

SERVICE PENSION

Introduction

1527. The various pensionary benefits in respect of JCOs (including those granted honorary commission on effective list) and OR are contained in Pension Regulations 2008 Part I and II and in Army Instrs/ Govt of India letters issued from time to time. In brief these are contained in the succeeding paragraphs.

Service Pension

1528. The minimum qualifying service to earn service pension is 15 years for JCOs and OR. For the purpose of pensionary benefits, a fraction of the length of qualifying service equal to three months and above but less than six months shall be treated as a complete one half year and service equal to nine months or more but less than a year shall be treated as complete one year reckon as qualifying service for determining the amount of pension and service/ Death-cum-Retirement gratuity.

1529. Weightage to qualifying service for the purpose of computation of pension in respect of PBOR discharged/ invalid out from service on or after 01 Jan 2006 stands withdrawn with effect from 01 Jan 2006. Service pension will be calculated at 50% of emoluments last drawn or average of reckonable emoluments drawn during last 10 months, whichever is more beneficial. 5 yrs weightage will be taken into consideration for the purpose of payment of DCRG irrespective of rank (minimum 15 yrs qualifying service).

Minimum Pension

1530. **Minimum Pension.**

- (a) Not lower than 50% of the sum of the minimum of the pay in band pay plus MSP plus classification pay (if applicable) from which the pensioner has retired.
- (c) In no case will be less than Rs. 9,000/- per month.

Non – Reckonable Service for Pensionary Awards

1531. All service from the date of appointment or enrolment/ transfer to man's service to the date of discharge shall qualify for pension or gratuity except the following:-

- (a) Any period of service on a temporary establishment or for which a special rate of pay is granted on the understanding that no pension is admissible.
- (b) Any period of unauthorised absence for which pay and allowances have not been admitted.
- (c) Any period of absence as a prisoner of war, unless pay and allowances are

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admitted for the period of absence.

(d) Any period of detention in civil custody before being sentenced to imprisonment or fine unless the President in a special case issues the orders reducing the period that shall not count.

(e) Any period of imprisonment by sentence of a Civil Court or of a Court Martial.

(f) An individual who is convicted by Court Martial under Army Act Section-38 and 43 (a) shall forfeit the whole of his previous service towards pension or gratuity. The service so forfeited shall be restored if an individual serves continuously for further 3 years with exemplary conduct and without any red ink entry.

(g) Any period of absence regularized as EOL without pay and allowances.

(h) MACP provision in respect of Sep-three times (After 8 years, 16 years and 24 years OR 8 years from date of last promotion whichever is earlier).

Condonation of Short fall in Qualifying Service for Pension

1532. Short fall in qualifying service to earn minimum service pension can be condoned upto a period of six months and for rank service upto three months by OIC Records under the provision of **Para 44** of Pension Regulations for the Army 2008 (Part-I). Service Headquarters can condone deficiency in service upto twelve months. Condonation is not permissible in the following cases:-

(a) Discharge at own request.

(b) Entitled to special pension under Regulations 164 of Pension Regulations for the Army 1961 and Pension Regulations for the Army 2008.

(c) Invalidment with less than 15 years service.

1533. **Documents to be Examined for Grant of Condonation**

(a) Mercy appeal from applicant for such condonation.

(b) Financial status report from concerned Assistant Recruiting Office/ Zila Sainik Board, which should incorporate:-

(i) Details of movable/ immovable property, if any.

(ii) Income from all sources, with breakup.

(iii) Details of dependent family members.

(iv) Other assets and liabilities.

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(c) Gravity of offence, if any, Normally, such condonation should not be allowed in cases involving moral turpitude, desertion in the face of enemy, espionage etc. This is only illustrative and not exhaustive and any other offence, which is considered equally grave in nature, should also be treated likewise.

1534. Normally, pensions should be sanctioned with effect from the date of discharge. However, in case of inordinate delay in submission appeal for condonation of short fall in qualifying service for pension and in the event of such appeal being accepted, the relief should be granted with effect from three years prior to date of such appeal or the date of discharge, whichever is later.

1535. Such appeals should be processed by the Record Office and forwarded with a statement of case and the documents mentioned at **Para 974 above** to DG Inf/ Inf-6), who in turn, should forward the same on file to PS-4(Imp-1), Integrated HQ of MoD (Army) with the recommendation of the Dte Gen Inf.

Auth: IHQ of MoD(Army) letter No B/38022/Misc/AG/PS-4 (Imp-1) dated 26 Mar 09.

