

F.No O-21036/1/2015-Coord Vol-II  
Government of India  
Ministry of Finance  
Department of Revenue  
Coordination Section

New Delhi, 1<sup>st</sup> June, 2017

OFFICE MEMORANDUM

Subject: Implementation of Government's decision on the recommendation of the Seventh Central Pay Commission Revision of pension of pre-2016 pensioners/family pensioners/family pensioners, etc reg

The undersigned is directed to forward herewith a copy of DOP&I letter no. 14021/4/2016-AIS (II) dated 19<sup>th</sup> May, 2017 on the above mentioned subject for necessary action.

(Encl: As above)

*(Signature)*  
(Narendra Kumar)  
Under Secretary-(Coord)  
Tel 2309-5539

- 1 Chairperson, CBDT
- 2 Chairperson, CBEC
- 3 Deputy Secretary (Hqs), Revenue Hqs.

Copy to:

- 1. Commissioner (I.P.S.), CBDT
- 2. Commissioner (Coord.), CBEC
- 3. US (Ad-I), Revenue Hqs

*Please circulate through IRS online.*

*Director (ce)*  
*US (Hqs)*  
*DOP*  
*6/6/17*

*Frank*  
*5/6*

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*2/6/17*

*1*  
*8/6/17*

*SO (ITCC)*

*Sh. Anil Kumar*

No.14021/4/2016-AIS(II)  
 Government of India  
 Ministry of Personnel, P.G. and Pension  
 Department of Personnel & Training

New Delhi, the 19<sup>th</sup> May, 2017.

*Pls. mention the - 01607/10246  
 Jacky-a. M.M.  
 29/5/17*

*SE (Service)  
 M.S.  
 29/5/17*

To,  
 The Chief Secretaries of  
 All States/Union Territories.

Sub. Implementation of Government's decision on the recommendation of the Seventh Central Pay Commission – Revision of pension of pre-2016 pensioners/family pensioners, etc.– reg

Sir,

I am directed to say that in pursuance of Government's decision on the recommendations of the Seventh Central Pay Commission, the Department of Pension & Pensioners' Welfare by its OM No. 38/37/2016- P&PW(A) dated 12<sup>th</sup> May, 2017(copy enclosed) has issued the necessary detailed order on the above mentioned subject.

2. The applicability of the provisions of aforesaid Office Memorandum of the Department of Pension & Pensioners Welfare to the members of All India Services has been considered and it has been decided that the provisions contained in the aforesaid Office Memorandum issued by the Department of Pension & Pensioners shall be equally applicable **Mutatis-Mutandis** to members of All India Service governed by the All India Service(Death-Cum-Retirement-Benefits) Rules, 1958.

Encl : as above.

Yours faithfully,

*Kavitha*  
 (Kavitha Padmanaban)  
 Deputy Secretary(Services)

Copy to :

1. The Ministry of Home Affairs (Joint Secretary – Police).
2. The Ministry of Environment & Forests (Joint Secretary, IFS).
3. All Ministries/Departments of Government of India.
4. Accountants General of all state Governments.
5. Copy for information to Reserve Bank of India(RBI) and all authorized Pension Disbursing Banks.
6. NIC, DOPT for putting on website vide path (Home page>Circulars/Reports>Services Division).

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

3<sup>rd</sup> Floor, Lok Nayak Bhawan  
Khan Market, New Delhi  
Dated, the 12<sup>th</sup> May, 2017

Office Memorandum

Sub:- Implementation of Government's decision 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 the 7<sup>th</sup> Central Pay Commission (7<sup>th</sup> CPC), in its Report, recommended two formulations for revision of pension of pre-2016 pensioners. A Resolution No 38/37/2016-P&PW (A) dated 04.08.2016 was issued by this Department indicating the decisions taken by the Government on the various recommendations of the 7<sup>th</sup> CPC on pensionary matters.

2 Based on the decisions taken by the Government on the recommendations of the 7<sup>th</sup> CPC, orders for revision of pension of pre-2016 pensioners/family pensioners in accordance with second Formulation were issued vide this Department's OM No 38/37/2016-P&PW (A) (ii) dated 04.08.2016. It was provided in this O.M. that the revised pension/family pension w.e.f. 1.1.2016 of pre-2016 pensioners/family pensioners shall be determined by multiplying the pension/family pension as had been fixed at the time of implementation of the recommendations of the 6<sup>th</sup> CPC, by 2.57.

3 In accordance with the decision mentioned in this Department's Resolution No. 38/37/2016-P&PW (A) dated 04.08.2016 and OM No. 38/37/2016-P&PW(A) (ii) dated 04.08.2016, the feasibility of the first option recommended by 7<sup>th</sup> CPC has been examined by a Committee headed by Secretary, Department of Pension & Pensioners' Welfare.

