

# Pension Revision w.e.f. 1-1-1986

1. Liberalization of pensionary benefits of State Government pensioners on the recommendations of the Third Pay Commission

(Copy of F.D. No. 1/15/89-1FP III/8078 dated 31.08.1989)

After careful consideration of the recommendation of the Third Pay Commission the Government has decided to revise/modify/grant various pensionary benefits to its pensioners as indicated in the succeeding paragraphs:-

## Date of Effect

The pensionary benefits became effective from 1<sup>st</sup> January, 1986, except those where different dates have been indicated. Subsequent instructions having a bearing on these benefits have been incorporated at relevant places. These instructions should be read with the Rules in Punjab Civil Services Rules Vol. II in which procedures and requirements to be observed before sanctioning pensionary benefits have been prescribed.

Emoluments and Average Emoluments:

2.1 The term 'Emoluments' for purposes of calculating various retirement and death benefits shall include Basic Pay as defined in Rule 2.44 (a) (i) of Punjab Civil Services Rules, Volume I, Part I, Special Pay, including NPA (Non-Practicing Allowance), Personal Pay and Dearness Pay (as and when Dearness Allowance is declared as such and the employee was drawing at the time of his/her death or retirement.

2.2 The average emoluments shall be determined on the basis of the emoluments (as defined in para 2.1 above) drawn during the last ten months of service.

2.3 The average emoluments of those employees who retire within 10 months from the date of coming over to revised scales of pay shall be calculated as follows:-

- i. For the period during which pay is drawn in pre-revised scales. Basic Pay, Personal Pay, if any, Special Pay including NPA plus actual DA, adhoc DA admissible up to CPI 608 in the un-revised scale and I.R. (interim relief), if any, appropriate to such basic pay sanctioned with effect from 1<sup>st</sup> January 1986; and
- ii. For the period during which pay is drawn in the revised scales Basic Pay, Personal Pay, if any and Special Pay including NPA in the revised scale.

*The provision as substituted vide No. 4/102/2002-1RPCC/7467 dated 6/9/02:-*

- i. *For the period during which pay is drawn in pre-revised scales* (a) *Basic Pay, Personal Pay, if any, Special Pay including NPA plus actual DA, adhoc DA admissible up to CPI 608 in the un-revised scale*

- and I.R. (interim relief), if any,  
(b) Notional increase on the basic pay by applying the fitment benefit of 10%, on the basic pay in pre-revised pay scale subject to a minimum of Rs.50/-, and*
- ii. *For the period during which pay is drawn in the revised scales. Basic Pay, Personal Pay, if any and Special Pay including NPA in the revised scale.*

3. The emoluments of preceding 10 months will thereafter be calculated by adding (i) and (ii) and dividing the result by 10. Notional pension admissible will consequently be 50% of the average emoluments so calculated subject to proportionate reduction where qualifying service is less than 33 years.

4. No arrears on account of revision of pension including Travel Concession, due to notional fixation of pay (pertaining to pre-1.1.86 period) will be admissible for the period prior to 1.1.1996.

5. No commutation will be admissible for the additional amount of pension occurring as a result of this revision. The existing commuted portion, if any would continue to be deducted from the consolidated pension while making monthly disbursements.

#### **Service Gratuity and Pension:**

3.1 Where qualifying service is less than ten years (20 half-yearly) the service gratuity shall be calculated at the uniform rate of half month's emoluments for every completed six-monthly period of service.

3.2 Pension shall be computed at the rate of 50% of average emoluments instead of the existing formula based on slab system. There shall be no change in the existing provision regarding admissibility of full pension on a qualifying service of 33 years. In case the qualifying service for pension is less than 33 years, the pension shall first be computed at 50% of average emoluments and then it will be proportionately reduced. If the pension so computed falls short of Rs. 375/- the same will be raised to Rs. 375/- in all cases, that is, the minimum basic pension shall be Rs. 375/- p.m. with effect from 1<sup>st</sup> January, 1986.

In cases where the pensions of the pensioners who have retired on or after 1<sup>st</sup> January 1986 up to the date of issue of these orders get reduced on computation with reference to revised scales/revised formula, then the pensions admissible on the basis of unrevised scales/old formula shall be protected.

