

No. 1(6)/98 D (Pension/Service)  
**Government of India/Bharat Sarkar**  
**Ministry of Defence/Raksha Mantralaya**

New Delhi dated the 3<sup>rd</sup> Feb 1998

To

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

**SUB: IMPLEMENTATION OF THE GOVERNMENT DECISION ON THE  
RECOMMENDATIONS OF THE FIFTH CENTRAL PAY COMMISSION  
REGARDING PENSIONARY BENEFITS FOR THE ARMED FORCES  
OFFICERS AND PERSONNEL BELOW OFFICER RANK (PBOR)  
RETIRING OR DYING IN HARNESS ON OR AFTER 01-01-1996.**

Sir,

The undersigned is directed to state that in pursuance of Govt's decisions on the recommendations of the Fifth Central Pay Commission announced vide Government of India, Ministry of Personnel, Public Grievances and Pension, Department of Pension and Pensioners' Welfare Resolution No. 45/86/97P & PW(A) dt 30<sup>th</sup> Sept. 97, sanction of the President is hereby accorded to the modification to the extent specified in this letter, in the rules/regulations concerning pensionary benefits of the Commissioned Officers (including MNS and Territorial Army Officers) and Personnel below Officer Rank (PBOR) including NCs(E) of the three Services, Defence Security Corps and the Territorial Army (hereinafter collectively referred to as Armed Forces personnel.)

- 1.2 The provision of the Pension Regulations of the three services and various service instructions/Government orders, which are not affected by the provisions of this letter, will remain unchanged. This supercedes the provisions contained in Ministry of Defence letter No. 1(1)/92D(Pension/Service) of 02-4-1992.

**PART I – DATE OF EFFECT AND DEFINITIONS**

- 2.1 The provisions of this letter shall apply to the Armed Forces personnel who were in service as on 01-01-1996 or joined/join service thereafter.

2.2 Where Pension/Family Pension/Death Gratuity/Retirement Gratuity/Commuted Value of Pension has already been sanctioned, provisionally or otherwise, in cases occurring on or after 01-01-1996, the same should be revised in terms of these orders. In cases where pension has been finally sanctioned under 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 pensioners.

### **Definitions**

#### **3. Reckonable Emoluments**

3.1 Reckonable Emoluments' will mean. \_

#### **Emoluments Reckonable for**

<b>Category</b>	<b>Retiring/Service/Invalid Pension</b>	<b>Family pension</b>	<b>All types of gratuities</b>
Officers	Pay including rank pay, stagnation increment and NPA, if any last drawn.	Pay including Rank Pay, Stagnation increment and NPA, if any, last	Pay including Rank Pay, Stagnation increment and NPA, if any, plus Dearness Allowance admissible on the date of retirement/Invalidment/death.
Personnel below officer rank	Maximum pay of the pay scale, including 50% of the highest classification allowance if any, of the rank held and group in which paid.	Pay including classification allowance stagnation increment, if any, last drawn by the individual.	Pay including classification allowance plus Stagnation increment if any, plus Dearness Allowance admissible on the date of retirement/Invalidment/death.

#### **Pay, Non-Practising Allowance, Classification Allowance, Rank Pay and Stagnation Increment.**

3.2 The terms "Pay", NPA; 'Classification Allowance', 'Rank Pay' and 'Stagnation Increment' as referred to in para 3.1 will mean respectively the basic pay in the revised pay scales, non-practising allowance, classification allowance, rank pay and stagnation increment introduced with effect from 01-01-1996 vide the following service Instruction:-

(a) For Service Officers SAI 2/S/98. SNI 2/S98, SAFI 2/S/98

(b) For PBOR : SAI/1/S/98 SAFI /1/S/98.

3.3 Those, who have retired between 01-01-1996 and 31-12-1997 will have an option to retain the pre-revised scales of pay and have their pension and death-cum-retirement gratuity calculated under the rules in force immediately before coming into effect of these orders. The pension and death-cum-retirement gratuity in cases will be regulated as follows:-

I. The term reckonable emoluments shall mean:-

(a) **Officers-** Basic Pay, Rank Pay plus Stagnation Increment plus appropriate non-practising allowance, if any, in the pre-revised scales plus actual Dearness Allowance upto AICPI 143, and Interim Relief I & II.

