Module on

Pension & Pensionary Benefits

Training Package Format:

Non-Distance Learning Module

ANCHOR PERSON: NARESH BHARDWAJ

ANCHOR INSTITUTE:

INSTITUTE OF SECRETARIAT TRAINING AND MANAGEMENT

Old JNU Campus, New Delhi 110 067

P R E F A C E

UNDP 3 Day Module on Pension & Pensionary Benefits has been developed for training the officials dealing with the processing of Pension Papers.

2. As a model employer, the Government of India looks after the welfare of its functionaries not only during service but also after retirement. The interests of the families of Government servants who die during service or after retirement are also looked after. All this is achieved by invoking the provisions of the Central Civil Services (Pension) Rules, 1972, as amended from time to time.

3. Pension is of interest not only to those who are nearing retirement; it is of vital importance to Establishment Officers who have to administer cases relating to retirement benefits with utmost care, sympathy, imagination and expedition. It hardly needs to emphasise that even early events in one's service, if not properly taken care of, may lead to difficulties in the settlement of pension problems. The problems mainly pertain to improper maintenance of service documents resulting in the loss of information relating to qualifying service. In order that there are no delays in settling pension cases, it is imperative that all concerned officials dealing with the case are properly educated, trained and motivated about their role so that the shortcomings can be

minimized and all the retirement benefits can be paid as and when they become due.

4.   It is important to note that a large number of cases that come up before the Administrative Tribunals/High Courts and Supreme Court pertain to the pensionary benefits.   The cases mainly pertain to the delay in finalisation of pensionary benefits or non-counting of previous qualifying service, absorption, sanctioning of family pension, etc.

5.   The cases are delayed mainly because of complexity involved i.e., to settle a pension case a lot of rules come into the picture.   How to syncronize the application of these rules is considered to be a difficult area.

6.   However, it is fact that if rules are interpreted logically and different provisions in Pension Rules are read in relation with each other, then not only the cases can be settled easily but it also generates a lot of interest in the rules.

7.   It is with a view to above problems this 3 day Module on Pension & Pensionary Benefits has been designed.   First of all, objectives to be achieved are listed then there are instructions to the Faculty as to what method they should adopt for imparting the skills.   Thereafter, self-explanatory study material has been given. Besides, the study material questions very often

raised by the participants have been given along with answers wherein practical and real life problems are discussed which involve an interplay of various provisions of Pension Rules. The expected questions have been compiled from the doubts very often raised by the participants in the class on the basis of 3 ½ years of interaction in the specialised sessions on Pensionary Benefits. Even while reading the various literature (Books/material, etc) on Pension Rules which discuss only one provision at a time, a person's mind is puzzled as to how to go about resolving what seem to him apparently conflicting provisions. In this module, an attempt has been made to reconcile logically various provisions of Pension Rules.

8.   Pension is a skill-based area where a lot of complex calculations are involved. Examples given in other materials deal with the theoretical aspect. In this module real life practical exercises have been given alongwith self-explanatory & logical solutions.

9.   As usual instructions to faculty, session topic-wise study material and objectives have been duly given. Transparencies and exercises to be used in the classroom have also been given.

10. It is expected that the faculty and the participants will find the material useful for dealing with the Pensionary Benefits.

COURSE TITLE: PENSION & PENSIONARY BENEFITS

MODULE –1 General	• Pensionary Benefits (Eligibility) Classes of Pension viz. • Superannuation Pension • Retiring Pension • Compensation Pension • Invalid Pension • Compulsory Retirement Pension • Compassionate Allowance
MODULE – 2 Qualifying Service	• Commencement & End • Qualifying & Non-Qualifying Service • Additions to Qualifying Service • Calculation of Qualifying Service • Practical Problems regarding calculation of Qualifying Service from Service Book
MODULE – 3 Emoluments & Average Emoluments	• Emoluments • Average Emoluments • Calculation of Emoluments & Average Emoluments – Practical Problems
MODULE – 4 Calculation of Pensionary Benefits	• Calculation of Pension • Calculation of Retirement Gratuity • Calculation of Commutation Value - Practical Problems
MODULE – 5 Family Pension & Death Gratuities	• Family Pension – Eligibility • Calculation of Family Pension • Calculation of Death Gratuity • Practical Problems on Settlement of Family Pension

OBJECTIVES

At the end of the Course, the participants shall be able to:-

1.   State the differences between Pensionary & Other Retirement Benefits

2   State the eligibility conditions for service Gratuity / Pension, Retirement Gratuity, Commutation of Pension, Family Pension & Death Gratuity.

3.   Calculate the Qualifying Service and express it in Six Monthly Periods (SMPs).

4.   Calculate the Emoluments & Average Emoluments

.

5.   State the different classes of Pension to which a Government Servant is eligible in a given situation.

6.   Calculate the Service Gratuity / Pension from given data.

7.   Calculate the Retirement Gratuity.

8.   Calculate the Commutation of Pension.

9.   Calculate the Family Pension at Normal & Enhanced Rate.

10.   Calculate the Death Gratuity.

SESSION PLAN

Day	Session	Topic
One	I	Registration, Expectation Sharing
	II	Eligibility for Pensionary benefits- different kinds of Pensionary Benefits
	III	Qualifying Service
	IV & V	Practical Exercise on Qualifying Service
Two	I	Emoluments & Average Emoluments for Pension, Gratuity & Family Pension
	II	Practical Exercises on Calculation of Emoluments & Average Emoluments
	III	Method of Calculation of Service Gratuity/ Pensions of different classes and Retirement Gratuity
	IV	Practical Exercises on Calculations of Service Gratuity/ Pensions of different classes and Retirement Gratuity
	V	Commutation of Pension & Practical Exercises on Calculation of Commutation of Pension
Three	I	Family Pension & Practical Exercises on calculation of Family Pension & Death Gratuity
	II	Family Pension to whom payable – Practical Exercises
	III	Processing of Pension Papers
	IV	Problem Discussions and Synopsis of Calculation of all Pensionary Benefits
	V	VALEDICTION – FEED BACK

DAY 1

Session I

Registration, Expectation Sharing and Course Overview

OBJECTIVES

At the end of this Session the participants will be able to:-

1. Share their expectations from the course.

2. State and understand the expectation of their colleagues & faculty.

3. Understand the problem areas.

4. Interact & develop an understanding with the fellow participants & faculty.

5. Know about the Institute.

6. State the contents of the course.

Instructions to the Faculty

The Course Coordinator faculty may

(i)   Distribute the course material alongwith stationery required for the course to each individual participants.

🕐 [10 minutes]

(ii)   The faculty shall distribute the Registration form to each participant & give them 10 minutes to fill the relevant particulars.

🕐 [15 minutes]

(iii)   Request the participants to introduce themselves w.r.t. following:-

🕐 [30 minutes]

- Name & Designation of the participants

- Organisation to which belongs

- Experience in Government
    - ❖ General

        - ❖ w.r.t. dealing in pensionary benefits

- Expectation from the course

- Problem areas if any which needs special emphasis.

(iv) Introduce himself and give factual information about the Institute

🕐 [5 minutes]

(v) React to the expectation of the participants and tell them about the following:-

🕐 [15 minutes]

- Session Timings, tea/lunch break, etc.

- Course Content – General & Session-wise

- Methodology which will be used viz. Lecture, discussion, etc.

- Freedom to put any clarificatory questions during the Session.

Module - I
General

📖 General Conditions

📖 Eligibility for Pensionary Benefits

📖 Different Kinds of Pensions

DAY 1

Session II

Eligibility for Pensionary Benefits – Different kinds of Pensionary Benefits

OBJECTIVES

At the end of this Session the participants shall be able to:

1. State in brief the main provisions of Rule 5 to 10 CCS(Pension Rules).

2. State the eligibility conditions for Pension.

3. State the difference between Service Gratuity and Pension.

4. State the difference between Retirement Gratuity and Death Gratuity.

5. Explain the concept of Commutation of Pension

6. State the eligibility conditions for Family Pension.

7. State the difference between following classes of pension:-

   (a) Super-annuation Pension

   (b) Retirement Pension

   (c) Compensation Pension

   (d) Invalid Pension

   (e) Compulsory Retirement Pension

   (f) Compassionate Allowance

Training Method

Lecture & Discussion

🕐45 minutes

Question & Answer – Reclarification of Doubts

🕐30 minutes

Instructions to Faculty

1. The Faculty shall explain and lecture on the following:-

   🕐 [25 minutes]

   (i)   Admissibility of Pensionary Benefits on Retirement.

   (ii)   Minimum Qualifying Service for being eligible for pension & retirement gratuity.

   (iii) Difference between Pension & Service Gratuity.

   (iv)   Death Gratuity admissible to family.

   (v)   Commutation of Pension.

   (vi)   Admissibility of Family Pension & Death Gratuity..

2. The faculty shall explain the different modes of retirement and entitlement to various kinds of Pension, viz.

   🕐 [Time: 25 minutes]

   (a) Super-annuation Pension

   (b) Retirement Pension

   (c) Compensation Pension

   (d) Invalid Pension

   (e) Compulsory Retirement Pension

   (f) Compassionate Allowance

3. The Faculty shall clarify the doubts of the participants using the discussion method..

[Time:20 minutes]

4. The faculty shall explain the main provisions of Rules 5 to 10 of CCS(Pension) Rules.

🕐 [Time:05 minutes]

5. The faculty shall summarize the above concepts.

🕐 [Time:05 minutes]

N.B.: Transparencies which faculties may like to use are Visuals (V), i.e., V_1, V_2 & V_3.

STUDY MATERIAL

ELIGIBILITY FOR PENSIONARY BENEFITS

A Government servant becomes eligible to get pensionary benefits when he retires from the service. This is the essential condition. In case of resignation/termination, etc. the government servant forfeits his right to pensionary benefits. The only exception is technical resignation i.e., resignation tendered with a view to taking up another appointment in the Central/State Government or PSU & Autonomous bodies.

The second important factor which must be known is the qualifying service rendered by the government servant to determine his pensionary benefits.

PENSIONSIONARY BENEFITS ADMISSIBLE TO GOVERNMENT SERVANT

1. SERVICE GRATUITY (or) PENSION

Pension: A government servant who retires after rendering more than or equal to 10 years Qualifying Service is eligible to receive Pension. Pension is derived from the word per-mensem which means per month. It is a recurring monthly payment for life. It is protected from inflation as Dearness Relief is sanctioned on Pension in January & July every year to keep the value of Pension constant.

A government servant who retires after rendering less than 10 years of Qualifying Service is not eligible to receive pension W.e.f. 1-1-96. Minimum pension has been raised to Rs.1275 + Dearness Relief thereon.

Service Gratuity: A government servant who retires before rendering less than 10 years of Qualifying Service is not eligible to get any Pension. He is entitled to receive one time lump-sum payment called the Service Gratuity in lieu of the Pension.

2. RETIREMENT GRATUITY

A government servant who retires after rendering more than or equal to 5 years of Qualifying Service is eligible to receive Retirement Gratuity. Retirement Gratuity is one time lumpsum payment. As on date, the maximum amount of Retirement Gratuity is restricted to Rs.3.5 lakhs.

3. COMMUTATION OF PENSION

A government servant who is in receipt of any class of pension is eligible to get his pension commuted. Commutation means conversion of a portion of pension into lumpsum amount. A government servant who surrenders a portion of his monthly pension receives a lumpsum payment in lieu of such surrender.

4. FAMILY PENSION

Family pension is admissible to the family of the Government servant/pensioner from the next day of death of such government servant/pensioner. The family is eligible for Family Pension only after the death of the government servant or death of Pensioner.

5. DEATH GRATUITY

Death Gratuity is admissible to the Family of the Government Servant on his death while in service. Death Gratuity is one-time lumpsum payment.

RULE 5

GENERAL CONDITIONS

The day on which a Govt. Servant retires or is discharged or is allowed to resign from Govt. Service or the day of death, shall be treated as a working day.

EXCEPTION

Premature Retirement   : [Non- working day]
Voluntarily Retirement   : [Non- working day]

Day of death of an official on Extra Ordinary Leave / Earned Leave on Medical Certificate to be treated as a part of Leave.

RULE – 7

A Govt. servant shall not earn two Pension in the same service or post at the same time or by the same continuous service.

EXCEPTION RULE 19 - Re-employment after Retirement.

RULE – 8

PENSION SUBJECT TO FUTURE GOOD CONDUCT

Stoppage or reduction of pension for reasons other than misconduct is not permissible-

Forfeiture   of Pension is possible only on resignation, removal or dismissal from service.   The Appointing Authority may, withhold or withdraw a pension or part thereof, whether permanently or for a specified period, if Pensioner is convicted of a serious crime or is found guilty of a grave misconduct.

RULE – 9

RIGHT of PRESIDENT TO WITHHOLD OR WITHDRAW PENSION AND / OR GRATUITY

-After Retirement, Departmental proceedings are instituted under Rule 9 from the date of issue of Charge Sheet. However, if the Government Servant is under Suspension and retires on superannuation, the date of institution of departmental proceedings or the date of being placed under Suspension, if the date of suspension is earlier to issue of the Charge Sheet.

Where Departmental proceedings are instituted by an authority subordinate to the President, that authority shall submit a report recording its findings to the President.

-After Retirement - departmental proceedings require the sanction of the President.

-The Proceedings shall not be in respect of any event which took place more than four years before retirement..

- Departmental Proceedings are to be conducted by such authority and such place as the President may direct – procedure is applicable in such situation would be the same as applicable in case of dismissal in relation to Govt. Servant during his Service.

PROVISIONAL PENSION TO BE SANCTIONED

During pendency of Departmental / Judicial Proceedings, the Govt. servant will be allowed to retire on superannuation and Provisional Pension be sanctioned to him.

Recovery shall not to be more than 1/3 of pension admissible, if it is decided ultimately to make recovery of loss caused to Government from Pension of retired Govt. servant.

Final Order under Rule 9 to be issued in the name of President.

MINOR PENALTY PROCEEDINGS HAVE NO EFFECT ON PENSION

Disciplinary authority who instituted proceedings can drop them without submitting its findings to the President.

RULE – 10

COMMERCIAL EMPLOYMENT AFTER RETIREMENT

If a Pensioner, who immediately before his retirement was a member of Central Service Group `A' wishes to accept any commercial employment before the expiry of two years from the date of his retirement, he shall obtain the previous sanction of the Govt. to such acceptance by submitting an application in Form 25..

GRANT OF PERMISSION

In granting or refusing permission for taking any Govt. employment, the Govt. shall consider the following aspects, Conflict with Govt. / dealing in official capacity / knowledge of work.

Liaison work with Govt. departments.

Emoluments offered by the proposed employer.

Permission to be granted / refused within 90 days of furnishing of requisite information.

In case of refusal, the applicant may within 30 days make a representation.

Reasonable opportunity to be provided.

In case of violation

Government can pass Orders that he shall not be entitled to the whole or such part of the Pension and for such periods as may be specified in the orders.   After giving reasonable opportunity- Guiding factor –

-Financial circumstances of Pensioner

-Nature of emoluments

Exception

Employment under a body corporate. wholly or substantially owned
        (or)
controlled by the Central Govt. or a State Govt., for which no permission is required.

There are special restrictions on engineers of Gazetted rank seeking   employment relating to contracts after the retirement.

Permission to negotiate for commercial employment while in service not to be given unless special reasons exist.

Employment with black-listed firms shall not to be considered.

Employment with a University is not commercial and hence no permission is needed.

CLASSES OF PENSION

1. Superannuation Pension

This is granted to a Government servant who is retired on his attaining the age of superannuation i.e., 60 years in the case of all categories of employees. A Government servant retires on the afternoon of the last day of the month in which he attains the age of 60. In cases his date of birth falls on the 1st of the month, then he will retire on the last date of the previous month.

[Rule 35]

For Example, if there are 4 Government servants A, B, C & D whose dates of birth are 1st July, 1943, 2nd July, 1943, 23 rd July, 1943 & 31st July, 1943 respectively, then Shri A shall retire on superannuation on 30th June, 2003 while Shri B, Shri C & Shri D shall retire on 31st July, 2003 in case where the age of superannuation is 60 years.

Pension is calculated at the rate of 50% of the average pay of last 10 months. The amount of pension finally calculated is expressed in whole rupees by rounding the fraction to the next higher rupee. Basic pension is subject to minimum of Rs.1,275/- and a maximum of Rs.15,000/- per month.   A government servant retiring before completion of 33 years of service but after completion of 10 years of Qualifying Service (where applicable) gets the pension proportionately.

2. Retiring Pension

It is available to a government servant who retires or is retired in advance of the age of superannuation. Date of retirement is usually on the expiry of notice period which need not necessarily synchronize with the last date of the month. Rule 48 and FR-56 contemplate situation where Government can retire its personnel on completion of the age of 50/55 years or 30 years of service. Government servant also has a reciprocal right to retire voluntarily under these rules.

FR-56: In accordance with the provisions of Fundamental Rule 56(j), the Appointing authority has the absolute right to retire any Government employee in public interest as under:-

(i) If he is Group 'A' or 'B' service/post and had entered Government Service before attaining the age of 35 years, after he has attained the age of 50 years.

(ii) In any other case, than mentioned in above para, after he has attained the age of 55 years.

In other words, a Government servant who belongs to Group 'A' & 'B' and has entered Government Service after attaining the age of 35 years and officers belonging to Groups 'C' & 'D', their cases will be reserved on attaining the age of 55 years. The only exception is Group 'D' officials, who, entered service on or before 23rd July, 1966. In addition, a Government servant in Group 'C' service or post not governed by any pension rules, can also be retired after he has completed thirty years service under FR-56(l).

Provision also exist in Rule 48 of CCS(Pension) Rules, 1972 for the retirement of a Government employee by giving him three months' notice, if it is necessary to do so in public interest, after he has completed 30 years of qualifying service for pension. In other words, a Government employee, who may belong to Group 'A', 'B', 'C' or 'D' can be prematurely retired, irrespective of age at the appropriate time, after he has completed 30 years of qualifying service.

Provisions exist in all the above relevant rules which confer reciprocal right on Government employee to seek voluntary retirement after he has attained the age of 50/55 years or has completed 30 years of qualifying service, as the case may be. In case where Government servant opts for Voluntary Retirement, he is eligible to get weightage in his qualifying service, which is explained in coming paras.

At any time after a Government servant has completed 20 years' qualifying service, he may, by giving notice of not less than three months writing to the Appointing Authority, retire from service provided that the notice has been accepted by the Appointing Authority. If permission is not refused for retirement before the expiry of the period specified in the said notice, the retirement shall become effective from the date of expiry of the said period.

The Appointing Authority may relax the requirement of notice of three months on the condition that the Government servant shall not apply for commutation of a part of his pension before the expiry of the period of notice of three months.

A Government servant can withdraw the notice before the intended date of retirement only with the approval of Appointing authority. Provisions in this regard are contained in Rule 48-A of CCS(Pension) Rules.

Addition to qualifying service on voluntary retirement

In all the above mentioned provisions (viz. Rule 48(1)(a) or Rule 48-A or Rule 56(k or m) of Fundamental Rules), where Government servant opts to retire voluntarily, a maximum weightage of 5 years is admissible in Qualifying service, subject to the condition that the total qualifying service rendered by Government servant does not in any case exceed thirty three years and it does not take him beyond the date of superannuation.

No weightage is admissible in case of those Government servants who are prematurely retired by Government in Public Interest under Rule 48(1)(b) or FR 56(j).

The concept of weightage will become clear by seeing the following examples:-

Question 1: Shri A's notice to retire voluntarily under Rule 48-A has been accepted. He has rendered a qualifying service of 25 years. 10 years are left for his superannuation. How much weightage is admissible in the case?

Answer: In the above case maximum weightage of 5 years is admissible in qualifying service i.e., his Net Qualifying Service will become 25 + 5 years = 30 years for the purpose of calculation of pensionary benefits.

Question 2: Shri B has retired voluntarily on 1-7-2003 on having completed 56 years of age under FR-56(k). He has rendered a qualifying service of 28 years. 4 years are left for his superannuation. How much weightage is admissible in this case.

Answer: In this case weightage admissible is 4 years (i.e., period left for superannuation) i.e., after weightage, his net qualifying service will become 28 years + 4 years = 32 years for the purpose of calculation of pensionary benefits.

Question 3: Shri 'C' has retired voluntarily under Rule 48(1)(a) i.e., after rendering 31 years of qualifying service w.e.f. 1-8-2003. He has 3 years left for superannuation. How much weightage is admissible in this case?

Answer: In this case, weightage in qualifying service will be 2 years i.e., after weightage his net qualifying service will become 31 years + 2 years = 33 years for the purpose of calculation of pensionary benefits.

Question 4: Shri 'D' has retired voluntarily under Rule 48(1)(b) w.e.f. 1-8-2003. He has rendered a qualifying service of 30 years and 3 months. A period of 9 months is left for superannuation. How much weightage is admissible in this case?

Answer: In this case, weightage admissible is 9 months i.e., after weightage his net qualifying service will become 30 years 3 months + 9 months = 32 years for the purpose of calculation of pensionary benefits.

3. Voluntary Retirement after 20 years of Qualifying Service

A government servant who seeks voluntary retirement after completion of 20 years of Qualifying Service gets an additional weightage in Qualifying Service upto five years subject to the condition that after the weightage total Qualifying Service should not exceed 33 years and it should not take him beyond the normal age of superannuation of 60 years.
[Rule 48-A]

4. Invalid Pension

This is granted to a government servant who is permanently incapacitated either physically or mentally. The government servant has to get a medical certificate on the prescribed form (Form 23) from the competent authority with full knowledge of the Head of the Office. [Rule 38]

In case of where the Medical authority declares that the Government servant is completely and permanently incapacitated for further service of any kind in the Department to which he belongs in consequence of disease or cause mentioned, he shall be retired.

Where the Medical Authority has declared a Government servant fit for further service of less laborious character than that which he had been doing. He should be provided if he is willing to be so employed, be employed on lower post and if there be no means of employing him even on a lower post, he may be admitted to invalid pension. [Rule 38]

There is also special provision in Clause (c) of rule 49 of CCS(Pension) Rules, that the amount of invalid pension shall not be less than the amount of family pension admissible i.e., $\frac{30}{100}$ of last pay drawn.

Question 1: Can the Head of Office (HOO) *suo moto* i.e., on his own refer a Government servant for Medical Examination under this rule?

Answer: No. Under CCS(Pension) Rules, H.O.O. is not the competent authority to use his discretion. However, under the Central Civil Services (Medical Examination) Rules, 1957, where the Appointing Authority has reason to believe that a Government Servant is suffering from -

(i)   a contagious disease; or
(ii) a physical or mental disability which in its opinion interferes with the efficient discharge of his duties, the Appointing Authority may direct the Government Servant to undergo a medical examination.

On the basis of the opinion expressed by the examining Medical Authority, the Appointing Authority may require the Government Servant to proceed on leave, or if he is already on leave to continue to remain on leave or may retire him from the service. Once a decision to retire a Government Servant is taken by the Appointing Authority, the provisions of Rule 38 of CCS(Pension) Rules are applicable.

5.   Compensation Pension

This is granted when the permanent post of a Government servant is abolished and it is not possible to appoint him in any other post the conditions of which are deemed to be equal to the one held by the government servant and he does not opt for another appointment or such post as may be offered to him.

[Rule 39]

6.   Pension on absorption in Public Sector Undertaking

This is granted to a Government servant who is permanently absorbed by the PSUs or Autonomous Bodies. Such a government servant can opt to receive pro-rata retirement benefits rendered under Central Government or those benefits of combined service under the Government in the Autonomous Body.

[Rule 37]

7.   Compulsory Retirement Pension

This is admissible to a Government servant who is retired as a measure of penalty by the competent authority. The amount of this Pension or Gratuity or both shall not be less than two-third and not more than full compensation pension that could be sanctioned to a Government servant on the date of such retirement. Date of retirement is the date on which penalty becomes effective.   [Rule 40]

8.   Compassionate Allowance

This is available to a Government servant who is dismissed or removed from the service and forfeits his pension and gratuity. The authority competent to dismiss or remove him from service may in consideration of deserving cases, sanction a compassionate allowance not exceeding two-thirds of pension or gratuity or both which he would have got had he retired on compensation pension and should not be less than Rs.1,275/-.

[Rule 41]

Note: Any class of Pension as detailed above cannot be less than Rs.1275/- + D.R. thereon which is the minimum pension admissible.

Module - II

Qualifying Service

  📖 Commencement & End

  📖 Qualifying and Non-Qualifying Service

  📖 Additions to Qualifying Service

  📖 Calculation of Qualifying Service

  📖 Practical Problems regarding Calculation of Qualifying Service from the Service Book

DAY 1

Session III

OBJECTIVES

At the end of this Session the participants shall be able to:-

📖 1.   Determine the date of commencement & End of Qualifying Service.

📖 2.   State the Effects of following events on Qualifying Service:

- Probation & Confirmation

- Services Paid From Contingencies

- Apprentice Service

- Service Rendered In Other Central Govt. Departments

- Services Rendered In State Govt.

- Service Rendered In Autonomous Bodies

- Military Service

- Contract Service

- Period Spent On Joining Time & Leave Of Deputation To United Nations & Other Organisation

- Counting Periods Of Suspension

- Forfeiture Of Service On Resignation

- Termination

- Removal & Dismissal

- Interruption In Service – Dies Non Etc.

- Condonation Of Interruption In Service

Instructions to Faculty

The Faculty shall explain the following by lecture method:-

(i)   Qualifying Service
Definition as per Rule 3(q) & Rule 49 of CCS(Pension Rules)

🕐 [5 minutes]

(ii)   Commencement of Qualifying Service
Date of Joining on attaining of Age of 18 years - whichever is later

🕐 [3 minutes]

(iii)   End of Qualifying Service
- Various modes of Retirement
- Resignation & Technical Resignation
- Day of Retirement working day except Voluntary Retirement.

🕐 [10 minutes]

(iv)   The faculty shall explain the following terms and their effects on Qualifying Service by using lecture method. The faculty shall also use discussion method and entertain that questions of participants in respect of each particular event and clarify doubts.

🕐 [40 minutes]

- Probation & Confirmation

- Apprentice Service

- Training - Pre-induction & During Service

- Service Rendered in other Departments of Central Government

- Service Rendered in other State Government

- Service Rendered in Autonomous Bodies

- Service Rendered in Military & Defence

- Service Rendered on Contract

- Contingent Service

- Joining Time & Leave with Leave Salary

- Extra-ordinary Leave - availed with & without Medical Certificate

- Suspension - ending with Death, Retirement, Exoneration, Minor Penalty & Major Penalty.

- Dies-non & application of FR - 17-A

- Termination from service as per Temporary Service Rules

- Removal & Dismissal from Service

- Interruption of Qualifying Service & Condonation.

The faculty shall also clarify the doubts of participants relating to entire area of Qualifying Service especially the cases where more than one event has a bearing on Qualifying Service.

⏱ [10-15 minutes]

The faculty may also put the question to participants to clarify the concept of Qualifying Service which are given in Study Material.

The faculty may use transparencies i.e., V_4, V_5, V_6, V_7, and V_8.

STUDY MATERIAL

1.   **QUALIFYING SERVICE**

The service reckoned for Pensionary purposes are known as Qualifying Service. This is the most important aspect to be taken into account for not only calculation of various pensionary benefits but also to determine the eligibility for Pension.   A Govt. Servant who has rendered more than or equal to 10 years of Qualifying Service is eligible for Pension i.e. recurring monthly payment throughout his life. Those who fall short of even one day i.e. have not rendered 10 years of Qualifying Service are not eligible for Pension and they are entitled to one time lumpsum payment in lieu of Pension known as service gratuity. So a difference of even single day may make a very big difference to a Govt. Servant i.e. it <u>may even decide whether a person is in fact eligible for Pension or not. Therefore utmost care is to be taken to calculate the Qualifying Service.</u>

Rule 3 (q) defines Qualifying Service as under "Qualifying Service" means service rendered while on duty or otherwise which shall be taken into account for the purpose of pensions and gratuities admissible under these rules.

(a)   Commencement Of Qualifying Service

It commences from the date the Govt. servant takes charge of the post to which he is first appointed either substantially or in an officiating or temporary capacity.

The officiating or temporary service should be followed without interruption by substantive appointment in same or another service or post. Each of the terms is explained in detail alongwith examples in the coming paras.

In case a Govt. servant was appointed in service before 18 years of age (boys service) the date of commencement of Qualifying Service shall be the date of attaining 18 years of age.

The payment of pensionary benefits depends upon the following

(i)   Qualifying Service
(ii)   Emoluments and Average Emoluments

(b)   End of Qualifying Service

Qualifying Service comes to an end on happening of following events:-

(i)   Retirement on Superannuation

Superannuation refers to retirement on attaining the age prescribed by Government from time to time. At Present the age of retirement prescribed by government is 60 years in case of most categories of employees. A government servant retires on the afternoon of the last day of the month in which he attains the age of 60 years. In case his Date of Birth (DOB) falls on the first of the month, then he will retire on the last day of the previous month.

(ii)   Retirement

In case a Govt. servant is retired by Government, the day of retirement is a non-working day.   In case of Voluntary Retirement only, the day of retirement is a non-working day.

(iii)   In all other cases like death, absorption, resignation and removal/dismissal, etc., the last day is treated as working day.

2. **EFFECTS OF VARIOUS EVENTS ON QUALIFYING SERVICE:**

Probation: Period spent on Probation is treated as Qualifying Service if it is followed by confirmation in same or another post without interruption.

Apprentice: Service, as an apprentice is not treated as Qualifying Service. However, in the case of SAS, i.e. Subordinate Accounts Service apprentice in Indian Audit & Accounts Department or Defence Accounts Department, it is treated as Qualifying Service.

Services Paid From Contingencies: Half the service paid from Contingencies is treated as Qualifying Service if it is followed by regular employment without any break. This provision is applicable to whole-time workers who are paid on monthly rates or daily rates computed and paid on monthly basis i.e. daily wager performing the duties of posts such as Malies, Chowkidars, Khlasis, etc.

Service Rendered in other Departments of Central Govt./ Union Territory:

Earlier the liability for pension was to be shared between the Departments in which the Government Servant had served which was directly – proportionate to the length of service rendered. However, w.e.f. 23.02.1979, the system of allocation of Pension liability between different Departments has been dispensed with.

Now, the liability for pensionary benefits will be borne in full by the Department to which the Government Servant at the time or Retirement / Death belongs.

So service rendered in other Departments will be counted as Qualifying Service provided there is no interruption in the service and the Govt. Servant had submitted a technical resignation in his previous Department.

Example: Shri Ravindra Kumar, (Date of Birth: 10.5.1975) joins in Ministry of Industry & Commerce as Section Officer on 11.6.2002 after qualifying the Civil Service Examination. He was working as LDC in Ministry of Home Affairs w.e.f. 1.1.1995 to 10.6.2002. He was confirmed in the grade of LDC w.e.f. 1.1.1997.

