

No.45/7/95-P&PW(G)
Government of India
Ministry of Personnel, Public Grievances & Pension
Department of Pension & Pensioners Welfare

New Delhi, dated the 4th Sept, 1998

OFFICE MEMORANDUM

Subject: Implementation of the recommendation of Fifth Pay Commission relating to commutation of pension- Clarification regarding.

The undersigned is directed to say that a number of communication have been received from various Ministries/Department/Pay & Accounts Offices seeking clarification regarding payment of commuted value of pension upto 40% in terms of this Department's O.M.No.45/86/97-P&PW(A)-Part-I dated 27.10.1997. The points raised are clarified below :-

POINTS

DECISION/CLARIFICATION

(1) Whether a post 1.1.1996 retiree has to apply afresh for commutation of his pension upto 40%?

Yes.

(2) Whether 40% commutation should be allowed after medical examination, if applied after one year of retirement and what will be the commutation factor for revised commutation ?

In case the retired Govt. servant has availed of the benefit of commutation of pension not exceeding 1/3rd of his pension within one year of retirement, he may be allowed the benefit of commutation of pension upto 40% w.r.t. age next birthday, as on date, without medical examination. In case the retired Govt. servant had not availed of the commutation upto 1/3rd within one year of retirement, he may be allowed commutation upto 40% w.r.t. age next birthday, as on date, after medical examination. The pensioners who have already undergone medical examination in the latter case need not be medically examined again for this purpose.

(3) Date from which reduction in pension will take effect ?

Reduction in pension on account of additional commutation of pension will be in two stages as per the provisions contained in rule 6 of CCS(Commutation of Pension) Rules, 1981.

(4) What will be the date of restoration of additional commutation of pension ?

The commuted portion of pension shall be restored after 15 years from the respective dates

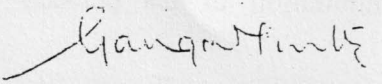
of commutation as provided in Govt. of India decision No.1 under rule 10 of CCS(Commutation of Pension) Rules, 1981. Necessary endorsement should be made in the PPO.

(5) Whether pensioners retired on or after Yes.
1.1.1996 and had retained pre-revised scales will also be eligible for 40% of commutation of pension ?

(6) Whether the family can be given the benefit No.
of 40% commutation if a pensioner dies before exercising his Option.

2. This issues with the concurrence of Ministry of Finance, Department of Expenditure vide their U.O.No.351/EV/98 dated 29.06.1998.

3. Hindi version of this O.M. will follow.


(GANGA MURTHY)
DIRECTOR

To,

All Ministries/Department etc. of the Government of India.

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