

No. 4/4/2021-Welfare
Government of India
Ministry of Finance
Department of Financial Services

2nd Floor, Jeevan Deep Building,
Sansad Marg New Delhi,
Dated the 03 November, 2021

To

1. The Chairman, State Bank of India, H.O. Mumbai.
2. The Chairman, LIC of India, Mumbai.
3. The MD & CEOs of all Public Sector Banks.
4. The MD, Public Financial Institutions/Public Sector Insurance Companies.
5. The Chairman, Pension Fund Regulatory and Development Authority (PFRDA), H.O. Hyderabad.
6. The Chairman, Insurance Regulatory Development Authority (IRDA), H.O. Hyderabad.
7. The Chairman, IBA, Mumbai.
8. The Chief General Manager (HRDD), Reserve Bank of India (RBI), Mumbai.

Subject: Pay fixation of Ex-servicemen re-employed in PSBs/PSICs/PFIs- Clarifications of DOPT and MOD.

Sir,

In the Public Sector Banks, Insurance Companies and Other Financial Institutions, some ex-servicemen (ESM) after re-employment, have disputed their pay fixation orders in various courts across the country. In general, their grievance is on the following issues:—

- i. Treatment of Military service Pay (MSP) while making initial fixation of pay on re-employment, in view of the guidelines contained in MOD O.M No.1/69/2008/D(Pay/Services) dated 24.07.2009, and / or
 - ii. Revision of their initial pay fixation order, in the light of DOPT's O.M No.3/19/2009-Estt.(Pay-II) dated 05.04.2010 and clarification dated 08.11.2010, regarding applicability of notional pay as per 6th CPC to ESM retired before 01.01.2006 and re-employed after 01.01.2006.
2. During the course of litigation, the Department of Financial Services (DFS) had sought certain clarification from DOPT and MOD. Copies of the following clarifications available with DFS are forwarded herewith for information and guidance:
- a. MoD OM No.369/D(P/S)/20 dated 3rd Nov. 2020 regarding treatment of MSP while fixation of pay to ESM on re-employment in civil posts including financial institutions. In this OM, MoD has clarified that the MOD letter No.1/69/2008/D(Pay/Services) dated 24.7.2009 pertains to pay and allowances of retired Officers of Armed Forces on re-employment in the Armed Forces. This OM is not applicable to PBORs.

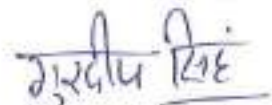
- b. DOPT also issued clarifications during follow up of some court cases. In the OM No.1418309/20-Estt.(Pay-II) dated 8th Sept 2020, DoPT has clarified (in para xi) that Military Service Pay (MSP) is not taken into consideration for the purposes of pay fixation on re-employment in civilian organizations. It also provides (in para xii) that the Dearness Relief (DR) on pension is governed by the instructions of Deptt of Pension and Pensioners' Welfare. Again in the O.M No. 1435275/20-Estt.(Pay-II) dated 26.11.2020, DoPT has re-iterated (in para 4) that while the pension of such re-employed pensioners will include the element of MSP, they will not be granted MSP as part of pay while working in civilian organizations.
- c. In the OM No.1418309/20-Estt.(Pay-II) dated 4 Dec. 2020, and again in OM No.1457323/21-Estt.(Pay-II) dated 4 Aug 2021, DOPT has clarified that the instructions issued by DOPT are applicable to Central Govt. Civilian employees and posts. These are not directly applicable to autonomous bodies, PSUs, Trusts or Banks etc which are governed by their own set of rules/regulations.
- d. In their OM No.1425671/20-Estt.(Pay-II) dated 14 Dec 2020, DOPT has furnished a clarification (in para 8) regarding determination of notional pay in respect of personnel/officers who retired prior to 1.1.2006 and who were re-employed after 1.1.2006. It has been clarified that this notional pay is applicable only in case of -
- i. Commissioned Service Officers belonging to Defence Forces;
 - ii. Civilian pensioners who held Group A posts at the time of their retirement;
 - iii. PBORs/Civilian pensioners who held posts below Group A and retired after attaining the age of 55 years and were re-employed thereafter;

In para 9 of this OM, it is stated that in case of ESM who held posts below Commissioned officer at the time of retirement, and who retired before attaining the age of 55 and re-employed thereafter, the notional pay is not reckoned at all while fixing the pay on re-employment.

3. Copies of the clarifications of MOD and DOPT, referred to in para 2 above, are forwarded for information and necessary action for considering and disposing of the representations/grievances of the concerned employees and also for defending various court cases in the light of these clarifications.

Encl: as above.

Yours faithfully,



(Gurdeep Singh)

Deputy Secretary to the Government of India

Tele: (011) 23748722

Email: set@nic.in

No. 369/D (P/S)/20
Government of India
Ministry of Defence
D(Pay/Services)

New Delhi, the 3rd Nov. 2020

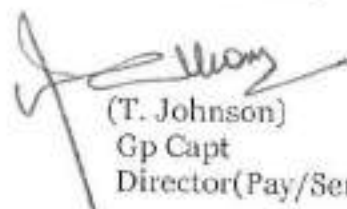
OFFICE MEMORANDUM

Subject: Video conferencing (VC) by Secretary, DFS regarding contempt case filed by Shri Beji Bhaskaran and others before Hon'ble High Court of Kerala.

The undersigned is directed to refer to VC by Secretary, DFS at 11:30 AM on 03.11.2020 on the above subject wherein MoD was requested to clarify on treatment of MSP while fixation of pay to Ex-Servicemen on re-employment in civil posts including Financial institutions.

2. In this connection, it is stated that MoD letter no. 1/69/2008/D(Pay/Services) dated 24.07.2009 pertains to pay and allowances of Retired/Released Armed Forces Officers on re-employment in the Armed Forces. It is also clarified that PBORs of the Defence Services are not re-employed in the Armed Forces after retirement.

Yours faithfully


(T. Johnson)
Gp Capt
Director(Pay/Services)

To

Shri Arun Kumar, Under Secretary
Ministry of Finance
Dept. of Financial Services
2nd Floor, Jeevan Deep Building
Parliament Street, New Delhi.

F. No. 1418309/20-Estt.(Pay-II)
Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Personnel and Training

North Block, New Delhi
Dated: 5th September, 2020

OFFICE MEMORANDUM

Sub: Suggestions for redressal of anomalies in fixation of pay of Ex-servicemen re-employed in PSBs etc.

Ref: Department of Financial Services' OM No. 4/1/2018-Welfare dated 27th February, 2020

The undersigned is directed to refer to DoFS's OM dated 25.02.2020 on the subject cited above seeking comments of this Department on the proposal/suggestions of IBA on re-fixation of pay of ex-servicemen re-employed in PSBs. The comments of this Department are as under:

i. Insofar as this Department is concerned, the extant instructions / guidelines issued on pay fixation matter of re-employed pensioners in Central Civil Services and Posts have been laid down in Central Civil Services (Fixation of Pay of Re-employed Pensioners) Orders, 1986 issued vide this Department's OM No. 3/1/85-Estt.(Pay-II) dated 31.07.1986(Annexure-I) as amended from time to time vide OM No. 3/13/2008-Estt.(Pay-II) dated 11.11.2008(in 6th CPC scenario)(Annexure-II) read with OM No. 3/19/2009-Estt.(Pay-II) dated 5.4.2010(Annexure-III) and OM No. 3/19/2009-Estt.(Pay-II) dated 8.11.2010(Annexure-IV). The OM No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017(Annexure-V) has been issued in 7th CPC scenario.

ii. As per these instructions, ex-servicemen who held posts below Commissioned Officers rank in the Defence Forces and civilians who held posts below Group 'A' posts at the time of their retirement, who retired before attaining the age of 55, their pay fixation on re-employment is governed in terms of Para 4(b)(i) read with Para 4(d)(i) of OM dated 31.07.1986. As per these instructions the initial pay on re-employment shall be fixed at the minimum of the scale of pay of the re-employed post and entire pension and pension equivalent of retirement benefits shall be ignored (that is not taken into account) for initial pay fixation.

iii. Commissioned Officers rank in the Defence Forces and civilians who held Group 'A' posts at the time of their retirement, who retired before attaining the age of 55 and re-employed thereafter, their pay fixation on re-employment is governed in terms of Para 4(b)(ii) read with Para 4(d)(ii) of OM dated 31.07.1986. It provides that in cases where the entire pension and pensionary benefits are not ignored for pay fixation, the initial pay on re-employment shall be fixed at the same stage as the last pay drawn before retirement. If there is no such stage in the re-employed post, the pay shall be fixed at the stage below ("below" has been modified with "above" vide OM No. 3/14/93-Estt.(Pay-II) dated 2.5.1994(Annexure-VI)) that pay. If the maximum of the pay scale in which a pensioner is re-employed is less than the last pay drawn by him before retirement, his initial pay shall be fixed at the maximum of the scale of the re-employed post. Similarly, if the minimum of the

contd...

scale of the pay in which a pensioner is re-employed is more than the last pay drawn by him before retirement his initial pay shall be fixed at the minimum of the scale of pay of the re-employed post. However, in all these cases, non-ignorable part of the pension and pension equivalent of retirement benefits shall be reduced from the pay so fixed. The ignorable part of pension prescribed in OM dated 31.07.1986 was Rs. 500/- which was amended to Rs. 4000/- in 6th CPC scenario and has been further amended to Rs. 15000/- in 7th CPC scenario.

iv. After implementation of CCS (Revised Pay) Rules, 2008, i.e. in 6th CPC scenario effective from 1.1.2006, Para 4 of the OM dated 31.7.1986 [including Para 4(b)(i) and Para 4(b)(ii)], which is relating to fixation of pay, were amended vide this Department's OM No.3/19/2009-Estt.(Pay-II) dated 5.4.2010.

v. In terms of the amended provisions too, in case of persons retiring before attaining the age of 55 years and who are re-employed, entire pension and pension equivalent of retirement benefits, is to be ignored (that is not to be taken into account) for initial pay fixation, in the case of ex-servicemen who held posts below Commissioned Officer rank in the defence forces and in the case of civilians who held posts below Group 'A' posts at the time of their retirement. As per para 4(b)(i), as amended vide OM dated 5.4.2010, in all cases where the pension is fully ignored (that is not to be taken into account) for pay fixation, the initial pay on re-employment shall be fixed as per entry pay in the revised pay structure of the re-employed post applicable in the case of direct recruits appointed on or after 1.1.2006 as notified vide Section II Part-A of 1st Schedule to CCS (RP) Rules, 2008.

vi. The para 4(b)(ii), as amended vide OM dated 5.4.2010, provides that in case where the entire pension and pensionary benefits are not ignored for pay fixation, the initial basic pay on re-employment shall be fixed at the same stage as the last basic pay drawn before retirement. However, he shall be granted the grade pay of the re-employed post.

vii. For persons retired after 55 years of age and re-employed thereafter, their pay fixation is governed as per general principle of "pay minus pension". Pay here is last pay drawn.

viii. The instructions for pay fixation of Emergency Commissioned Officers and Short Service Commissioned Officers on their re-employment have been laid down in Para 8 of OM dated 31.07.1986. As per these instructions, Emergency Commissioned Officers and Short Service Commissioned Officers, who joined pre-commissioned training or were commissioned after 10.1.1968, on their appointment in Government service to unreserved vacancies, shall be granted advance increments equal to the completed years of service rendered by them in Armed Forces on a basic pay (inclusive of deferred pay but excluding other emoluments) equal to or higher than the minimum of the scale/Level attached to the civil post in which they are employed. The pay so arrived at should not, however, exceed the basic pay (including the deferred pay but excluding other emoluments) last drawn by them in the Armed Forces.

ix. It is further stated that the pay and gross pension / pension equivalent of other retirement benefits taken together should not at any time exceed Rs. 3,500/- per month as per the provisions of OM dated 31.07.1986. This ceiling was enhanced to Rs. 80,000/- vide OM No. 3/13/2008-Estt.(Pay-II) dated 11.11.2008 in 6th CPC scenario and has been further enhanced to Rs. 2,25,000/- vide OM No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017 in 7th CPC scenario.

x. Also, the re-employed pensioner in addition to his pay fixed on re-employment is permitted to draw separately any pension sanctioned to him and to retain any other form of retirement benefits in terms of Para 4(c) of OM dated 31.07.1986.

xi. Insofar as the treatment of MSP on pay fixation on re-employment is concerned, this Department's extant instructions issued vide para 3(iii) of OM No. 3/19/2009-Estt.(Pay-II) dated 5.4.2010 and OM of even no. dated 8.11.2010 provide that, MSP is not taken into consideration for the purposes of pay fixation on re-employment in civilian organizations. Also, since the element of MSP is not reckoned in the pay fixation on re-employment, it is not reduced from the pension either. Hence, in respect of all those Defence officers/personnel (where non-ignorable part of pension is required to be deducted), whose pension contains an element of MSP, that need not be deducted from the pay fixed on re-employment.

xii. It is also stated here that the Dearness Relief on pension is governed by the instructions of Department of Pension and Pensioners' Welfare.

