

Report of the Committee for
examining the feasibility of
implementation of first option
recommended by the Seventh
Central Pay Commission for revision
of pension of pre-2016 pensioners]

[14th December 2016]

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CHAPTER - 1

BACKGROUND

1.1 Report of the Seventh Central Pay Commission

1.1.1 The Seventh Central Pay Commission (CPC) headed by Justice Shri Ashok Kumar Mathur was constituted by Ministry of Finance (Department of Expenditure) vide Resolution No.1/1/2013-E.III(A) dated 28.02.2014. The terms of reference of the Seventh CPC includes the following:

“To examine the principles which should govern the structure of pension and other retirement benefits, including revision of pension in the case of employees who have retired prior to the date of effect of these recommendations, keeping in view that retirement benefits of all Central Government employees appointed on and after 01.01.2004 are covered by the New Pension Scheme (NPS).”

1.1.2 The Seventh CPC, on 19th November, 2015, submitted its report to the Government as per the terms of reference as contained in the aforementioned Resolution dated 28.02.2014. Government after consideration, decided to accept the recommendations of the Seventh CPC on pensionary benefits to the Central Government employees, including employees of the Union Territories and members of All India Services subject to certain modifications as per Resolutions of 4th

August, 2016 (for civil pensioners) and 30th September, 2016 (for defence pensioners) at **Annexure 1 and 2**, respectively.

1.2. Recommendations of the Seventh CPC for revision of pension.

1.2.1 The Seventh CPC did not recommend any change in the rate of pension and family pension from the existing levels. The observations/recommendations of the Seventh CPC in regard to revision of pension of past pensioners are contained in para 10.1.53 to para 10.1.67 (in respect of civil pensioners) and in para 10.2.78 to para 10.2.87 (in respect of defence pensioners). The recommendations of the Seventh CPC in para 10.1.67, 10.1.68 and para 10.2.87 of the report of the Seventh CPC are reproduced below:

Para 10.1.67

The Commission recommends the following pension formulation for civil employees including CAPF personnel who have retired before 01.01.2016

(i) All the Civilian personnel including CAPF who retired prior to 01.01.2016 (expected date of implementation of the Seventh CPC recommendations) shall first be fixed in the Pay Matrix being recommended by this Commission, on the basis of the Pay Band and Grade Pay at which they retired, at the minimum of the corresponding level in the matrix. This amount shall be raised, to arrive at the notional pay of the retiree, by adding the number of increments he / she had earned in that level while in service, at the

rate of three percent. Fifty percent of the total amount so arrived at shall be the revised pension.

(ii) The second calculation to be carried out is as follows. The pension, as had been fixed at the time of implementation of the VI CPC recommendations, shall be multiplied by 2.57 to arrive at an alternate value for the revised pension.

(iii) Pensioners may be given the option of choosing whichever formulation is beneficial to them.

Para 10.1.68

It is recognized that the fixation of pension as per formulation in (i) above may take a little time since the records of each pensioner will have to be checked to ascertain the number of increments earned in the retiring level. It is therefore recommended that in the first instance the revised pension may be calculated as at (ii) above and the same may be paid as an interim measure. In the event calculation as per (i) above yields a higher amount the difference may be paid subsequently.

Para 10.2.87

The Commission recommends the following with regard to fixation of pension for past defence forces personnel retirees:

- i. All the Defence Forces who retired prior to 01.01.2016 (expected date of implementation of the Seventh CPC

recommendations) shall first be fixed in the Pay Matrix being recommended by this Commission, on the basis of the Pay Band and Grade Pay at which they retired, at the minimum of the corresponding level in the matrix. This amount shall be raised to arrive at the notional pay of the retiree by adding the number of increments he/she had earned in that level while in service, at the rate of three percent. Military Service Pay shall be added to the amount which is arrived at after notionally fitting him in the Seventh CPC matrix. Fifty percent of the total amount so arrived at shall be the revised pension.

- ii. The second calculation to be carried out is as follows. The pension, as had been fixed at the time of implementation of the VI CPC recommendations, shall be multiplied by 2.57 to arrive at an alternate value for the revised pension.
- iii. Pensioners shall be entitled to the higher of the two.

It is recognized that the fixation of the pension as per the above formulation (i) above may take a little time since the records of each pensioner will have to be checked to ascertain the number of increments earned in the retiring level. It is, therefore, recommended that in the first instance the pension, may be fixed in terms of formulation (ii) above, till final fixation of the pension under the Seventh CPC matrix is undertaken.

1.3 Proposal for revision of pension submitted to the Cabinet

1.3.1 In the proposal submitted to the Cabinet based on the recommendations of the Empowered Committee of Secretaries, it was proposed that initially the pension may be revised using the second formulation based on fitment factor of 2.57 and a Committee comprising Secretary (Pension) as Chairman and Member (Staff), Railway Board, Member (Staff), Department of Posts, Additional Secretary & Financial Adviser, Ministry of Home Affairs and Controller General of Accounts as Members may be set up to examine the issues involved and make recommendations on the first formulation.

1.4 Decision of the Cabinet

1.4.1 The Union Cabinet, in the meeting held on 29.6.2016, accepted the recommendations with the following modifications:

- (i) Both the options recommended by the 7th Central Pay Commission as regards pension revision be accepted subject to feasibility of their implementation;
- (ii) Revision of pension using the second option based on fitment factor of 2.57 be implemented immediately; and
- (iii) The first option may be made applicable if its implementation is found feasible after examination by the proposed committee.

1.5 Action taken on the decisions of the Cabinet

1.5.1 Department of Pension & Pensioners' Welfare issued a Resolution 04.08.2016 on the decisions taken by the Government on the recommendations of the Seventh CPC. Simultaneously, the Department also issued two separate O.M.s on 04.08.2016, one for regulating the pensionary benefits of civil Government employees retiring/retired on or after 01.01.2016 and the other for revision of pension of pre-2016 civil pensioners, as approved by the Cabinet. Copies of these Resolution/OMs are attached as **Annexure - 1, Annexure - 3 and Annexure - 4**, respectively.

1.5.2 In the case of defence pensioners, a resolution for implementation of the decisions of the Government on the recommendations of the Seventh CPC has been issued by Ministry of Defence (Department of Ex-servicemen Welfare) on 30th September, 2016 (**Annexure- 2**). A copy of the orders issued by the Ministry of Defence for revision of pension of pre-2016 defence pensioners on 29.10.2016 is at **Annexure- 5**.

1.5.3 An O.M. constituting the Committee to examine the feasibility of the first option, as per the composition approved by the Cabinet, was issued on 17.08.2016 (**Annexure- 6**). It was provided in that O.M. that the Committee may co-opt any other member as may be found necessary.

1.5.4 It was observed by the Committee that the direction of the Cabinet was to examine the feasibility of implementation of Option 1 as given in para 10.1.67 and para 10.2.87 of the Pay Commission Report in respect of Civil and Defence pensioners respectively. However, the Committee constituted for this purpose did not have any representative from the Defence side. The Defence pension system being vastly different from that on the civil side, the Committee decided to co-opt Ms. K. Damayanthi, Joint Secretary, Department of Ex-Servicemen Welfare and Shri Rozy Aggarwal, Joint CGDA, Ministry of Defence. It was also decided to co-opt Shri R.K. Chaturvedi, Joint Secretary, Implementation Cell, Department of Expenditure in the Committee. Later, Ms. Santosh, Joint Secretary, Department of Ex-servicemen Welfare was co-opted with effect from 5th October, 2016 in place of Ms. Damayanthi who demitted office of Joint Secretary, Department of Ex-servicemen Welfare on completion of tenure. Ms. Meera Swarup, Joint Secretary & FA, Ministry of Finance (Department of Expenditure), (looking after additional charge of Financial Adviser, Ministry of Home Affairs) was co-opted with effect from 2nd December, 2016 in place of Ms. Sanjeevani Kutty, who demitted office of Special Secretary & FA, Ministry of Home Affairs.

CHAPTER - 2

HISTORY OF PENSION REVISION

2.1 Initial Pension fixation at the time of retirement in civil side

2.1.1 Rules and Regulations governing initial pension and family pension of the Central Government (Civil) employees and Railway employees are contained in the Central Civil Service (Pension) Rules, 1972 and Railway Service (Pension) Rules, 1993, respectively, which have been modified from time to time with a view to bring about improvement in the pensionary benefits of the employees. As per these rules, pension is computed on the basis of the length of qualifying service, reckonable emoluments / average emoluments and the pension formula. Family pension on death of the employee/pensioner is computed on the basis of the emoluments/last pay at the time of retirement/death. Rules also prescribe a minimum and maximum pension / family pension.

2.1.2 One of the elements taken into consideration for computation of pension is the length of qualifying service rendered by an employee. The part of the service, which does not qualify for pension such as unauthorized absence, extra ordinary leave (without medical certificate and for purposes other than higher study), suspension, etc., is excluded from the length of qualifying service.

2.1.3 The emoluments for the purpose of calculation of pension means the basic pay as defined in Rule 9 (21)(a)(i) of the fundamental rules which a Government servant was receiving immediately before his retirement or on the date of his death and also includes non practicing allowance granted to Medical Officers in lieu of the private service. Average emoluments are determined with reference to the emoluments drawn by Government servant during the last 10 months of his service.

2.1.4 The initial pension/family pension is fixed in accordance with the pension rules at the time of retirement / death of employee. The pension/family pension so fixed is revised from time to time based on the recommendations of the Central Pay Commissions. With effect from 1.1.2006, pension is computed @50% of the emoluments (i.e. last pay) or the average emoluments for the last 10 months, whichever is more beneficial to the retiring Government servant.

2.2 Revision of pension/family pension of past pensioners/family pensioners before Fourth Central Pay Commission

2.2.1 As regards revision of pension of past pensioners, the general practice during this period was to give the benefit of improvement in pension structure from prospective date. A major change in the rules governing grant of pension was the introduction of the slab system for calculation of pension w.e.f. March 31, 1979. This liberalization came up for consideration before the Supreme Court. The Apex Court in its judgement dated 17.12.1982 in the case of D.S. Nakara vs UoI (AIR 1983, SC 130) held that all Central Government Pensioners were entitled to pension w.e.f. 1.4.1979 as computed under

the slab system, irrespective of the date of their retirement. This was the first time that the benefit of improvement in the pension structure was extended to pensioners who had retired prior to the date from which improvement became effective. The following improvements in pensionary benefits were extended to past pensioners in terms of D.S. Nakara judgement:

- a) Application of slab system for calculation of pension;
- b) Calculation of average emoluments over the preceding ten months instead of thirty six months;
- c) Benefit of qualifying service upto 33 years instead of 30 years
- d) Raising the ceiling on pension to Rs.1,500 per mensem;
- e) Extension of benefit of minimum pension

2.3 Revision of pension/family pension of past pensioners/family pensioners during Fourth Central Pay Commission period

On the recommendations of the Fourth Pay Commission, benefit of the following improvements in pensionary benefits was also extended to all existing pensioners:

- i) Additional relief ranging between 10% and 15% of the amount of pension plus graded relief to those in receipt of pension upto Rs.500 per mensem;
- ii) Stepping up of graded relief to about 75% of pensioners in receipt of pension above Rs.500 per mensem without any ceiling;

- iii) Difference between amount of pension calculated at 50% of average emoluments and the slab system;
- iv) Consolidation of pension by merging basic pension, graded relief, additional relief and difference between pension calculated at 50% and slab system and treating the consolidated amount of pension as the basis for the grant of relief in future;
- v) Extension of benefit of minimum pension;
- vi) Payment of Dearness Relief at the same rates as admissible to serving employees after index average 608.

2.4 Revision of pension/family pension of past pensioners/family pensioners during Fifth Central Pay Commission period

2.4.1 The pension of all pre-1986 retirees was updated by notional fixation of their pay as on 1.1.1986 (i.e. the date of implementation of the recommendations of the Fourth Pay Commission) and by treating 50% of this pay as notional pension as on 1.1.1986. Thereafter, the past pensioners who were brought on to the Fourth CPC pay scales by notional fixation of their pay and those who retired on or after 1.1.1986 were treated alike regarding consolidation for their pension as on 1.1.1996 by adding basic pension, dearness relief, interim relief and by allowing the same fitment benefit of 40% of the pre-1996 basic pension. The consolidated pension was stepped up, where necessary, to ensure that the revised pension was not less than 50% of the minimum of the pay in the revised pay scale corresponding to the pay scale from which the pensioner retired before 1.1.1996. This minimum pension was, however, reduced proportionately where the pensioner had less than 33 years' qualifying service at the time of retirement.

2.4.2 Similar stepping up was made for revision of family pension with the provision that the revised family pension would not be less than 30% of the minimum of the pay in the revised pay scale corresponding to the last pay scale of the employee/ pensioner before 1.1.1996.

2.5 Revision of pension/family pension of past pensioners/family pensioners during Sixth Central Pay Commission period

2.5.1 The orders for revision of pension of pre-2006 pensioners in implementation of the recommendations of the Sixth Central Pay Commission went through a few changes during the Sixth CPC regime. The last amendment in the orders for revision of pension was issued on 06.04.2016.

2.5.2 The orders initially issued in implementation of the recommendations of the Sixth CPC provided that the revised pension of those who retired before 1.1.2006 would not be less than 50% of the minimum of pay in the 'pay scale' or 'Pay Band + grade pay' corresponding to the pre-revised pay scale from which the pensioner retired. This minimum pension was to be reduced proportionately if the pensioner had a qualifying service of less than 33 years at the time of retirement.

2.5.3 Subsequently, in implementation of the order dated 1.11.2011 of Hon'ble CAT, Principal Bench, New Delhi in OA No. 655/2010, as upheld by the Hon'ble High Court of Delhi and Hon'ble Supreme Court, it was provided in the O.M. dated 30.07.2015 that the 'minimum of pay in the pay band +Grade pay' for the above purpose

would be arrived at from the fitment tables for fixation of pay of the serving employees as on 1.1.2006.

2.5.4 Further, in implementation of the order dated 16.08.2013 of Hon'ble CAT, Ernakulam Bench in OA No No.715/12, as upheld by the Hon'ble High Court of Kerala and Hon'ble Supreme Court, it was provided in the O.M. dated 06.04.2016 that the minimum pension so arrived at would not be reduced even if the qualifying service at the time of retirement was less than 33 years. This was done in view of the decision taken to dispense with linkage of pension with the qualifying service of 33 years in respect of the employees retiring on or after 01.01.2006, in implementation of the recommendations of the Sixth CPC.

CHAPTER 3

DELIBERATIONS OF THE COMMITTEE

3.1.1 The Committee held 6 meetings. The Committee noted that Department of Pension & Pensioners' Welfare issued a Resolution 04.08.2016 (**Annexure-1**) on the decisions taken by the Government on the recommendations of the Seventh CPC in respect of civil pensioners. The orders for revision of pension of pre-2016 pensioners by the 2.57 fitment method, i.e. Formulation 2 recommended by the Pay Commission have been issued on 4th August 2016 (**Annexure-4**) in respect of the civil pensioners. It was also noted that revision has been carried out and arrears paid in almost all cases on the civil side.

3.1.2 In the case of defence personnel, a resolution for implementation of the decision of the Government on the recommendations of the Seventh CPC has been issued by Ministry of Defence (Department of Ex-servicemen Welfare) on 30th September, 2016 (**Annexure-2**). Orders for revision of pension by multiplying the pension as had been drawn as on 31.12.2015 by 2.57 have been issued on 29th October, 2016 (**Annexure-5**).

3.1.3 The Committee noted that for computing the revised pension in accordance with the Formulation 1 recommended by the Seventh CPC, in addition to the details regarding the pay scale/basic pay, the Pension Sanctioning Authority would need to have information regarding

the number of increments actually earned by a pensioner after appointment to the post from which he retired. On the civil side, while the details regarding the pay scale and the basic pay on the last post are normally available in the Pension Payment Order/Pension file of the pensioner, the information regarding the number of increments actually earned can be obtained from his service records, viz. service book and/or personal file.

3.1.4 The Committee further noted that the pension file/pension payment order in respect of pensioners/family pensioners are preserved as long as such pension/family pension remains operative. However, as per the retention schedule of records under the Central Secretariat Manual of Office Procedure and the General Financial Rules, the service book is required to be retained for a period of 3 years and the personal file for a period of 5 years after the retirement of the government employee. The extracts from the Central Secretariat Manual of Office Procedure/General Financial Rules in this regard are enclosed as **Annexure-7.**

3.1.5 The feasibility of revision of pension by Formulation 1 depends on the following factors:

- Availability and retrieval of records containing the information regarding the number of increments actually earned in the last post before retirement;
- Extraction of information from the available records sometimes available in several offices;

- Possibility of anomalies as a result of revision by this method.

3.1.6 The Committee also observed that the concept of parity between pre and post 1.1.2016 pensioners seems to have been accepted by the Seventh CPC as a principle. The Committee, therefore, decided to explore the feasibility of two alternate methods of fixation of notional pay as on 01.01.2016 for revision of pension, apart from the two methods recommended by the Seventh CPC i.e notional fixation of pay by increment method and the fitment method for revision of pension.

1. Fitment method - This is Formulation 2 of the recommendations of Seventh CPC for revision of pension of pre-2016 pensioners. Under this method, pension as fixed at the time of implementation of Sixth CPC, is multiplied by a factor of 2.57 to arrive at the revised pension under Seventh CPC. The revision of pension as per this method has already been implemented with effect from 01.01.2016 (vide DoP&PW's O.M. dated 4th August, 2016 for civil pensioners and MOD's O.M. dated 29th October, 2016 for defence pensioners).

2. Increment method- This is Formulation 1 of the recommendations of Seventh CPC for revision of pension of pre-2016 pensioners. Under this method, all the personnel who retired prior to 01.01.2016 shall first be fixed in the Pay Matrix recommended by the Seventh CPC, on the basis of the Pay Band and Grade Pay at which they retired, at the minimum of the corresponding level in the matrix. This amount shall be raised, to arrive at the notional pay of the retiree, by adding the number of increments he/she had earned in that level while in service, at the rate of

three percent. In the case of defence pensioners, Military Service Pay shall be added to the amount which is arrived at after notionally fitting him in the Seventh CPC matrix. Fifty percent of the total amount so arrived at shall be the revised pension.

3. Notional fixation of Pay by applying the principle of modified parity – Under this method, the pension of pre-2016 pensioners, shall be based on the 'notional pay' equal to the entry pay in the 'Level in the Matrix' corresponding to the pay scale/pay band & grade pay from which the pensioner retired before 1.1.2016. In the case of defence pensioners, Military Service Pay shall be added to the amount which is arrived at after notionally fitting him in the Seventh CPC matrix. 50% of this notional pay shall be the revised pension w.e.f. 1.1.2016, if the amount of pension so arrived at is more than the pension as determined and implemented under the Fitment method. This method of revision of pension was adopted during Fifth and Sixth CPC.

4. Notional fixation of pay as on 1.1.2016 following the formula for revision of pay in successive CPCs - Under this method, the pension of all pre-2016 retirees would be updated by notional fixation of their pay as on 1.1.2016 by adopting the formula for revising pay in the successive pay commissions and by treating 50% of this pay as notional pension as on 1.1.2016.

The pay of all pre-1986 pensioners was notionally revised w.e.f. 1.1.1986 for the purpose of revision of pension w.e.f. 1.1.1996 for implementation of the recommendations of the Fifth CPC. Therefore,

notional pay of all those who retired before 1.1.2016 would need to be notionally fixed as on 1.1.1996, as on 1.1.2006 and again as on 1.1.2016 in accordance with the formula for revision of pay. In the case of defence pensioner, Military Service Pay shall be added to the amount which is arrived at after notionally fitting him in the Seventh CPC matrix. 50% of the notional pay as on 01.01.2016 would be the revised pension under Seventh CPC. This method goes beyond the method adopted by Fifth CPC in as much as it is fixing notional pay right upto 1.1.2016 as against the method adopted in the Fifth CPC where the notional pay fixation was carried out only upto the Fourth CPC.

3.1.7 It was decided by the Committee that for a sample of 100 randomly selected pension/ family pension cases each of Civil, Railway, Postal, Defence and Defence Civilian revised pension would be calculated for each of the four methods by the Departments. The random selection of pension cases was carried out through a software query based on the parameters described below from the data provided by the State Bank of India (SBI).

- i. Of the 48.30 lakh pensioners drawing pension through banks, 23.92 lakh i.e. 49.52% do so from the State Bank of India (SBI). Selection of pensioners/family pensioners was therefore done from the data of pensioners drawing pension from the SBI;

- ii. Cases were selected from different pay commissions- 50 % from the Sixth CPC, 30% from the Fifth CPC, 15% from the fourth CPC and 5% from the Third CPC;
- iii. To give representation to all groups of employees cases selected were from different grades/ grade pay- 10% from grade pay Rs 6600 & above, 15% from grade pay Rs. 4500 to Rs. 5400, 30% from grade pay Rs. 2800 to Rs. 4200 and the remaining 45% from grade pay Rs. 1800 to Rs. 2400; and
- iv. Pension and family pension cases were selected in a 80:20 proportion.

Each of the Departments/organisations represented in the Committee was requested to compile and tabulate, in a specified format, information of 100 sample cases so as to indicate the position regarding availability of records, time taken in computing the number of increments, the revised pension in each case as per the methods mentioned above and any anomalies observed in this respect. The Members representing the Departments were requested to make presentations on their findings in the subsequent meetings.

3.1.8 Representations received from Pensioners Associations/ pensioners in this matter were also circulated to all members in the second meeting of the Committee for better understanding/evaluation.