(b) **PBORs including NCs(E)-** Maximum of scale of pay of the rank and group in the pre-revised scales plus 50% of the highest classification pay appropriate to the pay group plus actual Dearness Allowance upto AICPI 1436 and Interim Relief I & II. For calculation of gratuity and family pension. Basic Pay, Classification Pay actually drawn will be included in computing reckonable emoluments.

II Retiring Pension for officers will be calculated at 50% of average of reckonable emoluments drawn during last 10 months and service pension for PBOR at 50% of reckonable emoluments. To the pension so calculated the difference of Dearness Relief between AICPI 1436 and AICPI 1510 allowed at the prescribed rate shall be added. The amount so arrived at will be regarded as service pension for regulating payment of Dearness Relief beyond average AICPI 1510.

III Death cum-retirement gratuity shall be admissible with reference to emoluments at (I) above under the orders in force immediately before coming into effect of these orders.

The maximum amount of gratuity shall not exceed Rs. 2.5 lakhs in terms of Ministry of Defence letter No. 5(1)/95/D(Pens/Sers) dated 08 Aug. 1995.

IV Commutation of pension shall be admissible in accordance with the orders in force immediately before coming into effect of these orders.

V Family pension shall be allowed in accordance with the orders applicable prior to the issue to these orders and shall be calculated with reference to the reckonable emoluments in the pre-revised scale. To the family pension so calculated the difference of Dearness Relief between AICPI 1436 and AICPI 1510 allowed at the prescribed rate shall be added.

The amount so arrived at will be regarded as family pension for regulating payment of Dearness Relief beyond average AICPI 1510.

- 3.4 In the case of persons who retain pre-revised scale and retire or die in harness subsequent to 31-12-1997, Pension Retirement Gratuity, Death Gratuity and Family Pension, as may be relevant, shall be calculated in terms of paragraph 6 to 13 of these orders. The reckonable emoluments for calculation of pensionary benefits in their case will be as follows:
- (a) **Officers-** Basic Pay, Rank Pay plus Stagnation Increment plus appropriate non-practicing allowance, if any, in the pre-revised scales plus actual Dearness Allowance upto AICPI 1510, and Interim Relief I & II at the rates in force on 31 Dec 1995 appropriate to the said basic pay.
  - (b) PBORs including NCs(E) – Maximum of scale of pay of the rank and group in the pre-revised scales plus 50% of the highest classification pay appropriate to the pay group plus actual Dearness Allowance upto AICPI 1510 and Interim Relief I & II at the rates in force on 31 Dec 1995 appropriate to the said Basic Pay. For calculation of gratuity and family pension Basic Pay, Classification Pay actually drawn will be included in computing reckonable emoluments.

Note :(1) Where an officer immediately before his/her retirement or death while in service had been absent from duty on leave (including furlough leave) for which leave salary is/was payable or having been suspended had been re-instated without forfeiture of service (furlough leave) for which leave salary is/was payable or having been suspended had been re-instated without forfeiture of service, the emoluments which he/she would have drawn, had he/she not been absent from duty or not been suspended will reckon for pensionary benefits.

(2) Where an Officer immediately before his/her retirement or death while in service had proceeded on leave for which leave salary is payable, after having held a higher paid acting rank, the emoluments drawn in such paid acting rank will reckon for pensionary benefits only if it is certified that he/she would have continued to hold the paid acting rank but for his/her proceeding on leave.

(3) Where an Officer immediately before his/her retirement or death while in service had been under suspension or absent from duty the period whereof does not count as service, the emoluments which he/she drew immediately before such absence from duty or being placed under suspension, will reckon for pensionary benefits.

(4) Where an officer is serving in an organisation other than the Armed Forces, the actual pay and allowances drawn during such service will not be treated as emoluments, but the basic pay including Rank Pay, Stagnation Increment plus NPA, if any, which he/she would have drawn in the Armed

Forces, had he/she not been on such service, will alone be treated as emoluments reckonable for pensionary benefits.

