

Commutation of Pension

An officer is entitled to commute for a lump sum payment a fraction not exceeding 50% of his/her pension which is sanctioned for life.

Commutation of pension if applied after one year of retirement/invalidment is to be submitted through pension disbursing authority. In such cases, commutation is to be done after medical examination only.

Calculation of Commuted value of Pension

The commutation of pension is calculated as under:-

Portion of monthly pension to be commuted x 12 x purchase value applicable to the age next birthday.

Note : The table of commutation of pension is given in MOD letter No. 17(4)/2008(2)/D(Pen/Pol) dt 12.11.2008.

Restoration of Commutation portion of Pension

The pensioners who have commuted a portion of their pension and on 1.4.1985 or thereafter have completed 15 years or will complete from the respective dates of retirement or from the date on which reduction in pension on account of commutation becomes effective will have their commuted portion restored.

Restoration of Commuted Portion of Pension in case of Absorption

The officers who had drawn lump-sum payment on absorption and have become entitled to restoration of 43% commuted portion of pension shall, apart from payment of revised restored amount of 43% commuted portion of pension, be also entitled to dearness relief on notionally revised full pension from the date of restoration. However, the officers who have opted for lump sum commuted value of their total pro-rata pension may get their pension restored to the extent of 43% after 15 years.