

No.38/79/2008-P&PW(G)
Government of India
Ministry of Personnel & Pensioners' Welfare
(Department of Pension & Pensioners' Welfare)

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3rd floor Lok Nayak Bhawan
Khan Market, New Delhi
Dated, 16th February, 2009

OFFICE MEMORANDUM

Subject: Clarification regarding commutation of pension after the implementation of recommendations of 6th CPC

The undersigned is directed to say that in accordance with the instructions contained in this Department's OM No. 38/37/2008-P&PW(A) dated 2nd September, 2008, 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 that 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.

2. A number of references have been received in this Department seeking clarifications in regard to various issues relating to commutation of pension in case a pensioner opts for commutation of pension that has become additionally commutable on account of retrospective revision of pay/pension. The matter has been examined in consultation with the Ministry of Finance (Department of Expenditure) and the following clarifications are issued in this regard:

S. No.	Points raised	Clarifications
1	What would be the age to be used for commutation of additional commutable pension and which factor would be used for such additional commuted value of pension.	The age reckoned for calculation of commuted value of pension at the time of original application for commutation of pension will apply for calculation of commutation value of additional commutable pension . However, as mentioned in the O.M. dated 2.9.2008, the commutation factor in 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.
2	From which date the reduction in pension on account of additional commutation of pension will take effect?	Reduction in pension on account of additional commutation of pension will be in two stages as per the provisions contained in Rule 6 of the CCS(Commutation of Pension) Rules, 1981.
3.	What will be the date of restoration of additional commutation of pension?	The commuted portion of pension shall be restored after 15 years from the respective dates of commutation as provided in Government of India decision No. 1 under Rule 10 of CCS(Commutation of Pension) Rules, 1981. Necessary endorsement should be made in the PPO.

3. It is impressed upon all the Ministries/Departments of the Government of India to keep in view the above clarification while disposing of the cases of commutation of additional pension. They are also advised to dispose the representations received by them from pensioners on the above issues without referring them to this Department.

4. This issues with the concurrence of Ministry of Finance (Department of Expenditure) vide their UO No.43/EV/2009 dated 13.2.2009.



(M.P.Singh)
Director (PP)
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To

All the Ministries/ Department of Government of India