PENSION SCHEME IN INDIA.

Pension Scheme in India

The Pension system in India was introduced by the British Government after the India Independence struggle in 1857. This is a reflection of the Pension system the prevailing in Britain. The pay scales in the government service in India were planned to enable the “native employees” of the British Government to meet their normal substance, leaving very negligible margin for them to make provision for their post – retirement life. The service conditions did not allow the Govt. employees to earn any extra income by doing business or by carrying any other profession. So the provision pension of Pension system providing some sure income for the employees after their retirement was aimed at, to discourage them from resorting to malpractices for creating money cover for their post retirement life. The Pension System thus started in India was finalized by the Indian Pension Act of 1871.

It appears that the British Government had the conception of providing its pensioners increase in their pensions to neutralize the effect of inflation. Accordingly the British govt. granted temporary increases in pension in 1921 to compensate the rise in prices after the First World War. Similarly increases were also given in 1943, 1944 & 1945 after Second World War.

Thereafter for a long time no rise in pensions was sanctioned even though the prices were rising. But serving employees were given some dearness allowance from time to time and part of that was treated as pay for calculation of pension. No real benefit could be got by pensioners up to 1945.

The first pay commission was appointed in 1946. The P & T Pensioners Association tried its best to bring the problems of pensioners into the orbit of the pay commission but in vain. The commission clarified that the pensioner’s problems could not be examined as the same were not ‘referred to’

Even though the retirement benefits were being given by the Govt. from time to time, they were not incorporated in Fundamental Rules made effective from 1-1-1922. It was later decided by the govt. to make revised pension rules governing the cases of post-1938 entrants. These rules were actually out only in 1945 giving rise to many problems. Later, Liberalized pension rules were formed in 1950 and made effective from 17-04-1950, providing for DCRG and commutation of pension. Family pension scheme came into existence with effect from 1-1-1964. In 1968 on a writ filed, Supreme Court rules that Pension is binding obligation of government (and not a gift / reward or bounty). (Writ No. 217 / 1968) It was only in 1972 that the Govt. brought out a consolidated publication of all scattered pension rules under the title “New Pension Rules 1972”, after the issue of fundamental rules in 1922, which is after half a century.

In 1985 CGH Scheme was made applicable to pensioners including their dependant.

A non statutory committee called standing committee of voluntary Association (SCOVA) was constituted in 1986 in the Ministry of Pension and Pensioners’ Welfare to discuss problems of pensioners and make recommendations to the Government. Many pensioners’ organization is nominated to the committee by the Ministry and Quarterly meeting are held under the
The period of 7 years for grant of Family Pension in the case of absconded pensioners was brought down to one year in 1977.

Widows of retirees covered by CPF scheme were granted ex-gratia with effect from 1986.

**Chronological Events in Pension Scheme**

1. India Pension Act introduced in 1871.
2. First increase in pension made in (1914-18) when First war was over.
3. Second temporary increase was sanctioned in 1943-1945 (2nd World War is over) due to high inflation.
4. Due to increase in high rate’s etc. some portion of pay (D.P.) was ordered to add while fixing pension w.e.f. 1.1.46 (Retired between 2.3.39 to 31.12.47). This was effected w.e.f. 23.3.1947. This concession was extended up to 31.12.52.
5. F.R made effective from 1.1.1922. But pension rules were not consolidated up to 1.10.38. Liberalized Pension Rules 1950 were formed and made effective from 17-4-1950. Pension rules 1972 were framed on the basis of Liberalized Pension Rules 1950.
6. As per Supreme Court decision dated 17-12-82 in Writ petition NO. 5939/80 that pension is binding / obligation on Govt. it is not a gift / reward/bounty. (Nakra Judgment)
7. Liberalised Pension Rules 1950 had provided DCRG/family pension for restricted period. ½ rd commutation of pension amount was allowed and provision of nomination.
9. D.A. Committee granted following temporary increase w.e.f. 1-4-1958.
10. Ex-Pakistan Pension cases since 1948 to 1965.
11. Late P.M. Shri Lal Bahadur Shastri granted relief w.e.f. 1-10-1963.
12. Family pension scheme introduced w.e.f. 1-1-1964 (reducing 2 months DCRG) Reduction of 2 months D.C.R.G w.e.f. 22-9-1977. Spouses alive on 22-9-1977 were granted Family Pension w.e.f. 22-9-1977 in pursuance of the Supreme Court decision. If record is not available Affidavit was accepted as proof due to efforts of Shri B. S. Vaze.
14. Minimum Pension Rs. 100/- fixed w.e.f. 1-1-1973, Rs. 375/- W.e.f. 1-1-1986 and Rs. 1,275/- w.e.f. 1-1-1996. (Equal to minimum living standard).
17. Formation of CAT in 1985 for Central Govt. Pensioners to get their grievances solved through it.
18. Restoration of full pension is expected after 15 years of retirement. This is because pension commutation is for the period of 15 years. However in many cases disbursing authorities did not take appropriate action and wanted specific orders from pension fixing authority. Association files writ petition in Supreme Court and decision obtained in favour of pensioners. Government of India has issued appropriate orders based on NAKARA case.
19. Physically and mentally handicapped children and widowed daughter of pensioners are now eligible for family pension. Government accepted this and the decision is in force since 1974. Further family pension is now admissible for unmarried and divorced daughters. There is no age limit for daughters but income limit is applicable.
20. Association took up a case for granting of family pension to the spouse where pensioner
21. Now parents of deceased pensioner are eligible for family pension provided the parents have no other children and their income is less than Rs. 2250. This is based on recommendation in memorandum submitted by the Association to Fifth CPC. CPC accepted this and included in their recommendation [54(20)] to the Government of India. The Government accepted this and is in effect since 1-1-96.