His service as LDC w.e.f. 1.1.1995 to 10.6.2002 will count as Qualifying Service provided he had submitted a technical resignation in the Ministry of Home Affairs i.e. resigned with a view to take up appointment in the Ministry of Industry & Commerce as Section Officer.

No Pension contribution will be recovered from Ministry of Home Affairs. The logic is that all the Departments of the Govt. of India meet the Pensionary Liability from the same source i.e. the Consolidated Fund of India.

EXPECTED QUESTIONS

Q1. **The above example is clear and simple. What if Shri Ravindra Kumar was not confirmed in the grade of LDC i.e. he had rendered a service of less than 2 years (i.e. w.e.f. 1.8.2000 to 10.6.2002) in the Ministry of Home Affairs before joining as Section Officer w.e.f. 11.6.2002 in the Ministry of Industry and Commerce. Will the service rendered as LDC w.e.f. 1.8.2000 to 20.6.2002 count as Qualifying Service or not since Shri Ravindra has not been confirmed in the post of LDC.**

Answer: The Service rendered by Shri Ravindra Kumar as LDC w.e.f. 1.8.2000 to 10.6.2002 shall also count as Qualifying Service subject to the condition that he has rendered a technical resignation and is later confirmed in the grade of Section Officer (Direct Recruit). The Rule 15 of CCS (Pension) Rules states the service on probation against a post if followed by confirmation n the same or another post shall qualify. So the service rendered on probation against the post of LDC w.e.f. 1.8.2000 to 10.6.2002 shall qualify if it is followed by confirmation in the post of Section Officer (Direct Recruit).

41

In this case also the question of allocation of Pension and liability etc. between Departments of Central Government would not arise.

Q2. **Are the Departments of Railways, Post & Telegraph and Defence Civilians also covered by the above provision?**

Answer: Yes**.** These provisions apply to all those Departments of Central Government also.

SERVICE RENDERED IN STATE GOVT: Service rendered in State Govt. before joining the Central Govt. shall count as Qualifying Service subject to the condition that

The Govt. Servant should have applied for post under Central Govt. through proper channel with proper permission of the administrative authority concerned and has submitted a technical resignation only i.e. resignation for joining a post in Central Govt.

Q3. **How will the period of break between the relinquishment of old post and joining the new post be regulated?**

Answer: In case the Govt. Servant is permanent, the period of break between leaving the old post in State Govt. & joining the Central Govt. will be covered by Joining Time due & admissible and the rest by grant of leave.

Q4. **Are these provisions also applicable to those temporary employees who had rendered temporary service under the various State Governments, before joining a post in Central Government will the service rendered by such employees be treated as Qualifying Service or not?**

Answer: Yes. The above provisions are also applicable to temporary employees of State Goverments. The service rendered by such employees shall count as Qualifying Service subject to the conditions specified above and also subject to condition that they are eventually confirmed in their new post in Central Government.

Q5. Are these provisions also applicable in case of a temporary / permanent Central Govt. Servant joining a post in State Government?

Answer: Yes. These provisions also apply in vice-versa case, subject to conditions enumerated above.

Q6. How to determine the leave salary & Pension contribution to be recovered from the State Govt. for the period of service rendered in State by the Central Govt. prior to his appointment in the Central Government?

Answer: The Government of India has entered into a reciprocal agreement with all States and it has been decided that w.e.f. 1.4.87, sharing of Pension liability between Central & State Governments will be dispensed with. So subject to fulfillment of all other conditions, the service rendered in State Govt. by an official before his appointment in Central Govt. shall be counted as Qualifying Service and no leave salary / pension contribution etc. need be recovered from State Govt. concerned and vice-versa.

Q7. Are there any States, which are exceptions to the reciprocal agreement mentioned above?

Answer: Yes. The above agreements do not apply to those Central Govt. employees who were holding temporary posts under Government of J. & K., Nagaland, West Bengal, Madhya Pradesh, Tamil Nadu Tripura and Maharashtra.

Q8. **What about recovery of Leave Salary / Pension Contribution in respect of a Central Govt. Servant on deputation to State Government & vice-versa?**

Answer: No   Leave Salary / Pension Contribution is required to be recovered in the case of period spent by Central Govt. on deputation to State Govt. & vice-versa.

Q9. **Are there any States which are exception to Question No.6?**

Answer: No. These provisions apply to every State Inter se, and also State & Central Government.

TRAINING**:**   All Training periods count as Qualifying Service.   Pre-apprenticeship training also counts as Qualifying Service if it is   followed by   immediate appointment on a post.

Q10. **How is the interruption between   training & regular appointment treated?**

Answer: The period of interruption limited to joining time admissible under the rules shall be condoned & entire period of training treated as Qualifying Service.

SERVICE RENDERED IN AUTONOMOUS BODIES:

Service rendered in Autonomous Bodies before being absorbed under Central Government and vice-versa, counts as Qualifying Service subject to the following conditions:

(i)   The Govt. Servant should have rendered a technical resignation from the post in Autonomous body i.e. resigned with a   view to take up appointment in Central Government.

(ii)   The Govt. Servant shall within 6 months from the date of permanent absorption exercise option as to (a) whether he intends to retain the pensionary benefits received from Autonomous Body and to start the service afresh in Central Government, Or (b) to have the service rendered in Autonomous Body counted as Qualifying Service under the Central Government and to refund immediately all pensionary benefits received from the Autonomous body consequent upon his absorption in Central Government.

Q1. **What is Central Autonomous Body?**

Answer: A Central Autonomous Body   generally is financed wholly or substantially from Cess of Central Government grant `Substantially' means that more than 50% of the expenditure of the Autonomous body is met through Cess or Central Government grants.   It refused to give a society registered under Societies Registration Act, 860 or statutory body or a Central University.

Q2. **Is the service rendered   in the Nationalised Banks & Financial Institution & Insurance Companies like LIC, General Insurance Company etc. prior to being absorbed in Central Government eligible for being counted as Qualifying Service under Government of India.**

Answer: No.   Though as per the instructions the Nationalised Banks including RBI, Life Insurance Corporation of India (LIG), General Insurance Company (GIC) and its subsidiary treated as `Central Autonomous Bodies' for the grant of pro-rata retirement benefits to the permanent Central Government employees but employees are not entitled to count their past service rendered in these Organisations for pensionary benefits under the Central Government. This means that they shall retain the pensionary benefits received by them from their Organisation and shall start their service afresh in Central Government.

Q3. **How is refund of pensionary benefits regulated for having the past service counted as qualifying service in Central Govt. in case of those employees who have been absorbed in Central Government from Central Autonomous bodies.**

Answer: The refund of Pensionary benefits is regulated as under:-

(i) **In case of Autonomous Bodies where Pension Scheme is in Operation.**

The Autonomous Bodies will discharge its Pension liability by paying in lumpsum as a one-time payment, the pro-rata pension / service gratuity & retirement gratuity for the service upto the date of absorption in the Government.

(ii) In case of Autonomous Body where the Pension Scheme is not in Operation.

If the Government Servant wants to have his past service counted as Qualifying Service under Government then he shall have to exercise option within one year from the date of absorption. In this case, the employer's share of CPF contribution with interest thereon, shall be paid to concerned Govt. Department by Autonomous Body.

Q4. **Suppose the Govt. Servant himself received the Pensionary benefits/CPF contribution from Autonomous Body & due to administrative reason there is delay in exercising the option for counting of service. How will the refund of pensionary benefits be regulated?**

Answer: In this case, the Govt. Servant will have to refund the pensionary benefits that he has received from Autonomous Body to his Department. However, the Government Servant shall have to pay an interest at the rate applicable to General Provident Fund (GPF) from the date of receipt of Pensionary benefits to the date of issue of Orders regarding depositing the amount in Government. These benefits are required to be deposited within one month of receipt of communication in this regard from the Government.

Q5. **What if the individual is unable to deposit the amount within one month of receipt of communication?**

Answer: In case the Government Servant delays the payment beyond one month, a penal interest at the rate of two percent per annum will be charged in addition to normal rate of interest mentioned in preceding answer.

MILITARY SERVICE

A Government Servant who is re-employed in a civil service or post before 60 years of age after rendering military service has to exercise option as under:

(i)   He may opt to continue to draw the Military Pension and retain all other pensionary benefits received from Military and in this case his former Military Service shall not count as Qualifying Service for the purpose of Civil Service.

(or)

(ii)   He may cease to draw his Pension and refund:

(a) the pension already drawn and
(b) the commutation amount received and
(c) the amount of retirement gratuity, if any received and count previous Military Service as Qualifying Service.

Q1. **It is usually seen that the Ex-Servicemen do not opt for refunding the pensionary benefits received from Military and start their service afresh in Civil Service. What is the reason for this?**

Answer: This is generally true. The Military Pensioners (Ex-Servicemen) generally   opt to retain the pensionary benefits instead of refunding it and having their past service counted as this option is more favourable to them because the Pensionary benefits which they receive from Military are more beneficial.

47

Q2. When is the option required to be exercised for having the past Services of Military counted as Qualifying Service?

Answer: As per Govt. of India Decision-1 below Rule 19, Re-employed Military Pensioners should exercise option within one year from the date of re-employment.

Q3. It is generally seen that the option is delayed. What can be done to curb the delay?

Answer: The Government has issued Instructions that the Administrative authorities concerned should incorporate in the Order of re-employment itself a clause to the effect that if the re-employed ex-serviceman desires to take advantage of the retirement benefits based on combined Military and Civil Services, he should exercise option within a period of one year from the date of his re-employment.

Q4. How is the amount of the pensionary benefits refunded by an ex-serviceman if he opts to have his past Military service counted?

Answer: Interest at the rate applicable to GPF contribution is payable by Ex-Servicemen from the date of receipt of benefits to the date of issue of Orders for depositing this amount.

The amount of pensionary benefits are required to be refunded in monthly installments not exceeding 36 in number, the first installment beginning from the month following the month in which he exercised the option.

Q5. This position is applicable in an ideal situation i.e. where a Military Pensioner secures a Civil Post immediately after his retirement from the Military. However, it is generally (rather always) seen that there might be a gap of one to two years between the date of retirement from Military & date of re-employment. How will the refund be regulated in case there is a gap of 2 years in the Military Service & Civil Employment.

Answer: This can be explained with the help of an example. Let us assume that Shri Ram Singh, has retired from Military Service on 30.11.1999 after rendering 10 years of Service. He had received Retirement Gratuity, Commutation of Pension and was in receipt of Pension. He secures employment as Staff Car Driver in Ministry of Home Affairs on 10.8.2001. He opts to get Military Service rendered by him prior to his Civil appointment counted as Qualifying Service on 8.7.2002.

The Instructions of Government are very clear and logical in the above case. Shri Ram Singh will be required to refund the amount of Retirement Gratuity & Commutation Amount received by him alongwith interest at GPF rates calculated from the date of joining the Civil Service to the date of refund.

The only difference will be regarding the refund of Pension. We know that Shri Ram Singh was in receipt of Pension w.e.f. 1.12.99. He shall cease to draw Pension from Military w.e.f. 8.7.2002. He shall be required to refund the Pension received by him during the period of his employment in civil service & not the Pension received when he was not in employment. He shall be required to refund the Pension drawn by him for the period 10.6.2001 to 7.7.2002. He is not required to refund the Pension drawn prior to the date of re-employment.

COUNTING OF SERVICE ON CONTRACT:

The option of getting the Contract Service counted lies with the Government Servant subject to fulfillment of the condition that he should have been appointed to same or another post in a substantive capacity without any interruption of service rendered on Contract basis.

If a Govt. Servant wants to get the Contract Service counted as Qualifying Service, then he shall have to communicate his option in this regard to the HOO under intimation to the PAO within a period of 3 months from the date of issue the Order of permanent transfer to a post on regular basis. He shall also have to refund the CPF with interest thereon including any other compensation received for Contract Service alongwith interest at rates applicable to GPF.

If he does not exercise the option to refund this amount, then his service shall start afresh in the Government i.e. the Contract Service is not counted as Qualifying Service.

JOINING TIME

Period spent on Joining Time is treated as period spent on duty and hence it automatically counts as Qualifying Service. However, overstayal of Joining Time, if not, regulated by grant of leave due & admissible, is a Non - Qualifying Service.

COUNTING OF PERIODS SPENT ON LEAVE

All leave availed during service for which leave salary is payable count as Qualifying Service.

However, Extra-Ordinary Leave on medical certificate counts as Qualifying Service even though no leave salary is payable.

This means that EOL taken without medical certificate is generally a Non Qualifying Service. However, even in case of EOL availed without Medical Certificate there are two exceptions:

(1) EOL granted to a Govt. Servant due to his inability to join duty on account of civil commotion e.g. riots, civil strikes and curfews etc.

(2) EOL granted to a Govt. Servant for prosecuting higher scientific technical studies.

In these above two cases, the appointing authority, may, at the time of granting such leave allow the period of that leave to count as Qualifying Service.

EOL (without medical certificate) taken on all other grounds (except two mentioned above) shall not count as Qualifying Service and shall have to be deducted from the gross Qualifying Service.

Q1. **From where will the period spent on EOL be known?**

Answer: The periods of EOL will be known from the scrutiny of the Service Book.

Q2. **How should entries made in the Service Book regarding Extra Ordinary Leave?**

Answer: The entries regarding Extra Ordinary Leave should be made very clearly & precisely. There should be a definite entry in the Service Book where EOL is not on Medical Certificate and neither on the grounds of civil commotion or higher technical/Scientific Studies, that period of EOL shall not count as Qualifying Service.

Q3. **What if the entries in Service Book are not very clear? For example, if there is an entry in Service Book as under:**
"Granted E.O.L. for 30 days w.e.f. 1.7.70 to 30.7.70"
How will we regulate this period when we open the Service Book say on 15.7.2002 if the Govt. Servant who is going to retire on Superannuation on 31st March, 2003?

Answer: It is with a view to avoid such instructions of Government provide for many checks to ensure that the definite entries are made in this respect. Firstly, 10% Service Books have to be checked by HOO formally to ensure that entries are made properly. Secondly, Service Book is to be shown to Govt. Servant every year and his signatures taken in Column No. 10, Vol. I, Part IV of the Service Book. Thirdly, Rule 32 of the CCS (Pension) Rules provide that when a Govt. Servant has completed 25 years of Service or 5 years are left for his retirement, whichever event occurs earlier, his entire past Qualifying Service is to be verified by HOO. After making good any omission or commissions, a Certificate in form 24 is to be issued to Govt. Servant by HOO in consultation with the Accounts Officer (now PAO). Once the Certificate has been issued, then at the time of preparation of Pension Papers the period for which certificate has been issued is not to be verified again.

Thus, if Pension Rules are complied with there is a minimum period of 5 years available at our disposal to correct the errors, if any in Service Book.

As regards, the question asked i.e. if nothing is mentioned in Order of granting EOL whether it is on Medical Certificate or without Medical Certificate, then there is an element of doubt.

Efforts will be made to locate old records like application of Govt. Servant for grant of EOL etc. and if records are available then entries will be rectified and dealt with as per the rules.

However, if no records are traceable / available, then benefit of doubt goes to Govt. Servant i.e. entire period of EOL will be treated as Qualifying Service in absence of definite entry. The golden rule is that the retiring Govt. Servant should get his pensionary benefits on time and should not suffer due to negligence of Administration.

Q4. **The above logic is clear. But in absence of Government Instructions this will be objected to by PAO. Are there any instructions of the Government in this regard?**

Answer: Yes. Government of India's Decision No. 1 below Rule 21 says in absence of any definite entry regarding EOL, the omission can be rectified during the period allowed for preparatory action i.e. from 2 years in advance of the retirement date upto eight months before retirement. After this period, all spells of Extra Ordinary Leave not covered by such specific entry will be deemed to be Qualifying Service.

COUNTING PERIOD OF SUSPENSION

Suspension is a Temporary Deprivation of duty. While calculating the Qualifying Service we are to see how to regulate the period spent on Suspension. Suspension may come to an end in the following circumstances:

(i) <u>On Death of Government Servant</u>- If during Suspension, death takes place, the entire period of Suspension shall be treated as duty and Family is eligible for all Pensionary benefits. All Disciplinary Proceedings come to an end with Death.

(ii) Exoneration : When a Govt. Servant is full exonerated on conclusion of disciplinary / Judicial proceedings the Suspension is held wholly unjustified. Therefore, the period of Suspension shall be treated as duty & hence Qualifying Service.

(iii) <u>When Proceeding end with Minor Penalty:</u> When inquiry is held against a Government Servant for imposition of a Major Penalty but finally a minor penalty is imposed, the suspension is held to be wholly unjustified and period spent on Suspension shall be treated as Qualifying Service.

(iv) Other Cases: In all other cases, i.e., imposition of Major penalty, the period of Suspension shall not count unless the competent authority expressly declares in order that it shall count as Qualifying Service.

Q1. **We sometimes come across cases where a person was under suspension say w.e.f. 5.10.72. Suspension comes to end on say 15.5.1974 after imposition of a Major Penalty say reduction in rank. But there is no specific order in the Service Book when we open it say on 20.7.02 for processing the Pension papers. How will we deal with such a situation?**

Answer: The solution is simple. Apply the same logic as that of EOL. In absence of any specific entry apply the logic as that of EOL. In the absence of any specific entry in this regard, the benefit of doubt goes to the Government Servant. In absence of any specific entry, period of Suspension shall be taken as counting towards the Qualifying Service. Therefore, it is essential that the Order as to how to treat the period of Suspension by Disciplinary / Appointing Authority must be duly entered in the Service Book. In an unlikely event of the Order not having been made by Competent Authority, it should be brought to his notice & order be got made.

DEPUTATION TO UNITED NATIONS & OTHER ORGANISATIONS

A Govt. servant is deputed on Foreign Service to United Nations Bodies for a period of 3 years or more he may:

(i)   Avail of the Retirement benefits admissible under the rules UN Bodies and in that case the period spent on deputation to UN Bodies will not count as Qualifying Service.

(ii)   Where the Govt. Servant is not entitled to retirement benefits under UN Bodies, the Govt. Servant shall have to pay the leave salary and pension Contribution in respect of his Foreign Service & count such service as Qualifying Service for Pension.

Q1.   **The above position appears contrary to Rule 31 of CCS (Pension) Rules where the period is five years and not three years.**

Answer: You are right. Rule 31 of CCS (Pension) Rules refers to 5 years of Foreign Service to enable a Government Servant to exercise the Option. However, this period of 5 years has been reduced to 3 years now by Government of India,   Department of Personnel and Training O.M.No. 1/3/95-Estt. (Pay-II) dated 11.6.1995. The Rule 31 of CCS (Pension) Rules 1972 will also be amended in due course.

Q2.   **What if someone is on deputation to Autonomous / Local Bodies etc.**

Answer: In that case, where the Government Servant is not drawing his pay & allowances from the Consolidated Fund of India, then for the periods of service rendered by him in that Organization either the borrowing Organization or the individual has to pay Leave Salary & Pension Contribution to the Lending Department.

Q3. **How to know who has to pay the Leave Salary / Pension Contribution in respect of foreign service?**

Answer: Before relieving the Government Servant the terms of such deputation is decided by the lending and borrowing Organisations mutually.   It is laid down in the terms and conditions as to whether individual would pay the Leave Salary / Pension Contribution.

Q4. **At what rate is Leave Salary / Pension Contribution paid. How to calculate it?**

Answer: The rate of Leave Salary & Pension Contribution depends on the length of service rendered by the individual & his scale of pay. This can easily be calculated from the table given in Swamy's FR & SR Part-I.

Q5. **Suppose as per the terms and conditions, the leave salary / pension contribution were to be paid by borrowing organiation and have not been recovered. Who is responsible, the individual or the lending organisation i.e. Administration.**

Answer: Clearly in this case since the agreement in between the borrowing and lending organisation the Government Servant does not come in picture. Hence, he is not responsible.   It is the responsibility of the Administration of the lending Organisation to recover the outstanding leave salary & pension contribution.

FORFEITURE OF SERVICE ON RESIGNATION:

A resignation from the service or post entails forfeiture of entire past qualifying service. The exception is technical resignation which does not result in forfeiture of past service.

Q1. How to distinguish between a Resignation & Technical Resignation?

Answer: When a person resigns with a view to take up another appointment in Government / PSU / Banks/ Autonomous Bodies with proper permission, it is called technical resignation. Whereas resignation submitted for other reasons or if competent authority has not allowed him to forward his application through proper channel, it is a resignation.

Q2. Please explain how the intervening period will be treated. For example, Shri ABC worked as LDC in Ministry of Railways from 10.6.1998 to 9.7.2000. He joins as Assistant in the Ministry of Industry on 18.7.2002 after acceptance of technical resignation.

Answer: The interruption between 2 spells of service i.e. from 10.7.2002 to 17.7.2002 shall be covered by joining time permissible under rules and the rest of the period by grant of leave o any kind due to Government Servant on the date of relieving. Thus his services for Pension Rules will be counted from 10.6.1998.

Q3. This is O.K. But how to cover the period of interruption if the person had not been granted leave between these two spells?

Answer: Such period of interruption shall be formally condoned and the result will be that past qualifying service will be counted but only the intervening period will not be counted.

Q4. **Is the above provision also available to temporary employees?**

Answer: Yes. These provisions are equally applicable to the temporary employees.

4(a) **The position being explained in respect of temporary Government Servant taking up another appointment appears contrary to the rules & practice. Please explain the following example:**

Shri Dharam worked as LDC in Ministry of Home Affairs from 6.1.99 to 10.12.2000 and joined Ministry of Finance as an Assistant on 11.12.2000. He made a request to count his service as LDC from 6.1.99 to 10.12.2000. However, his request is rejected on the grounds that CCS (Pension) Rules provide that service on probation is counted only if followed by confirmation. The fact that Shri Dharam was not confirmed & neither can be confirmed in the Post of LDC since he has not completed 2 years as LDC, cannot be counted as Qualifying Service.

Answer: There is no conflict between Rule 15 i.e. i.e. regarding confirmation & Rule 26 of CCS (Pension) Rules i.e. regarding Resignation. It is very correct to state that service on probation counts subjects to confirmation. But please look at the language of the statute. It says service on probation counts if followed by confirmation in the same or another post, so as soon as the person is confirmed in the Grade of Assistant, the temporary service as LDC shall also qualify since it has been followed by confirmation in another post Thus the service of Shri Dharam will count from 6.1.99 & not from 11.12.2000.

FORFEITURE OF SERVICE ON REMOVAL / DISMISSAL:

Removal & Dismissal are the two severest/harshest Penalties in the CCS (CCA) Rules imposed for a serious misconduct like lack of absolute integrity or serious negligence / devotion of duty.

The Government Servant who is removed / dismissed from Service forfeits his right to Pensionary benefits. His entire past qualifying service stands forfeited. But termination of service under Temporary Service Rules does not entail forfeiture of past service.

Q1. **What is the difference between Removal & Dismissal?**

Answer: Practically no difference but technically speaking Dismissal is a bar for further employment in Government whereas removal is ordinarily not a bar for further appointment in Government.

Q2. **How does Termination differ from Removal / Dismissal?**

Answer: Removal is a Major Penalty which is imposed after the Government Servant has committed a serious misconduct. The Penalty of Removal can only be imposed after following quasi- judicial procedure contained in CCS (CCA) Rules.

Whereas Termination of service of a temporary Government Servant under CCS (Temporary) Service Rules 1965 is an administrative act & does not amount to dismissal. Termination does not cast a stigma in Govt. Servant and, therefore, does not result in forfeiture of past qualifying service.

Q3. **This does not seem to be clear. How can service after termination be counted as Qualifying Service? Please illustrate with the help of an example.**

Answer: Let us take an example. Shri ABC is LDC in Ministry of Environment and Forests w.e.f. 1.5.99. He is preparing for the Civil Services Examination. As he is frequently absenting himself & not doing his work properly, the appointing authority decides to terminate his Services under CCS(Temporary) Services Rules 1965 on 5.1.2001 by giving One Month's notice. Shri ABC has already received an offer of appointment on 1.1.2001 to join Ministry of Industry as Section Officer (Direct Recruit) on the basis of Civil Services Examination. He joins Ministry of Industry on 5.2.2001 without any break. After confirmation in the grade of Section Officer (Direct Recruit) his Services w.e.f. 1.5.99 shall also be treated as Qualifying Service.

Q3(a) **What would be the position if there was a break between joining. For example, Shri ABC is terminated from Services on 5.1.2001 by giving one month's pay & allowance in lieu of notice. If he joins as Section Officer (Direct Recruit) on 10.1.2001, would the Services w.e.f. 1.5.99 also counted as Qualifying Service?**

Answer: Yes. Even if Shri ABC joins upto 4.2.2001, his Services shall be counted w.e.f. 1.5.99. In the CCS (Temporary) Services Rules, 1965 there are clear instructions that in case a Government Servant who is terminated by giving one month's pay & allowances, joins another post within the period of one month, there shall be no interruption in his service. However, he shall have to refund the pay & allowance for the number of days in case he joins before completion of the month.

For example, if Shri ABC is terminated on 5.1.2001 has got one month's pay & allowances in lieu of notice. If he joins as Section Officer (Direct Recruit) in another Ministry on 11.1.2001, he shall have to refund the pay & allowances of 25 days received from Ministry of Environment i.e. for the period 11.1.2001 to 4.2.2001.

EFFECT OF INTERRUPTION IN SERVICE:

Any interruption in break in service shall entail forfeiture of past service. Unauthorised absence where it stands singly and not in continuation of any authorised leave shall constitute interruption in service. Any break in two spells of service not covered by grant of leave or joining time shall also constitute an interruption in the Service.

However, the appointing authority may by Order commute retrospectively the period of absence without leave as extraordinary leave. Then implication would be the such period of Extra ordinary Leave shall be non-qualifying service but previous service shall not be forfeited.

Q1. What is the position regarding `dies-non' i.e. unauthorised absence being declared as `dies-non' i.e. no work, no pay. How to deal with entry of `dies-non'?

Answer: In absence of any specific entry in the Service Book regarding forfeiture of past service, `dies non' shall not affect the previous qualifying service but obviously the period of `dies non' shall be Non-Qualifying Service.

Q2. How to deal with the following case?
Shri ABC submitted a technical resignation from the post of Tehsildar in Rohtak, Haryana Government on 7.10.90 after rendering a service of 8 years. He joined as Assistant in the Ministry of Home Affairs on 20.10.90. the period upto 18.10.90 was covered by joining time. As there was no leave due, he was not granted any leave. Will the interruption of 19.10.90 entail forfeiture of his entire previous qualifying service?

Answer: No. Rule 28 clearly says that in absence of a specific indication an interruption between two spells of service shall be treated automatically condoned & pre-interruption service treated as Qualifying Service. Only 19.10.90 in the instant case shall be Non-Qualifying Service.

DAY 1

Session IV

PRACTICAL EXERCISES ON QUALIFYING SERVICE

OBJECTIVES

At the end of this session the participants shall be able to:-

(i) State the Concept of weightage in Qualifying Service in the following circumstances"

- On being declared surplus

- Voluntary Retirement

- Super-annuation of Specialists

(ii) Explain the procedure for verification of Qualifying Service & issue of Certificate after rendering 25 years of Qualifying Service by Government Servant.

(iii) Explain the effect of various events on Qualifying Service.

(iv) Calculate the Gross Qualifying Service in years, months and days from the given data by using the table method.

TRAINING METHOD

(i)   Lecture and Discussions

(ii)   Question and Answer – Clarification of Doubts

(iii)   Demonstrate the Calculation on board.

(iv)   Exercise on Qualifying Service – Theory

Instructions to the faculty

The faculty shall explain the following:-

(i)   The Concept of weightage in Qualifying Service in the following circumstances" & weightage admissible:-

🕐 [Time: 15 minutes]

- On being declared surplus
- Voluntary Retirement
- Super-annuation of Specialists

Explain the procedure for verification of Qualifying Service & issue of Certificate after rendering 25 years of Service by Government Servant or 5 years before retirement whichever is earlier.

(ii)   Thereafter the Faculty shall demonstrate the method of calculation of Qualifying Service by using the Table method and explain the concept of "Six Monthly Periods"(SMPs).

🕐 [Time:10 minutes]

(iii)   The Faculty shall then distribute exercise on Qualifying Service (Theory) and ask the participants to solve after discussing among themselves.

🕐 [Time: 20 minutes]

(iv)   The Faculty shall then discuss the solutions of the exercise in the classroom and clarify the doubts of the participants.

🕐 [Time:20 minutes]

Note: The faculty may use transparencies viz. V_8, V_9 V_{10}, and V_{11}.

STUDY MATERIAL

ADDITION TO QUALIFYING SERVICE

In certain conditions of Retirement, the Government Servants are given additional incentive i.e. there is an increase in the Qualifying Service by adding weightage for the purpose of Calculation on Pensions. Weightage in qualifying service is admissible in the following three cases":-

1.   VOLUNTARY RETIREMENT: If a Government Servant on completion of more than 20 years of qualifying service opts to retire voluntarily & is permitted to retire then a maximum weightage of 5 years   is admissible towards qualifying service, subject to the following:
(i)   the weightage should not take him beyond the normal age of Superannuation.
(ii)   The weightage should not make the Qualifying Service more than 33 years.

For example, if a Government Servant gives a notice to retire voluntarily w.e.f. 1.8.2003 when he has got 2 years & 5 months service left for superannuation. In this case weightage would be limited to 2 years & 5 months i.e. period left for superannuation, subject to the condition that the weightage does make the qualifying service more than 33 years.

2.   WEIGHTAGE ON BEING DECLARED SURPLUS:

If the Government Servant within 2 months of being declared surplus instead of seeking redeployment, exercises his option to retire, then he shall be eligible to get the maximum weightage of 5 years in his Qualifying Service provided on the date of option he had rendered minimum 15 years of service.

Other conditions remain the same regarding weightage i.e. weightage in Qualifying Service would not be more than the service he would have rendered had he retired on the date of his superannuation and the weightage should not take him beyond 33 years of qualifying service.

3. **SUPERANNUATION OF SPECIALISTS**:

The Government wants to encourage the specialists & experienced professionals to join the Government Service. For example, there is requirement of Nuclear Scientist having done PH.D and with alteast 7 years of experience in this field. It means that the candidate would be in the age group of 23-27 + 7 = 30-35 years of age. The fact that even till the date of his normal superannuation, the candidate would be able to render only 25-30 years of Qualifying Service & thus eligible for less than maximum pension, would be a disincentive.

However, with a view to encourage the specialists & experienced professionals, a weightage is given in their Qualifying Service at the time of their superannuation.

The maximum weightage added to Qualifying Service is five years subject to the following restrictions:

(i) Weightage is limited to ¼ of the length of Qualifying Service.
(ii) Weightage is limited to the actual period by which his age at the time of recruitment exceeded 25 years.

