

Pension Rules for PSU Absorbees - Pensioners Portal issued clarifications as FAQ...

Frequently Asked Questions (FAQs)
(Central Civil Pensioners)
(Last updated/Reviewed: 04.11.2013)

P.S.U. ABSORBEEES

D.1 What are the terms and conditions of Central Govt. employees who are absorbed in Central Public Sector Undertaking /Central Autonomous Bodies?

The terms and conditions of Central Govt. employees who are absorbed in Central Public Sector Undertaking /Central Autonomous Bodies, are regulated as per the DOPT OM No.28016/5/85-Estt.(C) dated 31.1.86 and DOP&PW OM No.4(12)/85-P&PW dated 13.3.87. The Administrative Ministries/Departments have already been delegated powers to deal with such cases of absorption without obtaining prior concurrences of this Department.

Those absorbed in Central Public Sector Undertaking are eligible for pension and retirement gratuity as admissible under relevant rules. Those absorbed in the Central Autonomous Bodies having pension scheme are required to exercise an option either

(i) to receive pro-rata retirement benefits or to

(ii) to continue to have the benefits of combined service under the Government and in the autonomous body subject to the condition laid down in the D/o Personnel & AR's OM No.28/10/84-PU dated 29.8.84 and

12.9.85. Such option should be exercised within 6 months from the date of absorption.

In case no option is exercised within stipulated period, he will be eligible for pension based on combined service.

D.2 How is the restored 1/3rd commuted portion of pension in respect of Government servants who had drawn lump sum payment on absorption in Central Public Sector Undertakings/Central Autonomous Bodies required to be revised w.e.f.1.1.2006?

The pension of Central Government pensioners has been revised w.e.f.1.1.2006 vide this Department's OM No.38/37/08-P&PW(A) dated 1.9.2008. Orders for revision of 1/3rd pension of those who had drawn lump-sum payment on absorption were issued vide DOP&PW's OM No.4/30/2008-P&PW(A) dated 15.9.2008 read with OM dated 27.5.2009.

Keeping in view the direction of Hon'ble CAT, Hyderabad Bench orders have been issued vide OM dated 11.7.2013 that 1/3rd restored pension of those Government servants who had drawn lump-sum payment on

absorption in PSU/AB and whose 1/3rd pension was restored from a date before 1.1.2006, the pre-revised 1/3rd restored pension will be revised w.e.f.1.1.2006 by multiplying the same by a factor of 2.26, if it is more beneficial than the amount of revised restored 1/3rd pension arrived at in terms of this Department's OM dated 15.9.2008. In the case of those absorbee pensioners in whose case the restoration of 1/3rd pension became due on or after 1.1.2006, the above formulation would apply with reference to notional 1/3rd restorable pension as on 31.12.2005.

Payment of DR and additional pension to old pensioners (of the age of 80 years and above) shall continue to be on full pension as per the instructions issued from time to

time. The benefit of revision of restored amount of 1/3rd commuted portion of pension shall be admissible w.e.f.1.1.2006 or from the date the commuted portion of pension is restored, whichever is later

D.3 Is DOP&PW OM No.38/37/08-P&PW(A) dated 28.1.2013 for stepping up of the pension of pre-2006 pensioners w.e.f. 24.9.2012 applicable to Government servants who had drawn lumpsum payment on absorption in Central Public Sector Undertakings/ Central Autonomous Bodies and whose 1/3rd pension has been restored?

It has been clarified in the OM dated 3.4.2013 that the notional full pension of the absorbed pensioners would also be stepped up w.e.f 24.9.2012 in accordance with the instructions contained in the aforesaid OM dated 28.1.2013. No arrear of DR and additional pension on notional full pension would be payable for the period prior to 24.9.2012.

D.4 What is the medical allowance for pensioners?

Fixed medical allowance @ Rs.300/- is granted to each of the pensioners not covered by CGHS, pensioners living in cosmopolitan cities not covered by CGHS dispensary are also eligible on production of a certificate to that effect.

Source: www.pensionersportal.gov.in
[http://www.pensionersportal.gov.in/FAQ_civil.pdf]