2. DoFS is advised to examine the proposal/suggestions of IBA based on the above comments of this Department.

3. This has the approval of Joint Secretary (E).

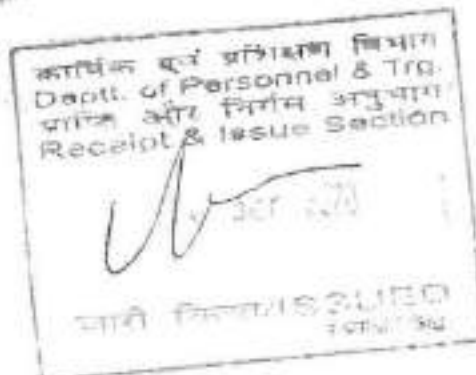
Encl: as stated.

R. Bahree
07/09/2020
(Rajeev Bahree)

Under Secretary to the Government of India
Tel. No.2304 0489

Department of Financial Services,
[Kind Attn: Shri Arun Kumar, US(Welfare)]
2nd Floor, Jeevan Deep Building,
Parliament Street, New Delhi

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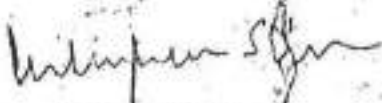
New Delhi, the 31st July, 1986

OFFICE MEMORANDUM

Subject: Fixation of pay of re-employment pensioners.

At present the orders relating to fixation of pay of reemployed pensioners are scattered in a number of office memoranda issued from time to time. The question of consolidation of the existing orders in a simple body of orders and the rationalisation and simplification of the procedure governing the initial fixation of pay has been under consideration of the Government from time to time. The President is now pleased to decide that in supersession of all the previous orders on the subject, the initial fixation of pay and other benefits on reemployment of ex-servicemen pensioners as also civilian pensioners will be governed by the Central Civil Services (Fixation of pay of Reemployed Pensioners) Orders, 1986 as detailed in the Annexure. With reference to all the appointments made on or after the 1st July, 1986 the pay of the reemployed pensioners may be fixed as per the enclosed orders.

2. In their application to the employees serving in the Indian Audit and Accounts Department these orders issue in consultation with the Comptroller and Auditor General of India.


(S. S. Ray)
Director (P&A)

No.3/1/85-Estt. (P.II)

New Delhi, the 31st July, 1986

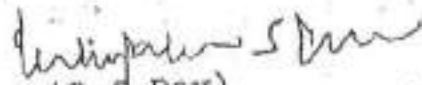
To

All Ministries/Departments under the Govt. of India etc.etc.

Copy to:-

1. Comptroller and Auditor General of India, New Delhi.
2. Union Public Service Commission, New Delhi.
3. Election Commission, New Delhi.
4. Rajya Sabha Sectt. (Admn. Branch), New Delhi.
5. Lok Sabha Sectt. (Admn. Branch), New Delhi.
6. Shri. D.D. Bhagwala, Senior Personnel and Executive Officer, Lok Sabha Sectt., New Delhi.
7. Supreme Court of India, New Delhi.
8. All State Govts. and Union Territory Adms.
9. Central Vigilance Commission, New Delhi.
10. Commission for Scheduled Castes and Scheduled Tribes, N. Delhi.
11. Ministry of Finance (Defence Division).
12. Shri Mohinder Singh, Dy. Secretary (AG), Min. of Defence N. Delhi.
13. Railway Board, New Delhi.
14. Secretary, Staff Side, National Council, 9 Ashoka Rd, N. Delhi.
15. Indian Red Cross Society, 1-Red Cross Road, New Delhi.
16. All Members of the Staff Side of the National Council of JCM.
17. All India Services Division, DP&T., New Delhi.
18. All Integrated Financial Advisers of Admn. Ministries.
19. All Officers/Sections in the Dept. of Personnel & Trg.
20. Controller General of Accounts, Min. of Finance
21. All Controller of Accounts/Pay & Accounts Officers of all Ministries/Departments.
22. All Attached and Subordinate Offices of the Dept. of Pers. & Trg.
23. P.A. Home, SPAs/PAs of Home Minister and MS(P).
24. Director, L.B.S. National Academy of Admn, Mussoorie.

Spare copies 300.


(S.S. Rav)
Director (P&A)

CENTRAL CIVIL SERVICES (FIXATION OF PAY OF
REEMPLOYED PENSIONERS) ORDERS, 1986.

1. SHORT TITLE AND COMMENCEMENT

- (1) These orders may be called the Central Civil Services (Fixation of pay of Reemployed Pensioners) Orders, 1986.
- (2) They shall come into force on

2. APPLICATION

- (1) Save as otherwise provided in these orders, these orders shall apply to all persons who are reemployed in Civil Services and posts in connection with the affairs of the Union Government after retirement on pension, gratuity, and/or Contributory Provident Fund benefits from the services of:
 - (a) Union Government including Railways, Defence and posts and Telegraphers;
 - (b) State Governments and Union Territory Administrations and;
 - (c) Public Sector Undertakings, Local Bodies, Autonomous Bodies like Universities or Semi-Government Organizations like Posts and Telegraphers.
- (2) These orders shall also apply to persons reemployed in regular work charged capacity.
- (3) Unless otherwise provided, these orders shall also apply to persons reemployed on contract basis.
- (4) These orders shall not, however, apply to
 - (a) Persons reemployed after resignation, removal or dismissal, provided they have not received any retirement terminal benefits for the pre employed service;
 - (b) Persons reemployed in posts, the expenditure of which is not debitable to the Civil estimates of the Union Government;
 - (c) Persons paid from contingencies;
 - (d) Persons on casual or daily rated or part time employment;
 - (e) Persons appointed as Consultants on payment of Consolidated fees; and

- (f) Retired Judges of Supreme Court/High Courts appointed on Commissions/Committees who are governed by separate orders on the subject issued from time to time.

3. DEFINITIONS

In these orders, unless the context otherwise require;

- (1) Pension means the gross monthly pension and/or pension equivalent of Death-cum-retirement gratuity and/or pension equivalent of gratuity or Government's contribution to Contributory Provident Fund and/or other retirement benefits, if any, payable under the Central Civil Services Pension Rules, 1972, or the relevant rules of the Government or body under which the re-employed pensioner is serving prior to his retirement. Where pension has been commuted partly or fully, pension means the gross pension payable prior to commutation.
- (2) PRE-RETIREMENT PAY means the substantive pay last drawn before retirement. However,
- (i) pay drawn in an officiating appointment may be taken into account if the officer had officiated continuously for at least ten months in the appointment on the date of retirement or he had been appointed to that post on a regular basis in accordance with the prescribed recruitment rules.
 - (ii) Special pay granted in terms of FR 9(25) shall also be taken into account for determining preretirement pay. Such special pay, like officiating pay shall, however, be taken into account towards the pre-retirement pay only if it has been drawn for at least two months before retirement. Pay drawn for holding more than one charge under FR 49 will Not be taken into account in determining preretirement pay.
 - (iii) Such portion of deputation allowance, if any, drawn continuously for at least ten months before retirement, as has been taken into account for pension purposes, shall also be taken into account for determining the last pay drawn before retirement.
 - (iv) The pay drawn in a tenure post may also be treated as pay last drawn before retirement provided that it was drawn continuously for ten months immediately before retirement.
 - (v) Personal pay granted for loss of substantive pay or allowed as a special increment for promoting small family norms shall be taken into account in fixing pre-retirement pay irrespective of whether it is drawn for ten months or not as it stands on the same footing as substantive pay. Other types of personal pay shall, however, be

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accorded the same treatment as officiating pay and taken into account only if the same had been drawn for ten months or more.

- (vi) The periods of leave preparatory to retirement and foreign service during the last ten months before retirement may be included in the ten months for the purpose of computing pre-retirement pay, if it is certified by the competent authority that the officer would have officiated in the post but for his being on IAH or foreign service.
- (vii) An increment accruing in the substantive appointment during earned leave upto 120 days or the first four months of leave on average pay taken as leave preparatory to retirement shall be taken into account for determining the pre-retirement pay. If the officer was holding at the time of retirement a post in an officiating capacity the increment in respect of that post may be taken into account only if the competent authority certifies that the officer would have held the officiating appointment but for proceeding on leave preparatory to retirement. Promotion to any higher post which the officer would have got but for going on leave will not be taken into account.
- (viii) In the case of an officer who retires while on foreign service, the pay that he would have drawn in his parent cadre but for going on foreign service shall be taken as pre-retirement pay. Regard will also be given to the promotions which the officer would have received in his parent service or cadre as provided for in Fa 113, provided that he would have officiated for ten months or more.
- (ix) In the case of retired Defence Services Personnel of the rank of JCO, NCO, or OR in the Army and corresponding ranks in the Navy or Air Force, the items of emoluments mentioned below shall constitute pre-retirement pay.

ARMY (JCO, NCO or OR)

OLD PAY CODE

NEW PAY CODE

Basic pay

Pay (including deferred pay) and rank pay.

Grade/trade/technical/ and rank corps pay.

Good Service/Good conduct pay.

Increments of pay for length of service.

Proficiency pay/
Special Proficiency pay

Good service pay

War Service increments

Classification pay

Deffered pay.

Personal Allowance
(Ris/Sub. Major),

Extra Duty pay.

NAVY

Basic Pay,
Non-Substantive Pay

War Service Increments
Good
Deffered Pay

Pay (including deffered pay)
Good Conduct pay.

Higher Pt. II-qualification pay
Classification pay.

AIR FORCE

Basic Pay

Good Service/Good
Conduct Pay.

Air Proficiency pay badge pay
War Service increments
Deffered pay

pay (including deffered pay)

Classification pay.

- (x) (a) In case of persons who retired before 1.1.1973 and were reemployed after 1.1.73, the pre-retirement pay will be taken to be basic pay plus dearness pay plus dearness allowance and interim relief drawn at the time of retirement.
- (b) In the case of persons who retired after 1.1.1973 on the pre-revised scale of pay, the pre-retirement pay will be taken to be the basic pay plus dearness allowance and interim relief drawn at the rates in force on 31.12.1972.

(xi) MEDICAL OFFICERS

In the case of those Medical officers who were in receipt of Non-Practising Allowance in their last employment, the allowance so drawn will be taken into account for determining the last pay drawn for purposes of fixation of pay in the reemployed post, if such an allowance is admissible in the reemployed posts also. The allowance shall not be taken into account for such purposes where it is not admissible in the reemployed post. Where, however no Non-Practising Allowance was admissible in the last employment but it is attached to the Civil post in which the pensioner is reemployed, such an allowance shall be drawn separately after fixation of pay on reemployment.

4. FIXATION OF PAY OF REEMPLOYED PENSIONERS.

Reemployed pensioners shall be allowed to draw pay only in prescribed scales of pay for the posts in which they are reemployed. No protection of the scales of pay of the post held by them prior to retirement shall be given.

- b) (1) In all cases where the pension is fully ignored, the initial pay on reemployment shall be fixed at the minimum of the scale of pay of the reemployed post.
- (ii) In cases where the entire pension and pensionary benefits are not ignored for pay fixation, the initial pay on reemployment shall be fixed at the same stage as the last pay drawn before retirement. If there is no such stage in the reemployed post, the pay shall be fixed at the stage below that pay. If the maximum of the pay scale in which a pensioner is reemployed is less than the last pay drawn by him before retirement, his initial pay shall be fixed at the maximum of the scale of the reemployed post. Similarly, if the minimum of the scale of the pay in which a pensioner is reemployed is more than the last pay drawn by him before retirement his initial pay shall be fixed at the minimum of the scale of pay of the reemployed post. However, in all these cases, non-ignorable part of the pension and pension equivalent of retirement benefits shall be reduced from the pay so fixed.
- (c) The reemployed pensioner will in addition to pay as fixed under para (b) above shall be permitted to draw separately any pension sanctioned to him and to retain any other form of retirement benefits.
- (d) In the case of persons retiring before attaining the age of 55 years and who are reemployed, pension (including pension equivalent of gratuity and other forms of retirement benefits) shall be ignored for initial pay fixation to the following extent:
- (1) In the case of ex-servicemen who held posts below commissioned officers rank in the Defence Forces and in the case of Civilians who held posts below Group 'A' posts at the time of their retirement, the entire pension and pension equivalent of retirement benefits shall be ignored.
- (ii) In the case of service officers belonging to the Defence Forces and Civilian pensioners who held Group 'A' posts at the time of their retirement, the first Rs. 500/- of the pension and pension equivalent of retirement benefits shall be ignored.

5. DRAWAL OF INCREMENTS:

Once the initial pay of a reemployed pensioner has been fixed in the manner indicated above, he may be allowed to draw normal increments in the time scale of the post to which he is appointed as if the pay had been fixed at the minimum or the higher stage as the case may be (i.e. before an adjustment on account of pension and pension equivalent of other forms of retirement benefits is made) provided that the pay and gross pension/pension equivalent of other retirement benefits taken together do not at any time exceed Rs. 3,500/- per month.

6. Personnel retiring on Invalid or Compensation Pension:

Persons who are reemployed after obtaining compensation or invalid pension will also be governed by these orders subject to the condition that if the reemployment is in qualifying service, they may either retain their pension, in which cases their former service will not count for future pension, or cease to draw any part of their pension and count their previous service. Pension intermediately drawn need not be refunded. In case the pensioners elect to count their previous service for pension by foregoing their entire pension including death-cum-retirement gratuity, their pay would be fixed by treating them as if they are not in receipt of any pension. The special provision contained in this order regarding grant of Contributory Provident Fund benefits during the period of reemployment and the grant, on terminations of the period of reemployment, of the unutilized portion of the refused leave in respect of previous service shall not be extended to them.

