

## **CHECK YOUR PENSION ENTITLEMENT**

**(updated as on 16 August 2011)**

### **Introduction**

1. We all believe in the system and expect that justice will be done to us. However your presumption that your bank is paying you correct pension, may not be in your best financial interests. Experience indicates that Banks are frequently doing the mistake of paying lower rates of pension vis a vis authorisation to many pensioners due to poor understanding of defence pension provisions by their staff. Therefore it is a must for every pensioner to know his/her correct entitlement of pension.

2. The pensioners, who have retired on or after 01-01-06, generally do not have any problem in getting their correct pension. The CDAs in their case have issued Pension Payment Order (PPO) as per the new provisions of VI CPC. For these pensioners the banks have no option, but to pay the pension as specified by the CDA in the PPO. However, the story is different for pre 01-01-06 retirees.

3. Considering the large volume of pre-2006 pensioners (25 lacs Appx), the CDAs have expressed their inability to issue a revised PPO as per VI CPC entitlement. The Govt has therefore issued orders to Pension Disbursing Agencies (Banks, Treasury Offices etc) to calculate the revised pension (as per VI CPC) and pay the same to the pre-2006 pensioners directly. Govt has issued instructions to banks (with necessary reference tables) for calculating and releasing the revised pension. Efforts are on at the highest level to ensure that revised PPOs are issued for pre-2006 pensioners also, by the CDAs in near future. However it is linked to digitalisation of past records and data capture of pre-2006 pensioners on a large scale by CGDA and could take some time. Therefore as on date, it is only banks who will decide the post VI CPC revision of pension, for pre-2006 pensioners.

### **Calculation of Correct Pension Entitlement (Pre-2006 Pensioners)**

4. The revised pension for pre-2006 pensioners is required to be fixed by the banks by calculating it through two specified methods. Out of the two methods, the revised pension is to be fixed as per the method which is more beneficial to the pensioner. The two methods of pension calculation are explained below:-

(a) **Consolidation Method**. In this method, the pension has been consolidated by adding together the following:

- (i) The Existing Pension / Family Pension.
- (ii) Dearness Pension.
- (iii) Dearness Relief @ 24% on (i) & (ii) above.
- (iv) Fitment weightage @ 40% on (i) above.

**NOTE:**

The thumb rule for calculating revised pension under the consolidated method is to multiply the existing basic pension with 2.26. For those who retired on or after 01 Apr 04 and before 01 Jan 06, their basic Pension as reflected in PPO is inclusive of dearness pay (DP). Such pensioners have to remove the DP and go by the basic pension for correct calculation. There is a formula to do it. For example if the basic pension inclusive of DP is Rs. 11325/-, then the basic pension will be  $11325/1.5 = 7,550/-$ . Thumb rule for calculating revised pension (consolidation method) will be to multiply the existing basic pension of Rs 7550/- with 2.26. This method of calculation is generally as per Annexure I of relevant Govt letter.

(b) **Modified Parity Method.** The pension under modified parity has been revised by taking fifty percent of the minimum of the pay in pay band plus the grade pay and the MSP (+ Gp X pay for other ranks, as applicable) introduced from 01-01-06 (VI CPC), corresponding to the pre revised scale from which the Pensioner had retired/was discharged. However, pension calculated under modified parity has been reduced on pro-rata basis, wherever the full qualifying service of 33 years, has not been rendered by the pre -2006 pensioner. A table showing pension under this method is given in the next page. This calculation is as per Annexure II for officers and Annexure III for other ranks.

**NOTE:**

(i) After calculating pension by both methods and ascertaining the most beneficial pension, the commuted amount should be deducted to arrive at the correct take home pension. Monthly DR is always on full pension entitlement.

(ii) All Govt letters on pension provisions are followed by a circular from PCDA(P) Allahabad. The circular amplifies the implementation procedure of a Govt order. Banks will release payment to pensioners only after issuance of a circular by PCDA(P) Allahabad. These circulars are available on PCDA (P) Allahabad website.

(iii) The detailed Govt letters on pension are primarily available on PCDA (P), Allahabad website [www.pcdapension.nic.in](http://www.pcdapension.nic.in). In addition other websites which will have similar information are [www.cgda.nic.in](http://www.cgda.nic.in), [www.mod.nic.in](http://www.mod.nic.in) and IAF website [www.indianairforce.nic.in](http://www.indianairforce.nic.in).

5. It is a common complaint by pre 01-01-06 pensioners that banks are not revising their pensions correctly. They are also complaining that banks are not issuing Annexure IV despite clear Govt orders for its issuance. Annexure IV reflects the pension fixation methodology by banks. It should have calculations by both methods i.e. consolidation and modified parity. The larger experience indicates that banks are inclined to revise pension as per consolidation method only. This method is beneficial for only 10-15% of defence pensioners. For the rest of defence pensioners who are in majority, modified Parity method is more beneficial. Thus the first challenge for a pensioner is to find out his revised pension as per the most beneficial method. This pamphlet will help him/her in finding out the correct pension after VI CPC.

6. As explained in Para 4 above, calculating pension as per consolidated method (thumb rule) should be extremely easy. Practically thumb rule is giving almost 100% accuracy. For modified parity method calculation, the table given in the next page can be referred. Both the calculations must be checked for arriving at the most beneficial pension. In case the pension of a pre -2006 pensioner has not been revised correctly, the pensioner should approach his/her bank for necessary corrections. If the problem is not resolved by the bank in a reasonable time (3-4 weeks), then this office/AFRO must be contacted by Officers/other ranks respectively. Our address is Dte of PP&R, Air HQ, West Block-VI, RK Puram, New Delhi 110066). This office can also be contacted through e-mail ([pprmail@indiatimes.com](mailto:pprmail@indiatimes.com)) and direct civil No-011-26104394. The contact details of AFRO are given at the end of this pamphlet.

