

PENSION RULES

PENSION SCHEME - Pension scheme was introduced on 01.04.57. The liberalised pension rules are applicable to all the Railway Servants appointed on or after 16.11.57.

Pension is a retirement benefit paid monthly to a Railway servant on retirement from service. Staff on completion of 60 years of age has to retire from service on superannuation. A person born on 2nd or subsequent date retires on the last date of the month in which he was born on completion of service. A person born on the 1st of any month retires on last date of the previous month. When a Railway servant is re employed after retirement he is not eligible for two pensions except in the case of military service. Further a good conduct is an implied condition for grant of pension and its continuance. In the event of pensioner found guilty of grave mis-conduct or is convicted of serious crime during his past service within 04 years of its occurrence his pension already granted may be withheld or withdrawn either part or full permanently or for a specified period. The president is the Competent Authority to pass orders for withdrawing/reducing the pension. However in cases of Gazetted Officers UPSC may be consulted before passing any orders of withdrawing/reducing the pension.

VOLUNTARY RETIREMENT - A person who has completed 20 years of qualifying service or more can retire voluntarily by giving 3 months notice if he is permanent and by giving one month notice if he is temporary Railway servant. Competent authority can waive notice period with Accounts concurrence.

A person retiring voluntarily is eligible to get a benefit of 5 years of additional service or up to the period left to attain normal superannuation or 33 years of service whichever is less.

RETIREMENT BENEFITS-

1. PF and VPF contribution with interest.
2. Retirement gratuity or death gratuity.
3. Pension.
4. Commutation of Pension
5. Family pension in case of death.
6. Group insurance amount in the case of death while in service.
7. Savings amount under group insurance scheme.
8. Cash equivalent to leave salary.
9. Composite transfer grant.
10. Settlement pass, Kit pass and Wagon pass.
11. Post retirement complimentary pass and widow pass.
12. PLB for the service rendered prior to retirement or death.
13. Retention of Railway quarters for four months on normal rent.
14. Retention of Railway quarters up to 02 years on normal rent in the event of death while in service.
15. RELHS and DLI.

KINDS OF PENSION

COMPENSATION PENSION- Compensation pension is granted to an employee who is discharged from service owing to abolition of post unless appointed to another post.

INVALID PENSION- Invalid pension is granted to an employee when he opts for retirement due to medical unfitness or medical decategorisation.

RETIRING PENSION- Retiring pension is granted to an employee who is permitted to retire after 55 years of age or 30 years of service or after 20 years of qualifying service under voluntary retirement scheme.

SUPERANNUATION PENSION- Superannuation pension is granted to an employee who retires on attaining the age of superannuation. i.e. 60 years.

COMPULSORY RETIREMENT PENSION- It is granted to Railway servants who are compulsorily retired from Railway service as a penalty. However Competent Authority at his discretion can pass orders either to grant full pension or 2/3rd pension & gratuity or both. However in case of Gazetted Officers wherever pension/Gratuity is reduced UPSC should be consulted.

PROVISIONAL PENSION- A Railway servant who has retired from Railway service on attaining the age of superannuation or otherwise and against whom any departmental or judicial proceedings are instituted or where departmental proceedings are already under process, a provisional pension shall be sanctioned. The provisional pension is calculated on the basis of qualifying service upto the date of retirement, or if he was under suspension on the date of retirement, upto the date immediately preceding the date on which he was placed under suspension. It is payable upto the date on which final orders are passed by the Competent Authority after conclusion of Departmental / Judicial proceedings. The gratuity will be withheld till the finalization of Departmental / Judicial proceedings and issue of final orders. The provisional pension paid shall be adjusted in the final retirement benefits.

COMPASSIONATE ALLOWANCE- Whenever Railway employee is removed or dismissed from service shall forfeit his pension and gratuity. However, the Disciplinary Authority concerned who has imposed the penalty of removal / dismissal may at his discretion sanction the compassionate allowance not exceeding 2/3rd of pension / gratuity or both which would have been admissible to him had he retired on compensation pension.