7. MILITARY RESERVISTS:

Military reservists who continue to serve in the same civil post in which they were employed during reserve period, shall continue to draw the same rate of pay which they were drawing on the date of transfer to military pension establishment in addition to pension provided the pension is not more than Rs.50 per month.

8. Emergency Commissioned Officers and Short Service Commissioned Officers:

Emergency Commissioned Officers and Short Service Commissioned Officers who joined pre-commissioned training or were commissioned after 10.1.1968 may, on their appointment in Government service to unreserved vacancies, may be granted advance increments equal to the completed years of service rendered by them in Armed Forces on a basic pay (inclusive of deferred pay but excluding other emoluments) equal to or higher than the minimum of the scale attached to the civil post in which they are employed. The pay so arrived at should not, however, exceed the basic pay including the deferred pay but excluding other emoluments) last drawn by them in the Armed Forces.

9. PROMOTION/TRANSFER:

On regular promotion/transfer to another post, pay of the reemployed pensioner shall be fixed under the provisions of Fundamental Rules with reference to the pay in the previous reemployment post (before adjustment). Adjustment from the pay so fixed, on account of pension and pension equivalent of retirement benefits shall be continued to be made to the same extent as was being made earlier. This will, however, remain subject to the condition that the pay plus pension and pension equivalent of gratuity/other forms of retirement benefits shall not exceed Rs. 3,500/- per month at any time.

10 PROVISIONAL PAY:

(1) Where delays are likely to occur in determining the pension and other pensionary benefits, the reemployed officers pending final fixation of pay, might be paid their pay on provisional basis for a maximum period of six months after taking into account the maximum pension and gratuity that might be admissible to them on the basis of last pay drawn by them. The sanctioning authorities shall be responsible for ensuring that the provisional pay authorised is not likely to exceed the correct pay that may become admissible. For the purpose of calculating the pension equivalent of the gratuity, the Table as prescribed in the Central Civil Services (Communication of Pension Rules, 1984) from time to time, shall be followed. An undertaking for refunding any amount that might be overpaid as a result of provisional fixation of pay shall be obtained from the reemployed pensioners.

(ii)(a) In cases where considered desirable, a reemployed person may be paid the full pay of the post on provisional basis which would be inclusive of his pension but would exclude an approximate amount of pension equivalent of gratuity/ pension equivalent of employer's portion of Contributory Provident Fund, as the case may be provided he executes an agreement in the appropriate form (vide Annexure I). He shall also be required to furnish acquittance in the prescribed form (vide Annexure II) indicating receipt of his pay including pension. The acquittance shall be obtained from the reemployed person concerned along with the pay bill every month he is paid provisionally.

(b) when the pension and other retirement benefits are ultimately sanctioned to the reemployed person by the competent authority, the pay shall be fixed after taking into account the pension and pension equivalent of the other forms of retirement benefits in accordance with the.....

provisions contained in these orders and he shall have no fresh claims for pensionary benefits in respect of the past periods during which he drew the same along the provisional pay. The actual amount of pension equivalent of gratuity/employer's portion of CPF will be adjusted against the gratuity/CPF to the extent it is different from the approximate amount deducted from the pay of the post provisionally paid.

- (11) the orders contained in (ii) above shall apply to cases of civil retired Central Government employees reemployed in Central Civil Department and shall not apply to cases of any other categories of retired persons (such as retired persons of Defence Deptt., Railway Deptt. and State Governments) on their reemployment under Central Government.

11. ALLOWANCES:

The drawal of various allowances and other benefits based on pay shall be regulated with reference to the pay that is fixed on reemployment. Pay for these allowances and benefits will be the pay fixed before deducting the non-ignorable part of the pension and pension equivalent of the other retirement benefits.

12. CONTRIBUTORY PROVIDENT FUND:

Reemployed officers might be permitted to contribute to the Contributory Provident Fund, provided that where the term of reemployment is initially for a year or less but is later extended so as to exceed one year, the Government's contribution with interest shall be credited only after the completion of one year's reemployment service. The Government contribution with interest shall be payable for the entire period for which the reemployed officer is allowed to contribute to the CPF if such period exceeds one-year.

13. LEAVE AND LEAVE SALARY:

In the case of persons reemployed after retirement, the provisions contained in the Central Civil Service leave Rules, 1972 shall apply.

14. GRATUITY/DEATH-CUM-RETIREMENT GRATUITY:

Reemployed officers shall not be eligible for any gratuity/death-cum-gratuity for the period of reemployment except in those cases covered on Rules 18 and 19 of the Central Civil Services (Pension) Rules, 1972, and corresponding Rules of the Defence service regulations.

15. RETRENCHED EMPLOYEES:

In the case of ex-servicemen as well as civilians who are retrenched from service and are not granted pension and/or service gratuity, on their appointment to Government service they may be granted advance increments equal to the completed year of service rendered by them on a basic pay equal to or higher than

than the minimum of the scale attached to the civil post in which they are employed. The pay arrived at should not, however, exceed the basic pay drawn by them in the Armed Forces.

16. FIXATION OF PAY OF EX-COMBATANT CLERKS/STOREMEN:

(1) In partial modification of the provisions contained in orders 4 and 5 above, ex-combatant Clerks on their reemployment as Lower Division Clerks or Junior Clerks in the Civil posts and Ex-storemen in the Armed Forces on their reemployment as Storemen in Civil Posts will have the option to get their pay fixed under orders 4 & 5 above in accordance with the procedure indicated in sub-para (2) below.

EXPLANATION:

(1) The option once exercised is final. The reemployed pensioner should be asked to exercise the option within the period of three months from the date of his reemployment.

(ii) Ex-combatant Clerks and Storemen referred to in this order will include reservists released at their own request or on compassionate or medical grounds.

(2) Services rendered as Combatant Clerks and Storemen in Armed Forces shall be treated as equivalent to service as Lower Division Clerks/Junior Clerks and Storemen respectively in Civil Posts, irrespective of the pay drawn in those posts in the Armed Forces. [The initial pay in such cases shall be fixed to the stage that would have been reached by putting in the Civil Posts, the number of completed years of service rendered in the posts in the Armed Forces. The pay so fixed will not be restricted to the 'pre-retirement pay'. The fixation of pay in these cases shall be done by invoking the provisions of Fundamental Rules 27.]

EXPLANATIONS:

(i) For the purpose of calculation of completed years of service rendered in the Armed Forces the non-qualifying service in the Armed Forces will not be taken into account. (ii) Pension as defined in order 3(1) above shall be deducted from the pay fixed under this rule after ignoring Rs. 15/- thereof and only the net pay is payable.

(iii) If the resultant amount does not correspond to a stage in the scale applicable to the reemployed post, pay may be fixed at the next lower stage and the difference allowed as personal pay to be absorbed in future increases of pay. (iv) Where the pay in such cases is fixed below the minimum of the pay scale of the reemployed post, as a result of adjustment of amount of

of pension drawn by him from the Army in excess of Rs. 15/- per month, increases in pay may be allowed after each year of service at the rate of increment admissible as if the pay has been fixed at the minimum till the minimum of the scale is reached. Thereafter, subsequent increments may be granted in the scale of the reemployed post in the usual manner.

3. In the case of appointment of persons during released leave/terminal leave, their pay may be fixed at the minimum of the scale of pay of the civil post of Lower Division Clerk/Junior Clerk/Store and they will draw leave salary separately from the military authority. Their pay in accordance with the formula mentioned at (2) above will be fixed from the date of their final discharge from the Army.

4. The power to fix the pay under this order is delegated to the Administrative Ministries/Departments of the Government of India. For this purpose the Comptroller and Auditor General of India will have the same powers as the Ministries of Government of India. Orders fixing the pay in such cases should be issued by invoking the provisions of Fundamental Rule 27.

17. DETAILS TO BE CALLED FOR FROM THE AUDIT OFFICERS:

For the correct determination of pay, competent authorities shall obtain the following information in respect of all officers viz. gazetted, non-gazetted and Group 'D' from the Audit/Pay and Accounts officers who reported on the title to pension etc.

- (i) Post held substantively on the date of retirement and substantive pay in that post together with scale of pay.
- (ii) Other post, if any, held an officiating capacity on the date of retirement and officiating pay drawn in the post together with scale of pay.
- (iii) In the case of (ii) above, the dates of actual officiation.
- (iv) (a) Special pay, personal pay and deputation allowance, if any, drawn on the date retirement and the period for which it was drawn continuously.
(b) The portion of special pay etc. counted as emolument for pension should be indicated.
(c) In the case of special pay drawn in a substantive post whether it is a part of the prescribed scale of the post and included in the relevant pay schedules.
(v) Gross pension, including amount commuted particulars of pension payment order, to be quoted.
(vi) Death-cum-Retirement or other gratuity and pension equivalent thereof.
(vii) Government contribution to the contributory Provident Fund with interest and the pension equivalent thereof.

the Contributory Provident Fund Account number previously allotted and the particulars of the authority issued by the previous Audit/Pay and Accounts Officer.

After getting the above information, the competent authority shall fix the pay of the reemployed officer under the provisions of these orders and communicated the same in the sanction letter to the Audit/Pay and Accounts Officers. In the case of Ministries/Departments where the integrated accounts set up has been introduced, the information to the Audit/Pay and Accounts Officer regarding particulars of equivalent/higher posts held by the reemployed Government servant which was taken into account for giving the higher starting salary under paragraph 4(b)(i) of the orders.

18. DELEGATION OF POWERS.

- (1) The administrative Ministries/Departments will be competent to fix the pay of a retired officer reemployed under them in accordance with the formula mentioned in order 4 above, provided that the post in which the officer is re-employed already carries a sanctioned scale of pay. Cases in which a scale of pay has not been sanctioned for the post will be referred to the Deptt. of Personnel & Training.
- (ii) The Administrative Ministries/Departments and the Comptroller and Auditor General may delegate their powers to lower authorities at their discretion in respect of appointments which are within the powers of such lower authorities to make.

ANNEXURE-I

FORM OF AGREEMENT TO BE EXECUTED BY THE CENTRAL GOVERNMENT (CIVIL)
PENSIONER ON HIS RE-EMPLOYMENT

An agreement made _____ day of _____ one thousand nine hundred and _____ between _____ (herein after called the retired Govt. servant, which expression shall include his heirs, executors, administrators and legal representatives) on the one part and the President of India (herein after called the Government) on the other part.

Whereas the Government has appointed _____ a retired Govt. servant in the post of _____ which carries a scale of _____

Whereas in accordance with the orders contained in the Ministry of Finance Office Memorandum No B(34) Estt.III/57 dated the 25th Nov., 1988 as modified upto date, the initial pay on re-employment plus the gross amount of pension and/or the pension equivalent of other forms of retirement benefits shall not exceed (i) the pay he drew before his retirement or (ii) Rs.3500 whichever is less.

Whereas the pension and/or the pension equivalent of retirement benefits in respect of the retired Government servant's previous service has not been finally determined and sanctioned by the competent authority before his re-employment.

Whereas the approximate amount of pension equivalent of gratuity/pension equivalent of employer's contribution to the Contributory Provident Fund receivable by the retired Government servant has been worked out to be Rs _____ P.M.

Whereas the retired Government servant is desirous of receiving pay in the re-employed post each month inclusive of the amount of pension due to him for the relevant period but exclusive of a sum of Rs _____ representing the approximate amount of pension equivalent of employer's contribution to C.P.F.

Now therefore, the Government have agreed to fix his pay at a sum of Rs _____ per month "provisionally" which sum shall include the amount of pension due to him for the relevant period but exclude an approximate amount of pension equivalent of employer's Contribution to C.P.F.

On the condition that,

The provisional pay shall be subject to adjustment on the fixation of his final pay in accordance with the orders referred to above, when the pension equivalent of other forms of retirement benefits in the respect of his previous service are sanctioned to the retired Government servant by the competent authority.

The retired Government servant shall not have any further claim for the pension in respect of the period during which he had drawn the amount thereof included in the provisional pay.

And further that the actual pension equivalent of gratuity/pension equivalent of employer's contribution to C.P.F. shall be subject to adjustment from the gratuity/C.P.F. when _____

sanctioned, to the extent it is different from the approximate amount excluded from the pay in the re-employed post to arrive at the provisional pay.

In witness where of the retired Government servant has hereinto set his hand the day and year first before written,

Signed by the said

in presence of

SIGNATURES

ANNEXURE-II

RECEIPT TO BE GIVEN BY THE RE-EMPLOYED PENSIONER ALONG WITH PAY
BILL EVERY MONTH

Received a sum of Rupees
.....
being the provisional pay (which is inclusive of the amount of p
of pension accrued to me) in (Name of post held and
office) for the month of I hereby declare and state
that my pension for the month of may be treated as
adjusted against the above payment when the pensionary benefits
are sanctioned to me and I will not be entitled to any further
payment on account of pension for the said period.

