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ANNEXURE - 2

No. B/38031/AG/PS4(a)/109/C/D (Pens/Sers)
Government of India,
Ministry of Defence,
New Delhi, the 15th January 1980.

The Chief of the Army Staff.

Subject :- Revision of the rates of service pension in respect of JCOs granted honorary commission as ICOs while on the effective list consequent upon treating a portion of dearness allowance as pay for retirement benefits and introduction of new pension formula based on slab system of calculation.

Sir,

I am directed to say that the President has been pleased to decide that a portion of dearness allowance, at the scale of 27 % of pay subject to a maximum of Rs.243/-, will be treated as pay for the purpose of retirement benefits in respect of JCOs granted honorary commission as ICOs while on the effective list who became/become non-effective on or after 1st. March, 1978.

2. The President has also been pleased to decide that consequent upon treating a portion of dearness allowance as dearness pay for the purpose of retirement benefits, as in para-1 above, JCOs granted honorary commission as ICOs while on the effective list, who became non-effective during the period from 1st March 1978 to 31st March 1979 and opt for the merger of DA in pay, will be granted revised rates of service pension as laid down in Annexures I and II to this letter, in lieu of the awards already granted under A. I.3/8/75.

3. The Government have issued orders separately vide Ministry of Defence letter No. B/38027/AG/PS4(a)/1733/C/D (Pens/Sers) dated the 21st June, 1979, for determining pension of personnel below officer rank of the regular Army on a slab system. Consequent upon the introduction of the slab system and also treating a portion of dearness allowance as dearness pay for the purpose of terminal benefits, the President is pleased to decide that JCOs granted honorary commission as ICOs while on the effective list, who became/become non-effective on or after 1st April 1979, will be entitled to the revised rates of service pension as given in Annexure-III and IV to this letter, in lieu of the awards already granted under A. I. 3/8/75.

4. Service element of disability pension, as well as invalid pension, of such JCOs will also be assessed on the basis of the revised rates of pension promulgated under this letter.

5. Graded relief, sanctioned from time to time, will be admissible in addition to pensions in Annexures-I to IV at the following reduced scale :-

- | | |
|--|---|
| a). From 1st March 1978 to 30th November 1978. | 15 % of pension subject to a maximum of Rs.75/- p.m. |
| b). From 1st December 1978 onwards | 20 % of pension subject to a maximum of Rs.100/- p.m. |

Contd/2.

6. Death-cum-retirement gratuity admissible under A. I. 48/72 read with para-3 of A. I. 3/3/75 will be paid in addition to the pensions specified in Annexure-I to IV to this letter.

7. For the purpose of calculating death-cum-retirement gratuity, the term "emoluments" shall consist of :-

- a). Pay of the rank last held ;
- b). portion of dearness allowance treated as pay at the scale given in para-1 above.

8. Pensions and arrears of individuals who have already become non-effective on or after 1st March 1978 shall be re-calculated on the above basis and arrears if any, paid to them subject to such adjustment as may be necessary.

9. Individuals who became non-effective on or after 1st March 1978 but not later than 31st March 1979 will have an option to choose either of the two alternative below :-

- a). To have their pension and death-cum-retirement gratuity calculated on their pay excluding the element of dearness pay as indicated in para 1 above, in accordance with the rules in force on 30.9.1977, and get graded relief on pension to the full extent admissible from time to time.
- b). To have their pension and death-cum-retirement gratuity re-calculated after taking into account the element of dearness pay as indicated in para 1 above. In such cases, the graded relief will be admissible as laid down in this Ministry's letter No. 11(1)/79/2053/C/D(Pens/Sers) dated 27th July 1979, as amended.

The option will have to be exercised within six months of the date of issue of these orders. The options once exercised will be final. In cases where an individual has died before exercising an option, the Controller of Defence Accounts (Pensions) Allahabad will, on an application being made to him, calculate the pension and death-cum-retirement gratuity on the existing basis as well as on the basis of merged portion of dearness allowance, and allow the more advantageous of the two. Those who fail to exercise the option or make an application (in the case of death of an individual) within the stipulated period will be governed by para 9(b) above.