The above concession is available in the following conditions only:
*When Govt. Servant is appointed to a post for which post-graduate research, or specialist qualification or experience in scientific /technical/ profession field is essential.

*When a Govt. Servant is appointed to a post to which candidates of more than 25 years of age are normally recruited.

Further, this concession is available only if Recruitment Rules in respect of the Post / Service contain a specific provision in this regard.

QUESTIONS

Q1. **If such a specialists opts to retire voluntarily, then would he get weightage in Qualifying Service as per Rule 48-A this rule i.e. Rule 30.**

Answer: In case of Voluntary Retirement, the provision of Rule 30 shall not apply as it is applicable only in case of superannuation. Weightage as usual will be given under Rule 48-A.

Q2. **Whether this concession is available even if the Government Servant has opted to get his previous service counted?**

Answer: No. Where a Government Servant has opted to get his previous service counted, then this concession is not available to him on retirement on superannuation.

Q3. **A Government Servant joined Indian Audit & Accouints Service after qualifying Civil Services Examination conducted by UPSC. He had done Ph.D in Physics & joined at the age of 29 years. Can he claim this concession on retirement?**

Answer: No, since Recruitment Rules do not require a minimum qualification of Ph.D for Civil Services. Minimum qualification is Graduation.

VERIFICATION OF QUALIFYING SERVICE AFTER 25 YEARS OF SERVICE OR 5 YEARS BEFORE RETIREMENT

From the above discussions on qualifying service, it becomes quite clear that determination & calculation of qualifying service is one of the most complex & time consuming exercise. The Government is aware of this position.

In view of the time consuming exercise involved in determination of Qualifying Service, Rule 32 of CCS (Pension) Rules which is the last rule regarding Qualifying Service, details the procedure to be observed in each case for elimination of delay in finalisation of Pension cases.

Rule 32 of CCS (Pension) Rules says that when a Govt. Servant has completed 25 years of service or he is left with 5 years of service before the date of retirement, whichever is earlier, with the Accounts Officer shall verify the service rendered by such a Govt. Servant. The Qualifying Service so determined as per the rules, shall be communicated to the Government servant concerned in Form No. 24.

Ordinarily, the Qualifying Service so determined & communicated to the Government servant concerned, if not objected to by the Government servant shall be treated as final, and when he retires & Pension papers are being processed, the Qualifying Service communicated to Government Servant shall not be re-calculated. The service rendered after the communication shall only be determined.

Q1. **Who is responsible for communicating the Qualifying Service to Government servant concerned as per Rule 32. What is the remedy if in spite of completion of more than 25 years of service, the certificate in Form 24 is not issued?**

Answer: As per Rule 32 of CCS (Pension) Rules and Government of India's decision No.1 below Rule 32 Head of the office is personally accountable for compliance with Rule 32 of CCS (Pension) Rules. In case a Government servant who has completed more than 25 years of service or who has less than 5 years left for retirement, has not got the certificate in Form 24 communicating to him the Government servant the Qualifying Service can make a representation to the Head of the Office for compliance quoting Rule 32 & Government of India's decision No. 1 below Rule 32.

IMPORTANT INSTRUCTIONS/ORDERS OF GOVERNMENT OF INDIA

GOVERNMENT OF INDIA'S DECISIONS

(1) NEED FOR MAKING PROPER ENTRIES FOR TREAMENT OF EXTRAORDINARY LEAVE FOR PENSIONARY BENEFITS

Under Rule 31 of the CCS (Pension) Rules, 1972, extraordinary leave granted on medical certificate qualifies for pension. The Appointing Authority may, at the time of granting extraordinary leave, also allow the period of such leave to count as qualifying for pension if the leave is granted to a Government servant-

(i)   due to his inability to join or rejoin duty on account of civil commotion, or

(ii)   for prosecuting higher technical and scientific studies.

Extraordinary leave taken on other grounds is treated as non-qualifying and, therefore, a definite entry is to be made in the service records to that effect. Entries regarding service being qualifying or otherwise are required to be made simultaneously with the event. Even where this not done, it should still be possible to rectify the omission during the period allowed for preparatory action, i.e., from two years in advance of the retirement date up to eight months before retirement. At the end of that period, however (i.e. when the actual preparation of the pension papers is taken in hand), no further enquiry into past events or check of past records should be undertaken. Specific entries in the service records regarding non-qualifying periods will be taken note of and such periods excluded from the service. All spells of extraordinary leave not covered by such specific entries will be deemed to be qualifying service.

(G.I. M.F. OM NO. 11 (3)-E V (A) 76, dated the 28th February, 1976 – Paragraph (a).

(2) **EXTRAORDINARY LEAVE GRANTED FOR PROSECUTING HIGHER TECHNICAL AND SCIENTIFIC STUDIES, ETC., AUTOMATICALLY COUNTS AS QUALIFYING SERVICE**

It has been decided that extraordinary leave sanctioned for the following purpose shall automatically count as qualifying service for pension and for increments without any further sanctions:-

(i)   EOL granted due to inability of a Govt. servant to join or rejoin duty on account of civil commotion.

(ii)   EOL granted to a Govt. servant for prosecuting higher technical and scientific studies.

[G.I. Dept. of Pers. & Trg., OM NO. 13017/20/85-Estt. (I) dated the 18th February, 1986]

(3) GOVERNMENT OF INDIA DECISION NO.1 BELOW RULE 23

(i)   NEED FOR MAKING PROPER ENTRIES FOR COUNTING OF PERIODS OF SUSPENSION

Rule 23 of the CCS(Pension) Rules, 1972, requires that in cases other than those in which suspension has been held to be wholly unjustified, the Competent Authority, should, at the appropriate time declare whether and to what extent the period of suspension will come towards the qualifying service. Specific entries in this regard in the Service Book/records will be taken note of at the time of reckoning qualifying service. In the absence of any specific entry, period of suspension shall be taken as counting towards the qualifying service.

[G.I., M.F., O.M. No.F.11 (3) – E. V(A)/76, dated the 28th February, 1976 – Paragraph 3(b).]

EXAMPLE

METHOD OF CALCULATING THE GROSS QUALIFYING SERVICE

Question: Calculate the period from 23-09-1970 to 14-08-2002

Step 1

Write down on the top Date of Entry & Date of Exit

Step 2

Below this construct a table as shown below

Date of Entry   :   23.9.1970

Date of Exit   :   14-8-2002

Period	Years	Months	Days

Step 3

Start by writing the Date of Entry in Column 1 as indicated below

Date of Entry   :   23.9.1970

Date of Exit   :   14-8-2002

Period	Years	Months	Days
23.9. 70			

Step 4

Now complete the broken month and write down the number of days in column

Date of Entry   :   23-09-1970

Date of Exit   :   14-08-2002

Period	Years	Months	Days
23.9.1970 to 30.9.1970			8

(To calculate the no. of days from 23.9.1970 30.9.1970 subtract 22 from 30 as 23.9.1970 is also a working day).

Step 5

Now in Column 1 indicate the next date and complete the broken year. (Year 1970 is not a completed year and hence it is a broken year)
And write down the no.. of months in Column 3:

Date of Entry   :   23-09-1970

Date of Exit   :   14-08-2002

Period	Years	Months	Days
23-9-70 to 30.9.70	-	-	8
1-10-70 to 31-12-70	-	3	-

(To calculate the no. of months   just count the months i.e. October, Nov., and December = 3 Months or subtract 9 from 12 since 10 is a working month)

Step 6

Now in Column 1 again indicate the next date and also indicate the last completed year and write down the no. of years in column 2 as indicated below:

Date of Entry   :   23-09-1970

Date of Exit   :   14-08-2002

Period	Years	Months	Days
23.9.70 to 30.9.70	-	-	8
1-10-70 to 31-12-70	-	3	-
1.1.71 to 31.12.2001	31	-	-

(2002 is broken year. Therefore 2001 is a completed year. To calculate the no. of years subtract 1970 from 2001, since 1971 is a working year)

Step 7

Now repeat the reverse process as done above in Step 6 i.e. Indicate the next date and also indicate upto completed month in respect of year 2002 which is a broken year.

Date of Entry   :   23-09-1970

Date of Exit   :   14-08-2002

Period	Years	Months	Days
23.9.70 to 30.9.70	-	-	8
1-10-70 to 31-12-70	-	3	-
1.1.71 to 31.12.2002	31	-	-
1.1.2002 to 31.7.2002	-	7	-

Step 8

Now indicate the next date and indicate the date of opposite. Write down the no. of days in column 4

Date of Entry   :   23-09-1970

Date of Exit   :   14-08-2002

Period	Years	Months	Days
23-9-1970 – 30-9-1970	-	-	8
1-10-1970 – 31-12-1970	-	3	-
1-1-1971 – 31-12-2001	31	-	-
1-1-2002 – 31-7-2002	-	7	-
1-8-2002 - 14-8-2002	-	-	14

Step 9

Now add Column 2,3 and 4 vertically. Write down the total in the last column.

Date of Entry   :   23-09-1970

Date of Exit   :   14-08-2002

Period	Years	Months	Days
23-9-1970 – 30-9-1970	-	-	8
1-10-1970 – 31-12-1970	-	3	-
1-1-1971 – 31-12-2001	31	-	-
1-1-2002 – 31-7-2002	-	7	-
1-8-2002 – 14-8-2002	-	-	14
	31	10	22

Gross Qualifying Service : 31 years 10 Months and 22 Days

QUIZ ON QUALIFYING SERVICE
(THEORY)

STATE WHETHER THE FOLLOWING ARE CORRECT / INCORRECT, IF INCORRECT, STATE THE CORRECT POSITION:

1. Apprenticeship period qualifies for service in all cases.

2. EOL on medical ground of a near relative counts for service.

3. Contingencies service does not count for qualifying service.

4. Suspension when followed by death counts for qualifying service.

5. Suspension in all cases is a non-qualifying service.

6. The period from 15.7.91 to 14.2.92 will be 7 months.

7. The period of EOL for 61 days from 17.7.91 will be 2 months 1 day.

8. Under voluntary retirement scheme, a Govt. servant gets the maximum weightage of 5 years in their qualifying service.

9. Removal, termination, dismissal, resignation except technical resignation tantamount to forfeiture of entire past service.

10. Over-stayal of leave and overstayal of joining time will be part of Qualifying service.

11. The Govt. servant who has rendered a qualifying service less than 10 years is entitled to service gratuity in lieu of pension.

12. An Ex-serviceman has option to get his military service counted for qualifying service under Central Govt.

13. Service on probation against a post if followed by confirmation in another post shall not qualify

14. The option for counting a contract service is to be communicated to the Head of Office within three months from the date of issue of order of permanent transfer to pensionable service.

15. Pension Sanctioning Authority (H.O.O.) may, by order, commute retrospectively the periods of absence without leave as Extraordinary leave.

16. A Govt. servant if he is declared surplus can exercise option to retire voluntarily within a period of 2 months and can get maximum 5 years weightage in Qualifying Service provided he has rendered minimum of 20 years Qualifying Service.

17. Rule 32 of CCS (Pension) Rules provide for supply of an attested copy of Service Book to those Govt. Servant who have completed 25 years of service or 5 years before retirement.

18. If the H.O.O. does not comply with requirements of rule 32 of CCS (Pension) Rules, he cannot be held personally accountable.

SOLUTION TO QUIZ ON QUALIFYING SERVICE (THEORY)

1. Apprenticeship period qualifies for service in all cases.

Answer: False. It qualifies only in the case of SAS Apprentice.

2. EOL on medical ground of a near relative counts for service.

Answer: False.

3. Contingencies service does not count for qualifying service.

Answer: False. Half of contingency service followed by regular service counts as qualifying service.

4. Suspension when followed by death courts for qualifying service.

Answer: True

5. **Suspension in all cases is a non-qualifying service.**

Answer: False. Suspension is treated as Non-Qualifying only when there is a specific entry in this regard in the service.

6. **The period from 15.7.91 to 14.2.92 will be 7 months.**

    Answer: False, it would be 7 months and 1 day. Calculate using table method and check.

Period	Years	Months	Days
15-07-1991 to 31-07-1991	---	---	17
01-08-1991 to 31-12-1991	---	05	---
01-01-1992 to 31-01-1992	---	01	---
01-02-1992 to 14-02-1992	---	---	14
		06	31

    7 months & 1 day

7. **The period of EOL for 61 days from 17.7.91 will be 2 months 1 day.**

    Answer: False. Calculate and Check. The period would be 2 months

Period (Calculate in days)	Days	Month
17-07-1991 to 31-07-1991	15	**-**
01-08-1991 to 31-08-1991	-	**1**
01-09-1991 to 15-09-1991	15	**-**

    Period =2 months since August will be taken as one month

8. **Under voluntary retirement scheme, a Govt. servant gets the maximum weightage of 5 years in their qualifying service.**

    Answer: True.

9. **Removal, termination, dismissal, resignation except technical resignation tantamount to forfeiture of entire past service.**

    Answer: False. Removal and dismissal entail forfeiture of past service. Termination itself does not entail forfeiture of past service.

10. **Overstayal of leave and overstayal/joining time will be part of Qualifying service.**

Answer: False. Overstayal of leave or overstayal of joining time is non-Qualifying Service.

11. **The Govt. servant who has rendered a qualifying service of less than 10 years is entitled to service gratuity in lieu of pension.**

Answer: True.

12. **An Ex-serviceman has option to get his military service counted for qualifying service under Central Govt.**

Answer: True.

13. **Service on probation against a post if followed by confirmation in another post shall not qualify**

Answer: False. Probation against a post if followed by confirmation even in another post shall be counted as Qualifying Service.

14. **The option for counting a contract service is to be communicated to the Head of Office within three months from the date of issue of order of permanent transfer to pensionable service.**

Answer: True.

15. **Pension Sanctioning Authority (H.O.O.) may, by order, commute retrospectively the periods of absence without leave as Extraordinary leave.**

Answer: False. This power is vested in the Appointing Authority and not the Head of the office.

16. **A Govt. servant if he is declared surplus can exercise option to retire voluntarly within a period of 2 months and can get maximum 5 years weightage in Qualifying Service provided he has rendered more than 20 years Qualifying Service.**

Answer: False. In this case minimum service required for weightage is 15 years.

17. **Rule 32 of CCS (Pension) Rules provide for supply of an attested copy of Service Book to those Govt. Servant who have completed 25 years of service or 5 years before retirement.**

Answer: False. An attested/certified copy is given only to those Government servant who retire or resign from service. In the instant case a certificate in Form No.24 is issued to a government servant as per Rules 32 of CCS(P)Rules.

18. **If the H.O.O. does not comply with requirements of rule 32 of CCS (Pension) Rules, he cannot be held personally accountable**.

Answer: False. Though the Head of Office (H.O.O.) can delegate the powers of attesting the entries in Service Book to his sub-ordinate Gazetted Officers, he continues to remain personally accountable for compliance with requirement of Rule 32 of CCS(Pension Rules).

DAY 1

Session V

PRACTICAL EXERCISE ON QUALIFYING SERVICE

OBJECTIVES

At the end of this session, the participants will be able to:-

(i)   State how to deal with the various entries in Service Book having a bearing on Qualifying Service

(ii)   Calculate the Gross Qualifying Service using the Table method

(iii)   Determine & Calculate the Non-Qualifying Service

(iv)   Calculate the Qualifying Service by subtracting Non-Qualifying Service from Gross Qualifying Service

(v)   Calculate the weightage admissible in Qualifying Service and thus derive the Net Qualifying Service

(vi)   Express the Net Qualifying Service in Six Monthly Periods (SMPs)

Instructions to Faculty

- Explain the procedure of calculation of Net Qualifying Service by taking an example and conversion into Six Monthly Periods.

- Distribute Exercise No. 1 and give 10 minutes for calculation to the participants.

- Discuss each Question on Board.

- Distribute Exercise No.2 and give 15 minutes for calculation by participants.

- Discuss the principles regarding effect of various events on Qualifying Service in each question in Exercise 2.

- Solve on Board

- Explain / Clarify doubts, if any.

(i) In this Session the faculty shall explain the method of calculating the Gross Qualifying Service, Qualifying Service, Net Qualifying Service and finally how to convert these periods into SMPs (Six Monthly Periods) for the purpose of calculation of the Pensionary benefits.

🕐 [*Time: 10 minutes*]

(ii)   Thereafter, Exercise No.1 will be distributed to participants which will be helpful in familiarising them with calculation of Gross Qualifying Service by using the table method with speed & accuracy.

🕐 [Time:10 minutes]

(iii)   Exercise – 1 on Qualifying Service shall be discussed & problems, if any, shall be explained / solved on the board.

🕐 [Time:05 minutes]

(iv)   Exercise – II on Qualifying Service shall be distributed to the participants. Question 1 of Exercise-II shall be discussed in the class. The Faculty shall then explain these real life problems by using the step by step method in solving the complex questions particularly.

🕐 [Time:10 minutes]

(v)   The Faculty shall now tell the participants to solve the other 3 questions

🕐 [Time:15 minutes]

(vi)   The faculty shall then discuss the solution. In case if any doubt raised by the participants, the faculty shall solve the question on board explaining in detail the method of calculating the Net Qualifying Service.

🕐 [Time:15 minutes]

EXERCISE – I: QUALIFYING SERVICE

1. Calculate the period from 20.5.2001 to 3.6.2001

Period	Years	Months	Days
Total			

2. Calculate the period from 2.1.2001 to 30.5.2001

Period	Years	Months	Days
Total			

3. Calculate period from 21.6.2000 to 20.6.2001

Period	Years	Months	Days
Total			

4. Calculate period from 15.1.1968 to 28.7.2001

Period	Years	Months	Days
Total			

5. Calculate period from 7.2.1970 to 31.8.2002

Period	Years	Months	Days
Total			

6. Calculate   period from 24.9.65 to 5.2.2003

Period	Years	Months	Days
Total			

SOLUTIONS TO EXERCISE -I QUALIFYING SERVICE

1. Calculate the period from 20.5.2001 to 3.6.2001

CALCULATIONS OF `YEARS', MONTHS AND DAYS

SOLUTION 01

Period	Year	Months	Days
20-5-2001 to 31-5-2001	-	-	12
1-6-2001 to 3-6-2001	-	-	3
Total	-	-	15

Period = 15 Days

2. Calculate the period from 2.1.2001 to 30.5.2001

SOLUTION 02

Period	Year	Months	Days
2.1.2001 to 31.1.2001	-	-	30
1.2.2001 to 30.4.2001	-	3	-
1.5.2001 to 30.5.2001	-		30
Total	-	3	60

Period   =   3 Months & 60 days
          =   3 month + 2 months = 5 months.

(April is a completed month whereas May is a broken month therefore in the month of May – days are calculated),

3. Calculate period from 21.6.2000 to 20.6.2001

SOLUTION 03

Period	Years	Months	Days
21.6.2001 to 30.6.2000	-	-	10
1.7.2000 to 31.12.2002	-	6	-
1.1.2001 to 31.5.2001	-	5	-
1.6.2001 to 20.6.2001	-	-	20
Total		11	30

Period = 12 months

4. Calculate period from 15.1.1968 to 28.7.2001

SOLUTION 04

Period	Years	Months	Days
15.1.1968 to 31.1.1968	-	-	17
1.2.1968 to 31.12.1968	-	11	-
1.1.69 to 31.12.2000	32	--	-
1.1.2001 to 30.6.2001	-	6	-
1.7.2001 to 28/7/2001	-	-	28
TOTAL	32	17	45

Which is equal to Period = 33 years 6 Months and 15 Days

5. Calculate period from 7.2.1970 to 31.8.2002

SOLUTION 05

Period	Years	Months	Days
7.2.1970 to 28.2. 1970	-	-	22
1.3.1970 to 31.12.1970	-	10	-
1.1.1971 to 31.12.2001	31	-	-
1.1.2002 to 31.8.2002	-	8	-
Total	31	18	22

Period = 32 years 6 months and 22 days

6. Calculate period from 24.9.65 to 5.2.2003

SOLUTION 06

Period	Years	Months	Days
24.9.65 to 30.9.65	-	-	7
1.10.65 to 31.12.65	-	3	-
1.1.1966 TO 31.12.2002	37	-	-
1.1.2003 TO 31.1.2003	-	1	-
1.2.2003 TO 5.02.2003	-	-	5
Total	37	4	12

Period = 37 Years 4 Months & 12 Days

[NOTE: In case of a broken month, we always take a period of 30 days as a month regardless of actual days in a particular month. Whereas in case of a completed month, we never calculate the days for example February, June, July if they are not broken they are taken as one completed month.]

CCS (PENSION) RULES, 1972

QUALIFYING SERVICE PRACTICAL EXERCISE – II

1. **Calculate the Qualifying Service from the following data in respect of Shri ABC, a Group `B' Officer in the Ministry of Agriculture**

Date of Birth	:	1.5.1950
Date of Joining in Govt. Service	:	10.11.1978
Date of Voluntary Retirement	:	20.9.2002

   Following data is available in Service Records / Other Records:

   (i) Suspension : 10.7.1984 to 20.5.1987 (Major Penalty imposed thereafter)

   (ii) E.O.L. 10.6.1988 to 20.1.1989

   (iii) E/L & Half-Pay Leave for 100 days each w.e.f. 30.2.1990

   (iv) E.O.L. (On personal grounds) : 3 months & 2 days w.e.f. 12.10.1991 (Without Medical Certificate)

   (v) Suspension (Non-Qualifying) = 2 years 3 months &5 days w.e.f. 10.12.1992

   (vi) Dies-Non : Total 300 days

2. **Shri Dharam, a Group `D' Officer has given notice on 10.9.2001, under Rule 48-A, to retire voluntarily w.e.f. 9.12.2001**

   (i) Date of Birth: 20.6.1960

   (ii) Date of Joining: 10.5.1980

   (iii) EOL for 100 days w.e.f. 31.12.1982

(iv)   Suspension (Non-Qualifying) 10.5.1990 to 10.12.1990

(v)   Dies – Non   20 Days total

(vi)   Suspension (Ending in imposition of 1.1.1997   to
        20.5.1999.Minor Penalty)

3. **Shri Shakuni, a Group `A' Officer is due for superannuation. His Pension Papers are being prepared. Calculate his approximate Qualifying Service.**

(i) Date of Birth: 1.9.1942

(ii) Date of Joining   10.9.1960

(iii) Suspension (Non-Qualifying)   4 years 3 months 29 days
                                              w.e.f. 20.5.1990

(iv)EOL without medical certificate   2 years w.e.f. 14.6.1996
    (On account of Brother's illness)

(v) Dies-Non period   :   Total 295 Days

(vi) EOL   :   7 months w.e.f. 8.9.1997

4. **Determine the Qualifying Service in the following case:**

a)   Date of Birth   1.9.1948

b)   Joined Service   1.6.1967

c)   Confirmed   1.6.1969

d)   Suspension not counting for Pension 3.10.1971 to
        3.1.1972

e)   EL for 92 days combined with EOL   for 61 days
        from 1.5.1977

f)   Retired on Invalidation w.e.f. 30.8.2002

SOLUTIONS TO EXERCISE QUALIFYING SERVICE-II

1. **Calculate the Qualifying Service from the following data in respect of Shri ABC, a Group `B' Officer in the Ministry of Agriculture**

   Date of Birth   :   1.5.1950

   Date of Joining in Govt. Service: 10.11.1978

   Date of Voluntary Retirement: 20.9.2002

   Following data is available in Service Records / Other Records:

       (i)   Suspension : 10.7.1984 to 20.5.1987
                 (Major Penalty imposed thereafter)

       (ii)   E.O.L. 10.6.1988 to 20.1.1989

       (iii)   E/L & Half-Pay Leave for 100 days each w.e.f. 30.2.1990

       (iv)   E.O.L. (On personal grounds) : 3months & 2 days w.e.f. (without Medical Certificate)   12.10.1991

       (v)   Suspension (Non-Qualifying): 2 years 3 months &5 days w.e.f. 10.12.1994

       (vii)   Dies-Non :   Total 300 days

   Solution:

   Step 1:   First Calculate the Gross Qualifying Service by taking out the Date of Entry & Date of Exit.

           Date of Entry   =   10.11.1978

           Date of Exit-   =   19.9.2002
           (Day of voluntary retirement is non-working day)

Period	Years	Months	Days
10.11.1978 to 30.11. 1978	-	-	21
1.11.1978 to 31.12.1978	-	2	-
1.1.1979 to 31.12.2001	23	-	-
1.1.2002 to 31.8.2002	-	8	-
1.9.2002 to 19.9.2002	-	-	19
TOTAL	23	10	40
GROSS QUALIFYING SERVICE =	23	11	10

Step 2: Now, Calculate the Non-Qualifying Service periods which will be subtracted from the Gross Qualifying Service to arrive at the Qualifying Service.

(i) First examine all the (vi) variables indicated in Question and apply the theoretical knowledge already gained in previous sessions to do the practical Question.

First variable is that Shri ABC was suspended w.e.f. 10.7.1984 to 20.5.1987 and Major Penalty was imposed thereafter. It is seen that this is the only information which is available inspite of best efforts to locate the information. Therefore in pursuance of Government of India decision No. 1 below Rule 23, of CCS (Pension) Rules i.e. ` In the absence of any specific entry, period of Suspension shall be taken as counting towards qualifying service.' and hence this date will have no bearing on calculation.

(ii) The Second information given is that Shri ABC was on EOL from 10.6.1988 to 20.1.1989. The Question is how to deal with this entry. Efforts will be made to locate the old records and to find out whether the EOL was on Medical Certificate or not and on what grounds was it taken. If no records are traceable/ available, then as per the Govt. of India decision below rule 21 of CCS (Pension) Rules, i.e. ` All spells of extraordinary leave not covered by such specific entries will be deemed to be Qualifying Service. Therefore, this period being Qualifying Service will not be taken as Non-Qualifying Service and hence ignored for calculation.

(iii)   The third information is that Shri ABC was on E/L and HPL for 100 days each w.e.f. 30.2.1990.   It is clear from the Instructions of the Govt. of India, that all periods of leave with leave salary are taken as Qualifying Service.   Therefore, even this information would be ignored.

(iv)   The fourth information is that Shri ABC has taken EOL (without Medical   Certificate) on personal grounds for 3 months and 2 days w.e.f. 12.10.1991. This is reckoned Non-Qualifying Service.

(v)   The fifth information clearly states that the period of suspension is non-qualifying i.e., there is a clear entry in Service Book in this regard. It will, therefore, be non-qualifying service.

(vi)   The sixth information is that Shri ABC was on dies-non on various occasions and when added together it comes to 300 days. Dies-Non is reckoned is Non-Qualifying Service.

Step 3:   Now, calculate the total periods of Non-Qualifying Service in table.

NON- QUALIFYING SERVICE

Period / Event	Years	Months	Days
Suspension w.e.f. 10.12.1994	2	3	5
Dies Non	-	-	300
Total Non- Qualifying Service	2	3	305

By conversion of Days into Months and Months into year, we get 3 years, 01 month and   5 days

Step 4:   Now, Subtract the Non-Qualifying Service from Gross Qualifying Service to get the Qualifying Service.

Period	Years	Months	Days
Gross Qualifying Service	23	11	10
Less – Non Qualifying Service	3	1	5
Qualifying Service	20	10	5

Step 5: Now, to get the Net Qualifying Service in the last examine whether any weightage is admissible in Qualifying Service or not.   If no, then Qualifying Service will itself become the Net Qualifying Service.   In the instant case, Shri ABC has sought Voluntary Retirement, therefore, he is to be given a weightage of maximum of 5 years in Qualifying Service limited to the period left for superannuation.

Calculate and see whether Shri ABC has more than 5 years left for superannuation. If he has more than 5 years left for superannuation then 5 years weightage is admissible.

In the instant case date of birth of Shri ABC is 1-5-1950 which means his date of superannuation is 30-04-2010, whereas he has sought voluntary Retirement on 20-09-2002. It is obvious that since he has more than 5 years left for Superannuation from the date of voluntary retirement, he will get a maximum weightage of 5 years in Qualifying service.

Qualifying Service   =   20 years 10 months & 5 days

Add. Weightage   =   5 years

Net Qualifying Service   =   25 years 10 months & 5 days

Step 6: Convert the Net Qualifying Service into Six months periods (SMPs)

25 years have 50 SMPs.

10 months is equal to 2 SMPs

Therefore, total SMPs = 50 + 2 = 52

[Note: The Net Qualifying Service is finally expressed in Six Monthly Periods(SMPs)]

2. Shri Dharam, a Group `D' Officer has given notice on 10.9.2001, under Rule 48-A, to retire voluntarily w.e.f. 9.12.2001

(i)	Date of Birth:	20.6.1960
(ii)	Date of Joining:	10.5.1980
(iii)	EOL for 100 days w.e.f.	31.12.1982
(iv)	Suspension (Non-Qualifying)	10.5.1990 - 10.12.1990
(v)	Dies – Non	20 Days total
(vi)	Suspension (Ending in imposition of Minor Penalty	1.1.1997 -20.5.1999.

Solution:

Step 1: Write down Date of Entry, Date of Exit & Calculate the Gross Qualifying Service.

Date of Entry: 10.5.1980
Date of Exit: 8.12.2001

Period	Years	Months	Days
10.5.1980 to 31.5.1980	-	-	22
1.6.1980 to 31.12.1980	-	7	-
1.1.1981 to 31.12.2000	20	-	-
1.1.2001 to 30.11.2001	-	11	-
1.12.2001 to 8.12.2001	-	-	8
Gross Qualifying Service =	20	18	30

Step 2:   Calculate the Non-Qualifying Service
Non - Qualifying Service

Period	Years	Months	Days
Suspension			
10.5.1990 to 31.5.1990	-	-	22
1.6.1990 to 30.11.1990	-	6	-
1.12.1990 to 10.12.1990	-	-	10
Dies-Non	-	-	20
Total Non-Qualifying Service	-	6	52

Non Qualifying Service   -   7 Months 22 Days

Step 3:   Calculate the Qualifying Service by   substracting Non-Qualifying Service from Gross Qualifying Service

Gross Qualifying Service = 20 years, 18 months & 30 days
Less Non-Qualifying Service   7 Months & 22 Days

Qualifying Service   20 years 11 months & 08 days

Qualifying Service   20 years 11 months & 08 days

Add-Weightage   5 years

(Being Voluntarily Retirement)

Net Qualifying Service   = 25 years 11 months &   8 days

Now convert into **SMPs**   = 25 X 2 + 2   = **52 SMPs**

3. **Shri Shakuni, a Group `A' Officer is due for superannuation. His Pension Papers are being prepared. Calculate his approximate Qualifying Service.**

(i)   Date of Birth: 1.9.1942
(ii)   Date of Joining   10.9.1960
(iii)   Suspension   4 years 3 months 29 days
(Non-Qualifying)   w.e.f. 20.5.1990
(iv)   EOL   2 years w.e.f. 14.6.1996
On Account of brother's llness)
(v)   Dies-Non period   Total 295 Days
(vi)   EOL   7 months w.e.f. 8.9.1999
(with medical certificate)

SOLUTION:

Step1: Write down Date of Entry, Date of Exit and Calculate Gross Qualifying Service.

