

**REGISTERED**

**OFFICE OF THE PCDA (PENSIONS), DRAUPADI GHAT ALLAHABAD**  
**MOST IMPORTANT CIRCULAR**

**Circular No. 397**

**Dated: - 18.11.2008**

**To,**

1. The Chief Accountant, RBI, Deptt. of Govt. Bank Account Central Office, C-7 IInd Floor Bandre Kurla Complex, P.B. No. 8143 Bandre East, Mumbai-400051.
2. All CMDs of Public Sector Banks
3. CMD of ICICI Bank
4. CMD of IDBI Bank
5. CMD of Axis Bank
6. CMD of HDFC Bank
7. Military and Air Attache, Indian Embassy, Kathmandu, Nepal.
8. The Defence Pension Disbursing Officers.
9. The Treasury officer.
10. The Pay and Accounts Office.
11. Pay and Accounts Office, Government of Maharashtra, Mumbai
12. The Post Master Kathua (J & K), Camp Bell Bay (Andaman & Nicobar)

**Subject: -** Implementation of Government's decision on the recommendations of the Sixth Central Pay Commission – Consolidation of Pension of Pre 2006 Armed Forces Pensioners /Family Pensioners.

**Reference: -** GOI, MOD letter No. 17(4)/2008(1)/D(Pen/Policy) Dated 11th November 2008

(Available on the website of this office [www.pcdapension.nic.in](http://www.pcdapension.nic.in))

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A copy of the Government of India, Ministry of Defence letter No. 17(4)/2008(1)/D(Pen/Policy) dated 11-11-2008 regarding Implementation of Government's decision on the recommendations of the Sixth Central Pay Commission for revision/consolidation of pension of Pre-01.01.2006 Armed Forces Pensioners / Family Pensioners is forwarded herewith for immediate implementation. The Ministry of Defence letter dated 11.11.2008 has also been uploaded on this office web site [www.pcdapension.nic.in](http://www.pcdapension.nic.in). The same may please be downloaded at your end in the absence/non receipt of this Circular/Ministry of Defence letter without waiting hardcopy of the order and action taken accordingly.

**2.** The following further clarifications/instructions are issued for smooth implementation of Ministry of Defence letter on the subject:-

### 3. Applicability

3.1. These orders shall apply to all the Armed Forces Pensioners/ Family Pensioners who were drawing pension/family Pension as on 01.01.2006 under the Pension Regulations of the three Services/State Forces and various Government orders issued from time to time, i.e. it covers all kinds of pension including disability pension granted under the Pension Regulation of the three services.

3.2. The provisions of this letter **do not** apply to the following categories:

- (i) Gallantry awardees drawing monetary allowance in isolation attached to the award, such as Param Vir Chakra, Ashok Chakra, etc.
- (ii) UK/HKSRA Pensioners who were in receipt of pension in Pound Sterling as on 01.01.2006.
- (iii) Persons in receipt of Compassionate Allowance, Guzara, Reservist allowance or any other allowance on which dearness relief is not admissible.
- (iv) Ex gratia payment @ Rs 600/- p.m. to reservists who opted lump sum gratuity in lieu of reservist pension at the time of release covered by Govt. of India, Ministry of Defence letter No. B/39042/AG/PS-4(a&c)/1331/C/D (Pension/Services) dated 29.12.2000.
- (v) Ex-gratia family pension at Rs. 605/- per month to the families of deceased reservists covered by Govt. of India, Ministry of Defence letter No. B/40029/AG/PS-4(d)/1/B/D(Pension/ Services) dated 7.1.1999.
- (vi) Pakistan, Burma Pensioners who have been granted Ex- gratia Ad-hoc allowance.
- (vii) These orders do not apply to Public Sector Undertakings/Autonomous Body absorbees who have drawn lump sum payment of pro rata pension, whose 1/3<sup>rd</sup> pension has been restored  
(Separate orders will be issued in respect of (iv) to (vii) above)

3.3. Consolidation of all kinds of pension/family pension is to be done only in respect of those Armed Forces Pensioners including disability pensioners/family pensioners who retired, invalided out of service /died before 01.01.2006. In other words, **cases of retirement, invalidment/death in service on or after 01.01.2006 are not covered by these orders. The updation of pension of Post-01.01.2006 retirees will be authorised through corrigendum PPO by PSAs concerned.**

### 4. Consolidation of Pension

4.1. The retiring/service/ordinary/ special/mustering out/disability/ family pension of existing pre-1.1.2006 pensioners/family pensioners will be consolidated with effect from 01.01.2006 by adding together as envisaged in para 4 of the Ministry of Defence letter dated 11.11.2008.