Grant of Service Pension to PBOR Dismissed from Service

1536. Adjutant General has been delegated the power vide Min of Def letter No 4684/DIR (PEN)/2001 dated 14 Aug 2001 as amended vide corrigendum No 4684/DIR(PEN)/2001 dated 07 Nov 2001 to consider mercy appeals for service pension to PBOR dismissed from service.

1537. This provision is not applicable to those who are dismissed from service without pensionary benefits by the Govt with a specific mention to that effect in the order of dismissal from service.

1538. The case will be examined on the basis of documents mentioned at Para 1533 above.

1539. Mercy appeal for grant of pensionary benefits in cases of dismissal from service will be entertained only once. The appeal will be processed by Records The Madras Regiment duly supported by statement of case and the documents mentioned at Para 1533 above to DG Inf/ Inf-6 at Integrated HQ of MoD(Army), who in turn, will forward the same on file to PS-4(Imp-1), Integrated HQ of MoD (Army) with recommendation of Dte Gen Inf.

Auth: IHQ of MoD (Army) letter No B/38022/Misc/AG/PS-4 (Imp-1) dt 26 Mar 2009.

Gratuity

1540. **Retirement Gratuity.** The provision for grant of Death-cum-Retirement Gratuity (DCRG) to PBOR on the lines of civilians was introduced with effect from

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10 Sep 1970 vide Army Instructions 8/S/70. The retirement gratuity on discharge came into operation with effect from 01 Jan 1986 for those who are discharged with five years or more qualifying service. For admissibility of death gratuity there is no restriction of minimum qualifying service. It will be equal to 1/4th of their monthly emoluments (**Band Pay + Military Service Pay + Classification Allowance + Dearness Allowance and X Group Pay**, if applicable) for each completed six monthly period of qualifying service subject to the maximum of 16½ times the reckonable emoluments. The maximum amount of retirement gratuity payable shall in no case exceed Rs 20 lac.

1541. **Death Gratuity**. The amount of Death Gratuity in the event of Death shall be as under:-

- (a) Service less than one year **two times** of reckonable emoluments.
- (b) One year or more but **six times** of reckonable emoluments less than 5 years.
- (c) Five years or more but **twelve times** of reckonable less than 15 years emoluments.
- (d) 15 years or more half of reckonable emoluments for each completed six monthly period of Qualifying Service subject to a minimum of 12 times and a maximum 33 times. The maximum limit of Retirement Death Gratuity will be Rs 20 lac.

Service Gratuity

1542. Where service rendered by PBOR is less than the minimum qualifying service to earn Pension but is five years or more, a Service Gratuity is admissible at the rate of half-month pay for every completed six months qualifying service.

Auth: SAI 8/S/70.

Commutation of Pension

1543. PBOR shall be entitled to commute for a lump sum payment of upto 50% of their pension. Absolute date of commutations will be as under:-

- | | |
|--|--|
| (a) When application is received prior to retirement | - From the date of commencement of pension. |
| (b) When application submitted after retirement | - The date on which application is received in PCDA(P), Allahabad. |
| (c) When application submitted after one year from retirement. | - The date on which medical board signs the medical proceedings. |

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Types of Pension, which can be Commuted

1544. Types of pensions :-

- (a) Service Pension
- (b) Impairment Relief
- (c) War Injury Pension
- (d) Special Pension
- (e) Mustering out Pension
- (f) Invalid Pension
- (g) Service element granted for life

Restoration of Commuted Portion of Pension

1545. The commuted portion of pension is restored suo moto by Pension Disbursing Authorities after 15 years from the date of payment of commuted value of pension or from the date of credit of same in bank account of retired PBOR without waiting an application from the pensioners.

1546. Armed Forces Personnel shall be entitled to commute for a lump sum payment upto 50% of their pension.

1547. The existing Table of Commutation Value for pension Annexed to Army Instruction 85/71 shall be substituted by a new table as under :-

Age Next Birth Day	Purchase Value	Age next Birth Day	Purchase Value	Age next Birth Day	Purchase Value
20	9.188	41	9.075	62	8.093
21	9.187	42	9.059	63	7.982
22	9.186	43	9.040	64	7.862
23	9.185	44	9.019	65	7.731
24	9.184	45	8.996	66	7.591
25	9.183	46	8.971	67	7.431
26	9.182	47	8.943	68	7.262
27	9.180	48	8.913	69	7.083

