

No17(4)/2008(2)/D(Pen/Pol)
Government of India
Ministry of Defence
Department of Ex-Servicemen Welfare
New Delhi, Dated 12.11.2008

To

The Chief of the Army Staff
The Chief of the Naval Staff
The Chief of the Air Staff

SUBJECT: IMPLEMENTATION OF THE GOVERNMENT DECISION ON THE RECOMMENDATIONS OF THE SIXTH CENTRAL PAY COMMISSION – REVISION OF PROVISIONS REGULATING PENSION/GRATUITY/ COMMUTATION OF PENSION/FAMILY PENSION/DISABILITY PENSION FOR THE ARMED FORCES OFFICERS AND PERSONNEL BELOW OFFICER RANK (PBOR) RETIRING OR DYING IN HARNESS ON OR AFTER 01-01-2006.

Sir,

The undersigned is directed to state that in pursuance of Government's decision on the recommendations of the Sixth Central Pay Commission announced vide Government of India, Ministry of Personnel, Public Grievances and Pension, Department of Pension and Pensioners' Welfare Resolution No.38/37/08 P&PW (A) dated 29.08.2008, sanction of the President is hereby accorded to the modification to the extent specified in this letter, in the rules/regulations concerning pensionary benefits of the Commissioned Officers (including MNS and Territorial Army Officers) and Personnel below Officer Rank (PBOR) of the three Services, Non-combatants (Enrolled) in the Air Force, Defence Security Corps and the Territorial Army (hereinafter collectively referred to as Armed Forces Personnel) retiring or dying in harness on or after 01.01.2006.

1.2 The provisions of the Pension Regulations of the three services and various Services instructions/Government orders, which are not affected by the provisions of this letter, will remain unchanged.

PART I – DATE OF EFFECT AND DEFINITIONS

2.1. Save as otherwise provided in these orders, the provisions of this letter shall apply to the Armed Forces personnel who were in service as on 01-01-2006 or joined/join service thereafter.

2.2. Where Pension/Family Pension/Death Gratuity/Retirement Gratuity/Commuted Value of Pension has already been sanctioned, provisionally or otherwise, in cases occurring on or after 01-01-2006, the same should be revised in terms of these orders. In cases where pension has been finally sanctioned under the pre-revised orders and if it happens to be more beneficial than the pension becoming due under these orders, the pension already sanctioned shall not be revised to the disadvantage of the pensioners.

DEFINITIONS

3. RECKONABLE EMOLUMENTS

3.1. Except in respect of Commissioned Officers and Personnel Below Officer Rank retired/discharged/invalidated/died between 1.1.2006 and 31.8.2008 (both dates inclusive), the term "Reckonable Emoluments" will mean:-

CATEGORY	RETIRING/ SERVICE/ INVALID PENSION	FAMILY PENSION	ALL TYPES OF GRATUITIES
Commissioned Officers	Pay in the Pay Band, Grade Pay, Military Service Pay and Non Practicing Allowance, if any, last drawn.	Pay in the Pay Band, Grade Pay, Military Service Pay and Non Practicing Allowance, if any, last drawn	Pay in the Pay Band, Grade Pay, Military Service Pay and Non Practicing Allowance, if any, plus Dearness Allowance admissible on the date of retirement/ invalidment/death.
Personnel Below Officer Rank	Pay in the Pay Band, Grade Pay, Military Service Pay, 'X' Group Pay and whole of classification allowance, if any, last drawn	Pay in the Pay Band, Grade Pay, Military Service Pay and 'X' Group Pay including classification allowance, if any, last drawn by the individual.	Pay in the Pay Band, Grade Pay, Military Service Pay, 'X' Group Pay and classification allowance, if any, plus Dearness Allowance admissible on the date of discharge/Invalidment/ death.

