

F.No.45/86/97-P&PW(A)-Part-III
Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Pension & Pensioners' Welfare
New Delhi-110003

Dated the 10th February, 1998

OFFICE MEMORANDUM

Implementation of Government's decision on the recommendations of the Fifth Central Pay Commission-Revision of pension of pre-1986 pensioners/ family pensioners etc.

1. The undersigned is directed to say that in pursuance of Government's decision on the recommendations of Fifth Central Pay Commission announced in this Department's Resolution No. 45/86/97-P&PW(A) dated 30.9.1997 and in continuation of instructions contained in this Department's [O.M. No. 45/86/97-P&PW\(A\)-Part II dated 27.10.97](#), the President is now pleased to decide that the pension/family pension of all pre-1986 pensioners/family pensioners who were in receipt of the following types of pension as on 1.1.1996 under Liberalised Pension Rules, 1950, CCS (Pension) Rules 1972 as amended from time to time or the corresponding rules applicable to Railway pensioners and pensioners of All India Services may be revised w.e.f. 1.1.1996 in the manner indicated in the succeeding paragraphs:-
 - i. Retiring Pension.
 - ii. Suprannuation Pension.
 - iii. Compensation Pension.
 - iv. Invalid Pension.

2. In accordance with the provisions contained in CCS (Pension) Rules, 1972 and the Government's orders issued thereunder, at present pension of all pre-1986 pensioners is based on the average emoluments drawn by them during last completed 10 months immediately preceding the date of retirement and similarly family pension is based on the last pay drawn by the deceased Government servant/pensioner. Government has, inter-alia accepted the recommendation of Fifth Central Pay Commission to the effect that the pension of all the pre-1986 retirees may be updated by notional fixation of their pay as on 1.1.1986 by adopting the same formula as for the serving employees and thereafter for the purpose of consolidation of their pension/family pension as on 1.1.1986, they may be treated alike those who have retired on or after 1.1.1986. Accordingly pay of all those government servants who retired prior to 1.1.1986 and were in receipt of pension as on 1.1.1986 and also in cases of those Central Government employees who died prior to 1.1.1986, in respect of whom family pension was being paid on 1.1.1986, will be fixed on notional basis in the revised scale of pay for the post held by the pensioner as the time of retirement or on the date of death of Government employee, introduced subsequent to retirement/death of Government employee consequent upon promulgation of Revised Pay Rules on implementation of recommendations of successive Pay Commissions or of award of Board of arbitration or judgement of Court or due to general revision of the scale of pay for the as etc. The number of occasions on which pay shall be required to be fixed on notional basis in each individual case would vary and may be required to be revised on several occasions in respect of those employees who retired in the 'fifties and sixties'. In all such cases pay fixed on notional basis on the first occasion shall be treated as 'pay' for the purpose of emoluments for re-fixation of pay in the revised scale of pay on the second occasion and other elements like DA/Adhoc DA/Additional DA, IR etc. based on this

notional pay shall be taken into account. In the same manner pay on notional basis shall be fixed on subsequent occasions. The last occasion shall be fixation of pay in the scale introduced on the basis of Fourth Central Pay Commission and made effective from 1.1.1986. While fixation of pay on notional basis on each occasion, the pay fixation formulae approved by the Government and other relevant instructions on the subject in force at the relevant time shall be strictly followed. However, the benefit of any notional increments admissible in terms of the rules and instructions applicable at the relevant time shall not be extended in any case of re-fixation of pay on notional basis. The notional pay so arrived as on 1.1.1986 shall be treated as average emoluments for the purpose of calculation of pension and accordingly the pension shall be calculated as on 1.1.1986 as per the pension formula then prescribed. The pension so worked out shall be consolidated as on 1.1.1996 in accordance with the provisions contained in paragraph 4.1 of this Department's [O.M. No. 45/86/97-P&PW\(A\)-Part II dated the 27th October, 1997](#) and shall be treated as basis pension for the purpose of grant of Dearness Relief in future.