**RETIRING PENSION / FAMILY PENSION /DISABILITY PENSION -PRE-2006 RETIREES  
COMMISSIONED OFFICERS –ARMY & EQUIVALENT IN NAVY AND AIR FORCE  
(AS PER MODIFIED PARITY)**

<u>Rank</u>	<u>Fg Offr</u>	<u>Flt Lt</u>	<u>Sqn Ldr</u>	<u>WgCdr (TS)</u>	<u>Wg Cdr (S)</u>	<u>Gp Capt (TS)/ Gp Capt (S)</u>	<u>Air Cmde</u>	<u>AVM</u>	<u>Air Mshl</u>	<u>VCAS/ AOC-in-C/ DGAfMS</u>	<u>CAS</u>
<b>Qualifyin g Service</b>											
10	7773	7975	7975	11682	13240	13420	13420	13420	14379		
10.5	7978	8185	8185	12072	13629	13815	13815	13815	14932		
11	8182	8394	8394	12461	14019	14210	14210	14210	15485		
11.5	8387	8604	8604	12850	14408	14604	14604	14604	16038		
12	8591	8814	8814	13240	14797	14999	14999	14999	16591		
12.5	8796	9024	9024	13629	15187	15394	15394	15394	17144		
13	9000	9234	9234	14019	15578	15788	15788	15788	17697		
13.5	9205	9444	9444	14408	15966	16183	16183	16183	18250		
14	9410	9654	9654	14797	16355	16578	16578	16578	18804		
14.5	9614	9863	9863	15187	16744	16972	16972	16972	19357		
15	9819	10073	10073	15576	17134	17367	17367	17367	19910		
15.5	10023	10283	10283	15966	17523	17762	17762	17762	20463		
16	10228	10493	10493	16355	17913	18157	18157	18157	21016		
16.5	10432	10703	10703	16744	18302	18551	18551	18551	21569		
17	10637	10913	10913	17134	18691	18946	18946	18946	22122		
17.5	10841	11122	11122	17523	19081	19341	19341	19341	22675		
18	11046	11332	11332	17913	19470	19735	19735	19735	23228		
18.5	11250	11542	11542	18302	19860	20130	20130	20130	23781		
19	11455	11752	11752	18691	20249	20525	20525	20525	24334		
19.5	11660	11962	11962	19081	20638	20919	20919	20919	24887		
20	11864	12172	12172	19470	21028	21314	21314	21314	25440		
20.5	12069	12382	12382	19860	21417	21709	21709	21709	25993		
21	12273	12591	12591	20249	21807	22104	22104	22104	26546		
21.5	12478	12801	12801	20638	22196	22498	22498	22498	27099		
22	12682	13011	13011	21028	22585	22893	22893	22893	27652		
22.5	12887	13221	13221	21417	22975	23288	23288	23288	28205		
23	13091	13431	13431	21807	23364	23682	23682	23682	28758		
23.5	13296	13641	13641	22198	23754	24077	24077	24077	29311		
24	13500	13850	13850	22585	24143	24472	24472	24472	29864		
24.5	13500	13850	13887	22975	24532	24866	24866	24866	30417		
25	13500	13850	14100	23364	24922	25261	25261	25261	30970		
25.5	13500	13850	14100	23754	25311	25656	25656	25656	31523		
26	13500	13850	14100	24143	25700	26050	26050	26050	32076		
26.5	13500	13850	14100	24532	25700	26050	26050	26050	32629		
27	13500	13850	14100	24922	25700	26050	26050	26050	33182		
27.5	13500	13850	14100	25311	25700	26050	26050	26050	33735		
28	13500	13850	14100	25700	25700	26050	26150	26150	34288		
28.5	13500	13850	14100	25700	25700	26050	26150	26150	34841		
29	13500	13850	14100	25700	25700	26050	26150	26150	35394		
29.5	13500	13850	14100	25700	25700	26050	26150	26296	35947		
30 & above	13500	13850	14100	25700	25700	26050	26150	26700	36500	40000	45000

**TABLE 2 FAMILY PENSION**

Rank		Fg Offr	Flt Lt	Sqn Ldr	Wg Cdr (TS)	Wg Cdr (S)	Gp Capt (TS)/ Gp Capt (S)	Air Cmde	AVM	Air Mshl	VCAS/AOC-in C/DGAFMS	CAS
PEN TYPE												
OFF		8100	8310	8460	15420	15420	15630	15690	16020	21900	24000	27000
SFP		16200	16620	16920	30840	30840	31260	31380	32040	43800	48000	54000
LFP		27000	27700	28200	51400	51400	52100	52300	53400	73000	80000	90000

**TABLE 3 DEPENDENT PENSION**

Min Dep Pension		8100	8310	8460	15420	15420	15630	15690	16020	21900	24000	27000
Min Liberalised Dep Pension	For Both Parents (75%)	20250	20775	21150	38550	38550	39075	39225	40050	54750	60000	67500
	For Single Parent (60%)	16200	16620	16920	30840	30840	31260	31380	32040	43800	48000	54000

- Note.**
- The dependent pension for death which is not attributable to/ aggravated by service (corresponding to OFF) is subject to minimum income criteria i.e. Rs 3500/- PM +DR.
  - The dependent pension for death which is attributable to/ aggravated by service (corresponding to SFP) is not subject to any minimum income criteria however the pension is paid at half the rate as admissible for SFP. Thus the dependent pension corresponding to OFF and SFP will be same.
  - The dependent pension will however be different for LFP as indicated above. There is no minimum income criterion for LFP also.

**TABLE 4 DISABILITY ELEMENT FOR 100% DISABILITY**

Minimum Disability Element		8100	8310	8460	15420	15420	15630	15690	16020	21900	24000	27000
Mini War Injury Element for Disability		16200	16620	16920	30840	30840	31260	31380	32040	43800	48000	54000
Minimum War Injury Element for Invalidment		27000	27700	28200	51400	51400	52100	52300	53400	73000	80000	90000

Note : The disability element rates are for 100% disability. For lesser disability the amount will reduce proportionately.



### **Understanding the Modified Parity Table**

7. The modified parity tables above are based on Annexure II to GOI MOD letter No.17(4)/2008(1)/D(pen/policy) dated 11.11.08 revised vide 11.12.08, 20.1.09, 21.5.09, 20.01.10 and 15.11.10 for commissioned officers. These Govt letters have been followed up by following circulars of PCDA(P) Allahabad 397 dated 18 Nov 08, 401 dated 18 Dec 08, 403 dated 02 Feb 09, 412 dated 26 May 09, 428 dated 19 Feb 10 and 453 dated 22 Feb 11 respectively. Similarly, modified parity for other ranks is given in Annexure III of above Govt letter and recent Govt letter No. PC 10(1)/2009-D(Pen/Pol) dated 08 Mar 10. Modified parity for SFP, LFP and Disability pension for all ranks is covered vide GOI No-17(4)/2008(1) /D(Pen/Policy)/Vol-V dated 15 Feb 2011. The follow up PCDA (P) circular No. is 456 dated 18 Mar 11. The above quoted letters are available on web sites as mentioned above.