The pensions of pre-1<sup>st</sup> January, 1986 pensioners shall also be recomputed at the rate of 50% of reckonable emoluments for pension if the same become beneficial to them. While recalculating the pensions at the rate of 50% of average emoluments of pre-1<sup>st</sup> January, 1986 pensioners, additional pension admissible, vide letter No. 38/52/80-6FR/11687, dated 22<sup>nd</sup> December, 1980, shall not be taken into account.

Note:- The State Government have clarified that w.e.f. 1<sup>st</sup> January, 1986 the minimum pension by whatever name the same may be called such as special Guzara/Parvarish/Adhoc pension etc. shall be Rs. 375/- per mensem.

(F.D. Pb. No. 1/15/89-1FP III/912, dated 31<sup>st</sup> January 1990)

#### **Retirement Gratuity/Death Gratuity:-**

4.1 The maximum limit of retirement Gratuity has been raised from Rs. 50,000 to Rs. 1.00 lakh. Other existing provisions relating to it shall remain unchanged.

4.2 In the case of the death in harness, the death gratuity shall be admissible at the rates as follows:

<b>Length of Service</b>	<b>Rate of Gratuity</b>
i. Less than one year	2 times of emoluments.
ii. One year or more but less than 5 years.	6 times of emoluments.
iii. 5 years or more but less than 20 years.	12 times of emoluments.
iv. 20 years and above.	Half of emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times of emoluments provided the amount of Death Gratuity shall in no case exceed one lakh rupees.

#### **Family Pension:**

5.1 The rates of family pension during the first seven years or till the Government employee would have attained the age of 65 years, had he survived, whichever is less shall be as follows:-

<b>Pay in the revised scales</b>	<b>Rate of family pension per mensem</b>
i. Upto Rs. 1500/-	60% of pay subject to a minimum of Rs. 750/-
ii. Rs. 1,501/- to Rs. 3,000/-	40% of pay subject to a minimum of Rs. 900/-
iii. Above Rs. 3,000/-	30% of pay subject to a minimum of Rs. 1,200/- and maximum of Rs. 2,500/-

**Note I:** In case husband and wife both are government employees, the maximum family pension in the event of death of both of them shall not exceed Rs. 3,000 p.m.

**Note II:** The benefit of this family pension formula shall also be allowed to the families of Pre-1<sup>st</sup> January, 1986 pensioners and Pre-1<sup>st</sup> January, 1986 family pensioners but the additional relief being given separately to pre-1<sup>st</sup> January 1986 family pensioners shall not be admissible on the benefit so accrued.

5.2 After the expiry of 7 years or the completion of 65 years of age, had the Government employees survived, whichever is less, the rate of family pension shall be as follows:-

<b>Pay in the revised scales</b>	<b>Rate of family pension per mensem</b>
i. Upto Rs. 1500/-	40% of pay subject to a minimum of Rs. 375/-
ii. Rs. 1,501/- to Rs. 3,000/-	30% of pay subject to a minimum of Rs. 600/-

- iii. Above Rs. 3,000/- 20% of pay subject to a minimum of Rs. 900/- and maximum of Rs. 1,500/-

**Note I:** In case husband and wife both are government employees, the maximum family pension in the event of death of both of them shall not exceed Rs. 2,250 p.m.

**Note II:** The benefit of this family pension formula shall also be allowed to the families of Pre-1<sup>st</sup> January, 1986 pensioners and Pre-1<sup>st</sup> January, 1986 family pensioners but the additional relief being given separately to pre-1<sup>st</sup> January 1986 family pensioners shall not be admissible on the benefit so accrued.

6. The temporary employees shall be treated at par with permanent employees in respect of all retirement benefits viz. retiring, superannuation, compensation and invalid pensions and services and death-cum-retirement gratuities.

7. The entire service rendered by an employee as work charge as also the service paid from contingencies shall be reckoned towards retirement benefits provided -

- (i) Such service is followed by regular employment;
- (ii) There is no interruption in the two or more spells of service fall within condonable limits; and
- (iii) Such service shall be a full - time (and not part time or portion of the day).

