

Dated the 1<sup>st</sup> September, 2008

**OFFICE MEMORANDUM**

**Sub: Implementation of Government's decision on the recommendations of the Sixth Central Pay Commission - Revision of pension of pre-2006 pensioners/family pensioners etc.**

1. The undersigned is directed to say that in pursuance of Government's decision on the recommendations of Sixth Central Pay Commission, sanction of the President is hereby accorded to the regulation, with effect from 1.1.2006, of pension/ family pension of all the pre-2006 pensioners/ family pensioners in the manner indicated in the succeeding paragraphs. Separate orders will be issued in respect of employees who retired/died on or after 1.1.2006.

2.1 These orders apply to all pensioners/family pensioners who were drawing pension/family pension on 1.1.2006 under the Central Civil Services (Pension) Rules, 1972, CCS (Extraordinary Pension) Rules and the corresponding rules applicable to Railway pensioners and pensioners of All India Services, including officers of the Indian Civil Service retired from service on or after 1.1.1973.

2.2 Separate orders will be issued by the Ministry of Defence in regard to Armed Forces pensioners/family pensioners.

2.3 These orders do not also apply to retired High Court and Supreme Court Judges and other Constitutional/Statutory Authorities whose pension etc. is governed by separate rules/orders.

3.1 In these orders :

- a. Existing pensioner or Existing Family pensioner means a pensioner who was drawing/entitled to pension/family pension on 31.12.2005.
- b. Existing pension means the basic pension inclusive of commuted portion, if any, due on 31.12.2005. It covers all classes of pension under the CCS (Pension) Rules, 1972 as also Disability Pension under the CCS (Extraordinary Pension) Rules and the corresponding rules applicable to Railway employees and Members of All India Services.
- c. Existing family pension means the basic family pension drawn on 31.12.2005 under the CCS (Pension) Rules and the corresponding rules applicable to Railway employees and Members of All India Services.

4.1 The pension/family pension of existing pre-2006 pensioners/family pensioners will be consolidated with effect from 1.1.2006 by adding together:-

- i. The existing pension/family pension.
- ii. Dearness Pension, where applicable
- iii. Dearness Relief upto AICPI (IW) average index 536 (Base year 1982=100) i.e. @ 24% of Basic Pension/Basic family pension plus dearness pension as admissible vide this Department's O.M. No. 42/2/2006-P&PW(G) dated 5.4.2006
- iv. Fitment weightage @ 40% of the existing pension/family pension.

Where the existing pension in (i) above includes the effect of merger of 50% of dearness relief w.e.f. 1.4.2004, the existing pension for the purpose of fitment weightage will be re-calculated after excluding the merged dearness relief of 50% from the pension.

The amount so arrived at will be regarded as consolidated pension/family pension with effect from 1.1.2006.

4.2 The fixation of pension will be subject to the provision that the revised pension, in no case, shall be lower than fifty percent of the minimum of the pay in the pay band plus the grade pay corresponding to the pre-revised pay scale from which the pensioner had retired. In the case of HAG+ and above scales, this will be fifty percent of the minimum of the revised pay scale.

4.3 Since the consolidated pension will be inclusive of commuted portion of pension, if any, the commuted portion will be deducted from the said amount while making monthly disbursements.

4.4 The upper ceiling on pension/family pension laid down in the Department of Pension and Pensioner's Welfare Office Memorandum No 45/86/97-P&PW(A)(Part-I) dated 27.10.1997 has been increased from Rs. 15000/- and Rs. 9000/- to 50% and 30% respectively of the highest pay in the Government (The highest pay in the Government is Rs. 90,000 since 1.1.2006).

