

Sixth Pay Commission: Pensionary benefits of civilian employees: Demands and Recommendations

Demands- pension

5.1.29 Major demands on pension related issues made by the various staff associations and others sought the following relief:-

- (i) Components for purpose of calculation of pension should also include deputation duty allowance dearness allowance and 75% of the running allowance in respect of railway running staff retired after 4.12.88.
- (ii) Qualifying service for full pension should be fixed at 30 years.
- (iii) Full pension should be 60% of the emoluments of the last month or the 10 month average, whichever is higher.
- (iv) Pension should be increased to 65% of the last pay drawn after age of 65 and by another 10% at age of 75.
- (v) Minimum qualifying service should be reduced from 10 to 5 years
- (vi) Minimum pension should be made equal to the minimum salary.
- (vii) Full gratuity should be calculated on the basis of 25 days against 30 days in a month as admissible under the gratuity act. The ceiling of 16.5 months should be removed.
- (viii) Full pension should be restored after 12 years, or on reaching 70 years of age, whichever is earlier.

Demands- family pension

5.1.30 Major demands relating to family pension are as under :

- (i) The period of 7 years for grant of enhanced family pension should be raised to 10 years.
- (ii) After the expiry of the above 10 years period, the family pension should be reduced to 75%.
- (iii) The family pension should not be less than the minimum pension of Rs.10,000.
- (iv) In the case of a son, the family pension may be allowed upto the age of 28 years because the recruitment age has been raised to 28 years. In the case of unmarried daughter, the age limit may be done away with.

Recommendations relating to quantum of pension

5.1.32 The Commission does not recommend any change in the present rates of pension which is payable at 50% of emoluments on completion of minimum prescribed years of qualifying service. The Commission, however, is of the view that older pensioners require a better deal because their needs, especially those relating to health, increase with age. Accordingly, the Commission recommends that quantum of pension available to the old pensioners should be increased as follows:-

On attaining age of Additional quantum of pension

- 80 years - 20% of basic pension
- 85 years - 30% of basic pension
- 90 years - 40% of basic pension
- 95 years - 50% of basic pension
- 100 years - 100% of basic pension

Recommendations relating to qualifying service

5.1.33 The Commission, accordingly, recommends that linkage of full pension with 33 years of qualifying service should be dispensed with. Once an employee renders the minimum pensionable service of 20 years, pension should be paid at 50% of the average emoluments received during the past 10 months or the pay last drawn, whichever is more beneficial to the retiring employee. Simultaneously, the extant benefit of adding years of qualifying service for purposes of computing pension/related benefits should be withdrawn as it would no longer be relevant.

Recommendations relating to commutation

5.1.34 The Government should modify the commutation table being used for purposes of commuting pension, accordingly. All future cases of commutation of pension should be considered as per the revised commutation table annexed to the Report which may be revised periodically by the Government keeping in view the interest rates and the mortality table. Since the commutation under the proposed scheme will be in consonance with the prevailing market rates of interest and the mortality factor, it should be possible to outsource the entire process of making payment on this account. Accordingly, the Government may consider outsourcing the process of commutation of pension to any PSU Bank/Institution which would extend the commuted amount to the pensioners and get appropriate rate of interest on such amount. Government could extend an interest subsidy on the interest rate so charged, in case the same is found necessary.

Amount of commutation - Recommendations

5.1.36 In view of the aforesaid, the Commission does not propose any change in the maximum percentage of commutation allowed or in the period of restoration.

Recommendations relating to gratuity

5.1.37 The Commission recommends that the maximum pecuniary limit of Rs.3.5 lakh on payment of gratuity should be raised to Rs.10 lakh.

Recommendations relating to encashment of leave

5.1.38 The Commission recommends that while no change may be made in the maximum number of EL that can be accumulated and encashed, whether in service or at the time of retirement/leaving the Government, however, the number of EL encashed while in service should be excluded from the overall ceiling of encashment of 300 days EL allowed at the time of retirement.

5.1.40 The Commission, therefore, recommends that both Earned Leave and Half Pay Leave should be considered for encashment of leave subject to the overall limit of 300 days. The provisions relating to encashment of Earned Leave shall continue unchanged. Half Pay Leave will be encashable at the rate equal to half the amount of leave salary payable during Earned Leave without any reduction being made on account of pension payable. To make up the shortfall in Earned Leave, no commutation of Half Pay Leave shall be permissible.