8. The modified parity tables for the other ranks is very large in number and volume, hence they have not been displayed in this small pamphlet. The same can be primarily seen at PCDA (P) Allahabad website and other sites as indicated in para 4 above.

9. The modified parity table is inclusive of entitled weightage for each rank. Therefore, adding weightage second time will lead to wrong pension calculation. Thus, actual years of qualifying service rendered (without weightage), should be used for calculations. All pensioners, who have opted for commutation, should calculate their revised pension with full pension entitlement, add DR and subtract commuted amount to arrive at their take home pension. DR payment is always on full pension even after commutation. Details of DR rates are; Jan 2006 -0%, Jul 2006-2%, Jan 2007 -6%, Jul 2007 -9%, Jan 2008 12%, Jul 2008 -16%, Jan 2009 -22%, Jul 2009 -27%, Jan 2010-35%, Jul 2010-45% and Jan 2011- 51%.

10. It has been observed that generally pension/ family pension under consolidation method is mostly beneficial for the Sqn Ldrs and below and Medical branch officers. For pension/family pension of all other officers, modified parity is more beneficial. However, it is always better to check one's pension entitlement through both these methods and then decide on which pension is more beneficial.

11. For other ranks also the majority will be benefited by modified parity method (Annexure III) of Govt letter No. PC 10(1)/2009-D(Pen/Pol) dated 08 Mar 10 and No-17(4)/2008(1)/D(Pen/ Policy)/-Vol-V dated 15 Feb 2011. These letters are available on PCDA (P) Allahabad website [www.pcdapension.nic.in](http://www.pcdapension.nic.in) and CGDA website [www.cgda.nic.in](http://www.cgda.nic.in). In view of the above, the correct approach in the best interest of

pensioners will be to check the pension from both the methods and decide on the beneficial pension. Any query on pension by other ranks including Honorary Commissioned officers should be addressed to AFRO.

12. For pre-2006 Family Pensioners in receipt of (SFP), Liberlised Family Pension (LFP), Enhanced Ordinary Family Pension, there was no provision for pension fixation as per modified parity method and only consolidated method was applicable to these categories earlier. Now Govt has issued orders vide No-17(4)/2008(1)/D(Pen/Policy)/-Vol-V dated 15 Feb 2011 which permits family pension and dependent pension to be paid to SFP/LFP categories of pensioners as per modified parity method. The relevant orders to implement Govt order has been issued by PCDA (P) Allahabad to banks vide circular No-456 dt 18-3- 2011. The family pensioners can now approach their banks for revised pension. This new order is effective wef 01-01-2006 and will benefit a large number of family pensioners. However the Govt order is silent on fixation of Enhanced ordinary family pension as per modified parity method. The matter has therefore been taken up with the Govt for clarification.

13. Public Sector absorbees who had opted for 100% commutation of pension will require a fresh PPO for revision of their pension as per VI CPC. They should contact Dte PPR/ AFRO for the same. The modified parity tables as given above will not indicate their correct pension entitlement correctly.

### **Important Beneficial Provisions/New Provisions of Pension**

14. **Additional Pension.** Additional pension is authorized wef 01-01-06 for the benefit of 80 years and above pensioners/ Family pensioners. The details of this pension are as follows:-

(a) This additional pension is over and above the normal pension and is also applicable to SFP, LFP, War injury pension and Disability pension.

(b) DR on this additional pension is entitled. This additional pension will be paid by PDA (bank, treasury etc) from the same month in which pensioner has completed the required age of 80 years or above.

(c) The rates for this additional pension are additional 20% of basic pension for 80 years, 10% increase of basic pension with every five years (i.e. 30% for 85 yrs, 40% for 90 yrs and 50% for 95 yrs) however once a pensioner completes 100 years of age, the additional pension will be revised to 100 %.

(d) Public sector absorbees are a special class who had the option of commuting not just 43% / 45% of their pension but were also permitted to

commute 100% of their pension if they so desired. After protracted legal battle by pensioners who had commuted 100% pension, the Supreme Court has given a decision that such pensioners are not entitled for restoration of 100% pension. They are only entitled for part restoration of pension (43% for officers and 45 % for ORs) after 15 years, like all other Govt employees. However they are entitled for DR on full pension. **Now it has been clarified that such pensioners are also entitled for additional pension on their full pension entitlement after reaching the age of 80 years and above.**

(e) If the date of birth of pensioner is available in the PPO, then additional pension will be started by the bank straight away. If date of birth is not there in the PPO then pensioner can produce date of birth as given in PAN Card, Matric certificate, Passport, ECHS card, Driving license and Election ID card. Four copies of any of these documents duly attested by a Gazetted officer/ MLA should be submitted to PDA for commencement of additional pension. Based on these documents the PDA will commence additional pension on provisional basis, for six months. Within these six months, the pensioner should contact this office (PBOR to contact AFRO) with relevant documents for issue of Corr. PPO by CDA annotating the date of birth of the pensioner along with other relevant details like, Latest Bank account No., Full address of bank & its Link Branch, BSR Code of bank & its Link Branch.

15. **Minimum Pension.** Wef 01-01-06 the minimum rates of pension for various types of pension for are as follows:-

- |     |   |                      |
|-----|---|----------------------|
| (a) | Retiring & Ordinary family pension  | - Rs 3500/- PM + DR  |
| (b) | Special & Liberalised family pension  | - Rs 7000/- PM + DR  |
| (c) | Min Disability element for officers (for 100% disability, Proportionate reduction for lesser disability)                            | - Rs 8100/- PM + DR  |
| (d) | Min Disability element for other ranks (for 100% disability, Proportionate reduction for lesser disability)                         | - Rs 3510/- PM + DR  |
| (e) | Min Disability pension (total of service + disability element) For permanent Disability not less than 60%                           | - Rs 7000/- PM + DR  |
| (f) | Min war injury element for officers (for 100% disability on retirement/Discharge, proportionate reduction for lesser disability)    | - Rs 16200/- PM + DR |
| (g) | Min war injury element for other ranks (for 100% disability on retirement/Discharge, proportionate reduction for lesser disability) | - Rs 7020/- PM + DR  |