10. Where the option is exercised in favour of the alternative at (b) in para-9 above, the amount of graded relief paid in excess of that now admissible will be adjusted against the balance of death-cum-retirement gratuity payable or against the future payments of reduced amount of graded relief.

11. Separate orders will be issued in respect of JCOs, granted honorary commission as ICOs while on the effective list who were discharged between 30th September 1977 and 28th February 1978.

Contd/3.

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12. Pension Regulations for the Army, Part-I (1961), will be amended in due course.

13. This issues with the concurrence of Ministry of Finance (Defence) vide their u.o. No.4785-Pen of 1979.

Yours faithfully,

sd/- Illegible.

(L. DHONDUP)
DLSK OFFICER.

Copy of the above forwarded to :-

The Controller General of Defence Accounts,
New Delhi.

The Director of Audit, Defence Services,
New Delhi.

The Dy. Director of Audit, Defence Services,
Allahabad.

The Dy. Financial Adviser (AG) (30 copies).

Adjutant General's Branch/R54 (a) (100 copies).

Naval Hqs/PP & A.

Air Hqs/PP & R.

Copy signed in ink to be sent to :-

The Controller of Defence Accounts (Pensions)
Allahabad.

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Annexure I to Min of Def Letter No.
E/38031/AG/PS4(a)/109/C/D (Pens/Sors)
dated 15th January 1980.

Rates of service pension - Risaldar Majors/Subedar Majors
granted honorary commissions as Indian Commissioned Officers
were on the active list.

(These rates became non-effective during the
period 1st March 1978 to 31st March 1979)

Cause of discharge	Completed years of qualifying service Years	Rates of pension	
		Honorary Lieut. Rs. p.m.	Honorary Captain Rs. p.m.
(a) On completion of tenure of appointment	21 to 24	450	481
	25 & over	510	532
(b) Any cause beyond an individual's control other than (a) above	21	420	440
	22	433	455
	23	446	468
	24	459	481
	25	472	494
	26	485	507
	27	497	519
	28)		
	29)		
	30)	510	532
	31)		
32)			
(c) Any cause other than (a) and (b) above, provided that at least 2 years' qualifying service in the honorary rank is rendered on the active list.		Same as at (b) above.	

- Notes: 1) Cases of Risaldar Majors/Subedar Majors holding honorary commissions who are discharged/invalided from service with less than 21 years' service will be submitted to the Government of India for orders.
- 2) Risaldar Majors/Subedar Majors holding honorary commissions who are discharged from service on completion of tenure of appointment with 24½ years or more but less than 25 years will be allowed the benefit provided in Regulation 9 Pension Regulations for the Army, Part I (1961) i.e. their pension will be increased by half the difference between the pension admissible to Risaldar Major/Subedar Major for 24 years service and the one admissible for 25 years service vide Annexure I to Ministry of Defence Letter No. E/38031/AG/PS4(a)/1733/C/D (Pens/Sors) dated (the 31st June 1979).

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Annexure III to Min of Def letter No.R/38031/
AG/PS4(a)/109/C/D(Pens/Sers) dated 15th January 1979.

Grants of service pension - Risaldar Majors/Subedar Majors
granted honary commissions in India Commissioned Officers
while on the effective list.

(Cases where they became/became non-effective on or after
1st July 70)

Cause of discharge	Completed years of qualifying service	Rates of pension	
		Honorary Lieut S.P.M.	Honorary Captain S.P.M.
(a) On completion of tenure of appointment	21 to 24	537	559
	25 & over	599	621
(b) Any cause beyond an individual's control other than (a) above.	21	490	512
	22	505	527
	23	521	543
	24	537	559
	25	552	574
	26	568	590
	27	584	606
	28		-
	29		-
	30	599	621
(c) Any cause other than (a) and (b) above, provided that at least 2 years qualifying service (10 months in the case of those who became/ became non-effective on or after 1st July 70) in the honorary rank is rendered on the active list.	31		
	32		
		Same as at (b) above.	

Notes: 1) Cases of Risaldar Majors/Subedar Majors holding honorary commissions who are discharged/invalidated from service with less than 21 years service will be submitted to the Government of India for orders.