A Table indicating the existing pension/family pension without dearness pension, the consolidated pension / family pension and monthly difference payable from 1.1.2006 has been enclosed as Annexure – I to the Government letter dated 11.11.2008.The

column 1 indicates basic pension/family pension in respect of those who retired/died prior to 1.4.2004 and column 2 indicates pension/family pension consisting effect of dearness Pay (DP) in respect of those who retired / died between 1.4.2004 and 31.12.2005.

In few cases existing pension/ family pension sanctioned to those retired / died between 1.1.2004 and 31.12.2005 as appearing in the PPO may not be available in column 2, in such cases pension/family pension may be consolidated provisionally with reference to the amount in column 2 to the next below the amount in PPO and case may be referred to this office for issue of Corr PPO.

**4.2. The amount so arrived at in terms of Para 4.1 above will be regarded as consolidated pension/family pension with effect from 01.01.2006. Since the consolidated pension will be inclusive of commuted portion of pension, if any, the amount of pension commuted will be deducted from the said amount while making monthly disbursements from 01.09.2008.**

**4.3.** Ordinary family pension is being jointly notified in PPOs of service personnel on their retirement /discharge/invalidment. The family is paid the family pension as and when casualty occurs. Ordinary family pension where jointly notified and has not yet been commenced, will also be consolidated as per para 4.1 above and such consolidation of ordinary family pension should be endorsed on the PPO and payment/check register for payment to the family pensioner after casualty occurs.

**4.4. Improvement in pension of Personnel Below Officer Rank (PBOR):**

While consolidating the pension of PBOR under the three services, the '**Existing Pension**' would mean the revised pension fixed as on 1.1.2006 in terms of the provisions contained in this Ministry's letter No 14(3)/2004-D(Pen/Sers)/Vol-III dated 1.2.2006 and No. 14(3)/2004-D(Pen/Sers)/Vol-V dated 2.5.2006. This also includes additional pension sanctioned to Havildar granted Honorary Rank of Naib Subedar. Therefore it should be ensured by PDAs before consolidation of pension of PBOR as per para 4.1 of the Ministry of Defence letter dated 11.11.2008 that their pension has been revised as per this office circular No.350 dated 19.5.2006.

**4.5. Disability Pension/War Injury Pension :**

Pensioners who are in receipt of disability pension/war Injury pension which consists service pension/service element and disability element/war injury element, the pension shall be consolidated by taking the two elements. Where the degree of disability has undergone change, the disability element for increased / decreased disability shall be taken for the respective period of grant.

The disability pension/war injury/ liberalized disability pension consisting of service element and disability element / war injury will be consolidated under the

provisions of Para 4.1 above as an interim measure and will be treated as consolidated interim disability/war injury pension with effect from 1.1.2006. This interim disability/war injury/ liberalized disability pension will qualify for grant of dearness relief at the revised rates notified vide Dept. of P&PW OM No. 42/2/2008-P&PW(G) dated 12.9.2008.

**5. Minimum pension/family pension**

Where the consolidated pension/family pension in terms of paragraph 4.1 above works out to an amount less than Rs. 3,500/-per month, the same will be stepped upto Rs. 3,500/-per month. This will be regarded as pension/family pension with effect from 01.01.2006.

**6. Modified Parity**

**6.1.** The consolidation of pension will further be subject to the provision that the consolidated pension, in no case shall be lower than 50% of the minimum of the pay in the pay band plus the grade pay, military service pay (MSP) and 'X' Group pay (where applicable) introduced from 01.01.2006 corresponding to the pre revised scale from which the pensioner had retired/discharged for 33 years qualifying service and for lesser qualifying service (including admissible weightage) it will be proportionately reduced. Similarly consolidated ordinary family pension, shall not be less than 30% of the minimum of the pay in the pay band plus the grade pay, military service pay (MSP) and 'X' Group pay (where applicable) corresponding to the pre revised scale from which the pensioner had retired/discharged/died.

