

No 1/69/2008/D(Pay/Service)
Government of India,
Ministry of Defence

New Delhi, dated the 24th July, 2009.

To

The Chief of the Army Staff,
The Chief of the Air Staff,
The Chief of the Naval Staff,

Subject : Pay and allowances of Retired/Released Armed Forces Officers on re-employment in the Armed Forces.

Sir,

The question of extension of the benefit of the revised pay scales to Retired/Released Armed Forces Officers on re-employment in the Armed Forces, who were already in re-employment on 1.1.2006 or have been re-employed on and after 1.1.2006, had been under consideration of Government for some time and the President is pleased to decide that fixation of pay in such cases will be done in accordance with the provisions contained in this order.

2. **Definitions:** In this order, unless the context otherwise requires :-

(a) **Pension.** Means the gross monthly pension payable under the Pension Regulations for the Army, Navy and Air Force. Where pension has been commuted partly or fully, pension means the gross pension payable prior to commutation.

Note :-

(i) In case of re-employment period upto 31 Dec 2005 pension means the pre-revised pension before commutation.

(ii) In case of re-employment from 01 Jan 2006 pension means the revised pension before commutation.

(b) **Pre-retirement Pay :-**

(i) In respect of re-employment taking place on/or after 1.1.2006, pre-retirement pay for those who retired on/or after 1.1.2006 means the pay in the pay band plus grade pay but exclusive of Non-Practicing Allowance (NPA) if any, last drawn before retirement.

(ii) In the case of an officer who retires while on foreign service, the pay that he would have drawn in his present cadre, but for going on foreign service shall be taken as pre-retirement pay.

(iii) In case of officers who retired before 1.1.2006 and also those who retired after 1.1.2006 in the pre-revised pay scales without opting for the

revised pay scales promulgated on or after 1.1.2006 the pay will be the Basic Pay (including Stagnation Increment and Rank Pay) plus the Dearness Pay, and Dearness Allowance drawn at the time of retirement.

Fixation of Pay of Re-employed Officers

3. **Officers Re-employed Before 01 Jan 2006.** Initial pay of officers who were re-employed before 1.1.2006 and who continued to be in re-employment on or after 1.1.2006 and who elect to be governed by the provisions of this letter will have to do so by exercising an option as per Appendix to this letter. Their pay shall be re-fixed in terms of Para 7 of SAI, SNI and SAFI 2/S/2008 with reference to the rank held at the time of retirement. Grade Pay will be granted in accordance with Para 5 below. Military Service Pay and DA thereon shall be payable only from 01.09.2008. Having fixed the pay in the manner indicated, an amount of equivalent to the revised pension (excluding the ignorable portion of pension) effective from 01 Jan 2006 or after shall be deducted from his pay so fixed in accordance with the general policy of the Govt on fixation of pay of re-employed officers. If no option is received within three months from the date of issue of this letter, such officers will be deemed to have opted to be governed by these orders. Option once exercised shall be final.

Note : Officers who have died on or after 1st January, 2006 and could not exercise the option within the prescribed time limit will be deemed to have opted for the revised scales from 1st January, 2006 or such later date as is most beneficial to their dependants. If the revised scales are more favourable necessary action for fixation of pay etc, will be taken by the Controller of Defence Accounts (Officers).

4. **Officers Re-employed on or After 01 Jan 2006.** Officers who are re-employed on or after 1.1.2006 shall be allowed to draw pay only in the revised pay structure.

(a) **Officers who retired from Pre-revised Scales of Pay and were Re-employed in the Revised Pay Structure.** The initial pay in the pay band shall be fixed in the revised scale in accordance with Para 7 of SAI/SNI/SAFI with reference to the rank held at the time of retirement. Grade Pay will be granted in accordance with Para 5 below. Military Service Pay and DA thereon shall be payable only from 01.09.2008. However, an amount of equivalent to the revised pension (excluding the ignorable portion of pension) effective from 01 Jan 2006 or after shall be deducted from his pay so fixed in accordance with the general policy of the Govt on fixation of pay of re-employed officers.