Date of Entry   =   10-09-1960
Date of Exit   =   31-08-2002

Period	Years	Months	Days
10-09-1960 to 30-09-1960	---	---	21
01-10-1960 to 31-12-1960	---	03	---
01-01-1961 to 31-12-2001	41	---	---
01-01-2002 to 31-08-2002	---	08	---
Gross Qualifying Service	41	11	21

Step2: Now calculate the Non-Qualifying Service, which will be subtracted from Gross Qualifying Service to arrive at the Qualifying Service.

Non-Qualifying Service

Period/Event	Years	Months	Days
Suspension (Non Qualifying) given	04	03	29
EOL (on a/c of brother's illness)	02	---	---
Dies Non	---	---	295
Non- Qualifying Service	06	03	324

Non-Qualifying Service (rounded) = 6 yrs 13 months 24 days
                                                    = 7 yrs 1 month 24 days

Step3: Now subtract the Non-Qualifying Service from Gross Qualifying Service to get the Qualifying Service

Gross Qualifying Service   = 41 yrs 11months 21 days

Less Non-Qualifying Service= 07 yrs 01 month 24 days

[Note: Since 21 days are less than 24 days we borrow 30 days from month therefore 11 months becomes 10 months]

Gross Qualifying Service   = 41 yrs 10months 51 days

Less Non-Qualifying Service = 07 yrs 01 month 24 days

Qualifying Service   = 34 yrs 09 months 27 days

Since it is Superannuation Retirement, no weightage is admissible in the Qualifying Service.

∴ Net Qualifying Service =34 yrs 09months 27 days

But maximum service in Government for calculation of Pension is restricted to 33 yrs.
∴ Six Monthly Periods   =   66 (maximum)

4. Determine the Qualifying Service in the following case:

a)   Date of Birth: 1.9.1948
b)   Joined Service   1.6.1967
c)   Confirmed   1.6.1969
d)   Suspension not counting for Pension 3.10.1971 to 3.1.1972
e)   EL for 92 days combined with EOL without Medical Certificate for 61 days from 1.5.1977
f)   Retired on Invalidation w.e.f. 30.8.2002

97

SOLUTION:

Step1: Calculate the Date of Entry and Date of Exit and write on the top and then calculate the Gross Qualifying Service.

Date of Entry = Date of Joining or Attaining 18 years of age(whichever is later)

∴ Date of Entry = 01-06-1967
Date of Exit = 30-08-2002

Period	Years	Months	Days
01-06-1967 to 31-12-1967	---	07	---
01-01-1968 to 31-12-2002	34	---	---
01-01-2002 to 31-07-2002	---	07	---
01-08-2002 to 30-08-2002	---	---	30
Gross Qualifying Service	34	14	30

Step2: Calculate the Non-Qualifying Service

Only (d) i.e., suspension not counting for pension is non-qualifying service w.e.f. 03-10-1971 to 03-01-1972.

Period	Years	Months	Days
03-10-1971 to 31-10-1971	---	---	28
01-11-1971 to 31-12-1971	---	02	---
01-01-1972 to 03-01-1972	---	---	03
Non-Qualifying Service	---	02	31

Non-Qualifying Service rounded off = 3 months 1 day

Step3: Subtract the Non-Qualifying service from Gross Qualifying Service to arrive at the Qualifying Service

Gross Qualifying Service = 34 yrs 14 months 31 days

Less Non-Qualifying Service= 03 months 01 day

Qualifying Service= 34 yrs 11 months 30 days

Since no weightage is admissible,

∴ Net Qualifying Service = 34 yrs 12 months
= 35 years

The maximum qualifying Service is restricted to 33 yrs

∴ Net Qualifying Service = 66 SMPs (maximum)

98

Module - III

Emoluments &
Average Emoluments

📖 **Emoluments**

📖 **Average Emoluments**

📖 **Calculation of Emoluments & Average Emoluments – Practical Problems**

DAY – 2

SESSION - I

EMOLUMENTS AND AVERAGE EMOLUMENTS

OBJECTIVES

At the end of this Session, the participants will be able to :

(a) State the difference between the Emoluments & Average Emoluments.

(b) State the difference between the Emoluments for Gratuity and Emoluments for Family Pension

(c) State the effect of various events on Calculation of Emoluments/Average Emoluments viz.

- Leave

- Deputation

- Suspension

- Foreign Service

- Dies – non

- Promotion

(d) State the method for Calculation of Average Emoluments

Instructions to faculty

METHOD

Lecture & Discussion   (Duration 45 Minutes)

The Faculty shall

(i)   Explain the terms Emoluments and Average Emoluments

🕐 [Time: 5 minutes]

(ii)   State the difference between Emoluments and Average Emoluments

🕐 [Time: 5 minutes]

(iii)   State the difference between Emoluments for Gratuity and Emoluments for Family Pension.

🕐 [Time: 5 minutes]

(iv)   Explain the effect of various events on the calculation of Emoluments and Average Emoluments viz.,
(i) Leave (ii) Suspension   (iii) Deputation (iv) Foreign Service

🕐 [Time: 20 minutes]

(v)   Clarify the doubts of participants relating to the effect various events on Emoluments & Average Emoluments.

🕐 [Time: 15 minutes]

(vi)   Explain by examples the method of calculation of Emoluments & Average Emoluments.

🕐 [Time: 15 minutes]

N.B.: The faculty may use transparencies viz. V_{15}, V_{16}, V_{17}, V_{18} and V_{19}.

STUDY MATERIAL

EMOLUMENTS

The expression Emoluments means Basic Pay which a Government Servant was receiving immediately before his retirement or on the date of his death. Emoluments includes the Non- Practising Allowance granted to Medical Officer and Stagnation Increments. Emoluments are used in the calculation of Retirements Gratuity, Service Gratuity and Family Pension. If a Government Servant had been on leave with leave salary or being suspended but later on reinstated, without forfeiture of past service, the emoluments that he would have drawn had he not been absent from duty or suspended, will be reckoned as emoluments which obviously transpires that pay drawn during his deputation is treated as emoluments with effect from 1-1-96, for the purposes all calculations of all kinds of gratuity, last pay drawn + DA as admissible on the date of retirement/death are taken as Emoluments.

If the Government servant dies while under suspension before the disciplinary proceedings are concluded, the period between suspension and his date of death shall be treated as duty for all purposes, pay in such cases would mean emoluments to which he would have been entitled but for his suspension. If a Government servant immediately before his retirement or death while in service had been absent from duty on EOL or had been under suspension (the period of suspension which does not count as qualifying service) the emoluments which he drew immediately before proceeding on such leave or before being placed under suspension, shall be the emoluments. All other allowances are not included in the emoluments.

In cases where the Emoluments are less than the Average Emoluments for any reason (e.g. reversion from adhoc-promotion other than imposition of Penalty, the Average Emoluments shall then be taken to as Emoluments.

QUESTIONS AND ANSWERS

Q1. What would be the emoluments in the following situation:

Shri 'A' who is Regular Section Officer of CSS Cadre of Ministry of Environment and Forests. On the date of Superannuation, he is on deputation to Ministry of Industry & Commerce as Senior Analyst wherein his last basic pay was Rs.11,300/- in the scale of pay of Rs.10,000 – 325 – 13250. His Grade Pay in the Cadre of Section Officer that he would have drawn, had he not been on deputation is Rs.9,700/-.

Answer: In the case of a person retiring while he is on deputation, the last pay drawn is taken as Emoluments. In the instant case emoluments would be Rs.11,300/-.

Q1(a).   What if all other facts remain the same except that Shri 'A' is on deputation on Telecom Regulatory Authority of India (TRAI), a statutory (Autonomous) body.

Answer: It is very clear that since the pay of Shri A is not being paid by the Consolidated Fund of India, the service of Shri A in 'TRAI' is on foreign service. In this case, emoluments would be the pay which Shri A would have drawn under Government, had he not been on foreign service, i.e., emoluments would be Rs. 9700/-.

Q2. What is the difference between Emoluments for the purpose of calculation of Family Pension and Retirement/Death Gratuity?

Answer: After 1-1-96, the Government has issued instructions that for the purpose of calculation of all kinds of Gratuities (viz., Retirement/Death Gratuity), the Emoluments would also include the Dearness Allowance also. Thus more benefits has been given to a Government Servant/Family of Government Servant. Emoluments for Family Pension does not include DA as Dearness Relief is payable separately on the basic family Pension.

STUDY MATERIAL

AVERAGE EMOLUMENTS

Average Emoluments are calculated for the purpose of calculation of Pension. Average Emoluments is the average of emoluments drawn by a Government Servant during the last 10 months of his service.

Thus, it is clear that Average Emoluments for the purpose of calculation of Pension is the average of last 10 months pay drawn by a Government servant.

If during the last ten months of his service, a Government servant had been absent from duty on leave for which leave salary is payable or having been suspended had been reinstated without forfeiture of service, the emoluments which he would have drawn had he not been absent from duty or suspended shall be taken into account for determining the average emoluments.

Provided that any increase in pay (other than increment earned during the currency of first 120 days of Earned Leave), which is not actually drawn shall not form part of his emoluments.

If a Government servant had been on Extra-ordinary leave (on whatever grounds with or without Medical Certificate is immaterial) or had been under suspension which is treated as Non-Qualifying Service during the last 10 months of his service, that period shall be disregarded in the calculation of the average emoluments and equal period before the ten months shall be included.

In case of a Government servant who was on earned leave during the last 10 months of his service, if the increment is earned within first 120 days then even though, the increment might never have been drawn, it would be taken into account for the purpose of calculation of Average Emoluments.

Determination of the period of ten-months for Average Emoluments

Calculation of average emoluments is to be based on the actual number of days contained in each month. With regard to the exact manner of calculation in the case of a Government servant who retires on a date other than the last date of the month, the question is whether the period of ten months should be taken to be continuous period beginning from a date ten months prior to the date of retirement or the number of days in the month in which the Government servant retires should be counted separately together with the balance number of days during the ten months anterior, to make a full month. This can best be explained by the illustration below -

Suppose a Government servant retires on the 17th June, 1981. The intention is that the average emoluments for ten months should be reckoned for the periods as follows:-

Period	Year	Months	Days
18-08-1980 to 31-08-1980	0	0	14
01-09-1980 to 30-05-1981	0	9	0
01-06-1981 to 16-06-1981	0	0	16
	0	10	0

It will be noted that at one end there are 14 days of August and at the other 16 days of June. In order that the fractions of a month at either end, when added, work out to one full month, a month for this purpose may be reckoned as consisting of thirty days so that fractions at either end will be expressed as 14/30 and 16/30. The addition of fractions totalling 30 days together with 9 full months will work out to 10 months. Emoluments for fractional periods may be computed by multiplying the emoluments by the factor 14/30 and 16/30 irrespective of the number of days in the month. This formula will also apply in the case of

the month of February, irrespective of whether the month has 28 days or 29 days.

[Note: Illustration taken from G.I., M.H.A., O.M. No.27/3/81 - Pension Unit, dated the 13th November, 1981]

However, to give more benefits to a Government Servant, the Government of India, Department of Pension and Public Grievances vide their O.M. dated 17th December, 1998 have clarified that the Average Emoluments shall is no case be less than the minimum of the pay-scale held by a Government Servant after 1st January, 1996.

The implication/benefit of this clause will be clear from the practical exercise.

DAY – 2

SESSION – II

PRACTICAL EXERCISES ON CALCULATION OF EMOLUMENTS AND AVERAGE EMOLUMENTS

OBJECTIVES

At the end of this Session, the participants shall be able to:-

(i)   Calculate the Emoluments for Family Pension from given data

(ii)   Calculate the Emoluments for Gratuity

(iii)   State the procedure for dealing with the following:-

   (a) when there is a broken month i.e., when a government servant retires in middle of any month;

   (b) when there is a change in pay during the middle of the month due to promotion, etc.

(iv)   Applying (iii) above, calculate the Average Emoluments using the Table method.

107

Instructions to the Faculty

Training Method: Lecture & Discussion

                                      Demonstration on Board

The Faculty shall

(i)   Explain the method of calculation of Average Emoluments.

🕐 [Time: 5 minutes]

(ii)   Explain the concept of broken month for purpose of calculation.

🕐 [Time: 5 minutes]

(iii)   Distribute the exercise on calculation of Emoluments & Average Emoluments and ask the participants to solve it themselves.

🕐 [Time: 20 minutes]

(iv)   Ask the participants to discuss the solution in group of 5 each

🕐 [Time: 10 minutes]

(v)   Discuss the solutions in class. Solve each question on board.

🕐 [Time: 20 minutes]

(vi)   Clarify the doubts/question of the participants relating to Practical Problems on calculations of Average Emoluments.

🕐 [Time: 15 minutes]

CCS(PENSION) RULES, 1972

EXERCISE ON EMOLUMENTS & AVERAGE EMOLUMENTS

Calculate Average Emoluments, Emoluments for Gratuity & Family Pension & Average Emoluments:-

1. Shri 'A' retired on attaining the age of Superannuation on 30-4-2002. At the time of retirement, he was in receipt of Pay of Rs.7,500/- in the scale of Rs.6500 – 200 – 10500. He draws his annual increment in January. (Take DA as 49%).

Q.2. Shri B retired on attaining the age of Superannuation on 31.05.02. At the time of retirement, he was in receipt of Pay of Rs. 4900 in the scale of Rs. 4000 – 100 – 6000. He draws his annual increment in January. He was on Extraordinary Leave with Medical Certificate from 1st March 02 to 30th April, 02.

(Take DA as 49% as on May 02).

Q.3. Shri ABC retired on attaining the age of Superannuation on 31.12.02. He was drawing a pay of Rs.5500 w.e.f. 1.1.02 on his promotion as Assistant (Pay Scale Rs.5500-175-9000) on ad-hoc basis. He was reverted to the post of UDC (Pay Scale Rs.4000-6000) w.e.f. 20.10.02 and his pay was fixed at Rs.4800 in the Grade of UDC. On the date of Superannuation he was drawing Basic Pay of Rs.4800. Take DA as 52% as on December, 2002.

Q.4. Shri X retired voluntarily from service on 19-12-03(FN). He was drawing a basic pay of Rs.6900/- as on the date of retirement (Pay scale of Rs.6500-200-10500). He draws his annual increment in the month of April. [Take DA as 59%].

Q.5. Shri 'B' has to retire on Superannuation on 31-5-2002. He was in receipt of Basic Pay of Rs.4,900/- in the grade of UDC (Rs.4000 – 100 – 6000) w.e.f. January, 2001. He was promoted to the post of Assistant (Scale of Pay = Rs.5500-175-9000) on ad-hoc basic w.e.f. 19-11-2001.

   [Take DA as 49%].

Q.6. Shri 'D' retired on attaining the age of Superannuation on 30-04-2002. He was drawing Basic Pay of Rs.8,500/- w.e.f. 01-10-2000 as Section Officer (DOI – October). He officiated as Under Secretary (Rs.10,000-325-15200) on Adhoc basis w.e.f. 25-04-2002.

SOLUTIONS ON EMOLUMENTS & AVERAGE EMOLUMENTS

Q.1 **Shri 'A' retired on attaining the age of Superannuation on 30-4-2002. At the time of retirement, he was in receipt of Pay of Rs.7,500/- in the scale of Rs.6500 – 200 – 10500. He draws his annual increment in January.**

(Take DA as 49%).

Answer: Last Pay Drawn = Rs.7,500/-

(i) Emoluments of Family Pension = Rs. 7,500/-

(ii) Emoluments for Gratuity = Emoluments + DA
= Rs.7,500 + 49% of DA
= Rs.7,500 + Rs.3,675
= Rs.11,175

(iii) For Average Emoluments we need the last 10 months pay.
i.e., pay from 1st July 2000 to 30 –04-2001.

Period	Pay	Months (Drawn)	Pay x Months
01-07-2001 to 31-12-2001	7300	6	43,800
01-01-2002 to 30-04-2002	7500	4	30,000
Total		10	73,800

Therefore, Average Emoluments = 73,800 ÷ 10 = 7380

Q.2. **Shri B retired on attaining the age of Superannuation on 31.05.02. At the time of retirement, he was in receipt of Pay of Rs. 4900 in the scale of Rs. 4000 – 100 – 6000. He draws his annual increment in January. He was on Extraordinary Leave with Medical Certificate from 1st March 2002 to 30th April, 2002. (Take DA as 49% as on May 2002).**

Answer: Emoluments (E) = Rs.4900

Emoluments (Gratuity) = Rs. 4900 + 49% DA
= Rs. 4900 + 2401
= Rs.7301

Average Emoluments

PERIOD	PAY	MONTH	TOTAL (Pay x Month)
1.5.02 – 31.12.01	4800	7	33600
1.1.02 – 28.2.02	4900	2	9800
1.3.02 – 30.4.02	---	---	---
1.5.02 – 31.5.02	4900	1	4900
Total		10	48300

Average Emoluments = Last 10 Month's Pay = 48300 = Rs.4830
                                     10   10

Q.3. **Shri ABC retired on attaining the age of Superannuation on 31.12.02. He was drawing a pay of Rs.5500 w.e.f. 1.1.02 on his promotion as Assistant (Pay Scale Rs.5500-175-9000) on Adhoc basis. He was reverted to the post of UDC (Pay Scale Rs.4000-6000) w.e.f. 22.09.02 and his pay was fixed at Rs.4800 in the Grade of UDC. On the date of Superannuation he was drawing Basic Pay of Rs.4800. [Take DA as 52% as on December, 2002.]**

Answer:

In this case, since the person has been reverted and is drawing less pay on the date of retirement, the Emoluments (i.e. last basic Pay of 4800) will obviously be less than the Average Emoluments, therefore, Emoluments in this case would be equal to Average Emoluments.

AVERAGE EMOLUMENTS:

PERIOD	PAY	MONTHS	TOTAL (PAY x MONTHS)
1.3.02 – 31.8.02	5500	6	33,000
1.9.02 - 21.9.02	5500	21/30	3850
22.9.02 – 30.9.02	4800	9/30	1440
1.10.02 – 31.12.02	4800	3	14,400
TOTAL		10	52690

Average Emoluments = Rs.52690 = Rs. 5269

Emoluments = 4800 but shall not be less than Average Emoluments i.e. Rs.5269

Emoluments   = Rs. 5269

Emoluments (Gratuity) = Rs.5269 + DA @ 52% = Rs.8009

Q.4. **Shri X retired voluntarily from service on 19-12-03(FN). He was drawing a basic pay of Rs.6900/- as on the date of retirement (Pay scale of Rs.6500-200-10500). He draws his annual increment in the month of April. [Take DA as 59%].**

     Answer: Emoluments (E)   =   Rs.6900.00

           Emoluments (gratuity) =   Rs.6900.00 + 59% D.A.
                                    =   Rs.6900.00 + 4071.00
                                    =   Rs.10971.00

AVERAGE EMOLUMENTS:

PERIOD	PAY	MONTHS	TOTAL (PAY x MONTHS)
17.02.03 – 28.02.03	6700	12/30	2680.00
01.03.03 – 31.03.03	6700	1	6700.00
01.04.03 – 30.11.03	6900	8	55200.00
01.12.03 – 18.12.03	6900	18/30	4140.00
TOTAL			68720.00

Average emoluments = 68720/10 = 6872.00

Note: Since December, 2003 is not a completed calendar month, therefore, we take 30 days in case of broken month and not the actual numbers of days.

Q.5. **Shri 'B' has retired on Superannuation on 31-5-2002. He was in receipt of Basic Pay of Rs.4,900/- in the grade of UDC (Rs.4000 – 100 – 6000) w.e.f. January, 2001. He was promoted to the post of Assistant (Scale of Pay = Rs.5500-175-9000) on Adhoc basic w.e.f. 19-11-2001.**

[Take DA as 49%].

Answer: Last Basic Pay   =   Rs.5,500
(minimum of scale)

(i) Emoluments (family pension)   =   Rs.5,500

(ii) Emoluments (Gratuity)   =   Rs.5,500 + 49% of DA
=   Rs.5,500 + Rs.2,695
=   Rs.8,195

<u>Average Emoluments</u>

[Note: We start from the last period and then go up to complete the 10 months period]

Period	Pay	Months (Drawn)	Pay x Months
01.08.2001 to 30.12.2001	4900	3	14700.00
01.11.2001 to 18.11.2001	4900	18/30	2940.00
19.11.2001 to 30.11.2001	5500	12/30	2200.00
01.12.2001 to 31.12.2001	6500	1	5500.00
Total			52840.00

Average Emoluments = 52840 ÷ 10   = Rs. 5284.00

However, as per GOI Decision No.(4) below rule 49 of CCS(Pension) Rules dated 17th December, 1998, w.e.f. 1-1-96, pension will be calculated on Average Emoluments or minimum of the scale of pay held by a Government servant, whichever is more.

So in this case, for the purpose of calculation of Pension, *Average Emoluments shall be taken to be   Rs.<u>5,500</u> which is minimum of the scale of pay attached to the post of Assistant.*

Q.6. **Shri 'D' retired on attaining the age of Superannuation on 30-04-2002. He was drawing Basic Pay of Rs.8,500/- w.e.f. 01-10-2001 as Section Officer (DOI – October). He officiated as Under Secretary (Rs.10,000-325-15200) on Adhoc basis w.e.f. 25-03-2002.**
[Take DA as 49%]

Answer: Emoluments (Family Pension)   =   Rs.10,000
[Last Pay Drawn]

Emoluments (Gratuity) =   Rs.10,000 + 49% of DA

=   Rs.10,000 + Rs.4,900

=   Rs.14,900

Average Emoluments =   Rs.10,000

[We need not calculate the Average Emoluments as already explained in Question 4 above, W.e.f. 01-01-1996. Average Emoluments cannot be less than the minimum of pay attached to the scale of pay last held by the Government servant].

It is also important to note that as per the latest amendments, if in any case the average emoluments are less than the minimum pay of the scale held by the Government servant at the time of his retirement, then the minimum of the pay attached to the scale of pay held by the Government servant will be taken as Average Emoluments. This provides immense benefits in calculation of Penison to the Government servant who have been promoted during the last ten months of their service in higher pay scale and pay has been fixed at the minimum.

Module - IV

Calculation of Pensionary Benefits

 Calculation of Pension

 Calculation of Retirement Gratuity

 Calculation of Commuted Value – Practical Problems

DAY – 2

SESSION – III

CALCULATION OF PENSION & RETIREMENT GRATUITY

OBJECTIVES

At the end of this Session the participants will be able to :-

(i)   Determine the eligibility of the Government servant to receive Service Gratuity/Pension.

(ii)   Determine the eligibility of the Government servant to receive Retirement Gratuity

(iii)   State the formula for calculation of amount of Service Gratuity/Pension

(iv)   State the formula for calculation of amount of Retirement Gratuity

(v)   State the minimum and maximum of Pension

(vi)   State the amount of Pension to be sanctioned in respect of various modes of Retirement/Cessation of Service.

Instructions to the faculty

The Faculty shall explain:-

(i)   The   formula   for   calculation   of   Service
       Gratuity/Pension.
                                              🕐 [Time:10 minutes]

(ii)   The formula for calculation of Retirement Gratuity.
                                              🕐 [Time:10 minutes]

(iii) Demonstrate the skill of calculating the Pension and
       Retirement Gratuity by taking examples.
                                              🕐 [Time:10 minutes]

(iv)   The determination and finally sanctioning of various
       classes of Pension viz.
                                              🕐 [Time:20 minutes]

       (a) Superannuation Pension

       (b) Voluntary Retirement Pension

       (c) Compensation Pension

       (d) Invalid Pension

       (e) Compulsory Retirement Pension

       (f) Compassionate Allowance

(v)   The Faculty shall clarify the doubts of the participants
       by using the discussion method & discussing
       practical problems.
                                              🕐 [Time:15 minutes]

[Note: The faculty may use the transparencies viz. V_{20},
V_{21}, V_{22}, and V_{23}.]

STUDY MATERIAL

It is important that from the given data in respect of a Government servant, first of all it is to be determined whether prima-facie the Government servant is entitled to Pensionary Benefits or not. The entitlement of a Government servant to the various classes of Pension has already been discussed in previous session. It is again emphasised that when a government servant has completed 10 years of Qualifying Service, he is eligible to receive the Pension whereas a Government servant retiring before rendering ten years of Qualifying Service is not entitled to receive any class of Pension, in lieu of Pension he is eligible to receive SERVICE GRATUITY.

A Government servant who retires after rendering more than or equal to five years of service is entitled to receive the Retirement Gratuity in addition to the Service Gratuity or Pension, as the case may be, and a Government servant who retires before rendering five years of Qualifying Service is not entitled to Retirement Gratuity.

Rule 49 of the CCS (Pension) Rules states that a Government servant who retires after rendering more than or equal to 33 years of Qualifying Service is entitled to full Pension which is calculated at ½ the rate of Average Emoluments. For example, if a Government servant's Average Emoluments are Rs.10,000/- and he has also rendered more than or equal to 33 years of Qualifying Service, then he is eligible to receive the full Pension i.e., ½ x 10,000 = Rs.5,000 + DR thereon. But we have also seen that a Government servant is eligible to receive Pension if he has rendered or more than or equal to ten years of Qualifying Service. In this case the Pension is to be calculated at pro-rata or proportional basis. For example, if in the above case a Government servant's Average Emoluments are Rs.10,000/- and he has rendered 16 ½ years of Qualifying Service then his Pension would be calculated on proportionate basis i.e., $\frac{½ \times 10,000 \times 16 ½}{33}$ = Rs.2500/-. We know that the Qualifying

Service is expressed not in the years for the calculation of Pension but in the Six Monthly Periods.

Therefore, the formula for calculation of Pension is as under:-

(i) for those who have rendered more than or equal to 33 years of Qualifying Service it is ½ x Average Emoluments

(ii) For those who have rendered less than 33 years of Qualifying Service but more than or equal to ten years of Qualifying Service the formula is as under:-

$$\frac{\frac{1}{2} \times \text{Average Emoluments} \times \text{Six Monthly Periods}}{66}$$

or

$$\frac{\text{A E} \times \text{SMPs}}{2 \times 66}$$

RETIREMENT GRATUITY

Retirement Gratuity is given to Government Servant who has rendered more than or equal to 5 years of Qualifying Service. Retirement Gratuity is one time lumpsum payment given to a Government servant. With effect from 1-1-96, as already discussed about the emoluments, DA admissible on the date of retirement is also treated as emoluments for the purpose of Gratuity. In a layman's language, for each year of service rendered in the Government, the Government servant becomes entitled to ½ month's pay + DA as retirement gratuity.

For example,

Let us take the case of a Government servant whose Last Pay Drawn is Rs.10,000/- and rate of DA as on the date of retirement is 50% then emoluments for Gratuity would be Rs.10,000 + Rs.5000 = Rs.15,000/-.

In the second example, assuming that the Government servant (X) has rendered 20 years of Qualifying Service, the Retirement Gratuity payable would be 10 month's pay + D.A. Therefore, as Retirement Gratuity amount payable would be Rs.15,000 x 10 = Rs.1,50,000.

In the 3rd example, assuming that the Government servant (X) has put in 30 years of Qualifying Service. He is entitled to receive 15 Month's Pay + DA as Gratuity which will come into Rs.15,000 x 15 = Rs.2,25,00/-.

Thus, it is clear that the Retirement Gratuity in respect of those who have rendered more than or equal to 33 years of Qualifying Service would be 16 ½ times of last pay drawn + DA thereon. Now the formula is:-

$$\text{Retirement Gratuity} = \frac{\frac{1}{2} \times \text{Emoluments} \times \text{Qualifying Service}}{33}.$$

We know that for the purpose of calculation of Pensionary Benefits instead of using Qualifying Service in years we are expressing the Qualifying Service in Six Monthly Periods. Therefore, the formula for calculation of Gratuity is

$$\frac{\frac{1}{4} \times \text{Emoluments} \times \text{Six Monthly Period}}{66}$$

or

$$\frac{E \times SMP}{4 \times 66}$$

IMPORTANT FORMULAS

1. (i) **PENSION**   = $\dfrac{50}{100}$ x AE x $\dfrac{SMPs}{66}$

     (or)

     = $\dfrac{AE \times SMPs}{2 \times 66}$

   MINIMUM PENSION - Rs.1275 + Dearness Relief(DR) thereon

(On completion of 10 years of qualifying service by Govt. employees)

Subject to the condition that

Invalid Pension shall not be less than Family Pension
             i.e., 30% x Emoluments

[Rule 49(2)]

(or)

1(ii) **SERVICE GRATUITY** -   ½ x E x SMPs = $\dfrac{E \times SMPs}{2}$

  (to a confirmed GS who retires from service before completion
     of 10 years of Qualifying Service)

[Rule 49(1)]

2.   **RETIREMENT GRATUITY (RG)**

   Retirement Gratuity   -   1/4 X E X SMPs = $\dfrac{E \times SMPs}{4}$

   MAXIMUM   - 16 ½ times emoluments (E)

   LIMIT   -   Rs. 3.5 lakhs (maximum)

   (On completion of 5 years QS)   [Rule 50(1)(9)

[E – Emoluments; AE = Average Emoluments;
   SMPs = Six-Monthly Period.]