16. **Fixed Medical Allowance.** Ex-Servicemen Contributory Health Scheme (ECHS) is compulsory for those who retired/became family pensioners on or after 01 April 2003. Such persons have nothing to do with Fixed Medical Allowance. For any reason if such persons (particularly Family pensioners) have not yet become members of ECHS, they can contact their nearest military station/ECHS regional centre and become an ECHS member. However pre-01 April 2003 retirees/family pensioners had an option to opt for ECHS or remain out of it. Those pensioners who opted to remain out of ECHS are entitled for a fixed medical allowance per month. Earlier this amount was Rs 100/- PM. Now wef 01-01-2006 it has been increased to Rs 300/- PM. Such retirees still have the option to become ECHS members after completing certain formalities, they can contact nearest ECHS Regional Centre for the same. They can also get relevant information on ECHS website. ECHS official website is [www.indianarmy.nic.in/arechs.htm](http://www.indianarmy.nic.in/arechs.htm). Alternately to reach ECHS website type ECHS army on Google or any other search engine and the first site listed there will normally be the official website of ECHS.

17. **Advise to Pre- 2003 Pensioners about Joining ECHS.** A large number of pre-2003 pensioners who had the option to choose between joining ECHS or drawing a Fixed Medical Allowance per month opted for Fixed Medical Allowance. Many of them now feel that it was a wrong decision and want to join ECHS. However, they are not clear about the rates and the procedure of joining ECHS. Firstly, medical expenses are bound to increase with advancement in age, therefore, it makes a lot of sense to join ECHS and forgo the Fixed Medical Allowance. Pre- 2003 pensioners, who wish to join ECHS, should contact ECHS Regional Centre / nearest military Base for advice. In addition they can go to ECHS official Website i.e. [www.indianarmy.nic.in/arechs.htm](http://www.indianarmy.nic.in/arechs.htm). The revised rate of subscription for pre-2003 pensioners will be as follows: -

(a) **ESM who Retired prior to 01 Jan 1996.** These pensioners who wish to join the ECHS do not have to pay any subscription as per existing Gol Orders.

(b) **ESM who Retired from 01 Jan 1996 to 31 Mar 2004.** Though the scheme was made compulsory wef 01 Apr 2003, the money from PPO was deducted from 01 Apr 2004. Those pensioners who have retired between 01 Jan 1996 to 31 Mar 2004 and now want to take ECHS membership (on or after 01 Jun 2009) will have to pay the revised rates of subscription effective from 01 Jun 2009 i.e.

Grade Pay corresponding to last rank	Contribution (in rupees)
Rs. 1800/-, Rs. 1900/-, Rs. 2000/-, Rs. 2400/-, and Rs. 2800/-	: 15,000/-
Rs. 4200/-	: 27,000/-
Rs. 4600/-, Rs. 4800/-, Rs. 5400/-, and Rs. 6600/-	: 39,000/-
Rs. 7600/- and above	: 60,000/-

**Note:** There was no Grade Pay before VI CPC. However, for the purpose of subscription towards joining ECHS, the current Grade Pay for the rank last held will be applicable.

18. **Income Tax Exemption on Pension.** At the time of retirement the gratuity, commutation, leave encashment and provident fund amount is exempted from tax however the interest earned on these amounts is subject to tax. The monthly pension is taxable however retired officers/other ranks in receipt of disability pension and gallantry awards are exempt from income tax. Widows of personnel who were gallantry award winners are also exempt from income tax. In addition widows in receipt of LFP (death in actual notified operations) are also exempt from income tax.

19. **Disability Pension.** The beneficial /new provisions of disability pension are as follows:-

(a) **New Rates of Disability Element.** The earlier rates for 100% disability element of pension @ Rs 5880/-pm for officers and HFO/HFL and Rs 4300/- and 3510/- pm for warranted ranks (JWO,WO& MWO) and other ranks respectively has been revised. Now vide above quoted Govt letter dated 15 Feb 11, 100% disability element has been revised to 30% of the notional pay as per modified parity for pre -2006 pensioners. For war injury and war invalidation the rates are 60% and 100% respectively. Details are given in the modified parity table in Para 6. For disability, which is less than 100%, proportionate reduction will be done in the amount. The new rates are to be automatically credited by the banks as per above quoted Govt letter and PCDA (P) circular.

(b) **Constant Attendant Allowance Rates.** The rates of Constant Attendant Allowance have been increased to Rs 3000/-pm wef 01-01-06 irrespective of rank. There is no DR payable on Constant Attendant Allowance. However this will further increase by 25% every time when the DR on the revised Pay Band goes up to 50%. This increased amount of constant attendant allowance is to be paid automatically by the banks as per above quoted Govt letters on this matter.

(c) **Broad Banding for Invalidation.** Broad banding of disability pension for invalidated officers (due to attributable/aggravated causes) was permitted for the first time in V CPC i.e. wef01-01-1996. This broad banding of disability percentage is done to the nearest higher figure at 50%, 75% and 100%. Earlier this facility was not extended to pre 01-01-1996 pensioners. Now, wef 01-07-2009, this facility has been extended to all pre 01-01-1996 disability pensioners who were invalidated out of service, due to attributable/aggravated causes.

(d) **Disability Pension @ 60% of Reckonable Emoluments.** For permanent disability of 60% and above the disability pension (service+ disability element) shall not be less than 60% of reckonable emoluments last drawn.

(e) **Authorisation of Service Element of Pension to Emergency commissioned & SSC officers.** Before 30 August 2006 emergency commissioned & SSC officers were not entitled to service element of Pension, they were only entitled to disability element. Now vide GOI MOD letter No 1(9)/2006/D(Pen-C) dated 30 August 2006 the Emergency Commissioned & SSC officers whose disability is attributable to/aggravated by service and who are entitled to disability element will also be entitled for service element of disability pension as per existing provisions as applicable to a permanent commissioned officer. For those Emergency Commissioned & SSC officers who are in receipt of disability element and have retired before 30 August 2006, following provisions of Govt letter will apply:-

(i) Those officers whose disability was attributable to service at the time of retirement will be entitled for service element wef 30 Aug 2006 (prospectively). No arrears will be admissible due to notional fixation of revised pension for the period prior to 30 August 2006. No commutation will be admissible and there shall be no change in the retirement gratuity already paid. Affected officers can contact Dte of PP&R Air HQ, if they have been left out due to any reason.

