

**GOVERNMENT OF INDIA
PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA**

UNSTARRED QUESTION NO:4303
ANSWERED ON:21.04.2010
ENHANCING GRATUITY LIMITS
Viswanathan Shri P.

Will the Minister of PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

- (a) whether the Government is aware of the long pending demand from the salaried class for enhancing gratuity limit at the time of retirement;
- (b) if so, the details thereof alongwith the action taken by the Government in this regard; and
- (c) if not, the reasons therefor?

Answer

Minister of State (Independent Charge) of the Ministry of Science and Technology; Minister of State (Independent Charge) of the Ministry of Earth Sciences; Minister of State in the Prime Minister's Office; Minister of State in the Ministry of Personnel, Public Grievances and Pensions; and Minister of State in the Ministry of Parliamentary Affairs .(SHRI PRITHVIRAJ CHAVAN)

(a), (b) & (c) : As per the recommendations of the Sixth Central Pay Commission, maximum pecuniary limit on payment of gratuity has been raised from Rs. 3.5 lakhs to Rs. 10 lakhs (w.e.f. 01.01.2006) for the Central Government pensioners.

As regards all other establishments employing ten or more persons, the Ministry of Labour after discussion with all the Stake holders has submitted the proposal to raise the ceiling of gratuity from Rs. 3.5 lakhs to Rs. 10 lakhs to the Cabinet.The Cabinet has approved the proposal in its meeting held on 04.03.2010 and accordingly action for introduction of the Payment of Gratuity (Amendment) Bill 2010 in the Parliament is under process, in the Ministry of Labour.