DAY – 2

SESSION – IV

PRACTICAL EXERCISES ON CALCULATION OF PENSION & RETIREMENT GRATUITY

OBJECTIVES

At the end of this Session the participants will be able to:-

(i) State whether a Government servant is entitled to receive Service Gratuity or Pension

(ii) Calculate the amount of Service Gratuity

(iii) Calculate the Pension from the given case

(iv) Determine the amount to be finally sanctioned in respect of the following classes of Pension

(a) Superannuation Pension

(b) Voluntary Retirement Pension

(c) Compensation Pension

(d) Invalid Pension

(e) Compulsory Retirement Pension

(f) Compassionate Allowance

(v) Calculate the Retirement Gratuity

(vi) Determine the amount to be finally sanctioned as Retirement Gratuity.
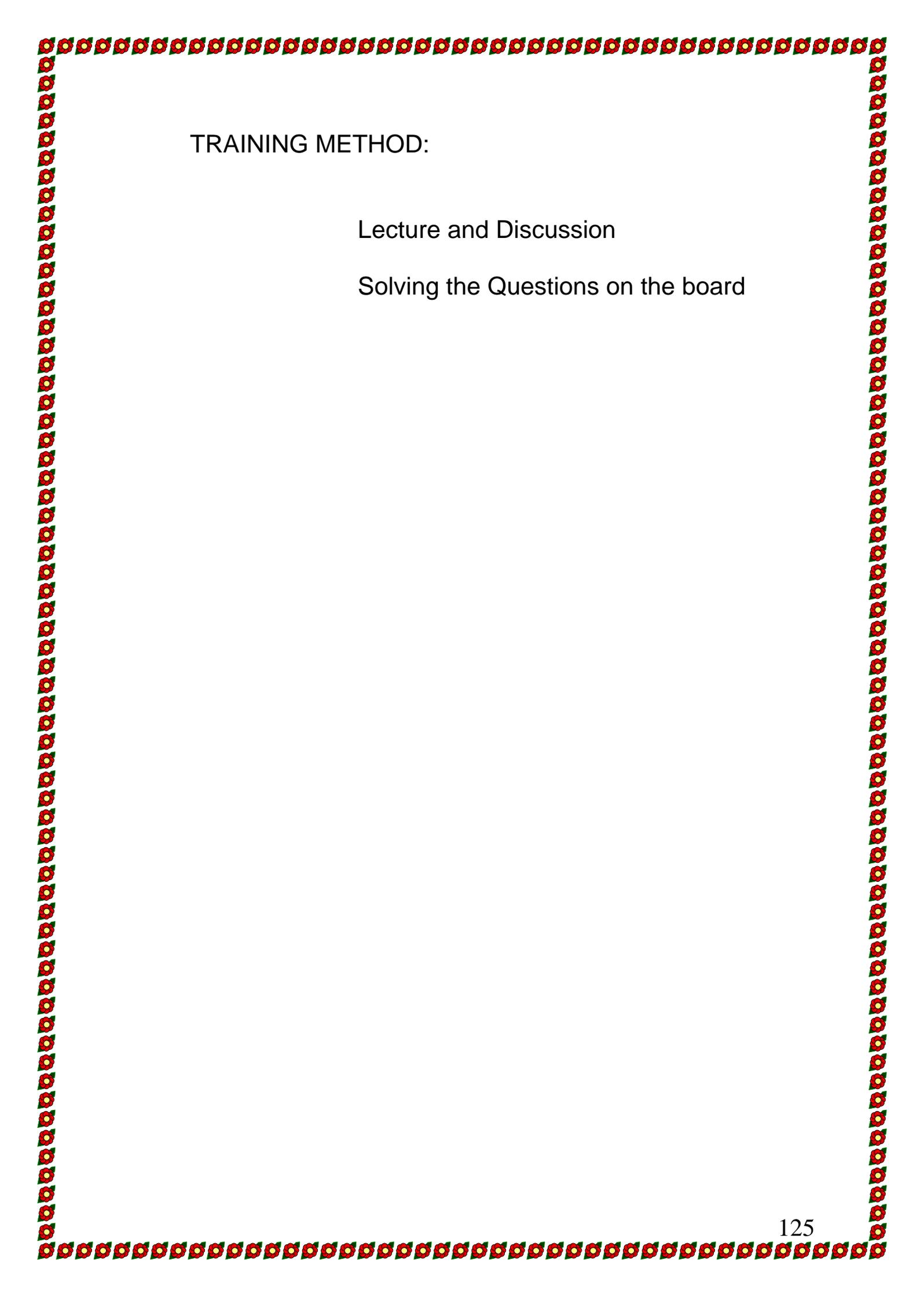
TRAINING METHOD:

Lecture and Discussion

Solving the Questions on the board

Instructions to the faculty

The Faculty shall

(i)   Take an example and explain the calculation of Service Gratuity

              🕐 [Time:3 minutes]

(ii)   Take an example and explain the calculation of Pension

              🕐 [Time:3 minutes]

(iii)   Take an example and explain the calculation of Retirement Gratuity

              🕐 [Time:3 minutes]

(iv)   Distribute the Exercise on calculation of Service Gratuity/Pension and Retirement Gratuity to the participants and ask them to solve it individually

              🕐 [Time:20 minutes]

(v)   Ask the participants to discuss the solution in Groups of 5 each after completing them individually.

              🕐 [Time:10 minutes]

(vi)   Discuss each question in class and solve it on the board to make calculations very clear.

              🕐 [Time:15 minutes]

(vii) Clarify the doubts of the participants regarding calculation of Pensionary Benefits.

              🕐 [Time:10 minutes]

CCS (PENSION) RULES,1972

EXERCISE ON CALCULATION OF SERVICE GRATUITY/PENSION & RETIREMNT GRATUITY

From the Particulars given in each case, Calculate the Pension/ Service Gratuity and Retirement Gratuity:

1. Shri XYZ (Date of Birth: 1.06.1942) is due to retire on Superannuation:

   Qualifying Service (QS) - 36 years 4 Months 10 Days

   Emoluments   - Rs.8500/-

   Average Emoluments   - Rs.8400/-

   [Take DA as 50% for simplification of calculation]

2.   Shri ABC has been permanently absorbed in EPF Organisation (A Central Govt. Autonomous Body) w.e.f. 2.1.2002. His technical resignation was accepted on 1.1.2002 and was relieved on the same date to join in EPF Organisation.

Qualifying Service   - 5 Years 6 Months & 30 Days

Emoluments/Average Emoluments   -   Rs.3300/-

[Take DA as 50% for simplification of calculation]

3.   Shri A.B.C. has retired on Invalidation w.e.f. 30.4.2002:

Qualifying Service   -   10 Years 8 Months and 30 Days

Emoluments   -   Rs.6200/-

Average Emoluments   -   Rs. 6,000/-

Take DA as 50% for simplification of calculation.

4. Shri `Z' has been removed from Service w.e.f. 22.05.2002. The Competent Authority orders that he shall be eligible full pensionary benefits:

Qualifying Service   -   33 years

Emoluments   -   Rs.3600/-

Average Emoluments   -   Rs.3600/-

DA   - 50% for simplification of calculation.

5. Calculate Pension, Retirement Gratuity in respect of Mr.ABC who retired on superannuation.

Qualifying Service -   32 years 8 months and 12 days

Last Pay Drawn   -   Rs.10,000/-

Average Emoluments   -   Rs.10,000/-

Date of Superannuation   -   31.12.2003

(Take DA as 60% for simplification of calculation.)

6. Shri ABC retired Voluntarily under Rule 48-A of CCS (Pension) Rules. From the given data calculate Pension & Retirement Gratuity payable to him:

(i) Date of Birth   -   1.1.1950
(ii) Date of Voluntary Retirement   -   24.12.2003
(iii) Lay Pay Drawn (Emoluments)   -   8900
(iv) Average Emoluments   -   8863
(v) Qualifying Service   - 28 years 1 month 20 days
   (without weightage)

(Take DA as 60% for simplification of calculation)

SOLUTION ON EXERCISE ON PENSION & RETIREMENT GRATUITY

From the Particulars given in each case, Calculate the Pension/ Service Gratuity and Retirement Gratuity:

1. **Shri XYZ (Date of Birth: 1.06.1942) is due to retire on Superannuation:**

   Qualifying Service (QS) - 36 years 4 Months 10 Days
   Emoluments   - Rs.8500/-
   Average Emoluments   - Rs.8400/-
   Take DA as 50%

SOLUTION:-

Date of retirement   = 31-05-2002

Step 1: First calculate the Qualifying Service in SMPs , Emoluments (gratuity) & Average Emoluments & write them down.

Qualifying Service   =   33 years(maximum)
                          =   66 SMPs (Maximum)

Emoluments (Gratuity) = 8500 + 50% x 8500(DA)
                      = 8500 + 4250 = Rs.12,750

Average Emoluments   = Rs. 8400 (given)

(1) Pension = ½ X AE (for those having more than 33 years of service)

            = ½ X 8400
            = Rs.4,200 + Dearness Relief thereon.

(2) Retirement Gratuity = ¼ E X SMPs = ¼ X 12750 X 66

                        = 16.5 X 12750= Rs.2,10,375

2. **Shri ABC has been permanently absorbed in EPF Organisation (A Central Govt. Autonomous Body) w.e.f. 2.1.2002. His technical resignation was accepted on 1.1.2002 and was relieved on the same date to join in EPF Organisation.**
QS - 5 Years 6 Months and 30 Days
Emoluments / Average Emoluments - Rs.3300/-
Take DA as on 1.1.2002 as 50% for simplification of calculation.

SOLUTION:-

(i) Since the Govt. Servant has put in less than 10 years of QS, he is eligible to receive service gratuity and not pension.

(ii) Minimum service needed for Retirement Gratuity is 5 years Qualifying Service, therefore, he is eligible for Retirement Gratuity also in addition to Service Gratuity.

Step 1- Emoluments (gratuity) = Rs.3300 + 50% DA

$$= Rs.3300 + 1650 = Rs.4,950$$

SMPs $= 5$ years $\times 2 + 1 = 11$ SMPs

Service Gratuity $= \frac{1}{2} \times E \times SMPs$
$= \frac{1}{2} \times 4950 \times 11 = Rs.27,225.$

Retirement Gratuity $= \frac{1}{4} E \times SMPs$

$$= \frac{1}{4} \times 4950 \times 11 = Rs. 13612.5$$

$$= Rs.13613 \text{ (Rounded off to next higher rupee)}$$

[Note: Whenever the Pension/Service Gratuity or Retirement Gratuity comes in a fraction, it is to be rounded off to next higher rupee regardless of the value of the fraction].

3. **Shri A.B.C. has retired on Invalidation w.e.f. 30.4.2002:**

Qualifying Service - 10 Years 8 Months and 30 Days

Emoluments - (Rs.6200/-)

Average Emoluments - 6,000/-

Take DA as 50% for simplification of calculation.

SOLUTION:-

Step – 1

QS   =   10 years & 9 Months

SMPs   =   10 x 2 + 2 = 22

Average Emoluments =   Rs.6000

Emoluments (Gratuity) =   Rs. 6200 + 50% DA
                        =   6200 + 3180   = Rs.9300

Pension   =   ½ x AE x $\frac{SMPs}{66}$

                     =   ½ x 6000 x $\frac{22}{66}$

                     =   Rs.1,000   → (i)

But Minimum Pension   =   Rs.1275   → (ii)

In Rule 49, Invalid Pension, cannot be less than the normal family pension i.e. 30% of emoluments.

$\frac{30}{100}$ x 6200 =   Rs.1,860 + DR thereon   →

(iii)

Therefore, Rs. ***1,860*** + Dearness Relief thereon would be sanctioned as ***Invalid Pension.***

Retirement Gratuity = ¼ E x SMPs = ¼ x 9300 x 22
                        = Rs. 51,150

4. **Shri `Z' has been removed from Service w.e.f. 22.05.2002. The Competent Authority orders that he shall be eligible full pensionary Benefits as per rules admissible in this case:**

Qualifying Service	**=**	**33 years**
Emoluments	**=**	**Rs.3,600/-**
Average Emoluments	**=**	**Rs.3,600/-**

Take DA 50% for simplification of calculation.

SOLUTION:-

It is clear that in the case of removal/dismissal a Government servant forfeits his right to Pension, but the Competent (Appointing) Authority can order for grant of class of Pension i.e., Compassionate Allowance to Government servant. But the condition is that compassionate allowance shall not be more than $\frac{2}{3}$rd of the Compensation (Normal) Pension and Gratuity.

Qualifying Service = 33 years = 66 SMPs

Emoluments(Gratuity) = 3,600 + 50% DA = Rs.5,400

Average Emoluments = Rs.3,600

Pension = ½ x A.E. x $\frac{SMPs}{66}$ = ½ x 3,600

= Rs.1,800

But it cannot be more than $\frac{2}{3}$rd of the Compensation Pension

i.e., $\frac{2}{3}$ x 1,800 = Rs.1,200

It may also be noted that the Pension (it may be any class of pension) sanctioned cannot be less than the minimum of Rs.1275/-.

∴ Rs.1275 will be sanctioned as Compassionate Allowance.

Retirement Gratuity = $\frac{1}{4}$ x E x SMPs

= $\frac{1}{4}$ x 5400 x 66

= Rs.89,100/-

But in case of Removal/Dismissal, Retirement Gratuity cannot be more than $\frac{2}{3}$ of Gratuity that would otherwise have been admissible.

$\therefore$ $\frac{2}{3}$ x 89,100 = Rs.59,400/- would be sanctioned as Gratuity.

5. **Calculate Pension, Retirement Gratuity, in respect of Mr. ABC, who retired on Superannuation:**

Qualifying Service - 32 years 8 months & 12 days

Last Pay Drawn - Rs.10,000/-

Average Emoluments - Rs.10,000/-

Date of Superannuation - 31.12. 2003

Take DA as 60% (for simplification of calculation)

SOLUTION

Qualifying Service(QS)	=	32 years 8 months
	=	64 + 1 = 65 SMPs
Average Emoluments(AE)	=	Rs.10,000
Emoluments (Gratuity)	=	Rs.10,000 + 60% DA
	=	Rs.10,000 + 6,000
	=	Rs.16,000/-

(i) Pension $\qquad$ = $\qquad$ ½ x AE x $\frac{SMPs}{66}$

$\qquad\qquad\qquad$ = $\qquad$ ½ x 10,000 x $\frac{65}{66}$

$\qquad\qquad\qquad$ = $\qquad$ Rs.4924.2

$\qquad$ Pension Sanctioned = Rs.4925 + DR thereon

(Any fraction in Pension is rounded off to next higher rupee)

(ii) Retirement Gratuity = $\qquad$ ¼ x E x SMPs

$\qquad\qquad\qquad$ = $\qquad$ ¼ x 16,000 x 65

$\qquad\qquad\qquad$ = $\qquad$ Rs.2,60,000

6. Shri ABC retired Voluntarily under Rule 48-A of CCS (Pension) Rules. From the given data calculate Pension & Retirement Gratuity payable to him:

(i) Date of Birth	-	*1.1.1950*
(ii) Date of Voluntary Retirement	-	*24.12.2003*
(iii) Lay Pay Drawn (Emoluments)	-	*8900*
(iv) Average Emoluments	-	*8863*
(v) Qualifying Service	-	*28 years 1 month 20 days*

(without weightage)

(Take DA as 60% for simplification of calculation)

SOLUTION

.Qualifying Service	-	28 years 01 month & 20 days
		+
Add – Weightage		4 years 10 months & 10 days
(Being voluntary retirement)------------------------------------		
Net Qualifying Service		32 years 11 months 30 days

		= 33 years = **66 SMPs**

(Note: The maximum weightage admissible in Voluntary Retirement is 5 years limited to period left for superannuation and should not make net qualifying service more than 33 years).

Emoluments:	= Rs.8900
Emoluments (Gratuity)	= Rs.8,900 + Rs. 5,340(DA)
	= Rs. 14,240
Average Emoluments	= Rs. 8,863

.

(i) Pension $= \dfrac{1}{2} \times AE \times \dfrac{SMPs}{66}$

$= \dfrac{1}{2} \times 8863$

$= 4431.5$

$= $ Rs.4432 + DR thereon

{Any fraction in Pension is rounded off to the next higher rupee}.

(ii) Retirement Gratuity $= \dfrac{1}{4} \times E \times SMPs$

$\mathbf{=} \ \dfrac{1}{4} \times 14240 \times 66$

$\mathbf{=} \ \mathbf{2,34,960}$

DAY – 2

SESSION – V

COMMUTATION OF PENSION

OBJECTIVES

At the end of the session the participants shall be able to:-

(i) Explain why commutation is termed as Pensionary Benefit.

(ii) Describe the inverse relationship of commutation factor with the age of Government servant.

(iii) State the cases in which commutation is sanctioned after Medial examination.

(iv) Determine the date of restoration of commuted amount.

(v) Explain and calculate the effect of commutation on Pension payable.

(vi) Calculate the lumpsum commutation amount from the Pension sanctioned.

Instructions to faculty

The Faculty shall lecture on the following:-

(i)   Commutation   -   Why   it   is   a   Pensionary
       Benefit?

⏱ [Time: 5 minutes]

(ii)   Maximum amount of Pension that can be commuted.

⏱ [Time: 2 minutes]

(iii) Formula for calculation of Lumpsum Commutation
       Amount payable.

⏱ [Time: 3 minutes]

(iv)   Inverse relation between commutation factor and age
       on next birthday.

⏱ [Time: 5 minutes]

(v)   Restoration of Commuted Pension.

⏱ [Time: 5 minutes]

(vi)   The   concept   of   commutation   amount   becoming
       "absolute" in different circumstances.

⏱ [Time: 5 minutes]

(vii) Cases where a Pensioner has to under Medical
       Examination before being eligible to commute his
       pension.

⏱ [Time: 10 minutes]

(viii) The   faculty   shall   then   distribute   an   exercise
       containing Practical & Theoretical problems on
       Commutation to participants and ask them to solve it.

⏱ [Time: 20 minutes]

After this the faculty shall discuss the solution on
board and clarify the doubts of participants.

Note: The faculty may use transparency V_{21}.

STUDY MATERIAL

COMMUTATION OF PENSION

1.   ELIGIBILITY

Every pensioner is eligible to commute a portion, not exceeding 40% of his monthly pension (excluding personal pension, Family Pension, Extra Pension and Relief on Pension), for a lump sum payment, i.e. commuted value of pension. An employee or pensioner against whom departmental or judicial proceedings are pending is, however, not eligible to commute a portion of his provisional pension till completion of such proceedings.

2.   LIMIT ON COMMUTATION OF PENSION

A pensioner shall be entitled to commute upto maximum limit of 40% of pension. If fraction of pension to be commuted results in fraction of rupee, such fraction of rupee shall be ignored for purpose of commutation.

3.   COMMUTATION WITHOUT MEDICAL EXAMINATION:

Persons in receipt of the following kinds of pension (including provisional pension under Rule 64) can commute upto 40% of their pension without undergoing medical examination, if they apply for commutation before the expiry of one year reckoned from:

i)	Superannuation pension	The date of retirement
ii)	Retiring pension	
iii)	Compensation pension	
iv)	Pension on absorption in a Corporation, Company or Body, etc., and elected to receive pro-rata monthly pension.	The date of issue of retirement orders.
v)	Pension granted on finalisation of departmental/judicial proceedings and issue of final order thereon.	The date of issue of final orders.

4. **COMMUTATION AFTER MEDICAL EXAMINATION**:

The following classes of pension can be commuted only after pensioners have medical examination and is declared fit by the appropriate medical authority irrespective of the date of receipt of application:-

i)   Invalid Pension

ii) Absorbed in or under Corporation, Company or Body and had elected to receive lumpsum in lieu of monthly pension:

iii) Compulsory Retirement Pension as a measure of penalty.

iv) Compassionate allowance.

v)   Pension mentioned in para 3 when application for commutation by the Head of Office received after one year of retirement;

140

5. WITHDRAWAL OF APPLICATION FOR COMMUTATION ON MEDICAL CERTIFICATE

(i) Permissible before medical examination;

(ii) Permissible after medical examination, if pensioner declines to accept additions to actual age directed in the medical report, within

(iii) 14 days of its receipt;

(iv) Treated as withdrawn if pensioner fails to appear before the medical authority.

6. COMPETENT MEDICAL AUTHORITY:

(a) Medical Board in cases of:-

(i) Commutation of invalid pension;

(ii) Commutation of pension (other than invalid pension which together with any amount (s) previously commuted exceeds Rs.100 and

(iii) In all cases of second medical examination for commutation of pension.

(b) In other cases Medical Officer not lower in status than that of a civil surgeon or a District Medical Officer.

7. SECOND MEDICAL EXAMINATION:-

A pensioner who has declined to accept commutation on the basis of addition of years to his actual age as recommended by the Medical Authority or has been refused commutation on medical ground is eligible to take medical examination for commutation after one year from the date of the first medical examination for commutation. However, the second medical examination may be held even before the expiry of one year, if the pensioner appeals to his last Head of Office against the medical verdict and seeks review thereof by a second medical authority. The appeal should be preferred within a month of receipt of certificate by the pensioner.

8. WHEN COMMUTATION BECOMES ABSOLUTE:

The commutation becomes absolute and the commuted value of pension becomes payable on the date:

(i) following the date of retirement in the case where the application for commutation of superannuation pension is received by the Head of Office on or before the date of Superannuation.

(ii) Of receipt by the Head of Office of the application for commutation of pension without medical examination before the expiry of one year as mentioned in para 3 above.

(iii) On which the Medical Authority signs the medical report for commutation.

(iv) In case of second medical examination, finding of Medical Board, modifying the opinion of first Medical Authority deemed to come into force on the date on which the Ist Medical Authority recorded its opinion.

9. CALCULATION OF COMMUTATION AMOUNT:-

Lump sum payable = Commutation factor x 12 x amount of pension offered for commutation

The final product should be rounded off to the next higher rupee in case of Decimal.

The commutation factor is taken from the commutation Table as relevant to the age on next birthday. The day of next birthday will be determined with respect to (I) the date of superannuation in cases where commutation is required alongwith PPO (ii) the date of receipt of application in other cases where medical authority signs report in cases where medical examination is necessary.

Age next birthday	Commutation value expressed as number of Year's purchase	Age next birthday	Commutation value expressed as number of Year's purchase.
17 to 39	Not printed		
40	15.87	53	12.35
41	15.64	54	12.05
42	15.40	55	11.73
43	15.15	56	11.42
44	14.90	57	11.10
45	14.64	58	10.78
46	14.37	59	10.46
47	14.10	60	10.13
48	13.82	61	9.81
49	13.54	62	9.48
50	13.25	63	9.15
51	12.95	64	9.82
52	12.66	65	9.50
66 to 85	Not printed		

10. ***PAYMENT OF COMMUTATION AMOUNT WILL BE MADE BY HEAD OF OFFICE*** who disbursed the last pay, when the official retiring after superannuation applies for commutation on or before date of retirement and by the pension disbursing authority on the order issued by the accounts officer, in other cases (Rule 15)

11. REDUCTION OF PENSION ON COMMUTATION:

The reduction in the amount of pension on commutation will become operative from the date of receipt of the commuted value by the pensioner or at the end of three months after issue of authority for payment, whichever is earlier. If the pension is drawn through Bank, the reduction in pension becomes operative from the date of receipt of the amount in the Bank Account.

To persons who retire on superannuation and apply for commutation or before the date of retirement, the commuted value becomes payable on the day following the date of retirement and reduction in pension becomes operative from the same date. Where, however, payment of commuted value is not made within the first month after retirement, the difference of

143

pension for the period between the day following the date of retirement and the date preceding the date on which the commuted value is deemed to have been paid in terms of Rule 49 of the Central Government Accounts (Receipts and Payments) Rules, 1983, shall be authorised by the Accounts Officer. (Rule 6)

12. PAYMENT OF DIFFERENCE IN COMMUTED AMOUNT ON REVISION OF PENSION:

When pension is revised upward retrospectively, payment of commuted value of the quantum of increase in pension may be authorised without further application from the pensioner. However, in the case of commutation after medical examination, if the fraction of original pension commuted is less than Rs.100, and the fraction based on the revised pension is more than Rs.100, the commutation beyond Rs.100 shall be treated as fresh commutation and allowed subject to examination by a Medical Board. (Rules 10 & 31)

13. NOMINATION:

In the prescribed form should accompany application for commutation conferring on one or more persons the right to receive the commuted value in the event of applicant's death before receiving it.

14. EFFECT OF COMMUTATION ON QUANTUM OF FAMILY PENSION:

Nil. Family pension cannot be commuted.

15. RESTORATION OF COMMUTED PORTION:-

Pensioners are entitled to have the commuted portion of pension restored on the expiry of 15 years from the date of retirement, where commutation was/is simultaneous with retirement. In other cases, 15 years period will be reckoned from the date on which reduction in pension was/is operative. (No.34/2/86-P&PW(G) dated 22..8.1990

COMMUTATION:

Q1. What is commutation?

It can be said in layman's language that commutation is selling a part of pension (payable monthly) and getting a lumpsum amount by forgoing a part of pension every month.   W.e.f. 1-1-1996, a maximum of 40% pension (it may be any class of pension) can be commuted. Thus, if an ex-government servant has been sanctioned a pension of Rs.5000/- he can commute 40% of Rs.5,000 i.e., Rs.2000. The formula for calculation of lumpsum amount payable as commutation is

Percentage of Pension commuted x 12 x Commuation factor (maximum percentage of Pension that can be commuted is 40%)   i.e., P$_{(Commuted)}$ x 12 x c.f.

In this example, if the Government servant has opted to get his Pension commuted before Superannuation (60 years age), the commutation factor (c.f.) would be 9.81 and therefore, the lumpsum amount would be Rs.2000 x 12 x 9.81 = 2,35,440.

Q2. What if every other variable (i.e. pension sanctioned) remains the same but instead of Superannuation Retirement the employee (Shri Y) had retired voluntarily at the age of 42 years. What would be the lumpsum amount payable?

In this case assuming that he opted for maximum i.e. 40% commutation, the pension that can be commuted is $\frac{40}{100}$ x Rs.5,000 = Rs.2000, i.e., the same as Q1.

The formula for calculation commuted amount is
       P$_{(Commuted)}$ x 12 x c.f.

Commutation Factor (c.f.) is related to age on next birthday. Therefore, to find out commutation factor (c.f) we have to look at the table appended to CCS(Commutation of Pension) Rules, 1981 (Appx - I) and look at the entry opposite to 43 years (i.e., age on next birthday) and the c.f. is 15.15.

∴ Lumpsum amount = Rs.2000 x 12 x 15.15 = 3,63,600

Q3. Why does the commutation factor keep on changing with the age of Retiree? Why this discrimination that Pension remaining equal Pension who seeks commutation at older age gets less amount than another younger person?

Answer: The commutation factor is inversely related to the age on the next birthday. That means the higher the age, the less will be commutation factor and vice versa. This is based on a reasonable presumption that a person who is young is expected to live more than an older person. Commutation factor is based on Average life expectancy.

Q.4 Why Commutation is considered to be a separate Pensionary benefits when the amount of Commutation is to be recovered from the retired Government Servant i.e. the Pensioner?

Answer: Commutation is considered to be a separate Pensionary benefit because in case a Pensioner who has taken the lumpsum commuted amount dies, no amount will be recovered from his family and they are entitled to Family Pension in the same way as though a person had not taken any commutation. For example, if a person has died (in question number 2) had retired on 31.3.2003 and received the lumpsum amount on 1.4.2003 amounting to Rs.2,50,000/- then even if he dies on 2.4.2003, no recovery will be made out of Family Pension payable to his family.

Q.5. How to deal with the following calculation problems in Commutation:

If the Commuted amount is coming in fraction and the final amount of commutation is also coming in fraction.

Answer: In case the Pension comes in fraction, regardless of the value of fraction the Pension is rounded off to the next higher rupee. The rule also provides that when final amount of commutation comes in fraction regardless of the value of fraction the lumpsum amount payable shall be rounded off to the next higher rupee. However, if the amount of monthly Pension to be commuted comes into fraction, then fraction shall be ignored regardless of the value of fraction.

Q.6. Is the Pension once commuted restored? If Yes, what is the time period?

Answer: Earlier, the Pension once commuted was never restored and the reduction from Pension used to continue till the death of the Pensioner. However, the Supreme Court in its Judgement dated 9/8/86 (Writ Petition No. 3958 /61 of 83) held that the Pensioners are entitled to have the commuted portion of their Pension restored on expiry of 15 years from the date of retirement. Accordingly, the Department of Pension and Pensionary Welfare vide O.M. dated 5.3.87 issued the orders regarding restoration of commuted portion of Pension after 15 years of retirement.

Q.7. Can the Pension be commuted again after restoration of commuted portion of Pension i.e. after 15 years of retirement?

Answer: No. The question does not arise. It is one time benefit and is explained in the above question earlier, the Commuted portion was earlier never restored and it is only on the orders of the Hon. Supreme Court that it is being restored after a period of 15 years of commutation.

Q.8. How the period of 15 years be reckoned for restoration of Commuted portion of Pension in case it commuted after 10 years of his retirement . Will the commuted portion of Pension be restored after 5 years?

Answer: The Government has clarified vide O.M. dated 27.8.90 that in such cases the 15 years period will be reckoned from the date of commutation and not from the date of retirement. Commutation in such cases will be restored after 15 years from the date of commutation.

EXERCISE ON COMMUTATION OF PENSION RULES 1981

1. At present the commutation factor (CF) for those opting for commutation immediately on their Superannuation (60 years of age) is _____.

2. A Govt. servant shall be entitled to commute for a lump sum payment a fraction not exceeding _____ of his Pension.

3. With Effect From 1.4.1985 Government Pensioners who have commuted a portion of their Pension, after completion of _____ years from their date of retirement will have their commuted portion of pension restored.

4. In case of fraction coming to final Commutation value the final amount should be rounded off to _____.

5. Shri Shakuni, a Group `C' Officer dismissed w.e.f. 16.4.2001 is sanctioned Compassionate allowance at the rate of Rs.2000/-. He requests for maximum amount of Commutation on 17-4-2001.

6. Shri XYZ has on 1-1-2001 opted to have maximum of his Pension commuted. He retired on Superannuation (on attaining 60 years of age) on 31-3-2001 with Pension of Rs.5000. Calculate the Commutation value.

7. Shri ABC has retired on Superannuation on 31-3-2001. He has been sanctioned a provisional Pension as disciplinary proceedings are pending against him. He requests for commutation of 10% of his provisional Pension.

8. Commutation of Pension shall become absolute in case of Medical Examination on the date on which _____.

From the given data, calculate Pension, Retirement Gratuity & Commutation Amount (maximum).

9. Shri ABC (D.O.B. 30.4.1942) retires on Superannuation:
   Qualifying Service (Approx)   = 36 years 2 months
   Emoluments   = Rs.10,000
   Average Emoluments   = Rs.9,900
   Take DA   = 49%

10. Shri XYZ (D.O.B. – 5.1.1955)
    Retired on Invalidation w.e.f.   - 1.6.2002
    Qualifying Service   - 11 Years
    Emoluments / Average Emoluments   - Rs.5,000
    Take D.A. as   - 49%
    Take commutation factor   - 113.82

11. Shri BCE (D.O.B. – 10.6.1954)
    Retire Voluntarily under Rule 48-A on   - 10.10.2002
    Qualifying Service   - 22 years 3 months

                        (without weightage)

    Emoluments   - Rs.6,200
    Average Emoluments - Rs.6,104.
    Take D.A. as   - 52%

SOLUTIONS TO EXERCISE ON COMMUTATION OF PENSION RULES 1981

1. At present the commutation factor (CF) for those opting for commutation immediately on their Superannuation(i.e., at the age of 60 years) is **_9.81_**.

2. A Govt. servant shall be entitled to commute for a lump sum payment a fraction not exceeding **_40%_** of his Pension.

3. With Effect From 1.4.1985 Government Pensioners who have commuted a portion of their Pension, after completion of **_15_** years from their date of retirement will have their commuted portion of pension restored.

4. In case of fraction coming to final Commutation value the final amount should be rounded off to **_next higher rupee_**.

