

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

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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 awardees 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

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 Sl 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 Sl 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 Sl 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 Sl 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 Sl 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.
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