, Financial Department, to the Chief Secretary to the Government of Bombay; dated Simla, 10th August 1868, No. 1496.

I have laid before the Governor General in Council your letter, No. 751, dated 2nd June 1868, which takes exception to the ruling in Financial Resolution, No. 2197, dated 24th April 1868, that pensions should be paid from the same source from which the salaries of the pensioners were defrayed, and that accordingly the pension of a person who has served wholly in a Government Establishment maintained from a Local Fund, shall be paid from that fund, while the pension of another person who had served partly on such an Establishment and in remaining part on Establishments paid from the General Revenue, shall be charged to the Local Fund and to the General Revenue in the proportion of his total receipts from those sources respectively.

2. In reply, I am directed to state that this ruling upholds a principle which the Government of India and the Secretary of State for India have always maintained, viz., that the General Revenue shall not be liable for pension for Establishments maintained from Local Funds; at the same time the Resolution fully meets the desire of Local Governments that public Establishments maintained from Local Funds shall be eligible to pension, if serving in otherwise pensionable grades.

3. It is objected that in the following ways the Local Funds in the Bombay Presidency may be embarrassed, or the Government of Bombay may be inconvenienced in applying the rule, viz.:—

1*st*.—Though a Local Fund could pay towards a pension fund guaranteed from the General Revenues 5 per cent. on the pay of the Establishments maintained from it, yet it could not conveniently meet a direct charge for pension.

2*nd*.—In the Bombay Presidency the Local Fund of each district is distinct and separate from that of every other district; and as transfers of service from one district to another may be numerous, the apportionment to the several District Local Funds of their respective shares of liability for each pension will be embarrassing.

4. On these grounds it is urged that pension in the cases mentioned in the 1st paragraph of this letter should be paid from the General Revenues, in respect of every office (maintained from a Local Fund) for which a right to pension is desired to be reserved, and that the General Revenues should be compensated by a contribution to them of 5 per cent. on the salary of every such office.

5. This proposition is much the same as that which was adverted to in paragraph 4 of my letter, No. 3121, dated 30th November 1865. The grounds on which the proposition is now made do not seem to justify any alteration of that decision, the principle of which is adverse to the present proposal.

6. But in order to give effect to the view of the Government of Bombay, respecting the adjustment of pensionary payments among the several districts, the Government of India would suggest that the Local Government might conveniently direct the deduction of 5 per cent. from the pay of Establishments maintained from Local Funds, credit those deductions to a Local Pension Fund, and meet from such fund that part of the stipend of a pensioner which, under the ruling quoted in the 1st paragraph of this letter, is not payable from the General Revenues.

7. Thus the objections recited in the 2nd paragraph of this letter would be removed without interfering with the order, dated 24th April 1868, which was passed in accordance with rulings of the Government of India and the Secretary of State.

Copy to the several Local Governments and Administrations, to the Comptroller General of Accounts, and to the Accountants General and Deputy Accountants General in independent charge; also to the Home and Public Works Departments.

(Signed) R. H. HOLLINGBERY,
Asst. Secy. to the Govt. of India.

Proceedings of the Madras Government, Financial Department,
31st August 1868.

No. 64. ORDER THEREON, 31st August 1868, No. 396.

Communicated to the Revenue, Judicial, Public, and Public Works Departments, in continuation of G. O. of the 19th May last, No. 252.

(True Extract.)

Chief Secretary.

To the Revenue Department.
" Judicial do.
" Public do.
" Public Works do.
" Pension do.
" Accountant General.

Lond. J. Tulloch.

No. 1496.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

To

THE CHIEF SECRETARY TO THE GOVT. OF BOMBAY.

SIMLA, *the* *August* 1868.

SIR,

I have laid before the Governor General in Council your letter No. 751, dated 2nd June 1868, which takes exception to the ruling in Financial Resolution No. 2197, dated 24th April 1868, that pensions should be paid from the same source from which the salaries of the pensioners were defrayed, and that accordingly the pension of a person who has served wholly in a Government Establishment maintained from a Local Fund, shall be paid from that Fund, while the pension of another person who had served partly on such an Establishment and in remaining part on Establishments paid from the General Revenue, shall be charged to the Local Fund and to the General Revenue in the proportion of his total receipts from those sources respectively.

2. In reply, I am directed to state that this ruling upholds a principle which the Government of India and the Secretary of State for India have always maintained, viz., that the General Revenue shall not be liable for pension for Establishments maintained from Local Funds; at the same time the Resolution fully meets the desire of Local Governments that public Establishments maintained from Local Funds shall be eligible to pension, if serving in otherwise pensionable grades.

3. It is objected that in the following ways, the Local Funds in the Bombay Presidency may be embarrassed, or the Government of Bombay may be inconvenienced in applying the rule, viz. :—

1*st*.—Though a Local Fund could pay towards a pension fund guaranteed from the General Revenues 5 per cent. on the pay of the Establishments maintained from it, yet it could not conveniently meet a direct charge for pension.

2*nd*.—In the Bombay Presidency, the Local Fund of each district is distinct and separate from that of every other district; and as transfers of service from one district to another may be numerous, the apportionment to the several District Local Funds of their respective shares of liability for each pension will be embarrassing.

4. On these grounds it is urged that pension in the cases mentioned in the 1st paragraph of this letter should be paid from the General Revenues, in respect of every office (maintained from a Local Fund) for which a right to pension is desired to be reserved, and that the General Revenues should be compensated by a contribution to them of 5 per cent. on the salary of every such office.

5. This proposition is much the same as that which was adverted to in paragraph 4 of my letter No. 3121, dated 30th November 1865. The grounds on which the proposition is now made do not seem to justify any alteration of that decision, the principle of which is adverse to the present proposal.

6. But in order to give effect to the view of the Government of Bombay, respecting the adjustment of pensionary payments among the several districts, the Government of India would suggest that the Local Government might conveniently direct the deduction of 5 per cent. from the pay of Establishments maintained from Local Funds, credit those deductions to a Local Pension Fund, and meet from such Fund that part of the stipend of a pensioner which, under the ruling quoted in the 1st paragraph of this letter, is not payable from the General Revenues.

7. Thus the objections recited in the 2nd paragraph of this letter would be removed without interfering with the order, dated 24th April 1868, which was passed in accordance with rulings of the Government of India and the Secretary of State.

I have the honor to be,

SIR,

Your most obedient Servant,

E. H. LUSHINGTON,

Secy. to the Govt. of India.

Copy to the several Local Governments and Administrations, to the Comptroller General of Accounts, and to the Accountants General and Deputy Accountants General in independent charge; also to the Home and Public Works Departments.

Asst. Secy. to the Govt. of India.

Rec'd 2nd May /68 — Nos 45-46

Letter to Bombay

Financial 1868 Sept
Proc of Aug.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

396

From
Secretary to the Govt of India
Financial Dept

To
Bombay

No. 1496.

Dated, Simla, 10 August 1868.

Received 14 ——

384 No 391

Communicates copy of letter to Bombay Govt regarding pensions being paid from the same source from which the salaries of the pensioners were drawn.

No. 1082—6.8.68.—125.

With a Circular

63 & 64

63 & 64

No 396 31st August 1868.

Communicated to the Revenue, Judicial Public & Public Works departments in continuation of G. O. of the 9th May last — No 252 —

To Revenue Dept
" Judicial "
" Public "
" Public Works "
" Foreign Dept
" Accountant General

despatch