Dear Chief Commissioner,

Kindly refer to Board’s letter of even number dated 26th May, 2017 and subsequent reminders dated 1st June, 2017 and 14th June, 2017 seeking details of implementation of Govt.’s decision on the recommendation of the Seventh Central Pay Commission-Revision of Pension of pre-2016 pensioners/family pensioners etc. in terms of DOP&PW O.M. No. 38/37/2016-P & PW (A) dated 12.05.2017.

2. Despite reminders, your reports have not yet been received. You may kindly look into the matter and take immediate action to revise the pension of pre-2016 pensioners/family pensioners. Further, you may ensure that a fortnightly report on the total number of pre-2016 pensioners/family pensioners in respect of whom revised Pension Payment Authority have been issued, may be sent to Commr.(Coord) without fail by 18th July, 2017.

With best wishes,

Yours sincerely,

Encl.: As above.

To

All Chief Commissioners under CBEC
Principal CCA, CBEC
No. 30013/25/2017-Ad.IVA
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs

5th Floor, HUDCO Vishala Building,
Bhikaji Cama Place, New Delhi
Dated, the 26th May, 2017

To

All Pr. Chief Commissioners/Chief Commissioners/
All Commissioners/Directors General under CBEC.

Pr. CCA, CBEC, New Delhi

Sub: Implementation of Government’s decision on the recommendations of the Seventh
Central Pay Commission – Revision of pension of pre-2016 pensioners/family pensioners etc.

Sir/Madam,

I am directed to forward herewith a copy of letter No.38/37/2016-P&PW(A) dated
12.05.2017 received from Ministry of Personnel, Public Grievances and Pensions,
Department of Pension & Pensioners’ Welfare, New Delhi on the subject mentioned above
for information and necessary action.

2. It is requested that immediate action may be taken to revise pension of pre-2016
pensioners/family pensioners etc. A fortnightly report indicating (i) the total number of pre-
2016 pensioners/family pensioners (ii) number of pensioners/family pensioners in respect of
whom revised PPO issued, be furnished to this office.

Yours faithfully,

(AMARJIT SINGH)
Director (Ad.IV)

Encl. As above

Copy to: The DG (Systems & Data Management), New Delhi with the request to kindly
upload this circular on the Website of CBEC.

(Amarjit Singh)
Director (Ad.IV)
No.38/37/2016-P&PW(A)
Ministry of Personnel, PG & Pensions
Department of Pension & Pensioners’ Welfare

3rd Floor, Lok Nayak Bhawan
Khan Market, New Delhi
Dated, the 12th May, 2017

Office Memorandum

Sub:- Implementation of Government’s decision on the recommendations of the Seventh Central Pay Commission – Revision of pension of pre-2016 pensioners/family pensioners, etc.

The undersigned is directed to say that the 7th Central Pay Commission (7th CPC), in its Report, recommended two formulations for revision of pension of pre-2016 pensioners. A Resolution No. 38/37/2016-P&PW (A) dated 04.08.2016 was issued by this Department indicating the decisions taken by the Government on the various recommendations of the 7th CPC on pensionary matters.

2. Based on the decisions taken by the Government on the recommendations of the 7th CPC, orders for revision of pension of pre-2016 pensioners/family pensioners in accordance with second Formulation were issued vide this Department’s OM No. 38/37/2016-P&PW (A) (ii) dated 04.08.2016. It was provided in this O.M. that the revised pension/family pension w.e.f. 1.1.2016 of pre-2016 pensioners/family pensioners shall be determined by multiplying the pension/family pension as had been fixed at the time of implementation of the recommendations of the 6th CPC, by 2.57.

3. In accordance with the decision mentioned in this Department’s Resolution No. 38/37/2016-P&PW (A) dated 04.08.2016 and OM No. 38/37/2016-P&PW(A) (ii) dated 04.08.2016, the feasibility of the first option recommended by 7th CPC has been examined by a Committee headed by Secretary, Department of Pension & Pensioners’ Welfare.