3.2 In respect of Commissioned Officers and PBOR retired/discharged/invalidated/died between 1.1.2006 and 31.8.2008, the term "Reckonable Emoluments" as defined at Para 3.1 above will apply except that Military Service Pay will reckon notionally for **reckonable** emoluments in such cases.

PAY, GRADE PAY, MILITARY SERVICE PAY, NON-PRACTICING ALLOWANCE, 'X' GROUP PAY AND CLASSIFICATION ALLOWANCE

3.3. The term Pay in the Pay Band, Grade Pay, Military Service Pay, NPA, 'X' Group pay and Classification Allowance as referred to in para 3.1 above will mean respectively the pay in the Pay Band, Grade Pay, MSP, Non-practicing allowance, 'X' Group Pay and classification allowance introduced with effect from 01-01-2006 vide the following Services Instructions:

- (a) For Service Officers: SAI – 2/S/2008, SNI – 2 /S/2008, SAFI – 2/S/2008
- (b) For PBOR: SAI – 1/S/2008, SNI – 1 /S/2008, SAFI – 1 /S/2008

SPECIAL PROVISIONS FOR THOSE WHO RETAIN THE PRE-REVISED SCALE OF PAY

3.4 Those who have elected to continue to draw pay in the pre-revised scale of pay and have retired or will be retiring/discharged/invalidated out of service on or after 1.1.2006, their pension and gratuity shall be calculated under the rules in force

immediately before coming into effect of these orders. The pension and death-cum-retirement gratuity in such cases will be regulated as follows:-

- (i) The term 'Reckonable Emoluments' for this para shall mean-
 - a) **Commissioned Officers:** Basic Pay, Rank Pay Stagnation increment and NPA, if any, in the pre-revised scales and will include Dearness pay and DA upto average AICPI 536 (Base year 1982 = 100), which is 24%.
 - b) **PBOR including NCs(E) :** Maximum pay of the pay scale including 50% of the highest classification allowance, if any, of the rank continuously held during last ten months and group in which paid and will include Dearness Pay and DA up to average AICPI 536 (Base Year 1982 = 100) which is 24%.
- (ii) Retiring pension for Officers will be calculated at 50% of average of reckonable emoluments drawn during last 10 months and service pension for PBOR at 50% of reckonable emoluments. The amount so determined will be the pension for 33 years of reckonable qualifying service including rank weightage. For lesser period of reckonable qualifying service, this amount will be proportionately reduced.
- (iii) Retirement/Death gratuity shall be admissible with reference to emoluments at (i) above plus dearness allowance under the order in force immediately before coming into effect of these orders. The maximum amount of gratuity shall not exceed Rs. 3,50,000/- in terms of Para 12 of this Ministry's letter No. 1(6)/98/D (Pen/Sers) dated 03.02.1998.
- (iv) Commutation of pension shall be admissible in accordance with the orders in force before 02.09.2008.
- (v) Family pension shall be allowed in accordance with orders applicable prior to the issue of these orders and shall be calculated with reference to reckonable emoluments as defined in Para 3.1 of this Ministry's letter No. 1(6)/98/D (Pen/Sers) dated 03.02.98 and will also include Dearness Pay. To the family pension so calculated, dearness relief upto average AICPI 536 (Base year 1982 = 100) at the rate contained in Department of P&PW's O. M. No. 42/2/2006-P&PW(G) dated 05.04.2006 which is 24% shall be added. The amount so arrived at will be regarded as the family pension for regulating payment of dearness relief beyond average AICPI 536.

NOTES:

- (1) *Where an Officer immediately before his/her retirement or death while in service had been absent from duty on leave (including furlough leave) for which leave salary is/was payable or having been suspended had been re-instated without forfeiture of service, the emoluments which he/she would have drawn, had he/she not been absent from duty or not been suspended, will reckon for pensionary benefits.*
- (2) *Where an Officer immediately before his/her retirement or death while in service had proceeded on leave for which leave salary is payable, after having held a higher paid acting rank, the emoluments drawn in such paid acting rank will reckon for pensionary benefits only if it is certified that he/she would have continued to hold the paid acting rank but for his/her proceeding on leave.*
- (3) *Where an Officer immediately before his/her retirement or death while in service had been under suspension or absent from duty the period whereof does not*

count as service, the emoluments which he/she drew immediately before such absence from duty or being placed under suspension, will reckon for pensionary benefits.

