

**GOVERNMENT OF INDIA (BHARAT SARKAR)  
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)  
(RAILWAY BOARD)**

No. F(E)III/2008/PN1/13

NEW DELHI, dated 19.02.2009.

**The GMs & FA&CAOs,  
All Zonal Railways & Production Units,  
(As per mailing list).**

**Subject : Clarification regarding commutation of pension after the implementation  
of recommendations of 6<sup>th</sup> CPC.**

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A copy of Department of Pension & Pensioners' Welfare (DOP&PW)'s O.M.No.38/79/2008-P&PW(G) dated 16<sup>th</sup> February, 2009 on the above subject is attached for information and compliance. These instructions shall apply mutatis mutandis on the Railways also. DOP&PW's O.M. dated 2.9.2008 referred in the enclosed O.M. was adopted on the Railways vide this office letter of even number dated 15.9.2008. Rule 6 of CCS(Commutation of Pension) Rules, 1981 corresponds to Rule 7 of the Railway Services (Commutation of Pension) Rules, 1993. Government of India's decision No.1 quoted in the clarification No.3 of the enclosed O.M was adopted on the Railways vide this office letter No.F(E)III76PN-1/7 dated 15.9.1980, a copy of which is enclosed for ready reference.

2. Please acknowledge receipt.

Encl: One.



**( SUNIL BHARDWAJ )  
Deputy Director Finance (Estt.)III,  
Railway Board.**

**No.38/79/2008-P&PW(G)**  
**Government of India**  
**Ministry of Personnel & Pensioners' Welfare**  
**(Department of Pension & Pensioners' Welfare)**

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3<sup>rd</sup> floor Lok Nayak Bhawan  
Khan Market, New Delhi  
Dated, 16th February, 2009

**OFFICE MEMORANDUM**

**Subject:** Clarification regarding commutation of pension after the implementation of recommendations of 6<sup>th</sup> CPC

The undersigned is directed to say that in accordance with the instructions contained in this Department's OM No. 38/37/2008-P&PW(A) dated 2<sup>nd</sup> September, 2008, in the case of those pensioners, in whose case commutation of pension became absolute on or after 1.1.2006 but before the issue of that OM, the pre-revised Table of Commutation Value for Pension will be used for payment of commutation of pension based on pre-revised pay/pension. Such pensioners shall have an option to commute the amount of pension that has become additionally commutable on account of retrospective revision of pay/pension on implementation of the recommendations of the Sixth Central Pay Commission. On exercising such an option by the pensioner, the revised Table of Commutation Value for Pension will be used for the commutation of the additional amount of pension that has become commutable on account of retrospective revision of pay/pension.

2. A number of references have been received in this Department seeking clarifications in regard to various issues relating to commutation of pension in case a pensioner opts for commutation of pension that has become additionally commutable on account of retrospective revision of pay/pension. The matter has been examined in consultation with the Ministry of Finance (Department of Expenditure) and the following clarifications are issued in this regard:

S. No.	Points raised	Clarifications
1	What would be the age to be used for commutation of <b>additional commutable pension</b> and which factor would be used for such additional commuted value of pension.	The age reckoned for calculation of commuted value of pension at the time of original application for commutation of pension will apply for calculation of commutation value of <b>additional commutable pension</b> . However, as mentioned in the O.M. dated 2.9.2008, the commutation factor in the revised Table of Commutation Value for Pension will be used for the commutation of the additional amount of pension that has become

		commutable on account of retrospective revision of pay/pension.
2	From which date the reduction in pension on account of additional commutation of 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 the CCS(Commutation of Pension) Rules, 1981.
3.	What will be the date of restoration of additional commutation of pension?	The commuted portion of pension shall be restored after 15 years <b>from the respective dates</b> of commutation as provided in Government of India decision No. 1 under Rule 10 of CCS(Commutation of Pension) Rules, 1981. Necessary endorsement should be made in the PPO.

3. It is impressed upon all the Ministries/Departments of the Government of India to keep in view the above clarification while disposing of the cases of commutation of additional pension. They are also advised to dispose the representations received by them from pensioners on the above issues without referring them to this Department.

4. This issues with the concurrence of Ministry of Finance (Department of Expenditure) vide their UO No.43/EV/2009 dated 13.2.2009.



(M.P.Singh)  
Director (PP)

Telefax No. 24624802

To

All the Ministries/ Department of Government of India

Government of India (Bharat Sarkar)  
Ministry of Railways (Rail Mantralaya)  
( Railway Board )

No.F(E)III76PN-1/7

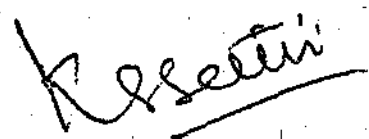
New Delhi, dt. 15 .9.1980

Sub: Commutation of pension - date from which reduced pension becomes effective.

Reference Ministry of Railways' letters No.F(E)III 79PN-1/4 dt.1.6.79 and No.PC-III79DP-1 dt.11.6.79 regarding liberalisation of pension formula and treatment of a portion of dearness allowance as pay for the purpose of pensionary benefits respectively. Consequently pensions of the eligible retired Railway servants were revised and as a result of this, the amount of commutation of pension in such cases was also revised.

2. A point has been raised in regard to the date from which reduction in pension on account of the upward revision of commutation of pension would be effective. Rule 2906-(2) of the Railway Pensions (Commutation) Rules - Appendix XXIX-RII as amended from time to time provides that reduction in the amount of the pension on account of commutation shall become operative from the date of receipt of the commuted value of pension by the pensioner, or three months after the date of the issue of the authority asking the pensioner to collect the commuted value of pension by the Accounts Officer, whichever, is earlier. Accordingly, in such cases the reduction from pension will be made from the date of receipt of the revised commutation value of pension by the pensioner or three months after the issue of the authority by the Accounts Officer asking the pensioner to collect the revised commuted value of pension, whichever, is earlier.

3. The above has the approval of the President.

  
( K S Sethi )  
Deputy Director, Fin.(Estt.),  
Railway Board

Addressed to the General Managers/FA&CACs, All Indian Railways etc. as per standard lists 'A' and 'B'.

⊗ Now Rule 7 of Railway Services (Commutation of Pension) Rules, 1993.