GOVERNMENT OF KERALA

Abstract

Co-operation Department - Kerala State Co-operative Employees' Pension Board - Appeal petitions filed by E.M.S. Memorial Co-operative Hospital & Research Centre, Shri. Sreedharan I. and Shri.Sethumadhavan V.P.- Disposed of - Orders issued.

CO-OPERATION(A)DEPARTMENT

G.O.(Rt)No.286/2026/Co-Op Dated,Thiruvananthapuram, 07-07-2026

Read 1. Appeal petition dated: 05.08.2025 filed by the General Manager, EMS Memorial Co-operative Hospital & Research Centre

2. Appeal petition dated: 05.08.2025 filed by Shri. Sreedharan I.

3. Appeal petition dated: 10.09.2025 filed by the General Manager, EMS Memorial Co-operative Hospital & Research Centre

4. Appeal petition dated: 10.09.2025 filed by Shri.Sethumadhavan V.P.

5. Letter No.PB/LO/249/2026 dated: 07.03.2026 of the Secretary, Kerala State Co-operative Employees' Pension Board

6. Letter No.PB/LO/250/2026 dated: 04.03.2026 of the Secretary, Kerala State Co-operative Employees' Pension Board

7. Letter No.PB/LO/2779/2026 dated: 16.05.2026 of the Secretary, Kerala State Co-operative Employees' Pension Board

ORDER

Shri. Sreedharan I. and the E.M.S. Memorial Co-operative Hospital &

Research Centre filed the appeals read as 1st and 2nd papers above under Clause 28A of the Kerala Co-operative Employees' Self Financing Pension Scheme. Shri. Sreedharan I. has preferred the appeal against Notice No. PB/PRO/2782/2025 dated: 23.05.2025 issued by the Secretary, Kerala State Co-operative Employees' Pension Board (Pension Board), whereby his claim for full pension was rejected on the ground that there was a shortfall of Rs.3,91,500/- towards remittance of the pension fund. Meanwhile, E.M.S. Memorial Co-operative Hospital & Research Centre filed appeal against No.MPM/2024/2025 dated 05.05.2025 demand notice issued by the Secretary, Pension Board demanding the payment of Rs.3,91,500/ towards the pension fund in respect of Shri. Sreedharan I.

2. Similarly, in the case of Shri.Sethumadahavan V.P. also appeals vide reference 3rd and 4th, were filed by the the E.M.S. Memorial Co-operative Hospital & Research Centre and the Pensioner. In that case, full pension was denied to Shri.Sethumadhavan V.P. for a short fall of Rs.7,39,852/- towards his pension fund; and in order to recoup the deficit fund, demand notice was issued to the said Co-operative Society.

3. Since both the cases are of similar nature, the affected parties were heard by the Joint Secretary, Co-operation Department on 21.04.2026.

4. During the hearing Shri.Sreedharan I. has informed the following matters:

□ □ a) The appellant retired from service on 30.04.2025 and subsequently approached the Kerala State Co-operative Employees' Pension Board seeking sanction of full pension based on his qualifying service. On 05.05.2025, the Pension Board issued a demand notice directed to remit Rs.3,91,500/- towards pension fund arrears for sanctioning full pension. This matter was informed by the employer Society and accordingly, the appellant had remitted Rs.2,55,889/-, being the employer's contribution received by him from the E.P.F. along with interest, through the Society for remittance to the Pension Board. But, later he was informed that a further amount of Rs.1,35,611/- was payable for sanctioning full pension. Subsequently, pursuant to his request, dated: 03.10.2025, the Pension Board has revised and sanctioned pension to the appellant.

b) As per the demand notice, the total demanded amount was Rs.3,91,500/- that comprised arrears up to 31.03.2013 together with interest and compound interest, and arrears for the period after 01.01.2014. The appellant argues that since he has already remitted Rs.2,55,889/- towards the employer's contribution, he is not liable to remit any further amount and entitled to full pension based on his qualifying service.

□ □ The same as in the case of Shri.Sethumadhavan V.P. also.

5. The Society has put forth the following arguments during hearing:

□ □ a) The appellant Society is a Primary Co-operative Society registered under the Kerala Co-operative Societies Act and Rules. Pursuant to Government Notification issued vide G.O.(Ms)No.44/2006/LBR dated: 19.06.2006, Primary Co-operative Societies were exempted from the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, enabling their employees to enroll under the Kerala Co-operative Societies Employees' Self Financing Pension Scheme, 1994.

□ □ b) Accordingly, the appellant Society enrolled its employees in the Co-operative Pension Scheme with effect from 01.01.2014 and has been remitting all contributions demanded by the Pension Board since then. Prior to such enrollment, the society had regularly remitted provident fund contributions to the E.P.F.O. in accordance with the E.P.F. Scheme.