3.2 Results of Sample Study

3.2.1 The member Departments i.e. Ministry of Railways, Department of Posts, Controller General of Accounts (CGA), Controller General of Defence Accounts (CGDA) and Department of Ex-servicemen Welfare made presentations on their findings based on the analysis of the 100 randomly selected cases. The gist of their findings is as under:

3.2.2 Department of Posts --Department of Posts informed that out of 100 cases given to them, service records could be retrieved in respect of 83 pensioners/family pensioners only for the purpose of revision of pension as per Formulation 1 i.e. the increment method. It was mentioned that difficulties were experienced in retrieving records in respect of pre-1986 cases. It was indicated that the increment method would result in anomalies inasmuch as a person promoted just before his retirement would be getting a revised pension which would be less than the revised pension which he would have got if he was not promoted.

3.2.3 Ministry of Railways- Ministry of Railways informed that service records of retired Railway employees containing details of service, including number of increments and promotion details are maintained in the respective Administrative wing/offices. These records are normally retained for 5 years. The pension records i.e. pension file, PPOs, etc. are maintained in Accounts/Pension Departments. Pension

records are permanent records. The number of increments earned on the last post are not mentioned in the pension records. Out of 100 cases, records containing information regarding increments earned on the last post could be located in respect of 79 cases only. A lot of time was taken to locate and retrieve records. Difficulties were experienced in revision of pension in cases where different pay scales were merged into one scale of pay after Fifth CPC and/or one grade pay after Sixth CPC. Due to difference in number of increments earned by the pensioners in the last post, the variation of pension under increment method is very high. Also, there may be cases where a pensioner, who was drawing more pay at the time of retirement, gets lesser revised pension under increment method in comparison to another pensioner who was drawing lesser pay at the time of retirement, due to variation in the number of increments earned in the last post.

3.2.4 Civil Ministries

Chief Controller (Pensions) representing the CGA informed that while some pay/pension details of the pensioners are available with the CPAO, the service records containing the details regarding increments earned in the last post are maintained by respective Heads of Offices (HOOs) / Drawing & Disbursing Officers (DDOs.). Out of the 100 randomly selected cases, records were available only in respect of 77 pensioners/family pensioners from the respective HOOs/DDOs for the purpose of revision of pension as per Formulation 1 i.e. increment method. The increment method was found to be most beneficial in 20

cases while the actual pay fixation method was most beneficial in 42 cases. In 15 other cases, both increment method and Pay Fixation method were most beneficial. It was indicated that feasibility of implementation of the increment method is dependent on many constraints such as record retention schedule, actual retrieval of record, interpretation by the concerned offices, counting of increment in the cases of disciplinary cases, likelihood of court cases on account of perceived anomalies on implementation, etc.

3.2.5 Defence Civil - Jt. CGDA informed that like Ministry of Railways, the service records of Defence civil pensioners are maintained by Heads of Offices. Pension records are kept in PCDA/CGDA. Service records contain details of promotion and increments of employees and these are normally retained for 5 years. The pension records are retained for 75 years but they do not contain details of increments, etc. It was indicated that one out of the 100 randomly selected cases pertained to a Defence (Military) personnel. Pay/service records were available in respect of 93 pensioners/family pensioners for the purpose of revision of pension as per Formulation 1 i.e. increment method. He mentioned that the increment method would be beneficial in 30 cases while the notional pay fixation method would be beneficial in 68 cases. It was mentioned that feasibility of implementation of Formulation 1, i.e. increment method is dependent on retrieval of records as the prescribed retention for service records is 5 years. Also, the process for revision of pension by increment method would be cumbersome and time consuming as it involves locating of old records and processing at all levels beginning

from Head of Offices. Anomalies are likely to arise in increment method due to merger of pay scales especially in group 'D' posts where many scales have been merged into minimum level in the pay matrix in Seventh CPC. Also, those pensioners who were drawing less pay with more increment in the last post get unduly benefited. Jt. CGDA opined that pay fixation method is uniform and easier to implement.

3.3.1 Defence issues: In the case of defence personnel, a resolution for implementation of the decision of the Government on the recommendations of the Seventh CPC has been issued by Ministry of Defence (Department of Ex-servicemen Welfare) on 30th September, 2016. Orders for revision of pension by fitment method i.e by multiplying the basic pension as on 31.12.2015 (i.e. including the effect of OROP) by 2.57 have been issued by Department of Ex-servicemen Welfare on 29.10.2016.

3.3.2 The then Joint Secretary, Department of Ex-servicemen Welfare, Ministry of Defence made a presentation on 7.9.2016 with respect to Defence personnel. She submitted that revision of pension of defence personnel has been carried out recently under OROP Scheme. Increment method recommended by the Seventh CPC was, in fact, one of the options considered when the matter regarding implementation of OROP scheme was being examined but this method had not been accepted by the Services. The OROP Scheme in the present form is by and large more beneficial than the increment method, particularly, in the case of Personnel Below Officer Ranks (PBORs). It was decided that

the Department of ESW would send a self contained reference bringing all the facts and their views on the feasibility of implementation of Formulation 1 (increment method) in the case of defence personnel.

Subsequently, on 2.12.2016, Joint Secretary, Department of Ex-servicemen Welfare made a presentation on the analysis made in respect of the 100 randomly selected cases pertaining to defence pensioners. It was brought out that out of the 100 randomly selected cases, one case pertained to a civil pensioner and one case could not be traced due to incorrect PPO number. Out of the remaining 98 cases, data was not available in respect of 5 cases. In the remaining 93 cases, 2.57 Fitment method was most beneficial in 52 cases, Increment method in 9 cases and Pay fixation method in 28 cases. In 4 cases, pension as per both increment method as well as pay fixation method was the highest. The presentation brought out that anomalies are likely to arise in the increment method, e.g. those pensioners who were drawing less pay with more increments in the last post get unduly benefited; those getting promotion immediately before retirement may get lesser pension than what they would have got without such promotion. In the case of merger of pay scales, those retiring from higher scale may get lesser pension than those who retired from lower pay scale, due to variation in the number of increments of posts in the last scale before merger.

It was mentioned that records of the defence pensioners are maintained for 50 years and details regarding last pay drawn are indicated in the

PPO by PCDA(Pension) in respect of service pensioners from 1989 onwards and in respect of family pensioners from 2004 onwards.

In their note dated 06.12.2016, specific cases of anomaly under increment method have been brought out where families of Sepoys with 13-14 increments get more family pension in comparison to the family pension in respect of Naiks, who are senior in rank. Department of Ex-servicemen Welfare has intimated that there would be difficulties in locating the records, particularly in cases where the pensioners retired during 1950s or 1960s and revision of pension by increment method or pay fixation method would be a time consuming process. Service Hqrs have conveyed to the Department of Ex-servicemen Welfare that the method of actual pay fixation is acceptable to them if found more beneficial than the other two methods.

Department of Ex-servicemen Welfare has further intimated that "keeping in view the practical difficulties likely to be encountered while implementing the increment/pay fixation method and specific information furnished by Army Hq., the increment method may not be feasible to be implemented straightaway as the number of increments need to be worked out and fitment table method (pension drawn on 31.12.2015 x 2.57) is readily implementable."

Minutes of the meetings of the Committee held on 23.08.2016, 7.09.2016, 17.9.2016, 26.9.2016, 17.10.2016 and 2.12.2016 are at **Annexure-8** to **Annexure-13**. A copy of the note dated 06.12.2016 of Department of Ex-servicemen Welfare is at **Annexure-14**.

CHAPTER – 4

ANALYSIS BY THE COMMITTEE

4.1.1 As mentioned in para 3.1.6, the feasibility of revision of pension by any method depends on availability and retrieval of records from different offices, extraction of information required for revision of pension and the possibility of anomalies as a result of revision by that method. Feasibility of implementation of each method has been considered in terms of these yardsticks for civil and defence pensioners.

For Civil pensioners:

1. Fitment method

This is Formulation 2 of the recommendations of Seventh CPC for revision of pension of pre-2016 pensioners. Under this method, pension as fixed at the time of implementation of Sixth CPC, is multiplied by a factor of 2.57 to arrive at the revised pension under Seventh CPC. The revision of pension as per this method does not require any service record and has already been implemented.

2. Increment method

This is Formulation 1 recommended by the Seventh CPC.

(i) Availability of records:- For calculating revised pension under this method, service book / personal file is required. The prescribed retention

period for these records is 5 years and 3 years respectively. As reported by various departments out of the 100 cases processed records were available to the extent shown below:

Ministry of Railways	–	79%
Department of Posts	–	83%
Civil Ministries	–	77%
Defence Civil	–	93%

Extrapolating these percentages to the number of pensioners in each category, the above figures would indicate that out of a total 35.03 lakh civil pensioners, service records of 6,59,615 pensioners (i.e. 18.8%) may not be available for revision of pension through increment method. Further, service records containing the details of the increments earned in the last post are located in various field offices/units of the Departments. The pension sanctioning authorities would need to collect these records from the field offices/units for scrutiny/processing.

(ii) Extraction of information:- For the purpose of revision of pension by increment method, the pension sanctioning authority would require the details of pay scale on retirement, last pay drawn, date of appointment on last post and increments actually earned after appointment to the last post before retirement. All four Ministries/Departments have reported that extraction of information from the service record has been a difficult process. The Pension sanctioning authorities may find difficulty in working out the exact number of increments for this purpose particularly in the following cases:

- Delay/denial of increment in a particular year(s) on account of unauthorized absence, extra ordinary leave (without medical certificate and for purposes other than higher study), suspension, etc.
- Withholding or withdrawal of increment(s) as a measure of penalty in disciplinary cases;
- The period between appointment to the last post and the date of retirement falls in two successive Pay Commission periods
- Non-granting of increments after reaching the maximum of scale of pay and grant of stagnation increments;
- Merger of pay scales as a result of implementation of the recommendations of Pay Commission.

The Pension sanctioning authorities need to be careful as any error in determining the number of increments earned in the last post would affect the entitlement of revised pension as per the Increment method. This may, in turn lead to avoidable litigation.

Revision of pension by increment method would involve collection of service records containing the details of the increments earned in the last post from various field offices/units and, thereafter, physical scrutiny of the service records of pensioners. This in itself would be a huge task requiring enormous manpower. The process is likely to take a lot of time. This may result in resentment among the pensioners and is also likely to give rise to considerable amount of representations/litigation. This fact is corroborated by the observation that only two departments could

complete the task of revising 100 cases within a week. The remaining departments sought extra time and could finally complete the task and present their findings only after 3 weeks.

Also, number of increments in the last post would be crucial for calculating the revised pension as on 1.1.2016. This number would be determined by the office based on the service records available with it. Therefore, there may be grievances where the pensioners dispute the pension calculated under this method.

(iii) Likely Anomalies:- As reported by all Ministries/Departments, those retirees would benefit the most who have been in the retiring scale for a longer period of time as opposed to those who were promoted just before retirement. This would mean that instead of the pensioners who got promotion, those who did not get timely promotion and earned more increments in the lower scale get higher pension. Cases of individuals drawing the same pay and pension at the time of retirement but one of them getting a much higher pension on account of more increments earned in their retiring scale are also possible.

On scrutiny of the pension revision data provided by the Ministries/Departments in respect of the 100 randomly selected cases, it is found that the following types of anomalies could occur on revision of pension by the Increment method:

- (i) Two employees retiring during the same Pay Commission period with the same pay scale get different revised pension. An example from the data provided by Ministry of Railways is as under:

Details	Shri Kulbhushan Singh	Shri Ranadhir Parial
Scale of Pay of the last post	PB-1 (Rs. 5200-20200)+GP Rs. 2800	PB-1 (Rs. 5200-20200)+GP Rs. 2800
Date of appointment in the last pay scale	06.05.2004	07.09.1999
Date of retirement	31.07.2015	30.06.2013
Pay on retirement	16320	15770
No. of increments earned on the last post	11	13
Pension on retirement (Sixth CPC)	8160	7885
Pension on 1.1.2016 (2.57 fitment method)	20971	20264
Pension on 1.1.2016 (Increment method)	20200	21400

- (ii) A pensioner, who retired from a higher post gets lesser revised pension in comparison to the pension of another pensioner who

retired from a lower pay scale with less pay and pension at the time of retirement. Another example from the data provided by the Ministry of Railways is as under:

Details	Shri J.P. Sharma	Shri T.J.P. Austin
Scale of pay of last post	5500-9000	6500-10500
Date of appointment to last post	01.08.1988	19.12.1996
Date of retirement	30.6.2004	31.05.2002
Pay on retirement	7425	7500
No. of increments earned	15	5
Pension on retirement	3660	3710
Revised pension as on 1.1.2006	8272	8385
Pension on 1.1.2016 (2.57 fitment method)	21259	21549
Pension on 1.1.2016 (Increment method)	27600	20550

There were similar anomalies in some other cases observed from the data provided by the Departments.

It could be concluded from the above that :

- Fixation of notional pay as per Formulation 1 (Increment method) recommended by the Seventh CPC may not be feasible to implement in around 18.8% of cases;
- This method would require collection of service records from one or more offices/units, which, in turn, would result in increase in the time taken for scrutiny/processing.
- It would require large manpower and a lot of human effort to complete the process in a given time frame
- The exercise of fixation of notional pay for revision of pension by increment method is prone to errors due to misinterpretation;
- It may cause anomalies which may, in turn, result in considerable resentment and litigation by the affected pensioners.

The Committee therefore did not find fixation of notional pay as per Formulation 1 (Increment method) recommended by the Seventh CPC to be feasible for revision of pension of pre-2016 pensioners.

3. Modified Parity Method

The Committee also considered the option of Modified Parity Method for revision of pension of pre-2016 pensioners. Under this method, the revised pension w.e.f. 1.1.2016 would not be less than 50% of the entry pay in the 'Level in the Matrix' corresponding to the pay scale/pay band & grade pay from which the pensioner retired before 1.1.2016. This method of revision of pension was adopted earlier during Fifth and Sixth CPC.

On applying the yardsticks of availability of records, ease of extraction of information and the likely anomalies, the Committee considers this method to be the simplest and easiest to implement. However, this method does not take care of the principle of 'Complete parity' which seems to be the intent of the Seventh CPC. Also, this method would not satisfy a large number of pre-2016 pensioners. Therefore, the Committee does not consider this method to be a viable alternative to the Increment method recommended by the Seventh CPC.

4. Pay Fixation method:

The findings of the Committee are as under:

- i) Availability of records:- For calculating revised pension under this method, documents required are the Pension Payment Order/Pension File. All Departments have reported that records required for carrying out the calculation under this method are available .
- ii) Ease of extraction of information:- Information required i.e. last pay drawn and pay scale on retirement is available on the face of Pension Payment Order or in the Pension File. There is no likelihood of any misinterpretation in this regard by the pension processing authorities.

iii) Likely Anomalies:- This method involves sequential pay fixation under each intervening Pay Commission right up to the Seventh Pay Commission. The Committee, therefore, feels that this method is likely to smoothen out and moderate any anomalies which may have crept in during the earlier pension revisions. This method will bring about greater parity to pre-2016 pensioners with the employees retiring/retired after 1.1.2016.

4.1.2 On scrutiny of the data relating to revision of pension in 100 randomly selected cases pertaining to Railways Department, Postal Department, other Civil Departments and the Defence civilians, the Committee made the following observations:

- The Pay Fixation Method was suggested by the JCM to Seventh CPC for providing parity in pension of the Government employees retired before and after 1.1.2016
- The details regarding the pay scale and the basic pay is normally available in the Pension Payment Order/Pension file. The pension sanctioning authorities will not be required to look for any other service record for the purpose of revision of pension. Therefore, it would be possible to implement the Pay Fixation method in all cases.
- Far less manual intervention will be required under Pay Fixation Method in comparison to increment method
- The pay of all pre-1986 pensioners was notionally revised w.e.f. 1.1.1986 for the purpose of revision of pension w.e.f. 1.1.1996 in

implementation of the recommendations of the Fifth CPC. Therefore, for implementation of the Pay Fixation method, notional pay of all those who retired before 1.1.2016 would need to be notionally fixed as on 1.1.1996 and 1.1.2006 and 1.1.2016 in accordance with the rules for revision of pay applicable as per the relevant Pay Revision Rules.

- The pension as revised by Pay Fixation method, in almost all cases, is higher than that under 2.57 fitment method as compared to the increment method where only a select group of pensioners get benefitted ;
- The benefit of Pay Fixation Method will be evenly distributed across the board unlike the Increment method where those pensioners who earned large number of increments in the last post get unduly rewarded.
- The Pay Fixation Method seeks to revise the pension after 1.1.2016 based on the actual pay drawn by the pensioner at the time of retirement. It would not result in an unintended benefit to those who, for some reasons, had drawn more number of increment in the retiring scale. At the same time, those drawing higher pay in the retiring pay scale will not be deprived of their legitimate pension on account of lesser number of increments in the retiring scale. Therefore, the Pay Fixation Method is considered to be more scientific and rational method for parity in comparison to the Increment method.
- There will be minimal anomalies under the Pay Fixation method.

4.1.3 In view of the above, the Committee considers the Pay Fixation Method as a viable method for revision of pension and for providing parity to the pre-2016 pensioners.

For Defence pensioners:

Orders for revision of pension of pre-2016 defence pensioners under fitment method have been issued by Department of Ex-servicemen Welfare on 29.10.2016. In the case of defence pensioners, the pre-revised pension as on 31.12.2015 has been multiplied by a factor of 2.57 to arrive at revised pension with effect from 01.01.2016. This takes care of the increase in pension of defence pensioners on implementation of the OROP scheme.

It is clear from the presentations made by the Department of Ex-Servicemen Welfare and their subsequent note dated 06.12.2016 that the same kind of difficulties in locating the records and extracting the information from these records would be experienced for revision of pension of defence pensioners under the increment method, as in the case of civil pensioners. The Increment method would also result in anomalies of undue benefit of pension due to higher number of increments earned in the last post/scale, lower pension if promoted immediately before retirement. Specific cases of anomalies under increment method have been brought to the notice of the Committee where families of Sepoys with 13-14 increments get more family pension in comparison to the family pension in respect Naiks, who are senior in rank. The anomalies in the revision of pension due to merger of pay

scales subsequent to the retirement of the pensioners would also arise in the case of defence pensioners.

On the other hand, the pay fixation method is a much more rational and scientific method with likelihood of minimal anomalies. The pension of defence personnel has been recently enhanced under the OROP scheme and this increase has been protected while revising their pension w.e.f. 1.1.2016 under the 2.57 fitment method. Due to this increase under the OROP Scheme, some pensioners may not get any benefit either under increment method or under the pay fixation method, over and above the pension as revised under fitment method. However, as brought out in the presentation of the Department of Ex-servicemen Welfare, the number of defence pensioners to be benefitted by the Pay fixation method would be much more in comparison to that under the increment method.

4.2.1 Financial implications

Since the analysis of the Committee is based on the actual pension revision carried out by Departments on live cases this gives the Committee an opportunity to look at the comparative financial implications of the 4 methods.

For the 425 cases of civil and defence pensioners which could be revised by all four methods the monthly financial implication, adjusted with reference to the fitment method, is as follows:

1. Fitment method:	Rs. 99.85 lakhs
2. Increment method:	Rs. 104.28 lakhs
3. Modified parity method:	Rs. 100.58 lakhs
4. Pay fixation method:	Rs. 103.06 lakhs

In overall terms financial implication on modified parity method is marginally higher as compared to fitment method. Both the increment method and pay fixation method have a much higher financial outgo as compared to the fitment method. The financial outgo for pay fixation method is in the same range as the increment method, in fact marginally lower.

CHAPTER – 5

VIEWS OF STAFF SIDE OF JOINT CONSULTATIVE MACHINERY / PENSIONERS' ASSOCIATIONS

5.1 Representations on the revision of pension recommended by the Seventh CPC

5.1.1 After the submission of the report of the Seventh CPC and again after the constitution of this Committee, several representations have been received from the pensioners and pensioners' associations – some doubting the feasibility of implementation of Formulation 1 for revision of pension recommended by the Seventh CPC and the others favouring this formulation. Those against this formulation question its feasibility on the following grounds:

- It would not be possible to get the service records having information regarding the number of increments earned on the last post in respect of all the pensioners;
- Scrutiny of the individual service records to get the information regarding increments earned in respect of more than 50 lakh pensioners would be a herculean task.
- Revision of pension by this method would result in large scale anomalies which may in turn lead to litigation.

5.1.2 On the other hand, those in favour of revision of pension by this method see no difficulty in regard to the availability of records. They also

cite the precedent of revision during Fifth CPC, when the pension of all pre-1986 retirees was updated by notional fixation of their pay as on 1.1.1986 and by treating 50% of this pay as notional pension as on 1.1.1986.

5.1.3 Here, however, it may be noted that the under the method for notional fixation of pay adopted under Fifth CPC, the pension of all pre-1986 retirees was updated by notional fixation of their pay as on 1.1.1986 (i.e. the date of implementation of the recommendations of the Fourth Pay Commission) and by treating 50% of this pay as notional pension as on 1.1.1986. Thereafter, the past pensioners who were brought on to the Fourth CPC pay scales by notional fixation of their pay and those who retired on or after 1.1.1986 were treated alike regarding consolidation for their pension as on 1.1.1996 by adding basic pension, dearness relief, interim relief and by allowing the same fitment benefit of 40% of the pre-1996 basic pension. The consolidated pension was stepped up, where necessary, to ensure that the revised pension was not less than 50% of the minimum of the pay in the revised pay scale corresponding to the pay scale from which the pensioner retired before 1.1.1996. This method, however, did not require counting increments in the post held by the pensioners at the time of retirement.

5.1.4 The problem of non-availability of service records arises only when the notional pay fixation is being done based on counting the number of increments in the last post/scale. Since there was no requirement of counting of increments in the last post, the administrative

authorities did not face any difficulty of locating the service records for the purpose of revision of pension in implementation of the recommendations of the Fifth CPC. In fact, the method for fixation of notional pay adopted on the recommendations of the Fifth CPC is exactly the same method as the Pay Fixation method analyzed by the Committee in para 4.1.1 (4) .