(ii) Those officers whose disability was aggravated by service at the time of retirement will not be entitled for service element of disability pension. For cases of aggravation service element of disability pension will be granted to only those emergency commissioned & SSC officers who have retired on 30 August 2006 or there after i.e. issue date of Govt letter.

(iii) Past cases will not be opened.

(f) **Removal of Previous Cap on war injury pension.** As per earlier rules the total of service element and War injury element could not exceed the last pay drawn. Now this cap has been removed wef 01 July 2009 for all pensioners including all past pensioners vide MOD letter 10 (01)/D (Pen /Pol)/2009/Vol.II dated 19 January 2010 and MOD letter no 17(4)/2008(1)D (Pen/Policy)/-Vol-V dated 15 Feb 2011 ( follow up PCDA(P) Circular No 456 dated 18 Mar 11). For the purpose of deciding last pay for pre-2006 pensioners notional pay as per VI CPC will be taken i.e. Minimum of the pay in the Pay Band +Grade Pay +MSP+ EX Group Pay (where applicable).

(g) **Eligibility for Disability Pension To Pre Mature Retirees WEF 01.01.06.** As per recommendations of VI CPC Officers and other ranks who have sought

premature retirement on or after 01.01.06 are now eligible for Disability pension if they were otherwise eligible for the same i.e. disability attributable to or aggravated by service and disability percentage is 20% or more. Cases before 01.01.06 are not eligible for the same and will not be re-opened by the Govt.

(h) **Exemption From Income Tax.** Disability pensioners are *exempted* from income tax on their complete pension which includes service element and disability element.

20. **Family Pension.** The beneficial /new provisions of Family pension are as follows:-

(a) **Joint notification of Family Pension.** For all cases of death in service, the family pension is granted to the widow as per existing rules. However, for death after retirement, the wife is normally entitled to family pension only if the husband was in receipt of service pension. Every officer / other ranks who has retired or gone out of service after 1986 with a pension has a joint notification of pension along with his legal wife. Joint notification basically means that like the husband the wife is automatically entitled to family pension after the death of her husband. The lady has to contact her husband's bank along with death certificate of her husband for claiming the Family pension. She will have to meet certain procedural formalities at the bank like submission of original death certificate, submission of a few witnesses name who know her status as the legal wife, life certificate for herself, remarriage related certificate etc. The Family pension should normally commence within 4-6 weeks of completing the procedural formalities required by the bank. Before 1986 there was no provision for joint notification of Family pension with wife and the pension was made on the name of retiring officer / other rank only. After death of the individual a fresh case for family pension was sent for Audit verification and issue of PPO. It was a cumbersome and time consuming procedure. However provision exists for such pensioners to apply for joint notification of pension through Dte of PPR/AFRO. By now joint notification of Family pension has been completed for majority of pre-1986 pensioners also. If any body is left out they should immediately apply for the same. If a pensioner who does not have joint notification expires then his wife's case will be taken up for Family pension with audit as per pre 1986 procedures.

(b) **Enhanced Family Pension.** Earlier Enhanced family Pension @ 50% of last pay was payable for seven years from the date of death or 67 years of age (65 years for pre 13 May 98 retirees) whichever is earlier. After VI CPC, enhanced rate of family pension for post retirement death remains unchanged however, for in-service death of an officer/ other rank, the enhanced rate of family pension is now extended to 10 years from earlier period of 07 years. There is no upper age



limit for the same. For those cases where enhanced rate of family pension for seven years has been completed before 01 Jan 06, there is no change. However, if seven years of enhanced pension is falling due on 01 Jan 06 or beyond (for service death cases only), then case is to be taken up through this office (Dte of PP&R) for extending the enhanced family pension by three years (total 10 yrs) through issue of Corr PPO by CDA. Other ranks should take up case on similar lines with AFRO. As per existing Govt orders for revision of pension for pre-06 family pensioners, modified parity is not applicable to them and only consolidation method is applicable.

(c) **Modified Parity Rates for SFP & LFP.** Widows in receipt of Special family Pension (SFP) and liberalised family pension (LFP) are now authorised for higher pension using modified parity rates. Experience indicates that for Sqn Ldr and below, consolidation method is more beneficial for majority of family pensioners. The modified parity rates are more beneficial to family pensioners of Wg Cdr and above in the officer cadre. However the most beneficial family pension can be correctly arrived at, only by calculating pension from both the methods as briefed above.

(d) **Family Pension After Remarriage of a Widow in Receipt of LFP.** Before 01-01-1996, widows in receipt of LFP could continue to draw LFP only if they were married with the real brother of the deceased. If they married any body else their LFP was stopped and OFP was given to them. Continuation of LFP for widows remarrying anybody else (not the real brother of deceased) was permitted for the first time after V CPC i.e. 01-01-1996. However for widows who were remarried before 01-01-1996, and whose LFP was stopped, there was no provision to restart their LFP. Now the Govt vide its order dated 24 Jun 2005 has permitted restoration of LFP for such cases of remarriage for pre-1996 widows wef 24-06 2005. Application for restoration of LFP should be sent to Dte of PP&R / AFRO for officers/other ranks respectively.

(e) **Family Pension After Remarriage of a Widow in Receipt of SFP.** Family pension of widows in receipt of SFP is permitted even after remarriage after V CPC i.e. 01-01-1996. SFP is primarily given for death of an officer while in service when the death is attributable to or aggravated by service. Widows in receipt of SFP who were remarried before 01-01-1996, were however not eligible for pension. Now widows in receipt of SFP who were remarried before 01-01-1996 and whose family pension was stopped are eligible for grant of SFP wef 20-01-2009. The widows who are eligible should apply to DPP&R in the case of officers and to AFRO for cases related to other ranks.

(f) **Family Pension After Remarriage of a Widow in Receipt of OFP.** OFP is given when death is neither attributable to nor aggravated by service and for cases of death after retirement. Normally the family pension of a widow in

receipt of ordinary family pension (OFP) stops after remarriage and the OFP passes on to her children if they are eligible. However as an exception a childless widow in receipt of OFP/enhanced family pension is eligible for continuation of her Ordinary family pension after remarriage subject to fulfilment of certain laid down minimum income criteria. This provision is for prospective cases w.e.f. 01.01.06 and the past cases will not be re-opened. Applications by eligible widows should be sent to Dte of PP&R / AFRO for officers/other ranks respectively.