*[See govt. instructions dated 6.12.91, 3.10.91 and 11.3.92 vide which benefit counting of such service prior to 1.1.86 has been allowed to be counted for pension.]*

8. The government employees who are declared invalid shall be granted a weightage of 5 years in their qualifying service for pension and if the qualifying service after the grant of this weightage remains below 10 years the same will be raised to 10 years and the employees concerned shall be granted proportionate pension subject to a minimum Rs. 375 per mensem.

#### **Travel concession-**

9. All the pensioners shall be granted travel Concession equal to **one month's basic pension** after completion of every block of two years. This decision will be effective from 1<sup>st</sup> January, 1986

For the purpose calendar year will start from January of the year succeeding full two years after retirement. The travel concession shall be payable in the month of January only. Thus the pensioners, who had completed their first block of 2 years on 2<sup>nd</sup> December, 1988 are entitled to payment on account of travel concession in January, 1989 and thereafter, after completion of every block of two years. Similarly, the pensioners who completed /will complete a period of two years after their retirement on or after 1<sup>st</sup> January, 1989 and up to 31<sup>st</sup> December, 1989, shall be entitled for payment in January, 1990 and thereafter, after completion of every block of two years from the retirement and so on and so forth.

**Note 1**

The calendar year will start from 1<sup>st</sup> July those retiring in between 1<sup>st</sup> January to 30<sup>th</sup> June and from 1<sup>st</sup> January of succeeding year for those retiring in between 1<sup>st</sup> July to 31<sup>st</sup> December. Further as per clarification issued vide F.D. PB. No. 1/4/2000-3FPC/5507 dated 18.6.2001, it has been decided that in case of employees who retired before 12<sup>th</sup> July,2000, travel concession payments falling due in January 2001, 2002 & 2003 may be made to them as per instructions contained in Punjab government finance department letter no. 1/15/89-IFPIII/8078, dated 31<sup>st</sup> august,1987, their after their their entitlement may be determined in accordance with the instructions contained in finance department letter no. 1/4/2000-IFPIII/7599, dated 12<sup>th</sup> July 2000, i.e. in case of employees who retired during the period from 1<sup>st</sup> January to 30<sup>th</sup> June of any year their entitlement to travel concession may be advanced to July of the previous calendar year. For example, the employees who retired during the period from 1<sup>st</sup> January to 30<sup>th</sup> June of any calendar year before 12<sup>th</sup> July 2000 and would be entitled to travel concession in January 2004 as per the previous instructions would now be entitled to travel concession payment in July 2003. Payments thereafter will be made after interval of two years. [As per F.D. PB.NO. 1/4/2000-1 FPIII/7599 dated 12.7.2000(from the date of issue)]

**Note 2.**

ਯਾਤਰਾ ਸਹੂਲਤ ਦੀ ਅਦਾਇਗੀ ਇਲੀਜ਼ੀਬਲ ਪੈਨਸ਼ਨਰਾਂ ਨੂੰ ਹਰ ਹਾਲਤ ਵਿੱਚ ਦਸੰਬਰ ਦੀ ਪੈਨਸ਼ਨ ਦੇ ਨਾਲ ਹੀ ਜਨਵਰੀ ਦੇ ਮਹੀਨੇ ਵਿੱਚ ਕੀਤੀ ਜਾਇਆ ਕਰੇ ਅਤੇ ਜੇ ਕਿਸੇ ਕਾਰਨ ਇਸ ਦੀ ਅਦਾਇਗੀ ਜਨਵਰੀ ਵਿੱਚ ਨਾ ਕੀਤੀ ਜਾ ਸਕੇ ਜਾ ਪੇਸ਼ੈਂਟ ਨਾ ਲਈ ਜਾ ਸਕੇ ਤਾਂ ਇਸ ਦੀ ਪੇਸ਼ੈਂਟ ਵੀ ਪੈਨਸ਼ਨ ਦੇ ਬਕਾਏ ਵਾਂਗ ਹੀ ਕੀਤੀ ਜਾਵੇ। (ਪੰਜਾਬ ਸਰਕਾਰ ਵਿੱਤ ਵਿਭਾਗ (ਵਿੱਤ ਪਰਸੋਨਲ ਸ਼ਾਖਾ-3) ਦੇ ਨੰ. 1/78/90-1 ਵਿ. ਫ. 3/1818, ਮਿਤੀ 8 ਮਾਰਚ 1991 ਦਾ ਟੁਕ)।