4.5 The quantum of pension/family pension available to the old pensioners/ family pensioners shall be increased as follows:-

| <b>Age of pensioner/family pensioner</b> | <b>Additional quantum of pension</b>           |
|--|--|
| From 80 years to less than 85 years      | 20% of revised basic pension/ family pension   |
| From 85 years to less than 90 years      | 30% of revised basic pension / family pension  |
| From 90 years to less than 95 years      | 40% of revised basic pension / family pension  |
| From 95 years to less than 100 years     | 50% of revised basic pension / family pension  |
| 100 years or more                        | 100% of revised basic pension / family pension |

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/her consolidated pension in terms para 4.1 and 4.2 above 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/her attaining the age of 85 years will be shown as (i).Basic Pension = Rs.10,000 and (ii) additional pension = Rs.3,000 pm.

4.6 Some of the existing pensioners who retired between 31.3.1985 and 31.12.1985 are in receipt of personal pension. The said personal pension will continue to be granted as a separate element and will not be merged into the pension as consolidated above.

4.7 Since the consolidated pension/family pension arrived at as per paragraph 4.1. includes dearness relief upto average index level 536(Base year 1982=100), dearness relief will be admissible thereon only beyond index average 536 (Base year 1982=100) in accordance with the revised scheme of dearness relief for which orders are being issued separately. The four instalments of dearness relief sanctioned earlier from 1.7.2006, 1.1.2007, 1.7.2007 and 1.1.2008 in this Department's Office Memorandum No. 42/2/2006-P&PW(G) dated the 15.9.2006, Office Memorandum No. 42/2/2006-P&PW(G) dated the 23.3.2007, Office Memorandum No. 42/2/2006-P&PW(G) dated the 18.9.2007 and Office Memorandum No. 42/2/2006-P&PW(G) dated the 19.3.2008 respectively shall be adjusted against revised Dearness Relief becoming due on the consolidated pension/family pension.

5.1 Where the consolidated pension/family pension in terms of paragraph 4 above works out to an amount less than Rs. 3500/- the same shall be stepped upto Rs. 3500/-. This will be regarded as pension/family pension with effect from 1.1.2006. In the case of pensioners who are in receipt of more than one pension, the floor ceiling of Rs. 3500/- will apply to the total of all pensions taken together.

5.2 Where the disability pension under the CCS(EOP) Rules, is drawn in addition to invalid pension under the CCS (Pension) Rules, 1972, the minimum limit of Rs. 3500/- will apply to total of two pensions as indicated in paragraph 5.1. Where the disability pension is drawn in isolation, the minimum limit of Rs. 3500/- will apply for 100% disability. For lesser degree of disability the minimum limit will be proportionately less.

6. The employed/re-employed pensioners/family pensioners are not getting dearness relief on pension at present under the extant orders. In their case the notional dearness relief which would have been admissible to them but for their employment/re-employment will be taken into account for consolidation of their pension in terms of paragraph 4.1. above as if they were drawing the dearness relief. Their pay will be re-fixed w.e.f. 1.1.2006 with reference to consolidated pension becoming admissible to them. Dearness relief beyond 1.1.2006 will, however, not be admissible to them during the period of employment/re-employment.

7. The cases of Central Government employees who have been permanently absorbed in public sector undertakings/autonomous bodies will be regulated as follows:-

#### **(a) PENSION**

Where the Government servants on permanent absorption in public sector undertakings/autonomous bodies continue to draw pension separately from the Government, the pension of such abosrbees will be updated in terms of these orders. In cases where the Government servants have drawn one time lump sum terminal benefits equal to 100% of their pensions and have become entitled to the restoration of one-third commuted portion of pension as per Supreme Court judgement dated 15.12.1995, their cases will not be covered by these orders.

#### **(b) FAMILY PENSION**

In cases where, on permanent absorption in public sector undertakings/autonomous bodies, the terms of absorption permit grant of family pension under the CCS (Pension) Rules, 1972 or the corresponding rules applicable to Railway employees/members of All India Services, the family pension being drawn by family pensioners will be updated in accordance with these orders.