4- **Average Emoluments:**

4.1 Average Emoluments in the case of officers shall be determined with reference to the reckonable emoluments drawn by him/her during the last 10 months of his/her service.

4.2 In the case of officers who have opted for the revised scales of pay and have retired within 10 months of coming over to the revised pay scales, the 'average pay' for 10 months period preceding retirement will be calculated by taking into account pay as follows:-

(a) For the period during which pay was drawn in the pre-revised scales	Basic pay (including rank pay), stagnation increment and NPA, if any, plus actual DA and interim reliefs I & II appropriate to the basic pay (including rank pay and NPA, if any) drawn at the rates in force during the relevant period and
(b) For the period during which pay is drawn in the revised scales	Basic Pay (including rank pay) and stagnation increment plus NPA, if any.

**Notes:** (1) If during the last 10 months of his/her service an officer had been absent from duty on leave for which leave salary is payable or having been suspended, had been re-instated without forfeiture of service, the emoluments which he/she would have drawn had he/she not been absent from duty or suspended, will be taken into account for determining the average emoluments.

(2) If during the last 10 months of the service, an officer had been absent from duty or had been under suspension the period whereof does not count as service, the aforesaid period of absence from duty or suspension, will be disregarded in the calculation of the average emoluments and equal period before the 10 months will be included.

5- **Qualifying Service:**

(a) The term "Qualifying Service (QS) will mean:-

<b>Qualifying Service reckonable for</b>			
Pension	Retirement Gratuity	Death Gratuity	Retiring/service/Invalid/Terminal Gratuity
Actual qualifying service rendered by the Individual plus a weightage	Actual qualifying service plus a weightage of 5 years subject to	Actual qualifying service rendered plus a weightage of 5 years subject	Actual qualifying service rendered.

(in years) appropriate to the last rank held as indicated in (b) below subject to the total qualifying service including weightage not exceeding 33 years.	the total qualifying service including weightage not exceeding 33 years	to total qualifying service not exceeding 33 years. In case actual service is less than 5 years no weightage will be given.	
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**Note :** (1) QS would commence from the date of commission. In case the Short service Commission is followed by Permanent Commission, the period during which an officer holds Short Service Commission on probation will reckon for the purposes of pensionary benefits.

(2) In case of TA personnel aggregate of qualifying embodied service shall count for service pension. Aggregate qualifying embodied service may be continuous or rendered in broken spells. For calculating the total embodied service, the breaks in embodied service due to disembodiment will be treated as condoned but the period of breaks itself will not be treated as qualifying service for pension. Where qualifying embodied service has been rendered in broken spells, five per cent cut will be imposed on the pension of those JCOs/OR who have completed 15 years or more of aggregate embodied serve, but have not completed 20 years of aggregate embodied service.

(b) Weightage for the purpose of calculation of pension will be as given below.

**(I) Service Personnel/Officers (other than MNS)**

Rank (Army)	Rank (Navy)	Rank (Air Force)	Weghtage in years
PBOR including NCs (E) and Hon. Commissioned Officer	Equivalent Ranks	Equivalent Ranks	05
Lieutenant	Sub Lieutenant	Flying Officer	09
Captain	Lieutenant	Flt. Lieutenant	09
Major	Lt. Cdr	Sqn Ldr	08
Lt. Col (TS)	Cdr (TS)	Wg. Cdr (TS)	05
Colonel	Captain (with less	Gp. Captain	07

	than 3 years 10 months service)		
Brig	Captain (with 3 years 10 months service & more)	Air Cmde	05
Major General	Rear Admiral	AVM	03
Lt. General	Vice Admiral	Air Marshal	03
Lt. General (Army Cdr/VCOAS)	Vice Admiral/FOC-in-C/VCNS	Air Marshal (AOC-in-C/VCAS)	
COAS	CNS	CAS	03
<b>(II) MNSOfficers</b>			
Captain			07
Major			06
Lt. Col/Brig			05
Maj Gen			03

**Notes:** (1) There will be no weightage for officers and PBOR who retire prematurely for permanent absorption in public sector undertakings and autonomous bodies.