22. Grant of ex-gratia payment to widows of CPF Retirees in 1986 (Rs. 150 + D/r and Rs. 605 + DR w.e.f. a.a. 1996).

23. Pensioners retired prior to 1986 were given relief by re-fixing pension and payment of pension was revised w.e.f. 1-1-1986. Dearness Relief also has been made applicable to this category of pensioners. (Fifth CPC).

24. This is not an achievement of the association. Noted here for information only. All State Governments have accepted and implemented recommendations of Fourth and Fifth CPC for their employees and pensioners.

25. Fixed Medical Allowance now admissible to Pensioners who are not residing in Medical Scheme like CGHS etc. w.e.f. 1-12-1997 vide orders dated 27-12-1997.

26. Dearness Relief allowed to Family Pensioners / Pension (2nd & 3rd) w.e.f. 18-7-1997 dated. 25-6-1997 (Gazette dated. 19-7-1997- 55A.)

27. 50% Dearness Relief merged with basic Pension w.e.f. 1-4-2004, named as Dearness Pension.

28. Military Pensioners up to JCOs rank granted revised pension w.e.f. 1-1-2006. Tables published by CDA (P) Alahabad.

All about Pension (Taken from Pensioners Portal)

Which rules Govern Pension? Who is the Pension Sanctioning Authority?

What should a Government servant do to claim his pension? Who is to authorise the pension?

What to do in case the pension has not been fixed correctly? Whether retirement gratuity, death gratuity can be paid by PAO/CPAO? etc.

Is the Dearness Relief payable on original basic pension or on reduced pension after commutation? Is any authorization from PAO/CPAO required for payment of dearness relief on increased rates to pensioners/family pensioners?

Is there any restriction on commutation of pension? Is there any limit on commutation of pension?

What will be the effective date of reduced pension if, of commuted portion of pension reckon? How does the period of 15 years for restoration of pension if, of commuted portion of pension reckon?

(a) The applicant is drawing pension from PAO? Whether the family can be given the benefit of 40 per cent commutation if, a pensioner dies before exercising option?

(b) The applicant is drawing pension from a branch of Public Sector Bank?

(c) A Government servant who retired on superannuation and commutation applied in form 1-A of CCS (Commutation of Pension) Rules up to the date of retirement and commutation paid through Head of Office

Is any authorization for restoration of commuted portion of pension after 15 years required from PAO/CPAO?

Whether retirement gratuity/death gratuity, the payment of Pension in Cash or through a
commuted value of pension is taxable?

Can a pension account be operated by a holder of Power of Attorney?

Can the deduction of Income Tax at source be made from pension payments?

Can the payment of retirement/death gratuity be made by the bank?

What is the procedure for switchover of pension payment from Pay; Accounts Office to Public Sector Bank?

Who is to authorise payment of family pension and death gratuity when a Govt. servant dies while on deputation?

What should a family member eligible for the grant of family pension do to get the family pension?