(g) **SFP for Widows of Medically Invalidated out Officers/ Other Ranks.** SFP can also be granted in certain cases of death where the officer/other rank has been invalidated out of service by recommendations of an invalid medical board and his disability is attributable to/ aggravated by service. In such cases the joint notification of PPO will indicate OFP for the wife. However if the death of the officer/ other rank takes place within seven years of invalidation and as per medical opinion the death is primarily due to the disability which led to his invalidation, then the widow could be entitled for SFP and she should apply for the same to Dte of PP&R/AFRO for officers and other ranks respectively.

(h) **Family Pension for Missing Personnel.** Ordinary family pension is admissible for personnel who are missing in service or after retirement. The family pension can commence six months after lodging of missing FIR. An inquiry must establish that the person is actually missing. The same has to be initially corroborated by Police reports and subsequently by an audit verification. Affected families can contact Dte of PP&R /AFRO (for officers/other ranks respectively).

(j) **Family Pension for Children Below 25 years.** When both parents eligible for pension expire or if the widow becomes ineligible for OFP, then Children below 25 years of age who are unmarried and unemployed (income less than minimum Pension of Rs 3500/-PM +DR) will become eligible for family pension. The Family pension will start with eldest child below 25 years of age. Once he/she is 25 years of age it will pass to the next child in line who is below 25 years. If there is a handicapped child eligible for life long pension then Family pension to handicapped child will be issued only after all other eligible children below 25 years have received their share of Family pension. Affected families/children can contact Dte of PP&R /AFRO for officers/other ranks respectively.

(k) **Family Pension to Handicapped Children.** Handicapped children (not capable of earning livelihood) are eligible for family pension for life after the death of their both parents. Such children have to be examined by a competent medical authority and a certificate from the doctor (not less than the rank of Brigadier or equivalent) as per prescribed format will be required. Married handicapped children are not eligible for this pension. A legal guardian for such

children should be nominated by parents in their life time. Handicapped siblings (brothers and sisters) are also eligible for family pension on similar lines as handicapped children. For Endorsement of the name of handicapped child in the PPO, an officer can apply during his life time itself. Applications for endorsement in PPO should be sent to Dte of PP&R / AFRO for officers/other ranks respectively.

(l) **Family Pension to Unmarried / Divorced / Widowed Daughter.** Unmarried / divorced / widowed daughter can apply for family pension only after the death of both her parents. She is eligible to apply only if she is unmarried/ remains divorced at the time of demise of her last surviving parent (father or mother). Her pension is subject to minimum income criteria and audit verification of her claims. Her name will not be annotated in the PPO during parent's life time. Applications by eligible daughters should be sent to Dte of PP&R / AFRO for officers/other ranks respectively.

(m) **Monetary Allowance to Widows for Post and Pre Independence Gallantry Awards of their Late Husband.** Widows whose husbands were in receipt of gallantry awards {PVC, Ashok Chakra, MVC, Kirti Chakra, Vir Chakra, Shaurya Chakra, VM (Gallantry)} are entitled to receive monetary allowance for the same after the death of their husband. **In addition, they are also exempt from income tax on their full pension.** The monetary allowance is authorised for every Gallantry award/ Bar separately. The current rates of monetary allowance wef 30 Mar 11 vide Min of Def letter No. 7(119)/2008-D(AG) dated 30<sup>th</sup> March 2011 and O/o PCDA (P), Allahabad circular No 09dt10-06-2011 of are as follows:-

(i) **Post- Independence Gallantry Awards**

(aa)	Param Vir Chakra	: Rs. 10,000/- PM
(ab)	Ashok Chakra	: Rs. 6000/- PM
(ac)	Maha Vir Chakra	: Rs. 5000/- PM
(ad)	Kirti Chakra	: Rs. 4500/- PM
(ae)	Vir Chakra	: Rs. 3500/- PM
(af)	Shaurya Chakra	: Rs. 3000/- PM
(ag)	VM (Gallantry)	: Rs. 1000/- PM

(ii) **Pre-Independence Gallantry Awards**

(aa)	Distinguished Service Order (DSO)	:Rs 4000/- PM
(ab)	Indian Order of Merit (IOM)	:Rs 4000/- PM

- (ac) Indian Distinguished Service Medal (IDSM) : Rs 4000/- PM  
 (ad) Distinguished Service Cross (DSC) : Rs 2800/- PM  
 (ae) Military Cross (MC) : Rs 2800/- PM  
 (af) Distinguished Flying Cross (DFM) for Offrs : Rs 2800/- PM  
 (ag) Distinguished Service Medal (DSM) : Rs 2800/- PM  
 (ah) Military Medal (MM) : Rs 2800/- PM  
 (aj) Distinguished Flying Medal (DFM) for Ors : Rs 2800/- PM

(n) **Free Railway Passes From Indian Railways for Widows of Gallantry Award Winners.**

The recipients of Gallantry award winners of Chakra series (PVC, MVC, VrC, Ashok Chakra, Kirti Chakra and Shaurya Chakra) and their widows are entitled for complementary card passes along with a companion from the Indian Railways, for free travel in first class/ second AC. The passes will be issued by the office of Divisional Railway Manager and Headquarters office of the Railways on receipt of an application on plain paper. Widows will be required to additionally submit copy of death certificate and non-remarriage certificate from a gazetted officer.

21. **Ex Gratia for Disability and Death of Flight Cadets (direct).** Flight Cadets (direct) are not entitled for pension like commissioned officers/ other ranks. However they are entitled to Ex Gratia awards for disability and death. The current rates of Ex Gratia for flight cadets (applicable to all officer cadets (direct) in three services) are as follows:

(a) **Ex Gratia Awards to Flt Cadets in Case Of Disablement (Invalidation on Medical Grounds)**

- (i) Monthly Ex Gratia - Rs 3500/- PM + DR  
 (ii) Monthly Ex Gratia Disability Award (For 100% disability, will be reduced proportionately for lower disability) - Rs 6300/- PM + DR  
 (iii) Constant Attendant Allowance (CAA) - Rs 3000/- PM

**Note**

- \* CAA is admissible for 100% disability only  
 \*\* DR is not admissible on CAA  
 \*\*\* CAA will increase by 25% whenever DR crosses 50%

(b) **Ex Gratia Awards to Flight Cadets in Case Of Death**

- (i) One time Ex-Gratia Amount - Rs 5 Lakhs



(ii) Monthly Ex-Gratia Amount to Next of Kin - Rs 3500/- PM + DR

**Note.**

1. The above rates of disablement & death are only for those cases where disablement/death is attributable to/aggravated by military training.
2. The rules and procedures regarding acceptance of attributability /aggravation of disablement/death shall be the same as for regular commissioned officers.
3. The Awards under these orders are covered by GOI, MOD department of Ex-servicemen welfare letter No 6(1)2009-D (Pension Policy) dated 01 June 2010 and PCDA (P) Allahabad section order No 4 dated 20 July 2010.
4. The date of implementation for post 01-01-2006 cases of disablement and death is 01-01-2006. However for pre-2006 cases the date of implementation is 01-09-2008.

