

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

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

NEW DELHI, Dt. 15 .09 .2008

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

Sub: Implementation of Government's decision on the recommendations of the Sixth Central Pay Commission – Revision of provisions regulating pension/gratuity/commutation of pension/family pension/disability pension.

1. In pursuance of Government's decision on the recommendations of the Sixth Central Pay Commission, the President is pleased to introduce the following modifications in the rules regulating pension, Retirement/Death/Service Gratuity/Family Pension and Disability Pension 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 Save as otherwise mentioned in these orders, the revised provisions as per these orders shall apply to Railway servants who retire/die in harness on or after 1.1.2006. Separate orders have been issued in respect of employees who retired/died before 1.1.2006.

3.2 Where pension/family pension/gratuity/commutation of pension, etc. has already been sanctioned in cases occurring on or after 1.1.2006, 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 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 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 continue to be treated as emoluments along with the emoluments as defined in Paragraph 4.1 above.

PENSION

5.1 A Railway servant retiring in accordance with the provisions of the Pension Rules before completing qualifying service of ten years shall not be entitled to pension but he shall continue to be entitled to service gratuity in terms of Rule 69 (1) of the Pension Rules.

5.2 Linkage of full pension with 33 years of qualifying service shall be dispensed with. Once a Railway 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 Railway servant becomes entitled to pension on completion of 10 years of qualifying service in accordance with Rule 69(2) of the Pension Rules, pension in those cases shall also be paid at 50% of the emoluments or average emoluments, whichever is more beneficial to the Railway 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 Railway servants retiring on or after that date. The Railway servants who have retired on or after 1.1.2006 but before 2nd September, 2008 will continue to be governed by the Rules/orders which were in force immediately before coming into effect of these orders.

5.5 The amount of pension shall be subject to a minimum of Rs. 3500/- and maximum upto 50% of highest pay in the Government (The highest pay in the Govt. is Rs. 90,000 since 1.1.2006.).

5.6 The provisions of clauses (a) to (c) of sub-rule (2) of Rule 69 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 69 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 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.

GRATUITY

6. The maximum limit of all kinds of gratuity shall be Rs. 10 lakh. Accordingly, first proviso under Rule 70 (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 45 and 68 of the Pension Rules shall stand modified to this extent.

FAMILY PENSION 1964

8.1 Family pension shall be calculated at a 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 30% of the highest pay in the Government. (The highest pay in the Govt. is Rs. 90,000 since 1.1.2006). Rule 75(2) relating to Family Pension, 1964 under Pension Rules shall stand modified to this extent.

8.2 The enhanced family pension under Rule 75(4)(i)(a) shall be payable to the family of a Railway servant **who dies in service** from the date of death of the Railway servant for a period of ten years, without any upper age limit. Rule 75(4)(i)(a) 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 pensioners	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 the Form 6 (regarding details of family) and the pension payment order to facilitate payment of additional family 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 pension = Rs. 3,000 pm.

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) Unmarried/Widowed/Divorced daughter, not covered by Category-I above, upto the date of marriage/re-marriage or till the date she starts earning or upto the date of death, whichever is earliest.
- (d) Parents who were wholly dependent on the Railway servant when he/she was alive provided the deceased employee had left behind neither a widow nor a child. Family pension to dependent parents and 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 Railway servant 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 Central 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 lumpsum payment up to 40% of his pension.

9.2 The existing Table of Commutation Value for Pension Annexed to the Railway Services (Commutation of Pension) Rules, 1993 shall be substituted by a new Table at Annexure of this letter.

9.3 The revised Table of Commutation Value for pension will be used for all commutations of pension which become absolute after 2nd September 2008. In the case of those pensioners, in whose case commutation of pension became absolute on or after 1.1.2006 but before 2nd September, 2008, the pre-revised Table of Commutation Value for 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 implementation of the recommendations of the Sixth Central Pay Commission. On exercising such an option by the pensioner, the revised Table of Commutation Value for Pension will be used for the commutation of the 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 2nd September, 2008, the revised Table of Commutation Value for Pension will be used for commutation of entire pension.

9.4 Provisions of Railway Services (Commutation of Pension) Rules, 1993 shall stand modified in accordance with para 9.2 and 9.3 above.



CONSTANT ATTENDANT ALLOWANCE

10.1 In the case of pensioners who retired on disability pension under the Railway Services (Extraordinary Pension) Rules, 1993 for 100% disability (where the individual is completely dependent on somebody else for day to day functions) a Constant Attendant Allowance of Rs. 3000/-pm shall be allowed in addition to the disability pension, on the lines existing in Defence Forces. The Railway Services (Extraordinary Pension) Rules, 1993 shall stand modified to this extent.

11. For the purpose of computing average emoluments in the case of Railway 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- Basic pay plus dearness pay and actual DA appropriate to the basic pay at the rates in force on 1.1.2006 drawn during the relevant period.

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

12. The pension and death-cum-retirement gratuity of those who have elected to continue to draw pay in the pre-revised scale of pay in terms of Rule 5 of the Railway Services (Revised Pay) Rules, 2008 and have retired or will be retiring after 01.01.2006, shall be regulated as follows:-

- (i) The term 'Emoluments' will mean 'Pay' as defined in Rule 1303(i)/R-II [FR 9(21)(a)(i)] and will include Dearness Pay and DA upto 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 Railway Board's letter No. F(E)III/97/PN1/22 dated 5.11.1997.
- (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 the 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 upto average AICPI 536 (Base year 1982=100) at the rate contained in Railway Board's letter No. PC-V/97/1/9/6 dated 21.4.2006 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.

13. Formal amendments to Railway Services (Pension) Rules, 1993, Railway Services (Extraordinary Pension) Rules, 1993 and Railway Services (Commutation of Pension) Rules, 1993 in terms of the decisions contained in this letter will issue 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 unaffected.

14. The pension/family pension in terms of these orders will qualify for dearness relief beyond average AICPI 536 under the revised pattern being introduced on the recommendations of the Sixth Central Pay Commission.

15. Please acknowledge receipt.

16. Hindi version will follow.


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DA: One