5.2 Meetings with pensioners associations in the Standing Committee on Voluntary Agencies (SCOVA) and Staff side of Joint Consultative Machinery (JCM)

5.2.1 The pensioners associations in the SCOVA and the members of the JCM, Staff side were invited for a meeting with the Committee. A meeting with pensioners associations who are members of SCOVA was held on 5.10.2016 and two meetings with the staff side of JCM were held on 6.10.2016 and 17.10.2016 respectively to present their views on the Formulation 1 for revision of pension recommended by the Seventh CPC. The views expressed by the members of SCOVA are as follows:

- Karnataka Posts and Telecommunications Pensioners Association, Bengaluru : Determining the number of increments earned in the retiring pay scale would be a very difficult proposition. He, therefore, suggested that instead of actual number of increments earned in the retiring pay scale, the total number of stages reached in that pay scale may be taken into consideration for revision of pension under Formulation 1. This suggestion goes beyond the recommendation of the Seventh CPC.

- N. F. Railway Pensioners Association, Guwahati, Assam: The representative of the Association initially indicated that the pension should be revised by increment method as recommended by the Seventh CPC. On explaining the difficulties and the anomalies in implementation of the increment method, he agreed that the method of notional pay fixation in each Pay Commission period would be the appropriate method for revision of pension. .
- Central Government Pensioners Association, Ambarnath: Different Departments follows different procedures and formats for PPOs and it would be difficult to determine the number of increments for revision of pension under Formulation 1. The representative of the Association suggested that the format of PPOs should be standardized.
- Association of Retired Officers of IA & ID, Chandigarh: It would be difficult to revise the pension by increment method and agreed that the pension of pre-2016 pensioners may be revised by notional pay fixation in each intervening Pay Commission period.
- Government Pensioners Association Dehradun: The date of promotion is not available in the PPO and the pension file and it would not be feasible to revise the pension in accordance with Formulation 1 recommended by the Pay Commission.
- All India Central Govt. Pensioners Association, Jalandhar: The Association favored the notional pay fixation method in comparison to the increments method for revision of pension

- Uttarapara Central Government Pensioners Associations, West Bengal: The Association favored the notional pay fixation method in comparison to the increments method for revision of pension.
- The Disabled War Veterans (India) Gurgaon opined that the increment method of fixation of notional pay for revision of pension can not be implemented.

5.2.2 There was a general agreement among the Associations that in the absence of the service records and keeping in view the human effort required, it would be extremely difficult to determine the number of increments earned on the last post for calculating the revised pension of pre-2016 pensioners. Most of these Associations preferred the Pay Fixation method over the Increment Method.

5.2.3 The representatives of the JCM (Staff side) mentioned that in their representation to the Seventh Pay Commission, they had suggested revision of pension of pre-2006 pensioners by notional Pay Fixation in each successive Pay Commission period. However, Pay Commission recommended the revision of pension by fixing the notional pay on the basis of increments earned in the last post.

5.2.4 The representatives of the JCM (Staff side) agreed that the increments method recommended by the Pay Commission for fixation of notional pension for revision of pension of pre-2016 pensioners may result in anomalies and that the method of notional pay fixation in each intervening Pay Commission is a much more rational and scientific

method and would ensure smooth and faster revision of pension. The pay fixation method would benefit almost all pre-2016 pensioners.

5.2.5 The JCM (Staff side) mentioned that the Cabinet has approved revision of pension by Formulation 1 (Increment Method), if its implementation is found feasible after examination by the Committee. They mentioned that in addition to the Service Book/ Personal File, the details of increments earned can be ascertained from the Gradation/ Seniority List issued by the Departments from time to time. Therefore, one cannot say that Formulation 1 recommended by the Pay Commission is not feasible on the grounds of non-availability of records.

5.2.6 It may be mentioned here that as per the Central Secretariat Manual of Office Procedure, the Civil List Gradation/Seniority list is required to be retained by the Department for a period of three years. It is, therefore, unlikely that the Gradation list or the Seniority List in respect of the employees who retired long ago would be available in the Departments. Moreover, while the Gradation/Seniority list may contain the date of promotion to the last post before retirement, the pay fixed on the date of such promotion is not available in that list. Therefore, it may not be possible to accurately determine the number of increments actually earned on the last post before retirement from the Gradation/Seniority List.

5.2.7 In regard to the perceived anomalies, the Staff side stated that anomalies arose in implementation of the recommendations of all previous Pay Commissions. Such anomalies can always be rectified through the mechanism of Anomaly Committee.

5.2.8 JCM (Staff side) mentioned that since the increment method recommended by the Seventh CPC has been accepted by the Cabinet subject to its implementation being found feasible by the Committee, a small number of pensioners who are likely to get higher benefit by increments method (mostly retired before 1.1.1996) may feel aggrieved if their pension is not revised by that method. This may lead to litigation.

5.2.9 Staff side suggested that both the formulations i.e. Increments Method as well as Pay Fixation Method may be offered to the pre-2016 pensioners along with the 2.57 Fitment Method (already implemented) and they may be asked to choose one of these formulations for revision of their pension w.e.f. 1.1.2016. This may also reduce the chances of anomalies on account of implementation of the Increments Method.

5.2.10 Minutes of the meetings with the pensioners associations in the SCOVA and the staff side of the JCM are at **Annexure-15 to Annexure -17**.

5.3. Meeting with Defence pensioners' associations and the serving officers of the Services

5.3.1 The members of the Defence pensioners' associations and the serving officers of the Services were also invited for a meeting with the Committee on 2.12.2016. The views expressed by them are as follows:

- Gr. Capt.(Retd.) Ashok Seth, Secretary, Air Force Association, New Delhi agreed that increment method may not be a good formulation and preferred the pay fixation method.
- Lt. Gen. (Retd.) Balbir Singh, Lt. Gen. (Retd.) V. Chaturvedi and Brig. (Retd.) Kartar Singh of Indian Ex-Service League, New Delhi stated that the increment method is not implementable and would lead to anomalies. Therefore, the pensioner may be given the choice to get his pension revised under fitment method or actual pay fixation method, whichever is more beneficial to him.
- Col. (Retd.) H.N. Handa, President, Disabled War Veterans (India), New Delhi stated that increment method is not feasible.
- Brig. J.K. Rao, Dy. Chairman, & APCC, speaking on behalf of the three Services, mentioned that records would be available for working out the number of increments earned in the last post. He however, indicated that there may be difficulties in implementation of increment method and that there would be anomalies. Therefore the pay fixation method would be preferable. Summing up the position for the defence pensioners he said that revised pension as on 31 December 2015 multiplied by 2.57 or pay fixation method whichever is beneficial should be given to pre2016 defence pensioners. He added that in case the increment method is implemented in respect of the Civil pensioners then the benefit of that method may also be extended in the case of Defence pensioners.

5.3.2 There was a general consensus in the meeting held on 2.12.2016 that the increment method recommended by the Seventh CPC for notional pay fixation for revision of pension is not a feasible option and that the Pay Fixation method is a viable option in this respect. Minutes of the meeting held with the Defence pensioners' associations and the serving officers of the Services are at **Annexure-13**.

CHAPTER - 6

RECOMMENDATIONS

6.1 Views/Recommendations of Seventh CPC

6.1.1 The Seventh CPC has gone into the issue of parity in pension in great detail. The Commission has mentioned that they received a number of representations on disparity in pensions between past pensioners and existing pensioners.

6.1.2 The Seventh CPC observed that till the Third CPC, it was a general view that past and future pensioners cannot be treated at par and the practice was that the benefit of improvement in the pension would be available to newly retiring pensioners from a prospective date. A significant change in the paradigm for treatment of pensioners, past and future, emerged from the judicial pronouncement in D.S. Nakara vs Union of India in 1982 (AIR 1983 SC 130), based on which, for the first time, improvements in pensionary benefits were extended to pensioners who retired prior to the date from which improvements became effective.

6.1.3 The Seventh CPC was of the view that the issue of parity in pensions is extremely important and therefore merits careful examination. For this the Commission looked into the reports of the successive pay commissions, Government decisions and various Court judgements. The Commission also heard various pensioners'

associations as well as the JCM- Staff side. The Commission stated that there is a distinct transition in the views taken by the successive pay commissions and the Government towards bringing parity between past and present pensioners. The transition started with the Third CPC and was further strengthened by the Fifth CPC recommendation for notional fixation of pay before calculation of pension. The Fifth CPC further introduced the concept of modified parity i.e. the revised pension will not be less than 50% of the minimum of the revised pay scales. This concept of modified parity was also recommended by the Sixth CPC.

6.1.4 The Seventh CPC further noted that in the case of D.S. Nakara V/S Union of India & Ors. [1983] 1 SSC 305, it was held that pensioners form a class as a whole and cannot be micro-classified by an arbitrary, unprincipled and unreasonable eligibility criteria for grant of revised pension. The legal position that emerges from the subsequent decisions of the Apex Court is that classification should be founded on a rational basis while distinguishing one class from the other. It should not be discriminatory or violative of Article 14 of the Constitution. The Apex Court examined each case on its merit and wherever they found that distinction between similarly placed classes is discriminatory, the same has been struck down.

6.1.5 The Seventh CPC observed that governments have progressively moved towards a liberalised regime for past pensioners and there have been substantial increases in pension, across groups, during a span of 20 to 25 years.

6.1.6 With this background the Seventh CPC made recommendations for revision of pension as reproduced in Chapter 1. The Committee also recognised that the concept of parity between pre and post 1.1.2016 pensioners seems to have been accepted by the Seventh CPC as a principle.

6.2 Recommendations

6.2.1 The Seventh CPC has recommended that pension of pre-2016 pensioners may be revised by fixing their notional pay in the level in the matrix corresponding to the pay scale/ pay band and grade pay at which they retired, by adding the number of increments he / she had earned to the minimum of that level.

6.2.2 As brought out in detail in Chapter 4, keeping in view the yardsticks of availability of records, difficulty in extraction of information and the likely anomalies, the Committee has come to the conclusion that the recommendation of the Pay Commission of fixing notional pay in the Seventh CPC matrix by counting increments earned in the retiring scale would not be feasible. A change is suggested in the method by which the notional pay may be worked out. Instead of counting the increments earned in the retiring scale and applying this directly to the Seventh CPC matrix, a more rational method would be to re-fix pay in each successive pay commission as per the formula for revision of pay right up to the Seventh CPC. This would be a more scientific and rational method for fixing notional pay. A revised pension based on this notional pay would provide parity in the pension of pre and post-2016 pensioners. Based on

the sample calculations carried out, it can be said that this method of fixing notional pay and pension would benefit a larger number of pensioners as compared to the Increment method which benefits only a select segment of pensioners who incidentally served for a longer period in the retiring scale without being promoted to a higher grade. Further, in spite of the Pay Fixation method benefitting a larger number of pensioners, there would not be any additional financial burden on the public exchequer, as the unusually high benefit to some pensioners under Increment method gets moderately distributed to all pre-2016 pensioners.

6.2.3 Therefore the Committee recommends, in so far as civil pensioners are concerned, to modify Formulation 1 recommended by the Seventh CPC as follows:

“Notional pay of all civilian personnel, including CAPF, who retired prior to 1.1.2016 shall first be fixed in the pay matrix recommended by the Seventh CPC in the level corresponding to the pay in the pay scale/ pay band and grade pay at which they retired. This will be done by notional pay fixation under each intervening Pay Commission, based on the formula for revision of pay. Fifty percent of the notional pay as on 1.1.2016 so arrived at shall be the revised pension as per Formulation 1.

Pension has already been revised in terms of the Formulation 2 recommended by the Seventh CPC. Higher of the two formulations may be granted as the revised pension with effect from 1.1. 2016.”

6.2.4 In so far as the defence pensioners are concerned, the Committee recommends to modify Formulation 1 recommended by the Seventh CPC as follows:

“Notional pay of all defence personnel, who retired prior to 1.1.2016 shall first be fixed in the pay matrix recommended by the Seventh CPC in the level corresponding to the pay in the pay scale/ pay band and grade pay at which they retired. This will be done by notional pay fixation under each intervening Pay Commission, based on the formula for revision of pay. Military Service Pay shall be added to the amount which is arrived at after notionally fitting them in the Seventh CPC matrix. Fifty percent of the notional pay as on 1.1.2016 so arrived at shall be the revised pension as per Formulation 1.

Orders for revision of pension in terms of the Formulation 2 recommended by the Seventh CPC, i.e. by multiplying the basic pension as drawn on 31.12.2015 by 2.57, have already been issued by the Department of Ex-Servicemen Welfare. Higher of the two formulations may be granted as the revised pension with effect from 01.01.2016.”

ANNEXURES

Annexures to the Report

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MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS

(Department of Pension and Pensioners' Welfare)

RESOLUTION

New Delhi, the 4th August, 2016

No. 38/37/2016-P&PW (A).—The Terms of Reference of the Seventh Central Pay Commission as contained in Ministry of Finance (Department of Expenditure) Resolution No.1/1/2013-E.III (A) dated 28.2.2014 included the following:

"To examine the principles which should govern the structure of pension and other retirement benefits, including revision of pension in the case of employees who have retired prior to the date of effect of these recommendations, keeping in view that retirement benefits of all Central Government employees appointed on and after 01.01.2004 are covered by the New Pension Scheme (NPS)."

2. The Commission, on 19th November, 2015, submitted its report to the Government on Terms of Reference as contained in aforementioned Resolution dated 28.02.2014. Government, after consideration, has decided to accept the recommendations of the Commission on pensionary benefits to the Central Government civil employees, including employees of the Union Territories and Members of All India Services subject to certain modifications, as specified hereinafter.

3. Detailed recommendations of the Commission relating to pensionary benefits and the decisions taken thereon by the Government are listed in the statement annexed to this Resolution.

4. The revised provisions regarding pensionary benefits, which have been accepted as indicated in the Annexure, will be effective from 01.01.2016.

VANDANA SHARMA, Jt. Secy.

ANNEXURE

Statement showing the recommendations of the Seventh Central Pay Commission relating to principles which should govern the structure of pension and other terminal benefits and the decisions of the Government thereon.

Item No.	Recommendation	Decision of Government
1.	<p>Fixed Medical Allowances The Commission notes that this allowance was enhanced from Rs.300/- p.m. to Rs.500/- p.m. from 19.11.2014. As such, further enhancement of this allowance is not recommended.</p> <p>(Para 8.17.52 of the Report)</p>	To be examined by a Committee comprising Finance Secretary and Secretary (Expenditure) as Chairman and Secretaries of Home Affairs, Defence, Posts, Health & Family Welfare, Personnel & Training and Chairman, Railway Board as Members. Till a final decision is taken based on the recommendations of the Committee, Fixed Medical Allowance shall be paid at existing rates.
2.	<p>Constant Attendance Allowance The allowance may be increased by a factor of 1.5 i.e. to Rs. 6750/- per month. The allowance needs further increase by 25% each time DA rises by 50%.</p> <p>(Para 8.17.29 of the Report)</p>	To be examined by a Committee comprising Finance Secretary and Secretary (Expenditure) as Chairman and Secretaries of Home Affairs, Defence, Posts, Health & Family Welfare, Personnel & Training and Chairman, Railway Board as Members. Till a final decision is taken based on the recommendations of the Committee, Constant Attendant Allowance shall be paid at existing rates.

3.	General Provident Fund Status quo may be maintained in this respect. (Para 9.4.4 of the Report)	Accepted												
4.	Rates of Pension & Family Pension The Commission does not recommend any further increase in the rate of Pension and Family Pension from the existing levels. (Para 10.1.25 of the Report)	Accepted												
5.	Quantum of Minimum Pension The recommendations of the Commission in relation to pay of a personnel will lead to a significant increase in the minimum from the existing Rs. 7,000 per month to Rs.18,000 per month. This, based on computation of pension, will raise minimum pension from the existing Rs. 3500 to Rs. 9,000. The minimum pension based on the recommendations of the Commission will increase by 2.57 times over the existing level. (Para 10.1.27 of the Report)	Accepted												
6.	Rate of Additional Pension and Family Pension to the older pensioners The Commission is of the view that the existing rates of additional pension and additional family pension are appropriate. (Para 10.1.30 of the Report)	Accepted												
7.	Time Period for enhanced family pension The Commission notes that the recommendation with regard to period of eligibility of the enhanced family pension of 10 years in case of death of a serving employee was made based on the recommendations of VIth CPC Report. No further change is being recommended by the Commission. (Para 10.1.33 of the Report)	Accepted												
8.	Gratuity ceiling and its indexation The Commission recommends enhancement in the ceiling of gratuity from the existing Rs.10 lakh to Rs.20 lakh from 01.01.2016. The Commission further recommends the ceiling on gratuity may increase by 25% whenever DA rises by 50%. (Para 10.1.37 of the Report)	Accepted												
9.	Rationalization of death gratuity The Commission, after examination of the matter, recommends the following rates for payment of death gratuity: <table border="1" data-bbox="316 1360 1015 1824"> <thead> <tr> <th>Length of Service</th> <th>Rate of Death Gratuity</th> </tr> </thead> <tbody> <tr> <td>Less than One year</td> <td>2 times of monthly emoluments</td> </tr> <tr> <td>One Year or more but less than 5 years</td> <td>6 times of monthly emoluments</td> </tr> <tr> <td>5 years or more but less than 11 years</td> <td>12 times of monthly emoluments</td> </tr> <tr> <td>11 years or more but less than 20 years</td> <td>20 times of monthly emoluments</td> </tr> <tr> <td>20 years or more</td> <td>Half month of emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times of emoluments.</td> </tr> </tbody> </table> (Para 10.1.41 of the Report)	Length of Service	Rate of Death Gratuity	Less than One year	2 times of monthly emoluments	One Year or more but less than 5 years	6 times of monthly emoluments	5 years or more but less than 11 years	12 times of monthly emoluments	11 years or more but less than 20 years	20 times of monthly emoluments	20 years or more	Half month of emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times of emoluments.	Accepted
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20 years or more	Half month of emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times of emoluments.													
10.	Commutation of Pension and restoration of commuted pension The Commission does not recommend any change either in the maximum percentage of commutation or in the period of restoration.	Accepted												

11.	<p>(Para 10.1.43 of the Report)</p> <p>Revision of Pension of pre 7th CPC retirees <u>The Commission recommends the following pension formulation for civil employees including CAPF personnel who have retired before 01.01.2016</u></p> <p>(i) <u>All the Civilian personnel including CAPF who retired prior to 01.01.2016 (expected date of implementation of the Seventh CPC recommendations) shall first be fixed in the Pay Matrix being recommended by this Commission, on the basis of the Pay Band and Grade Pay at which they retired, at the minimum of the corresponding level in the matrix. This amount shall be raised, to arrive at the notional pay of the retiree, by adding the number of increments he / she had earned in that level while in service, at the rate of three percent. Fifty percent of the total amount so arrived at shall be the revised pension.</u></p> <p>(ii) <u>The second calculation to be carried out is as follows. The pension, as had been fixed at the time of implementation of the VI CPC recommendations, shall be multiplied by 2.57 to arrive at an alternate value for the revised pension.</u></p> <p>(iii) <u>Pensioners may be given the option of choosing whichever formulation is beneficial to them.</u> <u>It is recognized that the fixation of pension as per formulation in (i) above may take a little time since the records of each pensioner will have to be checked to ascertain the number of increments earned in the retiring level. It is therefore recommended that in the first instance the revised pension may be calculated as at (ii) above and the same may, be paid as an interim measure. In the event calculation as per (i) above yields a higher amount the difference may be paid subsequently.</u> (Para 10.1.67 and Para 10.1.68 of the Report)</p>	<p>Both the options recommended by the 7th Central Pay Commission as regards pension revision be accepted subject to feasibility of the implementation. Revision of pension using the second option based on fitment factor of 2.57 be implemented immediately. The first option may be made applicable if its implementation is found feasible after examination by the Committee comprising Secretary (Pension) as Chairman and Member (Staff), Railway Board, Member (Staff), Department of Posts, Additional Secretary & Financial Adviser, Ministry of Home Affairs and Controller General of Accounts as Members</p>																		
12.	<p>Ex-gratia Lumpsum Compensation</p> <p><u>The commission recommends a Common regime for payment of ex-gratia lump-sum compensation for civil and defence forces personnel, payable to the next of Kin at the following rates:</u></p> <table border="1" data-bbox="251 1227 1063 1847"> <thead> <tr> <th>Circumstances</th> <th>Existing</th> <th>Proposed</th> </tr> </thead> <tbody> <tr> <td>Death occurring due to accidents in course of performance of duties</td> <td>10 lakh</td> <td>25 lakh</td> </tr> <tr> <td>Death in the course of performance of duties attributed to acts of violence by terrorists, anti social elements etc.</td> <td>10 lakh</td> <td>25 lakh</td> </tr> <tr> <td>Death occurring in border skirmishes and action against militants, terrorists, extremists, sea pirates</td> <td>15 lakh</td> <td>35 lakh</td> </tr> <tr> <td>Death occurring while on duty in the specified high altitude, unaccessible border posts, on account of natural disasters, extreme weather conditions</td> <td>15 lakh</td> <td>35 lakh</td> </tr> <tr> <td>Death occurring during enemy action in war or such war like engagements, which are specifically notified by Ministry of Defence and death occurring during evacuation of Indian Nationals from a war-torn zone in foreign country</td> <td>20 lakh</td> <td>45 lakh</td> </tr> </tbody> </table> <p>(Para 10.2.77)</p>	Circumstances	Existing	Proposed	Death occurring due to accidents in course of performance of duties	10 lakh	25 lakh	Death in the course of performance of duties attributed to acts of violence by terrorists, anti social elements etc.	10 lakh	25 lakh	Death occurring in border skirmishes and action against militants, terrorists, extremists, sea pirates	15 lakh	35 lakh	Death occurring while on duty in the specified high altitude, unaccessible border posts, on account of natural disasters, extreme weather conditions	15 lakh	35 lakh	Death occurring during enemy action in war or such war like engagements, which are specifically notified by Ministry of Defence and death occurring during evacuation of Indian Nationals from a war-torn zone in foreign country	20 lakh	45 lakh	<p>Accepted</p>
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MINISTRY OF DEFENCE
(Department of Ex-Servicemen Welfare)

RESOLUTION

New Delhi, the 30th September, 2016

No. 17(1)/2014/D(Pension/Policy).—The Terms of Reference of the Seventh Central Pay Commission as contained in Ministry of Finance (Department of Expenditure) Resolution No.1/1/2013-E.III (A) dated 28.2.2014, as amended vide Resolution, dated 8.9.2015, inter- alia, included the following:-

“To examine, review, evolve, and recommend changes that are desirable and feasible regarding the principles that should govern the emoluments structure, concessions and facilities/benefits, in cash or kind as well as the retirement benefits of the personnel belonging to the Defence Forces, having regard to the historical and traditional parities, with due emphasis on the aspects unique to these personnel”.