(4) Where an Officer is serving in an organization other than the Armed Forces, the actual pay and allowances drawn during such service will not be treated as emoluments, but the sum of the Pay in the Pay Band, Grade Pay, Military Service Pay plus NPA, if any, which he would have drawn in the Armed Forces, had he not been on such service, will alone be treated as emoluments reckonable for pensionary benefits.

4. AVERAGE EMOLUMENTS

4.1. Average Emoluments shall be determined with reference to the reckonable emoluments drawn by him/her during the last 10 months of service and shall include the Pay drawn in Pay Band plus Grade pay as admissible, Military Service Pay, whole of classification allowance and 'X' Group pay where applicable in case of PBOR and Non-Practicing Allowance, if any.

4.2. In the case of Commissioned Officers and PBOR who have opted for the revised pay structure and have retired/discharged within 10 months from the date of coming over to the revised pay structure, the 'average emoluments' for 10 months period preceding retirement/discharge will be calculated by taking into account pay as follows:-

(a) For the period during which pay is drawn in the revised pay structure	Pay drawn in the prescribed pay band plus the applicable grade pay, whole of the classification allowance in case of PBOR and and 'X' Group pay where applicable in case of PBOR and NPA, if any. Military Service Pay will reckon notionally in such cases.
(b) For the period during which pay was drawn in the pre-revised pay scales	<p>i) Pay including rank pay for Commissioned Officers and 50% of highest classification allowance in case of PBOR plus Dearness Pay, stagnation increment, NPA, if any and actual DA appropriate to the pay at the rates in force on 1.1.2006 drawn during the relevant period.</p> <p>ii) Notional increase of the pay by applying the fitment benefit of 40% of the basic pay including rank pay for Commissioned Officer and 50% of highest classification allowance in case of PBOR, stagnation increment, NPA, if any, drawn in the pre-revised pay scale.</p>

4.3 The clause of protective pension mentioned at Para 6.3 below will also be applicable in such cases.

NOTES:

(1) If during the last 10 months of service, an Officer had been absent from duty on leave for which leave salary is payable or having been suspended, had been re-instated without forfeiture of service, the emoluments which he would have drawn had he not been absent from duty or suspended, will be taken into account for determining the average emoluments.

(2) *If during the last 10 months of the service, a person had been absent from duty or had been under suspension the period whereof does not count as service, the aforesaid period of absence from duty or suspension, will be disregarded in the calculation of the average emoluments and equal period before the 10 months will be included.*

5. QUALIFYING SERVICE:

5.1 PENSION

5.1.1. COMMISSIONED OFFICERS

(a) The minimum period of qualifying service actually rendered and required for earning retiring pension will be 20 years. In the case of late entrants (i.e., an Officer who is retired on reaching the prescribed age limit for compulsory retirement with at least 15 years commissioned service qualifying for pension but whose total service is less than 20 years) the minimum period of Qualifying Service actually rendered and required for earning retiring pension will continue to be 15 years.

(b) Serving JCOs/ORs of Army and corresponding ranks of the Navy and Air Force granted EC/SSC will be eligible for retiring pension after 12 years of qualifying service actually rendered.

5.1.2. PERSONNEL BELOW OFFICER RANK (PBOR)

(a) The minimum period of qualifying service actually rendered and required for earning service pension will continue to be 15 years (20 years in the case of NCs (E)).

