

Retirement Benefits

Revision of Pension

F. No 45/86/97-P&PW(A)-Part-1

Government of India

Ministry of Personnel, Public Grievances & Pensions

Department of Pension & Pensioners' Welfare

New Delhi-110003

Dated the 27th Oct, 1997

OFFICE MEMORANDUM

Implementation of Government's decision on the recommendation of the Fifth Central Pay Commission. Revision of provisions regulating pension/commutation of pension.

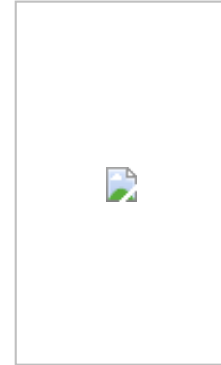
1. The undersigned is directed to state that in pursuance of Government's decision on the recommendation of the Fifth Central Pay Commission. the President is pleased to introduce the following modifications in the rules regulating pension. DCRG and Family Pension under the CCS (Pension) Rules, 1981.
2. These orders apply to Central Government Employees governed by the CCS (Pension) Rules, 1972. Separate orders will be issued by the Ministry of Defence, Ministry of Railways and the AIS Division of the DOPT in respect of Armed Forces personnel, Railway employees and the officers of All India services respectively on the basis of these orders.

DATE OF EFFECT

- 3.1 The revised provisions as per these orders shall apply to Government servants who retire/die in harness on or after 1.1.1996. separate order will be issued in respect of employees who retired/died before 1.1.1996.
- 3.2 Where pension/family pension/DCRG/Commutation of pension has already been sanctioned in cases occurring on or after 1.1.1996 the same shall be revised in terms of these orders. In cases where pension has been finally sanctioned on the pre-revised order and if it happens to be more beneficial than the pension becoming due under these order, the pension already sanctioned shall not be revised to the disadvantage of the pensioner in view of the Rule 70 of the CCS (Pension) Rules, 1972.

EMOLUMENTS

- 4.1 The term 'Emoluments' for purposes of calculating various pensionary benefits other than Retirement/Death Gratuity shall mean basic pay as defined in FR 9(21) (a) (i) which the Government servant was receiving immediately before his retirement or on the date of his death.
- 4.2 The term 'Pay' in these orders means the pay in the revised scales promulgated under the CCS (revised Pay) Rules, 1997.
- 4.3 In the case of retirement/Death Gratuity, DA admissible on the date of retirement/death shall also be treated as emolument alongwith the emoluments as defined in Paragraph 4.1 above. Accordingly



Rule 50(5) of Pension Rules, shall stand modified to the effect that the emoluments for the purpose of gratuity admissible under this Rule shall be reckoned in accordance with Rule 33 and in addition DA admissible on the date of retirement/death of the Government employee shall also be treated as emoluments.

PENSION

5. Pension shall continue to be calculated at 50% of average emoluments in all cases and shall be subject to a minimum of Rs.1275/- and maximum upto 50% of highest pay in the Government (The highest pay in the Govt. is Rs 30,000 since 1.1.1996). Accordingly the provisions of clauses (a) and (b) of sub-rule (2) of Rule 49 of the Pension Rules shall stand modified. The other provisions contained in Rule 49 shall continue to apply.

FAMILY PENSION 1964

7.1 Family pension shall be calculated at a uniform rate of 30% of basic pay in all cases instead of slab system and shall be subject to a minimum of Rs.1275/-p.m. and maximum of 30% of the highest pay in the Government (The highest pay in the Govt. is Rs.30,000 since 1.1.1996). Rule 54(2) relating to Family Pension, 1964 under Pension Rules shall stand modified to this extent and the existing table thereunder will be no longer operative.

7.2 For the purpose grant of Family Pension, the definition of 'Family' shall also include:

- a. Parents who were wholly dependent on the Government servant when he/she was alive provided the deceased employee had left behind neither a widow nor a child [Classificatory order in regard to determining dependency criteria in case of parents shall be issued separately].
- b. Son/daughter including widowed/divorced daughter till he/she attains the age of 25 year or upto the date of his/her marriage/remarriage, whichever is earlier (Subject to income criterion to be notified separately).

