

No. 38/42/2005-P&PW (F)
Government of India
Ministry of Personnel, PG & Pensions
Department of Pension & Pensioners' Welfare
3rd Floor, Loknayak Bhawan
New Delhi-110003

Dated 17th February 2005

OFFICE MEMORANDUM

Subject: Payment of difference of Gratuity to pre-1996 Central Government Pensioners - clarification regarding.

The undersigned is directed to say that a number of representations have been received seeking confirmation whether in pursuance of Supreme Court Judgement, vide this Department's OM No. 45/86/97-P&PW (A) Pt. I dated 04.12.2004; pre-1996 pensioners have been made eligible for receiving additional gratuity. They have asked the concerned pensioners to apply to their respective Departments by furnishing details of PPO number, date of retirement, Bank details etc. It also contains a portion of the OM purported to have been issued by this Department but does not indicate the name of Officer under whose signature it has been issued.

2. In view of the above, the factual position in the matter is as under:

- (i) This Department has not issued any OM on 4.12.2004 granting additional gratuity to pre-1996 pensioners as there is no such Supreme Court Judgement in that respect; and
- (ii) The extracts of OM reproduced by them purported to have been issued on 4.12.2004 is in fact a portion of this Department's OM dated 4.12.2001 bringing out certain modifications to OM dated 27.10.1997. In that OM, the Government consequent upon acceptance of the 5th Pay Commission recommendations, inter-alia, prescribed that 100% of DA be added to the pay and on this the retirement/death gratuity be calculated. This was made effective from 1.1.1996. It did not change any provisions regarding percentage on DA for those who retired before 1.1.1996. Vide OM dated 4.12.2001 the Government clarified that the addition to DA for calculation of gratuity would be applicable for calculation of all types of gratuities like death/ retirement/ service gratuity. In this OM also there is no change in other provisions of OM dated 27.10.1997 including the cut-off date of 1.1.1996. This was further clarified vide para (ii) of OM dated 18.2.2003. Hence, prior to 1.1.1996, only basic pay was reckoned as emoluments for computation of gratuity. It has not been agreed to extend the benefits to retirees prior to 1.1.1996 as for grant of any benefit, prescription of a cut-off-date is essential keeping in view various constraints including financial constraints.

(M.P. Singh)
Director (PP)
Tel. 24624802

To

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