- (2) There will be no weightage for officer and PBOR of the Territorial Army.
- (3) The above weightage will not be reckoned for determining the minimum qualifying service specified for admissibility of Service Pension i.e. 20 years for service officers (15 years for late entrants) and 15 years for PBOR and 20 years for NCs (E).
- (4) Full pre-commissioned service rendered under the Central Government whether in a civil department or in the Armed Forces, will be taken into account for working out the qualifying service for earning pensionary benefits subject to fulfillment of other conditions. This will also be counted for determining the minimum qualifying service indicated in Note 3 above for earning retiring/service pension.
- (5) In calculating the length of qualifying service, fraction of a year equal to three months and above but less than 6 months will be treated as a completed one half year and reckoned as qualifying service., This well, however, not be applicable for computing minimum qualifying service for pension.
- (6) All leave including study leave will count as qualifying service for pension provided that service for at least a period specified by the Government has been rendered from the date of return from the

study leave last availed of. Any period of leave without pay shall not qualify unless specifically authorised by the Government.

PART-II RETIRING/ SERVICE PENSION / GRATUITY, INVALID PENSION/ GRATUITY, SPECIAL PENSION/ GRATUITY, ORDINARY FAMILY PENSION, RETIREMENT / DEATH GRATUITY

6- **Retiring/Service Pension:**

6.1 **Officers:**

- (a) The minimum period of qualifying service (without weightage) actually rendered and required for earning retiring pension will be 20 years. In the case of late entrants (i.e., an officer who is retired on reaching the prescribed age limit for compulsory retirement with atleast 15 years commissioned service qualifying for pension but whose total service (without weightage) actually rendered and required for earning retiring pension will continue to be 15 years.
- (b) Serving JCOs/ORs including corresponding ranks of the Navy and Air Force granted EC/SSC will be eligible for retiring pension after 12 years of qualifying service (without weightage) actually rendered.
- (c) Retiring Pension in respect of Commissioned Officers of the three Services as mentioned at sub para (a) & (b) above, including MNS and TA officers, will be calculated at 50% of average emoluments as defined at para 4 above. The amount so determined will be the retiring pension for 33 years of reckonable qualifying service as defined in para 5 above. For lesser period of reckonable qualifying service, this amount will be proportionately reduced.

**Note:** The retiring pension of an officer of the rank of Lt. Co. (TS), Brigadier or Major General and equivalent, shall not be less than the pension which would have been admissible to him/her as a Major, Colonel, or a Brigadier and equivalent as the case may be, had he/she not been promoted to the higher rank.

6.2 **Personnel Below Officer Rank (PBOR):**

- (a) The minimum period of qualifying service (without weightage) actually rendered and required for earning service pension will continue to be 15 years (20 years in the case of NCs (E)).
- (b) Service pension in respect of the PBOR of the three services (including those of the DSC and TA) for 33 years of qualifying service will be calculated at 50% of the emoluments reckonable for pension as defined in para 3 above. For lesser period of qualifying

service (as defined in para 5 above) it will be reduced proportionately. The amount of service pension finally arrived at will be subject to a minimum of Rs. 1275/- per month.

**Note:** The existing provisions of assessing the service pension of the rank/pay group on the basis of the rank actually held continuously at least for 10 months at the time of discharge, shall continue to be applicable. This is also applicable in the case of Honorary Commissioned Officer. However, this condition will not be required to be fulfilled in the case of JCOs and equivalents who are granted Honorary Commission and who retire on completion of their tenure of appointment or are discharged on account of causes beyond their control.

- (c) Based on sub paras (a) and (b) above, tables of rates of service pension for various ranks/groups of PBOR and Hony. Commissioned Officers of the three services who have opted for the revised scales of pay w.e.f. 01-10-1996 and 10-10-1997 are given in Annexure A& B respectively attached to this letter. The rates of service pension have been arrived at by adding a weightage of 5 years to the qualifying service actually rendered. Service pension in the case of TA personnel will be determined by the CDA(P) by taking into account the reckonable emoluments and qualifying aggregate embodied service as defined in paras 3 and 5 above.

