

**No .Fin. (Pen)A(3)-1/09-Part-I
Government of Himachal Pradesh
Finance (Pension) Department**

Dated: Shimla-171002, the 14th October,2009

OFFICE MEMORANDUM

Subject:- Revision of provisions regulating pension/ gratuity / commutation of pension / family pension .

The undersigned is directed to state that the Governor, Himachal Pradesh is pleased to introduce the following modifications in the rules regulating Pension / Retirement / Death / Service Gratuity and Family Pension under the C.C.S. (Pension) Rules, 1972 (hereafter referred to as pension Rules) and commutation of Pension under C.C.S.(Commutation of Pension) Rules,1981.

2 These orders shall apply to Himachal Pradesh Government employees governed by the CCS (Pension) Rules, 1972.

DATE OF EFFECT

3.1 Save as otherwise mentioned in these orders, the revised provisions as per these orders shall apply to Government servants who retire/ die in harness on or after 01.01.2006. Separate orders have been issued in respect of employees who retired/died before 01.01.2006.

3.2 Where Pension/Family Pension / Gratuity /Commutation of pension, etc. has already been sanctioned in cases occurring on or after 01.01.2006, the same shall be revised in terms of these orders. In cases where pension has been finally sanctioned on the pre-revised orders and if it happens to be more beneficial than the pension becoming due under these orders, the pension already sanctioned shall not be revised to the disadvantage of the pensioner in view of Rule 70 of CCS (Pension) Rules, 1972.

EMOLUMENTS

4.1 The term 'Emoluments' for the purposes of calculating various pensionary benefits other than various kinds of gratuity, shall have the same meaning as in Rule 33 of the CCS(Pension) Rules,1972.

- 4.2 Basic pay in the revised pay structure means the pay drawn in the prescribed pay band plus the applicable grade pay but does not include any other type of pay like special pay etc.
- 4.3 In the case of all kinds of Gratuity, DA admissible on the date of retirement / death shall be treated as emoluments along with the emoluments as defined in paragraph 4.1 above.

PENSION

- 5.1 A Government servant retiring in accordance with the provisions of CCS(Pension) Rules,1972 before completing qualifying service of ten years, shall not be entitled to pension but shall continue to be entitled to service gratuity in terms of Rule 49(1) of the CCS (Pension) Rules,1972.
- 5.2 Linkage of full pension with 33 years of qualifying service shall be dispensed with. Once a Government servant has rendered the minimum qualifying service of twenty years, pension shall be paid at 50% of the emoluments or average emoluments received during the last 10 months, whichever is more beneficial to him.
- 5.3 In cases where Government servant becomes entitled to pension on completion of 10 years of qualifying service in accordance with Rule 49(2) of CCS (Pension) Rules, 1972, pension in those cases shall also be paid at 50% of the emoluments or average emoluments, whichever is more beneficial to the Government servant.
- 5.4 The revised provisions for calculation of pension in para 5.2 and para 5.3 above shall come into force with effect from 2nd September, 2008 and shall be applicable to Government servants retiring on or after that date. The Government servants who have retired on or after 01.01.2006 but before 2nd September,2008 will continue to be governed by the Rules/orders which were in force immediately prior to 2nd September 2008, for purposes of calculating pension in terms of paras 5.2 and 5.3 above.

Note:-(i) The provision for payment of pension at 50% of the emoluments (pay last drawn) or 50% of average emoluments received during the last 10 months, whichever is more beneficial to the retiring employee, shall be applicable to all Government

servants retiring on or after 1-1-2006. However, only those Government servants, who retired during 1-1-2006 to 1-9-2008 after completion of 33 years of qualifying service, will be eligible for full pension and the pension of those Government servants, who retired during 1-1-2006 to 1-9-2008 with qualifying service of less than 33 years, will continue to be proportionate to the full pension based on their actual qualifying service.