2. The Commission submitted its report to the Government on 19th November, 2015. Government has considered the recommendations of the Commission on pensionary benefits to the personnel belonging to the Defence Force contained in Chapter 10.2 of the Report of the Commission and have decided that the recommendations shall be broadly accepted subject to certain modifications.

3. Detailed recommendations of the Commission relating to pensionary benefits and the decisions taken thereon by the Government are listed in the statement annexed to this Resolution.

4. The revised provisions regarding pensionary benefits will be effective from 01.01.2016.

K. DAMAYANTHI, Jt. Secy.

ANNEXURE

Statement showing the recommendations of the Seventh Central Pay Commission relating to principles which should govern the structure of pension and other terminal benefits contained in Chapter 10.2 of the Report and the decisions of Government thereon.

Item No.	Recommendation for past Defence Forces personnel	Decision of Government
1	<p>Revision of Pension of pre 7th CPC retirees</p> <p>The Commission recommends the following pension formulation for Defence Forces Personnel who have retired before 01.01.2016 :-</p> <p>(i) All the Defence Forces who retired prior to 01.01.2016 (expected date of implementation of the Seventh CPC recommendations) shall first be fixed in the Pay Matrix being recommended by this Commission, on the basis of the Pay Band and Grade Pay at which they retired, at the minimum of the corresponding level in the matrix. This amount shall be raised, to arrive at the notional pay of the retiree, by adding the number of increments he / she had earned in that level while in service, at the rate of three percent. Military Service Pay shall be added to the amount which is arrived at after notionally fitting him in the 7th CPC matrix. Fifty percent of the total amount so arrived at shall be the revised pension.</p> <p>(ii) The second calculation to be carried out is as follows. The pension, as had been fixed at the time of implementation of the VI CPC recommendations, shall be multiplied by 2.57 to arrive at an alternate value for the revised pension.</p> <p>(iii) Pensioners shall be entitled to the higher of the two.</p> <p>It is recognized that the fixation of the pension as per formulation (i) above may take a little time since the records of each pensioner will have to be checked to ascertain the number of increments earned in the retiring level. It is, therefore, recommended that in the first instance the pension, may be fixed in terms of formulation (ii) above, till final fixation of the pension under the Seventh CPC matrix is undertaken.</p> <p>(Para 10.2.87 & 10.2.88 of the Report)</p>	<p>Both the options recommended by the 7th Central Pay Commission as regards pension revision be accepted subject to feasibility of the implementation. Revision of pension using the second option based on fitment factor of 2.57 be implemented by multiplying the pension drawn on 31.12.2015 immediately. The first option may be made applicable if its implementation is found feasible after examination by the committee comprising Secretary (Pension) as Chairman and Member (Staff) Railway Board Member (Staff) D/o Post, Additional Secretary & FA M/ o Home Affairs and Controller General of Accounts as Members.</p>
2	<p>Rates of Pension, Family Pension & Special Family Pension</p> <p>The Commission does not recommend any further increase in the rate of Pension for JCOs/ORs. (Para 10.2.22)</p> <p>No change is being recommended by the Commission for either civilian or defence pensioners in Enhanced Ordinary Family Pension.(Para 10.2.33)</p> <p>No further increase in the existing rate of Special Family Pension is recommended by the Commission.(Para 10.2.35)</p>	<p>Accepted.</p>
3	<p>Additional Pension and Family Pension to the older pensioners.</p> <p>No further increase in the existing rate of additional pension and additional family pension with advancing age is recommended by the Commission.(Para 10.2.24)</p> <p>No further increase in the existing rate of additional pension and additional family pension with advancing age is recommended by the Commission.(Para 10.2.37)</p>	<p>Accepted</p>

4	<p><u>Pre-2006 Honorary Naib Subedar</u></p> <p>This Commission does not find any merit in re-opening an issue that has been clearly settled. Therefore no change is being recommended in this regard. (Para 10.2.26)</p>	Accepted																	
5	<p><u>Defence Security Corps (DSC) personnel.</u></p> <p>The Commission does not recommend reduction in the qualifying service for entitlement of second pension to Defence Security Corps (DSC) personnel from 15 to 10 years.(Para 10.2.28)</p>	Accepted																	
6	<p><u>Depression in Pension for Qualifying Service</u></p> <p>The Commission observes that pension formulation is appropriate and finds no justification for a review of the existing arrangements with regard to pension of Territorial Army personnel.(Para 10.2.30)</p>	Accepted																	
7	<p><u>Inclusion of War Injury Element/Disability Element in Computation of Family Pension</u></p> <p>The Commission has not recommended any further change in the existing provisions with regard to inclusion of war injury element/disability element in the computation of family pension. (Para 10.2.39)</p>	Accepted																	
8	<p><u>Enhancement in rate of disability pension.</u></p> <p>The Commission is of the considered view that the regime implemented post VI CPC needs to be discontinued, and recommended a return to the slab based system. The slab rates for disability element for 100 percent disability would be as follows:</p> <table border="1" data-bbox="310 1048 1013 1487"> <thead> <tr> <th>Rank</th> <th>Levels</th> <th>Rate per month(INR)</th> </tr> </thead> <tbody> <tr> <td>Service Officers</td> <td rowspan="2">10 and above</td> <td rowspan="2">27000</td> </tr> <tr> <td>Honorary Commissioned Officers</td> </tr> <tr> <td>Subedar Major /Equivalents</td> <td rowspan="3">6 to 9</td> <td rowspan="3">17000</td> </tr> <tr> <td>Subedar /Equivalent</td> </tr> <tr> <td>Naib Subedar /Equivalents</td> </tr> <tr> <td>Havildar/Equivalents</td> <td rowspan="3">5 and below</td> <td rowspan="3">12000</td> </tr> <tr> <td>Naik/Equivalents</td> </tr> <tr> <td>Sepoy/Equivalents</td> </tr> </tbody> </table> <p>(Para 10.2.55)</p>	Rank	Levels	Rate per month(INR)	Service Officers	10 and above	27000	Honorary Commissioned Officers	Subedar Major /Equivalents	6 to 9	17000	Subedar /Equivalent	Naib Subedar /Equivalents	Havildar/Equivalents	5 and below	12000	Naik/Equivalents	Sepoy/Equivalents	Accepted.
Rank	Levels	Rate per month(INR)																	
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Sepoy/Equivalents																			
9	<p><u>Enhancing the Cover of Disability.</u></p> <p>The Commission recommends broad-banding of disability for all personnel retiring with disability, including premature cases/ voluntary retirement cases for disability greater than 20 percent.(Para 10.2.57)</p>	Accepted																	
10	<p><u>Additional old age Pension should be Applicable for Disability/War Injury Pension.</u></p> <p>No further enhancement by inclusion of elements of disability/ war injury pension has been recommended by the Commission.(Para 10.2.59)</p>	Accepted																	
11	<p><u>Neither Attributable Nor Aggravated (NANA) cases, be awarded Disability Pension</u></p> <p>The Commission recommends that while the existing regulations involving disability Neither Attributable Nor Aggravated (NANA) by service may continue, it is for the authorities to establish, in each case, through a reasoned order that disability was Neither Attributable Nor Aggravated (NANA) by military service. (Para 10.2.61)</p>	Accepted																	

12.	<p><u>War Injury Pension where Individual is Retained in Service</u></p> <p>The Commission <u>does not recommend</u> any change in the existing regime of payouts for those with war injury and retained in service. (Para 10.2.63)</p>	Accepted
13.	<p><u>Ex-gratia Lump Sum Compensation to Invalided out Defence Personnel.</u></p> <p>The Commission has recommended an increase in the existing lump sum compensation of Rs. 9 lakh for 100 percent disability to Rs. 20 lakh. However it finds no justification to recommend broad banding for payment of Ex-gratia award to service personnel boarded out on account of disability/war injury attributable to or aggravated by military service. (Para 10.2.65)</p>	Accepted
14.	<p><u>Ex Gratia Disability Award to Cadets.</u></p> <p>The Commission, however, keeping in views the facts relating to cadets recommends an increase ex-gratia disability award from the existing Rs. 6,300 per month to Rs. 16,200 per month for 100 percent disability. (Para 10.2.67)</p>	Accepted

F. No 38/37/2016-P&PW(A)

Government of India

Ministry of Personnel, Public Grievances & Pensions

Department of Pension & Pensioners' Welfare

Lok Nayak Bhawan, New Delhi-110003

Dated the 4th August, 2016

OFFICE MEMORANDUM

Sub: Implementation of Government's decision on the recommendation of the Seventh Central Pay Commission - Revision of provisions regulating pension/gratuity/commutation of pension/family pension/disability pension/ex-gratia lump-sum compensation, etc.

The undersigned is directed to state that in pursuance of Government's decision on the recommendation of the Seventh Central Pay Commission, the President is pleased to introduce the following modifications in the rules regulating pension, Retirement/Death/Service Gratuity, Family Pension, disability pension, ex-gratia lump-sum compensation, etc. under the CCS (Pension) Rules, 1972 and Commutation of Pension under CCS (Commutation of Pension) Rules, 1981, CCS (Extraordinary Pension) Rules, 1939, etc.

2. These orders apply to Central Government Employees governed by the CCS (Pension) Rules, 1972. Separate orders will be issued by the Ministry of Defence, Ministry of Railways and the AIS Division of the DOPT in respect of Armed Forces personnel, Railway employees and the officers of All India Services respectively on the basis of these orders.

DATE OF EFFECT

3.1 The revised provisions as per these orders shall apply to Government servants who retire/die in harness on or after 1.1.2016. Separate order have been issued in respect of employees who retired/died before 1.1.2016.

3.2 Where pension/family pension/Gratuity/Commutation of pension, etc has already been sanctioned in cases occurring on or after 1.1.2016, the same shall be revised in terms of these orders. In cases where pension has been finally sanctioned on 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 pensioner in view of Rule 70 of the CCS (Pension) Rules, 1972.

EMOLUMENTS

4.1 The term 'Emoluments' for purposes of calculating various pensionary benefits other than various kinds of Gratuity shall have the same meaning as in Rule 33 of the Central Civil Services (Pension) Rules, 1972.

4.2 Basic pay in the revised pay structure means the pay drawn in the prescribed level in the Pay Matrix with effect from 01.01.2016 but does not include any other type of pay like special pay, etc.

4.3 In the case of all kinds of gratuity, dearness allowance admissible on the date of retirement/death shall continue to be treated as emoluments along with the emoluments as defined in Paragraph 4.1 above.

PENSION

5.1 Subject to para 5.2, there shall be no change in the provisions regulating the amount of pension as contained in Rule 49 of the CCS(Pension) Rules.

5.2 The amount of pension shall be subject to a minimum of Rs.9000/- and the maximum pension would be 50% of highest pay in the Government (The highest pay in the Govt. is Rs 2,50,000 with effect from 1.1.2016). The provisions of sub-rule (2) of Rule 49 of the CCS (Pension) Rules, 1972 shall stand modified to this extent.

5.3 The quantum of additional pension/family pension available to the old pensioners/family pensioners shall continue to be as follows:-

<u>Age of pensioner/family pensioner</u>	<u>Additional quantum of pension</u>
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 Pension Sanctioning Authorities should ensure that the date of birth and the age of a pensioner is invariably indicated in the pension payment order to facilitate payment of additional pension by the Pension Disbursing Authority as soon as it becomes due. 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 pension 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 attaining the age of 85 years will be shown as (i).Basic Pension = Rs.10,000 and (ii) additional pension = Rs.3,000 pm.

Retirement/ Death Gratuity

6.1 The rates for payment of death gratuity shall be revised as under:

Length of qualifying service	Rate of Death Gratuity
Less than One year	2 times of monthly emoluments
One Year or more but less than 5 years	6 times of monthly emoluments
5 years or more but less than 11 years	12 times of monthly emoluments
11 years or more but less than 20 years	20 times of monthly emoluments
20 years or more	Half month's emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times of emoluments.

Accordingly, Rule 50(1)(b) of CCS (Pension) Rules, 1972 shall stand modified to this extent.

6.2 The maximum limit of Retirement gratuity and death gratuity shall be Rs. 20 lakh. The ceiling on gratuity will increase by 25% whenever the dearness allowance rises by 50% of the basic pay. Accordingly, first proviso under Rule 50(1)(b) of CCS (Pension) Rules, 1972 shall stand modified to this extent.

FAMILY PENSION 1964

7.1 Family pension shall be calculated at a uniform rate of 30% of basic pay in the revised pay structure and shall be subject to a minimum of Rs.9000/-p.m. and maximum of 30% of the highest pay in the Government. Rule 54(2) relating to Family Pension, 1964 under CCS (Pension) Rules, 1972 shall stand modified to this extent.

7.2 The amount of enhanced family pension shall be 50% of basic pay in the revised pay structure and shall be subject to a minimum of Rs.9000/-p.m. and maximum of 50% of the highest pay in the Government. (The highest pay in the Govt. is Rs. 2,50,000 with effect from 1.1.2016).

7.3 There will be no other change in the provisions regulating family pension, enhanced family pension and additional family pension to old family pensioners.

COMMUTATION OF PENSION

8.1 There will be no change in the provisions relating to commutation values, the limit upto which the pension can be commuted or the period after which the commuted pension is to be restored.

9.1 The pension/family pension under para 5 and 7 above shall qualify for dearness relief sanctioned from time to time, in accordance with the relevant rules/instructions.

FIXED MEDICAL ALLOWANCE

10.1 Fixed Medical Allowance to the pensioners who are residing in non-CGHS areas and are not availing OPD facility of CGHS shall continue to be paid at the existing rate till a final decision is taken on the basis of recommendations of the Committee constituted for the purpose.

CONSTANT ATTENDANT ALLOWANCE

11.1 The amount of Constant Attendant Allowance to pensioners who retired on disability pension with 100% disability under the CCS (Extraordinary) Pension Rules, 1939, (where the individual is completely dependent on somebody else for day to day functions) shall continue to be paid at the existing rate till a final decision is taken on the basis of recommendations of the Committee constituted for the purpose.

EX GRATIA LUMP SUM COMPENSATION

12.1 The amount of ex gratia lump sum compensation available to the families of Central Government Civilian employees, who die in the performance of their *bona fide* official duties under various circumstances shall be revised as under:

Circumstances	Amount
Death occurring due to accidents in course of performance of duties	25 lakh
Death in the course of performance of duties attributed to acts of violence by terrorists, anti social elements etc.	25 lakh
Death occurring in border skirmishes and action against militants, terrorists, extremists, sea pirates	35 lakh
Death occurring while on duty in the specified high altitude, unaccessible border posts, etc. on account of natural disasters, extreme weather conditions	35 lakh
Death occurring during enemy action in war or such war like engagements, which are specifically notified by Ministry of Defence and death occurring during evacuation of Indian Nationals from a war-torn zone in foreign country	45 lakh

13.1. Formal amendments to CCS (Pension) Rules, 1972 and CCS (Extraordinary) Pension Rules, 1939 in terms of the decisions contained in this order will be issued in due course. Provisions of the CCS (Pension) Rules 1972, CCS (Extraordinary) Pension Rules, 1939, and CCS(Commutation of Pension) Rules, 1981 which are not specifically modified by these orders, will remain unchanged.

14.1. These orders issue with concurrence of the Ministry of Finance Department of Expenditure vide their U.O. No. 30-1/33(c)/ 2016-IC dated 03.08.2016

15.1. In their application to the employees of the Indian Audit and Accounts Department, these orders issue in consultation with Comptroller and Auditor General of India.

16. 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.



(Vandana Sharma)

Joint Secretary to the Government of India

To

All Ministries/ Departments of Government of India

F.No.38/37/2016-P&PW(A)
Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Pension & Pensioners' Welfare
Lok Nayak Bhawan, New Delhi-110003

Dated the 4th August, 2016.

OFFICE MEMORANDUM

Sub: Implementation of Government's decisions on the recommendations of the Seventh Central Pay Commission - Revision of pension of pre-2016 pensioners/family pensioners etc.

The undersigned is directed to say that in pursuance of Government's decision on the recommendations of Seventh Central Pay Commission, sanction of the President is hereby accorded to the regulation, with effect from 01.01.2016, of pension/ family pension of all the pre-2016 pensioners/ family pensioners in the manner indicated in the succeeding paragraphs. Separate orders are being issued in respect of employees who retired/died on or after 01.01.2016.

2.1 These orders shall apply to all pensioners/family pensioners who were drawing pension/family pension before 1.1.2016 under the Central Civil Services (Pension) Rules, 1972, Central Civil Services (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. A pensioner/family pensioner who became entitled to pension/family pension with effect from 01.01.2016 consequent on retirement/death of Government servant on 31.12.2015, would also be covered by these orders.

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

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

3. In these orders :

- a. 'Existing pensioner' or 'Existing Family pensioner' means a pensioner/family pensioner to whom these orders are applicable in terms of para 2.1 above.
- b. 'Existing pension' or 'Existing Family Pension' means the basic pension (inclusive of commuted portion, if any) or basic family pension, as had been fixed at the time

of implementation of 6th CPC recommendations, which an existing pensioner or family pensioner was entitled to.

4.1 For existing pensioners, who have retired before 01.01.2016, the revised pension/family pension with effect from 01.01.2016 shall be determined by multiplying the pension/family pension, as had been fixed at the time of implementation of 6th Central Pay Commission (CPC) recommendations, by 2.57. The amount of revised pension/family pension so arrived at shall be rounded off to next higher rupee.

Illustration:

Case I

Pensioner 'A' retired at last pay drawn of Rs. 79,000 on 31st May, 2015 under the 6th CPC regime in the scale of Rs. 67000-79000:

		Amount in Rs.
1.	Basic Pension fixed in 6 th CPC	39500
2.	Revised Pension fixed under 7 th CPC (using a multiple of 2.57)	101515

Case II

Pensioner 'B' retired at last pay drawn of Rs. 4,000 on 31st January, 1989 under the 4th CPC regime in the pay scale of Rs. 3000-100-3500-125-4500:

		Amount in Rs.
1.	Basic Pension fixed in 4 th CPC	1940
2.	Basic Pension as revised in 6 th CPC	12600
3.	Revised Pension fixed under 7 th CPC (using a multiple of 2.57)	32,382

4.2 For this purpose, the existing pension/family pension will be the basic pension/family pension only without the element of additional pension available to the old pensioners/family pensioners of the age of 80 years and above. The additional pension/family pension payable to the old pensioners/family pensioners will be worked out in accordance with para 4.5 of this O.M.

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 minimum pension with effect from 01.01.2016 will be Rs. 9000/- per month (excluding the element of additional pension to old pensioners). The upper ceiling on pension/family pension will be 50% and 30% respectively of the highest pay in the Government (The highest pay in the Government is Rs. 2,50,000 with effect from 01.01.2016).

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

<u>Age of pensioner/family pensioner</u>	<u>Additional quantum of pension</u>
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 revised pension in terms para 4.1 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. Dearness relief will be admissible on the additional pension available to the old pensioners also.

4.6 The revised pension/family pension arrived at as per paragraph 4.1 includes dearness relief sanctioned from 1.1.2016.

5. Where the revised pension/family pension in terms of paragraph 4.1 above works out to an amount less than Rs. 9000/-, the same shall be stepped up to Rs. 9000/-. This will be regarded as pension/family pension with effect from 1.1.2016.

6. The existing instructions regarding regulation of dearness relief to employed/re-employed pensioners/family pensioners, as contained in Department of Pension & Pensioners Welfare O.M. No. 45/73/97-P&PW(G) dated 02.07.1999, as amended from time to time, shall continue to apply.

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 absorbees 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 the instructions issued by this Department from time to time, their cases will not be covered by these orders. Orders for regulating pension of such pensioners will be issued separately.

(b) FAMILY PENSION

In cases where, on permanent absorption in public sector undertakings/autonomous bodies, the terms of absorption and/or the rules 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. The matter regarding Constant Attendant Allowance admissible to the existing pensioners shall be examined by a Committee comprising Finance Secretary and Secretary (Expenditure) as Chairman and Secretaries of Home Affairs, Defence, Posts, Health & Family Welfare, Personnel & Training and Chairman, Railway Board as Members. Till a final decision is taken based on the recommendations of the Committee, Constant Attendant Allowance shall be paid at existing rates.

9. 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 revised rates in terms of para 4.1 and 5 above without any further authorisation from the concerned Accounts Officers/Head of Office etc. Wherever the age of pensioner/ family pensioner is available on the pension payment order, the additional pension/ family pension in terms of para 4.4. 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 pension shall be recorded by the pension Disbursing Authorities in both halves of the Pension Payment Order.

10. The pension/family pension as worked out in accordance with provisions of Para 4.1. and 5 above shall be treated as 'Basic Pension' with effect from 01.01.2016. The revised pension/family pension includes dearness relief sanctioned from 1.1.2016 and shall qualify for grant of Dearness Relief sanctioned thereafter.