**6.2.** For revision of pension/family pension in terms of the provisions as at Para 6.1 above, concordance tables as per Annexure – II for Pre-1.1.2006 Commissioned Officers pensioners/family pensioners and Annexure - III for PBOR pensioners/family pensioners are enclosed with Ministry of Defence letter dated 11.11.2008. A Concordance Table indicating equivalent rank held by Officers and PBOR in Army, Navy and Air Force and Group in which paid (in case of PBOR) is given in Appendix 'A' to this Circular for guidance of PDA for determining minimum pension/family pension admissible as per Annexure-II or Annexure-III to Officers/PBOR pensioners and their family. Revision of pension/family pension in all cases where fixation of pension as at Para 6.1 above is more beneficial than the pension arrived at as per Para 4.1 of the Govt letter, will be carried out by all the Pension Disbursing Agencies (PDAs) handling payment of pension to Armed Forces pensioners in terms of these tables and the revised pension together with arrears thereof worked out and be paid immediately. Dearness relief at the rates notified from time to time will also be admissible on such revised pension.

**7.** The elements given in para 6 (i) & (ii) of above Ministry of Defence letter dated 11.11.2008 e.g. Gallantry award allowance and Constant Attendance Allowance will continue to be paid as separate elements in addition to the pension/family pension updated under these orders. These payments will not be taken into account for purpose

of consolidation as well as for applying minimum limit of Rs. 3500/-per month to pension/family pension.

**8.** Since the consolidated pension/family pension arrived at as per Para 4.1 of ibid Govt. letter includes dearness relief upto average index level AI CPI 536, dearness relief will be admissible thereon only beyond index average 536 in accordance with the revised scheme of dearness relief for which orders have been issued separately by Department of Pension and Pensioners' Welfare vide their OM No. 42/2/2008-P&PW(G) dated 12.9.2008. The four installments of dearness relief sanctioned earlier from 01.07.2006, 1.1.2007, 1.7.2007 and 1.1.2008 in Department of P&PW's Office Memorandum No. 42/2/2006-P&PW(G) dated 15.9.2006, No. 42/2/2007-P&PW (G) dated 29.03.2007, No. 42/2/2007-P&PW(G) dated 18.9.2007 and No. 42/2/2008-P&PW (G) dated 19.03.2008 respectively will be adjusted towards the arrears becoming due on updation of pension/family pension as in Para 4.1, Para 5 and Para 6 above and revised Dearness Relief.

**9. Upper ceiling of pension/family pension**

The upper ceiling on pension/ordinary 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 to 50% and 30% respectively of the highest pay in the Government (The highest pay, in the Government is Rs. 90,000/- since 01.01.2006) i.e. Rs 45000/- per month and Rs 27000/- per month respectively.

**10. Pensioner in receipt of two pensions**

In the case of pensioners who are in receipt of more than one pension, the floor ceiling of Rs. 3500/-per month will apply to each pension taken separately.

Where only disability element 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 proportionality less.

**11. Additional Pension for Pensioners/Family Pensioners of 80 years age and above**

Now a new element of additional pension/family pension is available to the old age pensioners/family pensioners as per para 12 of ibid Govt letter. The additional quantum of pension/family pension, on attaining the age of 80 years and above, would be admissible from 1<sup>st</sup> day of the month in which his date of birth falls. For example, if a pensioner completes age of 80 years on 1<sup>st</sup> of August or during the month of August 2008, he will be entitled to additional pension/family pension w.e.f. 01.08.2008.

The amount of additional pension will be paid directly by the PDA without any individual authorization where date of birth of pensioner/family pensioner is available in

the PPO/Descriptive Roll and shown separately in the pension payment scroll/pension payment voucher/schedule/journal.

In cases where the age of pensioner/family pensioner is not available on the PPO/office records, the same shall be obtained by the concerned Records office/Service HQrs from the pensioner/family pensioner. The authenticity of the age declared by the pensioner/family pensioner shall be verified by the concerned Records office/Service HQrs before submitting the claim to the PSAs concerned for notification of date of birth through the corrigendum PPO. **Such cases requiring issuance of Corr. PPO regarding date of birth, may be sent by name to Shri S.L. Pandey, Sr. AO, Grants Revision Cell, O/o the Pr. CDA (P), Allahabad.**

## **12. Dearness Relief**

The consolidated pension/family pension as worked out in accordance with provisions of Para 4.1 read with Para 5 and additional pension wherever payable under Para 11 above shall be treated as final 'Basic Pension' with effect from 01.01.2006 and shall qualify for grant of Dearness Relief sanctioned thereafter by the Government vide Min of Pers PG & Pensioners, Deptt of P&PW OM No. 42/2/2008/P&PW(G) dated 12.9.2008 (copy enclosed).

