

No.4/30/2010-P&PW (D)
GOVERNMENT OF INDIA
MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES & PENSIONS
(DEPARTMENT OF PENSION & PENSIONERS' WELFARE)

3rd Floor, Lok Nayak Bhawan
New Delhi-110 003.
Dated the 11th July, 2013

OFFICE MEMORANDUM

Sub:- Revision of 1/3rd commuted portion of pension in respect of Government servants who had drawn lump sum payment on absorption in Central Public Sector Undertakings/Central Autonomous Bodies –Implementation of Government's decision on the recommendations of the Sixth Central Pay Commission.

The undersigned is directed to say that orders were issued vide this Department's OM No.4/30/2008-P&PW(D) dtd 15.9.08 for revision of 1/3rd restorable pension w.e.f.1.1.2006 of Government servants who had drawn lump sum payment in respect of pro-rata pension on absorption in a PSU/Autonomous Body. The implementation of these orders in some cases resulted in drop in the total amount of 1/3rd restored pension plus DR in comparison to total amount of 1/3rd restored pension plus admissible DP and DR as drawn by pensioners before issue of these orders. It was, therefore decided vide Department of Pension and Pensioners' Welfare O.M. No. 4/38/2008 P&PW(D) dated 27.05.2009 that wherever the restored amount of the revised pension plus DR of such absorbees, in terms of instructions contained in OM dated 15.9.2008, becomes less than 1/3rd pre revised restored pension plus admissible DP & DR as already drawn, the absorbed employees would be allowed to draw the pensionary benefits admissible to them till such time the restored amount of the revised pension in terms of instructions contained in OM dated 15.09.2008 plus admissible DR works out to be more than the pre revised 1/3rd restored pension plus admissible DP & DR as on 01.09.2008.

2. The Central Administrative Tribunal, in its order dated 27.9.2011 in OA No.710/2010 read with order dated 22.4.2013 in CP 26/2012 held that the OM dated 15.9.2008 was legally sustainable. However, Hon'ble CAT has directed to pass an order so as to equalize the amount of 1/3rd restored pension with the pension of other Central Government pensioners.

3. The matter has been examined. On the recommendations of the 6th Central Pay Commission, the pension of pre-2006 Central Government pensioners has been revised vide this Department's OM No.38/37/08-P&PW(A) dated 1.9.2008. In terms of para 4.1 of that OM, the revised pension of pre-2006 pensioners works out to 2.26 times of the pre-revised basic pension (without DP). Keeping in view the direction of Hon'ble CAT,

Hyderabad Bench, it has been decided that 1/3rd restored pension of those Government servants who had drawn lump-sum payment on absorption in PSU/AB and whose 1/3rd pension was restored from a date before 1.1.2006, the pre-revised 1/3rd restored pension will be revised w.e.f.1.1.2006 by multiplying the same by a factor of 2.26, if it is more beneficial than the amount of revised restored 1/3rd pension arrived at in terms of this Department's OM dated 15.9.2008. In the case of those absorbee pensioners in whose case the restoration of 1/3rd pension became due on or after 1.1.2006, the above formulation would apply with reference to notional 1/3rd restorable pension as on 31.12.2005.

4. These instructions are being issued as a special case in compliance of the orders of Hon'ble CAT, Hyderabad Bench in CP No.26/2012 in OA 710/2010. At the time of revision of 1/3rd pension on the basis of recommendations of next Pay Commission, the increase in 1/3rd restored pension on account of these instructions would not be considered and the 1/3rd restored pension of absorbees would be revised as per the usual procedure without taking into account the aforesaid dispensation.

5. Payment of DR and additional pension to old pensioners (of the age of 80 years and above) shall continue to be on full pension as per the instructions issued from time to time.

6. The benefit of revision of restored amount of 1/3rd commuted portion of pension shall be admissible w.e.f.1.1.2006 or from the date the commuted portion of pension is restored, whichever is later.

7. This issues with the concurrence of Ministry of Finance (Department of Expenditure) vide their ID No.561/E.V/2013 dated 21.6.2013.

8. 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.

9. Hindi version will follow.


(Harjit Singh)

Dy. Secretary to the Government of India

To

1. All Ministries/Departments of the Government of India
2. All concerned (as per mailing list)
3. O/o The Comptroller & Auditor General of India, 9,DDU Marg, New Delhi
4. O/o The Controller General of Accounts, Lok Nayak Bhawan, New Delhi
5. Ministry of Railways, Rail Bhawan, New Delhi.

Copy to NIC, 3rd Floor, Lok Nayak Bhawan, New Delhi, with a request to post the Office Memorandum on the website of this department.