CALCULATION OF PENSION- Pension is calculated on two factors namely qualifying service and average emoluments.

QUALIFYING SERVICE - Qualifying service means the total service minus non-qualifying service, if any. To reckon the service as qualifying for pension, the service should be permanent and substantive under the Government. Temporary and officiating service without break followed by confirmation in the same and or another post shall count in full as qualifying service. Some of the non-qualifying services are-

- Service in non-pensionable employment.
- Service as casual labour on daily rate.
- Service paid from contingency appt. on or after 22.8.1969 half the service shall be taken into account for calculating pensionary benefits or absorption.
- Service rendered before attaining age of 18 years.
- Periods of EXL availed other than on medical grounds.
- Periods of suspension, unless treated otherwise.
- When Foreign Service contribution for grant of pension is neither received nor waived.

The entire period of training of Group-C and D employees who are required to undergo initial training before taking charge of the post shall count as qualifying service.

In the case of casual labours absorbed after attaining temporary status, their service from the date of temporary status to the date of absorption will count to the extent of 50% as qualifying service. In the case of substitutes their service after completion of 4 months will qualify for pension.

Qualifying service is worked out in blocks of six monthly periods and any fraction of 3 months and above is treated as a six monthly period. Maximum qualifying service for pension is limited to 33 years and a minimum of 10 years of qualifying service is necessary to earn monthly pension.

AVERAGE EMOLUMENTS- Average emolument means the Basic Pay drawn by the employee during the last 10 months immediately preceding the date of quitting service. During the period if the employee was on LHAP, EXL or suspension, the period should be ignored and an equal earlier period in which the employee has availed full salary is included for working out average emoluments.

When an employee retires on a day other than the last day of the month exact 10 months from the date of quitting should be taken for calculating average emoluments.

When an employee is on leave during the last 10 months and earned an increment in that period, though not drawn it shall count for average emoluments provided it had become due during the first 180 days of leave.

In the case of erroneous reversion the pay fixed on repromotion, even on proforma basis shall count for calculation of average emoluments.

While calculating average emoluments Basic Pay is only taken and allowances like, Deputation allowance, DA, HRA, TA, OTA, etc. are not considered.

PENSION - It is calculated at 50% of average emoluments in all cases where the employee has 33 years of qualifying service, subject to a maximum of Rs. 45,000/- per month. Pension is worked out proportionately, if the qualifying service is less than 33 years. In the case of running staff the basic Pay is enhanced by 55%.

COMMUTATION OF PENSION - Pension can be commuted to an extent up to 40% without medical examination, if preferred one year. The value of commutation is depending on the age of employee as on the next date of birth and to calculate it the age factor is given in commutation rules.

RETIREMENT GRATUITY - It is a lump sum payment paid at the time of retirement. It is calculated on the pay last drawn at the time of retirement and DA admissible thereon. A minimum of 5 years of qualifying service is necessary to allow the benefit. In the case of running staff the pay is enhanced by 50% of the basic pay as pay element representing running allowance.

The Retirement Gratuity payable will be equal to 1/4th of the emoluments for each completed six monthly period of qualifying service subject to a maximum of 16 ½ times of the emoluments. The amount in no case shall exceed Rs.3.5 lakhs.

DEATH GRATUITY - The DG is payable in the event of death while in service at the following rates.

Qualifying service	Gratuity
Less than one year	2 times of emoluments
One year or more but less than 5 yrs	6 times of emoluments
Five yrs or more but less than 20 yrs	12 times of emoluments
Twenty years or more	½ of the emolument for every completed six monthly period of qualifying service subject to a maximum of 33 times of emoluments, provided the amount is not exceeding Rs.3.5 lakhs

SERVICE GRATUITY – Railway servants who retire from service with less than 10 years of qualifying service are not entitled for pension. In such cases, a lump sum payment called Service Gratuity is granted in lieu of pension provided the employee has completed a minimum of 6 months of service. It is paid at the rate of half a month's emolument (Basic Pay + DA) for each completed 6 monthly period of service. In the case of running staff the basic Pay is enhanced by 55%.

