

No.3/23/09-3FPPC/885
GOVERNMENT OF PUNJAB
DEPARTMENT OF FINANCE
(FINANCE PENSION POLICY AND COORDINATION BRANCH)

Dated Chandigarh, the 17th August, 2009

To

All Heads of Departments,
Commissioners of Divisions,
Registrar, Punjab and Haryana High Court,
District and Session Judges and
All Deputy Commissioners in the State.

Subject: - Implementation of the recommendations of the Fifth Punjab Pay Commission - Revision of Pension of pre 01-01-2006 pensioners/family pensioners/ recipients of extra ordinary pension etc.

Sir/Madam,

I am directed to invite a reference to the subject cited above and to say that after careful consideration of the recommendations of the Fifth Punjab Pay Commission in respect of pensionary benefits to pre 01-01-2006 pensioners, the Governor of Punjab is pleased to rationalize the pension of pre 01-01-2006 pensioners, family pensioners and recipients of extra ordinary pension as indicated in the succeeding paragraphs, with effect from 01-01-2006.

2. These orders will apply to pensioners/family pensioners/ recipients of extra ordinary pension who were drawing pension/family pension on 01-01-2006, including those who became entitled to pension / family pension w.e.f. 01-01-2006 under the Punjab Civil Services Rules Vol-II as amended from time to time.

3. In these orders:-

- (a) Existing Pensioner/family Pensioner means a pensioner who was obtaining /entitled to pension/ family pension on the 1st January, 2006 consequent to retirement/death as Govt. Employee on or before, 31st December, 2005 in terms of the provisions of Punjab Civil Service Rules Vol. II as amended from time to time.
- (b) Existing Pension/family pension means the basic pension (inclusive of commuted portion, if any), due on 31-12-2005 and includes extra ordinary pension.

4.1 The pension/family pension of existing pre 01-01-2006 pensioners/family pensioners will be consolidated w.e.f. 01-01-2006 by adding together: -.

- I. Existing pension/family pension.
- II. Dearness Pension, where applicable.
- III. Dearness Relief up to AICP (IW) average index 536 (Base Year 1982=100) i.e. @ 24% of Basic Pension/ Family Pension plus Dearness Pension as admissible.
- IV. Fitment weightage @ 40% of the existing pension / family pension.

Where the existing pension in (I) above includes the effect of merger of 50% of dearness relief w.e.f. 01-04-2004, the existing pension for the purpose of fitment

weightage will be recalculated after excluding the merged dearness relief of 50% from the pension.

The amount so arrived at will be regarded as consolidated pension / family pension w.e.f. 01-01-2006 and will be noted as basic pension for the purpose of grant of Dearness Relief from 01-01-2006.

- 4.2 "The fixation of Pension will be subject to the provision that the revised pension, in no case, shall be lower than fifty percent of the minimum of the pay in the pay band plus the grade pay corresponding to the pre-revised pay scale from which the pensioner had retired. This will be reduced pro-rata if the qualifying service of the person falls short of 33 years.
- 4.3 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 disbursement.
5. in addition to above provisions, the quantum of pension available to the old pensioners/family pensioners shall be increased as follows: -

Age of pensioner/family pensioner	Additional quantum of pension/family pension
From 65 years to less than 75 years	5 percent of revised basic pension/family pension
From 75 years to less than 80 years	10 percent of revised basic pension/ family pension
From 80 years to less than 85 years	20 percent of revised basic pension/ family pension
From 85 years to less than 90 years	30 percent of revised basic pension/ family pension
From 90 years to less than 95 years	40 percent of revised basic pension/ family pension
From 95 years to less than 100 years	50 percent of revised basic pension/ family pension
100 years or more	100 percent of revised basic pension/family pension

- Note:- (i) The Additional quantum of pension/family pension on attaining the age of 65 years and above would be admissible from the first day of the month in which his date of birth falls. For example, if a pensioner/family pensioner completes the age of 80 years in the month of August, 2008 he will be entitled to additional pension/family pension with effect from 1st August, 2008. Those pensioners/family pensioners whose date of birth is 1st August, will also be entitled to additional pension/family pension with effect from 1st August, 2008 on attaining the age of 80 years and above. Dearness relief shall also be admissible on the additional quantum of pension available to the old pensioners and family pensioners in accordance with the orders issued from time to time.
- (ii) Proposed increase in old age allowance on attaining the age of 80 years and above shall take effect from the date of issue of these orders.
- (iii) The Accountant General (A&E) Punjab shall ensure that the date of birth and the age of the pensioners/family pensioners is invariably indicated in the PEN-I and the Pension Payment Order to facilitate payment of additional pension/family pension by the Pension Disbursing Authority as soon as it becomes due. The amount of additional pension/family pension will be shown distinctly in the Pension Payment Order. For example, in case where a pensioner is more than 65 years of age and his

pension is Rs. 10,000 PM, the pension will be shown as (i) Basic Pension = Rs. 10,000 and (ii) Additional Pension = Rs. 500 per month. The pension on his attaining the age of 75 will be shown as (i) Basic Pension = Rs. 10,000 and (ii) Additional Pension = Rs. 1000 per month.