**Note:** Personnel discharged/invalided within ten months from 10-10-1997 will be granted pension for the group last held irrespective of the length of service rendered in the revised group.

- (d) Tables showing the rates of service pension of PBOR with pre-revised scales of pay are not being prescribed, as it is considered unlikely that anybody would have opted for the pre-revised scales of pay. In odd cases where individuals might have opted for the pre-revised scales of pay, Chief CDA (P) /CDA (N)/(AF) will calculate and authorise service pension taking into account the reckonable emoluments as per para 3.3 (b) ante, after getting the necessary particulars.

### **Disciplinary cases:**

7- While issuing retirement notification in the case of service officers and while submitting pension claims in respect of PBORs, the Service headquarters/Record Offices, shall invariably indicate whether or not any disciplinary/quasi-judicial proceedings are pending against the individual. In case Service Headquarters/Record Offices come to know of any disciplinary/ quasi-judicial/ judicial proceedings against individual subsequent to the issuing of retirement notification/ submission of pension claims, they will intimate this fact immediately to the Pension Sanctioning Authority. The existing provisions contained in Ministry of Defence Letter No. 12(1)/74 /S 556/D (Pen/Sers) dated

20<sup>th</sup> July 1974 as amended regarding grant of provisional pension to Armed Forces personnel who at the time of their discharge/retirement are found to be involved in disciplinary/quasi-judicial/ judicial proceedings, will continue to be applicable.

8- **Retiring/Service Gratuity:**

8.1 The minimum period of qualifying service for earning retiring/service gratuity will continue to be 10 years (without weightage) in the case of permanent commissioned officers and 5 years (without weightage) in the case of PBOR including NCs (E).

8.2 The retiring/service gratuity will be admissible **at a uniform rate of 1/2 a month's reckonable emoluments as defined in para 3 above for each completed six monthly period** of qualifying service as defined in para 5 above.

9- **Invalid Pension/Gratuity:** When an individual is invalided out of service with a disability neither attributable to nor aggravated by service, he/she will be entitled to invalid pension, of the service actually rendered is 10 years or more, and invalid gratuity if it is less than 10 years, at the rates indicated below:-

(a) **Invalid pension-** Amount equal to the service element of disability pension that would have been admissible in case the causes were attributable to or aggravated by service.

(b) **Invalid Gratuity-** At half month's reckonable emoluments as defined in para 3 above for each six monthly period of qualifying service.

10- **Terminal Gratuity in respect of SSCOs:** Short Service Commissioned Officer will be entitled to Terminal Gratuity at the rate of 1/2 a month's emoluments as defined in para 3 above, for each completed six monthly period of service.

11- **Special Pension and Gratuity:** Special pension and gratuity to PBOR including NCs (E) who are discharged in large number in pursuance of the Government policy:-

- (i) of reducing the strength of establishment of the Armed Forces; or
- (ii) of re-organisation, which results in disbandment of any Unit/Formation, will be admissible at the following scales:-

Length of actual qualifying service rendered (without weightage)	Scale of special pension/gratuity
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A. COMBATANTS\_

(a) **Special pension**

(i)	15 years or more	Equal to normal service pension
(ii)	10 years or more but less than 15 years.	Equal to the service pension as determined in para 6.2 (b)

(b) **Special gratuity**

(i)	15 years or more	Equal to 1 1/2 months reckonable emoluments as defined in para 3 above for each completed year of Qualifying Service.
(ii)	Less than 5 years	Equal to 3 months reckonable emoluments as defined in para 3 above.