2) Risaldar Majors/Subedar Majors holding honorary commissions who are discharged from service on completion of tenure of appointment with 21½ years or more but less than 25 years, will be allowed the benefit provided in Regulation 9, Pension Regulations for the Army, Part I (1961) i.e. their pension will be increased by half the difference between the pension admissible to Risaldar Major/Subedar Major for 24 years' service and the one admissible for 25 years service vide Annexure II to Ministry of Defence letter No. B/38027/AG/PS4(a)/1733/y (Pens/Sers) dated the 21st June 1979.

Annexure II to Min of Def Letter No. B/38031/AG/BSI(a)/109/c/D (Pous/Bars) dated the 15th January 1978.

Rates of service pension - Risaldar/Subedars granted honorary commission as 1st Lt in commissioned officers while on the effective list.

(For cases who became non-effective during the period 1st March 1978 to 31st March 1979).

Cause of discharge	Completed years of qualifying service Years	Rates of pension	
		Honorary Lt Col Rs. p.m.	Honorary Captain Rs. p.m.
(a) Any cause beyond an individual's control	21	352	374
	22	362	384
	23	373	395
	24	383	405
	25	393	415
	26	404	426
	27	414	436
	28	424	447

(b) Any cause other than (a) above, provided that at least 2 years' qualifying service in the honorary rank is rendered on the active list.
 (1 1/2) Same as at (a) above.

Note: Cases of Risaldars/Subedars holding honorary commission, who are discharged/invalided from service with less than 21 years service and/or at the time of discharge, have not completed 2 years' in the substantive, paid acting rank of Risaldar/Subedar, will be submitted to the Government of India for orders.

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Annexure IV to Min of Def letter No. P/38031/AD/134(a)/108/C/D (Pens/Bars) dated 15th January 1980.

Rates of service pension - Risaldar/Subedars granted honorary commission as Indian Commissioned Officers while on the effective list

(For those who became/become non-effective on or after 1st April 1979)

Cause of discharge	Completed years of qualifying service Years	Rates of pension	
		Honorary Lieut Rs. p.m.	Honorary captain Rs. p.m.
(a) Any cause beyond an individual's control	21	409	431
	22	422	444
	23	434	456
	24	447	469
	25	459	481
	26	472	494
	27	485	507
	28	497	519
(b) Any cause other than (a) above, provided that at least 2 years qualifying service (10 months in the case of those who became/become non-effective on or after 1st July 1979) in the honorary rank is rendered on the active list.		Same as at (a) above.	

Note: Cases of Risaldars/Subedars holding honorary commission, who are discharged/invalided from service with less than 21 years service and/or at the time of discharge, have not completed 2 years (10 months in the case of those who became/become non-effective on or after 1st July 79) in the substantive/paid acting rank of Risaldar/Subedar, will be submitted to the Government of India for orders.

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Copy of Govt of India, Min of Def letter No B/38027/AG/PS4(a), 1733/C/D(Pension/Services) dated 21st June 1979.

Revision of the rates of service pension in respect of JCOs, OR and NCS(E) of the regular Army consequent upon treating a portion of dearness allowance as pay for retirement benefits

I am directed to say that the President has been pleased to decide that a portion of dearness allowance, at the following scales will be treated as pay for the purpose of retirement benefits in respect of JCOs, ORs and NCS(E) of the regular Army who retired/ will retire on or after 30th September 1977 :-

<u>Pay range</u>	<u>Scale of dearness allowance to be treated as pay</u>
Upto Rs. 300/- per month,	36% of pay.
Above Rs. 300/- but not above Rs 2157/- per month.	27% of pay subject to a minimum of Rs. 108/- and a maximum of Rs 243/-.

In the case of personnel who retired between 30th September 1977 and 28th February 1978 (both dates inclusive) only one half of the dearness allowance appropriate to the pay shall be treated as pay.

2. The President has also been pleased to decide that consequent upon treating a portion of dearness allowance as dearness pay for the purpose of retirement benefits, as in para 1 above, JCOs, OR and NCS(E) of the regular Army who became non-effective during the period from 1st March 1978 to 30th March 1979 and opt for the merger of D.A. in pay will be granted revised rates of service pension as laid down in Annexure I to this letter, in lieu of the awards already granted under A.I. 1/S/75.