Up-to which period family pension is payable?

How is the family pension payable to twin children?

What has the pensioner to do for restoration of commuted portion of pension? What date is it restored?

Under Vth CPC orders remarriage of widow even with a person other than real brother of the deceased does not debar her from payment of special family pension. What is the exact rule position in this regard?

Continuance award of Special Family Pension is admissible from which date and in whose favour is the SFP Continued?

Whether restoration of commuted portion of pension is admissible to those who were absorbed permanently in autonomous bodies/PSUs and have drawn lump-sum capitalised value in lieu of pension?

Is the period of payment of enhanced family pension for 7 Years or up to 67 Years?

What is the formula for pension revision for pre-86 retirees?

How much of the pension can be commuted?

What is the extent of neutralization of relief granted to pensioners?
What is the medical allowance for pensioners? Is a re-employed pensioner eligible for DR?

When can pension be withheld or withdrawn? What is restoration of pension and when is it due?

What should I do for the restoration of pension? What is enhanced family pension and how long is it paid?

Are the employed family pensioners and the re-employed pensioners entitled to Dearness Relief (DR) on their family pension/pension? When is Death-cum-Retirement Gratuity withheld?

When can a Government servant apply for voluntary retirement? To whom should I apply for revision of pension?

When will my DCRG/part of DCRG be released? Can parents get family pension?

What is the meaning of the following terms?
(a) Pension Disbursing Authority (b) Pension Sanctioning Authority (c) PPO Issuing Authority

1. Which rules Govern Pension?

Central Civil Services Pension Rules.

2. Who is the Pension Sanctioning Authority?

The Head of Office in the Ministry/Department/Office where a Government servant last served is the pension sanctioning authority.

3. What should a Government servant do to claim his pension?

The Head of Office is required to undertake the work of preparation of pension papers in Form No. 7 of Pension Rules two years before the date on which a Government servant is due to retire on superannuation. Eight months prior to the retirement date, a Government servant is required to furnish certain information (e.g. joint photo with spouse, family details, name of the branch of the authorised bank through which he desires to draw his pension etc.) to his Head of Office in the prescribed Form No. 5. After complying with the requirements of CCS Pension Rules 59 & 60, the Head of Office has to forward to the Pay & Accounts Officer Form 5 and Form 7 duly completed with a covering letter in Form 8 alongwith service book of the Government servant duly completed up-to-date and any other documents relied upon for the verification of service, not later than six months before the date of retirement of the Government servant.

4. Who is to authorize the pension?

On receipt of pension papers from Head of Office, the Pay & Accounts Officer concerned will, after applying requisite checks, assess the amount of pension and issue the Pension Payment Order (both halves of Pension Payment Order, i.e. disburser’s portion and pensioner’s portion) not later than one month in advance of the date of retirement of the Government servant with forwarding authority letter, duly ink-signed and embossed, to Central Pension Accounting Office (CPAO) who in turn will generate on computer a Special Seal Authority on the basis of details
forward both halves of PPO with Special Seal Authority to the concerned Link Branch of the authorised Public Sector Bank in the State/Union Territory, which after keeping the details in the Index Register will transmit the documents received from the CPAO to its paying branch opted by the pensioner, for arranging the payment.

5. What to do in case the pension has not been fixed correctly?

The Pay & Accounts Officer while issuing the pension authorization will forward one copy of the pension calculation sheet (out of three received by him from the Head of Office) as certified by the Head of Office and countersigned by him (Pay & Accounts Officer) to the pensioner along with the intimation of his having sent the pension payment authority/PPO to the CPAO. In case it is found from the pension calculation sheet that pension has been fixed incorrectly, the matter may be taken-up with the Head of Office, PAO concerned who, if necessary, will issue an amendment authority letter to Central Pension Accounting Office for onward transmission to the paying branch through its Link Branch to carry out necessary amendments in both halves of PPO.

6. Whether retirement gratuity, death gratuity can be paid by PAO/CPAO?

No. The amount of retirement/death gratuity as determined by the PAO shall be intimated to the Head of Office who will draw and disburse the amount to the retired Government servant or to the nominee/family as the case may be.

7. Is the Dearness Relief payable on original basic pension or on reduced pension after commutation?

The Dearness Relief is payable on original basic pension before commutation.

8. Is any authorization from PAO/CPAO required for payment of dearness relief on increased rates to pensioners/family pensioners?