**Note 3.**

Where husband and wife are both Punjab Govt. pensioners, this concession would be allowed to one of them who may be entitled for higher amount. This decision will be applicable with the effect from 1.1.95. The travel concession which may become payable on a block of two years completing on or before 31.12.1994 shall not be regulated under these instructions. (As per F.D. PB. NO. 1/43/93-1FP-111/9029, dated 28.12.1994)

**Form**

Certified that my husband/wife is not a Punjab Govt. Pensioner.

OR

Certified that my husband/wife is a Punjab Govt. Pensioner holding PPO No. \_\_\_\_\_ of \_\_\_\_\_ Department. He/She has not claimed any travel concession for the block ending 31-12-\_\_\_\_\_.

Signature

**Note 4** Travel concession equal **one month's basic pension** is payable at the revised rates (w.e.f 1.1.96) and arrears are to be paid accordingly .

*(As per F.D. PB. NO. 1/40/98-1FP/15734 dated 16.12.1998)*

#### **Old Age Allowance**

10. The pensioners and family pensioners who completed 70 years or 80 years of age shall be granted which they attain 79 or 80 years age, special allowance to compensate them for the higher expenses attendant with old age at the rate given below-

- (i) On completion of the age of \*70 years. 5% basic pension. **\*65 years w.e.f. 1.1.2001 #**
- (ii) On completion of the age of \*\*80 years. 10% basic pension inclusive of (i) above.

**\*\* 75 years w.e.f. 1.1.2001 #**

**# As per F.D. PB. No 3/31/2000-3FPPC/8936 dated 22.11.2001**

The pensioners and family pensioners who have completed 70 or 80 years of age by 31st august, 1989, shall also be eligible for this allowance with effect from 1<sup>st</sup> September, 1989

**Note1.** The special allowance already given at the rate of 5% of the basic pension on completion of 70 years of age on 10% of the basic pension on completion of 80 years of age should be considered as an increase in the pension instead of special allowance and, as such , dearness relief should be allowed on this increased portion of pension also.

The pensioner sand family pensioners who completed 70 years or 80 years of age shall be granted that benefit wit effect form the month succeeding the month in which month attain 70 of 80 years of age as the case may be. However, this decision shall be applicable with effect from the 1<sup>st</sup> day of February, 1995.

*(As per F.D. Pb. NO. 1/7/93-11FP/1344 dated 14.2.1995)*

**Note 2.** The payment on account of special allowance granted to pensioners/ family pensioners on completion of 70 and 80 years of age involving fraction of a rupee shall also be rounded off to next higher rupee.

*(As per F.D. PB.NO. 1/15/89-1FP III/580 dated 18.1.1990)*

**Note 3.** The pensioners/ family pensioners who had completed 70 years or 80 years of age by 31-8-1989 including those who had completed these ranges of age before 1.1.1986 shall be paid special allowance with effect from 1.9.1989.

*(As per F.D. PB.NO. 1/118/89-1FP III/2521 dated 21.3.1990)*

**Note 4.** Provisions of paragraph 9 and 10 regarding the grant of travel concession to the state government pensioners and special allowance to the pensioners/family pensioners shall apply to the pensioners of all India services officers borne on Punjab cadre and their family pensioners who are/will be receiving pension/family pension of the government of Punjab.