3. In the case of family pension, the notional pay as on 1.1.1986 shall be treated as pay last drawn by the deceased Government employee/pensioner and family pension shall be calculated thereon at the rate in force as on 1.1.1986. This family pension shall be consolidated as on 1.1.1996 in accordance with the provisions contained in Para 4.1 of this Department's [O.M. No. 45/86/97-P&PW\(A\)-Part II dated the 27th October, 1997](#).
4. It has been separately decided that w.e.f. 1.1.1996 family pension shall be calculated at a uniform rate of 30% of basic pay in all cases instead of slab system and shall be subject to a minimum of Rs.1275/- and maximum of 30% of the highest pay in the Government. It has also been decided that the benefit of increased rate of family pension introduced w.e.f. 1.1.1996 may also be extended to pre-1996 family pensioners from the same date. Accordingly in case of those pre-1986 pensioners whose family pension has been calculated on notional pay under the slab system, family pension as on 1.1.1996 shall be re-calculated at the rate of 30% of the notional pay as determined on 1.1.1986. The additional family pension becoming due on account of difference between family pension admissible under slab system and at a rate of 30% shall be added to the consolidated family pension worked out in accordance with the provision of Para 3 above. The total of these two amounts i.e. consolidated pension plus additional family pension shall be basic family pension w.e.f. 1.1.1996 and shall be subject to a minimum of Rs. 1275/- and a maximum of 30% of highest pay in the Government as on 1.1.1996. Dearness Relief thereon shall be admissible in accordance with the orders issued from time to time after 1.1.1996. A few examples of calculation of family pension in the manner prescribed above are given in [Annexure I](#) to this O.M.
5. In the case of existing pre-1986 pensioners in whose case the family pension has not come into operation as pensioners are/were alive as on 1.1.1996, while updating their pension on the basis of notional pay as on 1.1.1986, the family pension shall also be revised, consolidated and updated, wherever necessary, in terms of these orders and noted on their Pension Payment Order by the Pension Sanctioning Authority. The updated rates of family pension will apply as and when family pension becomes payable in such cases.
6. No arrears on account of revision of Pension/Family pension on notional fixation of pay will be admissible for the period prior to 1.1.1996.
7. No commutation will be admissible for the additional amount of pension accruing as a result of this revision. The existing commuted portion of pension, if any, would continue to be deducted from the consolidated pension while making monthly disbursement.
8. Notional fixation of pay as on 1.1.1996 will not effect DCRG entitlement already determined and paid with reference to rules in force at the time of retirement/death of the Government employee.

9. Arrears already paid on account of consolidation of pension/family pension or in continuance of grant of personal pension as an interim measure in the case of pre-1986 pensioners/family pensioners in accordance with the provisions contained in Paras 9.2 & 4.2 of this Department's [O.M. No. 45/86/97-P&PW\(A\)-Part II dated 27.10.1997](#) shall be adjusted by Pension Disbursing Authorities against arrears becoming due on the revision of pension/family pension on the basis of this order.
10. It shall be the responsibility of the Head of the Department and pay and Accounts Office attached to the Office from which the government servant had retired or was working last before his death to revise the pension/family pension of pre-1986 pensioner/family pensioner w.e.f. 1.1.1996 in accordance with these orders and issue a revised Pension Payment Authority.
11. Each pre-1986 pensioner/family pensioner who was in receipt of pension as on 1.1.1996 is required to apply for revision of his/her pension in the prescribed form (in duplicate) as at [Annexure II](#) to his/her Pension Sanctioning Authority viz Ministry, Department, Office etc. within a period of 180 days from the date of issue of these orders. Those who fail to submit their application within the stipulated period will be deemed to have opted to continue to draw their existing pension/family pension. However, any delay in submission of application for revision of pension will be condoned only with the approval of Department of Pension & Pensioners Welfare. It will be in the interest of the pensioner to furnish full details available with him/her, which may facilitate fixation of his/her pay on notional basis, in the application submitted by him/her.
12. In cases where the pensioner/family pensioner was alive as on 1.1.1996 and died subsequently, his/her legal heir(s) is/are also entitled to life time arrears w.e.f. 1.1.1996 till the date of death of pensioner/family pensioner. For this purpose legal heir(s) may also apply to Pension Sanctioning Authority.
13. On receipt of application from the pensioner/family pensioner, the Pension Sanctioning Authority will pass on these documents along with one copy of the application after verifying relevant entries to the respective Head of Office within a period of 30 days from the date of the receipt of application under intimation to pensioner/family pensioner. It will be the responsibility of the Pension Sanctioning Authority to impress upon the concerned Head of Office for fixation of pay on notional basis at the earliest and issue revised authority within a period of 90 days from the date of receipt of application from the pensioner/family pensioner. However, the Pension Sanctioning Authority, in no case will ask the pensioner/family pensioner to surrender his/her original PPO for issuing revised authority. His revised authority will be issued under the existing PPO number and would travel to the Pension Disbursing Authority through the same channel through which the original PPO had travelled. The Pension Disbursing Authority would affix this authority to both halves of PPO. In case a Department/Office has been abolished or merged with another Department, the case of revision of pay would have to be processed by the office in which the parent Department of the retired/deceased government servant has been merged or the office which is keeping the records of the abolished Department/Office.
14. There may be cases where it would be difficult for the Head of Office to determine the revised scale of pay corresponding to pre-revised scale as the scales of pay have been revised from time to time and some of the scales might have become defunct after a particular period of time. In such cases it would be for the Head of Department to decide about equivalence of pre-revised scale with the revised scale after consulting the Integrated Finance Division. However, in cases where it is not feasible to arrive at a conclusion in this regard, the final decision can be taken by the Head of Department in consultation with the Ministry of Finance and DOPT.
15. Revision of pay on notional basis from time to time as indicated in the preceding paragraphs