5. **Shri Shakuni, a Group `C' Officer dismissed w.e.f. 16.4.2001 is sanctioned Compassionate allowance at the rate of Rs.2000/- . He requests for maximum amount of Commutation on 17-4-01.**

   Answer: Even though Shri 'C' has forfeited his right to pension, but once the Competent Authority (i.e., Appointing Authority) orders for grant of Compassionate Allowance, then it is like any other Class of Pension. He can be granted commutation of Compassionate Allowance but he shall have to undergo Medical Examination before being eligible for Commutation.

6. **Shri XYZ has on 1-1-2001 opted (on attaining 60 years of age) have maximum of his Pension commuted. He retired on Superannuation on 31-3-2001 with Pension of Rs.5000. Calculate the Commutation value.**

   Answer: In this case, the amount of Commutation shall be payable on 1-4-2001. Commutation factor for those superannuating at present is 9.81.

Amount of Commutation
=   Pension Commuted x 12 x Commutation Factor

Pension Commuted (maximum)
=   40% x 5000   =   2000

Commutation Factor   =   9.81

Amount of Commutation   =   2000 x 12 x 9.81
=   Rs.2,35,440

7. **Shri ABC has retired on Superannuation on 31-3-2001. He has been sanctioned a provisional Pension as disciplinary proceedings are pending against him. He requests for commutation of 10% of his provisional Pension.**

Answer: Commutation cannot be sanctioned. If a person has been sanctioned Provisional Pension because of Disciplinary proceeding pending against him he cannot be given commutation until the final disposal of the disciplinary case.

8. Commutation of Pension shall become absolute in case of Medical Examination on the date on which *__Medical Report is signed.__*

9. **From the given data, calculate Pension, Retirement Gratuity & Commutation Amount.**

   Shri ABC (D.O.B. 30.4.1942) is due for Superannuation:

   Qualifying Service (Approx)   -   **36   years   2 months**

   Emoluments   -   **Rs.10,000**

   Average Emoluments   -   **Rs.9,900**

   Take DA as   -   **49%**

SOLUTION:

Qualifying Service = 36 years and 2 months
(restricted to 33 years)
= 66 SMPs

Emoluments = Rs.10,000

Emoluments (Gratuity) = Rs.10,000 + DA @ 49%
= Rs.14900

Average Emoluments = Rs.9900 (given)

Pension = ½ x AE x $\dfrac{\text{SMPs}}{66}$

= ½ x 9900 x $\dfrac{66}{66}$ = Rs. 4950

= Rs.4950 + Dearness Relief thereon

Retirement Gratuity = ¼ x E (G) x SMPs

= ¼ x 14900 x 66

= 16.5 x 14900

= Rs.**2,45,850**

Lumpsum Commutation = P $_{(Commuted)}$ x 12 x C.F.

Pension$_{commuted}$ = 40% x 4950

P $_{(Commuted)}$ = Rs.1980

Lumpsum commuted = Rs. 1980 x 12 x 9.81

= Rs.2,33,085.6

= Rs. 2,33,086
(Rounded off to next higher Rupees)

10. **Shri XYZ (D.O.B. – 5.1.1955)**
    Retired on Invalidation w.e.f.   -   1.6.2002
    Qualifying Service   -   11 Years
    Emoluments / Average Emoluments -   Rs.5,000
    Take D.A. as   -   49%
    Commutation factor   -   13.82

SOLUTION:

Net Qualifying Service	=	11 years - 22 SMPs
Emoluments	=	5000
Emoluments (Gratuity)	=	Rs.5000 + 49% DA
	=	Rs.7450.
Average Emoluments	=	Rs.5000

(i) Pension $= \frac{1}{2} \times AE \times \frac{SMPs}{66}$

$= \frac{1}{2} \times 5000 \times \frac{22}{66} =$ Rs. 833

But any class of Pension cannot be less than Rs.1275.

In case of Invalid Pension, it cannot be less than Family Pension (Normal Rates) i.e. 30% of Emoluments

$= \frac{30}{100} \times 5000$ = Rs.1500

Therefore, **Rs. 1500** + Dearness Relief would be sanctioned as Invalid Pension

(ii) Retirement Gratuity $= \frac{1}{4} \times E \times SMPs$

$= \frac{1}{4} \times 7450 \times 22$

= Rs. **40,975.00**

Lumpsum Commutation = Pension $_{(Commuted)}$ x 12 x C.F.

Lumpsum Commutation = Pension Commuted

$$= \frac{40}{100} \text{ X } 1500 = Rs.600.00$$

= Rs.600 x 12 x 13.82

= *Rs. 99,504.00*

(NOTE: Commutation would be calculated in the Final Pension sanctioned i.e. Rs.1500.00 and not on Rs.833 or Rs.1275).

11. Shri BCE (D.O.B. – 10.6.1954)

Retire Voluntarily under on - **10.10.2002**
Qualifying Service - **22 years 3 months (without weightage)**

Emoluments - Rs.6,200
Average Emoluments - **Rs.6,104**
Take D.A. as - **52%**
C.F. - **13.54**

SOLUTION:

Net Q S = Qualifying Service + Weightage (if any)

= 22 years 3 months + 5 years (Weightage)

= 27 years 3 months = 55 SMPs

Emoluments (Gratuity) = Rs.6200 + 52% DA (3224) = Rs. 9424

Pension = ½ x AE x $\dfrac{SMPs}{66}$

=½ x 6104 x $\dfrac{55}{66}$

= Rs.2543.33
(decimal to be rounded off to next higher rupee)

= Rs. 2544 + DR thereon.

Retirement Gratuity = ¼ X E (g) X SMPs

= ¼ X 9424 X 55 = Rs. 1,29,580

154

Lumpsum Commuted Amount

$$= P_{(Commuted)} \times 12 \times C.F$$

$$P_{(Commuted)} = \frac{40}{100} \times 2544$$

$$= Rs.1017.6$$

(decimal to be ignored)

$$= 1017 \times 12 \times 13.54 = 165242.16$$

$$= 1,65, 243 \text{ (rounded of to next higher rupee)}$$

Module - V

Family Pension & Death Gratuity

📖 **Family Pension - Eligibility**

📖 **Calculation of Family Pension**

📖 **Calculation of Death & Residuary Gratuity**

📖 **Practical Problems on Settlement of Family Pensions**

📖 **Processing of Pension Papers**

DAY - 3

SESSION - I

FAMILY PENSION & DEATH GRATUITY

OBJECTIVES

At the end of the session the participants will be able to:-

(i)   State the eligibility condition for getting Family Pension.

(ii)   State the eligibility for condition for getting Death Gratuity.

(iii)   State the eligibility for getting enhanced Family Pension.

(iv)   State the period for which enhanced Family Pension is payable.

(v)   State the minimum amount of Family Pension.

(vi)   Calculate the Family Pension payable at normal and enhanced rates.

(vii)   Calculate the amount of Death Gratuity.

Instructions to the faculty

The faculty shall:-

(i)   Explain the eligibility condition for getting Family Pension.

            🕐 [2 minutes]

(ii)   Explain the eligibility condition for getting Death Gratuity.

            🕐 [2 minutes]

(iii)   Explain in logical manner the concept of enhanced Family Pension.

            🕐 [2 minutes]

(iv)   Explain the period for which enhanced Family Pension is payable by giving examples.

            🕐 [5 minutes]

(v)   Explain the calculation of Family Pension at Normal & Enhanced rate.

            🕐 [3 minutes]

(vi)   Explain the calculation of Death Gratuity & the logic of table given for Death Gratuity.

            🕐 [10 minutes]

(vii)   Distribute practical exercises for calculation of Family Pension (at normal & enhanced rates) and Death Gratuity.

            🕐 [2 minutes]

(viii) Allot 15 minutes to participants solve the exercises individually and discuss it in group for 5 minutes.

🕐 [20 minutes]

(ix) Discuss the solutions in respect of each question in Exercise and solve it on board.

🕐 [10 minutes]

(x) Clarify the doubts of participants in respect of this exercise and any other doubt that may be raised by participants.

The faculty may use transparencies V_{21}, V_{22}, V_{23}, V_{24}, V_{25}, V_{26}, V_{27} and V_{28} .

STUDY MATERIAL

FAMILY PENSION

Family Pension is payable to the Family of the Government Servant who has died while in Service after rendering one year of continuous service. In case of a Govt. Servant who had been medically examined and declared fit prior to his appointment this condition does not apply*. Family Pension is also payable on death of a Pensioner* . With effect from 1.1.96, the normal family pension is payable at the   rate of 30% of the last pay drawn for all categories of employees. Dearness Relief is also payable on the Family Pension sanctioned. The Family Pension shall in no case be less than Rs.1275/- which is the minimum amount of Family Pension admissible to the family of the Government Servant.

If an employee had completed 7 years of continuous service at the time of his death, the payment of family pension at enhanced rate is allowed for a period of 7 years. After this, the normal family pension will be admissible to the family. The rate of enhanced family pension in case of death of the Govt. servant is 50% of the last pay drawn by the Government Servant.

In case of death of a Pensioner, the enhanced family pension is payable for maximum period of 7 years but limited to the date on which the Government servant would have attained the age of 67 years had he been survived. For example, if a Pensioner had retired Voluntarily at the age of 40 years, he dies at the age of 50 years, the enhanced family pension would be payable for the next 7 years to his family. In case the Pensioner had died at the age of 61 years the family pension would payable at enhanced rates for the next 6 years i.e. upto the date on which he would have attained the age of 67 years had he been survived. Similarly, in case of death of a Pensioner, at the age of 65 years, the enhanced family pension would be payable for the next 2 years only. In case death of Pensioner   at the age of 66 years and 6 months, the enhanced family pension would be payable

for the next 6 months only. Accordingly, if the Pensioner dies after the attaining the age of 67 years, no enhanced family pension is payable to his family and only normal family pension will be paid.

The rate of enhanced family pension in case of death of a Pensioner will be the *least* of the following:

50% of the pay last drawn by the deceased Pensioner

or

the Pension authorised to the Pensioner.

Death Gratuity

- Payable to the family of the deceased Govt. servant .

- How Calculated

Length of QS	Rate of DG
i) Less than 1 year	2 times Emoluments
ii) one year or more but less than 5 years	6 times Emoluments
Iii) 5 years or more but less than 20 years	12 times Emoluments
iv) 20 years or more	½ x E x SMPs subject to a maximum of 33 times emoluments provided that the total amount does not exceed Rupees Three lakh and fifty thousand only.

(Note: w.e.f. 1.1.96, emoluments means Basic Pay + Non-Practising Allowance + Stagnation increment + Dearness Allowance as on the date of death.)

Residuary Gratuity

- Payable to the family of the deceased Govt. servant

- Conditions:

  (a) Govt. servant should be eligible for SG or pension: and

  (b) Govt. servant should have died within 5 years from date of retirement.

- How calculated:

  Difference between 12 times emoluments at the time of retirement and the amount (s) actually received by the Govt. servant at the time of death (SG or pension plus RG plus commuted value of a portion of pension plus Dearness Relief on pension)

EXERCISE ON FAMILY PENSION &DEATH GRATUITY

1. Shri ABC dies while in Service on 20.6.2002 and is survived by
    his Son.

    Continuous Qualifying Service   -   6 years

    Emoluments (Last Pay Drawn)   - Rs.12,000/-

    Calculate   Pensionary benefits. Take DA as 50%.

2. Shri BCD commits suicide on   13.05. 2002. A case of Major
    Penalty was pending against him and he was under Suspension
    for the last two years.

    Continuous Qualifying Service Rendered - 25 years
    (including period spent on suspension)
    Emoluments   - Rs.10,000/-

    Calculate Pensionary benefits if any admissible to the
    family. Take DA as 50%.

3. Shri Shakuni (D.O.B. – 5.5.1981) joins Service as an Administrative Officer (Direct Recruit) on 2.01.2003 at 9.15 a.m. He had been medically examined and declared Fit prior to his appointment as Administrative Officer. He dies at 9.50 a.m. on 2.01.2003 and is survived by his Widow. Calculate Pensionary benefits, admissible, if any to his family. Scale of Pay = Rs.8000 – 250- 13500

Take DA as 55%.

4. Shri FGH a Pensioner expires on 29.12.2002. Following data is available:

       Date of Birth   - 30-05-1940

       Last Pay Drawn   - Rs.8,000/-

       Pension sanctioned on retirement - Rs.3400/-

       Date of Superannuation   - 31.5.2000

Clearly show how the Family Pension will be regulated. He is survived by his Widow.

5. What would be amount of Family Pension admissible, if in the above question all other figures remaining the same, he was sanctioned Pension amounting to Rs.1600 on retirement?i.e.,

.Shri FGH a Pensioner expires on 29.12.2002. Following data is available:

Last Pay Drawn	- Rs.8,000/-
Date of Superannuation	- 31.3.2000

Clearly show how the Family Pension will be regulated. He is survived by his Widow.

SOLUTION TO EXERCISE ON FAMILY PENSION & DEATH GRATUITY

Q.1. Shri ABC dies while in Service on 20.6.2002 and is survived by his Son.
Continuous Service - 6 years
Emoluments (Last Pay Drawn) - Rs.12,000/-
Calculate Pensionary benefits. Take DA as 50%.

Answer: Since Shri ABC has not rendered 7 years of continuous service his son is eligible to receive Family Pension at normal rate.

Emoluments   =   Rs.12000

Emoluments for gratuity=   Rs.12000 + 6240 = 18240

Family Pension (Normal) =   30% x Emoluments

$$=   \frac{30}{100} \text{ x } 12000$$

= Rs.3600+Dearness Relief thereon

Death Gratuity   =   12 x Emoluments

=   12 x 18000

=   Rs.2,16,000

Q.2..   **Shri BCD commits suicide on 13.05. 2002. A case of Major Penalty was pending against him and he was under Suspension for the last two years.**
Continuous Service Rendered   -   25 years

Emoluments   - Rs.10,000/-
Calculate Pensionary benefits if any admissible to the family.   Take DA as 50%.

Answer: In case of suspension coming to an end on death of Government servant, the entire period spent on suspension is treated as duty i.e., the disciplinary case is closed and family is eligible for all consequent benefits.

Since Shri BCD has rendered more than 7 years of continuous service the family is eligible for receiving Family Pension at enhanced rates for the next 7 years.

Emoluments = Rs.10000

Emoluments for gratuity = Rs.10000(LPD) + 5000 + DA

Family Pension (at enhanced rates) = 50% x Emoluments

$$= \frac{50}{100} \times 10000$$

$$= Rs.5000 + DR \text{ thereon}$$

∴ w.e.f. 14-5-02 till 13-5-09 Rs.5000 + DR thereon will be paid as monthly family pension (enhanced rate).

Family Pension (at normal rate) = 30% x Emoluments

$$= \frac{30}{100} \times 10,000$$

$$= Rs.3000 + DR \text{ thereon}$$

∴ w.e.f. 14-5-09 Rs.3000 + DR will be paid as monthly family pension.

Death Gratuity $= \frac{1}{2} \times E \times$ SMPs

$$= \frac{1}{2} \times 15000 \times 50 = 3,75,000$$

But maximum Amount payable = 3,50,000

∴ Rs.3,50,000 would be sanctioned as Death Gratuity

Q.3. **Shri Shakuni (D.O.B. – 5.5.1981) joins Service as an Administrative Officer (Direct Recruit) on 2.01.2003 at 9.15 a.m. He had been medically examined and declared Fit prior to his appointment as Administrative Officer. He dies at 9.50 a.m. on 2.01.2003 and is survived by his Widow. Calculate Pensionary benefits, admissible, if any to his family. Scale of Pay = Rs.8000 – 250- 13500. Take DA as 55%.**

Answer: Family is eligible to receive Family Pension w.e.f. 3.01.03 at Normal rates since Shri Shakuni has rendered less than 7 years Continuous service.

Emoluments (E)   -   Rs.8,000

Emoluments for Gratuity   -   Rs. Rs.8000 + 55% DA

                                      = 12,400

Family Pension   - $\frac{30}{100}$ x Emoluments

                             = $\frac{30}{100}$ x 8000

                             =   Rs.2400 + DR thereon

      Admissible w.e.f.   3-01-03 to his widow

Death Gratuity   =   2 x Emoluments

(For those rendering less than 1 years of
Qualifying Service)   =   2 x 12400
                                      =   Rs.24,800

NOTE: Even though Shri Shakuni has rendered only 1 days of Qualifying Service (the day of death of a Govt. servant is treated as a working day), the family is eligible to receive Family Pension as he had been medically examined and declared Fit for appointment.

Q.4. **Shri FGH a Pensioner expires on 29.12.2002. Following data is available:**

      Date of Birth   - 30-05-1940
      Last Pay Drawn   - Rs.8,000/-

      Pension sanctioned on retirement   - Rs.3400/-

      Date of Superannuation   - 31.5.2000

Clearly show how the Family Pension will be regulated. He is survived by his Widow.

Answer: First Calculate the period for which enhanced Family Pension is payable (i.e. for 7 years but limited to the date of attaining of 67 years of age in case of Pensioner)

(i)   Enhanced Family Pension is payable to Family of Shri FGH from 30.12.02 to 29.5.2007.

      Rate of Enhanced Family Pension

$$= \frac{50}{100} \text{ x Emoluments} \quad \text{(or)} \quad \text{Pension sanctioned on retirement} \qquad \begin{array}{l} \text{whichever} \\ \text{is less} \end{array}$$

$$= \frac{50}{100} \text{ x } 8000 \qquad = 4000$$

(or)

Pension sanctioned   = 3400
on retirement

∴   Rs.3400 + DR thereon would be sanctioned as enhanced Family Pension.

(ii) Normal Family Pension is payable to Family of Shri FGH w.e.f. 30.5.07

Rate of Normal Family Pension = $\frac{30}{100}$ x Emoluments

$= \frac{30}{100}$ x 8000 = Rs. 2400

Q.5. **Shri FGH a Pensioner expires on 29.12.2002. Following data is available:**

Date of Birth : **30 – 05 - 1940**

Last Pay Drawn - **Rs.8,000/-**

Pension sanctioned on retirement - **Rs.1600/-**

Date of Superannuation - **31.5.2000**

Clearly show how the Family Pension will be regulated. He is survived by his Widow.:

Answer: Rate of Enhanced Family Pension

$= \frac{50}{100}$ x Emoluments

(or)   whichever
Pension Sanctioned   is less
on retirement

$= \frac{50}{100}$ x 8000 = Rs.4000

(or)

Pension sanctioned   =Rs.1600
On retirement

∴ Rs.1600 comes as Enhanced Family Pension.

But normal Family Pension

$$= \frac{30}{100} \text{ x Emoluments}$$

$$= \frac{30}{100} \text{ x } 8000 = \text{Rs.2400}$$

Therefore, in this case no enhanced Family Pension is payable since enhanced Family Pension cannot be less than the normal Family Pension.

Hence, Normal Family Pension i.e. Rs.2400 + DR would be sanctioned / payable to Family w.e.f. 30.12.2002

DAY - 3

SESSION - II

FAMILY PENSION

OBJECTIVES

At the end of the session, the participants will be able to:-

    📖   1. List out the persons to whom Family Pension is payable.

    📖   2. State in what order Family Pension is payable to members of Family.

    📖   3.   State the eligibility of different members of family for getting Family Pension.

    📖   4.   State the conditions for payment of Family Pension in respect of Family of a missing Government Servant.

    📖   5.   State in what condition a person get more than one Family Pension.

Instructions to the faculty

The faculty shall:-

(1)   Explain the concept of Family Pension.

          🕐 [3 minutes]

(2)   State the persons to whom Family Pension is payable.

          🕐 [7 minutes]

(3)   Explain the latest addition in Family w.e.f. 1-1-96 as per Department of P & PW O.M. dated 27th October, 1997 and subsequent clarification issued.

          🕐 [3 minutes]

(4)   Explain the eligibility of different members of family for getting Family Pension.

          🕐 [2 minutes]

(5)   Explain in what order Family Pension is payable to the members of the Family.

          🕐 [5 minutes]

(6)   Explain how to deal with the claim of Family Pension in respect of a missing Government Servant.

          🕐 [2 minutes]

(7)   Explain the exception to the general rule i.e. payment of Family Pension in the following cases:-

          🕐 [5 minutes]

    (i)   Handicapped children

    (ii)   More than one widow

    (iii)   Twin children

(8)   Discuss the other complex problems and explain solution logically viz:-

   (i)   when widow of Deceased Government servant/Pensioner gives birth to an illegitimate child

   (ii)   posthumous child

   (iii) payment of Family Pension payable to a minor

   (iv)   procedure for payment of Family Pension to handicapped children.

   (v)   Non-entitlement of second wife to Family Pension

   (vi)   Entitlement of children born of illegal wedlock to Family Pension

(9)   Explain in what circumstances a person can get more than one Family Pension

🕐 [3 minutes]

(10) State the procedure for authorisation of Family Pension

🕐 [5 minutes]

(11) Distribute the exercise to participants and allow them 10 minutes to solve it individually and discuss it in group for next 5 minutes

🕐 [15 minutes]

(12) Discuss the solutions to each question of the exercise

🕐 [5 minutes]

(13) Further clarify the doubts of participants, if any relating to the exercise and other problems being raised by the participants.

🕐 [10 minutes]

Note: The faculty may use transparencies viz. V_{29}, V_{30} and V_{31}.

STUDY MATERIAL

FAMILY FOR THE PURPOSE OF FAMILY PENSION :

A (FAMILY) (i) SPOUSE (Husband / Wife)	WHEN BECOMES INELIGIBLE
	• On Death • On Re-Marriage. (Whichever is earlier)
(ii) Children (Sons / Daughters)	• On attaining the age of 25 years • On Marriage • On earning a monthly income exceeding Rs.2550/-. (Whichever is earlier) {OM dated 21.7.99} • However in case of Disabled Children who are unable to earn their livelihood the age limit of 25 years will not apply.

IF NO SUCH FAMILY AS ABOVE IS LEFT BEHIND THEN:

B. (FAMILY) (I) WIDOWED / DIVORCED DAUGHTERS	
	• On attaining the age of 25 years. • On Remarriage • On earning a monthly income exceeding Rs.2550/- per month (*Whichever is earlier)* {OM dated25.7.2001} • However, in case of Disabled daughter, who is unable to earn her livelihood the age limit of 25 years will not apply}

WHOLLY DEPENDENT PARENTS	• On earning more than Rs.2550/- per month.
(Eligible for Normal Family Pension)	Note: When both Parents are alive, Family Pension will be sanctioned in the name of Mother.

The Family Pension is generally payable to one person at a time. In case of the Spouse i.e. widow or widower being eligible, the family pension will be sanctioned to them. In case a Govt. Servant / Pensioner has not left behind the widow or widower or they become ineligible to receive the family pension due to re-marriage, then family pension will be sanctioned in the name of the eldest child of the Government servant.

The family pension will pass to the younger child only after the eldest has become ineligible due to attaining self dependency, marriage or attaining 25 years of age. It may be mentioned that family pension is payable to a handicapped or disabled child who is unable to earn his / her livelihood without any restriction of age limit.

In case of more than one widows being left behind, the family pension is payable to the widows in equal share. Where the widow becomes ineligible to receive the family pension due to re-marriage or death, then her share of family pension will pass on to her children if they are otherwise eligible. When even the child of such widow becomes ineligible for family pension, or the widow had no child, her share of family pension shall pass on to the next widow.

TWIN CHILDREN:

In case of Twin Children, the family pension will be divided equally between them.

Dependent Parents widowed and divorced daughters have also been included in the definition of the family w.e.f. 1.1.96.

(a) The Parents who were wholly dependent on the Government Servant when he / she was alive are eligible to receive the family pension provided that the deceased employee had left behind neither widow or child. Widowed daughter will be included in the family till attaining the age of 25 years or upto the date of her re-marriage whichever is earlier. Except for the Spouse (widow / widower) the other members of the family must not be self dependent to be eligible for family pension i..e their earning should not be more than Rs.2550/- per month.

(b) The income criteria or Rs.2550/- has been defined by the Government vide O.M. dated 5.3.98 The family pension is also admissible to the post retiral spouse i.e. if the marriage has been performed after retirement. Posthumous child is also entitled to the family pension subject to the fulfilment o the other conditions.

Payment of family pension to the family in case official's whereabouts are not known:

When an employee disappears leaving his family. The family can be paid in the first instance, the amount of salary due, Leave Encashment due and the amount of GPF with regard to the nominations made by the employee.

After a lapse of period of one year, other benefits like Retirement Gratuity, Family Pension may also be granted to the family subject to the condition that the family must lodge a report with the concerned Police Station and obtain a report that the employee has not been traced inspite of all efforts made by the Police and an Indemnity Bond should be taken from the Nominee / dependents of the employee that all payments will be adjusted against the payment due to the employee in case he appears on the scene and makes any claim.

However, it may be noted that this will not apply in case of officials who disappears after committing frauds etc. Family Pension at enhanced rate is payable only after a period of 7 years.

Government Servants/Pensioners whose personal law does not allow second marriage, if they enter into the second marriage, that marriage is void ab-initio and such illegally wedded wife is not eligible for any family pension whatsoever. However, the children born out of the void or voidable marriage are eligible to receive the family pension when their turn comes to subject to fulfilment of other conditions.

QUIZ ON FAMILY PENSION RULES, 1964

Q.1. Shri ABC is a Group 'A' Government Servant drawing Basic Pay of Rs.25,000/- per month. His spouse who was an LDC in Government Service dies on 19-04-2001 after rendering continuous/Qualifying service of 8 years and her Last Basic Pay was Rs.4,000/-. Is Shri ABC eligible to receive Family Pension?

Q.2. Shri Ram Singh, a Staff Car Driver (by re-employment) who was an Ex-Serviceman (drawing Pension from Defence) dies on 16-04-2001. His spouse claims two Family Pensions, i.e., one from Central Government and the other from Defence.

Q.3. Shri Shakuni joins as Section Officer (DR) on 19-04-2001 in Ministry of Agriculture. He dies at 9-10 am on 19-04-2001. Is his spouse eligible for Family Pension?

Q.4. Shri Dharam Karam, a Group 'B' employee in Central Government retired on 31-01-1996. His wife had already expired on 01-01-1990 and as on the date of retirement his two sons were aged 26 years and 28 years and employed as Group 'A' officers in Government. Shri Dharam got married to a twenty-two years old woman Ms.X on 01-01-1997. Shri Dharam dies on 22-03-1998. He is survived by his widow and his son Master Susheel (aged 6 months). His widow is appointed on 01-06-1998 as L.D.C. in Ministry of Home Affairs. She married Shri Ramesh, Section Officer in the same Section on 24-06-2000. In what manner will Family Pension etc. be regulated?

Q.5. Shri Shinoo, a Group 'A' Officer entered Government Service on 04-06-1975. He was already married at the time of his entry in Government Service, to Ms. Rani, as is evident from his service records. As they had no children, Shri Shinoo married to Ms. Rani's sister, Mrs. Shalloo with the permission of Ms Rani. Mr. Shinoo died on 16-05-2000. Both Ms. Shalloo and Ms. Rani put up claims for Family Pension. Ms. Rani dies on 17-10-2000. Smt. Shalloo gives birth to a girl on 30-12-2000. How will the Family Pension regulated in the instant case.

6. Shri Lakhtoonoo, a Govt. servant died while in service on 1.5.97. From the given data state how Family Pension will be regulated:

(i) Survived by Widow (Wife)   -   She died on 5.10.98

(ii) Daughter (D_1)

 – Daughter's Date of Birth   -   1.08.1974

 She was not employed but got married on 15.7.99

(iii) Son (S_1)

 -Son's date of birth   -   10.06.1975

Status: Unmarried and physically disabled to the extent that he is unable to earn his livelihood.

(iv) Son (S_2)

 -Son's Date of birth   -   06.06.1977

Status: Unmarried & got appointed as Group `B' officer in Govt.of India on 16.2.2001

(v) Daughter (D_2)

 -Date of Birth   -   05.05.1976

Status: Unmarried and not earning.

SOLUTIONS TO QUIZ ON FAMILY PENSION RULES, 1964

Q.1. Shri ABC is a Group 'A' Government Servant drawing Basic Pay of Rs.25,000/- per month. His spouse who was an LDC in Government Service dies on 19-04-2001 after rendering continuous service of 8 years and her Last Basic Pay was Rs.4,000/-. Is Shri ABC eligible to receive Family Pension?

Answer: Shri ABC is eligible to receive Family Pension w.e.f. 20-04-2001 as for spouse (i.e., widow/widower) there is no income criteria to be eligible to receive Family Pension. It is only on remarriage that spouse becomes ineligible to receive Family Pension.

Since the deceased Government Servant had rendered 7 years of continous service in Government, the family will receive enhanced <u>Family Pension</u> for next 7 years and thereafter <u>Normal Family Pension.</u>

<u>Rate at which payable</u>

Enhanced Family Pension $= \dfrac{50}{100} \times 4000$

$= \text{Rs.2000}$

w.e.f. 20-04-2001 to 19-04-2008 $= \text{Rs.2000+DR thereon}$

Normal Family Pension $= \dfrac{30}{100} \times 4000$

$= \text{Rs.1200}$

(But Minimum Family Pension = Rs.1275/-)

w.e.f 20-04-2008 $= \text{Rs.1275+DR thereon}$

Q.2. **Shri Ram Singh, a Staff Car Driver (by re-employment) who was an Ex-Serviceman (drawing Pension from Defence) dies on 16-04-2001. His spouse claims two Family Pensions, i.e., one from Central Government and the other from Defence.**

Answer: In this case only one Family Pension is to be sanctioned. The employee has to opt for Family Pension either from Defence or Civil Service. In case no option has been exercised, the family can opt either for drawing Family Pension from Defence or Civil, depending upon which is more beneficial.

Q.3. **Shri Shakuni joins as Section Officer (DR) on 19-04-2001 in Ministry of Agriculture. He dies at 9-10 am on 19-04-2001. Is his spouse eligible for Family Pension?**

Answer: In case of Shri Shakuni had been Medically examined and declared fit prior to his appointment in the Government, his spouse will be eligible for Family Pension and Death Gratuity.

Q.4. **Shri Dharam Karam, a Group 'B' employee in Central Government retired on 31-01-1996. His wife had already expired on 01-01-1990 and as on the date of retirement his two sons were aged 26 years and 28 years and employed as Group 'A' officers in Government. Shri Dharam got married to a twenty-two years old woman Ms.X on 01-01-1997. Shri Dharam dies on 22-03-1998. He is survived by his widow and his son Master Susheel (aged 6 months). His widow is appointed on 01-06-1998 as L.D.C. in Ministry of Home Affairs. She married Shri Ramesh, Section Officer in the same Section on 24-06-2000. In what manner will Family Pension etc. be regulated?**

183

Answer: Family Pension is payable from 23-03-1998 to 24-06-2000 to widow (X).[*]

w.e.f. 25-06-2000, Ms. 'X' on remarriage becomes ineligible for Family Pension.[**]

w.e.f. 25-06-2000[***], the Family Pension will be sanctioned in the name of Master Susheel (S/o Shri Dharam Karam). However, the Family Pension will be paid to Ms. 'X' being the de-facto guardian of Master Susheel on production on guardianship certificate.