*(As per F.D. Pb.NO.3/13/90-2FP/III/6038 dated 12.07.1990)*

**Note 5.** ਪੈਰਾ 9 ਅਤੇ 10 ਵਿੱਚ ਦਰਸਾਏ ਸਫਰ ਭੱਤਾ ਅਤੇ ਸਪੈਸ਼ਲ ਭੱਤਾ ਪੰਜਾਬ ਸਰਕਾਰ ਸੁਪੀਰੀਅਰ ਜੁਡੀਸ਼ੀਅਲ ਸਰਵਿਸ ਨਾਲ ਸਬੰਧਤ ਅਧਿਕਾਰੀਆਂ ਨੂੰ ਵੀ ਜੋ ਆਪਣੀ ਪੈਨਸ਼ਨ/ ਫੈਮਲੀ ਪੈਨਸ਼ਨ ਪੰਜਾਬ ਸਰਕਾਰ ਤੋਂ ਪ੍ਰਾਪਤ ਕਰਦੇ ਹਨ ਇਨ੍ਹਾਂ ਹਦਾਇਤਾਂ ਅਨੁਸਾਰ ਦਿੱਤੇ ਜਾਣਗੇ। (ਪੰਜਾਬ ਸਰਕਾਰ ਦਾ ਨੰ: 3/13/90/2 ਵਿ. ਪ੍ਰ. 3/2938 ਮਿਤੀ 5/4/91).

**Note 6.** Provisions of paragraphs 9 and 10 above shall also apply mutatis mutandis to those pensioners of the state government who had opted for pensionary benefits under the pension rules of the central government.

*(As per F.D. Pb.no. 1/56/91-IIIF/III /1514 DATED 11.02.1992)*

**Note 7.** The state government has decided that those widow family pensioners who cannot produce proof of their age, shall be asked to produce a certificate of age from the chief medical officer of the district in which she resides and her eligibility for the payment of special allowance shall be determined on the basis of her age as may be adjudged by the said medical authority or the payment of this allowance shall be allowed from the date on which the original prisoner would have completed 70/80 years of age, whichever is later.

*(As per F.D. Pb. NO.1/84/90-IF/III/4391 dated 20.06.1992)*

**Note 8.** Entitlement to old age is to be determined with reference to the revised pension (w.e.f. 1.1.1996) and arrears to be paid accordingly.

*(As per F.D. Pb. NO. 1/40/98-1FP/III/15734 dated 16.12.1998)*

**2. Implementations of the decisions of Government on the recommendations of the 3<sup>rd</sup> Pb. Pay Commission on pensionary benefits – Grant of various Awards under the extraordinary Pension Rules Revision thereof.**

*(Copy of F.D. Pb. NO. 1/15/89-1FP/III/4269 dated 10.05.1990)*

The state Government has decided that to revise the various provisions relating to the grant of benefits/awards under the extraordinary pension Rules as follows:-

(i) The existing classification of 'Risk of Office' and 'Special Risks' and determination of the quantum of awards on this basis is abolished. The basic criteria under these rules shall be whether death or disability is attributable to service or aggravated by service. The existing classification of injuries has been abolished and the disabilities as mentioned in the workmen's compensation act shall be taken into account and the same have been explained in the Annexure (not included).

(ii) Instead of sanctioning separate family pensions under the extraordinary pension rules, to widow/ widower, children pension, one consolidated pension to the senior most beneficiary at a time on the basis of normal family pension rules (rule 6.17 of Punjab C.S.R. Vol. II) shall be granted. The rates of consolidated family pension under these rules inclusive of the element of children pension/children education allowance shall be as follows irrespective of the service rendered by the deceased:-

(A) Where the deceased Government employee does not hold a pensionable post:-

<b>Pay in the revised scales</b>	<b>Rate of family pension</b>
a. Upto Rs. 1500/-	40% of pay subject to a minimum of Rs. 375/-
b. Rs. 1,501/- to Rs. 3,000/-	30% of pay subject to a minimum of Rs. 600/-
c. Above Rs. 3,000/-	20% of pay subject to a minimum of Rs. 900/- and maximum of Rs. 1,500/-

(B) Where the deceased Government employee holds a pensionable post:-

<b>Pay in the revised scales</b>	<b>Rate of family pension</b>
i. Upto Rs. 1500/-	60% of pay subject to a minimum of Rs. 750/-
ii. Rs. 1,501/- to Rs. 3,000/-	40% of pay subject to a minimum of Rs. 900/-
iii. Above Rs. 3,000/-	30% of pay subject to a minimum of Rs. 1,200/- and maximum of Rs. 2,500/-

(iii) The procedure for payment of family pension under these rules to the members of the deceased shall be the same as in vogue in the case of normal family pension under rule 6.17 of Punjab CSR Vol. II. Where the deceased has left neither widow nor child, total pension at one-half rate of the pension admissible to the family of the deceased shall be paid to the dependent parents, sisters and brothers jointly or individually on production of a certificate of dependence issued by the Deputy Commissioner concerned.

