

CHECK YOUR PENSION : PRE-2006 RETIREES

1. For the pensioners, who have retired on 01-01-06 or there after the CDAs have issued Pension Payment Order (PPO) as per the new provisions of VI CPC. For these pensioners the banks have no discretion, they have to pay the pension as per PPO received from CDA. However, the story is different for pre 01-01-06 retirees. Considering their large volume (over 25 lacs Appx) and the inability of the CDAs to issue revised PPO for them within an acceptable time frame, Govt has 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 pensioners directly. Govt has issued necessary instructions to banks (with necessary reference tables) for calculating pension through two methods. Pension is required to be paid as per one of the two methods which ever 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.*

(b) **Modified Parity.** 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. 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. A table-showing pension under this method is given in the next page.

NOTE: *The detailed Govt letters on pension fitment is available on PCDA (P), Allahabad website www.pcdapension.nic.in and, www.cgda.nic.in and www.mod.nic.in and IAF website www.indianairforce.nic.in*

2. It is a common complaint by pre 01-01-06 pensioners that banks are not revising their pensions correctly. In case the pension has not been revised correctly, the pensioner should approach his/her bank for necessary corrections. If the problem is not resolved by the bank, then this office/AFRO must be contacted by Officers/PBOR 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 (pmail@indiatimes.com) and direct civil No-011-26104394.

**RETIRING PENSION/ORDINARY FAMILY PENSION-PRE-2006 RETIREES
(AS PER MODIFIED PARITY)**

Rank	Fg Offr	Flt Lt	Sqn Ldr	Wg Cdr (TS)	Wg Cdr (S)	Gp Capt (TS)/ Gp Capt	Air Cmde	AVM	Air Mshl	VCAS/ AOC-in-C/ DGAFMS	CAS
Qualifying Service											
10	7773	7975	7691	11682	13240	13420	11887	10519	14379		
10.5	7978	8185	7905	12072	13629	13815	12283	10923	14932		
11	8182	8394	8119	12461	14019	14210	12679	11328	15485		
11.5	8387	8604	8332	12850	14408	14604	13075	11732	16038		
12	8591	8814	8546	13240	14797	14999	13472	12137	16591		
12.5	8796	9024	8760	13629	15187	15394	13868	12541	17144		
13	9000	9234	8973	14019	15578	15788	14264	12946	17697		
13.5	9205	9444	9187	14408	15988	16183	14660	13350	18250		
14	9410	9654	9400	14797	16355	16578	15057	13755	18804		
14.5	9614	9863	9614	15187	16744	16972	15453	14160	19357		
15	9819	10073	9828	15576	17134	17367	15849	14564	19910		
15.5	10023	10283	10041	15966	17523	17762	16245	14969	20463		
16	10228	10493	10255	16355	17913	18157	16641	15373	21016		
16.5	10432	10703	10469	16744	18302	18551	17038	15778	21569		
17	10637	10913	10682	17134	18691	18946	17434	16182	22122		
17.5	10841	11122	10896	17523	19081	19341	17830	16587	22675		
18	11046	11332	11110	17913	19470	19735	18226	16991	23228		
18.5	11250	11542	11323	18302	19860	20130	18622	17396	23781		
19	11455	11752	11537	18691	20249	20525	19019	17800	24334		
19.5	11660	11962	11750	19081	20638	20919	19415	18205	24887		
20	11864	12172	11964	19470	21028	21314	19811	18610	25440		
20.5	12069	12382	12178	19860	21417	21709	20207	19014	25993		
21	12273	12591	12391	20249	21807	22104	20604	19419	26546		
21.5	12478	12801	12605	20638	22196	22498	21000	19823	27099		
22	12682	13011	12819	21028	22585	22890	21396	20228	27652		
22.5	12887	13221	13032	21417	22975	23288	21792	20632	28205		
23	13091	13431	13246	21807	23384	23682	22188	21037	28758		
23.5	13296	13641	13460	22198	23754	24077	22585	21441	29311		
24	13500	13850	13887	22585	24143	24472	22981	21846	29864		
24.5	13500	13850	13673	22975	24532	24866	23377	22250	30417		
25	13500	13850	14100	23364	24922	25261	23773	22655	30970		
25.5	13500	13850	14100	23754	25311	25656	24169	23060	31523		
26	13500	13850	14100	24143	25700	26050	24566	23464	32076		
26.5	13500	13850	14100	24532	25700	26050	24962	23869	32629		
27	13500	13850	14100	24922	25700	26050	25358	24273	33182		
27.5	13500	13850	14100	25311	25700	26050	25754	24678	33735		
28	13500	13850	14100	25700	25700	26050	26150	25082	34288		
28.5	13500	13850	14100	25700	25700	26050	26150	25487	34841		
29	13500	13850	14100	25700	25700	26050	26150	25891	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											
	8100	8310	8460	15420	15420	15630	15690	16020	21900	24000	27000