will require locating old records for past periods. As the Ministries, Department and Offices of the Central Government have been re-organised several times during this period, it is likely that the service records of a large number of employees may not be readily available. There is also possibility of the records having been destroyed on expiry of their scheduled retention period. In such cases the pensioner/family pensioner could be asked to produce copies of relevant orders etc. available with him/her indicating the scale of pay of the post held by the Government servant at the time of retirement/death as also qualifying service rendered (in case of pensioner only). However, in such cases the onus of verifying the correctness of the records made available by the pensioner/family pensioner shall be with the administrative authorities. In very rare cases of pre-1973 retirees, if the Head of Department is satisfied and records a certificate to the effect that inspite of all the best efforts of Department including that of contacting the concerned pensioner/family pensioner it had not been possible to revise the pay on notional basis on service records in a particular case due to non-availability of relevant records, the pay of pre-1973 pensioner/deceased Government servant could be fixed out right at the minimum of the revised scale of pay introduced w.e.f. 1.1.1973.

16. Under normal circumstances, pension becomes payable from the date on which a Government servant ceases to be borne on the establishment. As such the length of service could also be calculated taking into account the date of joining Government service and date of retirement of the Government servant as also the other relevant records available.
17. Concerted efforts should be made by all concerned authorities to ensure that pre-1986 pensioners/family pensioners are not put to any harassment or hardship in regard to re-fixation of their pay/pension/family pension.
18. The detailed procedure/guidelines about the action to be taken on the application received from pre-1986 pensioner/family pensioners by the Pension Sanctioning Authorities and other authorities for revising pay and re-computing pension/family pension are contained in the [Annexure III](#) to this O.M.
19. The cases of Central Government employees who have been permanently absorbed in Public Sector Undertakings/Autonomous Bodies will be regulated as follows:-
 - a. Where the Government servants on permanent absorption in Public Sector Undertakings/ Autonomous Bodies continue to draw pension separately from the Government, the pension of such absorbs will also be updated in terms of these orders. Cases of the government servants who have drawn one time terminal benefits in lump-sum equal to 100% of their pensions and are entitled to the restoration of one-third commuted portion of pension as per Supreme Court judgement dated 15.12.1995, shall not, however, be covered by these orders.
 - b. **FAMILY PENSION**
Orders have been issued by the government from time to time in regard to entitlement to family pension in case of those government servants who seek permanent absorption in Public Sector Undertakings/Autonomous bodies. In cases where eligible members of the family of the deceased absorbee were in receipt of/entitled to family pension as on 1.1.1986 in pursuance of the then existing orders their family pension will also be revised in accordance with these orders.
20. These orders are not applicable in case of Armed Forces pensioners but are applicable in the case of Civilian Defence pensioners.
21. In their application to the persons belonging to the Indian Audit and Accounts Department, these orders issue in consultation with the comptroller and Auditor General of India.
22. Ministry of Agriculture etc. are requested to bring the contents of these orders to the notice

of Heads of Department/Controller of Accounts, Pay and Accounts Officers, and Attached and Subordinate Offices under them on top priority basis. All Pension Disbursing Authorities are also advised to prominently display these orders on their notice boards for the benefit of the pensioners/family pensioners.

(S LAKSHMINARYANAN)
Additional Secretary (Pension)

ANNEXURE I

EXAMPLES

(Reference Para 4 of OM No.45/86/97-P&PW(A)-Part.III, dated 10th February, 1998.