**B. NON-COMBATANTS (ENROLLED)**

(a) **Special Pension**

(i)	20 years or more	-Equal to normal service pension.
(ii)	15 years or more but less than 20 years	-Equal to the service pension determined in para 6.2(b)

(b) **Special gratuity**

(i)	5 years or more but less than 15 years	-Equal to 1 1/3 months reckonable emoluments as defined in para 3 above for each completed year of qualifying service.
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(ii)	15 years or more but less than 20 years	Equal to 3 months reckonable emoluments as defined in para 3 above.
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## 12. Retirement Gratuity/Death Gratuity:

**12.1 Retirement Gratuity:** An individual who has completed 5 years qualifying service and is eligible for service/invalid gratuity or pension of any type, shall be granted on the termination of his/her service a retirement gratuity **equal to one fourth of reckonable emoluments for each completed six monthly period of qualifying service** subject to a **maximum of 16 ½ times** the reckonable emoluments. The Reckonable emoluments and qualifying service for this purpose will be as defined in paras 3 & 5 above respectively.

**12.2 Death Gratuity:** Death gratuity at the following rates will be admissible in the event of death in harness.

<b>Length of qualifying service</b>	<b>Rate of Death gratuity</b>
(a) Less than one year	Two times of reckonable emoluments
(b) One year or more but less than 5 years	Six times of reckonable emoluments
(c) Five years or more but less than 20 years	Twelve times of reckonable emoluments
(d) 20 years or more	Half of reckonable for each completed six monthly period of qualifying service subject to a minimum of 12 times and a maximum of 33 times the reckonable emoluments.

**Notes:(1)** Death Gratuity at the rates indicated in (a) to (c) above, will also be admissible to the families of short service/emergency commissioned officers in the event of their death while in service.

(2) The reckonable emoluments and qualifying service for this purpose shall be as defined in paras 3 and 5 above respectively.

(3) The maximum limit of Retirement/Death Gratuity will be Rs. 3.5 Lakhs.

## 13. Ordinary Family Pension

13.1 In case of death of an Armed Forces personnel while in service or after retirement with a service pension/disability pension/Invalid pension/Special pension on account of causes which are neither attributable to nor aggravated by service, ordinary family pension shall continue to be admissible to the families of the Armed Forces Personnel (except families of reservists) under the same conditions as in force hithertofore. This will also be admissible to the families of

MNS officers. The ordinary family pension shall be calculated at uniform rate of 30% of reckonable emoluments as defined in para 3 above subject to a minimum of Rs. 1275/- per month and a maximum of 30% of the highest pay in the Government. (The highest pay in the Government is Rs., 30,000 since 01-01-1996.)

13.2 For the purpose of grant of Ordinary Family Pension, the definition of Family, shall also include:

- (a) Son/daughter including widowed/divorced daughter till he/she attains the age of 25 years or upto the date of his/her marriage/remarriage, whichever is earlier (subject to income criterion to be notified separately).
- (b) Parents who were wholly dependent on the Armed Forces Personnel when he/she was alive provided the deceased employee had left behind neither a widow nor a child (Charificatory orders in regard to determining dependency criteria in case of parents shall be issued separately).

**Note:-**Incase the eligible child is physically or mentally handicapped and is unable to earn a livelihood the ordinary family pension would be admissible for life to such a child subject to same conditions as in force hithertofore.

13.3 The existing provision for payment of OFP at enhanced rates where an individual who has rendered a minimum of 7 years of continuous qualifying service dies while in service or after retirement with a pension, for period of seven years from the date following the date of death of the individual or upto the date on which the deceased would have attained the age of 65 years had been alive, whichever is earlier shall continue. The amount of enhanced ordinary family pension for this period shall be the lowest of the following amounts:-

- (a) 50% of the Reckonable emoluments as defined in para 3 above.
- (b) The amount of retiring service/invalid pension/service element of disability pension/special pension (before commutation) admissible under this letter, in cases where the deceased was a pensioner.

13.4 Families of reservist pensioners shall be entitled to a family pension at the rate of Rs. 1275/- per month.

## **PART – III GENERAL**

### **ROUNDING OFF OF PENSIONARY AWARDS**

14. The amount of various pensionary awards admissible as per this letter shall be rounded off to the next higher rupee by the Pension Sanctioning Authorities.