**Common Problems Faced by Pensioners**

22. Some of the common problems faced by pensioners are of a repetitive nature and can be reduced / avoided if shared and understood by other pensioners. Some of these common problems are as given below:-

(a) **Not Having Joint Account With Wife.** If an individual is lucky enough to die because of ripe old age, the possibility of his wife outliving him by a few years is very bright because in most cases the wife is younger. A joint account makes the transition to family pension smooth. It also helps in early start of family pension and claiming of life time arrears of the late officer.

(b) **Not Giving Any Nomination in Bank Account.** In many cases the pensioner has a single account and the nominee is not filled up by the individual at the time of opening the pension account, it is left blank. In such cases the wife can't claim life time arrears of the late officer. As per the existing rules Banks can pay the left over money in late individual's account, to the nominee or to the next heir as per succession certificate from a court of law. The wife automatically can't claim life time arrears of her late husband if she is not a nominee. A large number of widows are surprised to find themselves in this frustrating situation after their husband's death and seek our advice on this matter. There are cases where a widow had to wait for over one year to complete legal formalities in a

court and claim the money. Similarly it is desirable for Family pensioners also to have a nominee in their bank account. The nominee should preferably be one of her children who is looking after her.

(c) **Wife's Name is Different From What is Notified in PPO.** After death of an individual the family pension by Bank will be released to the legal wife as notified in the Pension Payment Order (PPO). It is very common for many bereaved wives to discover in the Bank that what they claim to be their name is different from what is notified in PPO. If the two names differ the banks don't release Family pension. Technically for them, it could be a case of impersonation. This matter thereafter has to be resolved procedurally with the help of Service HQ/ Record office/CDA. This whole process takes time and is a frustrating experience for the widow. Experience indicates that the mistakes could be related to spelling i.e. Reeta and Rita, Malati Tyagi and Malti Tyagi or difference in surname i.e. Reena Rai and Reena Roy. Sometimes there are variations due to extra words in one name i.e. Savitri Singh Mankar and Savitri Mankar. There are also bizarre instances where the officer absent mindedly writes the nick names of their wife used at home where as the lady uses her formal name outside i.e. Munni Sharma and Manyata Sharma. Surname can be changed after marriage however it should be a mutually agreed change between the couple. The best way to avoid future problems is to re-verify the name of wife as jointly notified in PPO with the wife herself and her certificates etc. Where ever there is a discrepancy, the same should be rectified at the earliest by taking advice from Dte of PP&R/AFRO.

(d) **Non Submission of Life Certificate in Time.** A large number of pensioners in general and NRI pensioners in particular suffer due to non-submission/delayed submission of life certificate to bank in November every year. If the life certificate is not submitted in time the banks can stop the pension payment. This is a precaution which banks take to detect fraudulent withdrawal from pension accounts of pensioners who are dead. It is easier to submit the yearly life certificate every year in November than to work hard subsequently towards restarting a stopped pension.

(e) **Not Having Copies of Important Documents like PPO, Post Retirement Insurance etc.** We keep getting requests from pensioners to send a copy of the PPO in which wife's name has been jointly notified. Many times the banks misplace it/ loose it in floods/fire etc and demand the same for releasing family pension. In one's life time, a special folder should be made which should have copies of all important documents related with pension and other issues. It should contain all PPOs including Corr PPOs, certificate of service, post retirement insurance cover papers of AFGIS. This folder can also have

information on all your investments, bank accounts, fixed deposit debit & credit cards with pin code, ownership papers of house, car, other property and finally the will. All this information will be handy for a wife and will help her to manage things in a better manner after her husband's death.

(f) **Not Writing a Will.** Death is the only frontier which human beings have not been able to conquer. It is inevitable. If one is lucky he/she will die of ripe old age but the possibility of an unexpected/premature death due to accident/disease can't be ruled out. Therefore prudence demands that everyone should write a will immediately after retirement and revise it at regular intervals. While in service our will is taken at the time of joining itself because it is compulsory. But after retirement we don't want to think of these painful realities of life despite the fact that will is more relevant after retirement. We all have seen and heard from our personal contacts and relatives as to what kind of bad blood and distrust exists between the children after the death of father/ both parents. However we find it difficult to comprehend that it could happen to our children also. Thus writing a will is desirable and by writing a will one would protect the long term interests of his wife and children. A will need not always be on a stamp paper and through a lawyer. It can be written on a plain sheet of paper also in one's own handwriting. Two independent witnesses (preferably much younger) are required to sign the will. Basically a will can be written primarily on the property which the individual has earned himself. If the property is inherited he can write will only on that portion which is due to him after division with other legal heirs. If one is depriving his wife and immediate family and giving property to an outsider then the reason behind the same should be clearly spelled out in the will to avoid future litigation. If one is very old and handwriting is not stable/clearly legible then a typed will is desirable. For writing a will one can initially do self education on internet and then write the will. For property of a complicated/disputed nature it is better to take advice from a civil lawyer before writing the will.