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Age Next Birth Day	Purchase Value	Age next Birth Day	Purchase Value	Age next Birth Day	Purchase Value
28	9.178	49	8.881	70	6.897
29	9.176	50	8.846	71	6.703
30	9.173	51	8.808	72	6.502
31	9.169	52	8.768	73	6.296
32	9.164	53	8.724	74	6.085
33	9.159	54	8.678	75	5.872
34	9.152	55	8.627	76	5.657
35	9.145	56	8.572	77	5.443
36	9.136	57	8.512	78	5.229
37	9.126	58	8.446	79	5.018
38	9.116	59	8.371	80	4.812
39	9.103	60	8.287	81	4.611
40	9.090	61	8.194		

Note: This table is based on a rate of interest of 8% per annum. Commutation value for pension of Rs 3 per annum.

Formula for Commutation

50% of pension multiply by purchase value multiply by 12 = Capitalised value of commuted portion of pension.

Example for Calculation of Commutation. A Subedar of Group 'Y', who retires on completion of 30 years qualifying service earning service pension of Rs 55200/- plus Rs 5200/- pm and whose age on next birth day (first date of birth after the date of SOS from the Army) is 48 years will get the following capitalised value of commuted portion of pension:-

Total monthly pension - Rs 30,200/- pm.

50% of pension - Rs 15,100/-.

Capitalised value - Rs 16,15,036/-.

1548. The revised Table of Commutation Value for Pension will be used for all commutations of pension, which become absolute on or after 02 Sep 2008. In the case of those pensioners, in whose case commutation of pension became absolute on or after 01 Jan 2006 but before 02 Sep 2008, the pre-revised Table of Commutation Value for commutation of pension will be used for payment of commuted value of pension based on pre-revised pay/ pension. Such pensioners shall have an option to commute the amount of

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pension that has become additionally commutable on account of retrospective revision of pay/ pension on implementation of the recommendations of the Seventh Central Pay Commission.

1549. On exercising such an option by the pensioners, 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. In all cases, where the date of retirement/ discharge/ invalidment/ commutation of pension on or after 02 Sep 2008 the revised Table of Commutation Value for Pension will be used for commutation of entire pension.

Rounding Off of Pensionary Awards

1550. The amount of various pensionary awards admissible shall be rounded off to the next higher rupee by the Pension Sanctioning Authority.

Dearness Relief

1551. Dearness Relief shall be admissible as announced by Government of India from time to time.

Auth : Government of India, Ministry of Personnel (PG & Pensions) (Department of Pension and & PW) office Memorandum No 34/2/86-P &PW dt 05 Mar 1987 and even No dt 23 Jun 1987.

Enhanced Monetary Grants for Gallantry Awards

1552. The amount of under mentioned awards has been enhanced with effect from 01 Aug 2017 as shown against each:-

(a)	Param Vir Chakra and its each Bar	Rs 20000/-pm.
(b)	Ashok Chakra and its each Bar	Rs 12000/-pm.
(c)	Maha Vir Chakra and its each Bar	Rs 10000/-pm.
(d)	Kirti Chakra and its each Bar	Rs 9000/-pm.
(e)	Vir Chakra and its each Bar	Rs 7000/-pm.
(f)	Shaurya Chakra and its each Bar	Rs 6000/-pm.
(g)	Sena Medal	Rs 2000/-pm.

Disciplinary Cases (for Grant of Provisional Pension)

1553. In case any JCOs/OR is involved in disciplinary case or a judicial enquiry is in progress/ pending against the individual, the PCDA (Pension), Allahabad is empowered to grant provisional pension.

1554. No gratuity (including DCRG) shall, however, be paid at this stage nor commutation of provisional pension shall be permitted. Discharge documents will be forwarded to

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Record Office in the normal manner, alongwith detailed brief of the disciplinary case/ judicial enquiry, supported with attested copies of documents/ records. Record Office will process claim to PCDA(P), Prayagraj in the normal manner.

Auth: Government of India, Ministry of Defence letter No 12(1) 74/S/556/D (Pension/ Services) dt 20 Jul 1974 as amended vide Government of India, Ministry of Defence letter No 40410/AG/PS-4(C)/3212/B/D (Pension/ Service) dt 28 Sep 1983 and No B/40410/AG/PS4(C)/1252/ B/D (Pension/ Services) dt 21 Jun 1985.

