Ministry of Civil Service and Administrative Reforms
Circular Note No. 22 of 2010
E/245/1/08V7

From: Senior Chief Executive, Ministry of Civil Service and Administrative Reforms

To: Supervising Officers i/c Ministries/Departments

Refund of Pension Contribution

The Pay Research Bureau has at paragraph 19.24 of its 2008 Report which is reproduced below, recommended that the pension contribution of an employee who leaves or otherwise ceases to be in the public sector should be refunded with compound interest at the rate of 4% per annum.

"In the event a public sector employee leaves or otherwise ceases to be in the public sector and no portable benefit is transferable and no pension, gratuity or other allowance is payable to him in respect of his past service in the public sector, provided he has effectively contributed to the modified Defined Benefit (DB) Pension Scheme for a year or more, the officer should be refunded 100% of his contribution together with compound interest at the rate of 4% per annum."

2. The Pensions Act 1951, as subsequently amended, provides for the refund of contribution at subsections (4 and 5) of Section 4A.

3. The attention of Supervising Officers of Ministries/Departments is drawn to the provisions of Section 4A of the Pension Act to the effect that an officer who is leaving the service and who is entitled to portable pension or gratuity would not be entitled to refund of pension contribution. As refund of contribution will be effected by the Treasury, a statement of the total amount of contribution paid in respect of each officer who is leaving or has otherwise ceased to be in the public sector would have to be submitted as per attached format which should be duly certified.

4. You are also informed that refund of pension contributions together with compound interest at the rate of 4 per cent per annum will be effected by the Treasury solely on the basis of the statement submitted.
5. Supervising Officers are requested to bring the contents of this Circular to the attention of all officers concerned.

S. Seebaluck
Senior Chief Executive

Copy to:
Secretary to Cabinet and Head of the Civil Service
DEFINED BENEFIT PENSION SCHEME

REFUND OF PENSION CONTRIBUTION

Ministry/Department:
Name of Officer:
Designation:
Identity Card Number/Officers No.:
Date of Appointment:
Opted for pension effective as from 01 July 2008.
Bank Name:
Bank Account Number:
Particulars of Service:
Date of cessation:

<table>
<thead>
<tr>
<th>Period</th>
<th>Salary p.m</th>
<th>Contribution paid into the Consolidated Fund</th>
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Total amount of contribution paid: Rs

Certified Correct:
Human Resource Section

Name:
Designation:
Signature:
Date:

Finance Section

Name:
Designation:
Signature:
Date: