

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

No. F(E)III/99/PN1/20 Vol. II

New Delhi, dated 24.11.2008

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

Sub: Allotment of higher pay scales to Railway Accounts Staff –
Revision of Pension of Accounts Staff retired during the
period of 01.01.1996 to 18.02.2003.

In terms of Board's letter No. PC-V/98/1/11/23 dt. 07.03.2003, the Accounts Staff in the Railways were granted higher replacement scales of pay on notional basis with effect from 01.01.1996 and actual payment prospectively from 19.02.2003. The instructions regarding admissibility of pensionary benefits of such of the Accounts staff as had retired during the period from 01.01.1996 to 18.02.2003 were issued vide Board's letter of even number dated 16.06.2004. In terms of these instructions, pension/ family pension of all the concerned Accounts staff, who had retired during 01.01.1996 to 18.02.2003 was to be revised on the basis of average emoluments notionally drawn during the last ten months of service and actual payment of pension/ family pension was to be made from 19.02.2003. It was also provided therein that the revised pension and family pension shall not be less than 50% and 30 % respectively of the minimum of the higher replacement scales of pay, subject to fulfilment of the conditions stipulated in para 2 of Board's letter No. F(E)III/98/PN1/29 dt. 15.01.1999. These instructions were based on Department of Pension & Pensioners' Welfare (DOP&PW)'s O.M. No. 38/86/03-P&PW (A) dated 26.04.2004 and 08.02.2005.

2. Subsequently, in pursuance of Supreme Court's judgement dated 23.11.2006 in Sh. K. S. Krishnamurthy & Ors. Vs UOI, DOP&PW vide O.M. 38/86/03-P&PW(A) Pt. dated 05.09.2007 amended their earlier instructions dated 26.04.2004 and 08.02.2005 to the extent that:

(i) The benefit of higher pay in the upgraded pay scales for calculating pensionary benefits shall **NOT** be applicable to pensioners retired during the period from 01.01.1996 to 18.02.2003.

(ii) Revision of pension in these cases shall **NOT** be done on the average emoluments notionally drawn during the last 10 months of service under Rule 34 of CCS (Pension) Rules, 1972 (Rule of 50 of Railway Services (Pension) Rules, 1993).

(iii) In terms of Supreme Court judgement dated 23.11.2006, revision of pension shall be governed by DOP&PW's O.M. dated 17.12.98 (Board's letter dated 15.01.99) read with O.M. dated 11.05.2001 (Board's letter dated 20.08.2001) and revision of pension in revised upgraded pay scales shall **NOT** be admissible/ allowed.

(iv) The benefit of fixation of pension with reference to upgraded scales shall **NOT** be extended to pre-1996 retirees.

These instructions have been adopted on the Railways vide Board's letter of even number dated 27.09.2007 and Zonal Railways etc. advised to revise pension/ family pension of Accounts staff retired during the period from 01.01.1996 to 18.02.2003 on the basis of emoluments actually drawn by them immediately before retirement and to pay the revised pension/ family pension from 06.09.2007 onwards.

3. In view of the provisions of Rule 33 and 34 of CSS (Pension) Rules, 1972 (Rule 49 and 50 of Railway Services (Pension) Rules, 1993), the employees of Organized Accounts Cadres, who retired during the period from 01.01.1996 to 18.02.2003, could not get the benefit of the upgraded pay scales in the matter of fixation of their pension; hence DOP&PW has reviewed the matter in consultation with the Ministry of Finance, and vide O.M. No. 38/86/03-P&PW (A) dated 05.11.2008, and issued revised clarifications as under:

(i) The pension of all the pensioners, who had retired from Organized Accounts Cadres during 01.01.1996 to 18.02.2003, would be fixed as per the upgraded scale notionally extended with effect from 01.01.1996 to 18.02.2003 and the pension with reference to the higher revised pay scale shall actually be paid only with effect from 19.02.2003.

(ii) The average emoluments notionally drawn by a pensioner consequent on the above revision of pay scales of Organised Accounts Cadres will also be taken into account for the purpose of computation of pension subject, of course, to the condition that no arrears shall be paid for the period from 01.01.1996 to 18.02.2003 and the pension with reference to the higher average emoluments shall actually be paid only with effect from 19.02.2003.

(iii) In accordance with the instructions contained in Department of Pension & PW O.M. No. 45/10/98-P&PW (A) dated 17.12.1998 (Board's letter dated 15.1.1999) and O.M. No. 45/87/97-P&PW (A) (Pt.) dated 11.05.2001 (Board's

letter dated 20.08.2001), the benefit of revised upgraded scale of pay will not be extended to the pensioners who retired before 01.01.1996, as clarified in this Department's O.M. of even number dated 05.09.2007(Board's letter dated 27.9.2007).

4. It has further been clarified by the DOP&PW that the above benefits of notional upgradation of pay with effect from 01.01.1996 has been extended to the pensioners who retired from the Organised Accounts Cadres as a special case considering the hardships caused to them under the circumstances mentioned above and that these instructions will, therefore, not be quoted as a precedent for extension of similar benefits in cases where the pay of a Government servant on the date of retirement is drawn on notional basis.

5. The instructions/ clarifications issued vide Board's letter dated 27.09.2007 will stand modified accordingly and other provisions contained in Board's letters of even number dated 16.06.2004 and 27.09.2007 will remain unchanged. Zonal Railways etc. are accordingly advised to revise pension/ family pension of Account staff retired during the period from 01.01.1996 to 18.02.2003 on the basis of clarification contained in para 3 above at the earliest possible.

6. Please acknowledge receipt.

7. Hindi version will follow.


(S. SREERAM)
Joint Director Finance (Establishment)
Railway Board.