



GOVERNMENT OF KERALA

Abstract

Pension - Revision of Pension and other related benefits consequent on revision of Pay Scales from 1.7.2014 in accordance with the recommendation of the 10th Pay Revision Commission - Orders Issued.

FINANCE (PENSION B) DEPARTMENT

G.O. (P). No.9/2016/Fin Dated, Thiruvananthapuram, 20.01.2016

Read: 1) G.O(P) No.146/86/Fin. Dated 11.12.1986

2) G.O(P)No.405/92/Fin. Dated 21.5.1992

3) G.O(P) No.7/2016/Fin. Dated 20.01.2016

ORDER

In the Government Order read 3rd above, Government have issued orders revising existing scales of pay with effect from 01.07.2014. Government are pleased to order the following.

1. Basic Principles

The minimum basic pension / family pension will be enhanced to 8,500/- per month. The maximum pension will be ₹ 60,000/- (i.e. 50% of the maximum of the highest scale of pay under State Government ₹1,20,000/-). The maximum family pension (normal rate) will be ₹36000/- (i.e. 30 % of ₹1,20,000/ - maximum of the highest scale of pay under State Government.)

2. Revision of Pension / Family Pension in respect of those who retire / expire while in service on or after 01.07. 2014

2.1. In respect of those who retire / expire while in service on or after 01.07.2014, the pensionary benefits will be calculated with reference to the revised pay introduced with effect from 01.07.2014, applying the normal formulae/ rules as existing now. They will be eligible for:- (a) commutation of pension @ 40% of basic pension in accordance with paragraph 5 below; (b) increased ceiling of Death cum Retirement Gratuity (DCRG) of ₹14,00,000/- (for those retiring/ expiring while in service on or after 01.07.2014) in accordance with paragraph 6 below; (c) medical allowance in accordance with paragraph 8 below ; and (d) terminal leave surrender based on revised salary.

2.2. The present system of computation of pension at 50% of the ten months average emolument, subject to the satisfaction of the condition of earning full pension or part thereof (depending on the length of qualifying service) will continue. The normal rate of family pension will continue as 30% of last pay.

2.3. In the case of employees who retired from service on or after 01-07-2014 and whose average emoluments spread over pre and post revised periods and have the eligibility of full pension and if the pension calculated at the time of retirement is less than 50% of the revised scale of pay from which they retired, 50% of the minimum of the revised scale of pay (Minimum Assured Pension) will be ensured. For those who are not eligible for full pension, the proportion of full pension based on the length of qualifying service shall be ensured.

2.4. In the case of employees who retain pre- revised scale and retire/expire while in service on or after 01.07.2014, Pension, DCRG and Family Pension, as the case may be, shall be calculated in terms of these orders. Emolument for the calculation of pensionary benefits in such cases will comprise of basic pay in the pre revised scale, plus admissible DA . Para 2.3 is not applicable in such cases.

2.5. The minimum/maximum pension, DCRG, commutation and Medical allowance shall be fixed as per the State Pension Rules for those who comes under UGC/AICTE/MES.

3. Revision of Pension in respect of those who retired / expired prior to 01.07. 2014

3.1. Pension in respect of those who retired / expired prior to 01.07.2014 shall be revised, in accordance with the principles laid down herein.

3.2. Revised Basic Pension: To arrive at the revised Basic Pension, following, shall be determined first:-

1. Existing Basic Pension;
2. Fitment benefit at 18 % of existing basic pension (i.e. of (1) above). If it involves fraction of a rupee, it shall be rounded off to the next higher rupee.
3. 80% of existing Basic Pension (i.e. of (1) above) as rounded off to the next higher rupee.)

The amount so arrived will be regarded as consolidated pension with effect from 01.07.2014.

3.3. The fixation of pension will be subject to the provision that in the case of pensioners having qualifying service of 30 years and above, the consolidated pension so arrived shall not be lower than 50% of the minimum of the corresponding revised scale of the post from which the pensioner retired. The pension will be proportionately reduced, where the pensioner had less than the maximum required service, i.e. 30 years.

3.4 In cases where the pensioners having qualifying service of 30 years and above, if the consolidated pension arrived as per para 3.2 is less than 50% of the minimum of the corresponding revised scale of the post from which the pensioner retired, the pension shall be stepped up to 50% of the minimum of the revised scale of the post from which pensioner retired. In the case of pensioners having qualifying

service of less than 30 years, proportion of full pension based on length of qualifying service shall be ensured.

3.5 Proportionate pension means the maximum pension admissible for any particular stage multiplied by the Qualifying Service Factor (QS/30). The detailed table for determining proportionate pension is given in Schedule 1.

3.6 If, in any case, the amount so arrived at is less than the minimum pension of Rs.8500/-, it shall be enhanced to the level of the revised minimum pension.

3.7 Either the consolidated pension (para 3.2) or the minimum assured pension (para 3.4) arrived, whichever is beneficial, will be the revised pension.

3.8 If the post held by the pensioner at the time of retirement/ death while in service is no longer in existence in the department from which he retired or if the designation of the post has changed in such a way that it is no longer possible to ascertain as to which is the revised scale corresponding to the post from which the pensioner / employee retired/ expired while in service, the revised basic pension shall be fixed, based on the corresponding scale of pay, over successive pay revisions, as indicated in Schedule III to this order.