3. The Government has issued orders separately vide Ministry of Finance (Department of Expenditure) O.M. No.F. 19(3)-EV/79, dated the 25th May 1979 for determining pension of the Central Government Civil servants on slab system given below :-

Amount of monthly pension

- (a) Upto 1st Rs. 100/- of average emoluments reckonable for pension. 50% of average emoluments.
- (b) Next Rs 500/- of average emoluments. 45% of average emoluments.
- (c) Balance of average emoluments. 40% of average emoluments.

Consequent upon the instruction of the slab system for determining pension as above and also treating a portion of dearness allowance as dearness pay for the purpose of terminal benefits, the President is pleased to decide that the JCOs, ORs and NCOs(E) of the regular Army who become / become Non-effective on or after 31st March, 1979, will be entitled to the revised rates of service pension as given in Annexure II to this letter, in lieu of the awards already granted under A.I. 1/8/75.

4. Service element of disability pension, as well as invalid of JCOs, ORs and NCOs(E) covered by this letter will also be assessed on the basis of the revised rates of pension promulgated under this letter.

5. Graded relief, sanctioned from time to time, will be admissible in addition to pension in Annexures I & II at the following reduced scale.

- (a) From 1.3.1978 to 30.11.1978 15% of pension subject to a minimum of Rs. 15/- and a maximum of Rs. 95/- p.m.
- (b) From 1.12.1978 onwards, 20% of pension subject to a minimum of Rs. 20/- and a maximum of Rs. 100/- p.m.

6. Death-cum-retirement Gratuity admissible under A.I. 8/8/70 read with para 3 of A.I. 1/8/75 will be paid in addition to the pensions specified in Annexures I and II to this letter.

7. For the purpose of calculating death cum-retirement gratuity, the term "emoluments" shall consist of -

- (a) Pay of the rank last held in the concerned pay group;
- (b) Classification pay, if any being received, of the appropriate class actually held;
- (c) Good service pay, if any;

.....3/-

- (d) Appointment pay, where applicable;
- (e) Portion of dearness allowance treated as pay at the scale given in para 1 above;
- (f) National value of Home Saving Element at the following rates :-

<u>Rank</u>	<u>Amount</u> <u>Rs.</u>
Subedar Major	85
Subedar	80
Naib Subedar	70
Havildar	55
Naik	50
Sepoy	47.25
NC(E)	40

8. Pensions and gratuities of individuals who have already retired or died on or after the 1st March 1978 shall be re-calculated on the above basis and any arrears payable thereon subject to such adjustment as may be necessary.

9. Persons who retired on or after 30th September 1977 but not later than the 30th April, 1979 will have an option to choose either of the two alternatives below :-

- (a) to have their pension and death cum retirement gratuity calculated on their pay excluding the element of Dearness Pay as indicated in para 1 above in accordance with the rules in force on 30.9.1977, and get graded relief on pension to the full extent admissible from time to time;

OR

- (b) to have their pension and death cum retirement gratuity re-calculated after taking into account the element of dearness pay. In such cases, the first four instalments of graded relief sanctioned upto the average index level 272 will not be admissible; these pensioners will be entitled only to the instalments of graded relief sanctioned beyond the average index level 272.

The option will have to be exercised by 31.12.79. The option once exercised will be final. In cases where the retired Government servant has died before exercising an option the

Head of Office will, on an application made to him, calculate the pension and death cum retirement gratuity on the existing basis as well as on the basis of merged portion of dearness allowance, and allow the more advantageous of the two. Those who fail to exercise the option of make an application (in the case of death of a pensioner) within the stipulated period will be governed by para 9(b) above.

10. Where the option is exercised in favour of the alternative (b) in para 9 above, the amount of graded relief paid in excess of that now admissible will be adjusted against the balance of death cum retirement gratuity payable or against the future payments of reduced amount of graded relief.

11. Separate orders will be issued in respect of JCOs holding honorary commission while on the effective list, personnel of the Defence Security Corps and personnel of the Regular Army who retired between 30th September 1977 and 28th February 1978.

12. This issues with the concurrence of Ministry of Finance (Defence) vide Chief U.O. NO, 2402/Pen of 1979.

Sd/ x x x

(Shiv Raj Nafir)

Under Secretary to the Government of India