No. Whenever any additional relief on pension/family pension is sanctioned by Government, an intimation to this effect is sent by the Ministry of Personnel, Public Grievances and Pension (Deptt. of Pension and Pensioners’ Welfare) to the authorised representative of each nominated Public Sector Bank. Each Link Branch will be responsible for ensuring that copies of the orders sanctioning additional relief have actually been received by their paying branches and payment of additional relief at the revised rates to the pensioners has been commenced by them without any undue delay. Whenever there is change in the rates of dearness relief on pension, paying branch will keep a note of rates along with the date from which relief would take effect in disburser’s portion and the pensioner’s half of the PPO under attestation by the Branch Manager or in-charge before commencing payment of relief at the revised rates and/or payment of arrears, if any, due to the pensioner on this account.

9. Is there any restriction on commutation of pension?

Yes. No Government servant against whom departmental or judicial proceedings as referred to in Rule 9 of the Pension Rules, have been instituted before the date of his retirement or the pensioner against whom such proceedings are instituted after the date of retirement, shall be eligible to commute a fraction of his provisional pension authorised under Rule 69 of the Pension Rules or the pension, as the case may be, during the pendency of such proceedings.
10. Is there any limit on commutation of pension?

A Government servant shall be entitled to commute for a lump sum payment up to 40 per cent of his pension.

11. What will be the effective date of reduced pension if,
   a) The applicant is drawing pension from PAO?
   b) The applicant is drawing pension from a branch of Public Sector Bank?
   c) A Government servant who retired on superannuation and commutation applied in Form 1-A of CCS(Commutation of Pension) Rules up to the date of retirement and commutation paid through Head of Office within the first month of retirement?

   a) The reduction in the amount of pension on account of the commutation shall be operative from the date of receipt of the commuted value of pension or at the end of three months after issue of authority by the PAO for the payment of commuted value of pension, whichever is earlier.

   (b) The reduction in the amount of pension on account of commutation shall be operative from the date on which the commuted value of pension is credited by the bank to the applicant's account to which pension is being credited.

   (c) The reduction in the amount of pension on account of commutation shall be operative from its inception. The commuted value is paid in two stages as such the reduction in the amount of pension shall be made from the respective dates of the payment as per (a) or (b) above, as the case may be.

12. How does the period of 15 years for restoration of commuted portion of pension reckon?

The 15-year period for restoration may be reckoned from the date of retirement itself only in case where the payment of commuted value of pension was/is made during the first month of retirement leading to appropriate reduction on account of commutation in the first pension itself. In all other cases, where the commutation of pension led/leads to a reduction in the second or subsequent month, the 15-year period will be reckoned from the date on which reduction in pension became/becomes effective.

13. Whether the family can be given the benefit of 40 per cent commutation if a pensioner dies before exercising option?

In view of Governments clarificatory orders, no such benefit can be given to the family.

14. Is any authorization for restoration of commuted portion of pension after 15 years required from PAO/CPAO?

No. Restoration of commuted portion of pension after 15 years (from the date of crediting of commuted value) or as fixed by the Government from time to time is to be made automatically by bank on receipt of application in prescribed proforma from the eligible pensioner. In cases where the date of commutation is not readily available in the PPO, the bank will obtain the information from the concerned PAO who issued the PPO through CPAO before restoring the commuted portion of pension.

15. Whether retirement gratuity/death gratuity, commuted value of pension is taxable?
Retirement/death gratuity and the lump sum amount received on account of commutation of pension is not taxable under Income Tax Act.

16. Is the payment of pension in cash or through a joint account with or without "EITHER or SURVIVOR" facility permitted in the Scheme for Payment of Pension to Central Government Civil Pensioners by Public Sector Banks?

Payment of pension in cash is not permitted in the scheme. However, the pension payment is now permitted to be credited to a joint account operated by the pensioner with his spouse (either by ‘Former or Survivor’ or ‘Either or Survivor’ basis) in whose favour an authorization exists in the Pension Payment Order, subject to certain terms and conditions.

17. Can a pension account be operated by a holder of Power of Attorney?

No. The pension account can not be allowed to be operated by a holder of Power of Attorney except in case of the account of former President of India or of the spouse of the deceased President. However, the facility of allowing cheque books and acceptance of standing instructions for transfer of funds from the account is admissible as per instructions of R.B.I.

