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GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF EX-SERVICEMEN WELFARE

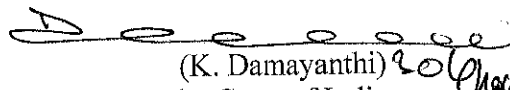
RESOLUTION

New Delhi, the 30^M September, 2016

No.17(1)/2014/D(Pension/Policy). The Terms of Reference of the Seventh Central Pay Commission as contained in Ministry of Finance (Department of Expenditure) Resolution No.1/1/2013-E.III (A), dated 28.2.2014, as amended vide Resolution, dated 8.9.2015, inter- alia, included the following:-

“To examine, review, evolve, and recommend changes that are desirable and feasible regarding the principles that should govern the emoluments structure, concessions and facilities/benefits, in cash or kind as well as the retirement benefits of the personnel belonging to the Defence Forces, having regard to the historical and traditional parities, with due emphasis on the aspects unique to these personnel”.

2. The Commission submitted its report to the Government on 19th November, 2015. Government has considered the recommendations of the Commission on pensionary benefits to the personnel belonging to the Defence Force contained in Chapter 10.2 of the Report of the Commission and have decided that the recommendations shall be broadly accepted subject to certain modifications.
3. Detailed recommendations of the Commission relating to pensionary benefits and the decisions taken thereon by the Government are listed in the statement annexed to this Resolution.
4. The revised provisions regarding pensionary benefits will be effective from 01.01.2016.


(K. Damayanthi)
Joint Secretary to the Govt. of India



ANNEXURE

Statement showing the recommendations of the Seventh Central Pay Commission relating to principles which should govern the structure of pension and other terminal benefits contained in Chapter 10.2 of the Report and the decisions of Government thereon.

| Item No. | Recommendation for past Defence Forces personnel | Decision of Government |
|----------|---|---|
| 1 | <p><u>Revision of Pension of pre 7th CPC retirees</u></p> <p>The Commission recommends the following pension formulation for Defence Forces Personnel who have retired before 01.01.2016 :-</p> <p>(i) All the Defence Forces who retired prior to 01.01.2016 (expected date of implementation of the Seventh CPC recommendations) shall first be fixed in the Pay Matrix being recommended by this Commission, on the basis of the Pay Band and Grade Pay at which they retired, at the minimum of the corresponding level in the matrix. This amount shall be raised, to arrive at the notional pay of the retiree, by adding the number of increments he / she had earned in that level while in service, at the rate of three percent. Military Service Pay shall be added to the amount which is arrived at after notionally fitting him in the 7th CPC matrix. Fifty percent of the total amount so arrived at shall be the revised pension.</p> <p>(ii) The second calculation to be carried out is as follows. The pension, as had been fixed at the time of implementation of the VI CPC recommendations, shall be multiplied by 2.57 to arrive at an alternate value for the revised pension.</p> <p>(iii) Pensioners shall be entitled to the higher of the two.</p> <p>It is recognized that the fixation of the pension as per formulation (i) above may take a little time since the records of each pensioner will have to be checked to ascertain the number of increments earned in the retiring level. It is, therefore, recommended that in the first instance the pension, may be fixed in terms of formulation (ii) above, till final fixation of the pension under the Seventh CPC matrix is undertaken.</p> <p>(Para 10.2.87 & 10.2.88 of the Report)</p> | <p>Both the options recommended by the 7th Central Pay Commission as regards pension revision be accepted subject to feasibility of the implementation.</p> <p>Revision of pension using the second option based on fitment factor of 2.57 be implemented by multiplying the pension drawn on 31.12.2015 immediately. The first option may be made applicable if its implementation is found feasible after examination by the Committee comprising Secretary (Pension) as Chairman and Member (Staff) Railway Board, Member(Staff) D/o Posts, Additional Secretary &FA M/o Home Affairs and Controller General of Accounts as Members</p> |
| 2 | <p><u>Rates of Pension, Family Pension & Special Family Pension</u></p> <p>The Commission does not recommend any further increase in the rate of Pension for JCOs/ORs. (Para 10.2.22)</p> <p>No change is being recommended by the Commission for either civilian or defence pensioners in Enhanced Ordinary Family Pension.(Para 10.2.33)</p> <p>No further increase in the existing rate of Special Family Pension is recommended by the Commission.(Para 10.2.35)</p> | <p>Accepted.</p> |