## **13. Consolidation of Pension for employed/re-employed pensioners.**

In the case of the employed/re-employed pensioners who are not getting dearness relief/dearness pension on pension, the notional dearness relief/dearness pension 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 read with Para 6 above as if they were drawing the dearness relief/dearness pension. The consolidated pension so arrived at will be the basic pension with effect from 1.1.2006. Dearness Relief beyond 01.01.2006 will, however, not be admissible to them during the period of employment/re-employment.

## **14. Methodology for Implementation and Reporting**

**14.1. The Government has authorised the Pension Disbursing Agencies to pay pension/family pension to existing pensioners/family pensioners at the consolidated rates in terms of Para 4.1 and para 5 of Ministry of Defence letter dated 11.11.2008 without any further authorization from the concerned Pension Sanctioning Authorities.**

**14.2.** A suitable entry regarding revised consolidated pension wef 01.01.2006 will be recorded by the Pension Disbursing Agencies in the Pension records of the pensioners' viz. Pension Payment Order, Check register/Pension Payment scroll register.

**An intimation regarding disbursement of revised pension may be sent by the Pension Disbursing Agencies to Shri S.K. Bhatnagar, Sr. AO (AT), Office of**

**PCDA (P), Allahabad in format prescribed as at Annexure-IV** to these orders so that the later can update its records. **A copy of the said Annexure-IV may invariably be provided by the PDAs to the pensioners concerned for their information.** An acknowledgement shall be obtained by the Pension Disbursing Agencies from Office of PCDA (Pensions), Allahabad in token of receipt of the requisite Annexure-IV sent to PCDA(P) Allahabad.

## **15. Arrears of Pension**

**15.1.** The arrears of pension/ family pension as a result of consolidation of pension will be worked out by deducting consolidated pension plus revised dearness relief with effect from 01.01.2006 to 31.08.2008 minus(-) sum total of existing pension/ family pension, dearness pay and dearness relief drawn from time to time. In order to facilitate calculation, a ready reckoner indicating existing pension/family pension, consolidated pension and arrears payable per month with effect from 01.01.2006 for different period are given in Annexure –I to the Govt order. Where a pensioner is not in receipt of dearness pension/dearness relief, the amount indicated under column 4 to 9 of the **Annexure-I** will not be used and the PDAs will themselves workout the amount of difference payable as arrears in such cases.

**15.2.** 40% of the arrears on account of updation of pension/family pension under these orders would be paid in the year 2008-2009 and remaining of 60% of arrears shall be payable in the year 2009-2010.

**15.3.** If a pensioner/family pensioner to whom benefit accrues under the provisions of this letter, has already died before receiving the payment of arrears, the Life Time Arrears (LTA) will be disbursed as per provision of para 16 of the Ministry of Defence letter dated 11.11.2008.

**16.** No commutation will be admissible for the additional amount of pension accruing as a result of this revision. The existing amount of pension commuted, if any, would continue to be deducted from the consolidated pension while making monthly disbursements from 01.09.2008.

**17.** Updation of pension/family pension under these orders will not affect the amount of Retirement Gratuity/Death Gratuity already determined and paid to the pensioners/family pensioners with reference to rules in force at the time of discharge/death.

**18.** Any overpayment of pension coming to the notice or under process of recovery shall be adjusted in full by the Pension Disbursing Agencies against arrears becoming due on revision of pension on the basis of these orders.

**19.** 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 Agencies should ensure that the revised pension and the first

instalment of arrears due to the pensioners in terms of these orders is paid to the pensioners or credited to their account at their earliest. Instructions regarding release of second installment of arrears will be issued in due course.

**20.** In cases where the PDAs are in **doubt** about the entitlement on revision in individual cases or in regulation in minimum pension, revised pension for pensioners in receipt of more than one pension, the concerned cases with full detail of pensioner and PPO No may refer by name to **Shri S.L. Pandey, Sr. AO, Grants Revision Cell, O/o the Pr. CDA (P) Allahabad** for advice/further action.

