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No. B/79096/4/A.G.14(c)
Government of India, War Deptt. (Army Branch)
New Delhi, the 20th April 1944.

To

The Adjutant General in India (with 100 spare copies)

DEPENDANT'S PENSION-PARENTS OF INDIAN COMMISSIONED
OFFICERS WHOSE DEATHS HAVE BEEN HELD TO BE ATTRIBUT-
TABLE TO MILITARY SERVICE.

Sir,

I am directed to say that, in cases where the deaths of regular or emergency Indian Commissioned officers are held to be attributable to military service during the present war, claims for dependant's pensions will be dealt with under the provisions of Chapter II, Pension Regulations, India, Part II, read in conjunction with Army Instructions (India) Nos. 133 of 1940 and 276 of 1941, as amended from time to time.

Until further orders, the provisional working principles set forth in the annexure to this letter will be applied in determining such awards.

All awards made under the provisions of Defence Department letter No. B/79096/1/A.G.14, dated the 15th December 1941, will be reviewed in the light of these principles.

I am, Sir,
Your most obedient servant,

Sd/- x x
Assistant Secretary to the Government of India.

Copy of the above forwarded to:-

The Financial Adviser, Military Finance, etc.

APPENDIX.

RULES FOR ASSESSMENT OF INCOME OF PARENTS AND OTHER
PENSIONS RELATED TO MEANS.

1. **General Rules.**— (1) Except as provided in (2) below, regard must be had to all income of a reasonably regular nature, from whatever source it is obtained, including the value of benefits in kind normally received:—

Thus, account must be taken of:—

Personal cash income, including earnings;
Income from property;
Profit from business or from letting lodgings;
Income from investments and potential income from money not in family contributions;
Pensions;
Annuities;
Value of privileges or benefits in kind; and
Any other sources of regular income.

(2) The following are to be disregarded:—

(a) Disability pensions. The first Rs. 50/- a month. The term disability includes wound pension, officer's disability retired pay, injury in war compensation and all types of disability pensions.

(b) Workmen's Compensation. One half of any weekly or monthly payment. If a weekly or monthly rate of compensation awarded by the court has been commuted, one half of the capital value (or the income from such half) can be disregarded; but if the court instead of awarding a weekly or monthly sum awarded a lump sum, the lump sum in full is regarded as capital, and no part of it can be treated as a disregard.

(c) Service pensions and pensions granted from charitable funds. The first Rs. 20/- per mensem.

(d) War Savings*— The first Rs. 5,000/-. If each of the parents has war savings amounting to Rs. 5,000/-, both amounts, or Rs. 10,000/- in all, will be disregarded.

(3) Income will usually be computed on the average of the preceding 12 months, unless there is evidence that this period was exceptional.

(4) Where, however, there has been a recent material change of circumstances which is likely to govern future receipts, the calculation will be made on the basis of the current circumstances, and where it appears that a change of circumstances is imminent, allowances will be made for the effect of that change. Remoter prospects of change in circumstances may be met, if of sufficient importance, by bringing the case forward for review at an appropriate date.

2. **Earnings.**— Temporary or short time employment or unemployment should be ignored and average earnings for working periods imputed throughout. But where unemployment is normal at certain seasons, the actual earnings should be averaged over the whole 12 months.

3. **Income from property owned.**

(1) Where the property is occupied by the claimant, the income will be taken as the net assessment to Income Tax less any admissible deductions.

(2) Where property is let (furnished or unfurnished) the profit to the claimant will be assessed according to the actual net amount which the claimant received during the last 12 months or other suitable periods, with adjustment where necessary, for

normal ~~period~~ outgoings met during the period or for any abnormal period of vacancy.

(3) Where a house is owned and partly occupied by the claimant a portion being sub-let, the estimated profit from the sub-letting will be added to the means derived from the ownership of the house as calculated on the net assessment to Income Tax.

4. Profits from business (including occupation of land).

(1) When the applicant, or the applicant's husband or wife, is trading, it will be necessary to determine the net profits from the business. Where books of account are not available, and no return has been made for purposes of Income Tax, an estimate must be formed by obtaining information from the local Civil Authorities on the following points:-

- The length of time the business has been carried on.
- The general standard of living.
- The nature of premises and stock.
- Whether the trade is seasonal.
- The amount of purchases (which may be ascertained from wholesale dealers).