11. Further orders in regard to revision of pension based on the recommendations of the Committee to be constituted in terms of the Government's decision on Item No. 11 of this Department's Resolution No. 38/37/2016-P&PW (A) dated 4th August, 2016, will be issued in due course.

12. After a decision as in para 11 above is taken by the Government and orders are issued in this regard, 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 will revise the pension/family pension of all pensioners/ family pensioners with

effect from 1st January 2016 in accordance with those orders and issue revised Pension Payment Order (PPOs) accordingly.

13. 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 arrears due to the pensioners in terms of para 4.1. and para 5 above is paid to the pensioners or credited to their account by 31st August, 2016 or before positively.

14. 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.

15. 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.

16. Hindi version will follow.



(Vandana Sharma)

Joint Secretary to the Government of India

To

All Ministries/ Departments of Government of India

Copy to : As per mailing list

- Central Pension Accounting Office, New Delhi

-CMDs of All Pension Disbursing Banks

No. 17(01)/2016-D(Pen/Pol)
Government of India
Ministry of Defence
Department of Ex-Servicemen Welfare
New Delhi

Dated 29th October 2016

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

Sub: Implementation of Government's decision on the recommendations of the Seventh Central Pay Commission- Revision of Pension of Pre-2016 Defence Forces Pensioners/Family Pensioners.

Sir

The undersigned is directed to state that in pursuance of Government's decision on the recommendations of 7th Central Pay Commission, notified vide Government of India, Ministry of Defence Resolution No.17(1)/2014/D(Pen/Policy) dated 30th September 2016 based on Ministry of Personnel, Public Grievances and Pension, Department of Pension & Pensioners' Welfare Office Resolution No. 38/37/2016-P&PW(A) dated 4th August, 2016 and Office Memorandum F.NO.38/37/2016-P&PW(A)(ii) dated 4th August, 2016, sanction of the President is hereby accorded to regulate the *Pension/Family Pension of all Pre-1.1.2016 pensioners/family pensioners of the Defence Forces with effect from 1.1.2016 in the manner indicated in succeeding paragraphs. Separate Orders will be issued by this Ministry in respect of Defence Force Personnel who retired/died on or after 1.1.2016 and for revision of disability element in respect of Pre -2016 Defence Pensioners.*

2. Applicability

These orders shall apply to all Defence Forces pensioners/family pensioners who were drawing pension/family pension as on 1.1.2016 under the Pension Regulations of the three Services/ State Forces and various Government orders issued from time to time.

3. Non-Applicability

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

- (i) Gallantry awardees drawing only monetary allowance attached to the award, such as Param Vir Chakra, Ashok Chakra etc.
- (ii) United Kingdom/Hong Kong & Singapore Royal Army (UK/HKSRA) Pensioners.
- (iii) Persons in receipt of Compassionate Allowance, Guzara, Reservist Allowance or any other Allowance on which dearness relief is not admissible.
- (iv) Reservists in receipt of Ex-gratia payment at Rs 750/- per month covered under Govt. of India, Ministry of Defence letter No. 1(06)/2010-D(Pen/Policy) dated 22nd Nov 2013.
- (v) Families of the deceased Reservists in receipt of Ex-gratia family pension at Rs 645/- per month covered by Govt. of India Ministry of Defence letter No.1 (06)/2010-D (Pen/Policy) dated 22nd Nov 2013.

4. Definitions

- (a) 'Existing Pensioner' or 'Existing Family Pensioner' means a pensioner who was entitled to/drawing pension/family pension on 31.12.2015. This will also include a pensioner/family pensioner who became entitled to pension/family pension with effect from 1.1.2016 consequent

upon retirement/discharge/death of Defence Forces Personnel on 31.12.2015. For the purpose of family pension, it also covers members of family to those who retired/discharged prior to 1.1.2016 and in whose case family pension had not commenced as the pensioner was alive on 31.12.2015.

(b) **'Existing Pension'** means the basic pension inclusive of commuted portion of pension, if any, due on 31.12.2015 and covers all kinds of pension viz. Retiring/Service/Special/Reservist/Invalid Pension/ Service element of Disability / Liberalized Disability Pension/ War Injury Pension. This will also include Pension/Family Pension which became due with effect from 1.1.2016 consequent on retirement/discharge/ death of Defence Force Personnel on 31.12.2015.

(c) **'Existing Family Pension'** means the basic family pension drawn on 31.12.2015 under the Pension Regulations of the three Services/ State Forces and other orders issued on the subject from time to time. It also covers Special Family Pension/ Dependent Pension/2nd Life award of Special Family pension and Liberalized Family pension sanctioned in battle and non-battle casualty cases.

(d) **'Pension Disbursing Agency' (PDA)** means Treasury, Post Office, Pay and Accounts Office, Defence Pension Disbursement Office (DPDO), Indian Embassy, Nepal and authorized Public Sector/Private Sector Banks.

(e) **'Pension Sanctioning Authority' (PSA)** means PCDA (Pensions) Allahabad, PCDA (Navy) Mumbai, and CDA (AF) Delhi, as the case may be.

5. Revision of Pension

5.1 For existing pensioners, who have retired/died before 01.01.2016, the revised pension/family pension with effect from 01.01.2016 **shall be determined by multiplying the Basic Pension (before commutation)/Basic Family Pension (exclusive of Dearness Relief) as had been drawn as on 31.12.2015 by 2.57 to arrive at revised pension under 7th CPC.** The amount of revised pension/family pension so arrived at shall be rounded off to next higher rupee. The Disability Element will be regulated as per Para 9. Illustrations for revision of pension are annexed in Annexure-A attached to this letter..

5.2 For this purpose, the existing Pension/Family Pension will be the Basic Pension(before commutation)/ Basic Family Pension only without the element of Additional Pension (referred to at Para 12) available to the old pensioners/ family pensioners of the age of 80 years and above. The Additional Pension/Family Pension payable to the old pensioners/family pensioners will be worked out in accordance with Para 12 of this order.

5.3 Since the revised 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.

5.4 **Minimum and Maximum Pension:**

The minimum basic pension with effect from 01.01.2016 will be Rs. 9000/- per month (excluding the element of additional pension admissible to old pensioners). The upper ceiling of pension/ family pension will be 50% and 30% respectively of the highest pay in the Government (The highest pay in the Government is Rs. 2,50,000/- with effect from 01.01.2016).

5.5 The revised Pension/Family Pension arrived at as per paragraph 5.1 includes dearness relief sanctioned from time to time by the Government.

6. Where the revised Pension/Family Pension in terms of paragraph 5.1 above works out to an amount less than Rs. 9000/-, the same shall be stepped up to Rs. 9000/-. This will be regarded as Pension/Family Pension with effect from 1.1.2016.

7. The existing instructions regarding regulation of Dearness Relief to employed/ re-employed pensioners/family pensioners, as contained in Department of Pension & Pensioner's Welfare O.M. No. 45/73/97-P&PW(G) dated 02.07.1999 and as amended from time to time, shall continue to apply.

8. **Applicability to Permanent absorbees in PSUs/ Autonomous Bodies:** Pension of a Defence Forces Personnel who has been permanently absorbed in Public Sector Undertaking/Autonomous Body will be regulated as under:

8.1 **Pension:** Where the Defence Force Personnel on permanent absorption in Public Sector Undertaking/ Autonomous Body continues to draw pension separately from the Government, the pension of such absorbees will be revised in terms of these orders. In cases, where the Defence Forces Personnel has drawn one time lump-sum terminal benefits equal to 100% commutation of the pension and has become entitled to the restoration of 43% / 45% commuted portion of pension as per the orders issued by this Ministry from time to time, such cases will not be covered by these orders. Orders for regulating pension of such pensioners will be issued separately.

8.2 **Family Pension:** In cases, where on permanent absorption in Public Sector Undertakings/Autonomous Bodies, the family pension is being drawn by the family of the PSU absorbee under the orders applicable to the Defence Forces, the same will be revised in accordance with these orders.

9. Disability Element:

The implementation of 7th CPC recommendations relating to methodology for calculation of disability element has been referred to the Anomalies Committee. The disability element which was being paid to pre-2016 Defence Pensioners as on 31.12.2015 will continue to be paid till decision on the recommendations of Anomalies Committee is taken by the Government.

10. Following elements will continue to be paid as separate elements in addition to the Pension/Family Pension revised under these orders. These payments will not be taken into account for the purpose of revision as well as for applicability with regard to the minimum limit of Pension/Family Pension i.e. Rs. 9000/- per month.

(i) Monetary Allowance attached to Gallantry Awards such as Param Vir Chakra, Ashok Chakra etc.

(ii) **Constant Attendant Allowance (CAA)**, matter to be examined by Committee comprising Finance Secretary and Secretary(Expenditure) as Chairman and Secretaries of Home Affairs, Defence, Posts, Health & Family welfare, Personnel & Training and Chairman Railway Board as members. **Till a final decision is taken on the recommendation of the Committee, Constant Attendant Allowance shall be paid at the existing rates.**

11. Where a pensioner is in receipt of Disability/ Liberalized Disability/ War Injury Pension, the minimum limit of Rs. 9000/- will be applicable to Service Pension/Service Element. Disability/ War Injury Element will be payable in addition to Service Pension/Service Element.

12. **Additional Pension for Pensioners of age 80 years and above:**

The quantum of Additional Pension/Family Pension available to the old pensioners/family pensioners shall be as follows:-

Age of pensioner/ family pensioner	Additional quantum of pension
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. For example, in case where a pensioner more than 80 years of age and his/her revised pension in terms Para 5.1 above is Rs.10000/-pm, the pension will be shown as (i) Basic pension= Rs 10000 and (ii) Additional Pension = Rs 2000 p m (20% of revised basic pension Rs 10000). The pension on his/her attaining the age of 85 yrs will be shown as (i) Basic Pension = Rs 10000 and (ii) additional pension = Rs 3000 pm. Dearness relief will also be admissible on the additional pension available to old pensioners.
(Note: - The additional Pension will not be admissible on Disability Element /Liberalized Disability Element / War Injury Element, of Disability/Liberalized Disability/ War Injury Pension.

13. Ex-gratia awards to Cadets in cases of disablement.

The following ex-gratia award shall be payable subject to the same conditions as hitherto in force in the event of invalidment of a Cadet (Direct) on medical grounds due to causes attributable to or aggravated by military training:-

- (i) Payment of monthly ex-gratia award of Rs. 9000/- per month;
- (ii) Payment of ex-gratia disability award @ Rs. 16200/- per month for 100% disability during the period of disablement. The amount will be reduced proportionately from the ex-gratia disability award in case the degree of disablement is less than 100%;

14. Dearness Relief

The revised Pension/Family Pension as worked out in accordance with provisions of Para 5.1 read with Para 6 and additional pension wherever payable under Para 12 above shall be treated as "Basic Pension" with effect from 1.1.2016 for the purpose of calculation of dearness Relief sanctioned thereafter by the Government.

15. Revision of Pension for employed/re-employed pensioners

The revision of pension in respect of employed/re-employed Commissioned Officer and Personnel Below Officer Rank pensioners will also be carried out as per methodology provided in Para 5.1 i.e. their Basic Pension as on 31.12.2015 will be multiplied by 2.57 to arrive at revised Pension as on 01.01.2016. The revised pension so arrived at will be the Basic Pension with effect from 1.1.2016. However, Dearness Relief beyond 1.1.2016 will not be admissible to employed/re-employed Commissioned Officer pensioners and Personnel Below Officers Rank pensioners, whose pay on re-employment has been fixed above the minimum of scale of pay of the re-employed post during the period of employment/ re-employment.

16. Methodology for Implementation and Reporting

16.1. All Pension Disbursing Agencies handling disbursement of pension to the Defence Pensioners are hereby authorized to pay pension/family pension to existing pensioners/family pensioners at the revised rates in terms of Para 5.1 above without any further authorization from the concerned Pension Sanctioning Authorities.

16.2 It is considered desirable that the benefit of these orders should reach the pensioners as expeditiously as possible. To achieve this objective, it is directed that all Pension Disbursing Agencies should ensure that the revised pension and the arrears due to the pensioners in terms of Para 5.1 above is paid to the pensioners or credited to their account in one installment within two months from the date of issue of the letter.

16.3 A suitable entry regarding revised pension with effect from 1.1.2016 fixed in terms of Para 5.1 above, as the case may be, 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 the Office of PCDA (P), Allahabad in prescribed Annexure to these orders so that records can be updated. A hard copy of the said **Annexure-B** 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.

Miscellaneous Instructions

17. If a pensioner/family pensioner to whom benefit accrues under the provisions of this order, has already died before receiving the payment of arrears, the LTA will be disbursed in the following manner:

(i) If the claimant is already in receipt of Family Pension or happens to be the person in whose favour Family Pension already stands notified and the awardee has not become ineligible for any reason, the LTA under the provisions of this letter should be paid to such a claimant by the PDAs on their own.

(ii) If the claimant has already received LTA in the past in respect of the deceased to whom the benefit would have accrued, the LTA under the provisions of this letter should also be paid to such a claimant by the PDAs on their own.

(iii) If the claimant is a person other than the one mentioned at (i) & (ii) above, LTA will be paid to the legal heir/heirs as per extant Government orders.

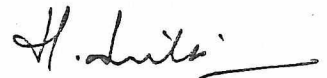
18. No commutation will be admissible for the revised pension accruing as a result of this revision. The existing amount of pension commuted, if any, would continue to be deducted from the revised pension while making monthly disbursements.

19. Revision 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.

20. 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.

21. The revision of pension/ family pension of Defence pensioners arrived in the above manner shall be subject to the findings and recommendation of the committee set up with the approval of the Cabinet to examine the feasibility of increment based formulation recommendation of 7th CPC for revision of pension and decision of the Government thereon if any.

22. These orders issue with the concurrence of the Finance Division of this Ministry vide their ID No. 10(6A)/2016/FIN/PEN dated 29.10.2016



(Manoj Sinha)

Under Secretary to the Government of India

Copy to: As per Standard list

Annexure-A (Refer Para 5.1)

Illustrations:-

(i) Pensioner 'A' retired as Col. (TS) at last pay drawn of Rs. 48730/- plus Grade pay Rs. 8700/- plus MSP Rs. 6000/- on 30.9.2009 under the 6th CPC regime in Pay Band-IV.

Sl. No.	Particulars	Amount in Rs.
1.	Basic Pension fixed in 6 th CPC at the time of retirement (w.e.f. 1.10.2009)	31,715
2.	Existing Pension on 31.12.2015(after re-fixing under OROP Scheme)	36,130
3.	Revised Pension fixed under 7 th CPC (using a multiple of 2.57 of SI No. 2 above)	92,855

(ii) Pensioner 'B' retired as Havildar Group 'E' at last pay drawn of Rs. 1330/- on 30.6.1994 under the 4th CPC regime in the Pay Scale of Rs. 1020-25-1270-30-1420:

Sl. No.	Particulars	Amount in Rs.
1.	Basic Pension fixed in 4 th CPC at the time of retirement (w.e.f. 1.7.1994)	629
2.	Basic Pension revised in 6 th CPC	5,023
3.	Existing Pension on 31.12.2015(after re-fixing under OROP Scheme)	7,808
4.	Revised Pension fixed under 7 th CPC (using a multiple of 2.57 of SI No. 3 above)	20,067

(iii) Family pensioner 'C' of capt with qualifying service of 20 years 06 months (Post 2006)

Sl. No.	Particulars	Amount in Rs.
1.	Ordinary Family Pension fixed in 6 th CPC (w.e.f. 24.9.2012)	9,687
2.	Existing Ordinary Family Pension on 31.12.2015(after re-fixing under OROP Scheme)	9,687
3.	Revised Ordinary Family Pension fixed under 7 th CPC (using a multiple of 2.57 of SI No. 2 above)	24,896

(IV) Family pensioner 'D' of Lt. Col with qualifying service of 25 years 07 month(Post 2006)

Sl. No.	Particulars	Amount in Rs.
1.	Special Family Pension fixed in 6 th CPC (w.e.f. 20.2.2014)	37,788
2.	Special Family Pension on 31.12.2015(after re-fixing under OROP Scheme)	39,376
3.	Revised Special Family Pension fixed under 7 th CPC (using a multiple of 2.57 of SI No. 2 above)	1,01,197

(v) Pensioner 'E' retired as Lt. Col with qualifying service of 20 year 06 month and basic pay of Rs. 49260, MSP Rs. 6000 and Grade pay Rs. 8000. His disability is 30% (Post 2006):

Sl. No.	Particulars	Amount in Rs.
1.	Basic Pension fixed in 6 th CPC at the time of retirement (w.e.f. 24.9.2012)	31,630
2.	Existing Pension on 31.12.2015(after re-fixing under OROP Scheme)	31,305 (Not beneficial)
3.	Existing Pension on 31.12.2015(after re-fixing under OROP Scheme)	31,630
4.	Revised Pension fixed under 7 th CPC (using a multiple of 2.57 of SI No. 3 above)	81,290
5.	Disability element as on 31.12.2015	5694+DR

Form for intimation by the Pension Disbursing Agency to the Principal CDA (Pensions) Allahabad regarding revision of pension in terms of Ministry of Defence letter No. 17(01)/2016-D(Pen/Pol) dated October 2016.

(In respect of those who were retired /discharged/died in service prior to 01.01.2016)

1. Name of the pensioner/family pensioner
2. IC No'/Regimental No.
3. Date of Birth and Age.
4. Date of Retirement/Death(in case of family pension)
5. PPO / Corr.PPO No.
6. Scale of Pay/Pay Band on the date of Retirement/Death
7. Rank and Group last held
8. Qualifying Service
9. Name of the Bank/Paying Branch/Treasury/DPDO/PAO/Post Office
10. BSR Code No of CPPC
11. IFSC Code of paying Branch
12. Saving Bank Account No./TS/PS No.(Strike off which is not applicable)
13. Computation of revised pension/family pension

		Pension	Family Pension	Ordinary Family Pension (At Enhanced rate)	Disability Element/War Injury Element	Additional Pension
A	Existing Basic Pension(inclusive of Commuted portion of pension)/ Family Pension					
B	Revised Pension as on 01.01.2016					
C	Revised pension after deducting Commuted portion of pension					
* If not applicable draw a cross line						

14. Arrear of Pension/ Family Pension up to & for the month: Rs

15. Remarks, if any

SIGNATURE & SEAL OF PENSION DISBURSING AGENCY
Bank Branch:
Station:
District

To

1. The Principal CDA(Pension) Draupadi Ghat, Allahabad-211014	2. Pensioner's Name & Address.
--	--------------------------------

No. 38/37/2016-P&PW(A)
Government of India
Ministry of Personnel, P.G. and Pensions
Department of Pension & Pensioners' Welfare

3rd Floor, Lok Nayak Bhavan, Khan Market,
New Delhi, dated the 17th August, 2016

OFFICE MEMORANDUM

Sub: Constitution of Committee to examine feasibility of implementation of recommendation of 7th Central Pay Commission for revision of pension of pre-2016 pensioners.

The 7th Central Pay Commission (CPC) has made recommendations for revision of pension of pre-2016 Central Civil pensioners and Defence pensioners in para 10.1.67 and para 10.2.87 of its report (Annex). The Government has accepted these recommendations with the following modifications :

"(i) Both the options recommended by the 7th Central Pay Commission as regards pension revision be accepted subject to feasibility of their implementation;

(ii) Revision of pension using the second option based on fitment factor of 2.57 be implemented immediately; and

(iii) The first option may be made applicable if its implementation is found feasible after examination by the proposed Committee."

2. In pursuance of the above, the Government hereby constitutes a Committee to examine the feasibility of implementation of the first option recommended by the 7th CPC in Para 10.1.67 (i) and para 10.2.87 applicable to the Central Civil pensioners and Defence pensioners, respectively.

3. The composition of the Committee is as follows :

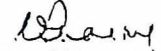
- | | |
|---|------------|
| (i) Secretary, Department of Pension & Pensioners Welfare | : Chairman |
| (ii) Member (Staff), Railway Board | : Member |
| (iii) Member (Staff), Department of Post | : Member |
| (iv) Additional Secretary & Financial Adviser, Ministry of Home Affairs | : Member |
| (v) Controller General of Accounts | : Member |

4. The Committee may co-opt any other member as may be found necessary.

5. The Committee will examine the feasibility of implementation of the first option for revision of pension of Central Civil pensioners and Defence pensioners as mentioned in para 10.1.67 (i) and para 10.2.87, respectively

of the report of the 7th CPC and make suitable recommendations in this regard.

5. The Committee will submit its report within a period of four months from the date of issue of this Office Memorandum.



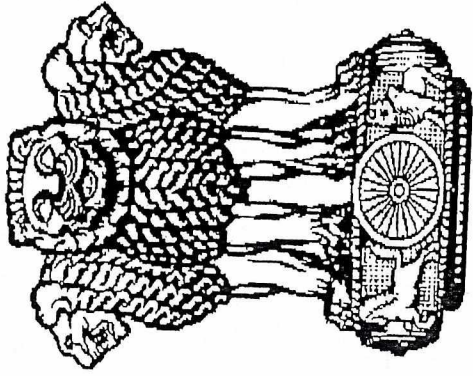
(Vandana Sharma)

Joint Secretary to the Government of India

To

- (i) Secretary (Pension)
- (ii) Member (Staff), Railway Board
- (iii) Member (Staff), Department of Post
- (iv) Additional Secretary & Financial Adviser, Ministry of Home Affairs
- (v) Controller General of Accounts

Copy to: Joint Secretary, Implementation Cell, Department of Expenditure, Ministry of Finance.



