

1.6 Retirement Gratuity: A Government servant who has completed minimum five years of qualifying service, on his retirement, shall be granted retirement gratuity equal to $\frac{1}{4}$ th of monthly emoluments for each completed six monthly period (SMP) of qualifying service, subject to a maximum of $16\frac{1}{2}$ times the monthly emoluments.

The maximum amount of gratuity - Rs. 20 lakh (The ceiling on gratuity will increase by 25% whenever the dearness allowance rises by 50% of the basic pay).

Emoluments for gratuity = Basic Pay + Dearness Allowance

Retirement Gratuity = $\frac{1}{4}$ x emoluments x completed SMPs.