

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

No. F(E)III/2008/PN1/13

New Delhi, dated: 06.07.2010.

**The GMs/FA&CAOs,
All Indian Railways & Production Units.
(As per Mailing List)**

Subject: Grant of full pension to Government servants who retired on or after 01.01.2006 – recovery of excess payment of Retirement Gratuity from the employees who retired voluntarily after getting the benefit of adding years of service – Clarification reg.

The Department of Pension & Pensioners' Welfare (DOP&PW) vide their O.M. No.38/37/08-P&PW(A) dated 10.12.2009, circulated vide this Ministry's letter of even number dated 15.12.2009, have dispensed with the provision relating to linkage of full pension with 33 years of qualifying service, with effect from 01.01.2006 instead of 02.09.2008. These instructions, inter-alia, provide that the benefit of adding years of qualifying service for the purpose of computation of pension and gratuity shall stand withdrawn w.e.f. 01.01.2006. Simultaneously, para 4 of the said O.M. also provides that the overall calculation, may take into account revised gratuity and revised pension, including arrears up to the date of revision based on these instructions and that no recoveries would be made in the cases already settled.

2. In this connection, clarification has been sought from this office as to whether in the case of employees who retired voluntarily during the period from 01.01.2006 to 01.09.2008, after getting the benefit of adding years of service, the excess payment of gratuity ;is to be recovered or adjusted from the arrears of pension and commuted value of additional pension arising out of implementation of the instructions contained in DOP&PW's O.M. dated 10.12.2009 *ibid*. The matter has, therefore, been examined by this Ministry in consultation with DOP&PW and it is clarified that the recovery of excess payment of gratuity on the above account, shall be regulated as under:

S.No	Point	Clarification
1	In cases where the employees , retired voluntarily after 1.1.2006 with pro-rata pension calculated for the qualifying service Loss than 33 years, pension will under go upward revision and additional amount of pension will also be commutable	Excess payment of gratuity on account of withdrawal of weightage w.e.f. 01.01.2006 will be adjusted against arrears of pension (and not commuted value of pension). However, this adjustment will be restricted to the amount of arrears of pension. If the recovery of gratuity is more than the amount of arrears of pension, no recovery in excess of arrears of pension will be made.

2	<p>In cases where employees retired voluntarily after 1.1.2006 after getting the benefit of adding years of qualifying service and were granted pension @ 50% of emoluments/average emoluments, as the case may be, due to their qualifying service having reached 33 years, there will be no revision in the amount of pension but the amount of retirement gratuity will undergo a change due to exclusion of the benefit of adding years of service, already extended to them.</p>	<p>Where there is no increase of pension, no recovery of gratuity will be made.</p>
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3. All Zonal Railways etc., are, therefore, advised to settle the cases of the employees who retired voluntarily after 01.01.2006 but before 02.09.2008, in accordance with the above clarification.

(Sunil Bhardwaj)
Deputy Director Finance (Estt.)III,
Railway Board