| 3 | <p><u>Additional Pension and Family Pension to the older pensioners.</u> No further increase in the existing rate of additional pension and additional family pension with advancing age is recommended by the Commission.(Para 10.2.24) No further increase in the existing rate of additional pension and additional family pension with advancing age is recommended by the Commission.(Para 10.2.37)</p> | Accepted | | | | | | | | | | | | | | | | | |
|--------------------------------|--|---------------------|--------|---------------------|------------------|--------------|-------|--------------------------------|----------------------------|--------|-------|---------------------|---------------------------|----------------------|-------------|-------|------------------|-------------------|-----------|
| 4 | <p><u>Pre-2006 Honorary Naib Subedar</u> This Commission does not find any merit in re-opening an issue that has been clearly settled. Therefore no change is being recommended in this regard. (Para 10.2.26)</p> | Accepted | | | | | | | | | | | | | | | | | |
| 5 | <p><u>Defence Security Corps (DSC) personnel.</u> The Commission does not recommend reduction in the qualifying service for entitlement of second pension to Defence Security Corps (DSC) personnel from 15 to 10 years.(Para 10.2.28)</p> | Accepted | | | | | | | | | | | | | | | | | |
| 6 | <p><u>Depression in Pension for Qualifying Service</u> The Commission observes that pension formulation is appropriate and finds no justification for a review of the existing arrangements with regard to pension of Territorial Army personnel.(Para 10.2.30)</p> | Accepted | | | | | | | | | | | | | | | | | |
| 7 | <p><u>Inclusion of War Injury Element/Disability Element in Computation of Family Pension</u> The Commission has not recommended any further change in the existing provisions with regard to inclusion of war injury element/disability element in the computation of family pension. (Para 10.2.39)</p> | Accepted | | | | | | | | | | | | | | | | | |
| 8 | <p><u>Enhancement in rate of disability pension.</u> The Commission is of the considered view that the regime implemented post VI CPC needs to be discontinued, and recommended a return to the slab based system. The slab rates for disability element for 100 percent disability would be as follows:</p> <table border="1" data-bbox="327 1444 1086 1859"> <thead> <tr> <th>Rank</th> <th>Levels</th> <th>Rate per month(INR)</th> </tr> </thead> <tbody> <tr> <td>Service Officers</td> <td rowspan="2">10 and above</td> <td rowspan="2">27000</td> </tr> <tr> <td>Honorary Commissioned Officers</td> </tr> <tr> <td>Subedar Major /Equivalents</td> <td rowspan="3">6 to 9</td> <td rowspan="3">17000</td> </tr> <tr> <td>Subedar /Equivalent</td> </tr> <tr> <td>Naib Subedar /Equivalents</td> </tr> <tr> <td>Havildar/Equivalents</td> <td rowspan="3">5 and below</td> <td rowspan="3">12000</td> </tr> <tr> <td>Naik/Equivalents</td> </tr> <tr> <td>Sepoy/Equivalents</td> </tr> </tbody> </table> <p>(Para 10.2.55)</p> | Rank | Levels | Rate per month(INR) | Service Officers | 10 and above | 27000 | Honorary Commissioned Officers | Subedar Major /Equivalents | 6 to 9 | 17000 | Subedar /Equivalent | Naib Subedar /Equivalents | Havildar/Equivalents | 5 and below | 12000 | Naik/Equivalents | Sepoy/Equivalents | Accepted. |
| Rank | Levels | Rate per month(INR) | | | | | | | | | | | | | | | | | |
| Service Officers | 10 and above | 27000 | | | | | | | | | | | | | | | | | |
| Honorary Commissioned Officers | | | | | | | | | | | | | | | | | | | |
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| Subedar /Equivalent | | | | | | | | | | | | | | | | | | | |
| Naib Subedar /Equivalents | | | | | | | | | | | | | | | | | | | |
| Havildar/Equivalents | 5 and below | 12000 | | | | | | | | | | | | | | | | | |
| Naik/Equivalents | | | | | | | | | | | | | | | | | | | |
| Sepoy/Equivalents | | | | | | | | | | | | | | | | | | | |



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|-----|---|-----------|
| 9 | <p><u>Enhancing the Cover of Disability.</u></p> <p>The Commission recommends broad-banding of disability for all personnel retiring with disability, including premature cases/ voluntary retirement cases for disability greater than 20 percent.(Para 10.2.57)</p> | Accepted. |
| 10 | <p><u>Additional old age Pension should be Applicable for Disability/War Injury Pension.</u></p> <p>No further enhancement by inclusion of elements of disability/ war injury pension has been recommended by the Commission.(Para 10.2.59)</p> | Accepted |
| 11 | <p><u>Neither Attributable Nor Aggravated (NANA) cases, be awarded Disability Pension</u></p> <p>The Commission recommends that while the existing regulations involving disability Neither Attributable Nor Aggravated (NANA) by service may continue, it is for the authorities to establish, in each case, through a reasoned order that disability was Neither Attributable Nor Aggravated (NANA) by military service. (Para 10.2.61)</p> | Accepted |
| 12. | <p><u>War Injury Pension where Individual is Retained in Service</u></p> <p>The Commission <u>does not recommend any change</u> in the existing regime of payouts for those with war injury and retained in service. (Para 10.2.63)</p> | Accepted |
| 13. | <p><u>Ex-gratia Lump Sum Compensation to Invalided out Defence Personnel.</u></p> <p>The Commission has recommended an increase in the existing lump sum compensation of Rs. 9 lakh for 100 percent disability to Rs. 20 lakh. However it finds no justification to recommend broad banding for payment of Ex-gratia award to service personnel boarded out on account of disability/war injury attributable to or aggravated by military service.(Para 10.2.65)</p> | Accepted |
| 14. | <p><u>Ex Gratia Disability Award to Cadets.</u></p> <p>The Commission, however, keeping in views the facts relating to cadets recommends an increase ex-gratia disability award from the existing Rs. 6,300 per month to Rs. 16,200 per month for 100 percent disability. (Para 10.2.67)</p> | Accepted |