(iv) If the disability, due to causes attributable to service is 60% and above, and the employee is permanently incapacitated, he may be given the option to have his pension determination in the manner provided in either of the following two alternatives:-

(A) A consolidated pension for the disability including the element of invalid pension admissible under normal rules (Rule 5.11 of Punjab CSR Vol. II) at the following rates:-

<b>Pay in the revised scales</b>	<b>Rate of family pension</b>
d. Upto Rs. 1500/-	60% of pay subject to a minimum of Rs. 750/-
e. Rs. 1,501/- to Rs. 3,000/-	40% of pay subject to a minimum of Rs. 900/-
f. Above Rs. 3,000/-	30% of pay subject to a minimum of Rs. 1,200/- and maximum of Rs. 5,500/-

Invalid pension under normal rules (Rule 5.1 of Punjab CSR Vol. II) and in addition one time compensation of Rs. 20,000 for the injury.

Where an employee with a disability of 60% and above is retained in service, he should only be paid one time compensation of Rs. 20,000 for the disability. However, he should be entitled to usual pensioner benefits under the normal rules.

(v) If the disability due to causes attributable to service is below 60% one-time compensation shall be granted at the following rates which shall be in addition to usual pensionary benefits admissibly under the rules:-

- a. Where disability is between 20% to 40% the amount of compensation shall be Rs. 5,000.
- b. Where disability is above 40% and below 60% the amount of compensation shall be Rs. 10,000.

(vi) The rate of family pension to the dependents of private individuals, under the extraordinary pension rules (CSR Vol. II) in the case of death and disability pension for disability of 60% and above shall be Rs. 375 p.m., if the disability caused to a private individual is between 20% to 40% one-time compensation of Rs. 5,000 and for the disability above 40% but below 60% one-time compensation of Rs. 10,000 shall be paid. The provisions under the workman's compensation act, as adopted in the annexure, shall form the basis for determining the percentage of disability caused to a private individual, provided that the person concerned is not in receipt of any benefit under any other scheme of the Department of Social Welfare of the State Government before granting pension under these rules, a certificate to the effect that the beneficiary concerned has not been granted any such benefit by the Department of Social Welfare of the State Government shall be obtained from that Department.

(vii) The rates of Special family pension to the family of Government employees who, while performing his duties dies as a result of attack by or during action against extremists, dacoits, smugglers and antisocial elements etc. shall be as under:-

- i. From the day following the date of death to the notional date of superannuation Last pay drawn by the deceased employee at the time of his/her death.
- ii. From the day following the date of death to the notional date of superannuation

**Pay in the revised scales**

- a. Upto Rs. 1500/-
- b. Rs. 1,501/- to Rs. 3,000/-
- c. Above Rs. 3,000/-

**Rate of family pension**

- 60% of pay subject to a minimum of Rs. 750/-  
40% of pay subject to a minimum of Rs. 900/-  
30% of pay subject to a minimum of Rs. 1,200/- and maximum of Rs. 2,500/-

(viii) Where a pensioner is killed by extremists or anti-social elements etc. as a retaliation for some action taken by him against such extremists or anti-social elements etc. etc., in the performance of his duty while in service his family shall be granted special ex-gratia grant and special family pension at the same rates as are applicable to the Government employees. The pay drawn by him at the time of the same rates as are applicable to the Government employees. The pay drawn by him at the time of retirement shall be reckoned for this purpose. The Deputy Commissioner of the district where death has occurred shall certify that he has been killed by extremists or anti-social elements by way of retaliation.

(ix) If a close relation of a government employee or a pensioner i.e. wife/husband, son, daughter, brother. Sister, father or mother is killed/disabled by extremists or anti-social elements etc., as a

retaliation for any action taken by government employee or prisoner in the performance of his duties while in service, the family of the deceased and in case disability is 100% if is he a not state government employee shall be granted family pension at one and half times the rates applicable to private individuals mentioned in (VI) above. The deputy commissioner of the concerned district where death has been caused by extremists or anti-social elements as retaliation, provided that the person concerned is not in receipt of any benefits a certificate to the effect that the concerned beneficiary has not been granted any such benefit by the department of social welfare of the state government shall be obtained from that department.