4. The aforesaid Committee has submitted its Report and the recommendations made by the Committee have been considered by the Government. Accordingly, it has been decided that the revised pension/family pension w.e.f. 01.01.2016 in respect of all Central civil pensioners/family pensioners, including CAPF’s, who retired/died prior to 01.01.2016, may be revised by notionally fixing their pay in the pay matrix recommended by the 7th CPC in the level corresponding to the pay in the pay scale/pay band and grade pay at which they retired/died. This will be done by notionally fixing under each intervening Pay Commission based on the Formula for revision of pay. While fixing pay on notional basis, the pay fixation formulae approved by the Government and other relevant instructions on the subject in force at the relevant time shall be strictly followed. 50% of the notional pay as on 01.01.2016 shall be the revised pension and 30% of this notional pay shall be the revised family pension w.e.f. 1.1.2016 as per the first Formulation. In the case of family pensioners who were entitled to family pension at enhanced rate, the revised family pension shall be 50% of the notional pay as on 01.01.2015 and shall be...
payable till the period up to which family pension at enhanced rate is admissible as per rules. The amount of revised pension/family pension so arrived at shall be rounded off to next higher rupee.

5. It has also been decided that higher of the two Formulations i.e. the pension/family pension already revised in accordance with this Department's OM No. 38/37/2016-P&PW(A) (ii) dated 04.08.2016 or the revised pension/family pension as worked out in accordance with Para 4 above, shall be granted to pre-2016 central civil pensioners as revised pension/family pension w.e.f. 01.01.2016. In cases where pension/family pension being paid w.e.f. 1.1.2016 in accordance with this Department's OM No. 38/37/2016-P&PW(A) (ii) dated 04.08.2016 happens to be more than pension/family pension as worked out in accordance with para 4 above, the pension/family pension already being paid shall be treated as revised pension/family pension w.e.f. 1.1.2016.

6. Instructions were issued vide this Department's OM No. 45/86/97-P&PW(A) (iii) dated 10.02.1998 for revision of pension/family pension in respect of Government servants who retired or died before 01.01.1986, by notional fixation of their pay in the scale of pay introduced with effect from 01.01.1986. The notional pay so worked out as on 01.01.1986 was treated as average emoluments/last pay for the purpose of calculation of notional pension/family pension as on 01.01.1986. The notional pension/family pension so arrived at was further revised with effect from 01.01.1995 and was paid in accordance with the instructions issued for revision of pension/family pension of pre-1996 pensioners/family pensioners in implementation of the recommendations of the 5th Central Pay Commission.

7. Accordingly, for the purpose of calculation of notional pay w.e.f. 1.1.2016 of those Government servants who retired or died before 01.01.1986, the pay scale and the notional pay as on 1.1.1986, as arrived at in terms of the instructions issued vide this Department's OM 45/86/97-P&PW(A) dated 10.02.1998, will be treated as the pay scale and the pay of the concerned Government servant as on 1.1.1986. In the case of those Government servants who retired or died on or after 01.01.1986 but before 1.1.2016, the actual pay and the pay scale from which they retired or died would be taken into consideration for the purpose of calculation of the notional pay as on 1.1.2016 in accordance with Para 4 above.

8. The minimum pension with effect from 01.01.2016 will be Rs. 9000/- per month (excluding the element of additional pension to old pensioners). The upper ceiling on pension/family pension will be 50% and 30% respectively of the highest pay in the Government (The highest pay in the Government is Rs. 2,50,000 with effect from 01.01.2016).

9. The pension/family pension as worked out in accordance with provisions of Para 4 and 5 above shall be treated as 'Basic Pension' with effect from 01.01.2016. The revised pension/family pension includes dearness relief sanctioned from 1.1.2016 and shall qualify for grant of Dearness Relief sanctioned thereafter.
10. The existing instructions regarding regulation of dearness relief to employed/re-employed pensioners/family pensioners, as contained in Department of Pension & Pensioners Welfare O.M. No. 45/73/97-P&PW(G) dated 02.07.1999, as amended from time to time, shall continue to apply.

11. These orders would not be applicable for the purpose of revision of pension of those pensioners who were drawing compulsory retirement pension under Rule 40 of the CCS (Pension) Rules or compassionate allowance under Rule 41 of the CCS (Pension) Rules. The pensioners in these categories would continue to be entitled to revised pension in accordance with the instructions contained in this Department's O.M. No. 38/37/2016-P&PW(A)(ii) dated 4.8.2016.