3.9 The provisions contained in paragraphs 3.1 to 3.8 will not apply to Ex-gratia pensioners.

3.10 As per the Government Order read 2nd above, Dearness Relief on pension has been granted to pro-rata pensioners on their final quittance from the absorbed service. Therefore, consolidation of pension as contemplated in paragraph 3.2 is applicable to them also, subject to a minimum basic pension of ₹ 8500/-. However, revision of pension based on the minimum of the corresponding revised scale of pay of the post from which the pensioner retired (as indicated in paragraph 3.3 & 3.4 above and Schedule I) is not applicable to them.

3.11 In respect of those who are in receipt of compassionate allowance, consolidation, contemplated in para 3.2 only is applicable.

4. Revision of Family Pension in respect of those who retired/ expired while in service prior to 01.07.2014.

4.1. Family pension in respect of those who retired/ expired while in service prior to 01.07.2014 shall be revised from 01.07.2014 in accordance with the principles laid down herein.

4.2. To arrive at the revised family pension in respect of those who retired/ expired while in service prior to 01.07.2014, the following shall be determined first :

(i) Existing Basic Family Pension:

- (ii) Fitment benefit at 18% of the existing Basic Family Pension (i.e. of (i) above).
If it involves fraction of a rupee, it shall be rounded off to the next higher rupee.
- (iii) 80% of the existing Basic Family Pension (i.e. of (i) above) as rounded off to the next higher rupee.)

The amount so arrived will be regarded as consolidated family pension with effect from 01.07.2014.

4.3. The revision as above is applicable to both normal and higher rates of family pension provided family pension shall not be more than pension itself.

4.4. The ceiling on the amount of maximum family pension will be 30% of the highest pay in the State Government i.e. ₹ 36,000/- (i.e 30% of ₹ 1,20,000/-) (See Schedule II to this order).

4.5. In the case of normal family pension, if the total of items (i) to (iii) in para (4.2) above is less than the family pension corresponding to the minimum of the corresponding revised scale of the post from which the pensioner retired/ expired while in service, as indicated in Schedule II, it shall be stepped up to that amount subject to a minimum of 8500/-. For determining the corresponding revised scale of the post from which the pensioner retired/ expired while in service, the provisions of paragraph 3.7 above will apply.

4.6. In the case of those drawing family pension at the minimum rate as per Government Order read 1st above and in cases where the required details are not available for revised calculation, it shall be fixed at the revised minimum family pension viz. 8,500/- per month.

5. Commutation of Pension and Restoration of Commuted Portion of Pension.

The existing rate of 40% of the basic pension for commutation of pension will continue. The entitlement to commute pension admissible on revised pay is applicable in the case of retirement on or after 01.07.2014. The existing commutation factor and the period of restoration will be continued. The pension calculated as per para 3 is not commutable.

6. Ceiling on Death - Cum- Retirement Gratuity.

6.1. The ceiling on maximum amount of DCRG will be raised from ₹ 7,00,000/- to ₹ 14,00,000/- with effect from 01.07.2014.

6.2. Pensioners who retired after 01.07.2014 coming under UGC/AICTE/MES scales of pay are eligible for the enhancement of the limit from ₹ 7,00,000/- to ₹ 14,00,000/-

7. Dearness Relief:

The rate of dearness relief admissible for pensioners/family pensioners from 01.07.2014 onwards will be as shown below:

Date	Rate of DR	Total
01.07.2014	0	0
01.01.2015	3	3
01.07.2015	3	6

8. Medical Allowance to Pensioners & Family Pensioners

Medical Insurance Scheme will be introduced to Pensioners/Family Pensioners. The detailed orders in this regard will be issued separately. Till such time Pensioners /family pensioners will be eligible for medical allowance as per the existing rate of Rs.300/- per month.

9. Arrears of pension

9.1 The revised pension/family pension will be granted in cash from 1.2.2016.

Pensioners /Family pensioners prior to 01/07/2014 are eligible to draw arrears on account of revision of Pension/Family pension in four instalments each at 25% of the arrears, in cash on 1.4.2017, 1.10.2017, 1.4.2018 and 1.10.2018 respectively along with interest on the arrears not drawn as on the above dates at the rate of interest admissible to State Government employees on their Provident Fund. In the case of those who retired on or after 01.07.2014, the arrears of pension, DCRG and Terminal Surrender along with interest accrued will be disbursed as stated above. Arrears on Commutation will be disbursed in two equal instalments in cash on 01.10.2017 and 01.10.2018 respectively.

(For e.g. a pensioner/family pensioner entitled to Rs.1 lakh as arrears of revision of pension/family pension, will be allowed to draw the first instalment ₹ 25,000 on 1.4.2017 along with interest at the current rate on State Government Employee Provident Fund (say 8.7%) for 14 months on Rs. 1 lakh, the second instalment of ₹ 25,000 on 1.10.2017 along with interest at 8.7% for 6 months on ₹ 75,000, the third instalment of ₹ 25,000 on 1.04.2018 along with interest at 8.7% for 6 months on ₹ 50,000 and the fourth and last instalment of ₹ 25000 on 01.10.2018 along with interest at 8.7% for 6 months on ₹ 25,000).

In the event of death, the entire arrears on account of revision of Pension/Family pension, DCRG, Commutation and Terminal Surrender as the case may be, not drawn by the pensioner/family pensioner along with interest accrued except on commutation will be paid as on the date of death, to the legal heirs of the pensioner/family pensioner.