No. 3/13/2008-Estt. (Pay II)

Government of India

Ministry of Personnel, Public Grievances & Pension

Department of Personnel & Training

11th November
New Delhi, the 10th October, 2008.

OFFICE MEMORANDUM

Subject: Applicability of CCS (RP) Rules, 2008 to persons re-employed in Government Service after retirement and whose pay is debitable to Civil Estimates.

Persons re-employed in Government service after retirement have been excluded from the purview of the Central Civil Services (Revised Pay) Rules, 2008 vide Rule 2 (2)(vii) thereof. The question of extension of the benefit of the revised pay rules to these persons and the procedure to be followed for fixing their pay in the revised scales has been considered by the Government. The President is pleased to decide that, in partial modification of the Rule 2 (2)(vii) of the Central Civil Services (Revised Pay) Rules, 2008, the provisions of these rules shall apply to such persons also who were in re-employment on 1st January, 2006, subject to the orders hereinafter contained. This decision will cover all Government servants re-employed in Central Civil Departments other than those employed on contract whether they have retired with or without a pension and/or gratuity or any other retirement benefits, e.g. contributory fund etc. from a civil post or from the Armed Forces.

2(i). The initial pay of a re-employed Government servant who elects or is deemed to have elected to be governed by the revised pay scale from the 1st day of January, 2006 shall be fixed in the following manner namely -

According to the provisions of Rule 7 of the C.C.S. (R.P.) Rules, 2008, if he is-

- (i) a Government servant who retired without receiving a pension, gratuity or any other retirement benefit and
- (ii) a retired Government servant who received pension or any other retirement benefits but which were ignored while fixing pay on re-employment."

2 (II). The initial pay of a re-employed Government servant who retired with a pension or any other retirement benefit and whose pay on re-employment was fixed with reference to these benefits or ignoring a part thereof, and who elects or is deemed to have elected to be governed by the revised scales from the 1st day of January, 2006 shall be fixed in accordance with the provisions contained in Rule 7 of the Central Civil Services (Revised Pay) Rules, 2008. In addition to the pay so fixed, the re-employed Government servant would continue to draw the retirement benefits he was permitted to draw in the pre-revised scales, as modified based on the recommendations of the Sixth Central Pay Commission, orders in respect of which have been issued separately by the Department of Pension & Pensioners Welfare. However, an amount equivalent to the revised pension (excluding the ignorable portion of pension, wherever permissible), effective from 1.1.2006 or after, shall be deducted from his pay in accordance with the general policy of the Government on fixation of pay of re-employed pensioners. Annual increments will be allowed in the manner laid down in Rule 10 of Central Civil Services (Revised Pay) Rules, 2008, on the entire amount of pay as if pension had not been deducted.

3. Re-employed persons who become eligible to elect revised scales in accordance with these orders should exercise their option in the manner laid down in Rule 6 of the Central Civil Services (Revised Pay) Rules, 2008, within three months of the date of issue of these orders or in cases where the existing scales of pay of the posts held by them are revised subsequent to the issue of these orders, within three months of the date of orders/notification revising the scales.

4. Where a re-employed Government servant elects to draw his pay in the existing scale and is brought over to revised scale from a date later than the 1st day of January, 2006, his pay from the later date in the revised scale shall be fixed in accordance with the provisions of Rule 11 of the Central Civil Services (Revised Pay) Rules, 2008.


5. Further, the existing ceiling of Rs. 26000/- for drawal of pay plus gross pension on re-employment is enhanced to Rs. 80,000/-, the maximum salary payable to the Secretary to the Government of India under Central Civil Services (Revised Pay) Rules, 2008.

6. The President is also pleased to enhance the ignorable part of pension from Rs. 1500/- to Rs. 4000/- (Rupees four thousand) in the case of Commissioned

Service officers and civil officers holding Group 'A' posts who retire before attaining the age of 55 years. The existing limits of civil and military pensions to be ignored in fixing the pay of re-employed pensioners will, therefore, cease to be applicable to cases of such pensioners as are re-employed on or after 1.1.2006. In the case of persons who are already on re-employment, the pay may be fixed on the basis of these orders with effect from 1.1.2006, provided they opt to come under these orders. If they so opt, their terms would be determined afresh as if they have been re-employed for the first time from 1.1.2006. The option should be exercised in writing within three months from the date of issue of these orders. The option once exercised is final.

7. In so far as the persons serving in the Indian Audit & Accounts Department are concerned, these orders are being issued after consultation with the Comptroller & Auditor General of India.

8. These orders shall take effect from 1.1.2006.



(Roli Singh)

Director to the Government of India.


To

All Ministries/Department (As per standard list attached)

Copy to : Director (NIC), Department of Personnel & Training, to upload the O.M. on this Department's website under the Head "Establishment (Pay)", Sub-Head "Pay Rules".

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4. Department of Personnel & Training (AIS Division)/JCA/Admn. Section.
5. Additional Secretary (Union Territories), Ministry of Home Affairs.
6. All State Governments and Union Territories.
7. Secretary, National Council (Staff Side), 13-C, Feroz Shah Road, New Delhi
8. All Members of the Staff Side of the National Council of JCM/Departmental Council.
9. All Officers/Sections of the Department of Personnel & Training/Department of Administrative Reforms & Public Grievances/Department of Pension & Pensioners' Welfare.
10. Ministry of Finance, Department of Expenditure
11. 50 spare copies.



(Roli Singh)

Director to the Government of India.

No. 3/19/2009-Estt. (Pay II)
Government of India
Ministry of Personnel, Public Grievances & Pension
Department of Personnel & Training

New Delhi, Dated: 5th April, 2010.

OFFICE MEMORANDUM

Subject: Applicability of CCS (RP) Rules, 2008 to persons re-employed in Government Service after retirement and whose pay is debitable to Civil Estimates.

The undersigned is directed to refer to this Department's O.M. No. 3/13/2008-Estt. (Pay II) dated 11th November, 2008 on the above-mentioned subject. Certain references have been received seeking clarification regarding the manner of fixation of pay of retired Defence Forces personnel/officers re-employed in Central Government Civilian posts, after the implementation of CCS (RP) Rules, 2008. This has been considered in consultation with Department of Expenditure. The pay fixation of re-employed pensioners on re-employment in Central Government, including that of Defence Forces personnel/officers, is being done in accordance with CCS (fixation of pay of re-employed pensioners) Orders, 1986, issued vide this Department's O.M. No. 3/1/85-Estt. (Pay II) dated 31st July, 1986 (as revised from time to time).

2. After the introduction of the system of running pay bands and grade pays, it has been decided to amend the relevant provisions of CCS (fixation of pay of re-employed pensioners) Orders, 1986 in the manner indicated below: -

Existing provision	Proposed revised provision
Para 4(a): Re-employed pensioners shall be allowed to draw pay only in the prescribed scales of pay of the posts in which they are re-employed. No protection of the scales of pay of the posts held by them prior to retirement shall be given.	Para 4(a): Re-employed pensioners shall be allowed to draw pay only in the prescribed pay scale/pay structure of the post in which they are re-employed. No protection of the scales of pay/pay structure of the post held by them prior to retirement shall be given. <i>Note: Under the provisions of CCS (RP) Rules, 2008, revised pay structure comprises the grade pay attached to the post and the applicable pay band.</i>
Para 4(b)(i): In all cases where the pension is fully ignored, the initial pay on re-employment shall be fixed at the minimum of the scale of pay of the re-employed post.	Para 4(b)(i): In all cases where the pension is fully ignored, the initial pay on re-employment shall be fixed as per entry pay in the revised pay structure of the re-employed post applicable in the case of direct recruits appointed on or after 1.1.2006 as notified vide Section II, Part A of First Schedule to CCS (RP) Rules, 2008.

<p>Para 4(b)(ii): In cases where the entire pension and pensionary benefits are not ignored for pay fixation, the initial pay on re-employment shall be fixed at the same stage as the last pay drawn before retirement. If there is no such stage in the re-employed post, the pay shall be fixed at the stage next above that pay. If the maximum of the pay scale in which a pensioner is re-employed is less than the last pay drawn by him before retirement, his initial pay shall be fixed at the maximum of the scale of pay of the re-employed post. Similarly, if the minimum of the scale of pay in which a pensioner is re-employed is more than the last pay drawn by him before retirement, his initial pay shall be fixed at the minimum of the scale of pay of the re-employed post. However, in all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed.</p>	<p>Para 4(b)(ii): In cases where the entire pension and pensionary benefits are not ignored for pay fixation, the initial basic pay on re-employment shall be fixed at the same stage as the last basic pay drawn before retirement. However, he shall be granted the grade pay of the re-employed post. The maximum basic pay cannot exceed the grade pay of the re-employed post <i>plus</i> pay in the pay band of Rs.67000 i.e. the maximum of the pay band PB-4. In all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed.</p> <p>Illustration</p> <p>A Colonel who retired with basic pay of Rs.61700 (grade pay Rs.8700; pay in the pay band Rs.53000) is re-employed as a Deputy Secretary in an organization with grade pay of Rs.7600. In this case, on re-employment, his basic pay will continue to be Rs.61700. However, his grade pay on re-employment will be Rs.7600 and the pay in the pay band Rs.54100. Thereafter, the non-ignorable part of the pension will be reduced from the pay so fixed.</p> <p><i>Note: In the revised pay structure, basic pay is pay in the pay band plus the grade pay attached to the post.</i></p>
<p>Para 4(c): The re-employed pensioner will, in addition to pay as fixed under Para (b) above shall be permitted to draw separately any pension sanctioned to him and to retain any other form of retirement benefits.</p>	<p>Para 4(c): No change.</p>
<p>Para 4(d): In the case of persons retiring before attaining the age of 55 years and who are re-employed, pension (including PEG and other forms of retirement benefits) shall be ignored for initial pay fixation in the following extent:-</p> <p>(i) In the case of ex-servicemen who held posts below Commissioned Officer rank in the Defence Forces and in the case of civilians who held posts below Group 'A' posts at the time of their retirement, the entire pension and pension equivalent of retirement benefits shall be ignored.</p> <p>(ii) In the case of service officers belonging to the Defence Forces and Civilian pensioners who held Group 'A' posts at</p>	<p>Para 4(d): In the case of persons retiring before attaining the age of 55 years and who are re-employed, pension (including PEG and other forms of retirement benefits) shall be ignored for initial pay fixation in the following extent:-</p> <p>(i) No change.</p> <p>(ii) In the case of Commissioned Service officers belonging to the Defence Forces and Civilian pensioners who held Group 'A'</p>

the time of their retirement, the first Rs. 500/-* of the pension and pension equivalent retirement benefits shall be ignored. (*Already revised to Rs. 4000/- vide O.M. No. 3/13/2008-Estt. (Pay II) dated 11th November, 2008)

posts at the time of their retirement, the first Rs.4000/- of the pension and pension equivalent retirement benefits shall be ignored.


3. Apart from the above, it is also clarified as under: -

- (i) **Drawal of increments:** Once the initial pay of the re-employed pensioner has been fixed in the manner indicated above, he will be allowed to draw normal increments as per the provisions of Rule 9 and 10 of CCS (RP) Rules, 2008.
- (ii) **Allowances:** The drawal of various allowances and other benefits in the revised pay structure shall be regulated with reference to the grade pay of the re-employed post or the basic pay, as the case may be.
- (iii) **Treatment of Military Service Pay (MSP):** MSP is granted to Defence Forces officers/personnel while they are serving in the Defence Forces. Accordingly, on their re-employment in civilian organizations, including secret organizations under the Cabinet Secretariat umbrella, the question of grant of MSP to such officers/personnel does not arise. However, the benefit of MSP given to all retired Defence Forces officers/personnel by reckoning it at the time of calculation of their pension (notionally in the case of pre-1.1.2006 pensioners) should not be withdrawn. Accordingly, while the pension of such re-employed pensioners will include the element of MSP, they will not be granted MSP while working in civilian organizations.
- (iv) **Fixation of pay of personnel/officers re-employed prior to 1.1.2006 and who were in employment as on 1.1.2006:** In the case of personnel/officers who were re-employed before 1.1.2006 and who were working in the Central Government organizations on re-employment basis as on 1.1.2006, their pay will be fixed in accordance with the provisions of DOPT O.M. No.3/13/2008-Estt.(Pay II) dated 11.11.2008. This O.M. stipulates that re-employed persons who become eligible to elect revised pay structure shall exercise option in the manner laid down in Rule 6 of CCS (RP) Rules, 2008 and their pay shall be fixed in accordance with the provisions of Rule 7 of CCS (RP) Rules, 2008. In this context, it is clarified that in accordance with the provisions of Rule 7 of CCS (RP) Rules, 2008, Department of Expenditure issued fitment tables corresponding to each pre-revised pay scale vide O.M. No.1/1/2008-IC dated 30.8.2008. In the case of those personnel/officers as well, who were re-employed before 1.1.2006 and who were working in the civilian organizations on re-employment basis as on 1.1.2006, their pay will be fixed with reference to the fitment table of the pre-revised civilian pay scale in which they were re-employed and corresponding to the stage in the pre-revised pay scale as on 1.1.2006.
- (v) **Fixation of pay of personnel/officers who retired prior to 1.1.2006 and who have been re-employed after 1.1.2006:** In the case of personnel/officers who had retired prior to 1.1.2006 and who have been re-employed after 1.1.2006, their pay on re-employment will be fixed by notionally arriving at their revised basic pay at the time of retirement as if they had retired under the revised pay structure. This will be done with reference to the fitment table of the Defence Service Rank/Civilian service post (as the case may be) from which they had retired and the stage of basic pay at the time of their retirement. Their basic

pay on re-employment will be fixed at the same stage as the notional last basic pay before retirement so arrived at. However, they shall be granted the grade pay of the re-employed post. The maximum basic pay cannot exceed the grade pay of the re-employed post *plus* pay in the pay band of Rs.67000 i.e. the maximum of the pay band PB-4. In all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed.