(b) **Officers Who Retired and are Re-employed in the Revised Scale of Pay.** The initial pay shall be fixed at the same stage in the revised scale as the last pay drawn. Grade Pay will be granted in accordance with Para 5 below. Military Service Pay and DA thereon shall be payable only from 01.09.2008. Having fixed the pay in the manner indicated, an amount equivalent to the revised pension (excluding the ignorable portion of pension) effective from 01 Jan 2006 or after shall be deducted from his pay so fixed in accordance with the general policy of the Govt on fixation of pay of re-employed officers.

5. **Grade Pay.** In the case of retired Armed Forces officers (a) who were re-employed before 1.1.2006; (b) who retired from pre-revised pay scales and were re-employed on or after 1.1.2006 in the revised pay structure; and (c) who retired and are re-employed in the revised pay structure, on their re-employment in the Armed Forces, the pay of the officers will be fixed by granting them the grade pay of the rank held by

them at the time of their retirement or Colonel (Time Scale)'s grade pay, whichever is lower.

6. The President is also pleased to enhance the ignorable part of pension from Rs 1500/- to Rs 4000/- (Rupees four thousand) in the case of commissioned service officers and civil officers holding Group 'A' posts who retire before attaining the age of 55 years (DOPT letter No 3/13/2008-Estt (Pay II) dated 11 Nov 2008 refers). The existing limits of civil and military pensions to be ignored in fixing the pay of re-employed pensioners will, therefore, cease to be applicable to cases of such pensioners who are re-employed on or after 1.1.2006. In the case of persons who are already on re-employment, the pay may be fixed on the basis of these orders with effect from 1.1.2006, provided they opt to come under these orders. If they so opt, their terms would be determined afresh as if they have been re-employed for the first time from 1.1.2006. The option should be exercised in writing within three months from the date of issue of these orders. The option once exercised is final.

7. Once the initial pay of a re-employed pensioner has been fixed in the manner indicated above, annual increments will be allowed in the manner laid down in Para 9 and 10 of SAI 2/S/2008 and corresponding paras of SNI and SAFI on the entire amount of pay as if pension had not been deducted provided that the pay plus gross pension on re-employment does not exceed Rs 80,000/- PM.

8. **Allowances.** The drawal of various allowances and other benefits in the revised structure based on pay shall be regulated with reference to pay that is fixed on re-employment. Pay for these allowances will be the pay fixed before deducting the pension.

9. **Gratuity / Death-cum-Retirement Gratuity.** The re-employed officers shall not be eligible for any gratuity / Death-cum-Retirement Gratuity for the period of re-employment.

10. Some illustrations to cater for pay fixation in various situations arising are given in Appendix 'A' to this letter.

11. These instructions supersede the existing orders on the subject. Regulations for Pay and Allowances of re-employed officers will be amended in due course.

12. This letter issues with the approval of Ministry of Finance (Department of Expenditure) vide their U.O. No. 7.10/4/2008-IC dated 8.7.2009 and concurrence of Ministry of Defence (Finance) vide their U.O. No. 3(16)/08-AG/PA (Dy.No.483-PA) dated 24.7.2009.

Yours faithfully,



(P.S. Walla)

Under Secretary to the Govt of India

Copy to :-

As per standard list of distribution.

Copy to :

CGDA, New Delhi

Director(Finance/AG)

CDA(O), Pune

CDA(AF), West Block V, R.K.Puram

Dy CDA (AF), Subroto Park, New Delhi

PCDA(Western Command), Chandigarh

CDA(Eastern Command), Kolkata

PCDA(Northern Command), Jammu

PCDA(Central Command), Lucknow

PCDA(Navy), Mumbai

PCDA(Southern Command), Pune

CDA, Secunderabad

Director of Accounts (Postal), APS Accounts Section, Nagpur.

CDA(HQ), New Delhi

✓ PCC(Army)

PCC(Air Force)

Air HQrs./PP&R

REFERENCE FOLDER

DGA(DS), New Delhi

Director (Pension)

PCDA(P), Allahabad

CDA, Bangalore

CDA, Chennai

CDA, Guwahati

CDA, Jabalpur

CDA (Army), Meerut Cantt.

CDA, Patna

AHQ/AG/PS-3(a)

PCC(Navy)

NHQ/DPA