18. Can the deduction of Income Tax at source be made from pension payments?

Yes, the paying branch will be responsible for deduction of Income Tax at source from pension payments in accordance with the rates prescribed from time to time. While deducting such tax from pension payments the paying branch will also allow deduction on account of relief available under Income Tax Act from time to time on production of proper and acceptable evidence of eligible savings by pensioners. The paying branch will also issue the pensioner in April each year a certificate of tax deducted in the form prescribed in the Income Tax Rules.

19. Can the excess payment, if any, credited to the pensioner’s account be recovered by the bank?

Before commencing payment of pension, the paying branch is required to obtain an undertaking in the prescribed form Annexure-XI of the Scheme from the pensioner. On the strength of this undertaking the excess payment, if any, credited to his/her account can be recovered by the paying branch.

20. Can the payment of retirement/death gratuity be made by the bank?

Unless otherwise specified, payment of death/retirement gratuity by the bank is not covered under the scheme.

21. What to do if a pensioner/family pensioner desires to get his pension payment account transferred?

(a) From one paying branch to another of the same Public Sector Bank within the same station or a different station?

(b) From one Public Sector Bank to another Public Sector Bank within the same station. (Such transfers to be allowed only once in a financial year) or From one Public Sector Bank to another Public Sector Bank at a different station?
Applications for transfer of pension payment account falling under this category may be entertained by the paying branch of the Public Sector Bank itself. In case the transfer is at the same station, Link Branch will make necessary entries in the register maintained by them in the prescribed form in Annexure-VIII of the scheme and forward the disburser’s portion of PPO to the paying branch at which payment is desired under intimation to the CPAO and the pensioner. In case transfer is at different station, Link Branch after keeping the requisite note, will forward disburser’s portion of the PPO to the Link Branch at new station for arranging payment through the new paying branch. Necessary intimation of effecting such transfer will be sent to CPAO by the new as well as old Link Branches in the form Annexure XXI for keeping a note of change in their records under intimation to the pensioner. The receiving Link Branch on receipt of the pension documents, will ensure forwarding the PPO to the paying branch within three days and intimate the facts to the pensioner simultaneously. Before forwarding the disburser’s portion of PPO to the new paying branch/Link Branch, it will be ensured that the month upto which the payment has been made is invariably indicated in the disburser’s portion of PPO.

When a pensioner applies for transfer on a simple sheet of paper the old bank (transferor paying branch) will send a letter duly signed by its Branch Manager to the Branch Manager of the new paying branch, wherever located, alongwith photocopy of the pensioner’s PPO showing the last payment made. This will be sent by Speed Post/Courier/Regd. Post to the new paying branch at the new location, alongwith a copy each to the pensioner, CPAO and for information to the Link Branch of the old paying branch. Simultaneously, the old paying branch will send the bank’s copy of the PPO to its Link Branch, duly completing all entries for transmission to the new Link Branch. However, pensioner’s copy of PPO will be retained by pensioner and produced at the new paying branch. The new paying branch will commence the pension payment immediately on receipt of letter of the last payment certificate as above. Simultaneously, it will send an intimation to its Link Branch with full details of the commencement of the pension. The old paying branch and its Link Branch will ensure that the bank’s copy of PPO is transmitted to the new paying branch through its Link Branch. Pension will be paid for three months on the basis of the photocopy of the pensioner’s PPO at transferee (New) branch, from the date of last date of payment made at the transferor (Old) branch. During this time, it will be the joint responsibility of both transferor (old) and transferee (New) bank branches to ensure that all the documents under the procedure, are received by the transferee (New) branch within the period of three months. To avoid the risk of overpayment at the time of transfer, the following certificate is required to be recorded on the Disburser’s portion of PPO by the paying branch of the Public Sector Bank: Certified that payment of pension has been made up to the month ----------------- and that this PPO consists of ---------------------continuation sheets for recording disbursement.”

Except as stated above, the transfer of a pension account from one payment point to another will not ordinarily be permitted.

22. What is the procedure for switchover of pension payment from Pay & Accounts Office or treasury to Public Sector Bank?