12. The pension of the pensioners who are drawing monthly pension from the Government on permanent absorption in public sector undertakings/autonomous bodies will also be revised in accordance with these orders. However, separate orders will be issued for revision of pension of those pensioners who had earlier drawn one time lump sum terminal benefits on absorption in public sector undertakings, etc. and are drawing one-third restored pension as per the instructions issued by this Department from time to time.

13. In cases where, on permanent absorption in public sector undertakings/autonomous bodies, the terms of absorption and/or the rules permit grant of family pension under the CCS (Pension) Rules, 1972 or the corresponding rules applicable to Railway employees/members of All India Services, the family pension being drawn by family pensioners will be updated in accordance with these orders.

14. Since the consolidated pension will be inclusive of commuted portion of pension, if any, the commuted portion will be deducted from the said amount while making monthly disbursements.

15. The quantum of age-related pension/family pension available to the old pensioners/family pensioners shall continue to be as follows:-

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

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/her revised 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/her attaining the age of 65 years will be shown as (i).Basic Pension = Rs.10,000 and (ii) additional pension = Rs.3,000 pm. Dearness relief will be admissible on the additional pension available to the old pensioners also.

16. A few examples of calculation of pension/family pension in the manner prescribed above are given in Annexure-I to this O.M.

17. No arrears on account of revision of Pension/Family pension on notional fixation of pay will be admissible for the period prior to 1.1.2016. The arrears on account of revision of pension/family pension in terms of these orders would be admissible with effect from 01.01.2016. For calculation of arrears becoming due on the revision of pension/family pension on the basis of this O.M., the arrears of pension and the revised pension/family pension already paid on revision of pension/family pension in accordance with the instructions contained in this Department's OM No. 36/37/2016-P&PW(A) (ii) dated 04.06.2016 shall be adjusted.

18. It shall be the responsibility of the Head of Department and Pay and Accounts Office attached to that office from which the Government servant had retired or was working last before his death to revise the pension/family pension of pre - 2016 pensioners/family pensioners with effect from 01.01.2016 in accordance with these orders and to issue a revised pension payment authority. The Pension Sanctioning Authority would impress upon the concerned Head of Office for fixation of pay on notional basis at the earliest and issue revised authority at the earliest. The revised authority will be issued under the existing PPO number and would travel to the Pension Disbursing Authority through the same channel through which the original PPO had travelled.

19. These orders shall apply to all pensioners/family pensioners who were drawing pension/family pension before 1.1.2016 under the Central Civil Services (Pension) Rules, 1972, and the corresponding rules applicable to Railway pensioners and pensioners of All India Services, including officers of the Indian Civil Service retired from service on or after 1.1.1973. A pensioner/family pensioner who became entitled to pension/family pension with effect from 01.01.2016 consequent on retirement/death of Government servant on 31.12.2015, would also be covered by these orders. Separate orders will be issued by the Ministry of Defence in regard to Armed Forces pensioners/family pensioners.

20. These orders do not apply to retired High Court and Supreme Court Judges and other Constitutional/Statutory Authorities whose pension etc. is governed by separate rules/orders.

21. These orders issue with the concurrence of Ministry of Finance (Department of Expenditure) vide their I.D. No. 30-1/33(c)/2016-IC dated 11.05.2017 and I.D. No. 30-1/33(c)/2016-IC dated 12.05.2017.

22. In their application to the persons belonging to the Indian Audit and Accounts Department, these orders issue in consultation with the Comptroller and Auditor General of India.
23. Ministry of Agriculture etc. are requested to bring the contents of these orders to the notice of Heads of Department/Controller of Accounts, Pay and Accounts Officers, and Attached and Subordinate Offices under them on top priority basis. All Ministries/Departments are requested to accord top priority to the work of revision of pension of pre-2016 pensioners/family pensioners and issue the revised Pension Payment Authority in respect of all pre-2016 pensioners.

24. Hindi version will follow.

(Harjit Singh)
Director

To

1. All Ministries/Departments of Government of India (as per standard mailing list)
2. Central Pension Accounting Office, New Delhi
3. Comptroller & Auditor General of India, New Delhi
**ANNEXURE I**

(Reference Para 15 of OM No.38/37/2016-P&PWA dated 12th May, 2017.)