CASH EQUIVALENT TO LEAVE SALARY - It is a lump sum payment paid at the time of retirement or death for the LAP at credit subject to a maximum of 300 days. In the case of running staff the basic pay is enhanced by 30%.

FAMILY PENSION - Family Pension is calculated at the rate of 30% of last pay drawn, subject to a minimum of Rs. 3500/-

ENHANCED FAMILY PENSION - Enhanced family pension is admissible to a Railway servant who has completed a minimum of 7 years of service. It is paid up to 7 years or till the date in which the employee attains the age of 67 years whichever is earlier. After

the period normal family pension will be allowed. Enhanced family pension is paid at the rate of-

- Double of family pension or
- 50% of the Basic Pay last drawn whichever is less.

It should be further ensured that the payment in no case fall less than the original pension of the employee. In the case of an employee entitled for compensation under WCA it will be worked out @1.5 times of the family pension.

PAYMENT OF FAMILY PENSION AND ENHANCED FAMILY PENSION

1. To the widow or widower till their lifetime or remarriage whichever is earlier.
2. Then to the wards in the order of their birth up to the age of 25 years for sons and up to the date of marriage or 25 years of age for daughters whichever is earlier.
3. If a son or daughter is invalid, it is paid in their turn first and then shifted to all other eligible wards in their order of birth.

3 (a) Parents (w.e.f.1.1.98 R.B's letter dated 9.9.99)

4. Then it is reverted back to the invalid son or daughter till their lifetime. A medical certificate from the Railway Doctor should be produced for this purpose.

Where there are more than one legally wedded wife the family pension is paid in equal shares. Family pension to a minor child is paid through a guardian.

If both husband and wife are Government or Railway servants the family pension is payable on the death of one to the other. If both of them die the surviving wards are eligible for family pension and/or enhanced family pension as applicable to them from both the accounts subject to a maximum of Rs. 2500/-.

RELIEF ON PENSION- The Dearness relief as and when notified to compensate the rise in cost of living index is calculated on gross pension.

DEPOSIT LINKED INSURANCE- On the death of the Railway Servant the PF at credit is paid to the family with interest. In the preceding three years from the date of death, if PF is maintained at an average balance prescribed, an amount equal to the average balance is paid as DLI (Deposit linked insurance) subject to a maximum of Rs.60000.

GROUP INSURANCE SCHEME - CGEGIS was introduced on 01.01.1982. A sum of Rs.120, Rs.60, Rs.30, and Rs.15 is recovered every month towards GIS contribution from Group A,B,C and D employees respectively. The recovery is apportioned at the rate of 70% towards savings and 30% for insurance. In the event of death of the Railway servant, the family is paid a sum of Rs.120000/-, Rs.60000/-,Rs.30000/- and 15000/- as the case may be as insurance amount. The savings accumulation with interest is paid in both superannuation and death cases.

DISBURSEMENT OF PENSION - Pension is disbursed through Nationalized Banks and Treasuries. It is also arranged through post offices in the absence of Bank or Treasury.

FORFEITURE OF PENSION - Pension is forfeited in full or in part for conviction or mis conduct of the pensioner.

**DISABILITY PENSION/FAMILY PENSION UNDER EXTRAORDINARY PENSION
RULES**

The Fifth pay commission has recommended various relief packages under Extra-ordinary Pension Rules, to deal the situations of death/disability of central government civilian employees while in service in specified circumstances.

In these specific and different circumstances exgratia lumpsum compensation, family pension and disability pension as the case may be are payable at higher rates.

For determining compensation and pension in such cases, the situations leading to death/disability are broadly classified into 5 categories as follows.