8. All Pension Disbursing Authorities including Public Sector Banks handling disbursement of pension to the Central Government pensioners are hereby authorised to pay pension/family pension to existing pensioners/family pensioners at the consolidated rates in terms of para 4.1 above without any further authorisation from the concerned Accounts Officers/Head of Office etc. A table indicating the existing basic pension/family pension without Dearness Pension, the basic pension/family pension with dearness pension and the revised consolidated pension/family pension is enclosed for ready reference. **(Annexure I)**. This table may be used where the pensioner is in receipt of a single pension only. Where a pensioner is in receipt of more than one pension, consolidation may be done separately in terms of paragraph 4.1 and as indicated in paragraph 5 floor ceiling of Rs. 3500/- may be applied to total pension from all sources taken together. Wherever the age of pensioner/ family pensioner is available on the pension payment order, the additional pension/ family pension in terms of para 4.5. above may also be paid by the pension disbursing authorities immediately without any further authorisation from the concerned Account Officer/ Head of Office, etc. A suitable entry regarding the revised consolidated pension shall be recorded by the pension Disbursing Authorities in both halves of the Pension Payment Order. An intimation regarding

disbursement of revised pension may be sent by the pension disbursing authorities to the Office of CPAO and Accounts Officer which had issued the PPO in the form given at **Annexure-II** so that the latter can update the Pension payment Order Register maintained by him. An acknowledgement shall be obtained by the Pension Disbursing Authorities from Office of CPAO and the respective Accounts Officers in this behalf.

9 The consolidated pension/family pension as worked out in accordance with provisions of Para 4.1. above shall be treated as final 'Basic Pension' with effect from 1.1.2006 and shall qualify for grant of Dearness Relief sanctioned thereafter.

10 40% of the arrears of pension will be paid in the year 2008-09 and the remaining 60% in the year 2009-10.

11. It shall be the responsibility of the Head of the Department of the Ministry, Department, Office, etc. from which the government servant had retired or where he was working prior to his demise to revise the pension/family pension of all pensioners/ family pensioners with effect from 1st January 2006 in accordance with the provisions mentioned in para 4.1 and 4.2 above and to issue revised Pension Payment Order (PPOs). Action to revise pension/ family pension in terms of these provisions shall be initiated suo moto by the concerned Heads of Departments. In the case of the Defence Civilian Employees, however, the procedure prescribed in this regard by the Ministry of Defence shall be followed. It is emphasised that the Pension Sanctioning Authority, in no case, will ask the pensioner/ family pensioner to surrender his/ her original Pension Payment Order (PPO) for issuing revised authority. In case, however, the age of pensioner/family pensioner is not available on the PPO/office records, the same shall be obtained from the pensioner/family pensioner and indicated in the revised PPO. The authenticity of the age declared by the pensioner/family pensioner shall be verified by the pension sanctioning authority. It may also be ensured that a copy of the revised PPO should be invariably endorsed to the pensioner/ family pensioner.

12. It is considered desirable that the benefit of these orders should reach the pensioners as expeditiously as possible. To achieve this objective it is desired that all Pension Disbursing Authorities should ensure that the revised pension and the first instalment of arrears due to the pensioners in terms of para 4.1. and para 4.5 above is paid to the pensioners or credited to their account by 30th September, 2008 or before positively. Instructions regarding release of second instalment of arrears will be issued later. Concerted efforts should be made by all the authorities concerned to ensure that the revised PPO's are issued, wherever necessary, with the utmost expedition in terms of para 4.1, 4.2. and 4.5 above and arrears are paid in terms of para 10 above within two months from the date of issue of this O.M.

13. In their application to the persons belonging to Indian Audit and Accounts Department these orders issue in consultation with the Comptroller and Auditor General of India.

14. 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. All pension disbursing offices are also advised to prominently display these orders on their notice boards for the benefit of pensioners.

15. Hindi version will follow.



(Rajni Razdan)

Secretary to the Government of India

To

All Ministries/ Departments of Government of India

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