Timely Sanction of Service Pension

1555. Government orders have been issued simplifying the procedure for final settlement of accounts and submission of pension claims in advance to PCDA (P) Computer Centre, Prayagraj so as to enable the JCOs/ OR retiring from service with pensionary benefits and to draw their pension, commutation value of pension and gratuity immediately after their retirement. Records The Madras Regt, therefore, keeps a constant watch and make every effort to get the Pension Payment Orders(PPO) and the pension books in time from PCDA (P), Prayagraj before the individuals are finally SOS/ SORS from Depot Coy, The Madras Regt Centre so that the first pension could be drawn by them on the first of the following month of their retirement.

1556. In Order to ensure timely action and for the convenience at all levels, the following actions will be ensured by all concerned without any delay:-

Action		Time Lag	Responsibility
(a) <u>Action by Record Office.</u>			
(i)	Issue warning orders of retiring personnel.	18 months in advance	RA Group
(ii)	Issue discharge orders of retiring personnel.	14 months in advance	RA Group
(iii)	Check eligibility of personnel sponsored by units for various resettlement training/ courses and demand vacancies accordingly.	12 months in advance	RA Group
(iv)	Med Cat. Forward all medical documents of low medical category personnel proceeding on retirement/ discharge for Release Medical Board. Injury reports and Court of Inquiry Proceedings (where applicable) will also be forwarded alongwith medical documents.	12 months in advance	ER Group

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	Action	Time Lag	Responsibility
	(v) Obtain documents from unit concerned in respect of personnel proceeding on discharge/ retirement with pensionary benefits irrespective of the cause of discharge. Documents required are noted in sub Para (b) below.	8 months in advance	Pension Group (DC)
	(vi) Report outstanding cases to Formation Headquarters concerned where units have failed to forward all the discharge/ pension documents on or before due date.	7 months in advance	Pension Group (DC)
	(vii) On receipt of discharge/ pension documents from units, Record Office will scrutinise all documents and raise observations, if any, and get the same rectified by units. Publish advance Part II Orders regarding discharge from service, SOS and Character aspects through ARPAN.	6 months in advance	Pension Group (DC)
	(viii) Pension documents uploaded in SPARSH portal to PCDA (P), Prayagraj through PAO (OR), The Madras Regt.	2 months in advance	Pension Group (Service Pension)
(b)	Action by Units.		
	(i) Scrutinise the warning orders and discharge orders carefully with reference to the age/ tenure of service/ terms of engagement of concerned individuals and report discrepancy, if any to Record Office immediately for rectification. Units will also intimate to Record Office if name of any individual is left out for issue of discharge order.	Immediately on receipt of warning order.	Unit Concerned
	(ii) Forward Employment Index Cards on receipt of warning orders in respect of all affected personnel under a separate covering letter and not alongwith pension/ discharge documents.	15 months in advance	NE/ ER Group

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	Action	Time Lag	Responsibility
	(iii) Arrange medical examination of the individuals, who are in medical category 'SHAPE-1' in time and forward AFMSF-18 (Ver-2006) (Medical Examination Report) alongwith discharge documents (Refer to Army Order 3/89).	8 months in advance.	Unit Concerned
	(iv) In the case of Low Medical Category personnel, Release Medical Board will be arranged on AFMSF-16 (Ver-2006) (Medical Board Proceedings Invaliding All Ranks) 6 months prior to the date of discharge/ retirement. Release Medical Board for those undergoing resettlement Course/ away from the unit will be arranged at the station they are undergoing course/ temporary duty etc.	6 months in advance (Refer DGMS letter No 08298/DGMS -5A dt 06 Oct 1989).	Unit Concerned
	(v) Forward names of eligible volunteers for various resettlement training/ courses (Refer to Resettlement Training Chart issued from time to time). The time schedule for submission of nominal roll and eligibility conditions for each type of resettlement training/ course is forwarded to Records The Madras Regt by the unit.	-	Unit Concerned
	(vi) Forward following discharge/ pension documents to Record office, CLEAR EIGHT MONTHS IN ADVANCE IN ONE LOT. Also ensure that the pension documents are prepared/ completed prior to the individuals proceed on resettlement training/ course:-	08 Months in advance	Unit Concerned
	(aa) IAFY -1948 (A) (Discharge Roll) in duplicate giving joint Bank account number, name and place of bank against column No 17.		