SNo.	Description	No. 1	No. 2	No. 3
1.	Date of Retirement	31.01.1985	30.06.1976	31.12.1980
2.	Scale of Pay at the time of retirement	1200-1600	1500-2000	500-900
3.	Pay last drawn	1200	2000	500
4.	Pay fixed on notional basis on 1.1.86	3100 (In the scale of 3000-4500)	4575 (In the scale of 3700-5000)	1640 (In the scale of 1640-2900)
5.	Family pension admissible on 1.1.1986 at the rate in force on date on notional pay at (iv) above	600	687	450
6.	Consolidated family pension admissible on 1.1.96 with reference to (v) above in terms of Department of Pension & Pensioners Welfare OM No.45/86/97-P&PW(A)-Part-II dt. 27.10.1997.	1838	2098	1396
7.	Family pension admissible on 1.1.96 @ 30%	930	1373	492

	pay fixed on notional basis as at (iv) above.			
8.	Additional Family Pension admissible on 1.1.1996 = 330 = 686 = 42 (column vii-col.v).	930-600	1373-687	492-450
9.	Total Family Pension admissible on 1.1.1996 = 2168 = 2784 = 1438 (Col.vi+col.viii)	1838+330	2098+686	1396+42
1.	Date of Retirement	31.01.1985	30.06.1976	31.12.1980

ANNEXURE II

As referred to in Para II of OM No 45/86/97-P&PW(A)-Part-III dt.10th February, 1998.

FORM OF APPLICATION

To,

(PENSION SANCTIONING AUTHORITY)

Subject: Revision of Pension/family pension in the case of pre-1986 pensioners/family pensioners as on 1.1.1996 in terms of Department of Pension & Pensioners' Welfare OM. No.45/86/97- P&PW(A)-Part-III dated 10th February, 1998.

Sir,

Kindly revise my pension/family pension entitlement shown in my PPO (Photo copy enclosed) in terms of the Department of Pension & Pensioners' Welfare Office Memorandum No.45/86/97-P&PW(A)-Part-III dated 10th February, 1998. The requisite particulars are given below:-

1. Name of the Applicant in Block letters and Full Postal Address
2. Type of pension admissible
3. Name of the deceased Government servant/pensioner in case of family pension.*
4. Date of retirement/death of the Government employee.
5. Date from which pension/family pension is being drawn.
6. Pension Payment Order (PPO) No.
7. Office/Department/Ministry in which the pensioner/deceased government servant(Pensioner) served last and the post held by him.
8. The scale of pay of the post last held and the last pay drawn.
9. Name of the Pension Sanctioning Authority i.e. the authority which issued PPO.

10. If any documentary evidence is being attached to facilitate determination of length of qualifying service as also revised scale of pay for the post last held by the pensioners/deceased Government servant or pensioner. If yes, details thereof.

Date:

(SIGNATURE OF PENSIONER/FAMILY PENSIONER)

Particulars at 2,3,5 and 6 verified
SIGNATURE

Rubber Stamp of Pension Sanctioning Authority

*Applicable only in cases where the applicant is a family pensioner.

ANNEXURE-III

GUIDELINES FOR REVISION OF PAY & RE-FIXATION OF PENSION ETC. FOR PRE-1986 PENSIONERS/FAMILY PENSIONERS

I. FOR THE PENSION SANCTIONING AUTHORITIES.

- a. The Pension Sanctioning Authority will accept the application (in duplicate) for the revision of pension/family pension in respect of those pre-1986 pensioners/family pensioners who were in receipt of pension/family pension on 1.1.1996. An acknowledgement in respect of receipt of application with date may be given to the applicant.
- b. The relevant entries in regard to name, type of pension, Pension Payment Order no. and the date from which pension/family pension was sanctioned will be attested by the Pension Sanctioning Authority.
- c. After attestation, one copy of the application with relevant records will be sent to the concerned Head of Office immediately and in any case not later than 30 days from the date of receipt of application.
- d. It will be the responsibility of the Pension Sanctioning Authority to ensure that the revised PPO is issued within 90 days from the date of receipt of application.
- e. The Pension Sanctioning Authority in no case, will ask the pensioner/family pensioner to surrender his/her original PPO for issuing revised authority. This revised authority will be issued under the existing PPO number and would travel to the Pension Disbursing Authority through the same channel through which the original PPO had traveled. The Pension Disbursing Authority would affix this authority to both halves of PPO.

