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No.17(4)/2008(1)/D(Pen/Policy)
Government of India
Ministry of Defence
New Delhi, the 16th March, 2010

To

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

Subject : **Implementation of the Govt. decision on the recommendations of the Sixth Central Pay Commission -Revision of Pension of pre -2006 Armed Forces Pensioners/Family Pensioners.**

Sir,

The undersigned is directed to refer to this Ministry's letter No. 17(4)/2008(1)/D(Pen/Policy) dated 11.11.2008 amended vide this Ministry's letter of even number dated 11.12.2008, dated 20.1.2009, dated 20.5.2009 and dated 21.5.2009. It has been provided in Para 5 of this Ministry's above said letter dated 11.11.2008 that the consolidated pension of pre 2006 pensioners/family pensioners shall, in no case be lower than 50%/30% of the minimum of the pay in the pay band plus the grade pay corresponding to the pre-revised scale from which the pensioner had retired/died including Military Service Pay and 'X' group pay where applicable.

2. On receipt of various representations/references as to whether Non practicing Allowance (NPA) is to be added to the minimum of the revised pay band plus grade pay for determining minimum guaranteed pension for stepping up consolidated pension/family pension as on 1.1.2006, DP&PW vide their OM F.No.38/37/08-P&PW(A) dated 14th July, 2009 (copy enclosed) have clarified in consultation with Ministry of Finance (Department of Expenditure) that NPA granted to the Medical Officers does not form the part of the pay band/scales of pay. It is a separate element, although it is taken into account for the purpose of computation of pension. Hence, in case of pre-2006 Armed Forces pensioners/family pensioners, NPA is not to be added to the minimum of the revised pay and plus grade pay/revised pay scales in cases where consolidated pension/family pensions as on 1.1.2006 is to be stepped up to 50%/30% respectively in terms of Para 4.2 of DP&PW OM dated 1.9.2008 as made applicable to Armed Forces Pensioners/Family Pensioners vide MOD (Department of Ex-Servicemen Welfare) OM No. 17(4)/2008-D(Pen/Policy) dated 11.11.2008.

3. The provisions of DP&PW above said OM dated 14th July, 2009 will mutatis mutandis apply to Armed Forces pensioners/family pensioners.

4. This issues with the concurrence of Finance Divsiion of this Ministry vide their UO No.543/Fin/Pen dated 11.3.2010.

Hindi version will follow.

Yours faithfully,

Malathi Narayanan
(Malathi Narayanan)

Under Secretary to the Govt. of India

Copy to :

As per distribution list

17/3/2010
(with encl)

F.No.38/37/08-P&PW(A)

Government of India

Ministry of Personnel, Public Grievances & Pensions

Department of Pension & Pensioners' Welfare

Lok Nayak Bhawan, New Delhi-110003

Dated the 14th July, 2009.

OFFICE MEMORANDUM

Sub: Implementation of Government's decision on the recommendations of the Sixth Central Pay Commission - Revision of pension of pre-2006 pensioners.

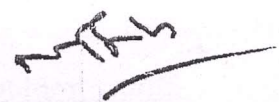
The undersigned is directed to say that in accordance with para 4.2 of this Department's O.M. No. 38/37/08-P&PW(A) dated 1.9.2008 (as clarified vide OM dated 3.10.2008 and 14.10.2008), the revised pension of pre-2006 pensioners shall, in no case, be lower than fifty percent of the minimum of the pay in the pay band plus the grade pay corresponding to the pre-revised pay scale from which the pensioner had retired. In the case of HAG+ and above scales, this will be fifty percent of the minimum of the revised pay scale. Clarifications have been sought by Ministries/Departments as to whether Non-Practicing Allowance (NPA) is to be added to the minimum of the revised pay band plus the grade pay/ revised pay scale while considering stepping up consolidated pension on 1.1.2006. The matter has been examined in consultation with the Ministry of Finance (Department of Expenditure).

2. On implementation of the recommendations of Fifth Central Pay Commission, NPA was not added to the minimum of the revised scale of pay as on 1.1.1996 in cases where consolidated pension/family pension was to be stepped up to 50% / 30% respectively. Hon'ble Supreme Court, in its judgement dated 10.10.2006 in Transfer Case (civil) 72 of 2004 - Col. (Retd.) B.J. Akkara vs. UOI & others, upheld the validity of OM dated 11.9.2001 of Ministry of Defence not allowing the benefit of NPA in the case of retired medical officers of Armed Forces to be added to the minimum of revised scale of pay as on 1.1.1996 corresponding to the scale of pay held by the pensioner at the time of his retirement. Hon'ble Supreme Court held that NPA is not the part of minimum of the revised pay scale as on 1.1.1996.

3. NPA granted to medical officers does not form part of the Pay Bands/scales of pay. It is a separate element, although it is taken into account for the purpose of computation of pension. It is, therefore, clarified, that in the case of pre-2006 pensioners NPA is not to be added to the minimum of the revised pay band+Grade pay/revised pay scale in cases where consolidated pension/family pension as on 1.1.2006 is to be stepped up to 50% / 30% respectively, in terms of para 4.2 of Department of Pension & PW's O.M. No. 38/37/08-P&PW(A) dated 1.9.2008 (as clarified vide OM dated 3.10.2008 and 14.10.2008).

4. It is impressed upon all the Ministries/Departments of the Government of India to keep in view the above clarifications while disposing of the cases of revision of pension/family pension. They are also advised to dispose the representations received by them from pensioners on the above issues without referring them to this Department.

5. This issues with the concurrence of Ministry of Finance (Department of Expenditure) vide their U.O. No. 264/EV/2009 dated 9.7.2009.



(M.P. Singh)
Director (PP)

Telefax No.24624802

To

1. All Ministries/Departments of Government of India
2. All Pensioners' Association

Please visit: <http://pensionersportal.gov.in>