6. The existing provisions relating to Travel Concession shall continue to be in force.
7. The pension / family pension as consolidated shall be subject to a minimum of Rs. 3500/- PM w.e.f. 01-01-2006.
8. Since the consolidated pension/family pension arrived at as per Para 4.1 & 7 includes dearness relief up to average index level 536 (base year 1982=100) dearness relief will be admissible thereon only beyond index average 536 (base year 1982=100) in accordance with the revised scheme of dearness relief. The six installments of dearness relief sanctioned after 1.1.2006 i.e. w.e.f. 1.7.2006, 1.1.2007, 1.7.2007, 1.1.2008, 1.7.2008 and 1.1.2009 shall be adjusted against revised dearness relief becoming due on pension/family pension as worked out on 1st January, 2006.
9. (1) Where the consolidated pension/family pension in terms of Para 4.1 above works out to an amount less than Rs.3500/- the same shall be brought to Rs. 3500/- . This will be regarded as pension/ family pension with effect from 1st January 2006.
(2) In case a person is in receipt of pension as well as family pension, the floor ceiling of Rs.3500/- shall apply individually to such pension and family pension.
(3) The employed/re-employed pensioners/family pensioners are not getting dearness relief on pension at present. In their case the notional dearness relief which would have been admissible to them but for their employment/re-employment will be taken into account for consolidation of their pension in terms of paragraph 4.1 above as if they were drawing the dearness relief. Their pension will be re-fixed w.e.f. 1.1.2006 with reference to consolidated pension becoming admissible to them. Dearness relief beyond 1.1.2006 will, however, not be admissible to them during the period of employment/re-employment.
10. The cases of Punjab Govt. employees who have been permanently absorbed in public sector undertaking/autonomous bodies will be regulated as follows:-

(a) Pension

Where the Government employees on permanent absorption in public sector undertakings/ autonomous bodies continue to draw pension separately from the Government, the pension of such absorbers will be updated in terms of these orders. In cases where the Government employees have drawn lump-sum terminal benefits equal to 100% of their pension and have become entitled to the restoration of one third commuted portion of pension as per Supreme Court Judgment dated 15.12.1995, their cases will not be covered by these orders.

(b) Family Pension.

In cases where, on permanent absorption in public sector undertaking, autonomous bodies, the terms of absorption permit grant of family pension under the Punjab Civil Services Rules Vol. II, the family pension being drawn by family pensioners will be updated in accordance with these orders.

11. All Pension Disbursing Authorities handling disbursement of pension to the Punjab Government pensioners/ family pensioners are hereby authorised to pay pension /family pension to the existing pensioners/ family pensioners are hereby authorised to pay pension/ family pension to the existing pensioners/ family pensioners at the consolidated rate in terms of para 4.1, 5 & 7 above without any further authorisation from the Accountant General (A&E) Punjab/Head of Office etc. However, before disbursement of the pension, the Pension Disbursing Authority shall authenticate that the fixation made is strictly in accordance with the provision of these orders. For this purpose a table indicating the existing basic pension/family pension without dearness pension and the revised consolidated pension/family pension is available at Annexure I. This table may be used where the pensioner is in receipt of the single pension only. Where a pensioner is in receipt of more than one pension, consolidation may be done separately in terms of para 4.1 & 7 and floor ceiling of Rs. 3500/- may be applied to total pension from all sources taken together except the cases falling in para 9.2 . A suitable entry regarding the revised consolidated pension shall be recorded by the Pension Disbursing Authorities in both halves of the pension payment order. An intimation regarding disbursement of revised pension may be sent by the Pension disbursing Authority to the Accountant General (A&E) Punjab and concerned Treasury Officer/ Assistant Treasury Officer in Annexure II.
12. It is not unlikely that the arrears due in some cases may be calculated incorrectly leading to over payment that might have to be recovered subsequently. The Pension Disbursing Authorities should, therefore make it clear to the pensioners/family pensioners while drawing arrears that the payments are being made subject to adjustments from amounts that may be due to them, if any , discrepancy is noticed later. For this purpose an undertaking should also be obtained in writing from every pensioner/family pensioner at the time of drawl of arrears of pension/family pension to the effect that excess payment that may be found to have been made as a result of incorrect consolidation of pension/family pension, the said amount will be refunded by him to the Government either by adjustment against future payment or otherwise. A specimen from the undertaking is also enclosed as Annexure III.
13. In respect of matters not provided in the above orders, the existing rules/ instructions on the subject shall continue to be in force. The Punjab Civil Services (Revised Pay) Rules, 2009 shall also apply, wherever required in the context of above orders. The relevant provisions of the Punjab Civil Services Rules Volume II shall be deemed to have been amended to the extent of the contents of this letter and a notification for the same will be issued in due course.
14. Decision about the payment of arrears of pension from 1-1-2006 to 31-7-2009 shall be taken in due course of time and with effect from 1-8-2009 enhanced pension in cash shall become payable.
15. Punjabi version of these orders will follow in due course of time.

Yours faithfully,

(Om Parkash Bhatia)
Under Secretary, Finance (B)