*R K SAROJ*  
**(R K SAROJ)**  
**DY CDA (P)**

**No.Grants/Tech/0165/Vol- V**

**Dated:- 18 .11. 2008**

**Copy to: -**

1. The Dy. Secretary, Govt. of India, Ministry of PPG & P (Deptt. of P & PW), Lok Nayak Bhawan, New Delhi.
2. Director (Pensions), Govt. of India, Min. of Defence D (Pen/Sers), Sena Bhawan, Wing 'A' New Delhi.
3. Army HQrs AG's Branch, PS.4 (b) DHQ, PO New Delhi- 110011.
4. AHQ GS Branch TA Directorate, DHQ PO New Delhi-110011.
5. Naval HQrs, PP&A. DHQ PO New Delhi.
6. Air HQrs, Vayu Bhawan, New Delhi.
7. Air HQrs Ad PP & P - 3, West Block-VI, R.K. Puram, New Delhi - 110066.
8. The CGDA West Block-V, R.K.Puram, New Delhi-110066.
9. PCDA (Navy) No.1, Cooperage Road, Mumbai-400039.
10. CDA (AF) West Block-V, R.K.Puram, New Delhi-110066.
11. JCDA (AF) Subroto Park, New Delhi-110010.
12. Director of Audit, Defence Service, New Delhi
13. All Record Offices/Regiment/Corp.
14. Bureau of Sailors, Cheetah Camp, Mumbai.
15. Air Force Record, Dhaula Kunwa, Delhi Cantt.
16. All Addl CsDA / Jt. CsDA in Main Office.
17. All GOs in Main Office.
18. The OI/C G1/(M), AT (ORs)-Tech, and G1/Civil (Tech).
19. All SAOs/AOs/AAOs/SOs (A) in Gts/ORs Complex.
20. The OI/C EDP Manual.
21. The OI/C EDP Centre.
22. Defence Pension Liaison Cell.
23. All Sections in Main Office.
24. Spare copies in file No. Gts/Tech/0148; 148;0162 & 0158
25. OI/C, G-2 Section
26. OI/C G-3 Section
27. OI/C G-4 Section
28. OI/C, O & M Cell
29. OI/C, Complaint Cell
30. OI/C, Receptionist
31. The OI/C EDP Centre (Website)
32. The OI/C DPTI Local
33. Spare.

*R K SAROJ*  
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(To circular No 397 dated 18.11.2008)

**Equivalent Rank of three services of Commissioned Officer of Army and equivalent ranks in Navy and Air force**

Rank (Army)	Rank (Navy)	Rank (Air Force)
Lieutenant	Sub Lieutenant	Flying Officer
Captain	Lieutenant	Flt. Lieutenant
Major	Lt. Cdr	Sqn Ldr
Lt. Col (TS)	Cdr (TS)	Wg. Cdr (TS)
Lt. Col (S)	Cdr (S)	Wg. Cdr (S)
Colonel	Captain	Gp. Captain
Brig	Captain	Air Cmde
Major General	Rear Admiral	AVM
Lt. General	Vice Admiral	Air Marshal
Lt. General (Army Cdr/VCOAS)	Vice Admiral/FOC-in-C/VCNS	Air Marshal (AOC-in-C/VCAS)
COAS	CNS	CAS

**Equivalence of ranks of Personnel Below Officer Rank in the three Services of Armed Forces****RANK:**

Army	A.F	Navy
Sepoy	AC/LAC	Seaman-I & equivalent
Naik	Corporal	Leading seaman & equivalent
Havildar	Sergeant	Petty Officer/Mech-IV/Artificer-IV
Nb Subedar	JWO	CPO/Mech-III/Artificer-III Art-II/ Mech-II, Art-I/Mech-I
Subedar	WO	Chief Artificer/Chief Mech-I & II
sub Major	MWO	Master Chief Petty Officer Artificer-I & II
NCs(E)	NCs(E), Tindal, Head Tindal	-

**Honorary Rank:**

Army	A.F	Navy
Sub/Hony Lt	MCPO-II/Sub Lt	WO/Hony Fly. Officer
Sub Maj/Hony Lt	MCPO-I/Sub Lt	MWO/Hony Fly. Officer
Sub/Hony Capt	MCPO-II/Hony Lt	WO/Hony Flt. Lt.
Sub Maj/Hony Capt.	MCPO-I/Hony Lt	MWO/Hony Flt. Lt.

**Equivalence of Group in which paid:**

	Pre- 01.01.2006	Post – 01.01.2006
Army	A or X	X
	B, C, D, E, F, G or H	Y
	Y or Z	Y
NAVY	A or Spl Gp or Artificers	X
	B or C	Y
	Y or Z	Y
AIR FORCE	I or X	X
	II, III or IV	Y
	Y or Z	Y