2. These order take effect from 1st January, 1986.
3. Action in the matter may be taken according to above mentioned decisions of the government and the extraordinary pensions of the concerned persons may be fixed/re-fixed in consultation with the accountant general, Punjab.
4. **Treatment of dearness allowance as dearness pay for reckoning emoluments for the purpose of retirement gratuity death gratuity and rising of maximum limit of gratuity from Rs.1.00 lac to Rs.2.50 lacs, w.e.f. 1.4.1995.**

*(Copy of F.D. Pb. NO. 1/3/93-1FP/III/9915 dated 13.12.1996)*

I am directed

To invite a reference to the subject noted above and to state that the issue of treatment of dearness allowance as linked to average all India consumer price index level 1201.66 as dearness pay for reckoning emoluments for the purpose of computing retirement gratuity and death gratuity raising the ceiling on gratuity to Rs.2.50 lakhs has been under the consideration of the government. Now, after considering the recommendations of the fourth Punjab pay commission contained in its interim report, the governor of Punjab as pleased to decide that dearness allowance as admissible to the employees as on 1.7.1993 (linked to the AICPL Level 1201.66), as indicated below, shall be related as D.P. for reckoning emoluments for the purpose of Retirement Gratuity and Death Gratuity under the Punjab Civil Services Rules Vol. II in the case of Punjab Govt. employees who retire or whose death occurs on or after 1.4.1995.

<b>S.No.</b>	<b>Pay range</b>	<b>D.A. to be added to pay for calculating gratuity</b>
1.	Basic pay upto Rs. 3500/- p.m.	97% of pay
2.	Basic pay above Rs. 3500/- p.m. and upto Rs. 6000/- p.m.	73% of pay subject to a minimum of Rs. 3395/-
3.	Basic pay above Rs. 6000/- p.m.	63% of pay subject to a minimum of Rs. 4300/-

3. In the case of employees who have already retired/died on or after 1<sup>st</sup> April 1995, the retirement gratuity/death gratuity may be recomputed Suomoto on the basis on these orders by the heads of

offices concerned and arrears, if any, paid, if pension/family pension and retirement gratuity/death gratuity has already been authorized by the A.G. Punjab.

4. If however, the A.G(A&E), Punjab has not as yet authorized the payment of retirement gratuity/ death gratuity it shall be the responsibility of the head of the office concerned from where the employee retired or where the employee was working at the time of his death, to furnish details of dearness allowance to be treated as dearness pay for retirement gratuity/death gratuity, to the accountant general (A&E), within 15 days of the issue of this letter and on receipt of additional information the A.G (A&E) shall Authorize retirement gratuity/death gratuity in the light of these orders.

5. These orders shall apply to all the Punjab Government employee who are governed by the Punjab Civil Services Rules.

6. Other terms and conditions governing the grant of retirement gratuity/death gratuity shall remain unchanged.

**4. Rationalization of Pension/Family Pension of Pre -1<sup>st</sup> January 1996 Pensioners/Family Pensioners –Implementation recommendations of the Fourth Punjab Pay Commission- Pensionary Benefits.**

*(Copy of F.D. Pb .Govt. NO.1/7/98-1FP III/8825 dt.21.7.1998/18.8.1998)*

I am directed to invite a reference to the subject cited above and to state that after careful consideration of the recommendations of the fourth Punjab pay commission in respect of Pensionary benefits to pre-1<sup>st</sup> January, 1996 pensioners, the governor of Punjab is pleased to rationalize the pension of pre -1<sup>st</sup> January, 1996, pensioners, family pensioners and the recipients of extraordinary pension as indicated in the succeeding paragraphs, with effect from 1<sup>st</sup> January, 1996.

**1. In case of employees who retired or died during the period 1.1.86 to 31.12.95**

1. Pension/family pension/extra ordinary pension in cases of retirement of death during the period, 1<sup>st</sup> January, 1996 to 31<sup>st</sup> December, 1995 shall be consolidated and revised with the effect from 1<sup>st</sup> January, 1996 by the pension disbursing authority by adding the following-

(a) Basic pension/basic family pension/basic extraordinary pension admissible on the date of retirement/death.

