



## **Circular No. 200**

No. AT/Tech/263-XXIII  
To

Dated: 12/04/2018

01. The Chief Accountant, RBI Deptt. of Govt. Bank Accounts, Central office C-7, Second Floor, Bandre- Kurla Complex, P B No. 8143, Bandre East, Mumbai-400051
02. The Director of Treasuries of all State.....
03. The Manager CPPC of Public Sector Banks including IDBI
04. The CDA (PD) Meerut
05. The CDA, Chennai
06. The Nodal Officers (ICICI/AXIS/HDFC Bank)....
07. The Pay & Accounts Officer.....
08. The Military. & Air Attache, Indian Embassy, Kathmandu, Nepal
09. The D.P.D.O.....
- 10.** Post Master, Kathua (J & K) and Camp Bell Bay

Sub: Payment of dearness relief to re-employed pensioners and employed family pensioners: Clarification thereof.

Ref: This office Circular No. 166 dated 07/03/2013, Circular No. 173 dated 07/04/2014 and Circular No. 179 dated 12/05/2015.

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Provisions for payment of dearness relief to re-employed pensioners and employed family pensioners is laid down in Ministry of Personnel, Public Grievances & Pensions (Deptt. of Pension & Pensioners Welfare) OM No. 45/73/97-P&PW(G) dated 02/07/1999 issued under this office Important Circular No. 07 dated 13/08/1999. As per the ibid OM, before 18/07/1997, in terms of the existing orders, Dearness Relief to pensioners and family pensioners is to remain suspended during the period a pensioner/family pensioner is re-employed/employed under the Central or State Govt. or in a Statutory Corporation/Company/Body/Bank under them in India or abroad. The above facts are also applicable to the pensioners and family pensioners permanently absorbed in Statutory Corporation/Company/Body/Bank under the Central or State Government.

2. Representations from various agencies as well as pensioners/family pensioners including Pension Disbursing Agencies are being received for clarification on Payment of dearness relief to re-employed pensioners and employed family pensioners. The matter has been examined in this office and following points are clarified.

3. However, w.e.f. 18/07/1997, it has been decided by the Govt that:

(i) In so far as re-employed pensioners are concerned, the entire pension admissible is to be ignored at present only in the case of those civilian pensioners who held post below Group 'A' and those ex-servicemen who held post below the ranks of Commissioned Officers 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.

(A) For this purpose, the Central Government Departments concerned, including subordinate organizations. State Government, Corporation/Company/Body/Bank etc. employing a Central Government pensioner shall be required to issue of certificate indicating the following:

(a) The re-employed pensioner retired from a civil or military post in the Central Government and was holding a post not included in classified as group 'A' or a post below the rank of commissioned officer in the armed forces;

(b) 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 Central government retired/retiree was re-employed/absorbed; and

(c) The pay of the re-employed/absorbee 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 Central Government.

(d) If the pay fixed at a higher stage because of advance increments and no protection of the last pay drawn is being given.

(B) In the cases where PBOR (below Commissioned Officer) retired before attaining the age of 55 years and re-employed thereafter and their pay fixed at a higher stage because of advance increments and no protection of the last pay drawn were given, the pay should be treated as fixed at a minimum for the purpose of ignoring the entire pension and allowing Dearness Relief on pension. For benefit of advance increments, the policy for the same should exist in the re-employing department and a copy of such

policy matter should be enclosed with the required certificate. But, after granting benefit of advance increments, the last pay drawn by the pensioner is protected, the pensioner in such case will not be entitled for dearness relief on pension.

Illustration 1: A Military pensioner was drawing the pay of Rs. 6,330 in the pay scale of Rs. 5,770-140-8,290 from 01/07/2002 and retired from service on 31/10/2002 before attaining the age of 55 years. He was granted a military pension of Rs. 3,165. He was re-employed in a Civil Post on 01/12/2003 in the pay scale of Rs. 5,000-150-8,000. The post which the pensioner held in the Army before retirement is a non-commissioned post. If his pay is fixed for Rs. 5,600/- after granting 4 advance increments in re-employed post, then he will be entitled for dearness relief on pension as his pay fixed for Rs. 5,600/- in re-employed post is less than Rs. 6,330/- already drawing in the Army before retirement. However, if his pay is fixed for Rs. 6,500/- after granting 10 advance increments in the re-employed post, then he will be not entitled for dearness relief on pension as his pay fixed for Rs. 6,500/- in re-employed post is more than Rs. 6,330/- already drawing in the Army before retirement as his last pay has been protected.

Illustration 2: If the pensioner quoted in Illustration 1 above is re-employed in a Civil Post in the pay Scale of Rs. 7,500-250-12,000, his pay is required to be fixed at the minimum of the pay scale of the re-employed post for payment of dearness relief on pension. Any advance increment granted in such situation, will disqualify dearness relief on pension.

- (ii) In all other cases of re-employed pensioners, no dearness relief shall be admissible on pension during the period of their re-employment.
- (iii) (A) In terms of the existing orders on the subject, the pay of re-employed pensioners who held Group 'A' post or 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;
  - at the maximum of the pay scale, if the pay last drawn is more than the maximum of the pay scale of the post in which re-employed;
  - at the minimum of the pay scale of the post in which re-employed, if it is more than the pay last drawn.

- (B) Further, the pay on re-employment is required to be fixed after ignoring only a portion of the pension as revised time to time received for the previous employment. In view of the fact that (i) the pension is taken into account in such cases and 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, in addition, to any Dearness Relief on their pension.
- (iv) Disability element of disability pension is also a type of pension. As such dearness relief on such service/disability pension (including disability element) during re-employment is required to be regulated as per the above procedure.
- (v) Payment of dearness relief where discontinued due to re-employment, 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 certificate of cessation of re-employment from the office in which the pensioner had been re-employed.
- (vi) However, dearness relief is payable to those re-employed pensioners who get consolidated pay without dearness allowance, consolidated fee, daily wages, or elected as Members of Legislative Assembly or Parliament, Ministers/Deputy Ministers of Central or State Government, Indian Red Cross Society and Extra Departmental Agents in the Department of Post.
- (vii) As regards employed family pensioners, since the family pension received by the eligible dependents of Central Government employees 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.

  
**(SANDEEP THAKUR)**  
**Addl. CDA (Pensions)**

**Registered/Copy to:**

01	The CGDA, ULAN BATAR ROAD, Palam Delhi	:For kind information w.r.t. Training Advisory Committee (TAC) meeting held
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	Cantt-110010.	at DPTI of this office on 30/08/2017 for which Minutes has been issued vide this office letter No. DPTI/374/TAC/Vol-IV/2017-18 dated 01/09/2017.
02	The P.C.D.A. (Navy), No.1, Cooprage Road, Mumbai-400 051.	
03	Dy. C.D.A.(Air Force), Subroto Park, New Delhi-110010	
04	The Officer-in-charge, Gts./Tech., Gts.1/Civil (Tech.) & Gts. 1 (Mily) (Tech.)	
05	Officer-in-Charge in all section (Local).	
06	All GO's in the Office of the PCDA(P), Allahabad	
07	PA to CDA (AT)/ CDA (Gts) in Main Office.	
08	PA to all Addl. CDA in Main Office.	
09	Officer-in-Charge EDP Centre (Local). For inclusion and uploading at Website of this office.	
10	Officer-in-Charge DPTI (Local)	:For information w.r.t. your letter No. DPTI/374/TAC/Vol-IV/2017-18 dated 01/09/2017.

Sd/-  
**(S.N. Trivedi)**  
**Sr. Accounts Officer (P)**