

No. 17(4)/2008(2)/D (Pen/Policy)
Government of India
Ministry of Defence
Department of Ex-Servicemen Welfare
New Delhi

Dated: 30th October, 2009.

To

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

SUBJECT: IMPLEMENTATION OF THE GOVERNMENT DECISION ON THE RECOMMENDATIONS OF THE CABINET SECRETARY'S COMMITTEE RELATING TO CLASSIFICATION ALLOWANCE TO PBOR AND REMOVAL OF LINKAGE IN FULL PENSION WITH QUALIFYING SERVICE IN RESPECT OF COMMISSIONED OFFICERS - REG.

Sir,

The under signed is directed to refer to this Ministry's letter No. 17(4)/2008(2)/D(Pension/Policy) dated 12.11.2008 as amended vide this Ministry's letter of even No dated 27.11.2008, dated 20.1.2009 and dated 5.6.2009, issued in implementation of the Government decisions on the recommendations of the Sixth CPC for revision of provisions regulating pension/Gratuity etc.

2. In order to consider various issues on pension of Armed Force pensioners, Government had constituted a Committee headed by the Cabinet Secretary. The Committee in its report have recommended -

- i) to reckon enhanced rate of classification allowance with effect from 1.1.2006 on notional basis for calculation of pension (as in case of MSP) in respect of PBOR who retired between 1.1.2006 and 31.8.2008; and
- ii) to remove the linkage of full pension with 33 years of qualifying service with effect from 1.1.2006 instead of 1.9.2008 in respect of Commissioned Officers.

3. The above recommendations of the Committee have been considered by the Government. The President is pleased to decide that in respect of PBOR discharged/invalided out/died in harness between 1.1.2006 and 31.8.2008, the rates of classification allowance applicable with effect from 1.9.2008, as prescribed under Para 3(j) of

SAI 2/S/2008 for Army and corresponding instructions for Navy & Air Force, will reckon notionally w.e.f. 1.1.2006 for determining reckonable emoluments as defined in Para 3.1 of this Ministry's above said letter dated 12.11.2008.

4. In case of Commissioned Officers, linkage of full pension with 33 years of qualifying service is dispensed with from 1.1.2006. Retiring pension of Commissioned Officers retired/invalided out of service on or after 1.1.2006 will be calculated at 50% of emoluments last drawn or average of reckonable emoluments drawn during last 10 months, whichever is more beneficial.
5. As the linkage of full pension with 33 years of qualifying service in respect of Commissioned Officers who retired/invalided out has been dispensed with from 1.1.2006, the benefit of adding years of qualifying service for the purpose of computation of gratuity in respect of Commissioned officers who retired/retiring/ invalided out/died in harness on or after 1.1.2006 shall stand withdrawn.
6. The benefit accrued under this letter will be payable from 1.1.2006.
7. The relevant provisions of this Ministry's above referred letter dated 12.11.2008, as amended, stand further amended accordingly.
8. This issues with the concurrence of Finance Division of this Ministry vide their JO 3951/Fin/Pen dated 29.10.2009.
9. Hindi version will follow.

Yours faithfully



[Malathi Narayanan]

Under Secretary (Pension/Policy)

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