

IMPLICATIONS & INTERPRETATION

MODIFIED FORMULA FOR CALCULATION OF REVISED PENSION W.E.F 1-1-2016 AS PER ORDERS OF DOP&PW ISSUED VIDE OM DATED 12-5-2017

1. ORDERS OF DOP& PW REG: REVISION OF PENSION OF PRE-2016 PENSIONERS & FAMILY PENSIONERS:

Cabinet, on 3-5-2017, approved modifications in the recommendations of the 7th CPC relating to the method of revision of pension of pre-2016 pensioners and family pensioners based on the proposal made by the Feasibility Committee on Option 1 of 7th CPC Reg Revision of Pension of Pre-2016 Pensioners . DOP&PW issued orders, vide OM NO.38/37/2016-P&PW(A) DATED 12-5-2017

“4. ----- 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 notional pay fixation 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 01.01.2016 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.

In terms of Para 18 of the said OM Dated 12-5-2017, Revised PPOs will be issued by the Pension Sanctioning authority (PSA) to all Pre-2016 Pensioners as per above said orders.

Consolidated formulae are indicated here below based on the Fitment Tables and Implementation Orders issued by the MOF / DOP after the Fifth, Sixth and Seventh CPCs.

5. INTERPRETATION OF MODIFIED FORMULA IN LIEU OF OPTION 1 FOR REVISED PENSION:

i) REVISED PENSION OF PENSIONERS WHO RETIRED BETWEEN 1-1-2006 & 31-12-2015 (6TH CPC SCALES):= 50% of Notional Pay in 7th CPC = LPD / Last Basic Pay (BP) (as per PPO) x MF (2.57) raised to the next stage in the Pay Matrix of 7th CPC divided by 2 OR Basic Pension X MF (2.57) whichever is higher)

ii) REVISED PENSION OF PENSIONERS WHO RETIRED BETWEEN 1-1-1996 & 31-12-2005 (5TH CPC SCALES) = 50% of Notional Pay in 7th CPC = LPD / Last Basic Pay (BP) (as per Original PPO) x 1.86 + Grade Pay x MF (2.57) raised to the next stage in the Pay Matrix of 7th CPC divided by 2 OR Basic Pension X MF (2.57) whichever is higher)

iii) REVISED PENSION OF PENSIONERS WHO RETIRED BETWEEN 1-1-1986 & 31-12-1995 (4TH CPC SCALES) = 50% of Notional Pay in 7th CPC = LPD (Last Pay Drawn) (BP) (as per Original PPO) + *DA on 1-1-1996 as applicable + IR-1 Rs.100 + IR-2 10% of BP (subject to minimum of Rs.100) + 40% of BP as Fixation Benefit - subject to the condition that every employee got at least One increment in the Revised Scale as Fixation Benefit for every 3 increments drawn in the Pre-Revised scale x 1.86 (as Pay in Pay Band) + Grade Pay x MF (2.57) raised to the next stage in Pay Matrix of 7th CPC divided by 2 OR BP X MF 2.57 whichever is higher).

*DA as on 1-1-1996 was 148 % up to Rs.3500 BP and 111% for BP Rs.3501 to 6000 with minimum of Rs.5180

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