Explanatory Notes:

[*]   Even the post-retiral spouse are eligible for Family Pension.

        Even if the Family Pensioner (Widow/Widower) is self-dependent   (i.e. has an earning > Rs.2550) he/she continues to be eligible for Family Pension.

[**]   The spouse (widow/widower) is eligible to get the Family Pension only upto the date of remarriage.

[***]   Even the children born after retirement are eligible to receive Family Pension. However, Family Pension is paid to guardian in case of a minor.

Q.5. **Shri Shinoo, a Group 'A' Officer entered Government Service on   04-06-1975. He was already married at the time of his entry in Government Service, to Ms. Rani, as is evident from his service records. As they had no children, Shri Shinoo married to Ms. Rani's sister, Mrs. Shalloo with the permission of Ms Rani. Mr. Shinoo died on 16-05-2000. Both Ms. Shalloo and Ms. Rani put up claims for Family Pension. Ms. Rani dies on 17-10-2000. Smt. Shalloo gives birth to a girl on 30-12-2000. How will the Family Pension regulated in the instant case.**

Answer: First Plot the data

Shinoo

- -

Rani
(legally wedded
wife)

Shalloo
(not legally wedded
wife)

dies on 16-05-2000

dies on 17-10-2000   Birth of baby girl on 30-12-2000
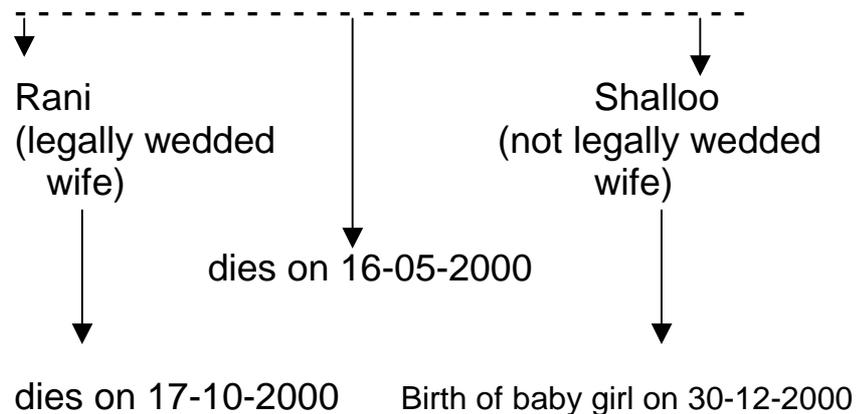
(i)   Family Pension shall be payable to only Ms. Rani w.e.f. 17-05-2000 to 17-10-2000.[*]

(ii)   Thereafter, i.e., w.e.f. 18-10-2000 family Pension is not payable to anyone as Ms. Shalloo was not a legally wedded wife of Mr. Shinoo and therefore is not widow in legal sense.

(iii)   Family Pension is payable w.e.f. 30-12-2000 in the name of girl born to Smt. Shalloo, though it will be paid to Smt. Shalloo being the de-facto guardian on production of guardianship certificate.[**]

Explanation:

[*]   Second wife is not entitled to the Family Pension as legally wedded wife under the Hindu Marriage Act.

[**]   Family Pension is admissible also to children from the void or voidable marriage.

[GOI, Deptt. of P & P.W. O.M. dated 2nd December, 1996]

6. **Shri Lakhtoonoo, a Govt. servant died while in service on 1.5.97. From the given data state how Family Pension will be regulated:**

(i) Survived by Widow (Wife)   - She died on 5.10.98

(ii) Daughter (D_1)
**   –   Daughter's Date of Birth -   1.08.1974**

**   She was not employed but got married on 15.7.99**

(iii) Son (S_1)
**   -   Son's date of birth   -   10.6.75**

Status: Unmarried and physically disabled to the extent that he is unable to earn his livelihood.

(iv) Son (S_2)
**   -   Son's Date of birth   -   6.6.1977**

Status: Unmarried & got appointed as Group `B' officer in Govt.of India on 16.2.2001

(v) Daughter (D_2)
**   -   Date of Birth   -   5.5.1976**

Status: Unmarried and not earning.

Answer:

Family Pension will be sanctioned in the name of persons as indicated below:

2.5.97 to 5.10.98	–	Widow (Wife)
6.10.98 to 15.7.99	-	Daughter (D_1)
16.7.99 to 9.6.00	-	Son (S_1)
10.6.00 to 15.2.02	-	Son (S_2)
16.2.02 to 4.5.03	-	Daughter (D_2)

w.e.f. 5.5.03   - Son (1) till he remain physically disabled (unable to earn livelihood) and remains unemployed (No age limit in case of physically/ mentally disabled child).

DAY - 3

SESSION - III

Processing of Pension Papers & Authorisation of Pensionary Benefits

OBJECTIVES

At the end of the session the participants will be able to:-

  State Time Frame for Finalisation of Pensionary Benefits

  State the 3 stages of processing of Pension Papers.

  State the concept of Provisional Pension

  State the difference in Provisional Pension sanctioned under Rule 64 & 69 of CCS(Pension) Rules.

  State the effect of Provisional Pension on commutation.

  State the effect of Deputation & Foreign Service on Processing of Pension Papers.

  State the conditions where payment of interest is sanctioned on delayed payment of Retirement Gratuity and fixation of responsibility for delay.

Instructions to the faculty

The faculty shall

(i) Explain the importance of timely settlement of Pensionary Benefits to a retiring Government Servant. [5 minutes]

(ii) Explain the Time Frame for Finalisation of Pensionary Benefits. [5 minutes]

(iii) Explain the 3 stages of Processing of Pension Papers and work to be done in three stages as per the stipulated time-frame. [10 minutes]

(iv) Explain the concept of Provisional Pension.
(v) [5 minutes]

(vi) Explain the difference in Provisional Pension sanctioned under Rule 64 & 69 of CCS(Pension) Rules. [10 minutes]

(vii) Explain the effect of sanctioning of Provisional Pension on commutation. [5 minutes]

(viii) Explain the procedure for Pension Papers when a Government servant is on Deputation and Foreign Service. [5 minutes]

(ix) Explain the conditions where payment of interest is sanctioned on delayed payment of Gratuity & Fixation of responsibility. [5 minutes]

(x) Discuss the methods of avoiding delay in Pension fixation and responsibility of each officer in dealing with pension cases. [10 minutes]

(xi) Clarify the doubts of participants raised by them relating to Processing of Pension Papers by using the discussion method. [5 minutes]

Note: The faculty may use transparency viz. V_{32}, V_{33}, V_{34}, V_{35} & V_{36}

STUDY MATERIAL

PROCESSING OF PENSION PAPERS

With a view to ensuring timely payment of pensionary benefits to the retiring government servants, the Govt. has evolved a simplified procedure and laid down a detailed time table for finalising pension and DCRG.

(a)　Every Head of Department shall have a list prepared every six months on Ist January (including those on deputation & Ist July each year of all Govt. servants who are due to retire on superannuation within next 24 to 30 months of that date. A copy of this list is also supplied to the Accounts Officer concerned not later than 31st January and 31st July.

(b)　In case of a Govt. servant retiring for reasons other than by way of Superannuation, the Head of Office shall promptly inform the Accounts Officer concerned, as soon as the fact of such retirement becomes known to him. A copy of such intimation should also be endorsed to Director of Estate if the Govt. servant is in occupation of Govt. accommodation.

(c)　The Head of Office shall take steps two years before the date of retirement and also write to Director of Estate at least 2 years before the anticipated date of retirement for issue of NO DEMAND CERTIFICATE in respect of period preceding 8 months of the retirement of allottee.

(d)   The Director of Estate will inform the Head of Office 8 months before the date of retirement of allottee (I) any arrears of Licence fee if any recoverable for the period prior to 8 months of retirement (ii) Licence fee recoverable for the next eight months up to the date of retirement (iii) Amount of Licence fee for the permissible period of retention of govt. accommodation beyond the date of retirement.

If no intimation in regard to recovery of outstanding Licence fee is received, it will be presumed no such recovery is due.

(e)   During the 2 years period, the Head of Office completes the preparatory work of Pension Papers in the manner indicated below:

First stage – Verification of Service

(a)   He shall scan through the Service Book to see whether certificates of verification for the entire service are recorded therein.

(b)   In respect of unverified period(s) relating to his own office, he will verify with reference to the bills, acquittance roles or other relevant records and record the necessary certificates in service book.

(c)   In case of unverified period relating to other office(s) he shall get them verified from those offices.

(d)   If still any period is not capable of being verified, he shall obtain a written statement on plain paper from the Govt. servant that he had in fact rendered that period of service with a declaration as to the truth of that statement supported with all documentary evidence.

Second Stage – Making good omissions in the Service Book.

(a) The Head of Office shall identify any other omission, imperfections or deficiencies having a direct bearing on his pensionary benefits and make good omission, imperfection or deficiencies. If any portion still remain unverified, it will be ignored for computing qualifying service.

(b) He will verify the correctness of emoluments drawn during the period of 24 months only proceeding the date of retirement and also to be drawn during the last ten months of service for the purpose of average emoluments.

Third Stage – Obtaining Form 5 by the Head of Office

The Head of office shall obtain Form 5 from the govt. servant duly completed and also complete the assessment of Govt. dues 8 months prior to the date of retirement. The dues so assessed as well as those dues which are noticed subsequently till the date of retirement shall be adjusted against retirement/Death gratuity.

He shall forward to the Accounts Officer not later than 6 months before the date of retirement Form 5 and Form 7 duly completed with a covering letter in Form 8 along with Service Book duly completed, up-to-date and any other documents relied upon for verification of Service Book.

He will send monthly statement No.1 to the next higher authority, showing the progress of the pension cases.

He will submit monthly statement No.2 (Part I & II) to the next higher authority covering cases of govt. servants who become due for retirement in the previous calendar month. The next higher authority will send report in Part II to the Head of Department.

He will send quarterly statement No.3 to the Head of Department, covering cases of govt. servants in whose cases provisional Pension and Gratuity was authorised by him, but became final after expiry of six months.

He will send another quarterly statement to the Head of Department where presumptions were made in favour of govt. servant because of omission, imperfection and deficiencies in service record. The names of persons responsible for improper maintenance of records of service and actions taken shall also be intimated.

A half yearly statement is submitted by Head of Department to the Secretary of Ministry which will show the pendency of cases (i) less than 3 months (ii) between 3 months and 6 months and (iii) more than 6 months.

A quarterly statement is furnished by each Ministry/Department to the Department of Pension of cases which are pending over 6 months both in the Ministry and in their Attached & Subordinate Offices. Responsibility for the delay is fixed and action taken against the person(s) found responsible.

2. **Intimation of particulars of Govt. dues to the Accounts Officer:**

(i) Intimation to be given at least 2 months before retirement. The particulars of the Govt. dues should be furnished to the Accounts Officer at least two months before the date of retirement of the Govt. servant, so that the dues are recovered out of the gratuity before its payment is authorised.

(ii) Additional dues: If after the particulars of Govt. dues have been intimated to the Accounts Officer any additional dues come to the notice of Head of Office, such dues should be promptly reported to the Accounts Officer.

3. **Authorisation of Pension and Gratuity by the Accounts Officer**

(i) On receipt of pension papers, the Accounts Officer applies the requisite checks, records the account enfacement in Part-II of Form 7 assesses the amount of Pension, Gratuity & Family Pension admissible in case of death after retirement and also commuted value of a portion of pension on receipt of Form I from the Head of Office.

(ii) He will release the PPO not later than one month before the date of retirement.

(iii) He will release the Gratuity payment order as early as possible to the Head of Office for making payment to retired Govt. Servant after adjusting the govt. dues if already intimated. If final LPC has not been received or if in a particular case Director of Estate is unable to determine the outstanding Licence fee or there are still unassessed other govt. dues, 10% of Gratuity or Rs.1000/- may be withheld, but the gratuity payment order should indicate that the withheld gratuity shall automatically become payable after the expiry of six months after retirement unless instructions for the recovery of a specified sum or sums from the withheld amount are issued within aforesaid period.

(iv) He will issue the authority letter for payment of commuted value of pension through the Head office at the time of issue of PPO if Form I has since been received from the Head of Office. Similarly he will indicate in the PPO the fact of having authorised the payment of commuted value of Pension and reduce the pension by the corresponding commuted pension (i.e. gross pension and the amount commuted shall continue to be exhibited on the PPO separately).

4. Government Servant on Deputation

Pension papers in respect of govt. servant who are on deputation to another Central Govt. Department shall be prepared by the Head of Office of the Borrowing Department and submitted to his Accounts Office.

In case of deputation to State Govt., or while on Foreign Service, pension papers shall be prepared by the Head of Office of Parent Department/cadre authority which sanctioned deputation to the State Govt. or to Foreign Service.

Foreign service counts for pension on payment of pension contributions either by the govt. servant of by the borrowing organisations. The records of such recoveries which are maintained by the Administrative/Accounts Office, are sometimes incomplete and defective. In such cases, the Govt. servant, where he is making payment himself, should show such evidence as he is able to put forward that he has indeed made the contributions. In cases where borrowing authority are responsible for making contribution, matter should be pursued with them, but pension cases should not be held up on that score only.

5. Provisional Pension

Provisional Pension may be determined, sanctioned and disbursed by the Head of Office in the following situations:

A.

(I)   where he has not been able to forward the Pension papers to Accounts Office before six months of the retirement.

(II)   Where the Accounts Office has returned the pension papers for eliciting further information before issue of PPO and GPO and it is likely that the govt. servant may retire before his pension and gratuity is finally assessed by the Accounts Officer

(Rule 64)

B.

When Departmental or judicial proceedings are pending against the Govt. servant.

(Rule 69)

In cases A, he will make careful summary investigations and go through the proceedings outlined in para I determine the Qualifying Service, Emoluments and assess the provisional pension and provisional gratuity on the basis of available records. He will issue the sanction letter addressed to Govt. servant and copy to the Accounts Officer authorising 100% provisional gratuity withholding 10% or Rs.1000/- whichever is less and subject to adjustment of Govt. dues.

During the period of six months, the Pension and Gratuity are finally assessed by the Accounts office, the Accounts Officer will issue PPO & direct the Head of Office to draw and disburse the difference between the final amount of Gratuity and the amount of provisional gratuity already paid to him after adjusting the govt. dues, if any, which may have come to notice after the payment of Provisional Gratuity.

If the provisional pension is found to be in excess of the finally assessed pension, the Accounts Officer will adjust excess paid pension out of gratuity withheld or by making short payment, of the pension payable in future.

If the amount of provisional gratuity is more than the finally assessed gratuity, the retired govt. servant shall be required to refund the excess amount and the official responsible for the excess payment shall be accountable for the overpayment.

If the final pension and gratuity have not been determined by the Accounts Officer within 6 months, the Accounts Officer shall treat the provisional pension and gratuity as final and issue its PPO immediately on the expiry of 6 months.

In cases of B, the Accounts Officer shall authorise the 100% provisional pension on the basis of qualifying service upto the date of retirement or upto the date preceding the date of suspension if the govt. servant was placed under suspension

before retirement. This provisional pension will be paid from the date of retirement upto and including the date on which final orders are passed by Competent Authority after the conclusion of departmental or judicial proceedings.

No gratuity shall be paid until the conclusion of departmental or judicial proceedings and issue of final orders thereon. But if the departmental proceedings had been instituted for imposing minor penalties (except that of recovery of loss caused to govt. through negligence or breach of orders), then payment of gratuity shall be authorised to be paid to the govt. servant.

If on conclusion of proceedings, pension is allowed, then the provisional pension shall be adjusted against final retirement benefits (i.e pension and gratuity, leave encashment etc.), but no recovery will be made if final pension is less than provisional pension or pension is reduced or withheld whether permanently or for a specified period.

6.   Revision of Pension after Authorisation.

Barring the cases governed by rule 8 & 9 of CCS (Pension) Rules under which pension or a part of pension may be withheld or withdrawn, pensions once authorised is not varied to the disadvantage of the govt. servant unless necessitated by subsequent detection of clerical error. If clerical error is detected after 2 years from the date of authorisation of pension, concurrence of DPAR will also be obtained. To regularise the excess payment the retired govt. servant will be served with a notice by the Head of Office to refund the amount within a period of 2 months, failing which the excess payment will be adjusted in instalments by short payment of pension in future.

7.   Interest on delayed Payment of Gratuity

Retirement gratuity becomes payable on the date following the date of retirement. In the event of payment made beyond a period of 3 months, interest at the rate applicable to GPF

deposits will be paid to retired/dependants of deceased Government servant with the prior approval of Secretary of Ministry/Department.

In all cases where the payment of interest has been sanctioned by the Secretary of the Administrative Authority or Department, the Department shall fix the responsibility and take disciplinary action against the Government servants or servants who are found responsible for the delay in the payment of gratuity.

Recovery and adjustment of Govt. dues

Except overpaid pension/family pension, no govt. dues can be recovered from pension/family pension without the consent of the Pensioner. Recovery may of course, be effected from retirement/Death Gratuity and Dearness relief on Pension which are not covered by the Pension Act 1871. Pension/family pension are also exempt from Court attachment.

PROBLEMS AND SUGGESTIONS FOR AVOIDANCE OF DELAY IN PROCESSING PENSION PAPERS

While finalising the pension cases of the retiree, the following problems are generally faced by the PAO:-

1. NON-SUBMISSION OF PENSION PAPERS TO ACCOUNTS OFFICE WELL IN TIME

As required under Rule "61" of Pension Rules the Head of Office is required to forward to the Accounts Office Form-5 and Form-6 duly completed with covering letter in Form No.8 along with Service Book of the Govt. servant duly completed up to-date up to six months before the date of retirement, but, it is seen that in most of the cases the papers are received at the nick of time i.e. a few days before the actual date of retirement with the result that very short time is left with the Accounts Officer to scrutinize and issue PPO and other retirement benefits well in time to the Pensioner.

2. NON-VERIFICATION OF SERVICE OF THE RETIREES.

In most of the cases it is seen that entry of verifying the service with reference to pay bills is not recorded by the Head of the Office with the result that the cases are required to be referred again to the Head of the Office for getting the entries completed in the Service Book which causes delay in issue of PPO and other retirement benefits.

3. NON-AVAILABILITY OF SERVICE RECORDS.

During the revision of Pre-86 revision cases, it is seen that in most of the cases Service Book of the Officer is not available with the Head of Office as such the qualifying service of the officer as well as the pay drawn by Officer and the scale of pay prior to 86 is not verified. Unless the total qualifying service and pay in the old scale is available it is difficult to revise the pension of the Officer.

4.   WRONG-FIXATION OF PAY IN THE REVISED SCALE.

Fixation of pay in revised scale is not done correctly by the Head of Office nor the appropriate scale which has been revised by the Vth Pay Commission is given correctly in most of the pension cases.

5.   NON-AVAILABILITY OF BANK AND ACCOUNT NUMBER

In most of the cases the Account Number and the Bank from which pension/family pension is drawn by the pensioner is not available in the records. In most of the cases the same has to be called for from the pensioner before issue of revised authority of pension as there is no column in the performa in the application form which depicts the Bank and Account Number.

6.   NON-FILLING OF NOMINATION FORMS BY THE GOVT. SERVANT.

It has been seen that in most of the cases, proper Nomination forms are not got filled in and pasted in the Service Book with the result while authorising the family pension, the list of family members with their age and the person who has been nominated by the Govt. servant to get the retirement benefits in case of death of Govt. servant is not available in the records. This also delays the family pension authorisation.

CHECK LIST FOR SETTLEMENT OF PENSION CASES

1. Application Form for Assessing Pension & Gratuity, in triplicate.

2. Head of Office to obtain from the Govt. servant – particulars of self, family, joint photographs, in triplicate.

3. Covering letter in the prescribed form.

4. Service Book duly completed including Leave Account portion (Date of retirement to be indicated in Service Book). Certificate of service verification to be recorded.

5. Statement of Govt. dues, for recovery, if any.

6. No demand certificate

7. Nomination for Gratuity

8. Three copies of specimen signature duly attested.

9. Three copies of passport size photographs duly attested

10. Certificate to the effect that no disciplinary/vigilance case is pending/contemplated against the official.
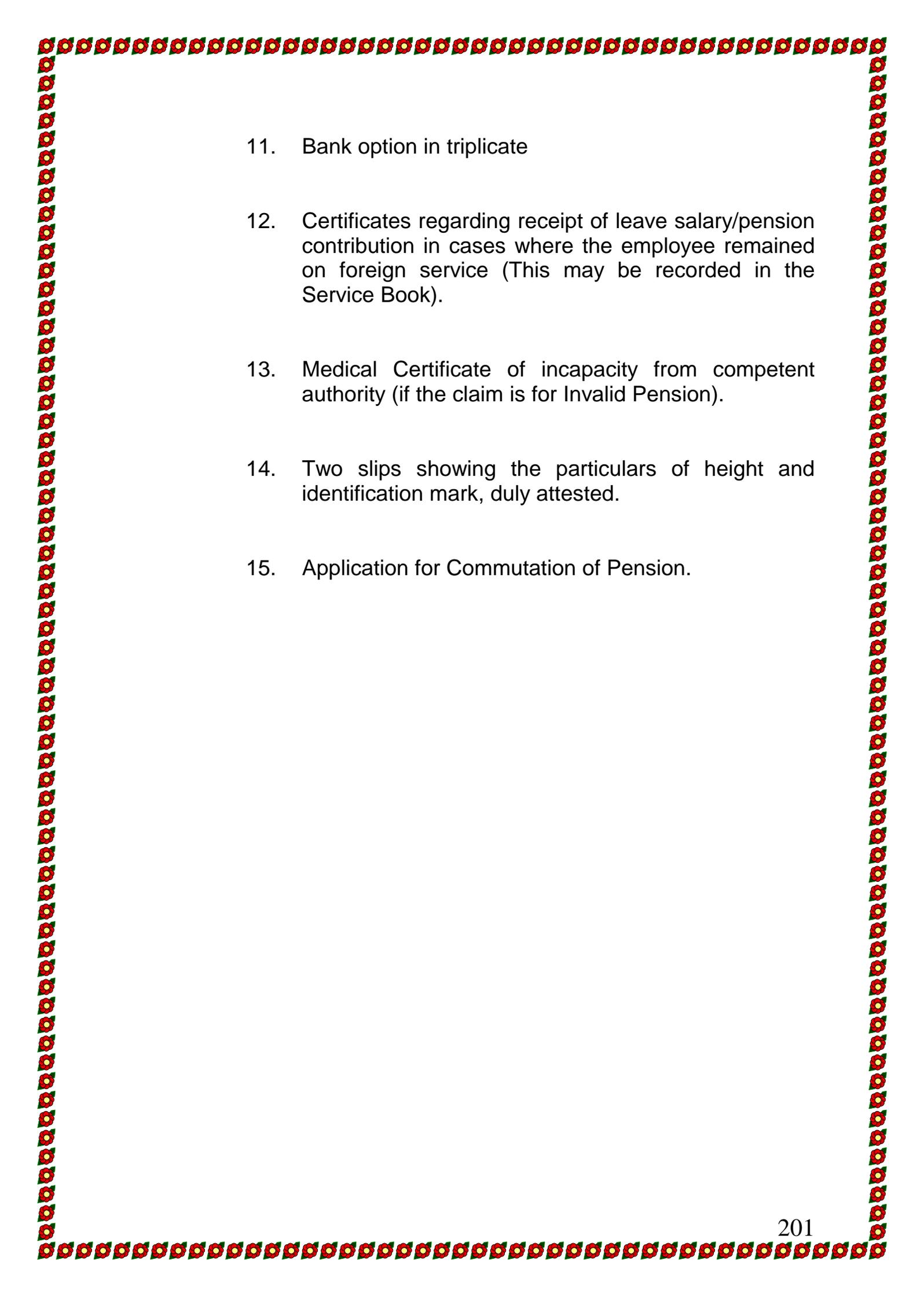
11. Bank option in triplicate

12. Certificates regarding receipt of leave salary/pension contribution in cases where the employee remained on foreign service (This may be recorded in the Service Book).

13. Medical Certificate of incapacity from competent authority (if the claim is for Invalid Pension).

14. Two slips showing the particulars of height and identification mark, duly attested.

15. Application for Commutation of Pension.

CHECK LIST FOR SETTLEMENT OF FAMILY PENSION

1. Application form for Family Pension, duly completed.

2. Service Book (date of death to be indicated in Service Book).

3. Three specimen signatures of the applicant duly attested.

4. Three copies of passport size photographs duly attested.

5. Two slips bearing left hand thumb and finger impression of the applicant duly attested in case the applicant is not literate enough to sign his/her name, identification, etc.

6. Descriptive Roll of the applicant duly attested indicating height, personal marks of identification, etc.

7. Death Certificate.

8. Nomination for payment of gratuity.

9. Bank option in triplicate.

10. Details of Family in the prescribed Form.

DAY 3

SESSION IV

PROBLEM DISCUSSION & CALCULATION OF ALL PENSIONARY BENEFITS

OBJECTIVES

At the end of this Session, the participants will be able to:-

(i)   Clarify their doubts regarding Pensionary Benefits & Calculation.

(ii)   From the given data, calculate the Qualifying Service, Emoluments, Average Emoluments, Pension/Service Gratuity, Retirement Gratuity, Commutation Amount, Family Pension (payable at Normal Enhanced Rates)

(iii)   Explain the solutions to complex problems regarding settlement of Family Pension & Payment of Death Gratuity.

Instructions to the Faculty

The faculty shall:-

    📖   1. Sum-up the concepts covered in the previous Session.

🕐 [15 minutes]

    📖   2. Sum-up the procedure & again state the formulae for calculation of Pensionary Benefits.

🕐 [5 minutes]

    📖   3. Distribute Exercise 1 on calculation of all Pensionary Benefits & request the participants to solve it individually.

🕐 [10 minutes]

📖 4. Solve the Exercise - 1 on board and clarify the doubts of the participants.

🕐 [10 minutes]

📖 5. Distribute Exercise - 2 on calculation of Pensionary Benefits & request the participants to solve it in 6 minutes and thereafter discuss the solution with their immediate neighbour for 4 minutes.

🕐 [10 minutes]

📖 6. Discuss the solutions to Exercise-II and solve it on Board & clarify the doubts of the participants relating to that Exercise & other doubts regarding calculation.

🕐 [10 minutes]

EXERCISE ON PENSIONARY BENEFITS

Q1. From the following details of Shri Ram Singh, calculate Pension, Family Pension, Retirement Gratuity and Commutation of Pension: (Maximum)

(a) Date of Birth : 04-06-1943

(b) Date of Joining Govt. Service: 05-08-1968

(c) Scale of Pay : Rs. 4000 - 100 –6000

(d) Date of increment : February

(e) He was drawing a pay of Rs. 5600 at the time of retirement.

(f) Retirement at 60 years of age : Superannuation

Note: Take DA as 54%; C.F. as 9.81

Q2. From the following details of Ms. Kapoor, calculate Pension, Family Pension, Retirement Gratuity and Commutation of Pension: (Maximum)

(a) Date of Birth : 24-06-1941

(b) Date of Joining Govt. Service : 01-10-1971

(c) Scale of Pay :Rs.6500-200-10500/-
(d) Date of increment : March
(e) She was drawing a pay of Rs.10,300/- at the time of retirement.
(f) Retirement : Superannuation

Note: DA = 43% ; CF = 9.81

Q3. From the following details of Smt. Mallika Kher, calculate Pension, Retirement Gratuity, Commutation of Pension (Maximum) and Family Pension:-

(a)   Date of Birth   :   04 - 06 –1944
(b)   Date of Joining Govt. Service: 05-08-1968
(c)   Scale of Pay   : Rs.4000 – 100 – 6000
(d)   Date of Increment   :   1st February
(e)   She was drawing Basic Pay of Rs.5600 + 50% Dearness Pay at the time of retirement
(f)   Retirement at 60 years of age :   Superannuation
      [Note: Take DA as 11% & c.f. as 9.81]

SOLUTIONS OF EXERCISE ON PENSIONARY BENEFITS

Q1. **From the following details of Shri Ram Singh, calculate Pension, Family Pension, Retirement Gratuity and Commutation of Pension: (Maximum)**

   (a) **Date of Birth** : **04-06-1943**
   (b) **Date of Joining Govt. Service** : **05-08-1968**
   (c) **Scale of Pay** : Rs. 4000 - 100 –6000
   (d)   **Date of increment** : **February**
   (e) **He was drawing a pay of** Rs. 5600 **at the time of retirement.**
   (f) **Retirement** : **Superannuation**

   Note: Take DA as 54%; C.F. as 9.81

Solution:

   Date of Entry = 05-08-1968
   Date of Superannuation = 30-06-2003

QUALIFYING SERVICE

Period	Years (Y)	Months(M)	Days(D)
05-08-1968 to 31-08-1968	-	-	27
01-09-1968 to 31-12-1968	-	4	-
01-01-1969 to 31-12-2002	34	-	-
01-01-2003 to 30-06-2003	-	6	-
Total Qualifying Service	34	10	27

SMPS= 66(max)

AVERAGE EMOLUMENTS

Period	Pay	Month	Total
01-09-2002 to 31-01-2003	5500	5	27500
01-02-2003 to 30-06-2003	5600	5	28000
Total		10	55500

 Average Emoluments = 55500 ÷ 10 = Rs.**5550**
 EMOLUMENTS = **5600**
 EMOLUMENTS (gratuity) = 5600 +3024 (DA) = **8624**

(i) Pension $\qquad = \qquad \dfrac{1}{2}$ x AE x $\dfrac{SMPs}{66}$

$\qquad\qquad\qquad\qquad\qquad = \qquad \dfrac{1}{2}$ x 5550 x $\dfrac{66}{66}$

$\qquad\qquad\qquad = \qquad$ **Rs.2775** + Dearness Relief thereon

(i) $\quad$ Retirement Gratuity = $\qquad \dfrac{1}{4}$ x E(g) x SMPs

$\qquad\qquad\qquad\qquad\qquad = \qquad \dfrac{1}{4}$ x 8624 x 66

$\qquad\qquad\qquad\qquad\qquad = \qquad$ Rs.**1,42,296**

(ii) $\quad$ Pension (Commuted)= $\qquad \dfrac{40}{100}$ x 2775 = Rs.1110(Maximum)

Lumpsum payable $\quad = \qquad P_{commuted}$ x 12 x c.f.
$\qquad\qquad\qquad\qquad = \qquad$ 1,110 x 12 x 9.81
$\qquad\qquad\qquad\qquad = \qquad$ 1,30,669.20
$\qquad$ (Decimal to be rounded off to next higher rupee)
$\qquad\qquad\qquad\qquad = \qquad$ **1,30,670**

(iii) $\quad$ Family Pension
Normal Family Pension $\quad = \qquad$ 30% x Emoluments
$\qquad\qquad\qquad\qquad\qquad = \qquad \dfrac{30}{100}$ x 5600

$\qquad\qquad\qquad\qquad\qquad = \qquad$ **Rs.1680** + Dearness Relief
[payable in case of death after 3-6-10]

Enhanced Family Pension = $\qquad \dfrac{50}{100}$ x 5600 = Rs.2800
$\qquad\qquad\qquad\qquad\qquad\qquad$ (or)
$\qquad\qquad\qquad\qquad = \qquad$ Rs.2775
$\qquad$ (i.e. pension sanctioned on retirement)

Rs.2775 + Dearness Relief will be payable as enhanced
Family Pension in case of death of Pensioner upto 3-6-10
where death takes place before this date and after retirement.
In case of death w.e.f. 4-6-10 or thereafter Normal Family
Pension will be payable
to the family.