- (ii) The pension of a post 1-1-2006 pensioner shall not be lower than fifty percent of the minimum of the pay band plus the grade pay from which the pensioner has retired. For example, if a pensioner has retired in the grade pay of RS.10,000/-p.m. in the pay band of RS.37,400-67000, his minimum guaranteed pension would be 50% of Rs.37,400+Rs.10,000 (i.e. Rs.23,700). For those who have retired between 1-1-2006 and 2-9-2008, the pension will be reduced pro-rata, where the pensioner had less than the maximum required service for full pension as per rule 49 of CCS(Pension)Rules 1972 as applicable during that period and in no case it will be less than Rs.3500 p.m. In case the pension calculated in accordance with Rule-49 of CCS(Pension)Rules 1972, as applicable before 2-9-2008, is higher than the pension calculated in the manner indicated above, the same (higher pension) will be treated as Basic Pension.

- 5.5 The amount of pension shall be subject to minimum of Rs 3500/- and a maximum of upto Rs. 39500 i.e. 50% of Rs. 79000.
- 5.6 The provisions of clauses (a) to (c) of sub-rule(2) of Rule 49 of the Pension Rules shall stand modified to the extent mentioned in para 5.1 to para 5.5 above. The other provisions contained in Rule 49 shall continue to apply.
- 5.7 The quantum of pension available to the old pensioners shall be increased as follows:-

Age of pensioner	Additional quantum of pension
From 80 years to less than 85 years	20% of basic pension
From 85 years to less than 90 years	30% of basic pension
From 90 years to less than 95 years	40% of basic pension
From 95 years to less than 100 years	50% of basic pension
100 years or more	100% of basic pension

The Pension Sanctioning Authorities should ensure that the date of birth and the age of pensioner is invariably indicated in the Pension Payment Order (PPO) to facilitate payment of additional pension by the Pension Disbursing Authority, as soon as it becomes due. The amount of additional pension will be shown distinctly in the Pension Payment Order (PPO). For example, in case where a pensioner is more than 80 years of age and his pension is Rs.10,000pm, the pension will be shown as (i)Basic Pension=Rs.10,000 and (ii) Additional Pension= Rs.2,000 pm. The pension on his attaining the age of 85 years will be shown as (i) Basic Pension= Rs.10,000 and (ii) Additional Pension=3,000 pm.

Note:- The additional quantum of pension, on attaining the age of 80 years and above, would be admissible from the 1st day of the month in which his date of birth falls. For example, if a pensioner completes age of 80 years in the month of August,2008, he will be entitled to additional pension w.e.f 1-8-2008. Those pensioners whose date of birth is 1st August, will also be entitled to additional pension w.e.f. 1-8-2008 on attaining the age of 80 years and above.

GRATUITY

6.1 The maximum limit of all kinds of gratuity shall be Rs.10 lakh. Accordingly, first proviso under Rules 50(1) (b) of Pension Rules shall stand modified to the effect that the amount of retirement gratuity or death gratuity payable under this Rule shall in no case exceed Rs.10 lakh.

ADDITION TO QUALIFYING SERVICE

7.1 In view of revised provisions for computation of pension in para 5 above, the extant benefit of adding years of qualifying service for the purpose of computation of pension shall stand withdrawn with effect from 2nd September,2008. Rule 29, 29-A and 30 of CCS (Pension) Rules, 1972 shall stand modified to this extent.

FAMILY PENSION 1964

8.1 Family pension shall be calculated at the uniform rate of 30% of basic pay in all cases and shall be subject to a minimum of Rs 3500/-p.m. and maximum of Rs.23700, being 30% of Rs. 79000.

Rule 54(2) relating to Family Pension, 1964 under Pension Rules shall stand modified to this extent.

8.2 The enhanced family pension under Rule 54(3)(a)(i) shall be payable to the family of the Government servant **who dies in service**, from the date of death of the Government servant, for a period of ten years, without any upper age limit. Rule 54(3)(a)(i) shall stand modified to this extent. There will be no change in the period for payment of enhanced family pension to the family in the case of death of a pensioner.