Cat	Situations leading to death /disability
A	Natural causes not attributable to government service e.g chronic ailments prolonged illness, accidents etc.
B	Causes attributable or aggravated due to government service e.g. extreme working conditions, occupational diseases etc.
C	Accidents in the performance of duties, e.g. accident while traveling on duty in government vehicle/public transport/aircraft, mishap at sea, electrocution while on duty etc.
D	Acts of violence by terrorist, antisocial elements etc. whether while on performance of duty or not.
E	Action against terrorists, anti social elements, war like situation, enemy action, border skirmishes including kidnapping, explosion of mines etc.

FAMILY PENSION/DISABILITY PENSION UNDER EXTRA ORDINARY PENSION RULES.

Cat.	Family pension	Disability Pension
A	Normal entitlement under pension Rules	Normal entitlement under pension rules.
B & C	<p>1. 40% of basic pay subject to a minimum of Rs. 1650, where the Railway servant was not holding a pensionable post.</p> <p>2. 60% of basic pay subject to a minimum of Rs. 2500, where the railway servant was holding a pensionable post.</p> <p>3. Payable to the widow during lifetime or up to remarriage. If the widow dies or remarries it is payable to the children in the same rate and in the manner prescribed in pension rules.</p> <p>4. Dependent parents, brothers and sisters are paid family pension at half the rate admissible to widows.</p>	<p>1) Normal pension and Gratuity as admissible under pension rules.</p> <p>2) Disability pension equal to 30% of basic pay for 100% disability. In the case of lower disability it should be calculated proportionately.</p> <p>3) If the disability is 60% or more, the total pension (pension/service Gratuity +disability pension) should not be less than 60% of basic pay subject to a minimum of Rs. 2500.</p>
D	<p>1. Equal to last month's basic pay till lifetime or remarriage.</p> <p>2. In the event of remarriage at normal rate as prescribed in Pension rules till lifetime.</p> <p>3. If the Railway servant is not survived by widow but by children only, all children together are eligible for Rs. 60% of basic pay, subject to a minimum of Rs. 2500 and if he dies as bachelor/widower without a child, dependent pension is allowed to parent @75% of pay (if both parents are alive) and @ 60% (if only one of the parent is alive).</p>	<p>1) Pension and Gratuity on the basis of his pay on the date of invalidation but counting service upto the date in which he would have retired under normal circumstances.</p> <p>2) 30% of pay towards Disability pension, subject to the condition that both the elements of pay should not be less than 80% of pay for total (100%) disability. In the case of lower disability it should be calculated proportionately.</p>

E	1)Same as prescribed for Category "D"	1) Pension and gratuity on the basis of his pay on the date of invalidation but counting service upto the date in which he would have retired under normal circumstances. 2) 100% of pay (last month basic pay) towards disability pension, subject to the condition that both the elements of pay should not be more than 100% of pay for total (100%) disability. In the case of lower disability it should be calculated proportionately.
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NOTE: If a Railway servant is retained in service in spite of disability, he shall be paid lumpsum compensation in lieu of disability pension by arriving at the capitalized value of the disability pension with reference to the commutation table i.e. (Lump sum compensation =Disability pension x12x commutation factor).

ASSESSMENT OF DISABILITIES

A medical Board should assess the disability. The assessment will be treated as final unless the employee appeals for review and such appeals will be considered by an authority to whom the authority constituting Medical Board is subordinate. When review Medical Board is nominated, the assessment of disability made by them is binding on all parties. The employee should not be directed to appear before medical Board now and then to ensure that the disability continues. The extent of disability is treated as follows for calculations.

Disability assessed	To be rounded off to
Less than 50%	50%
Between 50-75%	75%
Between 76-100%	100%

POWER OF SANCTION AND OTHER CONDITIONS

Railway Board is alone empowered to sanction disability /Family pension under extra ordinary pension rules. Cases not covered under the guidelines should be referred to Railway Board to take up the case to the Department of pension and pensioners welfare. Grant of disability/Family pension under liberalized schemes does not affect the eligibility for Death/Retirement Gratuity, employers contribution under SRPF rules, CGEGIS etc.

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