

F. No 38/37/08-P&PW(A)

Government of India

Ministry of Personnel, Public Grievances & Pensions

Department of Pension & Pensioners' Welfare

Lok Nayak Bhawan, New Delhi-110003

Dated, the 2nd September, 2008

OFFICE MEMORANDUM

Sub: Implementation of Government's decision on the recommendation of the Sixth Central Pay Commission - Revision of provisions regulating pension/gratuity/commutation of pension/family pension/disability pension/ex-gratia lump-sum compensation.

1. The undersigned is directed to state that in pursuance of Government's decision on the recommendation of the Sixth Central Pay Commission, the President is pleased to introduce the following modifications in the rules regulating pension, Retirement/Death/Service Gratuity/Family Pension/disability pension and ex-gratia lump-sum compensation under the CCS (Pension) Rules, 1972 (hereafter referred to as Pension Rules) and Commutation of Pension under CCS (Commutation of Pension) Rules, 1981, CCS (Extraordinary Pension) Rules, 1939, etc.
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 Save as otherwise mentioned in these orders, the revised provisions as per these orders shall apply to Government servants who retire/die in harness on or after 1.1.2006. Separate orders have been issued in respect of employees who retired/died before 1.1.2006.
- 3.2 Where pension/family pension/Gratuity/Commutation of pension, etc has already been sanctioned in cases occurring on or after 1.1.2006, the same shall be revised in terms of these orders. In cases where pension has been finally sanctioned on the pre-revised orders and if it happens to be more beneficial than the pension becoming due under these orders, the pension already sanctioned shall not be revised to the disadvantage of the pensioner in view of Rule 70 of the CCS (Pension) Rules, 1972.

EMOLUMENTS

- 4.1 The term 'Emoluments' for purposes of calculating various pensionary benefits other than various kinds of Gratuity shall have the same meaning as in Rule 33 of the Central Civil Services (Pension) Rules, 1972.
- 4.2 Basic pay in the revised pay structure means the pay drawn in the prescribed pay band plus the applicable grade pay but does not include any other type of pay like special pay, etc.
- 4.3 In the case of all kinds of Gratuity, DA admissible on the date of retirement/death shall continue to be treated as emoluments along with the emoluments as defined in Paragraph 4.1 above.

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PENSION

- 5.1 A Government servant retiring in accordance with the provisions of the CCS(Pension) Rules, 1972 before completing qualifying service of ten years shall not be entitled to pension but he shall continue to be entitled to service gratuity in terms of Rule 49(1) of the CCS(Pension) Rules, 1972.
- 5.2 Linkage Of full pension with 33 years of qualifying service shall be dispensed with. Once a Government servant has rendered the minimum qualifying service of twenty years, pension shall be paid at 50% of the emolument or average emoluments received during the last 10 months, whichever is more beneficial to him.
- 5.3 In cases where Government servant becomes entitled to pension on completion of 10 years of qualifying service in accordance with Rule 49(2) of the CCS (Pension) Rules, 1972, pension in those cases shall also be paid at 50% of the emoluments or average emoluments, whichever is more beneficial to the Government servant.
- 5.4 The revised provisions for calculation of pension in para 5.2 and para 5.3 above shall come into force with effect from the date of issue of this O.M. and shall be applicable to Government servants retiring on or after that date. The government servants who have retired on or after 1.1.2006 but before the date of issue of this O.M. will continue to be governed by the Rules/ orders which were in force immediately before coming into effect of these orders.
- 5.5 The amount of pension shall be subject to a minimum of Rs.3500/- and maximum upto 50% of highest pay in the Government (The highest pay in the Govt. is Rs. 90,000 since 1.1.2006).
- 5.6 The provisions of clauses (a) to (c) of sub-rule (2) of Rule 49 of the Pension Rules shall stand modified to the extent mentioned in para 5.1 to para 5.5 above. The other provisions contained in Rule 49 shall continue to apply.
- 5.7 The quantum of pension available to the old pensioners shall be increased as follows:-