COMMUTATION OF PENSION

8. A Government servant shall be entitled to commute for a lumpsum payment upto 40% of his pension. Accordingly provisions of sub rule 5(1) and 5(2) of CCS (Commutation of Pension) Rules, 1981 shall stand modified. The other provisions of these Rules shall continue to apply.

In the case of Government servants who have opted for the revised scales of pay and retire within 10 months from the date of coming over to the revised scale, basic pay for 10 months period preceding retirement shall be calculated by taking into account pay as follows:

9. a. For the period during which pay is drawn in pre-revised scale-Basic pay plus actual D.A. and interim Relief I and II appropriate to the basic pay at the rates in force on 1.1.1996 drawn during the relevant period and

- b. For the period during which pay is drawn in revised scale-Basic pay in the revised scale.

**SPECIAL PROVISION FOR THOSE RETIRING BETWEEN
01.01.1996 AND 31.12.1997.**

10. Those, who have retired or will be retiring between 01.01.1996 and 31.12.1997, will have an option to retain the pre revised scales of pay and have their pension and death-cum-retirement gratuity calculated under the rules in force immediately before coming into effect of these orders. The pension and death-cum-retirement gratuity in such cases will be regulated as follows:

- a. The term 'Emoluments' will mean 'Pay' as defined in FR 9(21)(a)(i) and will include DA upto AICPI 1436 and Interim Relief I and interim Relief ii.
- b. Pension will be calculated at 50% of average emoluments. To the pension so calculated, dearness relief upto AICPI 1510 at the prescribed rates shall be added. The amount so arrived at will be regarded as pension.
- c. Death-cum-retirement gratuity shall be admissible with reference to emoluments at(i) above under the order in force immediately before coming into effect of these orders. The maximum amount of gratuity shall not exceed Rs. 2,50,000/- in terms of Department of Pension and Pensioners Welfare Office Memorandum No. 7/1/95-P&PW(F) dated 14.07.1995.
- d. Commutation of pension shall be admissible in accordance with the orders in force immediately before coming into effect of these orders.
- e. Family pension shall be allowed in accordance with orders applicable prior to the issue of these orders and shall be calculated with reference to basic pay in the pre-revised scale. To the family pension so calculated dearness relief upto average AICPI 1510 at the rate contained in this Department's Office Memorandum No. 42/8/96- P&pw(G) dated 10.30.1996 shall be added. The amount so arrived at will be regarded as the family pension for regulating payment of dearness relief beyond average AICPI 1510.

11. In the case persons who retain pre-revised scale and retire or die in harness subsequent to 31.12.1997. Pension, Retirement Gratuity, Death Gratuity and Family Pension, as may be relevant, shall be calculated in terms of paragraphs 5 to 8 of this order. The 'emoluments' for calculation of pensionary benefits in their case will be the basic pay in the pre-revised scale, plus dearness allowance admissible upto CPI 1510 in terms of Ministry of Finance Office Memorandum No 1(5)/96-E.II(B) date 20.03.1996

appropriate to the basic pay plus two installments of interim relief at the rates in force on 31.12.1995. appropriate to the said basic pay.

12. Formal amendments to CCS (Pension) Rules, 1972 and CCS (Commutation of Pension) Rules, 1981 in terms of the decisions contained in this order will issue in due course. Provisions of the CCS (Pension) Rules 1972 and CCS(Commutation of Pension) Rules, 1981 which are not specifically modified by these orders, will remain unaffected.
13. The pension/family pension in terms of these orders will qualify for dearness relief beyond average AICPI 1510 under the revised pattern being introduced on the recommendations of the Fifth Central Pay Commission.
14. These orders issue with approval of the ministry of finance Department of Expenditure vide their U.O. No.879/.EV/97 dated 7.10.1997.
15. In their application to the employees of the Indian Audit and Accounts Department, these orders issue in consultation with Comptroller and Auditor General of India.
16. Ministry of Agriculture etc. are requested to bring the contents of these orders to the notice of Controller of Accounts/Pay and Accounts Officers and Attached and Subordinate Offices under them on a top priority basis.

(S LAKSHMINARYANAN)
Additional Secretary (Pension)

To

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