8.3 The quantum of family pension available to the old family pensioners shall be increased as follows:-

Age of family pensioner	Additional quantum of family pension
From 80 years to less than 85 years	20% of basic family pension
From 85 years to less than 90 years	30% of basic family pension
From 90 years to less than 95 years	40% of basic family pension
From 95 years to less than 100 years	50% of basic family pension
100 years or more	100% of basic family pension

The Pension Sanctioning Authorities should ensure that the date of birth and the age of a family pensioner is invariably indicated in Form 3 (regarding detail of family) and in the Pension Payment Order (PPO) to facilitate payment of additional pension by the Pension Disbursing Authority, as soon as it becomes due. The amount of additional family pension will be shown distinctly in the Pension Payment Order. For example, in case where a family pensioner is more than 80 years of age and his/her family pension is Rs.10,000 pm, the pension will be shown as (i) Basic Family Pension=Rs.10,000 and (ii) Additional Family Pension= Rs.2,000 pm. The family pension on his/her attaining the age of 85 years will be shown as (i) Basic Family Pension= Rs.10,000 and (ii) Additional Family Pension= 3,000 pm.

Note: The additional quantum of family pension, on attaining the age of 80 years and above, would be admissible from the 1st day of the month in which his date of birth falls. For example, if a family pensioner completes age of 80 years in the month of August, 2008, he will be entitled to additional pension w.e.f 1-8-2008. Those family pensioners whose date of birth is 1st August, will also be entitled to additional family pension w.e.f. 1-8-2008 on attaining the age of 80 years and above.

8.4 For the purpose of grant of Family Pension, the 'Family' shall be categorized as under:-

Category-I

- (a) Widow or widower, upto the date of death or re-marriage, whichever is earlier;
- (b) Son/daughter(including widowed daughter), upto the date of his/her marriage/re-marriage or till the date he/she starts earning or till the age of 25 years, whichever is the earliest.

Category-II

- (c) Un-married/widowed/Divorced daughter, not covered by Category –I above, upto the date of marriage/remarriage or till the date she starts earning or upto the date of death, whichever is earliest.
- (d) Parents who were wholly dependent on the Government servant when he/she was alive, provided the deceased employee had left behind neither a widow nor a child. Family pension to dependent parents, unmarried/divorced/widowed daughter will continue till the date of death.

Family pension to unmarried/widowed/divorced daughters in Category-II and dependent parents shall be payable only after the other eligible family members in Category-I have ceased to be eligible to receive family pension and there is no disabled child to receive the family pension. Grant of family pension to children in respective categories shall be payable in order of their date of birth and younger of them will not be eligible for family pension unless the next above him/her has become ineligible for grant of family pension in that category.

8.5 The dependency criteria for the purpose of family pension shall be the minimum family pension along with dearness relief thereon.

8.6 The childless widow of a deceased Government employee shall continue to be paid family pension even after her remarriage

subject to the condition that the family pension shall cease once her independent income from all other sources becomes equal to or higher than the minimum prescribed family pension in the State Government. The family pensioner in such cases, would be required to give a declaration regarding her income from other sources to the pension disbursing authority, every six months.

COMMUTATION OF PENSION

- 9.1 A Government servant shall continue to be entitled to commute for a lump sum payment up to 40% of his pension.
- 9.2 The existing Table of Commutation Value for Pension Annexed to the CCS (Commutation of Pension) Rules, 1981 shall be substituted by a new Table at Annex- I of this O.M.
- 9.3 The revised Table of Commutation Value for pension will be used for all commutations of pension which become absolute after the date of issue of this O.M. In the case of those pensioners, in whose case commutation of pension became absolute on or after 01.01.2006 but before the issue of this O.M., the pre-revised Table of Commutation Value of Pension will be used for payment of commutation of pension based on pre-revised pay/pension. Such pensioners shall have an option to commute the amount of pension that has become additionally commutable on account of retrospective revision of pay/pension. On exercising of such an option by the pensioner, the revised Table of Commutation Value for Pension will be used for the commutation of additional amount of pension that has become commutable on account of retrospective revision of pay/ pension. In all cases where the date of retirement/commutation of pension is on or after the date of issue of this O.M., the revised Table of Commutation Value for Pension will be used for commutation of entire pension.
- 9.4 Provisions of C.C.S (Commutation of Pension) Rules, 1981 shall stand modified in accordance with para 9.2 and 9.3 above.
10. For the purpose of computing average emoluments in the case of Govt. servants who have opted for fixation of pay in the revised pay structure and retire within 10 months from the date of coming

over to the revised pay structure, basic pay for 10 months period preceding retirement shall be calculated by taking into account pay as follows:-

- (i) For the period during which pay is drawn in revised Pay Structure:- Pay drawn in the prescribed pay band plus the applicable grade pay.
- (ii) For the remaining period during which pay is drawn in pre-revised scale of pay:-
 - (a) Basic Pay plus dearness pay and actual D.A. appropriate to the basic pay at the rates in force on 1-1-2006 drawn during the relevant period.
 - (b) Notional increase of the basic pay by applying the fitment benefit of 40% on the basic pay in the pre-revised pay scale.