(b) Dearness relief admissible on (a) above up to CPI 1510@ of 148%, 111% and 96%. sanctioned, vide Punjab government letter NO. 16/66/84-IFP III/3447, dated 30<sup>th</sup> April, 1996.

(c) I.R.I

(d) I.R.II

(e) 40% of (a) above.

2. Where the consolidated pension/family pension worked out above is less than Rs.1,310 p.m. the same shall be stepped up to Rs 1,310.

3. The amount already paid on account of interim relief iii will be recovered from the arrears becoming due on account of consolidation/revision of pension/family pension/extraordinary pension
4. Pension so consolidated and revised shall be reckoned as “Basic Pension “for purposes of grant of ‘Dearness Relief’ beyond CPI 1510 as may be sanctioned from time to time.
5. Since the consolidated pension will be inclusive of commutation portion of pension, if any, the commuted portion will be deducted from the said amount while making monthly disbursements. No commutation will be admissible for the additional amount of pension accruing as a result of revision under these orders.

## **II. In case of employees, who retired or died prior to 1st January, 1986**

1. Pay of all those employees who retired prior to 1st January, 1986 and were in receipt of pension as on 1st January, 1986 and also in case of those deceased employees in respect of whom family pension was being paid on 1st January .1986 shall be fixed on national basis, in the revised scale of pay of the post held by them at the time of retirement or on the date of death according to rules issued by the government for implementation of the recommendations of the successive pay Commissions. The national pay fixation will be done on the basis of General Conversation Table/Ready Reckoner issued by the government in respect of each General pay revision and not in the pay scales revised separately. Any national increments admissible in terms of rules and instructions applicable at the relevant time shall be ignored.
2. Since the pay of pre-1<sup>st</sup> January, 1968 retirees may have to be fixed on more than one occasion the pay re-fixed on the first occasion shall be taken into consideration for notional fixation on subsequent occasion.
3. The update pension on 1<sup>st</sup> January, 1986 shall be 50% of this notional pay subject the proportional reduction where qualifying services was less than 33 years . Family pension/extraordinary pension shall also be worked out according to rules and regulations as applicable on 1st January, 1986. The pension thus update may be consolidated and revised as in para (I) above
4. No arrears on account of pension/family pension on notional fixation of pay will be admissible for the period prior 1<sup>st</sup> January, 1996
5. No commutation will be admissible for the additional amount of pension accruing as a result of this revision .The existing commuted portion of pension, if any, would continue to be deducted from the consolidated portion of pension while making monthly disbursement.

6. Notional fixations of pay as on 1st January, 1986 will not be affected by DCRG entitlement already determined and paid with reference to rules in force at the time of retirement/death of government employees.
7. Each pre-1<sup>st</sup> January, 1986 pensioner/family pensioner/extra-ordinary pensioner who was in receipt of pension on 1<sup>st</sup> January 1986 will have the option to get the pension updated or continue to draw the same at the existing rates. Such option is to be exercised in writing and addressed to the concerned head of Deptt. Or the pension sanctioning authority under him in the Form enclosed and may be exercised within six months from the date of issuance of these orders. In case an option is not exercised within six months from the date of issuance of these orders, the pensioner/family pensioner/extraordinary pensioner shall be deemed to have opted to draw pension at the existing rates. The concerned head of department may, however, relax this period beyond six months in deserving cases.

*In case where the pensioner/recipient of family pension/extraordinary pension is alive on the date of issue of this letter but dies subsequently without exercising such option, the option may be exercised by his/her legal heir (s) entitled to the pension.*

8. As the process of pay fixation detailed above will involve tracing of old records and verification facts, the pension disbursing authorities shall consolidate and revise the pension of pre-1<sup>st</sup> January, 1986 till the cases are finalized.
9. All other conditions mentioned in the rules and instructions applicable to the grant of pension/family pension and extra ordinary pension as applicable on 1<sup>st</sup> January, 1986 shall continue to be in force and provisions of Punjab civil services rules, volume II, shall apply mutatis /mutandis where applicable.

### **III. Travel concession and old age allowance .**

The existing provisions relating to travel concession/grant of old age allowance shall remain unchanged.