The existing pensioner will be required to submit his transfer application in the form in Annexure IX of the Scheme in duplicate to his Pension Disbursing Authority i.e. Pay & Accounts Office or Treasury as the case may be. Transfer application in duplicate shall be forwarded immediately by the Pay & Accounts Office along with the disburser’s copy of the PPO halves, duly authenticated and written up-to-date to the CPAO for transmission to the Link Branch of the Public Sector Bank for arranging payment after keeping necessary note in their records. Pay & Accounts Office should also update the entries of payment made in the pensioner’s portion of the PPO if not already done, before the transfer application is sent to the CPAO. In case of transfer from Treasury to Public Sector Banks, the transfer application along with PPO,
should be routed through the concerned A.G. whose authorised officer will countersign and also emboss special seal before transmitting the same to the CPAO.

23. Who is to authorize payment of family pension and death gratuity when a Govt. servant dies while on deputation?

In the case of a Govt. servant who dies while on deputation to another Central Govt. Deptt., action to authorize family pension and death gratuity in accordance with the provisions of chapter IX of the pension Rules shall be taken by his Head of Office of the borrowing department. In the case of a Govt. servant who dies while on deputation to a State Govt. or while on Foreign Service action to authorize the payments of family pension and death gratuity in accordance with the provisions of Chapter IX of the pension Rules shall be taken by the Head of Office or the cadre authority which sanctioned the deputation of the Govt. servant to the State Govt. or to his Foreign Service.

24. What should a family member eligible for the grant of family pension do to get the family pension?

Normally, family pension is sanctioned and authorized at the same time as pension and indicated in the Pension Payment Order and is to be drawn after the death of the pensioner. In case of Govt. servant dying while in service, the widow or widower has to make a claim in Form 14 to the Head of Office who will sanction and authorize the family pension through its Pay & Accounts Officer. Where the deceased Govt. servant is survived only by a child or children, the guardian (in case of minor child/children) or such child or children may submit a claim in Form 14 to the Head of Office for sanction and authorisation of family pension with its PAO. For getting family pension, the deceased pensioner's family should apply in Form No. 14 along with a copy of the death certificate of the deceased pensioner (i) to the Pension Disbursing Authority if, the amount of family pension is already indicated in the Pension Payment Order (ii) to the Head of Office for sanction of family pension in all other cases.

25. Up to which period family pension is payable?

Family pension is payable to one member of the family at a time in the order and for the period as under:

a) In the case of a widow or widower, up to the date of death or remarriage, whichever is earlier.

b) When widow or widower becomes ineligible, children below 25 years of age in the order of their age, up to 25 years of age or till they get married, in case of daughter or till they start earning Rs.2,550/- P.M. whichever is earlier.

c) After (a)& (b) above; for the lifetime to any unemployed son/daughter who is suffering from any disorder or disability of mind (including mentally retarded) or physically crippled or disabled.

26. Is family pension payable to more than one person at a time?

The family pension will be paid in equal shares where the deceased Govt. servant or pensioner is survived by

a) More than one widow (except in the case of Hindu widow). On the death of one widow, her share of the family pension shall become payable to eligible child. If she is not survived by any child, her share of the family pension shall not lapse but shall be payable to the other widows in
equal shares.

b) A widow and an eligible child through another deceased wife; the eligible child will be paid the share, which the mother would have received had she been alive.

c) A widow and an eligible child from a divorced wife; the child will be entitled to the share of family pension which the mother would have received had she not been divorced.

27. How is the family pension payable to twin children?

Where the family pension is payable to twin children, it will be paid to such children in equal shares provided that when one such child ceases to be eligible his/her share shall revert to the other child and when both of them cease to be eligible, the family pension shall be payable to the next eligible single child/twin children.

28. Is family pension payable to a spouse judicially

Yes, family pension is payable to a spouse judicially separated but not to a spouse judicially separated on the ground of adultery.

29. What has the pensioner to do for restoration of commuted portion of pension? From what date is it restored?

Commuted portion of pension is to be restored after 15 years from the date of commutation. This restoration was introduced w.e.f. 1.4.85 i.e. those who completed 15 years on or after 1.4.85, their pension was to be restored. This period of 15 years is to be counted from date of discharge provided commutation was sanctioned simultaneously with service pension in the same PPO. However, where commutation was sanctioned subsequent to the date of discharge the restoration of commuted portion of pension will be done on completion of 15 years from the date from which the amount of capitalized value is paid or credited to the pensioner's account. Every pensioner has to apply to his PDA (Pension Disbursing authority) through an application after completion of 15 years for restoration of commuted portion of pension.