□ c) Upon enrollment in the Pension Board, the accumulated provident fund contributions and interest were transferred by the E.P.F.O. to the Kerala Co-operative Employees' Pension Board. The present dispute relates only to an alleged shortfall in the interest component recalculated by the Pension Board. Such shortfall, if any, pertains to the amount transferred by the E.P.F.O. and cannot be attributed to any default on the part of the appellant Society. Therefore, the Society cannot be made liable for payment of the alleged interest.

d) With respect to Shri. Sreedharan I., who retired on 30.04.2025, the Pension Board Inspector has issued notice for remittance of Rs.3,91,500/-. The alleged liability arises from the transfer of funds by the E.P.F.O. and that cannot be fastened upon the appellant Society. Further, the Registrar of Co-operative Societies, by order dated: 19.03.2026, held that the shortfall, if any, was to be borne by the employee. Shri Sreedharan I. has already remitted the amount demanded from him and the order of the Registrar has attained finality, as it remains unchallenged.

6. The statement put forth by the Pension Board is as below:

a) Government of Kerala, through G.O.(P)No.44/95/Co-op; dated: 14.03.1995, introduced the Co-operative Employees' Self-

Financing Pension Scheme for employees of Primary Co-operative Societies under the administrative control of the Registrar of Co-operative Societies and not enrolled in the E.P.F. Scheme. Subsequently, through G.O.(Ms)No.44/06/LBR; dated: 19.06.2006, the Government exempted Primary Co-operative Societies under the E.P.F. & Miscellaneous Provisions Act from the operation of the Employees' Pension Scheme,1995 thereby enabling them to enroll in the Co-operative Pension Scheme, which was more beneficial.

b) The Regional Provident Fund Commissioner, vide Circular No.KR/P-Cell-11-Co-operative Exam/2008 dated: 07.11.2008, directed the stoppage of pension to employees retiring after 30.06.2006 (the date of publication of G.O.(Ms)No.44/06/LBR) and ordered transfer of remittances in respect of employees in service after 30.06.2006 to the Pension Board. As per Clause 39(1)(b) of the Pension Scheme, employer contributions invested in the E.P.F. Scheme are to be transferred to the Co-operative Pension Fund.

c) Government, through G.O.(P)No.185/2010/Co-op; dated: 08.11.2010, amended the Co-operative Pension Scheme. It was stipulated that, in respect of persons retired from Societies enrolled under the E.P.F. Scheme and not drawing E.P.F. pension, the societies concerned shall remit the pension fund with interest at E.P.F. rates up to the date of retirement. Pension shall be payable only from the succeeding month after remittance of the entire employer's contribution to the Pension Fund, and no arrears shall be payable. The Pension Board does not levy interest for pension fund arrears post-retirement, whereas in the case of employees of non - E.P.F. Societies, interest is charged for belated remittances from 02/1999.

d) In the present case, Shri. Sreedharan I. retired from the service of the Society on 30/04/2025. The Society submitted his pension application; and the service records were verified. The total pension fund contribution was calculated as Rs.9,28,335/- of which Rs.5,36,835/- was remitted as on 31.05.2025. The Pension Board issued a demand notice dated: 05/05/2025 for the balance amount. Proportionate pension of Rs.7,054 plus medical allowance was sanctioned to the appellant. Subsequently, the Society informed that Shri. Sreedharan.I. remitted Rs.2,55,889/- (received from E.P.F.O.) via cheque dated: 03.10.2025 and Rs.10,910/- was remitted by the society as D.A. arrears as pension fund contribution on 23.07.2025 for the period 01.07.2021 to 31.03.2025. On this basis, proportionate pension was revised to Rs.10,639/- w.e.f. November, 2025. There was a deficit of Rs.1,35,611/-in the pension fund contribution. The Society has stated that it is not liable to remit any further contributions. But, the Society is liable to pay Rs.1,35,611/-as balance pension fund contribution in the name of Shri.Sreedharan.I.

e) As per Clause 39(ii)(b) further provides that, in respect of retirees from E.P.F.-enrolled societies not drawing E.P.F. pension, the societies shall remit pension fund with interest at E.P.F. rates up to retirement. Pension shall be payable only from the succeeding month after full remittance, with no arrears. A further proviso mandates that, for employees in service, societies shall transfer the entire employer contribution with interest within One year of notification, failing which interest at 10% compounding annually shall apply. The pension fund calculation has been made on the basis of the provisions included in the self-financing pension scheme. The Pension Board, being a self-financing body, relies solely on employer remittances as working capital. Accordingly, proportionate pension has been sanctioned to the petitioner based on funds remitted in his name. Upon receipt of the entire pension fund contribution, full pension shall be sanctioned from the succeeding month of remittance.