SPECIAL PROVISION FOR THOSE WHO RETAIN THE PRE REVISED SCALE OF PAY.

11. The pension and death-cum-retirement gratuity of those, who have elected to continue to draw pay in the pre-revised scales of pay in terms of Rule 5 of Himachal Pradesh Civil Services (Revised Pay) Rules,2009 and have retired or will be retiring after 1-1-2006, shall be regulated as follows:-

- (i) The term 'Emoluments' will mean 'Pay' as defined in FR 9(21)(a) (i) and will include Dearness Pay and D.A up to average AICPI 536 (Base year 1982=100).
- (ii) Pension will be calculated at 50% of emoluments or average emoluments, whichever is more beneficial to the employee.
- (iii) Death-cum-retirement gratuity shall be admissible with reference to emoluments at (i) above plus dearness allowance, under the order in force immediately before coming into effect of these orders. The maximum amount of gratuity shall not exceed Rs.3, 50, 000/- in terms of Finance (Pension) Department O.M.No. Fin(Pen)A(3)-1/96-Part –I dated 31.8.1998.

- (iv) Commutation of pension shall be admissible in accordance with the orders in force immediately before coming into effect of these orders.
- (v) Family pension shall be allowed in accordance with orders applicable prior to issue of these orders and shall be Calculated with reference to basic pay in the pre-revised scale. To the family pension so calculated, dearness relief up to average AICPI 536 (Base year 1982=100) at the rate contained in this Department's Office Memorandum No. Fin (Pen) B (10-6/98-I dated 23rd June, 2006 shall be added. The amount so arrived at will be regarded as the family pension for regulating payment of dearness relief beyond average AICPI 536.
12. The pension/ family pension in terms of these orders will qualify for dearness relief beyond average AICPI 536 under the revised pattern for which orders have been issued separately.
13. The arrears on account of pension/family pension, Gratuity and leave encashment for the period w.e.f. 1-1-2006 to 30-09-2009 shall be paid in due course of time regarding which orders will be issued separately.
14. The Heads of Department/Offices and Accountant General (A&E), H.P. will take immediate action for revision of pension in terms of these orders.

By order

Principal Secretary (Finance) to the
Government of Himachal Pradesh

To

All Administrative Departments
Government of Himachal Pradesh.

Visit Finance Department - www.himachal.gov.in/finance/
No. Fin (Pen)A(3)-1/09 –Part-I **Dated: 14th October,2009.**

1. The Divisional Commissioner Shimla, Mandi and Kangra at Dharamshala Himachal Pradesh.
2. All Heads of Departments in Himachal Pradesh.
3. The Resident Commissioner, Himachal Pradesh, Himachal Bhawan, 27-Sikandra Road, New Delhi-110001 with 10 spare copies.
4. The Accountant General (Audit) Himachal Pradesh, with 10 spare copies.