Age of Pensioner	Additional quantum of pension
From 80 years to less than 85 years	20% of basic pension
From 85 years to less than 90 years	30% of basic pension
From 90 years to less than 95 years	40% of basic pension
From 95 years to less than 100 years	50% of basic pension
100 years or more	100% of basic pension

The Pension Sanctioning Authorities should ensure that the date of birth and the age of a pensioner is invariably indicated in the pension payment order to facilitate payment of additional pension by the Pension Disbursing Authority as soon as it becomes due. The amount of additional pension will be shown distinctly in the pension payment order. For example, in case where a pensioner is more than 80 years of age and his pension is Rs.10,000 pm, the pension will be shown as (i) Basic pension=Rs.10,000 and (ii) Additional pension = Rs.2,000 pm. The pension on his attaining the age of 85 years will be shown as (i).Basic Pension = Rs.10,000 and (ii) additional pension = Rs.3,000 pm.

GRATUITY

- 6.1 The maximum limit of all kinds of gratuity shall be Rs. 10 lakh. Accordingly, first proviso under Rule 50(1)(b) of Pension Rules shall stand modified to the effect that the

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amount of retirement gratuity or death gratuity payable under this Rule shall in no case exceed Rs. 10 lakh.

ADDITION TO QUALIFYING SERVICE

- 7.1 In view of revised provisions for computation of pension in para 5 above, the extant benefit of adding years of qualifying service for the purpose of computation of pension shall stand withdrawn with effect from the date of issue of this O.M. Rules 29, 29-A, 30, 48-B and 48-C of the CCS(Pension) Rules, 1972 shall stand modified to this extent.

FAMILY PENSION 1964

- 8.1 Family pension shall be calculated at a uniform rate of 30% of basic pay in all cases and shall be subject to a minimum of Rs.3500/-p.m. and maximum of 30% of the highest pay in the Government. (The highest pay in the Govt. is Rs.90,000 since 1.1.2006). Rule 54(2) relating to Family Pension, 1964 under Pension Rules shall stand modified to this extent.
- 8.2 The enhanced family pension under Rule 54(3)(a)(i) shall be payable to the family of a Government servant **who dies in service** from the date of death of the Government servant for a period of ten years, without any upper age limit. Rule 54(3)(a)(i) shall stand modified to this extent. There will be no change in the period for payment of enhanced family pension to the family in the case of death of a pensioner.
- 8.3 The quantum of family pension available to the old family pensioners shall be increased as follows:-

Age of family pensioner	Additional quantum of family pension
From 80 years to less than 85 years	20% of basic family pension
From 85 years to less than 90 years	30% of basic family pension
From 90 years to less than 95 years	40% of basic family pension
From 95 years to less than 100 years	50% of basic family pension
100 years or more	100% of basic family pension

The Pension Sanctioning Authorities should ensure that the date of birth and the age of a family pensioner is invariably indicated in the Form 3 (regarding details of family) and the pension payment order to facilitate payment of additional family pension by the pension disbursing authority as soon as it becomes due. The amount of additional family pension will be shown distinctly in the pension payment order. For example, in case where a family pensioner is more than 80 years of age and his/her family pension Rs.10,000 pm, the pension will be shown as (i).Basic family pension=Rs.10,000 and (ii) Additional family pension = Rs.2,000 pm. The family pension on his/her attaining the age of 85 years will be shown as (i).Basic family Pension = Rs.10,000 and (ii) additional pension = Rs.3,000 pm.

- 8.4 For the purpose grant of Family Pension, the 'Family' shall be categorised as under:

Category-I

- (a) Widow or widower, upto the date of death or re-marriage, whichever is earlier;
(b) Son/daughter(including widowed daughter), upto the date of his/her marriage/re-marriage or till the date he/she starts earning or till the age of 25 years, whichever is the earliest .

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Category-II

- (c) Unmarried/Widowed/Divorced daughter, not covered by Category I above, upto the date of marriage/re-marriage or till the date she starts earning or upto the date of death, whichever is earliest
- (d) 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. Family pension to dependent parents unmarried/divorced/widowed daughter will continue till the date of death.