3. The modified parity table is 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 and 20.01.10 for commissioned officers –Army & equivalent in Navy and Air Force. Similarly modified parity for PBOR 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. Details are available with AFRO and on above mentioned sites.

4. 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-Jun 06 - 0%, Jul – Dec 06 - 2%, Jan-Jun 07 - 6%, Jul-Dec 07 - 9%,Jan-Jun08 - 12%, Jul-Dec 08 -16%, Jan-Jun 09 -22%, Jul-Dec 09 - 27%.

5. It has been observed that pension/ family pension under consolidation method is mostly beneficial for the Sqn Ldr and below and Medical branch officers. For pension/family pension of all other officers, modified parity is more beneficial.

6. For PBOR, it was earlier observed that majority were benefited by consolidation method where as only few were benefited by modified parity method (Annexure III). However, based on One Rank One Pension (OROP) committee report headed by Cabinet Secretary, the Govt has issued revised rates of pension for PBOR vide its letter No. PC 10(1)/2009-D(Pen/Pol) dated 08 Mar 10. This letter is applicable for PBOR only and is available on CGDA website www.cgda.nic.in. Based on this letter, PCDA (P) Allahabad will be issuing instructions to the banks with revised rates of pension for PBOR. Thus, a large number of PBORs could now benefit from the new modified parity method given in the Govt letter. However, family pensioners of PBOR and HFO & HFL are not likely to benefit from this new order. This new order for PBOR will be effective from 01 Jul 2009 and is likely to take some time before it is issued by PCDA(P) Allahabad and implemented by banks. In view of the above, the correct approach to determine the correct pension entitlement will be to check the pension from both the methods and decide on the pension, which is more beneficial. Any query by PBOR on this new Govt Order should be addressed to AFRO.

7. For Special Family Pension (SFP), Liberlised Family Pension (LFP) and enhanced Ordinary Family Pension (OFP), there is no provision for modified parity method, only consolidated method is applicable. On queries, PCDA (P) Allahabad has specially clarified that Enhanced ordinary family pension for death /retirement after 01-01-1999 will be paid only as per consolidation method i.e. annexure I.

8. Additional pension / family pension are authorised wef 01-01-06 for the benefit of 80 years and above pensioners. This additional pension is over and above the normal pension. 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 age of 80,85,90,95 and 100 years. 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. The rates for this additional pension are linked as a percentage to the revised basic pension. The rates of additional pension specified by Govt 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 %.

9. Besides the additional pension, certain other new provisions of VI CPC and other key provisions which can affect the entitlement to pension/family pensionary benefits are as follows:-

