No.7(1)/95/D (Pen/Services)
Government of India/Bharat Sarkar
Ministry of Defence/Raksha Mantralaya

New Delhi, dated the 28th August 2000

The Chief of the Army Staff
The Chief of the Naval Staff
The Chief of the Air Staff

SUBJECT: RECOMMENDATIONS OF THE 5TH CENTRAL PAY COMMISSION- PAYMENT OF DEARNESS RELIEF TO RE-EMPLOYED PENSIONERS AND EMPLOYED FAMILY PENSIONERS-DECISION REGARDING.

1. Recommendations of the V CPC regarding dearness relief to the employed family pensioners and re-employed ex-servicemen have been considered and accepted by the Government. Accordingly, in addition to MOD letter No. 7(1)/95/D (Pen/Sers) dated 06 Oct 99, the President is pleased to decide the payment of Dearness Relief to Family Pensioners. Ex-servicemen re-employed in Armed Forces as follows:

(a) In so far as re-employed pensioners are concerned, the entire pension admissible is being ignored at present only in the case of those ex-servicemen who held posts below the ranks of Commissioned Officers (PBOR) at the time of their retirement. Their pay, on re-employment, is to be fixed at the minimum of the pay scale of the post in which they are re-employed. Such pensioners will consequently be entitled to Dearness Relief on their pension in terms of the recommendations of the 5th Central Pay Commission at the rates applicable from time to time.
(b) In terms of the existing orders on the subject, the pay of re-employed pensioners who held posts of the ranks of Commissioned Officers at the time of their retirement is to be fixed at present at the same stage as last drawn before retirement or, if there is no such stage/at the stage next above the pay last drawn. In view of the fact that (i) the pension is taken into account in such cases and is not entirely ignored; (ii) the pay in the post of re-employment is not required to be fixed at the minimum of the scale in all cases; and (iii) Dearness Allowance at the rates applicable from time to time is also admissible on the pay fixed in terms of the orders on the subject, these re-employed pensioners will not be entitled to any Dearness Relief on their pension.

(c) As regards employed family pensioners, since the family pension received by the eligible dependants of Armed Forces pensioners is, in any case, not taken into account in determining their pay on employment, Dearness Relief at the rates applicable from time to time shall be admissible on their family pension.

(d) While implementing these decisions, orders issued by MOD vide order No. 1(43)/87/D(Pay/Services) dated 31st Jan, 1991, regarding fixation of pay of re-employed pensioners shall be duly kept in view.
(I) In accordance with the Government's decision referred to in the preceding paragraph, all family pensioners, in receipt of family pension from the Central Government and who were/are employed under the Central Government or the State Government or a Corporation/Company/Body/Bank under them in India or abroad shall be eligible to draw dearness relief at rates applicable from time to time, on the amount of family pension, with effect from July 18, 1997. All Pension Payment Authorities, including authorised Public Sector Banks are requested to forthwith release dearness relief on family pensions in cases where this was withheld on account of the family pensioners concerned being employed. The arrears, if any, due with effect from 18 July, 1997 shall also be paid.

(II) (a) In the case of Armed Forces PBOR pensioners who were/are re-employed under the Armed Forces, dearness relief will now be admissible to such of those re-employed PBOR pensioners who satisfy the conditions referred to in para 1(a) above. For this purpose, Armed Forces employing a Armed Forces pensioner shall be required to issue certificate indicating the following:

(i) The re-employed pensioner retired from a military post below the rank of commissioned officer in the armed forces:

(ii) The entire amount of pension sanctioned by the Central Government was ignored in fixation of the pay on re-employment i.e. no part of the pension was taken into
account in such fixation of pay in the pay scale of the post in which the Armed Forces personnel was re-employed;

(iii) The pay of the re-employed/retired was/is fixed at the minimum of the pay scale of the post in which he had/has been initially re-employed after his retirement from the Armed Forces.

(b) These orders will be brought to the notice of all Armed Forces pensioners who happened to be re-employed by them as on 18 July, 1997 or were/are re-employed subsequently.

(c) The Pension Disbursing Authority shall release dearness relief on pension to those re-employed pensioners who submit the Certificate referred to in para 2(II)(a) above.

(d) In all other cases of re-employed commissioned officer pensioners, no dearness relief shall be admissible on pension during the period of their re-employment. Payment of dearness relief in these cases shall become admissible only with effect from the date they cease to be re-employed. The Pension Disbursing Authority shall require such a pensioner to produce a certificate of cessation of re-employment from the office in which he had been re-employed.

3. Formal amendment to the pension regulations for the Army/Navy/Air Force, is being issued separately.
Principal CDA (P) may take immediate action to suitably amend the relevant provision of the Scheme for Payment of Pension to Armed Forces Pensioners, notify the same to all Public Sector Banks disbursing pension to Armed Forces pensioners/Family pensioners. A copy of the notification may be endorsed to this Ministry.

5. These orders shall be effective from 18 July, 1997.

6. This issues with the concurrence of the finance Division of this Ministry vide their UO No 2940/Pen/2000 dated 28.08.2000.

7. Hindi version will follow.

(L. K. HALDAR)
Under Secretary to the Govt. of India

Copy to: -

(As per list attached)