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	Action	Time Lag	Responsibility
	(ab) AFMSF – 18 (Ver-2006) (Medical Examination Report) duly completed Part III thereof by Commanding Officer Unit.		
	(ac) IAFF – 3013 (Field Conduct Sheet).		
	(ad) AFMSF–16 (Ver-2023) (Release Medical Board proceedings) where the individuals are in low medical category temporary or permanent.		
	(ae) Nomination/Undertaking/Declaration/Option Form For Service Pensioner & Undertaking/Declaration/Option Form For Family Pensioner.		
	(af) Form of Application For commutation of a portion of pension	08 Months in advance	Unit Concerned
	(ag) Descriptive Roll (IAFA-369) in duplicate duly pasted joint photograph in civil dress and impression of balls of thumb and all fingers of right hand of individual's wife and left hand of the individual on page No 2 and 5/6 duly attested.		
	(ah) Five copies of joint photographs with wife/ Next of Kin and four copies of single photographs of Next of Kin in civil dress duly attested by Commanding Officer unit on front side.		
	(aj) Army Group Insurance Maturity Claim and Application for Extended Army Group Insurance Scheme in duplicate duly affixed with revenue stamp of Re 1/- (Rupees one		

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	only) in original copy and signature thereon. The form should be completed giving the Joint Bank Account Number, Bank code Number, Branch of the Bank and address with PIN code Number.		
	(ak) Application For Family Pension - JCOs/OR		
	(vii) Despatch the individual to Depot Coy, The Madras Regt for discharge drill on due date as given in the discharge orders alongwith the following documents :-		
	(aa) Final No Demand Certificate (IAFA – 450).		
	(ab) Certificate for destruction of Identity Card.		
	(ac) IAFF-958 (Field Service Documents) alongwith AFMSF-2A		
	(ad) Rent recovery certificate in respect of JCOs granted Honorary Commission in duplicate.		
	(ae) Indl clothing Card		
(c)	<u>Action By Depot Coy, The Madras Regt Centre</u>		
	(i) On physical reporting of an individual to Depot Coy, the following actions will be taken:-	On report to depot coy	Depot Coy
	(ii) Prepare nominal roll of personnel being put on discharge drill every day and forward one copy each to Record Office and PAO (OR) The Madras Regt.		
	(iii) Check and scrutinise the documents received from unit.		

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	(iv) Squad the individual for discharge drill and forward the nominal roll to Record Office (R & D Cell) for checking.		
	(v) On receipt of verified nominal roll from Record Office, notify the occurrence regarding TOS/ TORS cessation of CFAA/ CMFAA/ SCCIA/ HAUCAL/ HAUCH/ CHAFAA/ SIACHN/ RLCA, grant of leave etc in Depot Part II Orders.		
	(vi) Forward the case alongwith Part II Orders to PAO (OR), The Madras Regt for Final Settlement of Accounts.		
	(vii) On receipt of Sheet Roll from Record Office prepare Discharge Certificate (IAFY-1964).		
	(viii) Direct the individual to Record Office for collection of Pension Payment Order, AGI Maturity Bond, Extended AGI Cover Certificate.	On report to depot coy	Depot Coy
	(ix) Explain accounts to the individual and ask for any observation concerning accounts.		
	(x) On receipt of Final Statement of Accounts from PAO (OR), The Madras Regt, relevant portion of Sheet Roll will be completed and signatures of individual be obtained.		
	(xi) Arrange lecture to all retirees regarding various concessions/ benefits available to them in the civil after retirement.		
	(xii) Forward the Sheet Rolls and connected documents to Record Office on the following day of payment of all dues to the retirees.		
	(d) Action by PAO (OR) The Madras Regt.		
	(i) On receipt of pension documents and Xml file through SPARSH portal from Record Office, check all the particulars and pay details of the indl and fwd to PCDA(P) Prayagraj for prep of e-PPO.	2 Months in advance	PAO(OR)

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	(ii) On receipt of Final Settlement Performa from Depot Coy, The Madras Regt, finalise the accounts of retirees within seven days and issue payment authority/ Final Statement of Accounts to Depot Coy, The Madras Regt Centre alongwith connected documents.	01 Month in advance	PAO(OR)
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Grant of Service Pension to PBOR Dismissed from Service

1557. Adjutant General has been delegated the power vide Min of Def letter No 4684/DIR (PEN)/2001 dated 14 Aug 2001 as amended vide corrigendum No 4684/DIR(PEN)/2001 dated 07 Nov 2001 to consider mercy appeals for service pension to PBOR dismissed from service.

1558. This provision is not applicable to those who are dismissed from service without pensionary benefits by the Govt with a specific mention to that effect in the order of dismissal from service.

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Auth: IHQ of MoD (Army) letter No B/38022/Misc/AG/PS-4 (Imp-1) dt 26 Mar 2009.

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