- (a) The minimum pension/family pension wef 01.01.06 is Rs 3500/- plus DR.
- (b) The rates for 100% disability element of pension are revised to Rs 5880/-pm for commissioned officers and honorary commissioned officers wef 01-01-06. Similarly it is revised to Rs 4300/- and 3510/- pm for warranted ranks (JWO,WO & MWO) and other ranks respectively. For disability, which is less than 100%, proportionate reduction in the amount will be done. The rates of constant attendant allowance have been increased to Rs 3000/-pm wef 01-01-06 irrespective of rank. This will further increase by 25% every time, when the DR on the revised Pay Band goes up to 50%.
- (c) Broad banding of disability pension for invalidated officers is permitted, since V CPC i.e. 01-01-1996. This broad banding 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 is extended to all pre 01-01-1996 disability pensioners who were invalidated out of service.
- (d) Disability pensioners are exempted from income tax on their complete pension which includes service element and disability element.
- (e) Enhanced family pension (50% of last pay) was payable for seven years from the date of death of the officer. After VI CPC, enhanced rate of family pension for post retirement death remains unchanged at seven years; however, for in-service death of an officer, the enhanced rate of family pension is now extended to 10 years from earlier period of 07 years. 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. PBOR should take up case on similar lines with AFRO.

(f) Widows in receipt of Special family Pension (SFP) were permitted to draw their family pension even after remarriage after V CPC i.e. 01-01-1996. SFP is primarily given for death which is attributable to service. Widows, who were remarried before 01-01-1996, were not eligible for the same. 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 this office in the case of officers and to AFRO for cases related to PBOR.

(g) Widows in receipt of ordinary family pension (OFP) were not eligible for family pension after remarriage. However, as an exception a child less widow after VI CPC, is eligible for ordinary family pension after remarriage, subject to fulfillment of certain laid down income criteria. The widows who are eligible should apply to this office in case of officers and to AFRO for cases of PBOR.

(h) Widows whose husbands were in receipt of gallantry awards (PVC, Ashok chakra, MVC, Kirti Chakra, Vir Chakra, Shaurya Chakra, VM (Gallantry), are entitled to the same monetary allowance (rates doubled wef 14 May 08) after the death of their husband. In addition, they are exempt from income tax on their full pension.

(j) The recipients of Gallantry award winners of Chakra series (PVC, MVC, Vr C, Ashok Chakra, Kirti Chakra and Shourya 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.

(k) Handicapped children (not capable of earning livelihood) and Unmarried / divorced / widow daughter are eligible for family pension subject to fulfillment of income criteria and Audit verification. For Endorsement of the name of handicapped child in the PPO, an officer can apply during his life time. However, unmarried / divorced / widow daughter can apply for family pension only if she is unmarried/ remains divorced at the time of demise of her last surviving parent (father or mother). Her name will not be annotated in the PPO during parent's life time.

Note:

1. *Knowledge is power. Without appropriate knowledge on the provisions of VI CPC, no meaningful action can be initiated by the pre 01-01-06 pensioners to rectify their incorrect pension fixation. This pamphlet is an effort by the directorate of PP&R, Air HQ to help the pre 01-01-06 Air Force pensioners. It should be widely circulated to other pensioners who need it.*

2. *This pamphlet is primarily designed for pension/family pension of commissioned officers and is based on Govt letters received up to 08 Mar 10. However all the information given in this pamphlet is equally relevant for the pension and family pension of PBOR. For all issues*

of PBOR pension/family pension, 'Pension and Welfare wing, AFRO, Subroto Park NEW Delhi 110010' should be contacted . Their email address is afro@iaf.nic.in and their query cell number is 011 - 25687194 / 25687195 (WAC Exchange) Extn - 7553.

3. Though this pamphlet is primarily for pre 01-01-2006 pensioners however certain provisions of VI CPC could be of interest to post 01-01-06 pensioners who retired during change over period (01Jan 06- 31Dec 08). Firstly qualifying service for full pension is 20 years for post 01-01-06 retirees however weightage for qualifying service has been removed. Secondly, for post 01.01.06 retirees, pension will be fixed on the basis of 10 month's average pay or last pay drawn, whichever is more beneficial. Thirdly, personnel who proceeded on PR on or after 01-01-06 are eligible for disability pension (if other wise eligible). Fourthly, disability pension for post 01.01.06 retirees is linked to percentage of pay. 100% disability is equal to 30% of Reckonable emoluments.

4. 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.