

No. 6(1)/81/D (Pension/Services),
 Government of India/Bharat Sarkar,
 Ministry of Defence/Raksha Mantralaya,
 New Delhi, the 12th July 1982.
 Asadha 21, 1904 (Saka)

To

The Chief of the Army Staff.
 The Chief of the Naval Staff.
 The Chief of the Air Staff.

Subject : Permanent transfer of Defence Service Officers to
 Public Sector Undertakings - Grant of retiring
 benefits.

Sir,

I am directed to say that under the various orders issued by the Ministry of Finance (MFE), read with this Ministry's Office Memo No. F.49/15(5)/73/D(PS), dated 22nd August 1975 and letter No. 32(1)/77/D(Pension/Services), dated 10th April 1978, Defence Service Officers who have been permitted to be absorbed in the Public Sector Undertakings on or after 8th November 1968, are deemed to have retired from service from the date of such absorption and are eligible to draw the pay of the post in the Public Sector Enterprises in addition to pro-rata pension from the date of absorption, subject to fulfilment of the eligibility conditions for this purpose laid down in the orders issued by the MFE regarding the period of option etc. They are required under the relevant orders applicable to them to exercise option within 6 months of their absorption for either of the alternatives indicated below:-

- (a) receiving the monthly pension and death cum retirement gratuity under the usual Government arrangements, or
 DCF
- (b) receiving the gratuity and a lump-sum amount in lieu of pension worked out with reference to the commutation tables obtaining on the date from which the commuted value becomes payable.

Where no option is exercised within the prescribed period the officer is automatically governed by alternative (b) above. A person opting for alternative (a) is entitled to commutation of a portion of pension as admissible in accordance with the existing orders.

2. The President has been pleased to decide that where a Service officer elects for alternative (b) i.e. receiving death cum retirement gratuity and a lump-sum amount in lieu of pension, the payment of monthly pension will commence from the due date pending his medical examination in accordance with the rules relating to commutation of pension. The commutation shall become absolute and the right to receive the commuted value shall accrue on the date on which

the medical board (authority) if the medical certificate. If the medical board directs that the age of the officer for the purpose of commutation shall be assumed to be greater than his actual age, the officer concerned will have the opportunity to change his option for receiving a lump-sum amount of monthly pension to receiving the monthly pension by written notice despatched within two weeks from the date on which he receives intimation of the findings of the medical board. If the officer does not change his option within the period of two weeks prescribed above he shall be assumed to have accepted the findings of the medical board (authority). Reduction in the amount of pension on account of commutation would become operative from the date of receipt of commuted value of the pension by the pensioner or three months after the issue of the authority by Controller of Defence Accounts (Pensions), Allahabad asking the pensioner to collect the commuted value of pension, whichever is earlier.

It may, however, be stated that the element of pension equivalent of gratuity should be deducted from the pay allowed to the pensioner on re-employment from the date on which actual payment is made to the pensioner or 3 months from the date of issue of the orders authorising the payment of gratuity whichever is earlier. For the purpose of date of payment, the date of issue of the cheque will be deemed to be the relevant date.

3. This order will have effect from 8th November 1968 i.e. it will be applicable to those who were/are absorbed on or after that date.

4. Pension Regulations of the three Services would be deemed to have been amended to the above extent. Formal amendments would be issued later on.

5. This issues with the concurrence of the Ministry of Finance (Defence) vide their u.o. No.1035/D/Pen/82 of 1962.

Yours faithfully,

(SHIV RAJ TATIR)

UNDER SECRETARY TO THE GOVERNMENT OF INDIA

Copy to:-

Chief Executives of all the Defence Public Sector Undertakings. (2 copies)

The Controller of Defence Accounts (Pensions), Allahabad.

The Controller General of Defence Accounts, New Delhi.

B.F.E. (Ministry of Finance) New Delhi (2 copies) that the order

(Attn. Adviser (Finance)).

Mayur Bhawan, New Delhi. 60 copies) be circulated to

all the Public Sector Undertakings.

Contd. 3/-