4. The aforesaid Committee has submitted its Report and the recommendations made by the Committee have been considered by the Government. Accordingly, it has been decided that the revised pension/family pension w.e.f 01.01.2016 in respect of all Central civil pensioners/family pensioners, including CAPF's, who retired/died prior to 01.01.2016, may be revised by notionally fixing their pay in the pay matrix recommended by the 7<sup>th</sup> CPC in the level corresponding to the pay in the pay scale/pay band and grade pay at which they retired/died. This will be done by notional pay fixation under each intervening Pay Commission based on the Formula for revision of pay. While fixing pay on notional basis, the pay fixation formulae approved by the Government and other relevant instructions on the subject in force at the relevant time shall be strictly followed. 50% of the notional pay as on 01.01.2016 shall be the revised pension and 30% of this notional pay shall be the revised family pension w.e.f 1.1.2016 as per the first Formulation. In the case of family pensioners who were entitled to family pension at enhanced rate, the revised family pension shall be 50% of the notional pay as on 01.01.2016 and shall be

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payable till the period up to which family pension at enhanced rate is admissible as per rules. The amount of revised pension/family pension so arrived at shall be rounded off to next higher rupee.

5. It has also been decided that higher of the two Formulations i.e. the pension/family pension already revised in accordance with this Department's OM No. 38/37/2016-P&PW(A) (ii) dated 04.08.2016 or the revised pension/family pension as worked out in accordance with para 4 above, shall be granted to pre-2016 central civil pensioners as revised pension/family pension w.e.f. 01.01.2016. In cases where pension/family pension being paid w.e.f. 1.1.2016 in accordance with this Department's OM No. 38/37/2016-P&PW(A) (ii) dated 04.08.2016 happens to be more than pension/family pension as worked out in accordance with para 4 above, the pension/family pension already being paid shall be treated as revised pension/family pension w.e.f. 1.1.2016.

6. Instructions were issued vide this Department's OM No. 45/86/97-P&PW(A) (iii) dated 10.02.1998 for revision of pension/ family pension in respect of Government servants who retired or died before 01.01.1986, by notional fixation of their pay in the scale of pay introduced with effect from 01.01.1986. The notional pay so worked out as on 01.01.1986 was treated as average emoluments/last pay for the purpose of calculation of notional pension/family pension as on 01.01.1986. The notional pension/family pension so arrived at was further revised with effect from 01.01.1996 and was paid in accordance with the instructions issued for revision of pension/family pension of pre-1996 pensioners/family pensioners in implementation of the recommendations of the 5<sup>th</sup> Central Pay Commission

7. Accordingly, for the purpose of calculation of notional pay w.e.f. 1.1.2016 of those Government servants who retired or died before 01.01.1986, the pay scale and the notional pay as on 1.1.1986, as arrived at in terms of the instructions issued vide this Department's OM 45/86/97-P&PW(A) dated 10.02.1998, will be treated as the pay scale and the pay of the concerned Government servant as on 1.1.1986. In the case of those Government servants who retired or died on or after 01.01.1986 but before 1.1.2016, the actual pay and the pay scale from which they retired or died would be taken into consideration for the purpose of calculation of the notional pay as on 1.1.2016 in accordance with para 4 above.

8. 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)

9. The pension/family pension as worked out in accordance with provisions of Para 4 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.

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10 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.

11. These orders would not be applicable for the purpose of revision of pension of those pensioners who were drawing compulsory retirement pension under Rule 40 of the CCS (Pension) Rules or compassionate allowance under Rule 41 of the CCS (Pension) Rules. The pensioners in these categories would continue to be entitled to revised pension in accordance with the instructions contained in this Department's O M No 38/37/2016-P&PW(A)(ii) dated 4 8.2016.

12. The pension of the pensioners who are drawing monthly pension from the Government on permanent absorption in public sector undertakings/autonomous bodies will also be revised in accordance with these orders. However, separate orders will be issued for revision of pension of those pensioners who had earlier drawn one time lump sum terminal benefits on absorption in public sector undertakings, etc. and are drawing one-third restored pension as per the instructions issued by this Department from time to time.

13 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.

14 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.

15 The quantum of age-related 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 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.

16. A few examples of calculation of pension/family pension in the manner prescribed above are given in Annexure-I to this O.M

17. No arrears on account of revision of Pension/Family pension on notional fixation of pay will be admissible for the period prior to 1.1.2016. The arrears on account of revision of pension/family pension in terms of these orders would be admissible with effect from 01.01.2016. For calculation of arrears becoming due on the revision of pension/ family pension on the basis of this O.M., the arrears of pension and the revised pension/family pension already paid on revision of pension/family pension in accordance with the instructions contained in this Department's OM No. 38/37/2016-P&PW(A) (ii) dated 04.08.2016 shall be adjusted

18. It shall be the responsibility of the Head of Department and Pay and Accounts Office attached to that office from which the Government servant had retired or was working last before his death to revise the pension/ family pension of pre - 2016 pensioners/ family pensioners with effect from 01.01.2016 in accordance with these orders and to issue a revised pension payment authority. The Pension Sanctioning Authority would impress upon the concerned Head of Office for fixation of pay on notional basis at the earliest and issue revised authority at the earliest. The revised authority will be issued under the existing PPO number and would travel to the Pension Disbursing Authority through the same channel through which the original PPO had travelled.

