

Brief and Orders regarding Revision of Pre- 2016 pensioners / family pensioners

The Union Cabinet in its meeting held on 29.6.2016 accepted the recommendations of the 7th CPC with some modifications. The following are the major decisions taken by the Government on the recommendation of the 7th CPC for which orders were issued on **04.08.2016**.

- i. There is no change in the formula for fixation of pension of Government servants retired / retiring on or after 1.1.2016.
- ii. The amount of minimum pension has been increased from Rs. 3,500/- per month to Rs. 9,000/- per month.
- iii. The ceiling of gratuity has been increased from the existing Rs.10 lakh to Rs.20 lakh w.e.f. 1.1.2016.
- iv. A new slab of death gratuity has been added – the family of a Government servant dying while in service with a qualifying service of 11 years or more but less than 20 years would be entitled to death gratuity @ 20 times of monthly emoluments as against the existing entitlement of 12 times of emoluments.
- v. The rates of ex-gratia lump-sum compensation being paid to the families of employees who die in performance of duty has been increased from existing Rs.10-15 lakhs to Rs.25-35 lakh, depending upon the circumstances in where the death occurs.

2. As regards the past pensioners, the pension has been revised w.e.f. 1.1.2016 by multiplying the pension as had been fixed at the time of implementation of the 6th CPC recommendations by 2.57. The revised pension in this manner has already been disbursed by the pension paying banks etc.

3. Further, the 7th CPC also recommended another formulation for revision of pension of past pensioners by notionally fixing the pay by giving the benefit of increments earned by the pensioners in the scale from which he / she retired. The Cabinet decided that this option may be made applicable if its implementation is found feasible after examination by a Committee comprising Secretary (Pension) as Chairman and Member & Staff of Railway Board, Member (Staff), Department of Posts and AS &FA, Ministry of Home Affairs and CGA as Member.

4. The above Committee submitted its report on 14th December, 2016. The Committee recommended the following alternate method for revision of pension w.e.f. 1.1.2016 :

“Notional pay of all civilian personnel, including CAPF, who retired prior to 1.1.2016 shall first be fixed in the pay matrix recommended by the Seventh CPC in the level corresponding to the pay in the pay scale/ pay band and grade pay at which they retired. This will be done by notional pay fixation under each intervening Pay Commission, based on the formula for revision of pay. Fifty percent of the notional pay as on 1.1.2016 so arrived at shall be the revised pension as per Formulation 1.

Pension has already been revised in terms of the Formulation 2 recommended by the Seventh CPC. Higher of the two formulations may be granted as the revised pension with effect from 1.1. 2016.”

In the case of military pensioners, Military Service Pay shall be added to the amount which is arrived at after notionally fitting them in the Seventh CPC matrix.

5. The above recommendation was approved by the Government and accordingly orders for revision of pension by notional pay fixation method have been issued vide Department of Pension & Pensioners' Welfare [**O.M No. 38/37/2016-P&PW\(A\) dated 12.05.2017.**](#)

6. In order to expedite pension revision cases of pre-2016 pensioners, concordance tables were drawn and circulated to all Ministries/ Departments vide [**O.M No. 38/37/2016-P&PW\(A\) dated 6.7.2017.**](#)

7. The Department has also fed the concordance tables into the 'Bhavishya' software and has also developed a tool for revision of pension of Pre-2016 pensioners. This software/ tool has been made available to all the Heads of Departments to enable them to process individual revision cases instantaneously vide this Department's [**O.M. No.55/13/2017-P&PW\(C\) dated 21.08.2017.**](#) The revision of pension by various Ministries/ Departments is being closely monitored in the Department of Pension & Pensioners' Welfare.