Family pension –recommendations

5.1.42 The Commission, accordingly, recommends that in case of Government employees dying in harness, family pension may be paid at enhanced rates for a period of 10 years. The dependency criteria for all purposes should be the minimum family pension

along with dearness relief thereon. This should also be followed in cases relating to payment of family pension as well.

5.1.43 The Commission, accordingly, recommends that quantum of pension available to the family pensioners should also be increased on par with that recommended for pensioners as under:-

On attaining age of Additional quantum of family pension

80 years - 20% of basic family pension

85 years - 30% of basic family pension

90 years - 40% of basic family pension

95 years - 50% of basic family pension

100 years - 100% of basic family pension

CCS (Extraordinary) Pension Rules, 1939 recommendations

5.1. The Commission, accordingly, recommends introduction of a constant attendant allowance, on the lines existing in Defence Forces under the CCS (Extraordinary) Pension Rules, 1939 as well.

Recommendations relating to exgratia

5.1.45 The Commission, accordingly, recommends that the rates of exgratia may be doubled and raised to Rs.10 lakhs in cases of death occurring due to accidents in the course of performance of duty whether attributable to acts of violence by terrorists, anti-social elements etc. or otherwise and to Rs.15 lakhs in cases of death occurring due to enemy action in international war or border skirmishes or action against militants, terrorists, extremists in the border posts or on account of natural disasters, extreme weather conditions while on duty in the specified high altitude, inaccessible border posts, etc.

Past pensioners –recommendations

Fitment benefit to the past pensioners

5.1.47 The Commission, accordingly, recommends that all past pensioners should be allowed fitment benefit equal to 40% of the pension excluding the effect of merger of 50% dearness allowance/dearness relief as pension (in respect of pensioners retiring on or after 1/4/2004) and dearness pension (for other pensioners) respectively. The increase will be allowed by subsuming the effect of conversion of 50% of dearness relief/ dearness allowance as dearness pension/dearness pay. Consequently, dearness relief at the rate of 74% on pension (excluding the effect of merger) has been taken for the purposes of computing revised pension as on 1/1/2006. This is consistent with the fitment benefit being allowed in case of the existing employees. A table (Annex 5.1.1) showing fixation of the pension of the existing pensioners in the revised dispensation consequent to implementation of the recommendations of this Commission has been prepared and should be used for fixing the revised pension of the existing pensioners. The fixation as per this table will be subject to the provision that the revised pension, in no case, shall be lower than fifty percent of the sum of the minimum of the pay in the pay band and the grade pay thereon corresponding to the prerevised pay scale from which the pensioner had retired. To this extent, a change would need to be allowed from the fitment shown in the fitment table.

Medical Allowance for pensioners

5.1.49 The Commission does not recommend extension of CS (MA) Rules, 1944 to the pensioners. In Chapter 4.11, recommendations have been made for providing OPD facilities to the pensioners living in non-CGHS areas.

CPF/SRPF Optees

5.1.50 No further change in the existing scheme of payment of exgratia to CPF/SRPF optees is required. The existing scheme may, therefore, continue in their case.

5.1.51 Dependent sons/daughters are allowed to avail medical facilities under CS (MA) Rules and CGHS Rules. In case of sons the eligibility is till the time he starts earning or he attains the age of 25 years, whichever is earlier. **It may be judicious to amend the rule so that the discrimination against women is rectified.**

Medical facility to dependent daughters

5.1.52 It is, accordingly, recommended that on par with the facility extended to the dependent sons, the medical facilities should be continued in respect of dependent daughters irrespective of their age. It is, accordingly, recommended that for the purposes of medical facilities, the definition of the family should be expanded to include the minor and dependent children of widowed/divorced daughters.

Eligibility for family pension

5.1.53 The Commission, accordingly, recommends that for purposes of eligibility for Family Pension and other related benefits, the widowed daughters should also be placed in the first category.

Eligibility for encashment of leave

5.1.54 The Commission recommends that for purposes of payment of encashment of leave to a person dying in harness, the amount should be paid to the relations as per the following order:-

1. widow or the eldest surviving widow (with reference to the date of marriage) or husband;
2. the eldest surviving son or an adopted son;
3. the eldest surviving unmarried daughter;
4. the eldest surviving widowed daughter;
5. the father.
6. the mother;
7. the eldest surviving married daughter;
8. the eldest surviving brother below the age of 18 years;
9. the eldest surviving unmarried sister;
10. the eldest surviving widowed sister; and
11. the eldest child of the eldest predeceased son.

Family Pension

5.1.55 The Commission, accordingly, recommends that the childless widow of a deceased Government employee should 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 sources becomes equal to or higher than the minimum prescribed family pension in the Central Government.