5. The Accountant General (A&E) Himachal Pradesh Shimla with 10 spare copies for circulation to all the Accountant General in India with special stamp.
6. The Director (Accounts) Cabinet Secretariat, Govt. of India, East Block No. 1, R.K. Puram, New Delhi.
7. The Divisional Organizer, Punjab, Himachal Pradesh and J&K, Divisions SSB Directorate General of Security, Shimla-4.
8. The Director, H.P. Institute of Public Administration, Mashobra, Shimla-171012.
9. All Universities/ Corporations/ Boards & Public Sector Undertakings.
10. The Registrar, H.P. High Court, Shimla-171001.
11. All Deputy Commissioners in Himachal Pradesh.
12. All District and Session Judges in Himachal Pradesh.
13. All District Treasury Officers/ Treasury Officers in H.P. with 10 spare copies.
14. All Controllers/Joint Controllers/ Deputy Controllers (F&A)/Asstt. Controllers (F&A)/ Section Officers (F&A) under the Control of Treasury & Accounts Organization.
15. The Pay & Accounts Officer, No. 1, Reserve Bank of India, Parliament Street, New Delhi.
16. The Commandant, Training Centre Sarahan, SSB (Rampur Bushehr), Distt. Shimla, Himachal Pradesh.
17. The Deputy Commissioner (Relief & Rehabilitation) Raja ka Talab, Nurpur.
18. The Chief Accountant, Reserve Bank of India, C-7, Central Office Govt. & Bank Account Deptt. Bandra Kurla Complex, Bandra, Mumbai-400051 with 10 spare copies for necessary action.
19. The Managing Director, Reserve Bank of India, Post Box No. 12, Mumbai -400021.
20. The Managing Director, State Bank of Patiala, The Mall, Patiala, Punjab.
21. The General Manager, UCO Bank, No. 10, Binlahi Trelocav Maharaj Saraj. Kolkatta (West Bengal).
22. The General Manager, Union Bank of India, 239 Backway Reclamation, Nariman Point, Mumbai-400021.
23. The Divisional Manager, Punjab National Bank, Commercial Division-5, Parliament Street, New Delhi.
24. The General Manager, Central Bank of India, Chandramukhi, Nariman Point, Mumbai-400021.
25. The Deputy General Manager, State Bank of India, Zonal Office, SDA-complex Kasumpti, Shimla-171009 with 10 spare copies.
26. The General Manager, State Bank of Patiala, The Mall Patiala, Punjab with 10 spare copies for circulation amongst the Branches of the Bank situated in Himachal Pradesh.
27. The Chief Manager, Central Bank of India, Sector-17, Chandigarh with 10 spare copies for circulation amongst the Branches of the Bank situated in Himachal Pradesh.
28. The Chief Manager, Union Bank of India, Sector-17, Chandigarh with 10 spare copies for circulation amongst the Branches of the Bank situated in Himachal Pradesh.
29. The Regional Manager, UCO Bank, Zonal Office, Himland Hotel, Shimla-1 with 10 spare copies.

30. The Regional Manager, UCO Bank, Regional Office, Shyamnagar, Dharamsala-176215 (H.P.) with 10 spare copies.
31. The Deputy General Manager, Union Bank of India, Regional Office, SCO 64-65, Bank Square, Sector 17-B, Chandigarh-160017 with 10 spare copies.
32. The Regional Manager, Central Bank of India, Timber House, Shimla-1 with 10 spare copies.
33. The Regional Manager, Punjab National Bank, The Mall, Shimla (Regional Office) H.P. with 10 spare copies.
34. The Regional Manager, Punjab National Bank, 287, Civil Lines, Dharamshala, Distt. Kangra, H.P. with 10 spare copies.
35. The Regional Manager, Punjab National Bank, Mandi, H.P. with 10 spare copies for circulation amongst the Branches of the Bank situated in Himachal Pradesh.
36. The Zonal Manager, Punjab National Bank, PNB House (Bank square) Sector-17, Chandigarh with 10 spare copies.
37. The General Manager, Bank of India, Star House C-5, G-Block, 7th Floor Bandra Kurla Complex, Bandra (Est) Mumbai-400051.
38. The Zonal Manager, SCO-181-182, Bank of India, Chandigarh Zone, Sector-17-C Chandigarh.
39. The Senior Branch Manager, Bank of India, 45, The Mall Shimla with 10 spare copies.
40. The Under Secretary (Finance Commission), H.P. Sectt. Shimla-2.
41. All Sections of Finance Department, H.P. Sectt. Shimla-2.
42. The Controller (F&A) Personnel Accounts Department, H.P. Sectt. Shimla-2.
43. The Deputy Chief Officer (Accounts), Regional Office, UCO Bank, Sansad Marg, New Delhi-110001.
44. The Assistant General Manager (BOD), Local Head Office, State Bank of India, Post Box No. 139, Sector-17, Chandigarh with 10 spare copies.
45. Incharge, NIC, H.P. Sectt. Shimla-2 with the request that this order of the State Government may kindly be put on State Website so that the pensioners/ family pensioner living out side the State may get the benefit of this order in time.