29. To whom is rounding off benefit of percentage of disability pension admissible?

In pursuance of Vth CPC recommendations, Govt.of India, Ministry of Defence vide their letter dated 31.01.2001 have issued orders for revision of disability pension in respect of Post 96 discharge/invalidment/death cases. For purposes of grant of disability pension, following two criteria have been adhered to. In invalidment cases disability element will be computed as under:

- Less than 50%
- 50%
- Between 50 and 75%
- 75%

Disability Element (DE) on Discharge Release Cases:
In discharge release cases, no disability element shall be payable for disabilities less than 20%. Rounding off benefit in such cases will not be allowed.

31. Under Vth CPC orders remarriage of widow even with a person other than real brother
of the deceased does not debar her from payment of special family pension. What is the exact rule position in this regard?

Before Vth CPC orders a widow, recipient of special family pension, on remarriage with real brother of the deceased was allowed special family pension. In case of remarriage of widow with a person other than the real brother of the deceased special family pension was discontinued from the date of marriage. However, in case of liberalised family pension ordinary family pension was payable on re-marriage with other than real brother. Under Vth CPC orders applicable from 1.1.96 the position has undergone a change. Now the payment of SFP to the widow in the event of remarriage will depend upon the circumstances as to whether or not she has children and whether she supports them after remarriage.

(i) If she has no children: She will get full SFP
(ii)If she has children and supports them: Full SFP
(iii)If she has children but does not support then: 50% SFP to children & OFP to widow

The above position is valid only when the widow is the nominated heir. However, where first life award is sanctioned to parents, the payment of family pension will be regulated as under:

(aa) If widow continues to support child even after re-marriage or has no issues: 50% of SFP to Parents, 50% of SFP to Widow.
(ab) If widow does not support children after re-marriage but the children are supported by the parents: Full SFP to parents, Ordinary Family Pension to widow
(ac) If children are not supported either by the remarried widow or the parents: 50% of SFP to parents, 50% of SFP to eligible children, Ordinary Family Pension to widow.
(ad) On death or disqualification of parents and the widow supports the children or has no issues: Full SFP to widow.
(ae) On death or disqualification of parents and the widow does not support the children: Full SFP to children' Ordinary Family Pension to widow.

32. Whether family pension may be sanctioned to a handicapped child during lifetime of a pensioner who has no wife or any other children.

No. Family Pension in this case may be sanctioned only when the contingency arises. However, a note of such child will be kept in record of RO/HOO and P.S.A.

33. Continuance award of Special Family Pension is admissible from which date and in whose favour is the SFP Continued?

When Special Family Pension is sanctioned to widow and she becomes disqualified or dies and it is sanctioned to father or mother it is called continuance award of Special Family Pension. It is sanctioned from the date of application by the parents.

34. Whether in all cases service element is payable along with disability element in disability pension cases?

No. Those who are discharged from service on completion of their terms of engagement with service gratuity without earning a service pension, if found suffering from a disability which is accepted as attributable to or aggravated by service at 20% or above, may be sanctioned Disability Element in addition to service gratuity. Service element is not payable in such cases.

35. Whether restoration of commuted portion of pension is admissible to those who were
absorbed permanently in autonomous bodies/PSUs and have drawn lump-sum capitalised value in lieu of pension?

Yes. Only 1/3rd portion of pension which was normally allowed to be commuted may be restored after 15 years from the date of commutation and dearness relief is also payable on this.

36. Describe Consolidation of family pension at the rate of 30% of pay in respect of pre-96 family pension cases and method of calculation thereof?

References have been received that the family pension should be calculated @ 30% of the notionally fixed pay on the basis of Fourth Pay Commission and consolidated thereafter as on 01/01/1996. This matter has been considered but it has not been found practicable to accede to the same as consolidation of pension can be done only with reference to the family pension already drawn prior to 01/01/1996. Family pension @ 30% is effective from 01.01.1996 only

37. Is the family pension admissible to parents?

Definition of Family has been extended to include dependent parents / Widowed or Divorced Daughters for the purpose of family pension. Parents – mother and father-are entitled to the family pension subject to the relevant rules if the pensioner did not leave behind any spouse or children at the time of his death.