5.1.3. ADDITION TO QUALIFYING SERVICE

The benefit of adding years of qualifying service (rank weightage) as provided in Para 5(b)(I) & (II) of this Ministry's letter dated 03.02.1998 for the purpose of computation of pension shall be continued in respect of those Commissioned Officers who retired/invalided out of service during the period 1.1.2006 to 1.9.2008. In respect of Commissioned Officers retired/retiring/invalided out on or after 2.9.2008, the weightage to qualifying service for the purpose of computation of pension stands withdrawn with effect from 2.9.2008.

In the case of PBOR discharged/invalided out from service on or after 1.1.2006, the weightage to qualifying service for purpose of computation of pension stands withdrawn with effect from 1.1.2006.

5.2 The term "Qualifying Service" (QS) for computation of all kinds of gratuity will mean:

QUALIFYING SERVICE RECKONABLE FOR		
Retirement Gratuity	Death Gratuity	Retiring/service/Invalid/Terminal Gratuity
Actual qualifying service plus a weightage of 5 years subject to the total qualifying service including weightage not exceeding 33 years	Actual qualifying service rendered plus a weightage of 5 years subject to total qualifying service not exceeding 33 years. In case actual service is less than 5 years no weightage will be given.	Actual qualifying service rendered.

NOTES:

(1) *Qualifying Service would commence from the date of commission. In case the Short Service Commission is followed by Permanent Commission, the period during*

which an Officer holds Short Service Commission on probation will reckon for the purposes of pensionary benefits.

(2) In case of TA personnel aggregate of qualifying embodied service shall count for service pension. Aggregate qualifying embodied service may be continuous or rendered in broken spells. For calculating the total embodied service, the breaks in embodied service due to disembodiment will be treated as condoned but the period of breaks itself will not be treated as qualifying service for pension. Where qualifying embodied service has been rendered in broken spells, five per cent cut will be imposed on the pension of those JCOs/OR who have completed 15 years or more of aggregate embodied service, but have not completed 20 years of aggregate embodied service.

(3) Full pre-commissioned service rendered under the Central Government whether in a civil department or in the Armed Forces, will be taken into account for working out the qualifying service for earning pensionary benefits subject to fulfillment of other conditions. This will also be counted for determining the minimum qualifying service.

(4) In calculating the length of qualifying service, fraction of a year equal to three months and above but less than 6 months will be treated as a completed one half year and reckoned as qualifying service. This will, however, not be applicable for computing minimum qualifying service for pension.

(5) All leave including study leave will count as qualifying service for pension provided that service for at least a period specified by the Government has been rendered from the date of return from the study leave last availed of. Any period of leave without pay shall not qualify unless specifically authorized by the Government.

PART-II

RETIRING / SERVICE PENSION / RETIREMENT / DEATH / SPECIAL GRATUITY / ORDINARY FAMILY PENSION

6. RETIRING/SERVICE PENSION:

6.1. COMMISSIONED OFFICERS

(a) Linkage of full pension with 33 years of Qualifying Service is dispensed with with effect from 2.9.2008. The Retiring pension of Commissioned Officers retiring/invalided out on or after 2.9.2008 will be calculated at 50% of emoluments last drawn or average of reckonable emoluments drawn during last 10 months, whichever is more beneficial.

(b) Grant of retiring pension to the Commissioned Officers retired/invalided out during 1.1.2006 to 1.9.2008 will continue to be governed by the Rules/Orders which were in force immediately before coming into effect of these orders.

6.2. PERSONNEL BELOW OFFICER RANK

In case of PBOR, linkage of full pension with 33 years of qualifying service is dispensed with from 1.1.2006. Service pension of PBOR will be calculated at 50% of emoluments last drawn or average of reckonable emoluments drawn during last 10 months, whichever is more beneficial.

7. MINIMUM PENSION

The amount of pension calculated as per Para 6.1 above will be subject to the provision that the pension in no case shall be lower than fifty percent of the sum of the minimum of the pay in the pay band plus grade pay and Military Service Pay from which