4. The existing instructions on the subject shall be treated as amended to this extent.

5. In so far as the persons serving in the Indian Audit & Accounts Department are concerned, these orders are being issued after consultation with the Comptroller & Auditor General of India.



(Rita Mathur)

Director

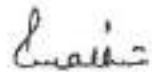
To

All Ministries/Department (As per standard list attached)

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4. Department of Personnel & Training (AIS Division)/JCA/Admn. Section.
5. Additional Secretary (Union Territories), Ministry of Home Affairs.
6. All State Governments and Union Territories.
7. Secretary, National Council (Staff Side), 13-C, Feroz Shah Road, New Delhi
8. All Members of the Staff Side of the National Council of JCM/Departmental Council.
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(Rita Mathur)

Director

No. 3/19/2009 Estt. Pay II
Ministry of Personnel, Public Grievances & Pensions
Department of Personnel & Training

New Delhi, the 6th November 2010

Office Memorandum

Subject: Fixation of pay of re-employed pensioners -Treatment of Military service Pay

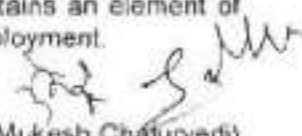
The undersigned is directed to refer to the orders issued vide OM dated 5.4.2010 on fixation of pay of re-employed pensioners. These orders inter-alia lay down that on re-employment in civilian organizations, Military Service Pay shall not be admissible. However, the benefit of MSP given to all retired Defence Forces officers/personnel by reckoning it at the time of calculation of their pension (notionally in the case of pre-1.1.2006 pensioners) should not be withdrawn. Accordingly, while the pension of such re-employed pensioners will include the element of MSP, they will not be granted MSP while working in civilian organizations.

In the instructions issued by the Ministry of Defence vide their letter No. 1/59/2008/D(Pay/Service) dated 24th July 2009, Pre-retirement pay has been defined as under:

- (i) In respect of re-employment taking place on/or after 1.1.2006 pre-retirement pay for those who retired after 1.1.2006 means the pay in the pay band plus grade pay but inclusive of Non-Practicing Allowance (NPA) if any, last drawn before retirement.
- (ii) In case of officers who retired before 1.1.2006 and also those who retired after 1.1.2006 in the pre-revised pay scales without opting for the revised pay scales promulgated on or after 1.1.2006 the pay will be basic pay including stagnating increment and Rank pay plus the Dearness pay and Dearness allowance drawn at the time of retirement.

As per these orders, for pre-2006 retirees rank pay is included as a part of pay but for post -2006 retirees, the MSP is not reckoned in the pre-retirement pay for the purposes of pay fixation on re-employment. However, for pension purposes the reckonable emoluments are - basic pay + grade pay + MSP + NPA wherever admissible. Therefore, while MSP is not taken into consideration for the purposes of pay fixation on re-employment, the element of MSP in pension is deducted.

It has been decided in consultation with the Department of Expenditure, that since the element of MSP is not reckoned in the pay fixation on re-employment, it need not be reduced from the pension either. Hence, in respect of all those Defence Officers/personnel, whose pension contains an element of MSP, that need not be deducted from the pay fixed on re-employment.


(Mukesh Chaturvedi)
Deputy Secretary

To

All Ministries and Departments

Copy to: NIC for uploading on the website under 'Whats New' and in Circulars-Establishment-Pay

No. 3/3/2016-Estt. (Pay II)
Government of India
Ministry of Personnel, Public Grievances & Pension
Department of Personnel & Training

North Block, New Delhi

Dated 1.05.2017

OFFICE MEMORANDUM

Subject: Applicability of Central Civil Services (Revised Pay) Rules, 2016 to persons re-employed in Government Service after retirement and whose pay is debitable to Civil Estimates.

The pay fixation of re-employed pensioners on re-employment in Central Government, including that of Defence Forces personnel/officers, is being done in accordance with Central Civil Services (Fixation of Pay of Re-employed Pensioners) Orders, 1986, issued vide this Department's O.M. No. 3/1/85-Estt. (Pay II) dated 31st July, 1986 (as revised from time to time). Persons re-employed in Government service after retirement have been excluded from the purview of the Central Civil Services (Revised Pay) Rules, 2016 vide Rule 2 (2)(vii) thereof. The question of extension of the benefit of the revised pay rules to these persons and the procedure to be followed for fixing their pay in the revised pay structure has been considered by the Government. The President is pleased to decide that, in partial modification of the Rule 2 (2)(vii) of the Central Civil Services (Revised Pay) Rules, 2016, the provisions of these rules shall apply to such persons also who were in / came into re-employment on or after 1st January, 2016, subject to the orders hereinafter contained. This decision will cover all Government servants re-employed in Central Civil Departments other than those employed on contract except where the contract provides otherwise, whether they have retired with or without a pension and/or gratuity or any other retirement benefits, e.g. contributory fund etc. from a civil post or from the Armed Forces.

2. Re-employed persons who become eligible to elect revised pay structure in accordance with these orders should exercise their option in the manner laid down in Rule 5 and 6 of the Central Civil Services (Revised Pay) Rules, 2016, within three months of the date of issue of these orders or in cases where the existing scales of pay of the posts held by them are revised subsequent to the issue of these orders, within three months of the date of such order.

Fixation / drawal of pay of Personnel / Officers re-employed prior to 01.01.2016 and who were in re-employment as on 01.01.2016:

3 (a) The initial pay of a re-employed Government servant who elects or is deemed to have elected to be governed by the revised pay structure from the 1st day of January, 2016 shall be fixed according to the provisions of Rule 7 of the C.C.S. (R.P.) Rules, 2016, if he/she is-

- (i) a Government servant who retired without receiving a pension, gratuity or any other retirement benefit and
- (ii) a retired Government servant who received pension or any other retirement benefits but which were ignored while fixing pay on re-employment.

3(b) The initial pay of a re-employed Government servant who retired with a pension or any other retirement benefit and whose pay on re-employment was fixed with reference to these benefits or ignoring a part thereof, and who elects or is deemed to have elected to be governed by the revised structure from the 1st day of January, 2016 shall be fixed in accordance with the provisions contained in Rule 7 of the Central Civil Services (Revised Pay) Rules, 2016. Pension (excluding the ignorable portion of pension, if any), as defined in para 3(1) of CCS (Fixation of Pay of Re-employed Pensioners) Orders, 1986 admissible on relevant date, i.e. date of coming over to the revised pay structure, effective from 1.1.2016 or later, shall be deducted from his / her pay in accordance with the general policy of the Government on fixation and subsequent drawal of pay of re-employed pensioners.

3(c) In addition to the pay so fixed, the re-employed Government servant would continue to draw the retirement benefits he / she was permitted to draw in the pre-revised scales, as modified based on the recommendations of the Seventh Central Pay Commission, orders in respect of which have been issued separately by the Department of Pension & Pensioners' Welfare.

3(d) Where a re-employed Government servant elects to draw his / her pay in the existing pay structure and is brought over to revised pay structure from a date later than the 1st day of January, 2016, his /her pay from the later date in the revised scale shall be fixed in accordance with the provisions of Rule 11 of the Central Civil Services (Revised Pay) Rules, 2016.

4. Further, the existing ceiling of Rs. 80,000/- for drawal of pay plus gross pension on re-employment is enhanced to Rs.2,25,000/-, the maximum basic pay prescribed for Secretary to the Government of India under Central Civil Services (Revised Pay) Rules, 2016.

Ignorable part of Pension

5. The President is also pleased to enhance the ignorable part of pension from Rs. 4000/- to Rs. 15,000/- (Rupees Fifteen Thousand) in the case of Commissioned Service Officers and Civil Officers holding Group 'A' posts who retire before attaining the age of 55 years. The existing limits of civil and military pensions to be ignored in fixing the pay of re-employed pensioners will, therefore, cease to be applicable to cases of such pensioners as are re-employed on or after 1.1.2016.

6. In the case of persons who were already on re-employment as on 01.01.2016, the pay may be fixed on the basis of these orders, with effect from the date of coming

over to the new pay structure, i.e. 01.01.2016 or later, as per the option exercised by them in terms of para 2 above. In such case, their terms would be determined afresh as if they have been re-employed for the first time from such date of coming over to the new pay structure.

Fixation / drawal of pay of employees appointed on re-employment basis on or after 1st day of January, 2016

7. Pursuant to the introduction of the system of Pay Matrix vide the Central Civil Services (Revised Pay) Rules, 2016, the President is further pleased to amend the relevant provisions of CCS (Fixation of Pay of re-employed Pensioners) Orders, 1986 in the manner indicated below: -

Existing provision (1986 Orders read with OM dated 5 th April 2010)	Revised provision
<p>Para 4(a): Re-employed pensioners shall be allowed to draw pay only in the prescribed pay scale/pay structure of the post in which they are re-employed. No protection of the scales of pay/pay structure of the post held by them prior to retirement shall be given.</p> <p><i>Note: Under the provisions of CCS (RP) Rules, 2008, revised pay structure comprises the grade pay attached to the post and the applicable pay band.</i></p>	<p>Order 4(a): Re-employed pensioners shall be allowed to draw pay only in the Level in the revised pay structure applicable to the post in which they are re-employed. No protection of the scales of pay/pay structure of the post held by them prior to retirement shall be given.</p> <p><i>Note: Revised pay structure in relation to a post will be as defined in Rule 3(ix) of the Central Civil Services (Revised Pay) Rules, 2016.</i></p>
<p>Para 4(b)(i): In all cases where the pension is fully ignored, the initial pay on re-employment shall be fixed as per entry pay in the revised pay structure of the re-employed post applicable in the case of direct recruits appointed on or after 1.1.2006 as notified vide Section II, Part A of First Schedule to CCS (RP) Rules, 2008.</p>	<p>Order 4(b)(i): In all cases where the pension is fully ignored, the initial pay on re-employment shall be fixed as per Rule 8 of the Central Civil Services (Revised Pay) Rules, 2016.</p> <p>Note 1: The case where pension is fully ignored is given in Order 4 (d) below.</p> <p>Note 2: Pension is fully ignored means that pension is not deducted from pay.</p>
<p>Para 4(b)(ii): In cases where the entire pension and pensionary benefits are not ignored for pay fixation, the initial basic pay on re-employment shall be fixed at the same stage as the last basic pay</p>	<p>Order 4(b)(ii): In cases where the entire pension and pensionary benefits are not ignored for pay fixation, the initial basic pay on re-employment shall be fixed at the same stage as the last basic pay drawn</p>

<p>drawn before retirement. However, he shall be granted the grade pay of the re-employed post. The maximum basic pay cannot exceed the grade pay of the re-employed post <i>plus</i> pay in the pay band of Rs.67000 i.e. the maximum of the pay band PB-4. In all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed.</p> <p>Illustration</p> <p>A Colonel who retired with basic pay of Rs.61700 (grade pay Rs.8700; pay in the pay band Rs.53000) is re-employed as a Deputy Secretary in an organization with grade pay of Rs.7600. In this case, on re-employment, his basic pay will continue to be Rs.61700. However, his grade pay on re-employment will be Rs.7600 and the pay in the pay band Rs.54100. Thereafter, the non-ignorable part of the pension will be reduced from the pay so fixed.</p> <p><i>Note: In the revised pay structure, basic pay is pay in the pay band plus the grade pay attached to the post.</i></p>	<p>before retirement. If there is no such stage in the re-employed post, the pay shall be fixed at the stage next above that pay. If the maximum pay in the Level applicable to the post in which a pensioner is re-employed is less than the last basic pay drawn by him before retirement, his initial basic pay shall be fixed at such maximum pay of the re-employed post. Similarly, if the minimum pay in the Level applicable to the post in which a pensioner is re-employed is more than the last basic pay drawn by him before retirement, his initial basic pay shall be fixed at such minimum pay of the re-employed post. However, in all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed.</p> <p><i>Note 1: Revised pay structure in relation to a post will be as defined in Rule 3(ix) of the Central Civil Services (Revised Pay) Rules, 2016.</i></p> <p><i>Note 2: "Basic Pay" in the revised pay structure means the pay drawn in the prescribed Level in the Pay Matrix.</i></p> <p><i>Note 3: Last pay drawn shall be as per definition of pre-retirement pay in terms of Order 3 of the CCS (Fixation of Pay of re-employed Pensioners) Orders, 1986, read with DoPT OM No. 3/19/2009-Estt.(Pay-II) dated 8th November 2010.</i></p>
<p>Para 4(c): The re-employed pensioner will, in addition to pay as fixed under Para (b) above shall be permitted to draw separately any pension sanctioned to him and to retain any other form of retirement benefits.</p>	<p>Order 4(c): No change</p>