(g) **Problems Faced by NRI Pensioners.** Many pensioners retire at a young age and settle down in a foreign country. Many of them get the citizenship of the new country. Over the years these pensioners start experiencing a lot of problems with their pension. These problems primarily relate to stoppage of their pension. Experience indicates that the problems of these pensioners are primarily caused due to non-submission/transit loss of yearly life certificate and non-adherence to procedural requirements of FEMA (foreign exchange management act). No money can go out of India without meeting FEMA requirements. Attempts to use credit card will eventually get blocked by the bank. Such pensioners can open NRO account and give power of attorney to the bank. They will be required to have a PAN card and fill certain forms prescribed by CBDT

(central board of direct taxes). Such pensioners are advised to take appropriate advice from their bank and also take the help of a chartered accountant to meet the procedural requirements of the bank. The NRI pensioners who do not want regular transfer of money from India can tie up the same with their banks and withdraw the money during their visits to India. Since monthly pension is taxable, banks will deduct tax as applicable on pension account. Other problems like delay in restoring commuted value of pension and commencement of additional pension after 80 years of age etc can be taken up directly with bank and if there is delay in action by bank then Dte of PP&R / AFRO can be approached for advising the bank to hasten up.

(h) **Not Knowing the Procedure of Lodging Complaints Against Banks.**

Pensioners have to deal with banks on all financial issues related to pension i.e. payment of correct pension, calculation of DR and arrears correctly, timely release of family pension etc. Thus there can be occasions for deficiency in banking service and the consequent complaints. In many cases, when local liaison with bank fails, the pensioners bring their complaints to the knowledge of service HQ/Record Offices who in turn issue relevant advice to the concerned bank. However, pensioners can also utilize the complaint channels of a bank to lodge a complaint directly against their local bank. The procedure for lodging such complaints is as given below:-

(i) **Against State Bank of India.** SBI is the largest public sector bank in India. It is holding about 40% of pension accounts of IAF personnel. It has recently appointed Defence Banking Advisors (DBA) across the country on a Zonal basis. The DBAs are retired Defence officers who besides other things are looking into complaints of a Defence pensioner. To resolve a complaint against a branch of SBI following four methods can be adopted:-

(aa) **Online Redressal of Grievances.** Online complaints for the issues pertaining to State Bank of India can be lodged on its official website i.e. [www.sbi.co.in](http://www.sbi.co.in) by further selecting the option Complaints> Defence>Air Force / Army / Navy. Alternatively, Air Force pensioners /account holders of SBI may lodge their complaints directly at [dspairforce\[dot\]customers\[at\]sbi\[dot\]co\[dot\]in](mailto:dspairforce[dot]customers[at]sbi[dot]co[dot]in). Army and Navy may do it at [dsparmy\[dot\]customers\[at\]sbi\[dot\]co\[dot\]in](mailto:dsparmy[dot]customers[at]sbi[dot]co[dot]in) and [dspnavy\[dot\]customers\[at\]sbi\[dot\]co\[dot\]in](mailto:dspnavy[dot]customers[at]sbi[dot]co[dot]in) respectively.

(ab) **Redressal Through DBA.** In case the issues still remains unresolved after online complaints as mentioned above then the Defence Banking Advisors (DBA) of SBI, who are specialists on



Defence pensions may be approached at dba[dot]airforce[at]sbi[dot]co[dot]in by Air Force pensioners and dba[dot]army[at]sbi[dot]co[dot]in by other services pensioners (there is no separate DBA for Navy).

(ac) **Complaints Through SMS.** SBI has recently launched an SMS service for redressal of grievances/complaints of its customers. To lodge a complaint through SMS one has to type 'UNHAPPY' in its message box and send it to 8008202020 which is a toll free number. Within 48 hours, an official from your nearest SBI branch will contact you to know about your problem and he will refer your case to appropriate agency for necessary action.

(ad) **Complaints Through Call Centre.** SBI has started its 24 x 7 call Centre to help its customers. Apart from getting information, option to lodge complaint on pensionery matters is also possible through these call centres. The following toll free numbers can be dialed from Landline or mobile phone:-

180112211 (from landline)

08026599990 (from mobile)

18004253800 (from landline and mobile)

(ii) **Against Other Public Sector Banks.** All public sector banks have their inbuilt systems for redressal of banking complaints. All public sector banks in their official websites have specific provisions for complaints. Thus following provisions can be used for all other public sector banks to lodge complaints:-

(aa) **Online Complaints.** All the public sector banks have their own official websites, information on which can be sought from local branch. Alternatively, the sites can be found through any of the search engines like google, yahoo etc. These official sites have option for lodging one's banking complaints.

(ab) **RBI, Ombudsman Scheme-2006.** In order to find the resolution of banking related complaints, RBI has started a Banking Ombudsman scheme, wherein a person is appointed by RBI to redress the customers' complaints. The Banking Ombudsman appointed by RBI is a quasi-judicial authority. The aggrieved person is required to file his/her complaint on a plain paper to any

of the 15 Banking Ombudsmen appointed by RBI. However, before lodging complaint with Banking Ombudsman the complainant should have lodged a complaint with the concerned bank in writing. Evidence to this effect should be given to the Banking Ombudsman. The address(es) of such ombudsmen is available at official website of RBI. Online complaints can be filed at [www.bankingombudsman.rbi.org.in](http://www.bankingombudsman.rbi.org.in). Pensioners can file complaints related to non-receipt/delay of their pension related dues.

**Note:**

1. Knowledge is power. Without appropriate knowledge of the provisions of VI CPC/ other beneficial provisions of pension, no meaningful action can be initiated by a pensioner in general and pre- 2006 pensioner in particular, to rectify their incorrect pension. This pamphlet is an effort by the directorate of PP&R, Air HQ to help the Air Force pensioners. The information in this pamphlet is however equally valid for other two services. It should therefore be widely circulated to all other pensioners who need it.
2. This pamphlet is primarily designed for pension/family pension of commissioned officer and is based on Govt letters received up to 16 Aug 11. However all the information given in this pamphlet is equally relevant for the pension and family pension of other ranks. The modified parity tables for other ranks are large in number and therefore have not been included in this small pamphlet. The best site to view them is the official site of PCDA (P) Allahabad. The same information is also available on other sites as mentioned above in para 4. For all issues of other ranks pension/family pension, 'Pension and Welfare wing, AFRO, Subroto Park NEW Delhi 110010' should be contacted. Their email address is afro[at]iaf[dot]nic[dot]in and their query cell number is 011 - 25687194 / 25687195. They can also be contacted through WAC Exchange (011-25687194), Extn - 7553.
3. Efforts have been made to keep this pamphlet simple and without legal and financial jargon so that it can be clearly understood by one and all. However, in case of any doubt, the Govt letters on the matter will hold supremacy over this pamphlet. The detailed Govt letters are available on sites as mentioned above.