Family pension to Unmarried/ widowed/ divorced daughters in Category II and dependent parents shall be payable only after the other eligible family members in Category I have ceased to be eligible to receive family pension and there is no disabled child to receive the family pension. Grant of family pension to children in respective categories shall be payable in order of their date of birth and younger of them will not be eligible for family pension unless the next above him/her has become ineligible for grant of family pension in that category.

- 8.5 The dependency criteria for the purpose of family pension shall be the minimum family pension along with dearness relief thereon.
- 8.6 The childless widow of a deceased Government employee shall continue to be paid family pension even after her remarriage subject to the condition that the family pension shall cease once her independent income from all other sources becomes equal to or higher than the minimum prescribed family pension in the Central Government. The family pensioner in such cases would be required to give a declaration regarding her income from other sources to the pension disbursing authority every six months.

COMMUTATION OF PENSION

- 9.1 A Government servant shall continue to be entitled to commute for a lumpsum payment up to 40% of his pension.
- 9.2 The existing Table of Commutation Value for Pension Annexed to the CCS (Commutation of Pension) Rules, 1981 shall be substituted by a new Table at Annex. I of this O.M.
- 9.3 The revised Table of Commutation Value for Pension will be used for all commutations of pension which become absolute after the date of issue of this O.M. In the case of those pensioners, in whose case commutation of pension became absolute on or after 1.1.2006 but before the issue of this OM, the pre-revised Table of Commutation Value for Pension will be used for payment of commutation of pension based on pre-revised pay/pension. Such pensioners shall have an option to commute the amount of pension that has become additionally commutable on account of retrospective revision of pay/pension on implementation of the recommendations of the Sixth Central Pay Commission. On exercising such an option by the pensioner, the revised Table of Commutation Value for Pension will be used for the commutation of the additional amount of pension that has become commutable on account of retrospective revision of pay/pension. In all cases where the date of retirement/commutation of pension is on or after the date of issue of this OM, the revised Table of Commutation Value for Pension will be used for commutation of entire pension.
- 9.4 Provisions of CCS (Commutation of Pension) Rules, 1981 shall stand modified in accordance with para 9.2 and 9.3 above.

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CONSTANT ATTENDANT ALLOWANCE

- 10.1 In the case of pensioners who retired on disability pension under the CCS (Extraordinary) Pension Rules, 1939, for 100% disability (where the individual is completely dependent on somebody else for day to day functions), a Constant Attendant Allowance of Rs. 3000/- p.m. shall be allowed in addition to the disability pension, on the lines existing in Defence Forces. The CCS (Extraordinary) Pension Rules, 1939 shall stand modified to this extent.

EX GRATIA LUMP SUM COMPENSATION

11. In terms of Department of Pension & PW O.M.No.45/55/97-P&PW(C) dated 11.9.1998, an ex gratia lump sum compensation is available to the families of Central Government Civilian employees, who die in the performance of their *bona fide* official duties under various circumstances. The amount of this ex-gratia lump sum compensation shall be revised as under:

- (a) Death occurring due to accidents in the course of performance of duties Rs. 10.00 lakh
- (b) Death occurring in the course of performance of duties attributable to acts of violence by terrorists, anti-social elements, etc. Rs. 10.00 lakh
- (c) Death occurring (a) enemy action in international war or border skirmishes and (b) action against militants, terrorists, extremists etc. Rs. 15.00 lakh
- (d) Death occurring while on duty in the specified high altitude, inaccessible border posts, etc on account of natural disasters, extreme weather conditions. Rs. 15.00 lakh

The Department of Pension & PW O.M.No.45/55/97-P&PW(C) dated 11.9.1998 shall stand modified to this extent.