□ 7. The Pension Board has also furnished the split-up remittance details in respect of Shri.Shreedharan and Shri.Sethumadhavan.

a) It was further submitted that the monthly pension fund contribution in the name of Shri. Shreedharan had been made from 01/2014 to the date of retirement i.e., April, 2025 amounting to Rs.4,83,860/- and was remitted as the monthly contribution. But, the actual amount to be remitted during that period was Rs.5,35,195/-. There was a difference of Rs.51,329/- in the remittance for that period. Interest @10% was charged for the due amount and altogether there was Rs.84,961/- due by way of monthly remittance.

b) There was a due amount of Rs.1,34,155/-in the contribution while in the E.P.F. scheme for the period from 01/2004 till 12/2013. The total amount transferred from E.P.F. was Rs.52,969/- (on 03/02/2017 &10/04/2017). There was a deficit of Rs.1,43,003/-, including interest. The total amount due on the E.P.F. transfer value including interest till the date of retirement is Rs.3,06,539/-.The deficit in monthly remittance including interest is Rs.84,961/- and in E.P.F. transfer value including interest is Rs.3,06,539/- . Thus, there is a total deficit of Rs.3,91,500/- in the name of Shri. Shreedharan.

c) The monthly pension fund contribution in the name of Shri.Sethumadhavan was made from 01/2014 to the date of retirement i.e., May, 2025 amounting to Rs.6,32,571/- was remitted. But,. the actual amount to be remitted during that period was Rs.6,94,709/-. There was difference of Rs.62,138/- in the remittance for that period. Interest @10% was charged for the due amount and altogether there was Rs.1,16,369/- due by way of monthly remittance.

□ □ There was a pension fund due of Rs.2,56,895/- in the contribution while in the E.P.F. scheme for the period from 09/2000 till 12/2013. The total amount transferred from E.P.F. was Rs.79,945/- (on 03/02/2017 & 10/04/2017). The total amount due on the E.P.F. transfer value including interest till the date of retirement is Rs.6,37,342/-

d) The deficit in monthly remittance including interest is Rs.1,16,396/- and in E.P.F. transfer value including interest is Rs.6,37,342/-. Thus, there is a total deficit of Rs.7,53,738/- in the name of Shri. Sethumadhavan.

8. In view of the above arguments and provisions in the Kerala Co-operative Employees' Self Financing Pension Scheme, the following facts can be summarised:

□ □ a) According to the provisions of the Kerala Co-operative Employees' Self Financing Pension Scheme, the fund towards the Pension Board has to be remitted by the employer Society.

□ □ b) In paragraph 39 in sub-paragraph(I)-(i) to clause(b), the Scheme states that:

"Provided that in respect of persons retired from societies enrolled under EPF Scheme, and who are not drawing pension from the Employees Provident Fund hitherto the societies concerned shall remit the pension fund with interest at the rates existing in the Employees

Provident Fund Scheme during the period of their service ie, up to the date of retirement. Pension shall be payable only from the succeeding month after the remittance of the entire portion of employer's contribution to the pension fund and no arrears of pension shall be payable.

Provided further that in respect of the employees who are in service, the societies shall transfer the enure portion of employer's contribution with interest as per rules of the Scheme within a period of one year from the date of publication of this notification and afterwards with interest @ 24% per annum."

□ □ c) Later the interest rate was reduced to 10%. Even though the Bank has enrolled in the Co-operative Pension Scheme in 2014, the remittance was made on 2017. So there occurred a delay in the remittance of Pension Fund towards the Pension Board. In that case, the employer is liable to pay the interest accrued thereon.

□ □ d) Kerala Co-operative Employees' Self Financing Pension Scheme is a self financing pension scheme and the sole working capital of the same is the contribution remitted by the employer Society in respect of their employees. Any relaxation given to remittance as per the provisions of the Scheme will adversely affect the financial stability of the Pension Board and Scheme.

9. In the circumstances, the Government have examined the matter in detail and direct the employer Society to remit the pension fund due in respect of Shri. Sreedharan I. and Shri Sethumadhavan V.P. to the Pension Board; and further the Pension Board is directed to take necessary action for acceptance of the remittance and revision of the pension of the appellants accordingly.

10. Hence, the appeals read as 1st, 2nd, 3rd and 4th papers are disposed of accordingly.

(By order of the Governor)
SHEENA M S
JOINT SECRETARY

1. The General Manager, E.M.S. Memorial Co-operative Hospital & Research Centre, P.B.No.25, Perinthalmanna-679322
2. Shri.Shreedharan I., Iruppakandan House, Pandalur, Kadambode P.O., Pandikkad, Malapppuram
3. Shri.Sethumadahavan V.P., Velloli Pananghat Aswathi Nilayam, Near AMUP School, Kunnappally P.O., Perinthalmanna, Malappuram
4. Secretary, Kerala State Co-operative Employees' Pension Board, Thiruvananthapuram
5. Web & New Media, I.&P.R.D.
6. Stock File/Office Copy(A3/137/2025/Co-op)

Forwarded /By order
Signed by
Jithesh B K
Date: 07-07-2026 17:15:25
Section Officer

webprd@kerala.gov.in