

GOVT REASSURES AMID AMENDMENT CALLS

Pension Rule Triggers Disquiet Among Retirees

Rule change before 8th pay panel sparks timing questions

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New Delhi: Disquiet has arisen among central government retirees over a pension-related provision in the Finance Act 2025, allegedly threatening parity between old and new pensioners ahead of the 8th Pay Commission.

ET has learnt that high-level meetings have been held over the past few days to reassure pensioners. Finance Minister Nirmala Sitharaman clarified in Parliament that the provision reaffirms existing regulations dating back to June 1, 1972 and does not alter civil or defence pensions.

Despite assurances, retirees have protested, calling for the removal of what they see as a discriminatory element in the Act. "Officials assured us that pensioner parity from the 7th Pay Commission will continue in the 8th Pay Commission. A formal clarification is expected soon," said Shiv Gopal Mishra, Secretary of the National Council of the Joint Consultative Machinery for Central Government Employees.

PENSION RULE FINE PRINT

The issue centres on Part IV of the Finance Act 2025, which validates the Central Civil Services (Pension) Rules and pension expenditure principles. **The amendment affirms the government's authority to classify pensioners and create**

distinctions based on retirement dates.

Retiree associations question the necessity and timing of this amendment, arguing that the government already exercises such authority in policies like enhanced gratuity ceilings and DA-merger benefits. "This contradicts the Supreme Court's ruling in D.S. Nakara & Others vs. Union of India (17 December 1982), which upheld pension parity for past and future retirees. With the 8th Pay Commission approaching, pensioners expect revisions for pre-2026 retirees," stated the



The timing of amendment being linked to ongoing cases, including SC & HC rulings on rights of pensioners

All India Bharat Sanchar Nigam Ltd Retired Executives Association, urging the withdrawal of Part IV.

LEGAL AND FIN IMPLICATIONS

The timing of this amendment is also linked to ongoing court cases.

The Finance Bill 2025 references a 2024 SC ruling in Union of India & Ors. vs. All India S-30 Pensioners Association, which held the government lacks authority to distinguish pensioners by retirement date.

Another case, filed by the Forum of Retired IPS Officers, involves a contempt petition in the Delhi HC. The upcoming hearing has led to speculation that this amendment could strengthen the government's position, particularly in the S-30 case, given the financial implications.