38. Is the period of payment of enhanced family pension for 7 Years or up to 67 Years?

The clarification is that the enhanced family pension up to 67 years would be applicable where the government servant is / was to retire at the age of 60 years in pursuance of the Fifth Central Pay Commission recommendations.

39. What is the formula for pension revision for pre-86 pensioner/family pensioner?

Notional fixation of pay on 01/01/1986 at Fourth CPC level like serving employee on 1.1.86, fixation of pension and subsequent consolidation in terms of O.M. dt.27.10.97.

40. What is the formula for pension revision for pre-86 retirees?

Consolidation of pension in terms of O.M. dt.27.10.97 (basic pension + D.A. on 1.1.96 + I.R. I & II and 40% fitment weightage). In these cases, there is notional fixation of pay involved.

41. What is the minimum and maximum pension?

Minimum pension shall not be less than Rs.1275/- and maximum shall be 50% of the highest pay in Government. Pension/family pension shall not be less than 50%/30% of the minimum, of the revised scale of pay w.e.f 1.1.96 of the post held by the pensioner.

42. How much of the pension can be commuted?

A pensioner can opt to commute up to 40% of the pension to be drawn based on the average emoluments of the last 10 months

43. Is there any ceiling on gratuities and if so what is the maximum amount admissible?
Yes. Ceiling on all gratuities has been raised to Rs.3.5 lakhs. DA also to be added with pay for calculation of gratuity.

44. What is the extent of neutralization of relief granted to pensioners?

100% neutralization of relief is granted to all pensioners at the same rate like serving employees.

45. Is Personal Pension to be discontinued with effect from 1.1.1996?: Yes.

46. What is the medical allowance for pensioners?

Rs.100/- is granted to each of the pensioners not covered by CGHS. Pensioners living in cosmopolitan cities not covered by CGHS dispensary are also eligible on production of a certificate to that effect.

47. Is a re-employed pensioner eligible for DR?

Yes, provided his pay is fixed at the minimum of the scale on re-employment.

48. When can pension be withheld or withdrawn?

Future good conduct is an implied condition of every grant of pension and its continuance under the CCS (Pension) Rules, 1972.

The pension or a part there of can be withheld or withdrawn in such cases where a pensioner is convicted of a serious crime or found guilty of a serious or a grave act of misconduct/negligence after retirement, or during the period of service, including the service rendered upon re-employment after retirement.

49. What is restoration of pension and when is it due?

Restoration of the fraction of the pension commuted by the pensioners becomes due for restoration after completion of 15 years period from the date of payment of lumpsum value of commutation.

50. What should I do for the restoration of pension?

Restoration of commutation is made against an application made by the pensioner to the pension disbursing authority on completion of 15 years period from the date of payment of lumpsum value of commutation.

51. What is enhanced family pension and how long is it paid?

Enhanced family pension is payable upto attainment of 67 years of age of the pensioner or upto 7 years after the death of pensioner whichever is earlier.

52. Are the employed family pensioners and the re-employed pensioners entitled to Dearness Relief (DR) on their family pension/pension?

Yes, w.e.f. 18/07/97 onwards.
53. When is Death-cum-Retirement Gratuity withheld?

In case of occupation of Government Quarter or pendency of Vigilance case, etc, pension is withheld on advice of pension sanctioning authority or bill passing authority.

54. What is reduced pension?

Reduced pension is the part of pension which is payable after deducting commuted portion of the pension.

55. When can a Government servant apply for voluntary retirement?

A Government servant can apply for voluntary retirement only after completion of 20 years of his Government service. He/She should apply three months in advance.

56. To whom should I apply for revision of pension?

You have to apply for revision of pension in a prescribed format with necessary enclosures to your pension sanctioning authority.

57. When will my DCRG/part of DCRG be released?

After receipt of refund advice/ no claim certificate from pension sanctioning authority, the DCRG is released immediately.

58. Can parents get family pension?

Yes, only fully dependent parents, where the family members of deceased Government servant i.e. spouse/ son / daughter are not alive.

59. What is the meaning of the following terms?
(a) Pension Disbursing Authority (b) Pension Sanctioning Authority (c) PPO Issuing Authority

(a) Pension Disbursing Authority: Your Pension paying branch bank
(b) Pension Sanctioning Authority: The authority who sanctioned your pension before forwarding the case to Accounts.
(c) PPO Issuing Authority: If you retired from HQ, the PPO issuing authority is head of accounts branch of that unit.