II. FOR THE HEAD OF DEPARTMENT/PAO.

For implementation of the decision of fixation of pay on notional basis as on 1.1.1986 of all pre-1986 pensioners/deceased Government employees in respect of whom pension/family pension had been sanctioned, the following factual information will have to be collected in each individual case:-

- a. The date from which pension/family pension was sanctioned.
- b. Post, scale of pay for the post and stage of pay on the date of retirement/death of the Government employee;
- c. Occasions on which the pay of the post held by the pensioner/deceased Government employee in the case of family pension was revised between the period from the date from which pension/family pension was sanctioned till 1.1.1986. Such revision could have taken place due to promulgation of Revised Pay Rules or on implementation of

recommendations of four successive Central Pay Commissions, or in implementation of judgement of Court or decision of Board of Arbitration, upward revision of the scale by the Government etc.

- d. The corresponding replacement scale of pay accepted for the pre- revised scale on each occasion.
- e. The standard formula adopted for fixation of pay in the revised scale for the then serving employees on each occasion.

Thereafter in each individual case of pre-1986 pension / family pension. the pay of the retired / deceased employee would be fixed successively on notional basis. This implies that on the first occasion, the pay in the revised scale of pay would be fixed on the basis of pay last drawn by the retiree / Government employee before retirement / death as if he was drawing the same pay in the pre-revised scale on the date of new scale of pay. The notional pay so arrived at would be basis of fixation of pay in the revised scale on the second occasion meaning thereby as if he had drawn the same pay during the entire duration till the further revision of the scale of pay. This exercise shall be carried out till the pay is fixed in revised scale of pay effective from 1.1.1986 as notified by the Government in pursuance of recommendations of IVth CPC. It may be noted that in case of fixation of pay on notional basis, the normal benefit of increment beyond the period till the retiree / Government servant was in service shall not be admissible in any case. The notional pay so arrived at as on 1.1.1986 shall be treated as the average emoluments for the purpose of computation of pension and the last pay drawn in the case of family pension. The revised pension as on 1.1.1986 would be calculated by taking into account average emoluments as referred to above but the other constituents of the pensions formula would remain the same as provided under the relevant Pension Rules, i.e. fifty percent of average emoluments after qualifying service of not less than thirty three years and pro-rata less in case of lesser number of years of qualifying service but any case not less than 10 years of qualifying service for which no pension is admissible. The pension so arrived shall not be less than Rs. 375/- and more than Rs.4500/- p.m. Similarly family pension shall be re-calculated on the pay worked out notionally as on 1.1.1986 by applying the same formula as applicable on 1.1.1986. The next step would be to consolidate pension / family pension as on 1.1.1996. The same will be consolidated w.e.f. 1.1.1996 by adding together:

- i. Pension / family pension arrived at on 1.1.1986 on notional fixation of pay.
- ii. D.R. upto CPI 1510 i.e. @ 148%, 111% and 96% of basic pension admissible vide this Deptt's O.M.No. 45/8/96-P&PW(G) dated 20.3.1996.
- iii. IR(I) and IR(II)
- iv. Fitment weightage @ 40% pension / family pension as at (i) above.

In the case of pension, the consolidated amount so worked out will be regarded as consolidated basic pension w.e.f. 1.1.1996 and shall be subject to minimum / maximum ceiling prescribed in this Deptt's O.M.45/86/97- P&PW(A) Part-I dated 27.10.1997. Since this consolidated pension includes D.R. upto average index level 1510, dearness relief will be admissible thereon only beyond index average 1510 in accordance with the orders contained in this Department's Order No.42/2/97-P&PW(G) dated 27.10.1997. However, it may be specifically indicated that the commuted portion of pension if any, shall continued to be deducted at the prevailing rates.

So far as family pension is concerned, in cases where the family pension as on 1.1.1986 has been calculated on notional pay at a rate of less than 30% of the notional pay. The

difference between the family pension worked out at the rate in force on 1.1.1986 i.e. under slab system and that on 1.1.1996 i.e. at the rate of 30% shall be added to the consolidated amount of family pension as worked out on 1.1.1996 in accordance with the provision above. The total of these two amounts i.e. consolidated pension plus additional family pension shall be basic family pension w.e.f. 1.1.1996 and shall be subject to a minimum of Rs.1275 and a maximum of 30% of highest pay in the government on 1.1.1996. DR on this basic family pension beyond 1.1.1996 shall be admissible in the same manner as in the case of pension indicated above.

III. FOR PENSIONERS.

It will be in the interest of the pensioners/family pensioners to furnish full particulars in their application for revision of pension. They should extend their fullest co-operation to the Head of Office by supplying the relevant documents available with them which may facilitate revision of pay/pension/family pension in cases where no past records are available.