209

Q2. **From the following details of Ms. Kapoor, calculate Pension, Family Pension, Retirement Gratuity and Commutation of Pension: (Maximum)**

(a)	**Date of Birth**	**:**	**24-06-1941**
(b)	**Date of Joining Govt. Service**	**:**	**01-10-1970**
(c)	**Scale of Pay**	**:**	**Rs.6500-200-10500**
(d)	**Date of increment**	**:**	**March**
(e)	**She was drawing a pay of Rs.10,300/- at the time of retirement.**		
(f)	**Retirement**	**:**	**Superannuation**

Note: DA = 43%
CF = 9.81

Solution:

Date of Entry	=	01-10-1970
Date of Superannuation	=	30-06-2001

QUALIFYING SERVICE

Period	Years (Y)	Months(M)	Days(D)
01-10-1970 to 31-12-1970	---	3	---
01-01-1971 to 31-12-2000	30	---	---
01-01-2001 to 30-06-2001	---	6	---
Total Qualifying Service	30	09	---

SMPs = 30 x2 + 2 = **62**

AVERAGE EMOLUMENTS

Period	Pay	Month	Total
01-09-2000 to 28-02-2001	10100	6	60600
01-03-2001 to 30-06-2001	10300	4	41200
Total		10	101800

Average Emoluments	=	1,01,800 ÷ 10 = **10,180**
Emoluments	=	10,300
Emoluments(Gratuity)	=	10,300 + 4429(DA) = **14,729**

(i) Pension $= \dfrac{1}{2} \times$ AE $\times \dfrac{SMPs}{66}$

$= \dfrac{1}{2} \times 10180 \times \dfrac{62}{66}$

Pension (sanctioned) = 4781.51

= **Rs.4782** + Dearness Relief thereon

(ii) Retirement Gratuity = $\frac{1}{4}$ x E(g) x SMPs

= $\frac{1}{4}$ x 14729 x 62

= Rs.2,28,299.50

= Rs.**2,28,300** (rounded off)

(iii) Lumpsum payable = $P_{commuted}$ x 12 x c.f.

Pension Commuted = $\frac{40}{100}$ x Pension (sanctioned)

= $\frac{40}{100}$ x 4782 = 1912.8

[when decimal comes it has to be ignored]

Amount of commutation = 1912 x 12 x 9.81

= Rs.**2,25,080.64**

[final amount to be rounded off to next higher no. in case of decimal]

= **Rs.2,25,081**

(iv) (a) Normal Family Pension = 30% x Emoluments

= $\frac{30}{100}$ x 10,300

= **Rs.3090** + Dearness Relief

[payable w.e.f. 24-6-08 in case of death of Pensioner]

(b) Enhanced Family Pension = $\frac{50}{100}$ x E or Pension sanctioned

(whichever is less)

= $\frac{50}{100}$ x 10300

= Rs.5,150 or

pension sanctioned = Rs.4782

Rs.**4782** being the Pensioned sanctioned is less therefore on death of Pensioner before attaining the age of 67 years. Rs.4782 be authorised as Family Pension at enhanced rate upto the date on which he would have attained the age of 67 years i.e., upto 23-6-2008, and thereafter Rs 3090 would be payable as normal FP.

211

Q3. From the following details of Smt. Mallika Kher, calculate Pension, Retirement Gratuity, Commutation of Pension (Maximum) and Family Pension:-

(a) Date of Birth : 04 - 06 –1944
(b) Date of Joining Govt. Service : 05-08-1968
(c) Scale of Pay : Rs.4000 – 100 – 6000
(d) Date of Increment : 1st February
(e) She was drawing Basic Pay of Rs.5600 + 50% Dearness Pay at the time of retirement
(f) Retirement at 60 years of age : Superannuation
[Note: Take DA as 11% & c.f. as 9.81]

Solution:
Date of Entry = 05-08-1968
Date of Superannuation = 30-06-2004

QUALIFYING SERVICE

Period	Years(Y)	Months(M)	Days(D)
05-08-1968 to 31-8-1968	-	-	27
01-09-1968 to 31-12-1968	-	4	-
01-01-1969 to 31-1-2-2003	35	-	-
01-01-2004 to 30-06-2004	-	6	-
Total Qualifying Service	35	10	27

SMPs = 66 (Max.)

AVERAGE EMOLUMENTS

Period	Pay	Month	Total (Pay x Month)
01-09-2003 to 31-01-2004	8250	5	41250
01-02-2004 to 30-06-2004	8400	5	42000
Total		10	83250

[**Note**: The Government of India, Ministry of Finance, Department of Expenditure's O.M. No.105/1/2004-IC dated 1st March, 2004 stipulates that "To ensure that the pensioners retiring between 1-4-2004 to 31-1-2005 do not face any loss in fixation of pension, as a special dispensation in their case, DA equal to 50% of the basic pay would be treated as basic pay for purposes of computation of pension in respect of basic pay received by them prior to 1-4-2004.]

Average Emoluments = 83,250 ÷ 10 = 8325
Emoluments (E) = 8400
Emoluments (gratuity) = 8400 + 924 = 9324

(i) Pension $= \dfrac{1}{2}$ x AE x $\dfrac{SMPs}{66}$

$= \dfrac{1}{2}$ x 8325 x $\dfrac{66}{66}$

= 4162.5

Pension (sanctioned) = **Rs.4163** + Dearness Relief thereon

(ii) Retirement Gratuity $= \dfrac{1}{4}$ x E(g) x SMPs

$= \dfrac{1}{4}$ x 9324 x 66

= **Rs.1,53,846**

(iii) Pension Commuted = $\frac{40}{100}$ x Pension (sanctioned)

= $\frac{40}{100}$ x 4163 = 1665.2(maximum)

[Note: Decimal to be ignored i.e., Rs.1665/-]

Lumpsum payable = $P_{commuted}$ x 12 x c.f.

= 1665 x 12 x 9.81

= 1,96,003 . 8

(Rounded off to next higher Rupee)

= **Rs. 1,96,004**

(iv) Family Pension = 50% x Emoluments whichever

(or)   is

Pension sanction on   less

Retirement

= $\frac{50}{100}$ x 8400 = 4200

Limited to Pension Sanction on retirement =
Rs.4163.

∴ Enhanced Family Pension = **Rs.4163** + DR thereon.

Therefore Rs.4163 + DR thereon will be sanctioned as enhanced Family Pension in case of death of a Pensioner before 4-06-2011 and would be payable to Family upto the date on which the Pensioner would have attianed 67 years of age i.e., upto 3-06-2011, and thereafter Normal Family Pension would be payable.

Normal Family Pension = $\frac{30}{100}$ x E

= $\frac{30}{100}$ x 8400

= **Rs.2520** + DR thereon

[Normal Family Pension is payable w.e.f 4-6-2011 @Rs.**2520** + DR thereon in case of death of pensioner before 4-6-2011, or in case of death of Pensioner after 3-6-2011, w.e.f. the next day of date of death of pensioner]

DAY - 3

SESSION - V

VALEDICTION

OBJECTIVES

At the end of the Session, the participants will be able to:-

 📖 1. State the effectiveness of Training imparted to them.

 📖 2. Supplementing the feedback (i.e. state improvements needed) in the following areas:-

   ◆ Course content viz. Reading Material & Exercises, etc.

   ◆ Methodology used to impart the training by the faculty.

   ◆ Infrastructure provided by the Training Institute.

Instructions to the Faculty

The faculty may arrange for valediction by inviting the other faculties & Head of Institutes for interacting informally with the participants.

The faculty may read out the consolidated Evaluation Questionnaire filled by the participants giving their comments on the following:-

- ♦ Course content viz. Reading Material & Exercises, etc.

- ♦ Methodology used to impart the training by the faculty.

- ♦ Infrastructure provided by the Training Institute.

The faculty may then react to the suggestions given by participants for improvement in the course & infra-structural facilities.

The faculty/Head of Institute may request the participants to give their feedback on any areas which they want.

- ♦ The suggestions for improvements shall be noted for future action as appropriate

- ♦ The Head of Institute may be requested by the faculty to distribute the certificates regarding participation in the course.

- ♦ The course may be ended formally by thanking the participants and their Organisation for having spared them from office.

- ♦ If any personal problems are raised by participants the faculty may also attend to them.

PENSIONARY BENEFITS
CCS(PENSION) RULES 1972

PENSION OR SERVICE
GRATUITY   -   RULE 49

RETIREMENT GRATUITY OR
DEATH GRATUITY
-      RULE 50-53

COMMUTATION OF PENSION
-      APPENDIX-1
FAMILY PENSION
-      RULE 54

MINIMUM   PENSION
-      Rs.1275 + D.R
MAXIMUM GRATUITY
-      Rs.3,50,000

OTHER RETIREMENT BENEFITS

1. C.G.E.G.I.S.

2. LEAVE ENCASHMENT

3. T.A. ON RETIREMENT

4. GENERAL PROVIDENT FUND

CLASSES OF PENSION

S.No.	CLASS
01	SUPERANNUATION
02	RETIRING PENSION
03	PENSION ON ABSORPTION IN OR UN... CORPORATION, COMPANY OR BODY... OR CONTROLLED BY THE GOVERNM...
04	INVALID PENSION
05	COMPENSATION PENSION
06	COMPULSORY RETIREMENT PENSIO...
07	COMPASSIONATE ALLOWANCE
	MINIMUM PENSION = Rs.1275 + DR...
	MAXIMUM PENSION = Rs.15000 + D...
	(Any class of Pension)

QUALIFYING SERVICE

QUALIFYING SERVICE MEANS SERVICE RENDERED WHILE ON DUTY OR OTHERWISE WHICH SHALL BE TAKEN INTO ACCOUNT FOR THE PURPOSE OF PENSIONS & GRATUITIES ADMISSIBLE UNDER THESE RULES.

[Rule 3q of CCS(Pension) Rules]

EFFECT ON THE QUALIFYING SERVICE

Events
- 📖 Probation & Confirmation
- 📖 Services Paid from Contingencies
- 📖 Apprentice Service
- 📖 Service Rendered in Other Central Government Departments
- 📖 Services Rendered in State Government
- 📖 Service Rendered in Autonomous Bodies
- 📖 Military Service

EFFECT ON THE QUALIFYING SERVICE

Events

   8. Contract Service

   9. Period Spent on Joining Time & Leave

   10. Deputation on United Nations & Other Organisation.

   11. Counting Periods of Suspension

   12. Forfeiture of Service on Resignation
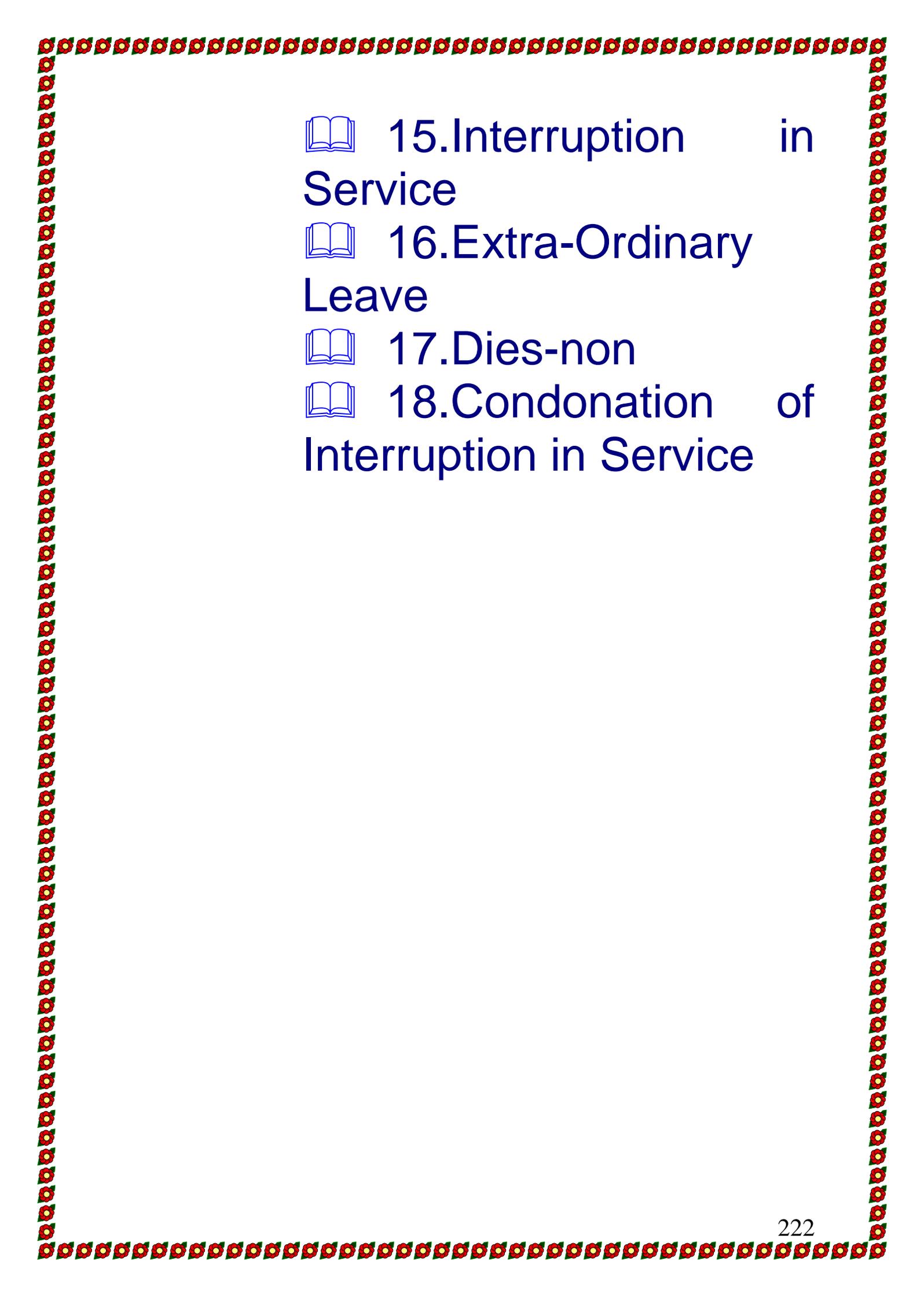
   13. Termination

   14. Removal & Dismissal

      (Contd....)

EFFECT ON THE QUALIFYING SERVICE

Events

VERIFICATION OF QUALIFYING SERVICE

AFTER COMPLETION OF 25 YEARS OF SERVICE BY GOVERNMENT SERVANT.

(or)

5 YEARS BEFORE RETIREMENT (whichever is earliest)

By H.O.O. in consultation with Accounts .Officer. Certificate in Form No.24 to Government Servant

WEIGHTAGE IN QUALIFYING SERVICE

(How much) $\longrightarrow$ (On voluntary Retirement)

MAXIMUM = 5 YEARS

Limited to

PERIOD LEFT FOR SUPERANNUATION

QUALIFYING SERVICE SHOULD NOT EXCEED 33 YEARS

CALCULATION OF NET QUALIFYING SERVICE

	Yea
GROSS QUALIFYING SERVICE (Date of Exit - Date of Entry)	

Less: Period of Non-Qualfying Service   (e.g. EOL, Suspension, Absence, Foreign Service, etc.)
Add: WEIGHTAGE & PAST SERVICE   (Maximum 5 years limited to Date of Superannuation)   = NET QUALIFYING SERVICE   (Expressed in six monthly periods or SMPs)

SIX MONTHLY PERIODS (SMPs)

ONE YEAR   **=**   **2**   **SMPs**

FRACTION OF YEAR
LESS THAN 3 MONTHS
3 Months and above but less than 9 Months

9 Months and above

[Rule - 49]

EMOLUMENTS (RULE 33)

EMOLUMENTS = LAST BASIC PAY Drawn + N.P.A. + S.I.

 📖 IF ON LEAVE WITH LEAVE SALARY OR ON SUSPENSION (WITHOUT FORFEITURE) OF THE SERVICE - EMOLUMENTS THAT HE WOULD OTHERWISE HAVE DRAWN.

 📖 EOL / SUSPENSION(NonQualifying) - EMOLUMENTS WHICH HE DREW IMMEDIATELY BEFORE IT.

 📖 (Contd…)

 📖 INCREMENT DURING FIRST 120 DAYS OF

E.L. THOUGH NOT DRAWN, WILL FORM PART OF EMOLUMENTS

   📖   PAY ON DEPUTATION TO ARMED FORCES IS ALSO EMOLUMENTS

   📖   PAY ON FOREIGN SERVICE SHALL NOT BE TREATED AS EMOLUMENTS

   📖   IN CASE OF TRANSFER TO AN AUTONOMOUS BODY, EMOLUMENTS ACTUALLY DRAWN

[W.E.F. 1.1.96 - DA forms part of Emoluments for Gratuity]

RULE 34 - AVERAGE EMOLUMENTS

AVERAGE EMOLUMENTS(AE) =AVERAGE OF LAST TEN MONTHS PAY DRAWN BY GOVT SERVANT.

  IF HE WAS ON LEAVE, DURING LAST 10 MONTHS, WITH LEAVE SALARY OR SUSPENDED (WITHOUT FORFEITURE) EMOLUMENTS THAT HE WOULD OTHERWISE HAVE DRAWN.

  IF HE WAS ON EOL OR UNDER SUSPENSION (NON QUALIFYING) THAT PERIOD WOULD BE DISREGARDED.

    (contd..)

  IF DURING FIRST 120 DAYS OF EARNED LEAVE INCREMENT IS DUE BUT NOT

DRAWN, INCREMENT WILL FORM PART OF A.E.

   📖 [A.E. = DOES NOT INCLUDE D.A.]

   📖 IF A.E. ARE LESS THAN MINIMUM OF THE SCALE OF PAY LAST HELD BY THE GOVERNMENT SERVANT, THEN A.E. WILL BE MINIMUM OF PAY ATTACHED TO THE SCALE OF PAY. IN CASE OF RETIREMENT, AN ASSISTANT (PAY SCALE 5500 - 9000) A.E. CANNOT BE LESS THAN Rs.5500.

$$PENSION = \frac{1}{2} \text{ x A.E.}$$

$$\text{x } \frac{\text{SMPs}}{66}$$

(OR)

$$= \frac{A.E \times SMPs}{2 \times 66}$$

LIMIT:

MINIMUM = Rs.1275 + DR thereon

MAXIMUM = Rs.15000 + DR thereon
(Minimum 10 years Qualifying Service)

SERVICE GRATUITY $= \frac{1}{2} \times E \times SMPs$

(OR)

$$= \frac{E \times SMPs}{2}$$

(APPLICABLE WHERE GOVERNMENT SERVANT HAS RENDERED LESS THAN 10 YEARS OF QUALIFYING SERVICE)

NOTE: IT IS IN LIEU OF PENSION

RETIREMENT GRATUITY

$$= \frac{1}{4} \times E. \times \frac{SMPs}{66}$$

(OR)

$$= \frac{E \times SMPs}{4 \times 66}$$

(Admissible on rendering minimum 5 years of Qualifying Service)

RETIREMENT GRATUITY $= \dfrac{1}{4}$ x E x $\dfrac{SMPs}{66}$

<u>EXAMPLE</u>

LAST PAY DRAWN   =   Rs.20,000

DEARNESS ALLOWANCE   =   Rs.10,000

                    TOTAL   =   Rs.30,000

QUALIFYING SERVICE   =   33 YEARS

RETIREMENT GRATUITY   =

16.5 X 30,000

                        =

4.95 lakhs
But restricted to a maximum of Rs.3.5 lakhs

AMOUNT OF COMMUTATION

$$= \text{Pension}_{\text{(COMMUTED)}} \times 12 \times \text{c.f.}$$

$$\text{Maximum Pension}_{\text{(COMMUTED)}} = \frac{40}{100} \times \text{Pension}$$

$$\text{c.f.} = \text{Commutation Factor}$$

DEATH GRATUITY
[Payable to the family of the deceased Govt. Servant]
How Calculated

Length of QS	Rate of
i) Less than 1 year	2 times E
ii) One year or more but less than 5 years	6 times E
iii) 5 years or more but less than 20 years	12 times E
iv) 20 years or more	1/2 x E x S (subject to times provi Rupees th thousand o

<u>FAMILY FOR DEATH GRATUITY</u>

(1) WIFE/ WIVES OR HUSBAND
(2) SONS/ DAUGHTERS - INCLUDING STEP & ADOPTED CHILDREN
(3) WIDOWED DAUGHTERS

(4) PARENTS (INCLUDING ADOPTIVE)

(5) MINOR BROTHERS < 18 YEARS - STEP

(6) UNMARRIED SISTERS - STEP

(7) MARRIED DAUGHTERS

(8) CHILDREN OF A PRE-DECEASED SON

Exception: Charged with offence or murder of Government servant/abetment

FAMILY PENSION SCHEME, 1964

  📖 AFTER COMPLETION OF NOT LESS THAN ONE YEAR'S CONTINUOUS SERVICE BY A GOVERNMENT SERVANT

   📖   BEFORE COMPLETION OF ONE YEAR'S CONTINUOUS SERVICE, PROVIDED DECEASED GOVT. SERVANT IMMEDIATELY PRIOR TO HIS APPOINTMENT WAS MEDICALLY EXAMINED AND DECLARED FIT FOR GOVT. SERVANT

(contd…)

   📖   AFTER RETIREMENT WAS IN RECEIPT OF PENSION.

   📖   GOVT. SERVANT WHO RETIRES BEFORE COMPLETING 10 YEARS QUALIFYING SERVICE IS ENTITLED TO SERVICE

GRATUITY AND NOT PENSION. IF SUCH A PERSON DIES AFTER RETIREMENT HIS FAMILY IS NOT ENTITLED TO FAMILY PENSION.

NORMAL RATE OF FAMILY PENSION

$$= \frac{30}{100} \times$$

EMOLUMENTS

(minimum Rs. 1,275 + D.R. thereon)

[ADMISSIBLE TO THE FAMILY IN THE CASE OF DEATH OF A GOVERNMENT SERVANT (or) DEATH OF A PENSIONER]

DURATION FOR WHICH ENHANCED FAMILY PENSION IS PAYABLE

<u>DEATH OF A GOVERNMENT SERVANT:</u>

7 YEARS FROM THE DATE FOLLOWING DATE OF DEATH

<u>DEATH OF A PENSIONER:</u>

7 YEARS FROM THE DATE FOLLOWING
DATE OF DEATH

(or)

whichever is
DATE ON WHICH GOVT. SERVANT
earlier
WOULD HAVE ATTAINED THE AGE
OF 67 YEARS HAD HE SURVIVED

<u>ENHANCED PENSION</u>

ADMISSIBLE WHEN A GOVERNMENT SERVANT DIES

AFTER RENDERING MORE THAN OR EQUAL TO SEVEN YEARS OF CONTINUOUS SERVICE

RATES AT WHICH ADMISSIBLE:

50% OF LAST PAY DRAWN
(or)
whichever is
TWICE THE FAMILY PENSION less
ADMISSIBLE AT NORMAL RATE

ENHANCED FAMILY PENSION

IN CASE OF DEATH OF A PENSIONER:

RATES AT WHICH ADMISSIBLE:
50% OF LAST PAY DRAWN
(or)

TWICE THE FAMILY PENSION whichever ADMISSIBLE AT NORMAL RATE is

(or)

less

PENSION AUTHORISED TO GOVT. SERVANT ←

FAMILY FOR THE PURPOSE OF FAMILY PENSION

FAMILY	WHEN BECOM
(i) Spouse (Husband/Wife)	● On Death (or) o R (Whichever is ear er
(ii) Children (Sons/Daughters)	● On attaining the ag ● On Marriage ● On earning a exceeding Rs.2 55((whichever is ear er) [However in case who are unable o the age limit of 25 ye

(contd…)

IF NO SUCH FAMILY AS ABOVE IS LEFT BEHIND THEN:-

FAMILY	WHEN BECOMES INELIGI
1. Widowed/Divorced Daughters	• On attaining the age • On Remarriage • On earning a mor Rs.2,550/- per mont (whichever is earlier • However, in case who is unable to ea limit of 25 years will
2. Wholly Dependent Parents (Eligible for Normal Family Pension)	• On earning more tha Note: When both pa Pension will be stand mother.

FAMILY PENSION TO CHILDREN IS PAYABLE IN ORDER OF THEIR BIRTH. YOUNGER WILL NOT BE ELIGIBLE UNLESS ELDER NEXT ABOVE HIM/HER HAS BECOME INELIGIBLE.

MENTALLY/PHYSICALLY HANDICAPPED CHILDREN WILL GET FAMILY PENSION FOR LIFE AS LONG AS THEY ARE UNMARRIED AND UNABLE TO EARN THEIR LIVELIHOOD.

CHEKLIST FOR SETTLEMENT OF PENSION CASES

1. Application Form for Assessing Pension & Gratuity, in triplicate.

2. Head of Office to obtain from the Government servant - particulars of self, family, joint photographs, in triplicate.
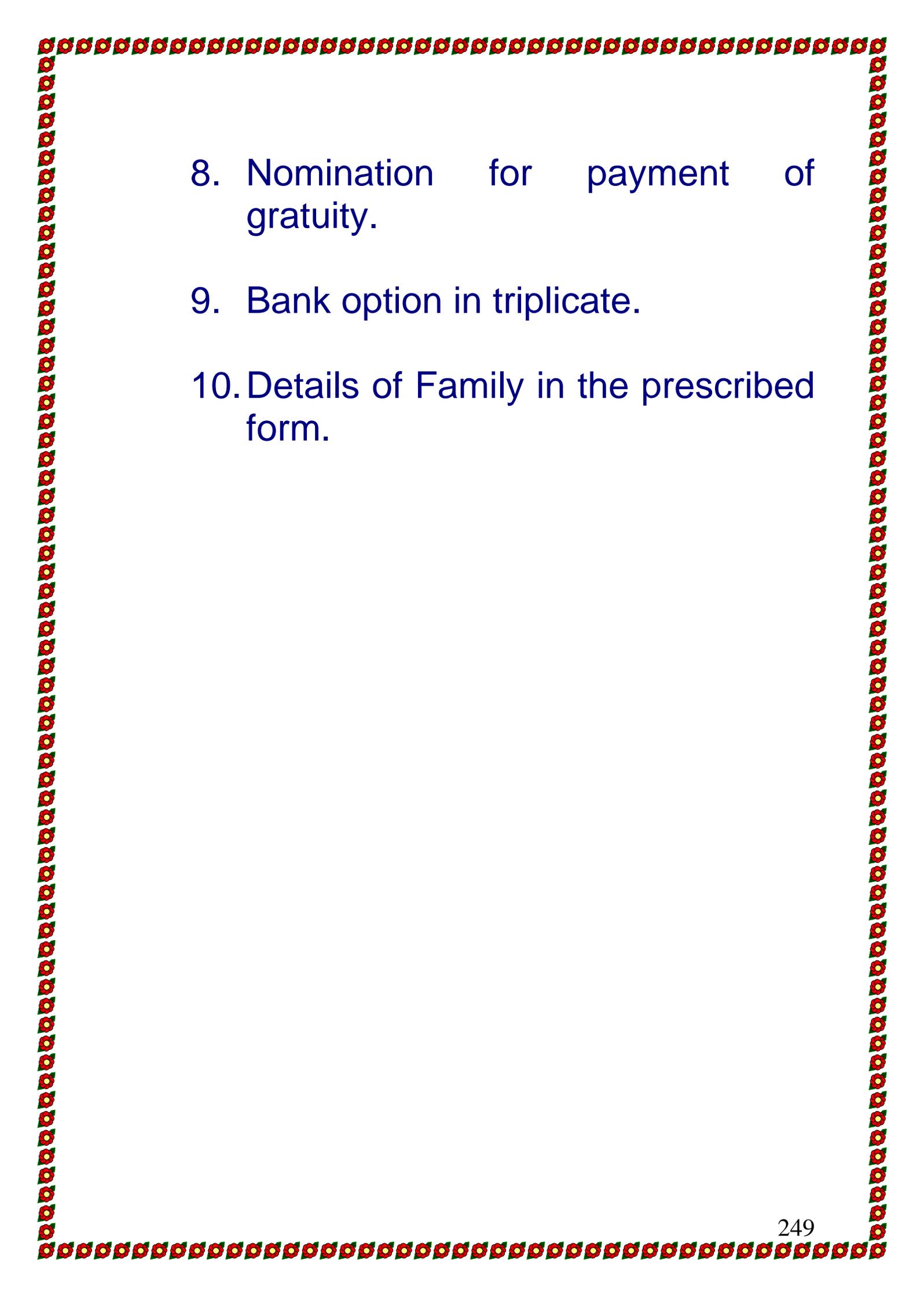
3. Covering letter in the prescribed form.

4. Service Book duly completed including Leave Account portion (Date of retirement to be indicated in Service Book). Certificate of service verification to be recorded.

(contd…)

5. Statement of Govt. dues, for recovery, if any.

6. No Demand Certificate.

7. Nomination for Gratuity.

8. Three copies of specimen signature duly attested.

9. Three copies of passport size photographs duly attested.

10. Certificate to the effect that no disciplinary /vigilance case is pending/contemplated against the official.

11. Bank option in triplicate

12. Certificates regarding receipt of leave salary / pension contribution in cases where the employees remained on foreign service (This may be recorded in the Service Book).

13. Medical Certificate of incapacity from competent authority (if the claim is for Invalid Pension).

14. Two slips showing the particulars of height and identification mark, duly attested.

15. Application for Commutation of Pension.

CHECK LIST FOR SETTLEMENT OF FAMILY PENSION

1. Application form for Family Pension, duly completed.

2. Service Book (Date of death to be indicated in Service Book).

3. Three specimen signatures of the applicant duly attested.

4. Three copies of passport size photographs duly attested.

5. Two slips bearing left hand thumb and finger impression of the applicant duly attested in case the applicant is no literate enough to sign his/her name, identification, etc.

(contd…)

6. Descriptive Roll of the applicant duly attested indicating height, personal marks of identification, etc.

7. Death Certificate

8. Nomination for payment of gratuity.

9. Bank option in triplicate.

10. Details of Family in the prescribed form.