सत्यमेव जयते

GOVERNMENT OF INDIA

RECORD RETENTION SCHEDULE IN RESPECT OF RECORDS
COMMON TO ALL MINISTRIES/ DEPARTMENTS

2012

DEPARTMENT OF ADMINISTRATIVE REFORMS & PUBLIC GRIEVANCES
SARDAR PATEL BHAWAN, SANSAD MARG, NEW DELHI-110001

A - ESTABLISHMENT

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**RECORD RETENTION SCHEDULE IN RESPECT OF RECORDS
COMMON TO ALL MINISTRIES/DEPARTMENTS**

**Part I-Records relating to establishment and house-keeping work
A-ESTABLISHMENT**

(numbers indicated in column (3) indicates the years/period for which record has to be kept)

S.No.	Description of record		Retention period	Remarks
	Main Head (1)	Sub-head (2)		
11	Creation and classification of posts	11.Continuance/abolition/revival of posts	Category 'B' (3)	Subject to particulars of sanctions being noted in Establishments/Sanction Register. (4) Refer GFR appendix 13, Annex-1
		12.Conversion of temporary posts into permanent ones	C-10	Subject to particulars of sanctions being noted in Establishment/Sanction Register. Refer GFR appendix 13, Annex-1
		13.Creation of posts	C-10	Subject to particulars of sanctions being noted in Establishment/Sanction Register. Refer GFR appendix 13, Annex-1
		14.Revision of scales of pay	Category 'B' in the case of departments issuing the orders and departments concerned; Category 'C' for other departments who may keep only the standing orders, weeding out the superseded ones, as and when they become obsolete	Subject to particulars of sanctions being noted in Establishment/Sanction Register
		15.Upgrading of posts	C-10	Subject to particulars of sanctions being noted in Establishment/Sanction Register. Refer GFR appendix-13, Annex-1
		16.Re-designation of Posts	C-10	Subject to particulars of change being noted in Establishment/Sanction Register
		17.Plan/non-Plan posts	C-3	Subject to particulars of sanction being noted in Establishment/Sanction Register.

		12. Group A 13. Group B 14. Group B(Non-Gazetted) 15. Group C 16. Group D	C-1	Subject to a suitable entry being made in the appropriate service record and the verification report itself being kept in Vol. II of the service book/personal file.
17.	Medical examination	11. Rules (General aspects)	Category 'B' in the case of departments issuing the orders and departments concerned: Category 'C' for other departments who may keep only the standing orders, weeding out the superseded ones, as and when they become obsolete	
		12. Group A 13. Group B 14. Group B(Non-Gazetted) 15. Group C 16. Group D	C-1	Subject to a suitable entry being made in the appropriate service record and report itself being placed in Vol. II of service book/ personal file.
19.	Personal (Gazetted) files	11. Secretaries/ Secretaries/ Secretaries Special Additional Secretaries 12. Joint Secretaries 13. Directors/Deputy Secretaries 14. Under Secretaries 15. Section Officers 16. Stenographers (selection grade) 17. Stenographers (grade I) 18. Correspondence regarding requisition, transfer, return etc.	(a) Those eligible for retirement/terminal benefits: C-5 after issue of final pension/gratuity payment order (b) Others : C-5 after they have ceased to be in service	On the expiry of the specified retention period, personal files of officials who have made significant contribution in any field of activity (e.g. administrative, scientific, economic, social) and have won national/ international recognition, should be sent to the National Archives
20.	Personal files (Non-Gazetted)	11. Research Assistants/ Technical Assistants/ Statistical Assistants 12. Assistants 13. Stenographers (grade II) 14. Investigators 15. UDCs 16. Stenographers (grade III) 17. LDCs 18. Staff car drivers 19. Jamadars / daftaries	(a) Those eligible for retirement/terminal benefits: C-5 after issue of final pension/gratuity payment order	On the expiry of the specified retention period, personal files of officials who have made significant contribution in any field of activity (e.g. administrative, scientific, economic, social) and have won national/ international recognition, should be sent to the National Archives.

21.	Service records	20. Peons	(b) Others: C-5 after they have ceased to be in service	
		21. Farashes		
		22. Sweepers		
		23. Correspondence regarding	C-1	
		11. History of services	(a) For departments preparing and bringing out the compilation: C-5	
		12. Group 'A'	(b) For other departments (i.e. those supplying material for inclusion therein): one year after issue of the compilation	
		13. Group 'B'	C-3	
		14. Change in name of a government servant	C-3	Subject to a suitable entry being made in the appropriate service record and an authenticated copy of the order being kept in Vol. II of service book/personal file.
		15. Alteration in the date of birth	C-3	Subject to a suitable entry being made in the appropriate service record and an authenticated copy of the order being placed in Vol. II of service book/personal file. Refer GFR appendix 13, Annex-1
		16. Change in qualification of government servant	C-3	Refer GFR appendix 13, Annex-1 Subject to a suitable entry being made in the appropriate service record and an authenticated copy of the order being placed in Vol. II of service book/personal file. Refer GFR appendix 13, Annex-1
		17. Civil list, gradation/seniority list:	C-3	
		(a) In the case of departments preparing and bringing out the compilation.	One year after issue of relevant compilation	Refer GFR appendix 13, Annex-1
		(b) In the case of other departments, (i.e. those supplying information for such compilation)		
		18. Verification of age and educational qualifications	C-1	Subject to authenticated copies of the relevant certificates being kept in Vol. II

				of service book/personal file. Subject to suitable entries being made in the appropriate service record and an authenticated copy of the order being placed in Vol. II of service book/personal file. Refer GFR appendix 13, Annex-1
	19. Admission of previous service not supported by authenticated service record, e.g. through collateral evidence	C-3 or 1 year after completion of audit, whichever is later		Subject to the nomination in original or an authenticated copy there of (where original is kept with the audit), as the case may be, being placed in Vol. II of the service book/personal file. Refer GFR appendix 13, Annex-1
	20. Nomination relating to family pension and DCR gratuity	C-1		Subject to the nomination in original or an authenticated copy there of (where original is kept with the audit), as the case may be, being placed in Vol. II of the service book/personal file. Refer GFR appendix 13, Annex-1
	21. G.P. Fund nomination	C-1		placed in Vol. II of the service book of Group D government servants and (b) the nomination in original or an authenticated copy thereof being placed in Vol. II of the service book/personal file in the case of other government servants. Refer GFR appendix 13, Annex-1
22	Postings and transfers	11. General aspects 12. Group A 13. Group B 14. Group B (Non Gazetted) 15. Group C 16. Group D	Category 'B' in the case of departments issuing the orders and departments concerned; Category 'C' for other departments who may keep only the standing orders, weeding out the superseded ones, as and when they become obsolete (a) If involving change of office: C-3 (b) In other cases: C-1	Subject to a suitable entry being made in the appropriate service records and register of postings, and an authenticated copy of the order being placed in the personal file. Subject to a suitable entry being made in the register of postings.
23.	Seniority	11. General principles	Category 'B' in the case of departments issuing the orders and departments concerned; Category 'C' for other departments who may keep only the standing orders, weeding out the superseded ones, as	

APPENDIX - 13
[See Rule 284]
DESTRUCTION OF OFFICE RECORDS CONNECTED WITH ACCOUNTS

The destruction of records (including correspondence) connected with accounts shall be governed by the following Rules and such other subsidiary rules consistent therewith as may be prescribed by Government in this behalf with the concurrence of the Comptroller and Auditor-General.

1. The following shall on no account be destroyed:—

- (i) Records connected with expenditure which is within the period of limitation fixed by law.
- (ii) Records connected with expenditure on projects, schemes or works not completed, although beyond the period of limitation.
- (iii) Records connected with claims to service and personal matters affecting persons in the service except as indicated in the Annexure to this Appendix.
- (iv) Orders and sanctions of a permanent character, until revised.

2. The following shall be preserved for not less than the period specified against them:—

S.No.	Description of record		Retention period	Remarks
	Main head	Sub-head		
1	Payments and recoveries	(i) Expenditure Sanctions not covered by Paragraph 1 above (including sanctions relating to grants-in-aid)	2 years, or one year after completion of audit, whichever is later.	
		(ii) Cash Books maintained by the Drawing and Disbursing Officers under Central Treasury	10 years	

		Rule 77.		
		(iii) Contingent expenditure.		
		(iv) Arrear claims (including sanction for investigation, where necessary).		
		Papers relating to:		
		(v) GPF Membership.		
		(vi) GPF Nomination.		
		(vii) Adjustment of missing credits in GPF Accounts		
		(viii) Financing of Insurance Policies from GPF Accounts		
		(ix) Final withdrawal from GP Fund, e.g., for house building, higher technical education of children, etc.	1 year	
		(x) GPF annual statements.	1 year	
		(xi) T.A./Transfer T.A. claims.	3 years, or one year after completion of audit, whichever is later	
2.	Budget Estimates/ Revised Estimates		3 years	The retention period here relates to the Budget/Revised Estimates as compiled by the Budget/Accounts Section for the Department as a whole.
3	Service Books of :		3 years after issue of final pension/ gratuity payment order.	

	(a) Officials entitled to retirement/terminal benefits (b) Other employees			3 years after they have ceased to be in service. 3 years after issue of final pension/ gratuity payment order.	
4	4. Leave Account of: (a) Officials entitled to retirement/terminal benefits. (b) Other employees.			3 years after they have ceased to be in service.	
5.	Service records	(a) Nomination relating to family pension and DCR gratuity. (b) Civil List Gradation/ Seniority List — (i) in the case of Departments preparing and bringing out the compilation. (ii) in the case of other Departments (i.e., those supplying information for such compilation). (c) Alteration in the date of birth. (d) Admission of previous service not supported by authenticated service record, e.g., through	1 year 3 years	1 year after issue of relevant compilation. 3 years.	Subject to the nomination in original or an authenticated copy thereof (where original is kept with the audit) as the case may be being placed in Vol. II of the Service Book/Personal File. Subject to suitable entry being made in the appropriate service record and an authenticated copy of the order being kept in Vol. II of Service Book/Personal File.
				3 years; or 1 year after completion of audit, whichever is later.	- do -

		collateral evidence.			
6.	Expenditure statements	(e) Verification of service. (a) In respect of lower formations. (b) In respect of Department itself. (c) Register of monthly expenditure (Form GFR 9).	5 years. To be weeded out at the end of financial year. To be weeded out after the Appropriation Accounts for the year have been finalized.		Subject to a suitable record being kept somewhere, e.g., in the Service Book or History Sheet.
7.	7. Surety Bonds executed in favour of a temporary or a retiring Government servant.		3 years after the Bond ceases to be enforceable		To be weeded out after the Appropriation Accounts for the year have been finalized.
8.	(a) Pay Bill register. (b) Office copies of Establishment pay bills and related schedules (in respect of period for which pay bill register is not maintained). (c) Schedules to the Establishment pay bills for the period for which pay bill register		20 years 20 years 3 years, or one year after the completion of audit, whichever is later.		

MINUTES OF THE MEETING OF THE COMMITTEE SET UP TO EXAMINE FEASIBILITY OF IMPLEMENTATION OF RECOMMENDATION OF 7TH CPC FOR REVISION OF PENSION OF PRE 2016 PENSIONERS HELD ON 23.08.2016 AT SARDAR PATEL BHAWAN, NEW DELHI

First meeting of Committee for examination of feasibility of implementation of recommendation of 7th Central Pay Commission for revision of pension of pre 2016 pensioners was held under the Chairmanship of Shri C. Viswanath, Secretary (Pension) on 23.08.2016 at Sardar Patel Bhawan, New Delhi. Following members were present during the meeting:

1. Shri Pradeep Kumar, Member (Staff), Railway Board,
2. Shri Ashok Kumar Dash, Member (Personnel), Department of Post,
3. Ms. Sanjeevane Kuty, SS &FA, Ministry of Home Affairs,
4. Shri Sanjay Singh, Chief Controller (Pension), CPAO (representing Controller General of Accounts).

Shri R.K. Chaturvedi, Joint Secretary, Implementation Cell, Department of Expenditure was also present.

2. Joint Secretary (Pension) made a presentation on the background viz. the recommendation of the 7th CPC, approval of the Cabinet, factors determining feasibility of implementation of the first option given by the 7th CPC and the possible methodology for examining the feasibility of this option. It was mentioned that, as approved by the Union Cabinet, orders for revision of pension as per the second option, i.e. 2.57 fitment method, have been issued in respect of the civil pensioners on 04.08.2016 and that similar orders in respect of the defence pensioners would be issued by Ministry of Defence.

3. As regards the first option i.e. the increment method, it was explained that the pension sanctioning authorities would need to have the information regarding the actual number of increments earned by a pensioner on the last post. This information is normally not available in the Pension Payment Orders. This information can be obtained from the service book or the personal file. The records of each individual pensioner would need to be scrutinized to find out the actual number of increments earned.

4. While explaining the method of calculation of revised pension as per the recommendations of the 7th CPC, the presentation also brought out the possible alternate methods of revision of pension by notionally revising the pay of the pensioner in each successive Pay Commission period (which was partially adopted in the 5th CPC) and the modified parity method (which was adopted in the 5th and 6th CPC).

5. It was mentioned that during interactions with the pension sanctioning departments, it was indicated that the required service records in respect of many pensioners may not be available to determine the number of increments earned by them on the last post. Some pensioners' associations also expressed similar doubts. However, the staff side of the JCM had indicated that the required records would be available with the concerned Departments and that there should be no difficulty in calculating the pension of past pensioners by using increment method.

6. It was decided that a sample calculation of 100 randomly selected pension/ family pension cases each of Civil, Railway, Postal, Defence and Defence Civilian may be carried out by member Departments. The selection of these cases has been made duly including different pay commissions, different grades and both the categories i.e. pensioners and family pensioners. Members were requested to compile and tabulate the information of 100 sample cases and to provide the same to the Department of Pension and Pensioners' Welfare latest by 30th August, 2016. The members were specifically requested to indicate the position regarding availability of records, time taken in computing the number of increments, the revised pension in each case as per the methods mentioned above and any anomalies observed in this respect.

7. Since, the scope of the examination by the Committee includes Defence pensioners whose pension system is vastly different from that on the civil side, it was decided by the Committee to co-opt members from Defence i.e. Ms. K. Damayanthi, Joint Secretary, Department of Ex-servicemen Welfare and Shri Rozy Aggarwal, Joint CGDA, Ministry of Defence. It was also decided to co-opt Shri R.K. Chaturvedi, Joint Secretary, Implementation Cell, Department of Expenditure in the Committee.

8. The next meeting of the Committee was tentatively fixed for 02.09.2016 (Friday) at 3.00 p.m. subject to the information mentioned in para 6 above being made available by 30.08.2016.

9. The meeting ended with a vote of thanks to the Chair.

MINUTES OF THE MEETING OF THE COMMITTEE SET UP TO EXAMINE FEASIBILITY OF IMPLEMENTATION OF RECOMMENDATION OF 7TH CPC FOR REVISION OF PENSION OF PRE 2016 PENSIONERS HELD ON 07.09.2016 AT SARDAR PATEL BHAWAN, NEW DELHI

Second meeting of Committee for examination of feasibility of implementation of recommendation of 7th Central Pay Commission for revision of pension of pre 2016 pensioners was held under the Chairmanship of Shri C. Viswanath, Secretary (Pension) on 07.09.2016 at Sardar Patel Bhawan, New Delhi. Following members were present during the meeting:

1. Shri Pradeep Kumar, Member (Staff), Railway Board,
2. Shri Ashok Kumar Dash, Member (Personnel), Department of Posts,
3. Ms. Sanjeevane Kuty, SS &FA, Ministry of Home Affairs,
4. Ms. K. Damayanthi, Joint Secretary, Department of Ex-servicemen Welfare,
5. Shri Rozy Agarwal, Joint CGDA, Ministry of Defence,
6. Shri R.K. Chaturvedi, Joint Secretary, Implementation Cell, Department of Expenditure,
7. Shri Sanjay Singh, Chief Controller (Pension), CPAO (representing Controller General of Accounts).

2. Secretary (Pension) welcomed members of the Committee. Thereafter, he requested all members to present their analysis on the result of randomly selected 100 sample cases, which were a fair mix of various pay commission periods, grades etc.

3. Department of Post in their presentation informed that out of 100 cases given to them, records could be retrieved for 84 cases for revision of pension as per first option i.e. increment method. It was mentioned that difficulties were experienced in retrieving records in respect of pre- 1986 cases. They also mentioned that the increment method would result in anomaly in one case in-as-much as a person promoted just before his retirement would be getting a revised pension which is less than the revised pension which he would have been entitled to but for his promotion. Secretary(Pension) appreciated the presentation done by Department of Posts. Joint Secretary(Pension) mentioned that the 100 cases given to Department of Posts related to those postal pensioners who are drawing pension from banks. Department of Posts was requested to also assess 100 other cases where pension is being drawn from post offices, for a better representative analysis of the matter.

4. Ministry of Railways informed that service records of retired Railway employees containing details of service, including number of increments and promotion details are maintained in respective Administrative wing/offices. These records are normally retained for 10 years. The pension records i.e. pension file, PPOs, etc. are maintained in Accounts/Pension Departments. Pension records are permanent records. The number of increments earned on the last post are not mentioned in pension records. Out of 100 cases, records containing the information regarding increments earned on the last post could be located in respect of 76 cases. They submitted that the time taken to retrieve records is more than the time taken to revise pension. Further, calculation of revised pension by increment method took less time in comparison to pay fixation method. They also pointed out the difficulties experienced in revision on pension in cases where different pay scales were merged into one grade pay after 6th CPC. Secretary (Pension) stated that these types of issues can be sorted out later if the increment method is otherwise found to be feasible.

5. Ministry of Railways also suggested an alternate method for revision of pension. As per this method, the presumptive pay of a pensioner in the sixth CPC may be worked out by multiplying the pension in the sixth CPC by 2. The notional pay in the 7th CPC could be arrived at by multiplying this presumptive pay by 2.57 and slotting this in the corresponding level and stage in the pay matrix. 50% of this figure would be the revised pension. They also added that this method will be easier and fairer and no service records would be required for this purpose. This would give satisfaction to the pensioners and restrict litigation. Director, Implementation Cell expressed that this method would divide pensioners into categories and would not extend the benefit intended by the 7th CPC to pre-2006 retirees. Secretary (Pension) mentioned that this method would require more thought and deliberations.

6. After, this Joint CGDA, Ministry of Defence made presentation in respect of Defence (Civil) pensioners. They stated that like Ministry of Railways, their service records are maintained by Head of Offices. Pension records are kept in PCDA/CGDA. Service records contain details of promotion and increments of employees and these are normally retained for 5 years. The pension records are retained for 75 years but they do not contain details of increment etc. They could not analyze the cases as the service records of the concerned pensioner were not made available by their Administration. Secretary(Pension) asked them to vigorously follow up with the concerned offices and complete analysis within 10 days.

7. Thereafter, CPAO presented the analysis in respect of civil pensioners. They mentioned that the service records of individual pensioners are maintained by Administrative Department/ offices and they only have PPO related information in respect of post -1990 pensioners. They also do not have pension details of pre-1990 pensioners. CPAO submitted that they have received details only for 29 cases so far from the administrative department, out of which they found that revised pension could be calculated by using increment method in 20 cases only. Joint Secretary(Pension) stated that analysis of cases done by CPAO from their own information would not help instead the concerned offices / DDOs should revise pension from their available service /pension records. Secretary(Pension) advised CPAO to convene meetings with concerned Departments immediately for carrying out analysis of the 100 randomly selected cases within a week.

8. JS(ESW), Ministry of Defence made presentation with respect to Defence personnel. She submitted that revision of pension of defence personnel has been carried out recently under OROP Scheme. However, in the case of defence personnel, the second option of the 7th CPC recommendations (i.e. fitment of 2.57) had not been implemented so far. Further, the increment method was infact one of the options considered when the matter regarding implementation of OROP scheme was being examined and had not been accepted by the Services. The OROP Scheme in the present form is by and large more beneficial than the increment method, particularly, in the case of PBORs. It was decided that the Department of ESW will send a self contained reference bringing all the facts and their views on the feasibility of implementation of option-1 (increment method) in the case of defence personnel. Any decision on the question of feasibility of revision of pension of Defence personnel under option- 1 would be taken up after receipt of comments from Department of ESW.

9. Secretary (Pension) directed to circulate representation received from Pensioners Associations / pensioners in this regard to all members through mail. He asked all the members to complete their analysis within 10 days.

10. The date of next meeting was tentatively fixed as 19th September,2016 at 3.00 p.m.

11. The meeting ended with a vote of thanks to the Chair.

MINUTES OF THE MEETING OF THE COMMITTEE SET UP TO EXAMINE FEASIBILITY OF IMPLEMENTATION OF RECOMMENDATION OF 7TH CPC FOR REVISION OF PENSION OF PRE 2016 PENSIONERS HELD ON 19.09.2016 AT SARDAR PATEL BHAWAN, NEW DELHI

Third meeting of Committee for examination of feasibility of implementation of recommendation of 7th Central Pay Commission for revision of pension of pre 2016 pensioners was held under the Chairmanship of Shri C. Viswanath, Secretary (Pension) on 19.09.2016 at Sardar Patel Bhawan, New Delhi. Following were present during the meeting:

1. Shri Pradeep Kumar, Member (Staff), Railway Board,
2. Ms. K. Damayanthi, Joint Secretary, Department of Ex-servicemen Welfare,
3. Shri R.K. Chaturvedi, Joint Secretary, Implementation Cell, Department of Expenditure,
4. Shri Sanjay Singh, Chief Controller (Pension), CPAO (representing Controller General of Accounts).
5. Shri Praveen Kumar, PCDA(P), Allahabad (representing Shri Rozy Agarwal, Joint CGDA), Ministry of Defence,
6. Shri Deepak Kumar, Director, (representing Shri Ashok Kumar Dash, Member (Personnel), Department of Posts,

2. Secretary (Pension) welcomed members of the Committee. Recalling that in the second meeting, Railway Board and Department of Posts had made presentations on the analysis of the randomly selected 100 sample cases. Secretary (Pension) requested CPAO to make presentation on their analysis in this respect.

