

Office of the Principal Controller of Defence Accounts (Pension),
Draupadi Ghat, Allahabad-211014

Circular No.-179

Date:12.05.2015

To,

- 1 . The Director of Treasuries of all state
2. The Manger CPPC of Public Sector Banks.....
- 3 The CDA (PD) Meerut.....
4. The CDA-Chennai.....
- 5 The Nodal Officers (ICICI/AXIS/HDFC Bank)....
6. The Pay & Accounts Officers.....
7. Military Attache, Indian Embassy Kathmandu, Nepal.
- 8 The DPDO.....
9. The Post Master.....

Sub: Payment of Dearness Relief to re employed pensioner: Clarification thereof.

As per para I(a) of MOD letter No. 7(1)/95/D(Pen/Services) dated 28.8.2000, entire pension admissible to ex-servicemen who held post below commissioned officers (PBOR) at the time of retirement, is ignored and 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.

Deptt. of Pension and Pensioners Welfare, vide their UO No. 41/42/2007/P&PW(G) dt. 03.04.2008, reproduced under this office circular No. 386 dt. 19.06.2008, further clarified that if the pay is fixed at a higher stage because of advance increments and no protection of last pay drawn is given, the pay should be treated as fixed at a minimum only for the purpose of ignoring the entire pension and allowing dearness relief on pension. For availing this benefit the ex-servicemen would have retired at post below commissioned officers Rank (PBOR) before attaining the age of 55 years.

Now representations from the banks, where number of ex-servicemen have been re-employed and their pay has been fixed at a higher stage because of advance increments, are being received to clarify the elements to be taken into account for assessing the last pay drawn by the ex-servicemen for the purpose of last pay protection.

The dearness relief on re-employment should be regulated by the Pension Disbursing Agencies on the basis of certificate issued by re-employer, clearly stating whether benefit of last pay protection has been given or not. However, on examination of cases submitted by the banks it has been found that pay scale in banks are still on old pattern, whereas ex-servicemen have been retired with Pay in Pay Band, Grade Pay, MSP, Group Pay etc. In such cases it is clarified that for the purpose of assessing the last pay drawn for last pay protection, the elements to be taken into account should be last pay in pay band i.e. Band Pay plus Grade Pay, last drawn before retirement as envisaged vide MOP, PG & P, DOPT 0M NO. 3/19/2009 Estt. Payll dt. 8th Nov 2010 and no other elements should be taken for this purpose.

In view of the above, it is advised that all the cases of dearness relief where pay of ex-servicemen has been fixed at a higher stage because of advance increments may be reviewed and regulated accordingly.

No. AT/Tech/263-XV111

(A.D.
Mishra)
Asst.CDA (P)

Date 12.05.2015

Copy to:-

1. The CGDA, ULAN BATAR ROAD, Palam Delhi Cantt-110010
2. The Pr.CDA (Navy), Cooperage Road Mumbai.
3. The DCDA (AF), New Delhi.
4. PA to CDA (AT) / CDA (Gts) in Main Office.
5. PA to all Addl. CDA / Jt.CDA, in Main Office.
6. All GOs, in Main Office.
7. Officer-in-Charge, G-1/ M (Tech), G-I/C (Tech) and. Gts [Tech Section (Local).
8. Officer-in-Charge in all section (Local).
9. Officer-in-Charge DPTI.
10. Officer-in-Charge EDP Centre (Local). For inclusion and uploading at Website of this office.

Sd/(R.A.
Biswas)
Sr. Accounts Officer (P)