#### **Minimum/Maximum Pension**

15. If the amount of any monthly pension viz retiring/service pension/invalid pension/special pension/ordinary family pension admissible under the provisions of this letter works out to less than Rs. 1275/- per month, it shall be stepped up to Rs. 1275/- per month and authorized for payment at this rate. In cases where service element of disability pension fall short of Rs. 1275/- the same shall be stepped up to Rs. 1275/- p.m. There will be a maximum ceiling on the amount of service pension/Invalid pension/Special pension and ordinary family pension upto 50% and 30% respectively of the highest pay in the Government (the highest pay in the Govt. is Rs. 30,000 since 01-01-1996).

#### **Dearness Relief**

16. Dearness Relief shall be admissible only beyond average CPI 1510 on the revised pattern introduced vide Ministry of Personnel, Public Grievances and pension. Department of Pension and Pensioners' Welfare Office Memorandum No. 42/2/97-P&PW(G) dated 27<sup>th</sup> October, 1997, on various types of pension/family pension admissible under the provisions of this letter.

#### **Commutation of Additional Pension**

17. The additional amount of retiring/service pension of post 01.01.1996 pensioners becoming due under the provisions of this letter to those who have already retired, will also qualify for commutation upto the existing limits. Accordingly, in their cases commutation of additional amount of pension should be allowed by the Pension Sanctioning Authorities without waiting for any application from them on the basis of the percentage indicated in the commutation application already furnished by the individuals, taking into account the same age next birthday (including loading age, if any) which was taken earlier while computing the capitalized value of a portion of pre-revised pension. Medical Board for the purpose of commutation of additional amount of pension, has also been dispensed with even in cases where one had retired more than a year back, provided:

- (a) Either one had applied for commutation of original pension within a year of retirement, OR
- (b) Where one had applied for commutation of original pension after a year from the date of retirement, a medical board for the purpose had already been held.

Procedure for sanction of Revised Pension in respect of those who have already retired.

18. The procedure for revision of pensionary awards as per provisions of this letter, in respect of those who have already retired on or after 01.01.1996 and in whose cases pensionary benefits at pre-revised rate have already been notified will be prescribed by the pension sanctioning authorities(PSAs) and intimated to service Headquarters and Record Offices.

19. Orders regarding grant of disability pension/special family pension/liberalized pensionary awards on implementation of Government decisions on the recommendations of Fifth Central Pay Commission will be issued separately.

20. The arrears on account of revision of pension would be paid in cash with the stipulation that where the amount of arrears is less than Rs. 5,000/-, it should be paid in one instalment and where it is in excess of Rs. 5,000/- it should be paid in two instalments; in the first instalment, payment should be restricted to Rs. 5,000/- plus 50% (fifty percent) of the balance amount of arrears. Orders regarding payment of second instalment would be issued separately.

21. Pension Regulations of the three services will be amended in due course.

22. This issues with the concurrence of the Finance Division of this Ministry vide their u.o. No. 203/Pen/98 dated 28.01.1998.

23. Hindi version will follow.

Yours faithfully  
Sd/-  
(SUDHAKER SHUKLA)  
DEPUTY SECY TO THE GOVT. OF INDIA

Tele : 23010231/7824

**By Hand**

Air Headquarters  
Dte of PP&R  
West Block – VI  
RK Puram  
New Delhi –  
110066

Air HQ/24268/11238/PP&R-2

Jun 06

Dy CDA (AF) (Pension Cell)  
Subroto Park,  
New Delhi – 110010

**RETIREMENT – AIR MSHL HS GARKAL, PVSM VSM (11780R) ADM**  
**CHANGE OF BANKERS FOR DRAWING PENSION AND OTHER**  
**PENSION RELATED BENEFITS**

1. Please refer our letter of even reference dated 07 Mar 06.
2. Enclosed please find ink signed letter from the above named air officer addressed to you for change of bankers for drawing pension and other pension related benefits.
3. It is requested that the name of the bankers in your records and PPO (to be issued) be changed accordingly.

(RN Magadum)  
Wg Cdr  
JD PP&R-2

**Annexure** :- As stated