3. CCA, CPAO in his presentation informed that while some pay/pension details of the pensioners are available with the CPAO, the service records containing the details regarding increment earned on the last post are maintained by respective H.O.Os. /D.D.Os. Out of the 100 randomly selected cases, records have been received only in respect of 73 pensioners/family pensioners from the respective Heads of Offices/DDOs for the purpose of revision of pension as per first option i.e. increment method. He informed that out of the 100 cases, the increment method would be beneficial in 27 cases while the actual pay fixation method would be beneficial in 63 cases. He was of the view that feasibility of implementation of this option is dependent on many constraints such as record retention schedule, actual retrieval of record, interpretation by the concerned offices, counting of increment in the cases of disciplinary cases, likelihood of court cases on account of perceived anomalies on implementation of this method etc.

4. Department of Posts made a presentation on the result of 89 cases where pension is being drawn from post offices. These 89 cases are those where records were available for analysis of all four methods, including the increment method. Secretary (Pension) observed that this analysis would not be of much use as the mandate of the Committee is to examine the feasibility of the increment method and not to compare various methods for revision of pension.

5. Ministry of Railways made presentation on updated analysis of 100 cases given to them and also on 522 cases selected by them on their own. They informed that out of the 100 cases selected by DOP&PW, service records could not be located in 21 cases. As per their analysis, due to difference in number of increments earned by the pensioners on the last post, the variation of pension under increment method is very high. If the revised pension under 2.57 fitment method is taken as 100, the revised pension under increment method would vary between 85-124 for pensioners retired during 4th CPC, between 55-130 for pensioners retired during 5th CPC and between 72-123 for pensioners retired during 6th CPC. Similar was the position in respect of the 522 cases selected by them for this analysis. Member (Staff), Railway Board was of the view that difficulties may be experienced in implementation of the increment method due to the reasons that records are not traceable in many cases. Also, there may be cases where a pensioner may start getting revised pension under increment method which is more than the pension of those who retired from same or higher level and were drawing more pension before 1.1.2016.

6. The CGDA informed that in spite of best efforts, they could get the service records in respect of 40 out of the 100 cases given to them. CGDA was requested to make concerted efforts to get the required details and to complete the analysis latest by 23.9.2016.

7. JS, Department of ESW informed that there were some issues to be examined in regard to the feasibility of implementation of the option-I in the case of defence personnel. She mentioned that the self-contained reference bringing out all the facts and their views in this regard would be sent by 23.9.2016.

8. It was decided that after the exercise by Department of ESW and CGDA was completed, members from staff side of JCM would be invited to elicit their views on the issue.

9. The date of next meeting was tentatively fixed as 26th September, 2016 at 3.00 p.m.

10. The meeting ended with a vote of thanks to the Chair.

MINUTES OF THE MEETING OF THE COMMITTEE SET UP TO EXAMINE FEASIBILITY OF IMPLEMENTATION OF RECOMMENDATION OF 7TH CPC FOR REVISION OF PENSION OF PRE 2016 PENSIONERS HELD ON 26.09.2016 AT SARDAR PATEL BHAWAN, NEW DELHI

Fourth meeting of Committee for examination of feasibility of implementation of recommendation of 7th Central Pay Commission for revision of pension of pre 2016 pensioners was held under the Chairmanship of Shri C. Viswanath, Secretary (Pension) on 26.09.2016 at Sardar Patel Bhawan, New Delhi. Following were present during the meeting:

1. Shri Pradeep Kumar, Member (Staff), Railway Board,
2. Shri Ashok Kumar Dash, Member (Personnel), Department of Posts,
3. Ms. Sanjeevane Kuttu, SS &FA, Ministry of Home Affairs,
4. Ms. K. Damayanthi, Joint Secretary, Department of Ex-servicemen Welfare,
5. Shri Rozy Agarwal, Joint CGDA), Ministry of Defence,
6. Shri R.K. Chaturvedi, Joint Secretary, Implementation Cell, Department of Expenditure,
7. Shri Sanjay Singh, Chief Controller (Pension), CPAO (representing Controller General of Accounts).

2. Welcoming members of the Committee Secretary (Pension) requested Jt. CGDA to make presentation on the analysis of the randomly selected 100 sample cases.

3. Jt. CGDA informed that one out of the 100 randomly selected cases pertains to an Armed Forces pensioner. Pay / service records are available in respect of 93 pensioners/family pensioners for the purpose of revision of pension as per first option i.e. increment method. He confirmed that record in respect of one pensioner had been weeded out and other five records were not readily available. He mentioned that out of the 99 cases, the increment method would be beneficial in 26 cases while the notional pay fixation method would be beneficial in 61 cases. He was of the view that feasibility of implementation of the first option, i.e. increment method is dependent on retrieval of records as the prescribed retention for service records is 5 years. Also, the process for revision of pension by increment method would be cumbersome and time consuming as it involves locating of old records and processing at all levels beginning from Head of Offices. He mentioned that anomalies are likely to arise in increment method due to merger of pay scales especially in group 'D' posts where many scales have been merged into minimum level in the pay matrix in 7th CPC. He was of the view that pay fixation method is uniform and easier to implement. Also, those pensioners who were drawing less pay with more increment on the last post get unduly benefited.

4. Referring to the report of the 7th CPC, Member, Railway Board mentioned that in their representation to the 7th CPC, the staff side of JCM had recommended revision of pension by notional fixation of pay as on 01.01.2016. According to him, the pay fixation method is easier to implement. On the other hand, the increment method would be difficult to implement particularly in old cases. This method is also prone to causing anomalies and dissatisfaction among pensioners.
5. Department of Post endorsed the view of Member Staff, Railway Board. He suggested that pensioners may be given choice between increment method and pay fixation method for pension revision.
6. CPAO reiterated their earlier view that feasibility of implementation of increment method is dependent on many constraints such as record retention schedule, actual retrieval of record, interpretation by the concerned offices, likelihood of court cases on account of perceived anomalies on implementation of this method etc.
7. Jt. CGDA informed that in increment method, retrieval of records is a very difficult task and in the case of Defence, where number of pensioners is very large, it would be more convenient to implement pay fixation method.
8. JS, Department of ESW informed that they need some more time to examine the feasibility of implementation of the option-I in the case of defence personnel. She mentioned that the self-contained reference bringing out all the facts and their views in this regard would be sent by 03.10.2016.
9. It was decided to invite the pensioners associations in the SCOVA and staff side of JCM in the meeting of the Committee on 5th and 6th October, 2016 respectively to have their views on the issue.
10. The meeting ended with a vote of thanks to the Chair.

Minutes of the meeting of the Committee set up to examine feasibility of implementation of recommendation of Seventh CPC for revision of pension of Pre-2016 held on 17.10.2016 at Sardar Patel Bhawan, New Delhi.

A Meeting of the Committee for examination of feasibility of implementation of recommendations of Seventh Central Pay Commission for revision of pension of pre 2016 pensioners was held under Ms. Sanjeevni Kutty, Special Secretary & FA, Ministry of Home Affairs, after the meeting with the Staff side of JCM on 17.10.2016 at Sardar Patel Bhawan, New Delhi. The following members of the Committee were present:

1. Sh. Ashok Kumar Dash, Member (Personnel), Department of Posts.
2. Ms. Vandana Sharma, Additional Secretary, Department of Pension & PW. (Representing Secretary, Department of Pension & PW)
3. Ms. Santosh, Joint Secretary, Department of Ex-Servicemen Welfare,
4. Sh. Rozy Agarwal, Joint CGDA, Ministry of Defence,
5. Sh. R. K. Chaturvedi, Joint Secretary, Implementation Cell, Department of Expenditure,
6. Sh. Sanjay Singh, Chief Controller (Pension), CPAO (representing Controller General of Accounts).
7. Sh. Tanveer Ahemed, Executive Director, Railway Board (representing Member (Staff)).

2. Joint Secretary, Department of Ex-Serviceman Welfare and Jt. CGDA were again requested for the tabular statement on the analysis of the 100 randomly selected cases of defence pensioners as also the views of Ministry of Defence on the feasibility of first option recommended by the Seventh CPC in respect of Defence personnel. Joint Secretary, Department of Ex-Serviceman Welfare informed that she would submit a note from Ministry of Defence to the Committee by 21.10.2016. Jt. CGDA informed that he would also complete and submit the analysis of the 100 randomly selected cases of defence pensioners by 21.10.2016.

3. Department of Ex-Serviceman Welfare and CGDA were informed that the analysis as well as views of Department of Ex-Serviceman Welfare, which were to be submitted by 7th September, 2016, have still not been received. Since the committee has to submit its report within a time limit, in case the requisite analyses and notes are not received by 21.10.2016, the Committee would be compelled to submit its report with recommendations in respect of the Civil Pensioners only.

Minutes of the meeting of the Committee set up to examine feasibility of implementation of recommendation of Seventh CPC for revision of pension of Pre-2016 pensioners held on 02.12.2016 at Sardar Patel Bhawan, New Delhi.

A Meeting of the Committee for examination of the feasibility of implementation of recommendations of Seventh Central Pay Commission for revision of pension of pre - 2016 pensioners was held under the Chairmanship of Sh. C. Viswanath, Secretary (Pension) on 02.12.2016 at Sardar Patel Bhawan, New Delhi.

2. Ms. Meera Swarup, Joint Secretary & Financial Advisor, Department of Expenditure holding the additional charge of Financial Advisor in Ministry of Home Affairs was co-opted in place of Ms. Sanjeevane Kuttu, SS &FA, Ministry of Home Affairs, who demitted the office on promotion as Secretary.
3. The list of participants is attached as Annexure.
4. Welcoming Secretary, Department of Ex-Servicemen Welfare, members of the Committee, members of the associations of Defence Pensioners and officers from the Services, Secretary (Pension) requested Additional Secretary (Pension) to make a presentation on the issues involved.
5. In her presentation, Addl. Secretary (Pension) brought out the position regarding the recommendations of the 7th CPC and the decision of the Cabinet thereon. The presentation brought out the methodology adopted by the Committee to examine the feasibility of the options recommended by the 7th CPC and the alternate methods considered by the Committee. She mentioned that the service records for civil pensioners under the increment method may

not be available in around 18.7% of the cases. The difficulties in extracting the information from the records and determining the exact number of increments for revision of pension and also the likely anomalies under the first option were explained. She indicated that the alternative method of arriving at notional pay in Seventh CPC by applying rules for pay revision for serving employees in each intervening pay Commission and giving 50% of this as pension under the Seventh CPC, is a scientific method for revision of pension and would also be beneficial to all pensioners as compared to the increment method which benefits only those who earned more increments in the last post.

6. Thereafter, Secretary (Pension) requested Joint Secretary, Department of ESW to make a presentation in respect of Defence pensioners.

7. Joint Secretary, Department of Ex- Servicemen Welfare in her presentation brought out that out of the 100 randomly selected cases, one case pertained to a civil pensioner and one case could not be traced due to incorrect PPO number. Out of the remaining 98 cases, data was not available in respect of 5 cases. In the remaining 93 cases, 2,57 fitment method was most beneficial in 52 cases, Increment method in 9 cases and Pay fixation method in 28 cases. In four cases, pension as per both increment method as well as pay fixation method was highest. The presentation brought out that anomalies are likely to arise in increment method, e.g. those pensioners who were drawing less pay with more increments in the last post get unduly benefited; those getting promotion immediately before retirement may get lesser pension than what they would have got without such promotion. In case of merger of pay scales, those retiring from the higher of the merged scales may get less pension

in comparison to those retired from lower pay scale, due to variation in the number of increment earned in the last scale. It was mentioned that records of the Defence pensioners are maintained for 50 years and details regarding last pay drawn are endorsed in the PPO by PCDA(Pension) in respect of service pensioners from 1989 onwards and in respect of family pensioners from 2004 onwards. Department of Ex-servicemen Welfare mentioned that keeping in view the practical difficulties likely to be encountered while implementing the increment/pay fixation method and specific information furnished by Army Hq., the increment method may not be feasible to implement.

8. Thereafter, Secretary (Pension) requested members of the Defence pensioners associations and officers from Services for their views.

9. Gr. Capt.(Retd.) Ashok Seth, Secretary, Air Force Association, New Delhi agreed that increment method may not be a good option and preferred the pay fixation method.

10. Lt. Gen. (Retd.) Balbir Singh, President, Indian Ex-Service League, New Delhi stated that the increment method is not implementable and would lead to anomalies and therefore the pensioner may be given the choice to get his pension revised under fitment method or actual pay fixation method, whichever is more beneficial to him.

11. Col. (Retd.) H.N. Handa, President, Disabled War Veterans (India), New Delhi stated that increment method is not feasible. However, he raised the issue of counting of service of invalidated Defence pensioners by taking into account the entire service which they would have rendered instead of the actual service

rendered by them before such invalidation. He also pointed out an anomaly in fixation of pension under OROP in Col. Rank vis- a- vis Honorary Col rank. Secretary (Pension) mentioned that these issues were outside the TOR of the Committee and could be discussed in a separate meeting with the Defence Ministry officials before the next SCOVA meeting proposed to be held in January, 2017.

12. Lt. Gen. (Retd.) V. Chaturvedi, Indian Ex-Service League also agreed with the view expressed by the President of the Association. However, he raised the issue of difference in the pay of those retired with pay of Rs. 80000 in the HAG+ and the Apex (fixed pay) scale during 6th CPC. He also mentioned that the Service officers get a much higher pay by virtue of their Military Service pay and the same should be protected while fixing the pay in the revised pay scale for the purpose of revision of pension. It was clarified that these issues are outside the purview of the Committee.

13. Brig. (Retd.) Kartar Singh, Indian Ex-Service League stated that both Fitment method and Actual pay fixation method may be implemented and the pensioner may be allowed pension by the method which is more beneficial to him.

14. Brig. J.K. Rao, Dy. Chairman, & APCC, speaking on behalf of the three Services, mentioned that records would be available for working out the number of increments earned in the last post. He however, indicated that there may be difficulties in implementation of increment method and that there would be anomalies and therefore the pay fixation method would be preferable.

Summing up the position for the defence pensioners he said that revised pension as on 31 December 2015 multiplied by 2.57 or pay fixation method whichever is beneficial should be given to pre2016 defence pensioners. He added that in case the increment method is implemented in respect of the Civil pensioners then the benefit of that method may also be extended in the case of Defence pensioners.

15. The meeting ended with a vote of thanks to the Chair.

Annexure

The list of participants:

1. Sh. Prabhu Dayal Meena, Secretary, D/O Ex-servicemen Welfare
2. Sh. Pradeep Kumar, Member Staff, Ministry of Railways
3. Ms. Meera Swarup, Joint Secretary & FA, Department of Expenditure,
4. Ms. Santosh, Joint Secretary, MoD
5. Shri. Rozy Agarwal, Jt CGDA,
6. Maj General R. Gopal, Addl. DG, Personal Service
7. Brig. Sanjay Singh, DDG, PS (B)
8. Brig. J. Kameswara Rao, Dy. Chairman, 7 APCC
9. Brig. K. Narayanan, DDG
10. Col R.K. Prusty, 7th Army Pay Commission Cell
11. Lt. General(Retd) Balbir Singh, President, IESL
12. Lt. General(Retd) V.K. Chaturvedi, IESL
13. Brig (Retd) Kartar Singh, ESM
14. Col. (Retd.) H. N. Handa, President Disabled War Veterans (India)
15. Capt. (Retd.) Ashok Sethi , Secretary, Air Force Association
16. Lt. Cdr. Arun Sudhi, PCC (Navy)
17. Lt. Col. Naresh Kumar, Army HQ (AG Branch)
18. Lt. Col B.B.S. Pundir, AAG, TRIPAS
19. Wg. Cdr. K.N. Bhat, Air Force Pay Commission Cell
20. Capt. Sunil D. Dogra, Pay Commission Cell (Navy)
21. Ms. Vandana Sharma, Additional Secretary, DoPPW
22. Sh Ravi Kant, Joint Secretary, Ex-Servicemen Welfare, MoD
23. Sh. Tanveer Ahmed , Railway Board
24. Sh. Rajiv Gandhi, Railway Board.
25. Sh. V.K. Singh, IC, Deptt. of Expenditure
26. Shri Harjit Singh, Director. DoPPW
27. Sh. Subhash Chandra, Controller of Accounts, CPAO
28. Shri S. Chakrabarti, Under Secretary, DoPPW
29. Sh. Ratan Singh, CPAO
30. Sh. S.P. Sharma, CPAO
31. Sh. Rajesh Gupta, Accounts Officer, CGDA
32. Sh. A.K. Malviya, Sr. Accounts Officer, CGDA.

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F.No.17(1)/2014/D(Pen/Pol)(DGL)
Government of India
Ministry of Defence
Department of Ex-Servicemen Welfare
D(Pension/Policy)

Room No. 237 'B' Wing
Sena Bhawan, New Delhi
06.12.2016

Subject : Committee set up to examine the feasibility of implementation of recommendations of 7th CPC for revision of pension of pre-2016 pensioners- reg.

This has reference to Secretary (P&PW) discussion on 21.11.2016 with Jt. CGDA and Joint Secretary (Res.II) in the presence of Addl. Secretary (P&PW). Reference is also invited to DoP&PW OM. No. 38/37/2016-P&PW(A) dated 23.08.2016 regarding examination of feasibility of implementation of option-1 recommended by 7th CPC for revision of pension of pre-2016 pensioners and the suggestions of the Committee in its meeting held on 17.10.2016 that in addition to the methods mentioned in para 10.2.87 of 7th CPC Report, the method of pay fixation over the span of past pay commissions in respect of a retiree for the purpose of revising the pension under 7th CPC may also be considered to be adopted as the methods recommended by the 7th CPC in para 10.2.87 of its Report, i.e. increment method and fitment table method (pension fixed under 6th CPC x 2.57) are found to be anomalous for the purpose.

2. With regard to the fixation of pension for past retirees including defence forces personnel retirees, 7th CPC has recommended the following in para 10.2.87 of its Report:

- i. All the Defence Forces who retired prior to 01.01.2016 (expected date of implementation of the Seventh CPC recommendations) shall first be fixed in the Pay Matrix being recommended by this Commission, on the basis of the Pay Band and Grade Pay at which they retired, at the minimum of the corresponding level in the matrix. This amount shall be raised to arrive at the notional pay of the retiree by adding the number of increments he/she had earned in that level while in service, at the rate of three percent. Military Service Pay shall be added to the amount which is arrived at after notionally fitting him in the Seventh CPC matrix. Fifty percent of the total amount so arrived at shall be the revised pension.

- ii. The second calculation to be carried out is as follows. The pension, as had been fixed at the time of implementation of the VI CPC recommendations, shall be multiplied by 2.57 to arrive at an alternate value for the revised pension.
- iii. Pensioners shall be entitled to the higher of the two.

It is recognized that the fixation of the pension as per formulation (i) above may take a little time since the records of each pensioner will have to be checked to ascertain the number of increments earned in the retiring level. It is, therefore, recommended that in the first instance the pension, may be fixed in terms of formulation (ii) above, till final fixation of the pension under the Seventh CPC matrix is undertaken

(Para 10.2.87 & 10.2.88 of the Report)

3. The Office of CGDA has analyzed 100 cases provided by the Committee under all the 3 methods (List enclosed). The findings of the analysis are enumerated below :

Total cases	- 100
Data not available	- 5
Incorrect PPO number not traced	- 1
Civilian pensioner	- 1

Details of balance 93 are as follows:

Cases beneficial under incremental method	- 9 (9.68%)
Cases beneficial under 2.57 times fitment method	- 52 (55.91%)
Cases beneficial under modified parity clause (minimum of pay level)	- 0
Cases beneficial under actual pay fixation in 7 th CPC pay matrix	- 28 (30.11%)
Cases being overlapped in increment and actual pay fixation method	- 4 (4.30%)

Taking into consideration number of Defence pensioners and Defence Civilian pensioners which are about 25 lakhs, notional fixation of pay either in increment method or actual pay fixation method would take more than 5 years.

Office of CGDA has observed that in the revised data in some cases of family pension of Sepoy GP-2000 (SI No.93,95 & 100) drawing less pension (@ Rs.3999/-) than Naik GP-2400 the higher rank (SI.No.97 & 99) @ Rs.4302/- but due to large number of increment (14 or 13), their revised pension in increment method are more (Rs.11,460 or 11,160/-) than Naik (Rs.11,057) i.e. the junior gets more pension than the senior.

4. In addition to the above anomaly, there will be the following anomalies also which might not have figured as the sample size is very small compared to the total number of pensioners stated to be around 25 lakhs:

- i. In case an official gets promotion immediately before retirement and has earned either nil or one increment in the higher rank compared to the lower rank

where he/she might have earned more number of increments, will lead to lower pay level in the higher pay scale compared to lower scale and putting the official to disadvantage.

ii. In case of merger of pay-scales, if before the merger of these scales, an officer drawing pay in the junior pay-scale has earned more increments than the official of the higher pay-scale, this will lead to higher pay/pension fixation of official of junior pay-scale.

This may also be pointed out that the increment/pay fixation method and OROP cannot be implemented parallelly. Increment /pay fixation method has to be delinked from OROP as under OROP the payment of pension is made on the basis of the average of minimum and maximum of pension for a group of officers with same length of service for pensioners of the year 2013. Under the concept of OROP, the pay of individual is delinked from his pension.