<p>Para 4(d): In the case of persons retiring before attaining the age of 55 years and who are re-employed, pension (including PEG and other forms of retirement benefits) shall be ignored for initial pay fixation in the following extent:-</p> <p>(i) In the case of ex-servicemen who held posts below Commissioned Officer rank in the Defence Forces and in the case of civilians who held posts below Group 'A' posts at the time of their retirement, the entire pension and pension equivalent of retirement benefits shall be ignored.</p> <p>(ii) In the case of Commissioned Service officers belonging to the Defence Forces and Civilian pensioners who held Group 'A' posts at the time of their retirement, the first Rs.4000/- of the pension and pension equivalent retirement benefits shall be ignored.</p>	<p>Order 4(d): In the case of persons retiring before attaining the age of 55 years and who are re-employed, pension (including PEG and other forms of retirement benefits) shall be ignored for pay fixation to the following extent:-</p> <p>(i) No change</p> <p>(ii) In the case of Commissioned service officers belonging to the Defence Forces and Civilian pensioners who held Group 'A' posts at the time of their retirement, the first Rs. 15,000/- of the pension and pension equivalent retirement benefits shall be ignored.</p>
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8. Apart from the above, it is also clarified as under: -

- (i) **Drawal of increments:** Once the initial pay of the re-employed pensioner has been fixed in the manner indicated above, he will be allowed to draw normal increments as per the provisions of Rule 9 and 10 of CCS (RP) Rules, 2016 read with Order 5 of the CCS (Fixation of Pay of re-employed Pensioners) Orders, 1986.
- (ii) **Treatment of Military Service Pay (MSP):** MSP is granted to Defence Forces officers/personnel while they are serving in the Defence Forces. Accordingly, on their re-employment in civilian organizations, including secret organizations under the Cabinet Secretariat umbrella, the question of grant of MSP to such officers/personnel does not arise. However, the benefit of MSP in the pension should not be withdrawn. **Accordingly, while the pension of such re-employed pensioners will include the element of MSP, they will not be granted MSP as part of pay while working in civilian organizations.** Also, in respect of all those Defence Officers / personnel, whose pension contains an element of MSP and whose pay on re-employment is subject to deduction of pension (excluding the ignorable portion, if any), the element of MSP as contained in the pension shall be ignored while deducting the pension at the time of pay fixation. In other words, the MSP portion of the pension need not be deducted from the pay fixed on re-employment.

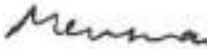
- (iii) **Fixation / drawal of pay of re-employed persons who retired prior to 1.1.2016 and who have been re-employed after 1.1.2016, and whose entire pension and pensionary benefits are not ignored for pay fixation:** The pay on re-employment will be fixed in terms of Order 4(b)(ii) of the CCS (Fixation of Pay of Re-employed Pensioners) Orders, 1986, as amended above, after **notionally** arriving at their revised basic pay at the time of retirement as if they had retired under the revised pay structure, in terms of Rule 7 of the Central Civil Services (Revised Pay) Rules, 2016. In all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed. Regulation of MSP, however, shall be as per clarification in para 8(ii) above.
- (iv) **Fixation / drawal of pay in all other cases:** Pay fixation in cases not covered in Order 4(d) will be as per the general principle of 'pay minus pension', i.e. while the last pay drawn shall be reckoned for pay fixation, the entire pension shall be deducted from the pay so fixed. Regulation of MSP, however, shall be as per clarification in para 8(ii) above.

9. An undertaking may be obtained from re-employed pensioners who opt / are deemed to have opted for the revised pay structure to the effect that, they understand and agree that the special dispensation provided through this O.M. is subject to the condition of deduction of pension as admissible to them from time to time, wherever required as per extant instructions.

10. These instructions shall apply in respect of those re-employed pensioners who are re-employed against civil posts carrying pay upto Level 17 of the Pay Matrix of CCS(RP) Rules, 2016.

11. In so far as the persons serving in the Indian Audit & Accounts Department are concerned, these orders are being issued after consultation with the Comptroller & Auditor General of India.

12. These orders shall take effect from 1.1.2016.


(Pushpendar Kumar)

Under Secretary to the Government of India.

To

✓ All Ministries/Departments of the Government of India (As per standard list)

Copy to : Director (NIC), Department of Personnel & Training, to upload the O.M. on this Department's website under the Head "Notifications – OMs and Orders – Establishment", Sub-Head "Pay Rules".

Copies also forwarded to:

1. Secretaries to UPSC/Supreme Court of India/Election Commission/ Rajya Sabha Secretariat/Lok Sabha Secretariat/Cabinet Secretariat/Central Vigilance

Commission/President's Secretariat/Vice President's Secretariat/Prime Minister's Office/Planning Commission/C&AG of India.

2. Controller General of Accounts/Controller of Accounts, Ministry of Finance.

3. Department of Personnel & Training (AIS Division)/JCA/Admn. Section.

4. Additional Secretary (Union Territories), Ministry of Home Affairs.

5. All State Governments and Union Territories.

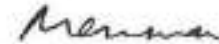
6. Secretary, National Council (Staff Side), 13-C, Feroz Shah Road, New Delhi

7. All Members of the Staff Side of the National Council of JCM/Departmental Council.

8. All Officers/Sections of the Department of Personnel & Training/Department of Administrative Reforms & Public Grievances/Department of Pension & Pensioners' Welfare.

9. Ministry of Finance, Department of Expenditure.

10. 50 spare copies for Estt(Pay.II) Section.



(Pushpender Kumar)

Under Secretary to the Government of India.

UNDERTAKING

(To be given by persons who are on re-employment on or after 01.01.2016 and who have chosen / are deemed to have chosen to be governed by the CCS (Revised Pay Rules), 2016, in terms of Department of Personnel and Training Office Memorandum No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017)

(Para 9 of the OM No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017 refers)

I, _____, S/o / W/o / D/o _____, hereby undertake that I understand and agree that the special dispensation of pay fixation under the Central Civil Services (Revised Pay) Rules, 2016 provided to me through the O.M. No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017 is subject to the specific condition of deduction of pension as admissible to me from time to time, wherever required as per extant instructions.

Signature _____

Name _____

Designation _____

Date :

Place :

No. 3/14/93-Estt.(Pay.II)
Government of India
Ministry of Personnel, P.G. & Pensions
Department of Personnel & Training

Date 2-5-94

OFFICE MEMORANDUM

Subject:- Fixation of pay of re-employed pensioners.

The undersigned is directed to refer to this Department's O.M. No. 3/1/85-Estt.(Pay.II) dated 31.7.86 on the subject mentioned above and to say that the President is pleased to decide that second sentence of para 4(b)(ii) of O.M. dated 31.7.86 *ibid* is amended as indicated below:

Existing sentence

If there is no such stage in the re-employed post, the pay shall be fixed at the stage below that pay.

Modified sentence

If there is no such stage in the re-employed post, the pay shall be fixed at the stage next above that pay.

other provisions of the para will remain un-affected.

2. This amendment will be effective from the date of issue.

Revathy Iyer
(Revathy Iyer)

Deputy Secretary to the Govt. of India

To

All Ministries/Departments of the Govt. of India
Office of the Comptroller and Auditor General of India.



No. 1435275/20-Estt.(Pay-II)
Department of Personnel and Training
Establishment (Pay-II)

North Block, New Delhi
Dated 26th November, 2020

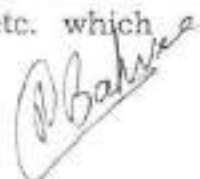
OFFICE MEMORANDUM

Sub: Contempt Case No.1182/2020 filed by Beji Bhaskaran and others before the Hon'ble High Court of Kerala in Writ Petition (C) No. 8595 of 2015 regarding pay fixation of ex-servicemen re-employed in PSBs/PSICs/PFIs etc.

Department of Financial Services may please refer to their their OM No. 06/14/2019-Welfare dated 11.11.2020 on the above subject seeking certain clarification/ comments and O.M. dated 19.11.2020 requesting this Department to vet and concur their draft order in compliance of the common judgment of Hon'ble High Court of Kerala in WP(C) No.8595 of 2015.

2. In this connection, it is stated that as the nodal Department, DoPT frames/lays down general policy guidelines/instructions on personnel matters like promotion/seniority, Deputation, Pay matters etc. and other items of work allocated under the Government of India (Allocation of Business) Rules, which are implemented by various Ministries/Departments with whom the facts of the case/details of officers and posts are available. **The instructions issued by this Department are applicable to Central Civil Services and posts**, and are not *suo moto* applicable to Autonomous Bodies, PSUs, Trusts or Banks etc., which are governed by their own set of rules & regulations.

3. The extant instructions relating to pay fixation of re-employed pensioners in Central Civil Services and Posts have been laid down in this Department's OM No. 3/1/85-Estt.(Pay-II) dated 31.07.1986 as amended from time to time. The OM dated 31.07.1986 was issued in consolidation and supersession of all the previous orders on the subject. The OM No. 3/13/2008-Estt.(Pay-II) dated 11.11.2008 and subsequent clarification vide OM No. 3/19/2009-Estt.(Pay-II) dated 5.4.2010 were issued in 6th CPC Scenario. The instructions for treatment of MSP have been laid down in para 3(iii) of OM dated 5.4.2010 which has further been clarified in OM dated 8.11.2010. The OM No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017 was issued in 7th CPC Scenario. These instructions are as stated in para 2 above, however, not *suo moto* applicable to Autonomous Bodies, Educational institutes, PSUs, Trusts or Banks etc. which



are governed by their own set of rules and regulations, unless they have adopted the same.

4. The instructions relating to treatment of MSP on re-employment have been laid down in para 3(iii) of OM dated 5.4.2010 which has further been clarified in OM dated 8.11.2010. Also, Para 8(ii) of OM No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017 provides instructions relating to treatment of MSP on re-employment. These instructions provide that, MSP is granted to Defence Forces officers/personnel while they are serving in the Defence Forces. Therefore, MSP is not granted to Defence Forces officers/personnel on their re-employment in civilian organizations. However, the benefit of MSP in the pension should not be withdrawn. **Accordingly, while the pension of such re-employed pensioners will include the element of MSP, they will not be granted MSP as part of pay while working in civilian organizations.** Further these instructions provide that all those Defence Officers / personnel, whose pension contains an element of MSP and whose pay on re-employment is subject to deduction of pension (excluding the ignorable portion, if any), the element of MSP as contained in the pension shall be ignored while deducting the pension at the time of pay fixation. In other words, the MSP portion of the pension need not be deducted from the pay fixed on re-employment.

5. Further, vide their OM No.4/1/28-Welfare dated 25/27 February, 2020, DoFS had sought comments of this Department on proposal/suggestions of Indian Banks' Association(IBA) on fixation of pay of ex-servicemen re-employed in PSBs. Vide the OM dated 8.9.2020, this Department had mainly provided the rule position in the matter of pay fixation of re-employed ex-servicemen Personnel Below Officer Ranks(PBORs), re-employed Commissioned Officers and re-employed Short Service Commissioned Officers in **Central Civil Services and Posts**. This Department also provided the rule position in treatment of MSP on re-employment in Central Civil Services and Posts.

6. Point wise reply to the points mentioned in DoFS's OM No. 06/14/2019-Welfare dated 11.11.2020, based on the abovementioned instructions of this Department, which are applicable to re-employment in Central Civil Services and Posts (not suo moto to re-employment in Banks) is as under:-

(8iii). As per DoPT's instructions, the pay fixation on re-employment of ex-servicemen who held posts below Commissioned

S. B. Mehta

Officers rank in the Defence Forces, and civilians who held posts below Group 'A' posts at the time of their retirement, who retired before attaining the age of 55, is governed in terms of Para 4(b)(i), read with Para 4(d)(i) of OM dated 31.07.1986. As per these instructions the initial pay on re-employment shall be fixed at the minimum of the scale of pay of the re-employed post similar to Direct Recruits. The entire pension and pension equivalent of retirement benefits of such officials is ignored (that is, is not taken into account) in the initial pay fixation, irrespective of whether they are retired and re-employed before 1.1.2006, retired before 1.1.2006 and re-employed after 1.1.2006 or retired and re-employed after 1.1.2006.

However, for the pay fixation on re-employment of ex-servicemen who held posts below Commissioned Officers rank in the Defence Forces and civilians who held posts below Group 'A' posts at the time of their retirement, and who retired after 55 years of age, is done in terms of the general principle of "pay minus pension". Their pay is fixed at par with the last pay drawn and pension is deducted irrespective of whether they are retired and re-employed before 1.1.2006, retired before 1.1.2006 and re-employed after 1.1.2006 or retired and re-employed after 1.1.2006. Further, in cases of ex-servicemen who held posts below the rank of Commissioned Officers in the Defence Forces & whose pension contains an element of MSP, this component of MSP of pension is not deducted from the pay fixed on re-employment.

ii. Wherever pension is required to be deducted in pay fixation on re-employment, the element of MSP on pension shall be ignored while deducting the pension at the time of pay fixation. In other words, the MSP portion of the pension is not deducted from the pay fixed on re-employment. This is to give relief to the re-employed Defence Forces officers/personnel, as MSP is not granted on their re-employment in civilian organizations.