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

20. These orders 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.

21. These orders issue with the concurrence of Ministry of Finance (Department of Expenditure) vide their I.D. No. 30-1/33(c)/2016-IC dated 11.05.2017 and I.D. No. 30-1/33(c)/2016-IC dated 12.05.2017.

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

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23. Ministry of Agriculture etc. are requested to bring the contents of these orders to the notice of Heads of Department/Controller of Accounts, Pay and Accounts Officers, and Attached and Subordinate Offices under them on top priority basis. All Ministries/Departments are requested to accord top priority to the work of revision of pension of pre-2016 pensioners/family pensioners and issue the revised Pension Payment Authority in respect of all pre-2016 pensioners

24. Hindi version will follow

  
(Harjit Singh)  
Director

To

1. All Ministries/Departments of Government of India (as per standard mailing list)
2. Central Pension Accounting Office, New Delhi
3. Comptroller & Auditor General of India, New Delhi

## ANNEXURE I

## EXAMPLES

(Reference Para 16 of OM No 38/37/2016-P&PW(A) dated 12<sup>th</sup> May, 2017.)

| S.No | Description  | 1 <sup>st</sup> case                    | 2 <sup>nd</sup> Case                     | 3 <sup>rd</sup> Case                     | 4 <sup>th</sup> Case                       |
|------|--|---|--|--|--|
| 1.   | Date of Retirement   | 31.12.1984                              | 31.01.1988                               | 30.06.1999                               | 31.05.2015                                 |
| 2    | Scale of Pay (or Pay Band & G.P.) at the time of retirement<br><br>OR<br>Notional pay scale as on 1.1.1986 for those retired before 1.1.1986 | 975-1660<br>(4 <sup>th</sup> CPC Scale) | 3000-4500<br>(4 <sup>th</sup> CPC Scale) | 4000-6000<br>(5 <sup>th</sup> CPC Scale) | 67000-79000<br>(6 <sup>th</sup> CPC Scale) |
| 3    | Pay on retirement<br><br>OR<br>Notional pay as on 1.1.1986 for those retired before 1.1.1986   | 1210                                    | 4000                                     | 4800                                     | 79000                                      |
| 4.   | Pension as on 01.01.2016 before revision   | 4191                                    | 12600                                    | 5424                                     | 39500                                      |
| 5    | Family pension as on 01.01.2016 before revision  | 3500                                    | 7560                                     | 3500                                     | 23700                                      |
| 6    | Family pension at enhanced rate as on 01.01.2016 before revision (if applicable)   | NA                                      | NA                                       | NA                                       | 39500                                      |
| 7    | Revised pension by multiplying pre-revised pension by 2.57   | 10771                                   | 32362                                    | 13940                                    | 101515                                     |
| 8    | Revised family pension by multiplying pre-revised family pension by 2.57   | 9000                                    | 19430                                    | 9000                                     | 60909                                      |
| 9.   | Revised family pension at enhanced rate by multiplying pre-revised enhanced family pension by 2.57   | NA                                      | NA                                       | NA                                       | 101515                                     |
| 10.  | Pay fixed on notional basis on 1.1.1996  | 3710<br>(3200-4900)                     | 11300<br>(10000-15200)                   | NA                                       | NA   |
| 11.  | Pay fixed on notional basis on 1.1.2006  | 8910<br>(PB-1, GP 2000)                 | 27620<br>(PB-3, GP 6600)                 | 11330<br>(PB-1, GP-2400)                 | NA   |
| 12.  | Pay fixed on notional basis on 1.1.2010  | 23100 (Level-3)                         | 71800 (Level-11)                         | 29600 (Level-4)                          | 205100 (Level-15)                          |
| 13   | Revised pension w.e.f. 1.1.2016 as per first formulation   | 11550                                   | 35900                                    | 14800                                    | 102550                                     |
| 14   | Revised family pension w.e.f. 1.1.2016 as per first formulation.   | 9000                                    | 21540                                    | 9000                                     | 61530                                      |
| 15.  | Revised family pension at enhanced rate w.e.f. 1.1.2016 as per first formulation   | NA                                      | NA                                       | NA                                       | 102550                                     |
| 16.  | Revised pension payable (Higher of S No 7 and 13)  | 11550                                   | 35900                                    | 14800                                    | 102550                                     |
| 17   | Revised family pension payable (Higher of S No. 8 and 14)  | 9000                                    | 21540                                    | 9000                                     | 61530                                      |
| 18   | Revised family pension at enhanced rate payable (Higher of S No 9 and 15)  | NA                                      | NA                                       | NA                                       | 102550                                     |