<table>
<thead>
<tr>
<th>S.No</th>
<th>Description</th>
<th>1st Case</th>
<th>2nd Case</th>
<th>3rd Case</th>
<th>4th Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Date of Retirement</td>
<td>31.12.1984</td>
<td>31.01.1986</td>
<td>30.06.1999</td>
<td>31.05.2015</td>
</tr>
<tr>
<td>2.</td>
<td>Scale of Pay (or Pay Band &amp; G.P.) at the time of retirement</td>
<td>975-1660 (4th CPC Scale)</td>
<td>3000-4500 (4th CPC Scale)</td>
<td>4000-6000 (5th CPC Scale)</td>
<td>67000-79000 (6th CPC Scale)</td>
</tr>
<tr>
<td></td>
<td>OR National pay scale as on 1.1.1986 for those retired before 1.1.1986</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Pay on retirement</td>
<td>1210</td>
<td>4000</td>
<td>4800</td>
<td>79000</td>
</tr>
<tr>
<td></td>
<td>OR National pay as on 1.1.1986 for those retired before 1.1.1986</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Pension as on 01.01.2016 before revision</td>
<td>4191</td>
<td>12600</td>
<td>5424</td>
<td>39000</td>
</tr>
<tr>
<td>5.</td>
<td>Family pension as on 01.01.2016 before revision</td>
<td>3500</td>
<td>7650</td>
<td>3500</td>
<td>23700</td>
</tr>
<tr>
<td>6.</td>
<td>Family pension at enhanced rate as on 01.01.2016 before revision (if applicable)</td>
<td>NA</td>
<td>N.A.</td>
<td>NA</td>
<td>39500</td>
</tr>
<tr>
<td>7.</td>
<td>Revised pension by multiplying pre-revised pension by 2.57</td>
<td>10771</td>
<td>32382</td>
<td>13940</td>
<td>101515</td>
</tr>
<tr>
<td>8.</td>
<td>Revised family pension by multiplying pre-revised family pension by 2.57</td>
<td>9000</td>
<td>19430</td>
<td>9000</td>
<td>60909</td>
</tr>
<tr>
<td>9.</td>
<td>Revised family pension at enhanced rate by multiplying pre-revised enhanced family pension by 2.57</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>101515</td>
</tr>
<tr>
<td>10.</td>
<td>Pay fixed on national basis on 1.1.1996</td>
<td>3710 (3200-4530)</td>
<td>11300 (10300-15200)</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>11.</td>
<td>Pay fixed on national basis on 1.1.2006</td>
<td>8510 (PB-I, GP 2000)</td>
<td>27620 (PB-I, GP 5000)</td>
<td>11330 (PB-I, GP 2400)</td>
<td>NA</td>
</tr>
<tr>
<td>12.</td>
<td>Pay fixed on national basis on 1.1.2016</td>
<td>23100 (Level-3)</td>
<td>71800 (Level-11)</td>
<td>29600 (Level-4)</td>
<td>295100 (Level-15)</td>
</tr>
<tr>
<td>13.</td>
<td>Revised pension w.e.f. 1.1.2016 as per first formulation</td>
<td>11550</td>
<td>35900</td>
<td>14800</td>
<td>102550</td>
</tr>
<tr>
<td>14.</td>
<td>Revised family pension w.e.f. 1.1.2016 as per first formulation</td>
<td>9000</td>
<td>21540</td>
<td>9000</td>
<td>61530</td>
</tr>
<tr>
<td>15.</td>
<td>Revised family pension at enhanced rate w.e.f. 1.1.2016 as per first formulation</td>
<td>NA</td>
<td>N.A.</td>
<td>NA</td>
<td>102550</td>
</tr>
<tr>
<td>16.</td>
<td>Revised pension payable (Higher of S.No. 7 and 13)</td>
<td>11550</td>
<td>35900</td>
<td>14800</td>
<td>102550</td>
</tr>
<tr>
<td>17.</td>
<td>Revised family pension payable (Higher of S.No. 8 and 14)</td>
<td>9000</td>
<td>21540</td>
<td>9000</td>
<td>61530</td>
</tr>
<tr>
<td>18.</td>
<td>Revised family pension at enhanced rate payable (Higher of S.No. 8 and 15)</td>
<td>NA</td>
<td>N.A.</td>
<td>N.A.</td>
<td>102550</td>
</tr>
</tbody>
</table>