- 12 For the purpose of computing average emoluments in the case of Government servants who have opted for fixation of pay in the revised Pay Structure and retire within 10 months from the date of coming over to the revised Pay Structure, basic pay for 10 months period preceding retirement shall be calculated by taking into account pay as follows:

- (i) For the period during which pay is drawn in revised Pay Structure- Pay drawn in the prescribed pay band plus the applicable grade pay
- (ii) For the remaining period during which pay is drawn in pre-revised scale of pay-Basic pay plus dearness pay and actual D.A. appropriate to the basic pay at the rates in force on 1.1.2006 drawn during the relevant period.

SPECIAL PROVISION FOR THOSE WHO RETAIN THE PRE-REVISED SCALE OF PAY.

13. The pension and death-cum-retirement gratuity of those, who have elected to continue to draw pay in the pre-revised scale of pay in terms of Rule 5 of the Central Civil Services (Revised Pay) Rules, 2008 and have retired or will be retiring after 01.01.2006, shall be regulated as follows:

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- (i) The term 'Emoluments' will mean 'Pay' as defined in FR 9(21)(a)(i) and will include Dearness pay and DA upto average AICPI 536 (Base year 1982=100).
 - (ii) Pension will be calculated at 50% of emoluments or average emoluments whichever is more beneficial to the employee.
 - (iii) Death-cum-retirement gratuity shall be admissible with reference to emoluments at (i) above plus dearness allowance, under the order in force immediately before coming into effect of these orders. The maximum amount of gratuity shall not exceed Rs. 3,50,000/- in terms of Department of Pension and Pensioners Welfare Office Memorandum No. 45/86/97-P&PW(A) (Part-I) dated 27.10.1997.
 - (iv) Commutation of pension shall be admissible in accordance with the orders in force immediately before coming into effect of these orders.
 - (v) 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 536 (Base year 1982=100) at the rate contained in this Department's Office Memorandum No. 42/2/2006-P&PW(G) dated 5.4.2006 shall be added. The amount so arrived at will be regarded as the family pension for regulating payment of dearness relief beyond average AICPI 536.
14. Formal amendments to CCS (Pension) Rules, 1972, CCS (Extraordinary) Pension Rules, 1939 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, CCS (Extraordinary) Pension Rules, 1939, and CCS(Commutation of Pension) Rules, 1981 which are not specifically modified by these orders, will remain unaffected.
 15. The pension/family pension in terms of these orders will qualify for dearness relief beyond average AICPI 536 under the revised pattern being introduced on the recommendations of the Sixth Central Pay Commission.
 16. These orders issue with approval of the Ministry of finance Department of Expenditure vide their U.O. No4871/SE/2008 dated 2.9.2008.
 17. 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.
 18. 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.
 19. Hindi version will follow.


Rajni Razdan,
Secretary to the Government of India

To

All Ministries/ Departments of Government of India
As per mailing list


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ANNEXURE

COMMUTATION VALUE FOR A PENSION OF Re.1 PER ANNUM

Age next birthday	Commutation value expressed as number of year's purchase	Age next birthday	Commutation value expressed as number of year's purchase	Age next birthday	Commutation value expressed as number of year's purchase
20	9.188	41	9.075	62	8.093
21	9.187	42	9.059	63	7.982
22	9.186	43	9.040	64	7.862
23	9.185	44	9.019	65	7.731
24	9.184	45	8.996	66	7.591
25	9.183	46	8.971	67	7.431
26	9.182	47	8.943	68	7.262
27	9.180	48	8.913	69	7.083
28	9.178	49	8.881	70	6.897
29	9.176	50	8.846	71	6.703
30	9.173	51	8.808	72	6.502
31	9.169	52	8.768	73	6.296
32	9.164	53	8.724	74	6.085
33	9.159	54	8.678	75	5.872
34	9.152	55	8.627	76	5.657
35	9.145	56	8.572	77	5.443
36	9.136	57	8.512	78	5.229
37	9.126	58	8.446	79	5.018
38	9.116	59	8.371	80	4.812
39	9.103	60	8.287	81	4.611
40	9.090	61	8.194		

[Basis: LIC (94-96) Ultimate Tables and 8.00% interest]


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 Director (P.F.)
 Deptt. of Pension & P.W.
 Govt. of India