M. Bahane

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7. The comments of this Department on the draft order prepared by DFS in compliance of the common judgment of Hon'ble High Court of Kerala in WP(C) No.8595 of 2015 vide OM No. 06/14/2019-Welfare dated 19.11.2020, are at Annexure I.

8. This has the approval of Additional Secretary (E).

Encl.: as stated.

R Bahree
21/11/2020

(Rajeev Bahree)

Under Secretary to the Govt. of India

Department of Financial Services,
[Kind Attn.: Shri Surender Singh, DS(Welfare)]
Jeevan Deep Building,
Parliament Street,
New Delhi

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Annexure-I

Comments of Department of Personnel & Training on the draft Order prepared by Department of Financial Services (DoFS) in compliance of the common judgment of High Court of Kerala in WP(C) No.8595 of 2015 and other connected Writ Petitions regarding pay fixation of ex-servicemen re-employed in public sector banks.

It may be seen from the order dated 12.2.2019 of Hon'ble High Court of Kerala, Ernakulam that Hon'ble High Court has advised the 3rd Respondent, i.e. DoFS to consider the representations of the petitioners in consultation with Department of Defence, and pass orders on the same after affording an opportunity of hearing to a representative of the petitioners. This direction is not for DoPT.

2. Here it is stated that, insofar as the instant issue is concerned, this Department is the nodal Department which frames/lays down general policy guidelines/instructions on personnel matters like promotion/seniority, Deputation, Pay matters etc. and other items of work allocated under the Government of India (Allocation of Business) Rules. These are implemented by various Ministries/Departments with whom the facts of the case/details of officers and posts are available. **The instructions issued by this Department are applicable to Central Civil Services and posts**, and are not suo moto applicable to Autonomous Bodies, PSUs, Trusts or Banks etc. which are governed by their own set of rules and regulations, unless they have expressly adopted these instructions.

3. The extant instructions relating to pay fixation of re-employed pensioners in Central Civil Services and Posts have been laid down in DoPT's OM No. 3/1/85-Estt.(Pay-II) dated 31.07.1986, as amended from time to time. The OM dated 31.07.1986 was issued in consolidation and supersession of all the previous orders on the subject. The OM No. 3/13/2008-Estt.(Pay-II) dated 11.11.2008 and subsequent clarification vide OM No. 3/19/2009-Estt.(Pay-II) dated 5.4.2010 were issued in 6th CPC Scenario. The instructions for treatment of MSP have been laid down in para 3(iii) of OM dated 5.4.2010, which has further been clarified in OM dated 8.11.2010. The OM No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017 was issued in the 7th CPC Scenario.

4. The OM dated 31.07.1986 prescribes different methodology of pay fixation in respect of ex-sevicemen PBORs and Commissioned Officers who retired before attaining the age of 55 years and were re-employed thereafter.

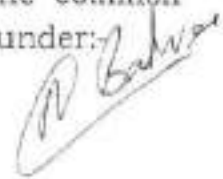


5. As per these instructions, the pay fixation on re-employment of ex-servicemen who held posts below Commissioned Officers rank in the Defence Forces and civilians who held posts below Group 'A' posts at the time of their retirement, who retired before attaining the age of 55, is governed in terms of Para 4(b)(i) read with Para 4(d)(i) of OM dated 31.07.1986, as amended from time to time. As per these instructions the initial pay on re-employment shall be fixed at the minimum of the scale of pay of the re-employed post similar to Direct Recruits. Their entire pension and pension equivalent of retirement benefits is ignored (i.e., it is not taken into account) in initial pay fixation.

6. The instructions relating to treatment of MSP on re-employment has been laid down in para 3(iii) of OM dated 5.4.2010 which has further been clarified in OM dated 8.11.2010. Also, Para 8(ii) of OM No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017 provides instructions relating to treatment of MSP on re-employment. These instructions provide that, MSP is granted to Defence Forces officers/personnel while they are serving in the Defence Forces. Therefore, MSP is not granted to Defence Forces officers/personnel on their re-employment in civilian organizations. However, the benefit of MSP in the pension should not be withdrawn. **Accordingly, while the pension of such re-employed pensioners will include the element of MSP, they will not be granted MSP as part of pay while working in civilian organizations.** Further these instructions provide that all those Defence Officers / personnel, whose pension contains an element of MSP and whose pay on re-employment is subject to deduction of pension (excluding the ignorable portion, if any), the element of MSP as contained in the pension shall be ignored while deducting the pension at the time of pay fixation. In other words, the MSP portion of the pension need not be deducted from the pay fixed on re-employment.

7. Since the instructions issued by this Department are not applicable suo moto to public sector banks, and since those entities are governed by the instructions issued by DoFS, and also since this Department has not been consulted while issuing these guidelines, the reference to this Department in the draft order may be avoided.

8. Para-wise comments on the proposed draft order/reply as contained in para 6 of the draft order prepared by DoFS in compliance of the common judgment of High Court of Kerala in WP(C) No.8595 of 2015, are as under:



i - Factual, no comments.

ii - Factual, no comments. However, insofar as the position stated by DoFS that the circular of DoP&T dated 8.11.2010 clarifies and reiterates their position regarding exclusion of MSP and this does not exclude banks, it is stated that the instructions issued by this Department are applicable to Central Civil Services and posts. These are not suo moto applicable to autonomous bodies, PSUs, Trusts and Banks etc. which are governed by their own set of rules/regulations unless they have expressly adopted these instructions. It is therefore suggested that the sentence *'The circular of DoP&T dated 8.11.2010 clarifies and reiterates their position regarding exclusion of MSP and this does not exclude banks'*, may be appropriately modified.

iii - Since the instructions issued by this Department are not applicable to public sector banks and they are governed by the instructions issued by DoFS and also since this Department has not been consulted while issuing these guidelines, this Department has no comments to offer on the clarification issued by Indian Banks' Association vide circular No. F.No.4/1/2010-SCT(B) dated 23.3.2012 that *"Ex-servicemen re-reemployed in the banks who retired on or after 01.01.2006 are eligible to pay fixation in banks based on the pay drawn by them at the time of discharge from the Defence Services which would include band Pay plus grade pay but does not include MSP"*.

In this connection it is stated that this Department's OM dated 8.11.2010 is with regard to Treatment of Military Service Pay. As per DOPT's instructions, the pay fixation on re-employment issued by this Department, ex-servicemen who held posts below Commissioned Officers rank in the Defence Forces, and civilians who held posts below Group 'A' posts at the time of their retirement, who retired before attaining the age of 55, is governed in terms of Para 4(b)(i), read with Para 4(d)(i) of OM dated 31.07.1986. As per these instructions, the initial pay on re-employment shall be fixed at the minimum of the scale of pay of the re-employed post similar to Direct Recruits. The entire pension and pension equivalent of retirement benefits of such officials is ignored (i.e. is not taken into account) in the initial pay fixation.

iv - vi- Insofar as averment of DoFS that *' Thus going by the spirit of DoPT guidelines, this Department vide letter dated 28-08-2012, provided that ex-servicemen re-employed in the banks who retired on or after 1.1.2006 are eligible to pay fixation in banks based on the pay drawn by them at the time of discharge from the Defence services which would include bank pay plus grade*

A. Bahuguna

pay...', it is stated that this Department's OM dated 8.11.2010 is with regard to treatment of Military Service Pay in fixation of pay of re-employed pensioners.

Insofar as fixation of pay in Central Civil Services and posts are concerned, OM dated 31.07.1986 prescribes different methodologies of pay fixation in respect of ex-servicemen PBORs and Commissioned Officers who retired before attaining the age of 55 years and re-employed thereafter.

As per these instructions, the pay fixation on re-employment of ex-servicemen who held posts below Commissioned Officers rank in the Defence Forces and civilians who held posts below Group 'A' posts at the time of their retirement, who retired before attaining the age of 55, is governed in terms of Para 4(b)(i) read with Para 4(d)(i) of OM dated 31.07.1986, as amended from time to time. As per these instructions, the initial pay on re-employment shall be fixed at the minimum of the scale of pay of the re-employed post similar to Direct Recruits. Their entire pension and pension equivalent of retirement benefits is ignored (i.e., it is not taken into account) in initial pay fixation.

However, for the pay fixation on re-employment of ex-servicemen who held posts below Commissioned Officers rank in the Defence Forces and civilians who held posts below Group 'A' posts at the time of their retirement, and who retired after 55 years of age, is done in terms of the general principle of "pay minus pension". Their pay is fixed at par with the last pay drawn and pension is deducted irrespective of whether they are retired and re-employed before 1.1.2006, retired before 1.1.2006 and re-employed after 1.1.2006 or retired and re-employed after 1.1.2006. Further, in cases of ex-servicemen who held posts below the rank of Commissioned Officers in the Defence Forces & whose pension contains an element of MSP, this component of MSP of pension is not deducted from the pay fixed on re-employment.

In view of the position explained above, this Department has no further comments to offer on the guidelines issued by Indian Bank Association vide letter No.HR&IR/CIR/2013-14/589/8764, dated 30.1.2014. The instructions issued by the IBA vide letter dated 30.1.2014 appear to be not as per the instructions issued by this Department especially in as much as the pay of the PBOR retired before 55 years of age on their re-employment in Central Civil Services and posts is fixed at the minimum of the scale of pay of the re-employed post.



vii & viii- It is reiterated that the instructions issued by this Department are applicable to Central Civil Services and posts. These are not suo moto applicable to Autonomous Bodies, PSUs, Trusts or Banks etc. which are governed by their own set of rules & regulations, unless they have expressly adopted these instructions.

ix - No comments from this Department. The matter pertains to Department of Financial Services.

x - As per DoPT's instructions, the pay fixation on re-employment of ex-servicemen who held posts below Commissioned Officers rank in the Defence Forces, and civilians who held posts below Group 'A' posts at the time of their retirement, who retired before attaining the age of 55, is governed in terms of Para 4(b)(i), read with Para 4(d)(i) of OM dated 31.07.1986. As per these instructions, the initial pay on re-employment shall be fixed at the minimum of the scale of pay of the re-employed post similar to Direct Recruits. The entire pension and pension equivalent of retirement benefits of such officials is ignored (i.e., is not taken into account) in the initial pay fixation, irrespective of whether they are retired and re-employed before 1.1.2006, retired before 1.1.2006 and re-employed after 1.1.2006, or retired and re-employed after 1.1.2006.

However, for the pay fixation on re-employment of ex-servicemen who held posts below Commissioned Officers rank in the Defence Forces and civilians who held posts below Group 'A' posts at the time of their retirement, and who retired after 55 years of age, is done in terms of the general principle of "pay minus pension". Their pay is fixed at par with the last pay drawn and pension is deducted irrespective of whether they are retired and re-employed before 1.1.2006, retired before 1.1.2006 and re-employed after 1.1.2006 or retired and re-employed after 1.1.2006. Further, in cases of ex-servicemen who held posts below the rank of Commissioned Officers in the Defence Forces & whose pension contains an element of MSP, this component of MSP of pension is not deducted from the pay fixed on re-employment.

9. Insofar as para 7 of the Draft Order is concerned, it is reiterated that the instructions issued by this Department are applicable to Central Civil Services and posts. These are not suo moto applicable to Autonomous Bodies, PSUs, Trusts or Banks etc. which are governed by their own set of rules regulations, unless they have expressly adopted these instructions.

R. Bahuguna

10. Insofar as para 8 of the Draft Order is concerned, it is stated that the instructions issued by Indian Banks' Association (IBA) vide their Circular dated 30.01.2014 are not as per the guidelines issued by this Department in letter and spirit.



21/12/2020

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No. 1418309/20-Estt.(Pay-II)
Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Personnel and Training

North Block, New Delhi
Dated: 4th December, 2020

OFFICE MEMORANDUM

- Subject: (i) Suggestions for redressal of anomalies in fixation of pay of Ex-servicemen re-employed in PSBs etc.
(ii) Implementation of Assurance to Rajya Sabha unstarred Admitted Question Question No. 1353 replied on 03.03.2020, tabled by Shri Narain Das Gupta, M.P. regarding letter on issue of Ex-servicemen re-employed in PSBs.

Reference: Department of Financial Services OM No. 4/1/2018-Welfare dated 21.10.2020

The undersigned is directed to refer to DoFSs OM dated 21.10.2020 on the subject cited and to clarify that this Department as the nodal Department frames/lays down general policy guidelines/instructions on personnel matters like promotion/seniority, Deputation, Pay matters etc. and other items of work allocated under the Government of India (Allocation of Business) Rules. These are implemented by various Ministries/Departments with whom the facts of the case/details of officers and posts are available. The instructions issued by this Department are applicable to Central Government Civilian Employees and posts. These are not directly applicable to Autonomous Bodies, PSUs, Trusts or Banks etc. which are governed by their own set of rules/regulations.

- Vide para 1 of OM dated 8.9.2020, this Department had clarified its position with regard to pay fixation of re-employed ex-servicemen in Central Civil Services and posts.
- This has the approval of Additional Secretary (E).

