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PC-VII No. 05/2016
R.B.E. No.: 99/2016

GOVERNMENT OF INDIA (BHARAT SARKAR)
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)
(RAILWAY BOARD)

No.2016/F(E)III/I(1)/8
The GMs/FA&CAOs,
All Zonal Railways/Production Units,
(As per standard mailing list)

New Delhi, Dated: 12.08.2016

Sub: Implementation of Government's decision on the recommendation of the Seventh Central Pay Commission - Revision of provisions regulating pension/gratuity/commutation of pension/family pension/disability pension etc.

In pursuance of Government's decision on the recommendation of the Seventh Central Pay Commission, the President is pleased to introduce the following modifications in the rules regulating Pension, Retirement/Death/Service Gratuity, Family Pension, Disability Pension etc. under the Railway Services (Pension) Rules, 1993 (hereafter referred to as Pension Rules) and Commutation of Pension under Railway Services (Commutation of Pension) Rules, 1993 and Railway Services (Extraordinary Pension) Rules, 1993.

2. These orders apply to Railway employees governed by the Railway Services (Pension) Rules, 1993.

DATE OF EFFECT

3.1 The revised provisions shall apply to Railway servants who retire/die in harness on or after 01.01.2016. Separate orders have been issued in respect of employees who retired/died before 01.01.2016.

3.2 Where Pension/Family Pension/Gratuity/Commutation of Pension, etc. has already been sanctioned in cases occurring on or after 01.01.2016, 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 90 of the Pension Rules.

EMOLUMENTS

4.1 The term 'Emoluments' for purposes of calculating various pensionary benefits other than various kinds of Gratuity shall have the same meaning as in Rule 49 of the Pension Rules.

4.2 Basic pay in the revised pay structure means the pay drawn in the prescribed level in the Pay Matrix with effect from 01.01.2016 but does not include any other type of pay like special pay, etc.

4.3 In the case of all kinds of gratuity, dearness allowance admissible on the date of retirement/death shall continue to be treated as emoluments along with the emoluments as defined in Paragraph 4.1 above.

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PENSION

5.1 Subject to para 5.2, there shall be no change in the provisions regulating the amount of pension as contained in Rule 69 of the Pension Rules.

5.2 The amount of pension shall be subject to a minimum of Rs.9000/- and the maximum pension would be 50% of highest pay in the Government (The highest pay in the Govt. is Rs 2,50,000/- with effect from 01.01.2016). The provisions of sub-rule (2) of Rule 69 of the Pension Rules shall stand modified to this extent.

5.3 The quantum of additional pension/family pension available to the old pensioners/ family pensioners shall continue to be as follows:-

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

The Pension Sanctioning Authorities should ensure that the date of birth and the age of a pensioner is invariably indicated in the pension payment order 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. For example, in case where a pensioner is more than 80 years of age and his pension is Rs.10,000 pm, 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 = Rs.3,000 pm.

Retirement/ Death Gratuity

6.1 The rates for payment of death gratuity shall be revised as under:

<u>Length of qualifying service</u>	<u>Rate of Death Gratuity</u>
Less than One year	2 times of monthly emoluments
One year or more but less than 5 years	6 times of monthly emoluments
5 years or more but less than 11 years	12 times of monthly emoluments
11 years or more but less than 20 years	20 times of monthly emoluments
20 years or more	Half month's emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times of emoluments

Accordingly, Rule 70 (1) (b) of Pension Rules shall stand modified to this extent.

6.2 The maximum limit of Retirement gratuity and death gratuity shall be Rs. 20 lakh. The ceiling on gratuity will increase by 25% whenever the dearness allowance rises by 50% of the basic pay. Accordingly, first proviso under Rule 70 (1) (b) of Pension Rules shall stand modified to this extent.

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FAMILY PENSION 1964

7.1 Family pension shall be calculated at a uniform rate of 30% of basic pay in the revised pay structure and shall be subject to a minimum of Rs.9000/- p.m. and maximum of 30% of the highest pay in the Government. Rule 75(2)(c) relating to Family Pension, 1964 under Pension Rules shall stand modified to this extent.

7.2 The amount of enhanced family pension shall be 50% of basic pay in the revised pay structure and shall be subject to a minimum of Rs.9000/-p.m. and maximum of 50% of the highest pay in the Government (The highest pay in the Govt. is Rs. 2,50,000/- with effect from 01.01.2016).

7.3 There will be no other change in the provisions regulating family pension, enhanced family pension and additional family pension to old family pensioners.

COMMUTATION OF PENSION

8.1 There will be no change in the provisions relating to commutation values, the limit upto which the pension can be commuted or the period after which the commuted pension is to be restored.

9.1 The pension/family pension under paras 5 and 7 above shall qualify for dearness relief sanctioned from time to time, in accordance with the relevant rules/instructions.

CONSTANT ATTENDANT ALLOWANCE

10.1 The amount of Constant Attendant Allowance to pensioners who retired on disability pension with 100% disability under the Railway Services (Extraordinary Pension) Rules, 1993, (where the individual is completely dependent on somebody else for day to day functions) shall continue to be paid at the existing rate till a final decision is taken on the basis of recommendations of the Committee constituted for the purpose.

11.1 Formal amendments to Railway Services (Pension) Rules, 1993 and Railway Services (Extraordinary Pension) Rules, 1993 in terms of the decisions contained in this order will be issued in due course. Provisions of the Railway Services (Pension) Rules, 1993, Railway Services (Extraordinary Pension) Rules, 1993 and Railway Services (Commutation of Pension) Rules, 1993 which are not specifically modified by these orders, will remain unchanged.

12. Please acknowledge receipt.

13. Hindi version will follow.

(Vaidehi Gopal)

Joint Director, Finance, (Estt.),
Railway Board.