5. In addition to the above anomalies, the following difficulties/issues will be encountered in implementation of increment/pay fixation method :

i. In many cases documents/records may not be available for fixation of pension as per increment/pay fixation method, as the retention period of the concerned documents in old cases might have already been expired and hence destroyed. Out of 100 cases examined by O/o CGDA, the majority of the pensioners retired after 2009. But, MoD has to revise pension of personnel retired from 1950/60s or prior to that period. Therefore, the percentage of non-availability of records will be much higher which is 5 in hundred cases, analysed.

ii. Revision of pension of around 25 lakh personnel, by consulting each case file would be a major exercise and may take more than 5 years, as intimated by the office of the CGDA.

iii. Further, uniformity in the method of revision of pension is required to be ensured. Recommendation of the past Pay Commissions for revision of Defence pension has been done as per fitment tables and pension was not revised consulting individual case files. Moreover, 100% revision after consulting audited records may not be possible.

iv. Both the methods will generate new anomalies leading to grievances.

v. Actual pay fixation method is not recommended by the 7th CPC.

6. Service Hqrs have conveyed that the third method of actual pay fixation is acceptable to them if found more beneficial than the other two methods.

7. Regarding availability of records, Army Hq. has intimated that details regarding last pay drawn are endorsed in the PPO by PCDA(P) with effect from 1989

in respect of service pensioners and w.e.f. 2004 in respect of family pensioners and also on the last page of the sheet roll/last pay certificate and are maintained for 50 years from the date of discharge/death. Last rank and date of promotion to last rank are available in the Service Record but number of increments and pay scales are not available and the number of increments earned in the retiring scale can be worked out by the Record Offices as the last rank held and number of years served in the last rank and last pay drawn are available. The position is same for Air Force and Navy.

8. The following details of revision of pension of Defence personnel in the recent past which has a close bearing on the findings of the analysis of 100 cases, is also placed before the Committee:

- i. Based on the recommendations of the 6th CPC, pre-2006 pensioners' pension has been revised on the 50% of the minimum of the fitment table of the 6th CPC scales or consolidated method, which ever was higher. With regard to Defence Forces pensioners, pre-2005 JCO/ORs pension has been subsequently revised to the maximum of the fitment table as per CSC 2009 recommendations and to the notional maximum across 3 Services on the basis of CSC 2012 recommendations.
- ii. Subsequently, the Government after due deliberations has issued orders for implementation of One Rank One Pension (OROP) on 7.11.2014 to be implemented w.e.f. 1.7.2014. The salient features of the OROP are as follows:
 - a. To begin with, pension of the past pensioners to be re-fixed on the basis of pension of retirees of calendar year 2013 and the benefit to be effective with effect from 1.7.2014.
 - b. Pension to be re-fixed for all pensioners on the basis of the average of minimum and maximum pension of personnel retired in 2013 in the same rank and with the same length of service.
 - c. Pension for those drawing above the average to be protected.
 - d. Arrears to be paid in four equal half yearly instalments. However, all the family pensioners including those in receipt of Special/Liberalised family pension and Gallantry award winners to be paid arrears in one instalment.
 - e. In future, the pension to be re-fixed every 5 years.
- iii. Fundamental change that has taken place under OROP is that each individual ESM's pension is no longer linked to his or her pay drawn but is linked to the average pension drawn by the ESM retirees in the designated year (2013). As per the information furnished by the CGDA, more than 20 lakh pensioners have got the benefit of OROP. Accordingly, this Ministry has requested the

Department of Expenditure, Ministry of Finance to accord approval for multiplication of pension drawn as on 31.12.2015 with a factor of 2.57 to subsume all changes that have taken place with regard to the Defence Forces pensioners between 1.1.2006 and 31.12.2015. The same has been accepted and Government resolution has been notified on 30.9.2016.

9. Government has already decided that both the options recommended by the 7th Central Pay Commission for pension revision be accepted subject to feasibility of the implementation. Revision of pension using the second option based on fitment factor of 2.57 be implemented by multiplying the pension drawn on 31.12.2015, immediately.

10. Keeping in view the practical difficulties likely to be encountered while implementing the increment/pay fixation method and specific information furnished by Army Hq. as indicated in paras 4, 5 & 7, the increment method may not be feasible to be implemented straightaway as the number of increments need to be worked out and fitment table method (Pension drawn on 31.12.2015 x 2.57) is readily implementable.

11. In case the Government decides to adopt 3rd method of actual pay fixation, the position explained in the pre-paras may be kept in view:

This issues with the approval of Hon'ble Raksha Mantri.

Encl: As above



(Santosh)
J.S. (Res.II)
Tel. 23015772

Joint Secretary (Pension)
D/o Pension & Pensioners' Welfare
Room No.310, 3rd Floor
Lok Nayak Bhawan, New Delhi

Copy to :

1. Smt. Devika Raghuvanshi, JS & Addl FA, MoD/Fin.
2. Shri Rozy Agarwal, Jt CGDA, CGDA

Copy also for information to:

1. Chiefs of Army/ Navy/ Air Forces
2. Services' Hqrs.

Office of the Controller General of Defense Accounts
Man Batar Road, Palam, Delhi Cantt. - 110010

Sub: Committee on examination of feasibility of implementation of recommendation of 7th CPC for revision of pension of pre-2016 pensioners.

Ref: Fax dated 25th Nov, 2016 from Joint Secretary (Res-II).

In continuation of this HQrs Office UO of even no. dated 17.11.2016 and dated 25.11.2016, where analysis and data has already been forwarded based on revised data received from Army HQrs of 100 cases of Defence pensioners provided by Deptt of P&PW. Point wise reply on above tax are as under-

- (i) Anomalies in implementing increment method has already been mentioned in para 3 of our official communication UO No even dated 25.11.2016.
- (ii) As mentioned in para 2 of our communication dated 25.11.2016 large number of cases of defence pensioners are involved. Each and every case will be processed for deciding beneficial rate whichever method is adopted either actual pay fixation or increment method. Therefore, more than 5 years' time will be involved. Being a policy issue a view may be taken by MOD regarding specific recommendations regarding method of pension fixation. Ministry may like to take a view as 2.57 fitment method on (R)P rates is beneficial in approximately 60% of the sample cases reviewed.

This issues with approval of Addl. CGDA.

Handwritten Signature
For (CGDA)

Joint Secretary (ESW)
Deptt of ESW, MoD,
New Delhi-

UO No. 5700/AT-P/7th CPC/Vol-III Dated: 28.11.2016

①

Office of the Controller General of Defence Accounts
Ulan Batar Road, Palam, Delhi Cantt.- 110010

Sub: Committee on examination of feasibility of implementation of recommendation of 7th CPC for revision of pension of pre-2016 pensioners.

Ref: DO letter No. 38/37/2016-P&W(A) dated 1st Nov, 2016 from Secretary (DP&PW).

In continuation of this HQrs Office UO of even no. dated 17.11.2016, where analysis and data has already been forwarded. Refer meeting held with Secretary (Pension) on the subject matter on 21.11.2016. Based on revised data received from Army HQrs, the data analysis of 100 cases of Defence pensioners provided by Deptt of P&PW have been made.

a) Details of the analysis are as follows-

i.	Total cases provided	100 cases
ii.	Data not available	5 cases
iii.	Incorrect PPO number not traced -	1 case
iv.	Civilian pensioner	1 case

b) Details of balance 93 are as follows-

i.	Cases beneficial under incremental method	9
ii.	Cases beneficial under 2.57 times firmament method	57
iii.	Cases beneficial under modified parity clause (minimum of pay level)	0
iv.	Cases beneficial under actual pay fixation in 7th cpc pay matrix	28
v.	Cases being overlapped in incremental and actual pay fixation method	4


2) Taking into consideration number of Defence pensioners and Defence Civilian pensioners which are about 25 lakhs, notional fixation of pay either in incremental method or actual pay fixation method would take more than 5 years.

3) It is further observed from revised data that in some cases of family pension of Sepoy GP-2000 (Sl No. 93, 95 & 100) drawing less pension (i.e. Rs. 3999/-) than Naik GP-2400 the higher rank (Sl No. 97 & 99) @ Rs. 4300/- but

due to large number of Increment (14 or 13), their revised pension in increment method are more (Rs. 11,460 or 11,160/-) than Naik (Rs. 11,057).

4) The detail analysis of 100 cases in the format given by DP & PW is enclosed herewith as Annexure.

This issues with approval of Addl. CGDA.


Sr. AO (Pension)
For CGDA

Joint Secretary (ESW)
Dept of ESW, MoD,
New Delhi-

UO No. 5700/A/T-P/7th CPC/Vol-III Dated: 25.11.2016

Minutes of the meeting of the Committee set up to examine feasibility of implementation of recommendation of Seventh CPC for revision of pension of Pre-2016 pensioners held on 5.10.2016 at Sardar Patel Bhawan, New Delhi.

5th Meeting of the Committee for examination of the feasibility of implementation of recommendations of Seventh Central Pay Commission for revision of pension of pre 2016 pensioners was held under the Chairmanship of Sh. C. Viswanath, Secretary (Pension) on 5.10.2016 at Sardar Patel Bhawan, New Delhi. This meeting was called for seeking the views of the Pensioners Associations represented in the SCOVA on the feasibility of implementation of first option for revision of pension of pre 2016 pensioners recommended by the Seventh Central Pay Commission.

2. Ms. Santosh, Joint Secretary, Department of Ex-servicemen Welfare was co-opted in place of Ms. Damyanthi, who demitted office of Joint Secretary, Department of Ex-servicemen Welfare on completion of tenure.

3. The following were present from official side:

1. Shri Pradeep Kumar, Member (Staff), Railway Board,
2. Shri Ashok Kumar Dash, Member (Personnel), Department of posts.
3. Ms. Santosh, Joint Secretary, Department of Ex-Servicemen Welfare,
4. Shri Rozy Agarwal, Joint CGDA, Ministry of Darence,
5. Shri R. K. Chaturvedi, Joint Secretary, Implementation Cell, Department of Expenditure,
6. Shri Sanjay Singh, Chief Controller (Pension), CPAO (representing Controller General of Accounts).

4. The following were present from SCOVA (Staff Side)

1. Gp. Capt. Ashok Sethi, Air Force Association, New Delhi.
2. S. M. Kanjilal, Secretary, N. F. Railway Pensioners Association, Guwahati, Assam.

3. Sh. B. D. Garg, IPS (Retd.), All India Central Govt. Pensioners Association, Jalandhar City, Punjab.
4. Sh. K. B. Krishnarao, Secretary, Karnataka Posts and Telecommunications Pensioners Association, Bangaluru.
5. Col. G.K. Baunthiyal, Govt. Pensioners Association, Dehradun.
6. Sh. Kamalesh Bose, Uttarapara Central Government Pensioners Association, Hoogly, West Bengal.
7. Sh. G. S. Pathania, Association of Retired Officers of IA &AD, Chandigarh.
8. Col. H.N. Handa, Disabled War Veterans (India) Gurgaon, Delhi
9. Shri Bimal Kant Ray, Central Government Pensioners Welfare Association, Ambarnath, Maharashtra.

5. Welcoming Members of the Committee and the Members of the Pensioners associations represented in SCOVA, Secretary (Pension) requested Additional Secretary (Pension) to make a presentation on the issues involved.

6. In her presentation, Addl. Secretary (Pension) brought out the position regarding the requirement of records and the factors which may affect the feasibility of arriving at the notional pay in Seventh CPC by counting increments in the last scale of pay, as recommended by the Pay Commission. She also mentioned about the anomalies that are likely to arise in the process. The presentation brought out the methodology adopted by the Committee to examine the feasibility of the first option and the findings of the Committee in this regard. She mentioned that the service records for increment method may not be available in around 18.3% of the cases. The difficulties in extracting the information from the records and determining the exact number of the increments for revision of pension

under first option were explained. She indicated that the Committee has found that the alternative method of arriving at notional pay in Seventh CPC by applying rules for pay revision for serving employees in each pay Commission and giving 50% of this as pension to be beneficial to all pensioners in comparison to the fitment method.

7. Thereafter, Secretary (Pension) requested the Members of the SCOVA (Staff Side) for their views on the feasibility of the first option.

8. The representative from Karnataka Posts and Telecommunications Pensioners Association, Bengaluru agreed that determining the number of increments earned in the retiring pay scale would be a very difficult proposition. He, therefore, suggested that instead of actual number of increments earned in the retiring pay scale, the total number of stages reached in that pay scale may be taken into consideration for revision of pension under the first option. Secretary (Pension) mentioned that this would result in huge financial implications and would also be beyond the mandate of the Committee.

9. The representative from N. F. Railway Pensioners Association, Guwahati, Assam initially indicated that the pension should be revised by increment method as recommended by the Seventh CPC. On being explained the difficulties and the anomalies in implementation of the increment method, he mentioned that the method of notional pay fixation in each Pay Commission period would be the appropriate method for revision of pension.

10. The representative from Central Government Pensioners Association, Ambarnath mentioned that different Departments follows different

- procedure and format for PPOs and it would be difficult to determine the number of increments for revision of pension under the first option. He suggested that the format of PPOs should be standardized.
11. The representative from Association of Retired Officers of IA &AD, Chandigarh was of the view that it would be difficult to revise the pension by increment method and agreed that the pension of pre-2016 pensioners may be revised by notional pay fixation in each Pay Commission period.
 12. The representative from Government Pensioners Association Dehradun also stated that the date of promotion is not available in the PPO and the pension file and it would not be feasible to revise the pension in accordance with first option recommended by the Pay Commission.
 13. The representatives from All India Central Govt. Pensioners Association, Jalandhar and Uttarapara Central Government Pensioners Associations, West Bengal also favored the notional pay fixation method in comparison to the increments method for revision of pension.
 14. The representative from Disabled War Veterans (India) Gurgaon opined that the increment method of fixation of notional pay for revision of pension cannot be implemented.
 15. The Disabled War Veterans (India), Gurgaon and the Air Force Association, New Delhi were informed that the analysis so far made by the Committee was in respect of the civilian pensioners only, as the rules and procedures for the Defence personnel were vastly different from those in respect of the Civil pensioners. The matter regarding feasibility of first option in respect of Defence personnel was being examined by the Ministry of Defence (Department of Ex-Serviceman Welfare) separately.

16. Ms. Santosh, Joint Secretary, Department of Ex-Serviceman Welfare informed that they had taken up the matter with the Service Headquarters and a self-contained note would be submitted to the Committee after getting a response from the Service Headquarters.

17. The meeting ended with a vote of thanks to the Chair.

Minutes of the meeting of the Committee set up to examine feasibility of implementation of recommendation of Seventh CPC for revision of pension of Pre-2016 pensioners held on 6.10.2016 at Sardar Patel Bhawan, New Delhi.

The 6th Meeting of the Committee for examination of feasibility of implementation of recommendations of Seventh Central Pay Commission for revision of pension of pre-2016 pensioners was held under the Chairmanship of Shri C. Viswanath, Secretary (Pension) on 6.10.2016 at Sardar Patel Bhawan, New Delhi. This meeting was called for seeking the views of the Staff side of JCM on the feasibility of implementation of the first option for revision of pension of pre 2016 pensioners recommended by the Seventh Central Pay Commission.

2. The following were present from official side:

1. Sh. Ashok Kumar Dash, Member (Personnel), Department of Posts.
2. Ms. Santosh, Joint Secretary, Department of Ex-Servicemen Welfare,
3. Sh. Rozy Agarwal, Joint CGDA, Ministry of Defence,
4. Sh. R. K. Chaturvedi, Joint Secretary, Implementation Cell, Department of Expenditure,
5. Sh. Sanjay Singh, Chief Controller (Pension), CPAO (representing Controller General of Accounts).
6. Sh. Tanveer Ahmed, Executive Director, Railway Board (representing Member (Staff)).

3. The following were present from JCM (staff side):

1. Shri Shiv Gopal Mishra, Secretary, JCM.
2. Shri Guman Singh, Member

3. Shri J. R. Bhosale, Member
4. Shri K.K. N. Kutty, Member
5. Shri C. Srikumar, Member
6. Shri R. D. Gupta, Member

4. Welcoming Members of the Committee and the representatives of JCM (Staff Side), Secretary (Pension) requested Additional Secretary (Pension) to make a presentation.

5. In her presentation, Addl. Secretary (Pension) brought out the position regarding the requirement of records and the factors which may affect the feasibility of arriving at the notional pay in Seventh CPC by counting increments in the last scale of pay as recommended by the Pay Commission. She also mentioned about the anomalies that are likely to arise in the process. The presentation brought out the methodology adopted by the Committee to examine the feasibility of the first option and the finding of the Committee in this regard. She mentioned that the service records for increment method may not be available in around 18.3% of the cases. The difficulties in extracting the information from the records and determining the exact number of the increments for revision of pension under first option were explained. She indicated that the Committee has found that the alternative method of arriving at notional pay in Seventh CPC by applying formula for pay revision for serving employees in each Pay Commission and giving 50% of this as pension to be beneficial to all pensioners in comparison to the fitment method.

6. Thereafter, Secretary (Pension) requested the Members of the JCM (Staff Side) for their views on the feasibility of the first option.

7. The representative of the JCM (Staff side) mentioned that in their representation to the Seventh Pay Commission, they had suggested revision of pension of pre-2006 pensioners by notional Pay Fixation in each successive Pay Commission period. However, the Pay Commission recommended the revision of pension by fixing the notional pay on the basis of increments earned in the last post.

8. The JCM (Staff side) mentioned that the Cabinet has approved revision of pension by the first option (increment method), if its implementation is found feasible after examination by the Committee. They mentioned that in addition to the Service Book/ Personal File, the details of increments earned can be ascertained from the Gradation/Seniority List issued by the Departments from time to time. Therefore, one cannot say that the first option recommended by the Pay Commission is not feasible on the grounds of non-availability of records. In regard to the perceived anomalies, the Staff side stated that anomalies arose in implementation of the recommendations of all previous Pay Commissions. Such anomalies can always be rectified through the mechanism of Anomaly Committee.

9. On the alternate method of revision of pension by notional pay fixation in each Pay Commission, the Staff side felt that the pensioners who are likely to get higher benefit by increments method may not accept revision of pension by pay fixation method. This may, therefore, lead to litigation.

10. After detailed discussion, the staff side sought time to consider the alternate method of fixation of notional pay in each intervening Pay Commission for revision of pension as on 1.1.2016 before submitting their

final views in this regard. It was, accordingly, decided to have another meeting with the JCM (Staff side) on 17.10.2016 at 10.00 A.M.

11. The meeting ended with a vote of thanks to the chair.

Minutes of the 7th meeting of the Committee set up to examine feasibility of implementation of recommendation of Seventh CPC for revision of pension of Pre-2016 held on 17.10.2016 at Sardar Patel Bhawan, New Delhi.

7th meeting of Committee for examination of feasibility of implementation of recommendation of 7th Central Pay Commission for revision of pension of pre-2016 pensioners was held on 17.10.2016 at Sardar Patel Bhawan, New Delhi. As Secretary (Pension) was on leave, Ms. Sanjeevane Kuty, Special Secretary & Financial Advisor, Ministry of Home Affairs chaired the meeting. The following were present from official side:

1. Sh. Ashok Kumar Dash, Member (Personnel), Department of posts.
 2. Sh. Rozy Agarwal, Joint (CGDA), Ministry of Defence.
 3. Sh. R. K. Chaturvedi, Joint Secretary, Implementation Cell, Department of Expenditure.
 4. Ms. Santosh, Joint Secretary, Department of Ex-Servicemen Welfare.
 5. Ms. Vandana Sharma, Additional Secretary, DOP&PW (representing Secretary, Department of Pension & PW).
 6. Sh. Sanjay Singh, Chief Controller (Pension), CPAO (representing Controller General of Accounts).
 7. Sh. Tanveer Ahmad, Executive Director, Railway Board (representing Member Staff Railway Board).
2. The following were present from JCM (Staff side) :
1. Shiv Gopal Mishra, Secretary, JCM.
 2. Sh. Guman Singh, Member
 3. Sh. J. R. Bhosale, Member
 4. Sh. K. K. N. Kuty, Member
 5. Sh. C. Srikumar, Member
 6. Sh. M. S. Raja, Member
3. Recalling the discussion in the last meeting on 6.10.2016, Additional Secretary (Pension) requested the Staff side of the JCM for their considered views in regard to the alternate method of fixation of notional pay in each intervening Pay Commissions for revision of pension as on 1.1.2016, which was suggested by the Committee in that meeting.

4. The Staff side appreciated the concern shown by the Committee for finding a viable solution to the issue of revision of pension of Pre-2016 pensioners. They agreed that the increments method recommended by the Pay Commission for fixation of notional pension for revision of pension of pre-2016 pensioners may result in large scale anomalies and that the method of notional pay fixation in each intervening Pay Commission is a much more rational and scientific method. The pay fixation method would benefit almost all pre-2016 pensioners and would ensure smoother and faster revision of pension. In fact, JCM (Staff side) had, itself, suggested the pay fixation method for revision of pension to the Seventh CPC.

5. JCM (Staff side), however, mentioned that since the increment method recommended by the Seventh CPC has been accepted by the Cabinet subject to its implementation being found feasible by the Committee, a small number of pensioners who are likely to get higher benefit by increments method (mostly retired before 1.1.1996) may feel aggrieved if their pension is not revised by that method. This may lead to litigation.

6. Sh. Tanveer Ahmad, Executive Director, Railway Board mentioned that pensioners who were promoted just before their retirement would be at a disadvantageous position on implementation of the Increment Method. Chief Controller, CPAO mentioned that when large scale anomalies are visualized even before actual implementation of the increment method, it would not be advisable to go ahead with implementation of that method.

7. Staff side suggested that both the options i.e. Increments Method as well as Pay Fixation Method may be offered to the pre-2016 pensioners along with the 2.57 Fitment Method (already implemented) and they may be asked to choose one of these options for revision of their pension w.e.f. 1.1.2016. This may also reduce the chances of anomalies on account of implementation of the Increments Method.

8. Special Secretary & FA, Ministry of Home Affairs informed that the Committee will take an appropriate view in the matter after taking into account all the relevant aspects including the views expressed by the Staff side of the JCM.

9. The meeting ended with a vote of thanks to the chair.