(2) (a) The income derived from the occupation of land held on a tenancy consists of the yearly profits, plus the value (if any) of produce consumed at home.

(b) It is not possible to lay down strict rules for the assessment of such means which vary considerably according to the nature of the farm or holding, the locality, the quality of the land, etc. The principal matters for enquiry in communication with the Civil Authorities will be:-

- the acreage;
- the character of the land;
- the rent or valuation;
- the nature of the crops, and the acreage of each;
- the nature and number of stock;
- the labour employed and wages paid;
- the disposal of produce, stock, etc., by sale or home consumption.

(c) From the particulars it should be possible, by reference to the current prices and local conditions generally, to form a fair estimate of the income from the farm or holding.

(d) If the land is owned, the means derived from its ownership should be calculated as in 3(1) above, and added to the profits as above.

5. Profit from letting lodgings, etc.

(1) Where board and lodging are provided 20 per cent of the gross receipts will be regarded as profits, but where the lodgers are relatives who are no "share bearers" the profit will normally be calculated as follows:-

(a) Contributions not exceeding Rs.25/- per month: no profit to be imputed unless it appears that the contribution is lower than the relative should be expected to afford.

(b) Contributions between Rs.25/- and Rs.40/- per month: 10 per cent profit generally, but 20 per cent if the condition at (a) applies.

(c) Over Rs.40/- per month: 20 per cent profit.

(2) Where rooms are let to persons who otherwise provide for themselves a profit of 40 per cent, of the gross receipts will be taken where the rooms are furnished, or 45 per cent where the rooms are unfurnished.

6. Family Contributions. Where the applicant is the head of the household and contributions are made by sharebearing members of the family in return for board and lodging, the excess of the contribution over cost of board and lodging will be regarded as profit and treated as personal income of the claimant. The normal rule

will be to take the cost of board and lodging as Rs.40/- per month a head.

A sum not exceeding Rs.24/- per mensem will be added to the means limit in respect of each child under the age of 16 years who is wholly dependent on the parent(s) and who was wholly dependent on the parents at the time of the death of the Indian Commissioned Officer.

7. Investments, and money not invested.

- (1) Income from investments be reckoned at the actual yield.
- (2) Money invested or on deposits in a bank etc., will be deemed to yield the current post Office saving Bank rate of interest
- (3) National Savings Certificate should be dealt with by taking the average rate of increase over the per of the certificates Where different series of certificates are current an average rate for all the certificates should be taken.

8. Pensions, Annuities, and other contributions in cash.

- (1) Any pension, whether from a public or a private source, will be taken into account as income.
- (2) Any annuity payable to the applicant, of the annual value of compensation for injury under the Workmen's compensation Act, ~~and~~ ^{should} likewise be ~~and~~ included, subject to any disregard under para. 1(2) (b).
- (3) Grants from charitable funds, or from individuals, should be included if they are reasonably recurrent or of a continuing nature, subject to any disregard allowable under para 1(2) (c), but if they are given specifically for expenses due to infirmity or ill health, the case will be specially considered by Government.

9. Benefits in kind.

- (1) Ordinarily, where a parent is shown to be living with a son, daughter, or other relatives, the full value of board and lodging provided by such relatives will normally be taken as Rs.30/- a month in the case of one parent and Rs.50/- a month where two parents are maintained, however, the claimant is paying in part for the maintenance, the net benefit only will be taken into account.
- (2) The value of free accommodation alone will normally be taken as Rs.15/- a month. Exceptional cases, e.g., in rural districts, may be considered on their merits, but in no case should the figure be less than Rs.5/- a month.

*Calculation of 'War Savings'.

- (a) 'War Savings' comprise:-
 - (i) Government stock held on the Post Office register and issued after 2nd Sept 1939, either subscribed for or acquired by inheritance;
 - (ii) National Savings Certificates acquired after 2nd Sept 1939 and the increase in value after 2nd Sept 1939, if any acquired on or after that date;
 - (iii) Money on loan to the Govt. without interest; and
 - (iv) Deposits in the Post Office after 2nd Sept 1939.
- (b) Items in any of the above categories acquired with the proceeds of realization after 14th Aug 1940, if investments not in the above categories (except investments acquired by inheritance) are subject to deduction of the amount of such realizations, so that after 14 Aug 1940, only 'new money' shall count as a 'disregard'.