@Bahree

(Rajeev Bahree)

Under Secretary to the Government of India
Tel. No.2304 0489

Welfare Section
Department of Financial Services,
[Kind Attn: Shri Arun Kumar, US(Welfare)]
2nd Floor, Jeevan Deep Building,
Parliament Street, New Delhi

31/12/2020

Smt. Kim

3. As such, the Department of Financial Services, being the administrative Department in the present case, is requested to defend the case on behalf of all the Respondents, including this Department, as DoP&T is only a proforma party in such cases. Action may also be taken to exclude the name of DoP&T from the list of Respondents, under intimation to this Department. It may be highlighted that the instructions / orders issued by the DoPT do not apply to re-employment in banks. However, a note on fixation of pay of ex-servicemen who held posts below Commissioned Officers rank in the Defence Forces on their Re-employment in Central Government Civil Services and Posts, is enclosed.

4. This issues with the approval of Competent Authority.

Encl: As above.


(Shukdeo Sah)

Under Secretary to the Government of India
Tel: 011-2304 0489

✓ Secretary,
Department of Financial Services
Ministry of Finance,
Jeevan Deep Building
Parliament Street,
New Delhi.

Copy to –

Adv. B. Pramod,
Central Govt. Counsel,
High Court of Kerala,
Office: 1st Floor, Cheruvathoor Building,
North of Kombara Jn.,
Ernakulam – 682 018

Fixation of Pay of ex-servicemen who held posts below Commissioned Officers rank in the Defence Forces on their Re-employment in Central Government Civil Services and Posts

The CCS(Fixation of Pay of Re-employed Pensioners) Orders, 1986 (as revised from time to time) circulated vide this Department's OM No. 3/1/85-Estt.(Pay II) dated 31.7.1986, regulate fixation of pay of pensioners re-employed in Central Government Civil Services and Posts. As per para 4(d) of the OM dated 31.7.1986, in case of persons retiring before attaining the age of 55 years and who are re-employed, pension (including pension equivalent of gratuity and other forms of retirement benefits) shall be ignored (that is not taken into account) for initial pay fixation to the following extent:-

- (i) In the case of ex-servicemen who held posts below Commissioned Officers rank in the Defence Forces and in the case of civilians who held posts below Group 'A' posts at the time of their retirement, the entire pension and pension equivalent of retirement benefits shall be ignored.
- (ii) In the case of service officers belonging to the defence forces and civilian pensioners who held Group 'A' posts at the time of their retirement, the first Rs. 500/- (revised to Rs. 4000/- vide OM dated 5.4.2010) of the pension and pension equivalent of retirement benefits, shall be ignored.

2. Para 4(b)(i) of this OM dated 31.7.1986 further provides that in all cases where the pension is fully ignored, initial pay on re-employment shall be fixed at the minimum of the scale of pay of the re-employed post.

3. After implementation of CCS (Revised Pay) Rules, 2008, the Para 4 of the OM dated 31.7.1986 [including Para 4(b)(i) and Para 4(b)(ii)], which is relating to fixation of pay, were amended vide this Department's OM No. 3/19/2009-Estt(Pay II) dated 5.4.2010. In terms of the amended provisions too, in case of persons retiring before attaining the age of 55 years and who are re-employed, entire pension and pension equivalent of retirement benefits, is to be ignored (that is not to be taken into account) for initial pay fixation, in the case of ex-servicemen who held posts below Commissioned Officer rank in the defence forces and in the case of civilians who held posts below Group 'A' posts at the time of their retirement.

4. As per para 4(b)(i), as amended vide OM dated 5.4.2010, in all cases where the pension is fully ignored (that is not to be taken into account) for pay fixation, the initial pay on re-employment shall be fixed as per entry pay in the revised pay structure of the re-employed post applicable in the case of direct recruits appointed on or after 1.1.2006 as notified vide Section II Part-A of 1st Schedule to CCS (RP) Rules, 2008.

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5. It is further clarified that para 3(v) of this Department's OM No. 3/19/2009-Estt.(Pay-II) dated 5.4.2010 is regarding determination of notional pay in respect of personnel/officers who retired prior to 1.1.2006 and who were re-employed after 1.1.2006. This notional pay is required only in case of Commissioned Service Officers belonging to the Defence Forces (civilian pensioners who held Group 'A' posts at the time of their retirement) and ex-servicemen Personnel Below Officer Ranks (also civilian pensioners who held below Group 'A' posts at the time of their retirement, who retired after 55 years of age), since only in case of these officers/personnel, the initial basic pay on re-employment is to be fixed at the same stage as the last basic pay drawn before retirement. It may be noted that the notional pay in respect of ex-servicemen who held posts below commissioned officer rank in the defence forces (as also in case of civilians who held posts below Group 'A' posts) at the time of retirement before attaining the age of 55 years, is not reckoned at all while fixing the pay on re-employment. For the ex-servicemen who held posts below commissioned officer rank in the defence forces (as also in case of civilians who held posts below Group 'A' posts) at the time of retirement who retired before attaining the age of 55 years, provisions of this para 3(v) of the OM No.3/19/2009-Estt.(Pay II) dated 5.4.2010 are not relevant at all.

6. In case the person has retired after 55 years of age and is re-employed afterwards in Central Civil Services and Posts, his pay is to be fixed by general principle of "pay minus pension". The pay for this purpose is last pay drawn.

Email

1457323/2021 | (S4. (Pay - II))
 19/07/2021 | Alois Toppo

Fwd: WPC No.9750 of 2021 pending before this Hon'ble High Court of Kerala at Ernakulam

From : shukdeo.sah MOHFW <shukdeo.sah13@nic.in> Fri, Jul 09, 2021 03:55 PM
Subject : Fwd: WPC No.9750 of 2021 pending before this Hon'ble High Court of Kerala at Ernakulam 1 attachment
To : Alois Toppo <alois.toppo@gov.in>

From: "Prem Kumar Mandal" <uscoord-dopt@nic.in>
To: "shukdeo.sah MOHFW" <shukdeo.sah13@nic.in>
Sent: Friday, July 9, 2021 2:24:35 PM
Subject: Fwd: WPC No.9750 of 2021 pending before this Hon'ble High Court of Kerala at Ernakulam

From: "adv pram 99" <adv.pram.99@gmail.com>
To: "Shri Tarun Bajaj Secretary DOR" <rsecy@nic.in>
Cc: "Joint Secretary Estt." <jse@nic.in>
Sent: Thursday, July 8, 2021 1:01:13 PM
Subject: WPC No.9750 of 2021 pending before this Hon'ble High Court of Kerala at Ernakulam

Sir/madam

The above writ petition is pending before the Hon'ble High Court of Kerala. Kindly furnish instructions at the earliest. Copy of writ petition is also attached herewith.

Adv. B. Pramod
 Central government Counsel
 High Court of Kerala,
 Office:1st Floor,
 Cheruvathoor Building, North of Kombara Jn.,
 Ernakulam. PIN - 682 018.
 9895780797(Mob.)

 **WPC No.9750 of 2021.pdf**
 18 MB

No. 1425671/20-Estt.(Pay-II)
Government of India

Ministry of Personnel, Public Grievances & Pensions
Department of Personnel & Training



North Block, New Delhi
Dated the 14th December, 2020

OFFICE MEMORANDUM

Subject: Fixation of pay of Re-employed Ex-servicemen PBORs – regarding.

The undersigned is directed to enclose herewith representation of Shri Suresh Kumar K.R. dated NIL in connection with the Court Order dated 16.03.2020 passed by Hon'ble High Court of Kerala at Ernakulam in W.P.(C) No. 30214 of 2016(B) for taking necessary action.

2. Insofar as this Department is concerned, the extant instructions relating to pay fixation of re-employed pensioners in Central Civil Services and Posts have been laid down in Central Civil Services(Fixation of Pay of Re-employed Pensioners) Orders, 1986 issued vide this Department's OM No. 3/1/85-Estt.(Pay-II) dated 31.07.1986(Annexure-I) as amended from time to time. The OM No. 3/13/2008-Estt.(Pay-II) dated 11.11.2008(Annexure-II) and subsequent clarification vide OM No. 3/19/2009-Estt.(Pay-II) dated 5.4.2010(Annexure-III) were issued in 6th CPC Scenario. The OM No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017(Annexure-IV) was issued in 7th CPC Scenario. These instructions are, however, not suomotu applicable to Autonomous Bodies, Educational institutes, PSUs, Trusts or Banks etc. which are governed by their own set of rules regulations, unless they have adopted these instructions.

3. As per para 4(d) of the OM dated 31.7.1986, in case of persons retiring before attaining the age of 55 years and who are re-employed, pension (including pension equivalent of gratuity and other forms of retirement benefits) shall be ignored (that is not taken into account) for initial pay fixation to the following extent:-

(i) In the case of ex-servicemen who held posts below Commissioned Officers rank in the Defence Forces and in the case of civilians who held posts below Group 'A' posts at the time of their retirement, the entire pension and pension equivalent of retirement benefits shall be ignored.

(ii) In the case of service officers belonging to the defence forces and civilian pensioners who held Group 'A' posts at the time of their

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DY No. 21535/2020/wel.

25/12/2020

retirement, the first Rs. 500 [revised to Rs.4000 vide OM dated 5.4.2010] of the pension and pension equivalent of retirement benefits, shall be ignored.

4. Para 4(b)(i) of OM dated 31.7.1986 further provides that in all cases where the pension is fully ignored, initial pay on re-employment shall be fixed at the minimum of the scale of pay of the re-employed post.

5. After implementation of CCS (Revised Pay) Rules, 2008, Para 4 of the OM dated 31.7.1986 [including Para 4(b)(i) and Para 4(b)(ii)], which is relating to fixation of pay, were amended vide this Department's OM No. 3/19/2009-Estt(Pay-II) dated 5.4.2010. In terms of the amended provisions too, in the case of ex-servicemen who held posts below Commissioned Officer rank in the defence forces and civilians who held posts below Group 'A' posts at the time of their retirement who retired before attaining the age of 55 years and re-employed thereafter, entire pension and pension equivalent of retirement benefits is to be ignored (that is not to be taken into account) for initial pay fixation.

6. As per para 4(b)(i), as amended vide OM dated 5.4.2010, in all cases where the pension is fully ignored (that is not to be taken into account) for pay fixation, the initial pay on re-employment shall be fixed as per entry pay in the revised pay structure of the re-employed post applicable in the case of direct recruits appointed on or after 1.1.2006 as notified vide Section II Part-A of 1st Schedule to CCS (RP) Rules, 2008.

7. Also, in case of persons retiring after 55 years of age and re-employed thereafter, their pay is fixed as per general principle of "pay minus pension". The pay for this purpose is last pay drawn.

8. It is further clarified that para 3(v) of this department's OM No.3/19/2009-Estt.(Pay II) dated 5.4.2010 is regarding determination of notional pay in respect of personnel/officers who retired prior to 1.1.2006 and who were re-employed after 1.1.2006. This notional pay is required only in case Commissioned Service Officers belonging to the Defence Forces(as also in case of civilian pensioners who held Group 'A' posts) at the time of their retirement and PBORs (as also civilian pensioners who held below Group 'A' posts) who retired after attaining the age of 55 years and re-employed thereafter, since only in case of these personnel/officers, the initial basic pay on re-employment is to be fixed at the same stage as the last basic pay drawn before retirement as discussed above.

9. It may be noted that, in case of ex-servicemen who held posts below commissioned officer rank in the defence forces (as also in case of civilians who held posts below Group 'A' posts) at the time of retirement who retired before attaining the age of 55 and re-employed thereafter, the notional pay is not

cont.../-

reckoned at all while fixing the pay on re-employment, as explained above. For the ex-servicemen who held posts below commissioned officer rank in the defence forces (as also in case of civilians who held posts below Group 'A' posts) at the time of retirement and who retired before attaining the age of 55 years, provisions of this para 3(v) of the OM No. 3/19/2009-Estt.(Pay II) dated 5.4.2010 are not relevant at all.

10. Also, in 7th CPC scenario, after implementation of CCS (Revised Pay) Rules, 2016, Para 4 of the OM dated 31.7.1986 [including Para 4(b)(i) and Para 4(b)(ii)], which is relating to fixation of pay, were amended vide this Department's OM No. 3/3/2016-Estt(Pay II) dated 1.5.2017. In terms of these provisions too, in the case of ex-servicemen who held posts below Commissioned Officer rank in the defence forces and civilians who held posts below Group 'A' posts at the time of their retirement who retired before attaining the age of 55 years and re-employed thereafter, entire pension and pension equivalent of retirement benefits is to be ignored (that is not to be taken into account) for initial pay fixation. As per para 4(b)(i), as amended vide OM dated 1.5.2017, in all cases where the pension is fully ignored (that is not to be taken into account) for pay fixation, the initial pay on re-employment shall be fixed as per Rule 8 of the Central Civil Services (Revised Pay) Rules, 2016 i.e. at the minimum pay or the first Cell in the Level of the re-employed post.

11. This has the approval of Additional Secretary(E).

Yours faithfully,

Rajeev Bahree
14/11/2020

(Rajeev Bahree)
Under Secretary (Pay)

To

Department of Financial Services,
Under Secretary(Welfare),
Jeevan Deep Building,
Parliament Street,
New Delhi

Copy for information to -

Shri Suresh Kumar K.R., Radha Nivas, Valiyapadam, C N Puram P O, Palakkad
- 678005