



सत्यमेव जयते

L.K. Meena
Director

भारत सरकार
वित्त मंत्रालय
वित्तीय सेवाएं विभाग
"जीवन दीप"
१०, पार्लियामेन्ट स्ट्रीट,
नई दिल्ली-११०००१

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
"JEEVAN DEEP"
10, PARLIAMENT STREET,
NEW DELHI-110 001

114A

F. No.4/1/2012-SCT (B)

दिनांक Dated the 28-08-2012

Dear

Please refer to your D.O. No. 12(35)/2011/D(Res-I) dated 24.04.2012 regarding grievances of ex-servicemen re-employed in Public Sector Banks for fixation of their salary in banks.

2. In this connection, I would like to mention that the Department of Financial Services had circulated instructions/directions/circulars such as of the DoP&T's earlier OM No. 3/ 19/2009-Estt.Pay II dated 8.11.2010 as well as the Ministry of Defence (MOD)'S letter No. 1(4)/2007/D(Pen/Policy) dated 09.02.2011 to all Public Sector Banks(PSBs)/Financial Institutions (FIs) and Insurance Companies (ICs) for compliance.

3. The Indian Banks' Association (IBA) sought clarification from DFS on re-fixation of pay to ex-servicemen re-employed in their Public Sector Banks on or after 01.01.2006. Based on DoP&T's O.M dated 8.11.2010, it was pointed by this Department vide its letter No. 4/1/2010-SCT (B) dated 23.03.2012 that Ex-servicemen re-employed in banks who retired on/or after 01.01.2006 are eligible to pay fixation in banks based on the pay drawn by them at the time of discharge from the Defence Services which would include band pay Plus grade pay but it does not include MSP. As it created confusion among banks over uniform implementation of the DoP&T's Office Memorandum dated 08.11.2010 the circular was treated as withdrawn.

4. It has therefore been reiterated that DoP&T's above instructions may be followed in letter and spirit.

With regards,

Yours faithfully,

L.K. Meena
(L.K. Meena)

Shri A.S.Lakshmi,
Joint Secretary(ESW),
Ministry of Defence, Deptt. of Ex-servicemen Welfare,
Sena Bhavan, New Delhi-110011

Dr. No. 175200
Date 12/10/12
105(200-1)
11/12

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19/10/12
DS (Res)

Dr. Meera up
22-10-12
SOE (Res I)

2031/Res. I/12
22/8

(7)

No. 3/19/2009 Estt. Pay II
Ministry of Personnel, Public Grievances & Pensions
Department of Personnel & Training

New Delhi, the 8th November 2010

Office Memorandum

Subject: Fixation of pay of re-employed pensioners - Treatment of Military Service Pay

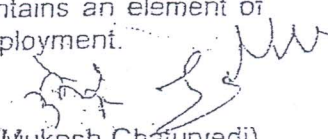
The undersigned is directed to refer to the orders issued vide OM dated 5.4.2010 on fixation of pay of re-employed pensioners. These orders inter-alia lay down that on re-employment in civilian organizations, Military Service Pay shall not be admissible. However, the benefit of MSP given to all retired Defence Forces officers/personnel by reckoning it at the time of calculation of their pension (notionally in the case of pre-1.1.2006 pensioners) should not be withdrawn. Accordingly, while the pension of such re-employed pensioners will include the element of MSP, they will not be granted MSP while working in civilian organizations.

In the instructions issued by the Ministry of Defence vide their letter No. 1/59/2008/D(Pay/Service) dated 24th July 2009, Pre-retirement pay has been defined as under

- (i) In respect of re-employment taking place on or after 1.1.2006 pre-retirement pay for those who retired after 1.1.2006 means the pay in the pay band plus grade pay but inclusive of Non-Practicing Allowance (NPA) if any, last drawn before retirement.
- (ii) In case of officers who retired before 1.1.2006 and also those who retired after 1.1.2006 in the pre-revised pay scales without opting for the revised pay scales promulgated on or after 1.1.2006 the pay will be basic pay including stagnating increment and Rank pay plus the Dearness pay and Dearness allowance drawn at the time of retirement.

As per these orders, for pre-2006 retirees rank pay is included as a part of pay but for post-2006 retirees, the MSP is not reckoned in the pre-retirement pay for the purposes of pay fixation on re-employment. However, for pension purposes the reckonable emoluments are - basic pay + grade pay + MSP + NPA wherever admissible. Therefore, while MSP is not taken into consideration for the purposes of pay fixation on re-employment, the element of MSP in pension is deducted.

It has been decided in consultation with the Department of Expenditure, that since the element of MSP is not reckoned in the pay fixation on re-employment, it need not be reduced from the pension either. Hence, in respect of all those Defence Officers/personnel, whose pension contains an element of MSP, that need not be deducted from the pay fixed on re-employment.


(Mukesh Chaturvedi)
Deputy Secretary

To

All Ministries and Departments

Copy to: NIC for uploading on the website under 'Whats New' and in Circulars-Establishment-Pa;

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Sent N

No. 4/1/2010-SCT (B)
Government of India
Ministry of Finance
Department of Financial Services

Jeevan D
Sansad Ma
New Delhi 11000

Dated the 22nd November, 2010

1. The Chairman, State Bank of India, Head Office, Mumbai
2. The Chairman & Managing Director of All Public Sector Banks, Financial Institutions and Insurance Companies
3. Chairman, NABARD, Head Office, Mumbai.
4. Managing Director of All Associates Banks of State Bank of India
5. Chief General Manager, HRDD, Reserve Bank of India, Head office, Mumbai.
6. Chairman, Indian Banks Association, Mumbai.

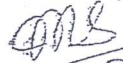
Subject:- Fixation of pay of re-employed pensioners - Treatment of Military service Pay.

Sir,

I am directed to forward herewith a copy of O.M. No. 3/19/2009 Estt. Pay-II dated 08.11.2010 issued by the Govt. of India, Department of Personnel & Training on the above mentioned subject for your information and compliance.

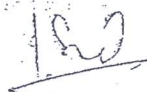
Please acknowledge the receipt.


Your's faithfully,


22/11/10
(M. Sahu)

Under Secretary to the Government of India

Encl: As above.


22/11/10


22/11/10