

F.No.17(2)/2016-D(P/P)-Vol-I  
Government of India  
Ministry of Defence  
Department of Ex-Servicemen Welfare  
D(Pension/Policy)

New Delhi, 110011  
Dated 14.05.2025

To

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

**Subject:- Enhancement of maximum limit of gratuity to Central Government Employees on reaching the Dearness Allowance rates to 50%- Implementation of recommendations of Seventh CPC-reg.**

Sir,

I am directed to refer to this Ministry's letter no. 17(02)/2016-D(Pen/Pol) dated 04.09.2017 regarding revision of provisions regulating Pension/ Gratuity/ Commutation of Pension/ Family Pension including Pensionary awards notified in terms of Casualty Pensionary Awards in respect of Commissioned Officers, Junior Commissioned Officers & Other Ranks, Retiring or dying in harness on or after 01.01.2016 in implementation of the Government's decision on the recommendation of the Seventh Central Pay Commission.

2. In terms of Para 7.1 of the aforesaid Ministry's letter the maximum limit of all kinds of Gratuity i.e. Retiring/ Retirement/ Service/ Invalid/ Special/ Terminal/ Death Gratuity shall be Rs.20 lakhs. This ceiling on gratuity shall be increased by 25% whenever the Dearness Allowance rises by 50% of the basic pay.

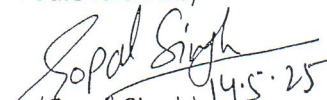
3. Department of Expenditure vide their OM No. 1/1/2024-E-II(B) dated 12.03.2024 has issued instructions regarding enhancement of Dearness Allowance from 46% to 50% of the Basic Pay with effect from 1<sup>st</sup> January, 2024.

4. Accordingly, as per the Government's decisions in implementation of the recommendation of the Seventh CPC, the maximum limit of all kinds of gratuity is increased by 25% i.e from Rs 20.00 Lakh to Rs 25.00 Lakh, with effect from 01.01.2024.

5. This issues with the concurrence of the Finance Division of this Ministry vide their ID Note No. 10(03)/2017/Fin/Pen dated 01.05.2025.

6. Hindi version will follow.

Yours faithfully

  
(Gopal Singh) 14.5.25

Under Secretary to the Govt. of India

Copy to:

As per standard list.