

Copy of letter No. 6/16/87-2FPP3/4874, dated 30.5.1990 from Under Secretary Finance, Department of Finance (Finance Personnel Branch-III) addressed to all the Heads of Departments, Commissioners of Divisions, Registrar, High Court of Punjab and Haryana; Distt. & Session Judges and All Deputy Commissioners in the State; Accountant General, Punjab; Chief Accountant, Reserve Bank of India; Chief Secretary to Government of Punjab and Financial Commissioners and Administrative Secretaries to Government Punjab.

To be substituted for the letter bearing the same number and date.

Subject: Restoration of commuted portion of pension.

Sir /Madam,

I am directed to refer to the subject noted above and to say that under rule 11.1 (b) of Punjab Civil Services Rules, in Vol. II, a Government employee is entitled to commute any portion of his pension not exceeding  $1/3^{\text{rd}}$  of the amount of pension, which has been granted to him. This commutation is permissible immediately after retirement or at any time thereafter at the option of the retiree. The pensioner who requests for commutation of a portion of his pension in this manner is paid a lump sum amount calculated in accordance with the provisions contained in Chapter XI of the Punjab Civil Services Rules, Vol. II. Since the actual value of that part of pension which is commuted is paid to the pensioner in advance and in lump sum, the pension is proportionately reduced to the extent of the commuted portion from the date the pensioner receives the commuted value.

2. Prior to 1<sup>st</sup> December, 1981, this portion of pension was not subsequently restored at any time. However, vide Punjab Government letter No. 38/52/80-6FR/10195 dated 8.12.1981. It was decided that in cases where a pensioner commutes a part of his pension and receives lump sum in lieu thereof may be allowed restoration of the surrendered portion of the pension after he has attained the age of 70 years. This decision became effective from 1<sup>st</sup> December, 1981 and applied in the case of all Punjab Government Pensioners who had already commuted a portion of their pension or who may thereafter get a portion of their pension commuted on their retirement.

3. Because of the specific age of 70 years mentioned in the Punjab Government orders, even persons who take premature retirement have to wait till 70 years. This matter has been examined and the President of India is pleased to order that commuted portion of pension in the case of those employees, who see premature retirement or who are compulsory retired by the Government and get a portion of their pension commuted before attaining the age of 59 years may be restored after 15 years of such commutation or after the pensioner concerned attains the age of 70 years, whichever is earlier. In other cases, where the pension was/is commuted in subsequent years (after attaining the age of 59 years) the procedure for restoration of commuted portion of pension as laid down in the department letter No. 38/52/80-6FR/4380 dated 19.5.1983 shall be followed.

**Yours faithfully,**

**(Sd.)**

**Under Secretary Finance (T)**