Special Secretary(Finance)to the
Government of Himachal Pradesh

Endst. No. Fin (Pen)A(3)-1/09-Part-I

Dated:14th October,2009.

Copy forwarded to:-

1. The Accountant General (A&E), Andhra, Hyderabad with 10 spare copies.
2. The Accountant General (A&E), Assam, Guwahati with 10 spare copies.
3. The Accountant General (A&E), Nagaland, Kohima with 10 spare copies.
4. The Accountant General (A&E), Tripura, Agartala with 10 spare copies.
5. The Accountant General (A&E), Meghalaya, Shillong with 10 spare copies.
6. The Accountant General (A&E), Manipur, Imphal with 10 spare copies.
7. The Accountant General (A&E), Bihar, Patna with 10 spare copies.
8. The Accountant General (A&E), Maharashtra, Mumbai with 10 spare copies.

9. The Chief Accountant General (A&E), West Bengal, Kolkatta with 10 spare copies.
10. The Accountant General (A&E), Gujrat, Ahmedabad with 10 spare copies.
11. The Accountant General (A&E), J&K Srinagar with 10 spare copies.
12. The Accountant General (A&E), Karnatka, Banglore with 10 spare copies.
13. The Accountant General (A&E), Kerala, Thiruvananthapuram with 10 spare copies.
14. The Accountant General, Madhya Pradesh Gwalior with 10 spare copies.
15. The Accountant General (A&E), Chhattisgarh at Raipur with 10 spare copies.
16. The Accountant General, Orrissa, Bhuvneshwar with 10 spare copies.
17. The Accountant General (A&E), Punjab, Chandigarh with 10 spare copies.
18. The Accountant General (A&E), Rajasthan, Jaipur with 10 spare copies.
19. The Accountant General (A&E), Tamilnadu, Chennai with 10 spare copies.
20. The Accountant General (A&E), Haryana, Chandigarh with 10 spare copies.
21. The Accountant General (A&E) Uttar Pradesh, Allahbad with 10 spare copies.
22. The Accountant General (A&E), Sikkim, Gangtok with 10 spare copies.
23. The Accountant General (A&E) Jharkhand at Ranchi with 10 spare copies.
24. The Accountant General (A&E) II, Uttaranchal Pradesh at Dehradun with 10 spare copies.
25. The Pay & Accounts Officer (Administration) Vikas Bhawan, B-Block, New Delhi with 20 spare copies.
26. The Pay & Accounts Officer, No.-5, Tis Hazari Delhi with 10 spare copies.

Special Secretary(Finance)to the
Government of Himachal Pradesh

ANNEXURE-I

COMMUTATION VALUE FOR A PENSION OF Re.1 PER ANNUM

Age next birthday	Commutation Value expressed as number of year's purchase	Age next birthday	Commutation value expressed as number of year's purchase	Age next birthday	Commutation Value expressed as number of year's purchase
20	9.188	41	9.075	62	8.093
21	9.187	42	9.059	63	7.982
22	9.186	43	9.040	64	7.862
23	9.185	44	9.019	65	7.731
24	9.184	45	8.996	66	7.591
25	9.183	46	8.971	67	7.431
26	9.182	47	8.943	68	7.262
27	9.180	48	8.913	69	7.083
28	9.178	49	8.881	70	6.897
29	9.176	50	8.846	71	6.703
30	9.173	51	8.808	72	6.502
31	9.169	52	8.768	73	6.296
32	9.164	53	8.724	74	6.085
33	9.159	54	8.678	75	5.872
34	9.152	55	8.627	76	5.657
35	9.145	56	8.572	77	5.443
36	9.136	57	8.512	78	5.229
37	9.126	58	8.446	79	5.018
38	9.116	59	8.371	80	4.812
39	9.103	60	8.287	81	4.611
40	9.090	61	8.194		

[Basis: LIC (94-96) Ultimate Tables and 8.00% interest]