

Know Your Retirement Benefits

East Central Railway

INDEX

Chapter		Pages
Executive Summary	...	1-6
Pension	...	7-11
Qualifying Service	...	12-14
Death-Cum-Retirement Gratuity (DCRG)	...	15-17
Family Pension	...	18-20
Nomination	...	21-22
Commutation of Pension	...	23-24
Withholding of Pensionary Benefits	...	25-27
Formalities to be observed to initiate Settlement Cases	...	28-31
Other Benefits admissible on Retirement/Death	...	32-37
List of Holiday Homes over Indian Railways	...	38-41
List of Hospitals/Health Units of North Central Railway	...	42
Formulas at a glance	...	43

EXECUTIVE SUMMARY

1. What are Retirement Benefits?

Retirement Benefits are the benefits which an employee is eligible to get on Superannuation, Voluntary Retirement, Death and Resignation from Railway service. These can be briefly summarised as under:

(i) On Superannuation

- Provident Fund (PF)
- Retirement Gratuity
- Commutation of Pension (Optional)
- Group Insurance (GIS)
- Leave Encashment
- Composite Transfer Grant
- Post Retirement Complimentary Passes
- Railway Employees Liberalised Health Scheme (RELHS)
- Gold Plated Silver Medal

(ii) On Voluntary Retirement

- Provident Fund (PF)
- Retirement Gratuity
- Commutation of Pension (Optional) at the rate of relevant factor applicable on next birthday
- Group Insurance (GIS)
- Leave Encashment
- Composite Transfer Grant
- Post Retirement Complimentary Passes
- Railway Employees Liberalised Health Scheme (RELHS)
- Gold Plated Silver Medal

(iii) On Resignation

- Provident Fund (PF)
- Group Insurance (GIS)
- Leave Encashment - 50% of balance LAP (maximum up to 150 days)

(iv) On Death

- Provident Fund (PF)
- Death Gratuity
- Group Insurance (GIS)

- DLI (Deposit Linked Insurance Scheme)
- Leave Encashment
- Composite Transfer Grant
- Widow Passes
- Railway Employees Liberalised Health Scheme (RELHS)

(v) On Removal/ Dismissal

- Provident Fund
- Group Insurance
- Compassionate Allowance/Grant (If sanctioned – to the extent of a maximum 2/3rd of Pension/Gratuity) as decided by disciplinary authority.

Note:

- (i) Commutation of pension in case of compulsory Retirement shall be subject to medical examination.
- (ii) Post Retirement Complimentary Passes shall not be issued to those Railway Servants who are dismissed from service or removed from service on or after 26.10.2005.
- (iii) Post Retirement Complimentary Passes shall not be issued to those Railway Servants on whom penalty of cent percent cut in Pension and Gratuity has been imposed on or after 26.10.2005.
- (iv) Post Retirement Complimentary Passes shall be issued to those Railway Servants who are dismissed or removed from service on or after 26.10.05 but are granted Compassionate Allowance in terms of Rule 65 of RS (Pension) Rules 1993.
These passes shall be issued from the date of Granting of Compassionate Allowance.

2. What other facilities are available to Retired Railway Employees?

In addition to Pension/Family Pension and Post Retirement Complimentary Passes, the following facilities are also available:

- Holiday Homes
- Rest House (for Officers only)

3. What Documents are required to be filled for claiming Retirement Benefits?

Documents to be filled for claiming Retirement Benefits are:

- Duly filled 'A' Booklet from the Retiring Employee.
- 'No Dues certificate' of Laptop from IT Department.
- No Dues certificate from S&T Department regarding submission of Mobile Phone/ CUG Sim.

4. What are the different formulas for calculation of Retirement Benefits?

Formulas for calculation are:

(i) **Qualifying Service**

20 years.

(ii) **Pension:**

(a) Linkage of full pension with 33 years qualifying services shall be dispensed with. Once a Railway Servant has rendered the minimum qualifying service of 20 years, pension shall be 50% of the last emoluments or average emolument received during the last 10 months whichever is beneficial to him.

(b) After completion of 10 years service, 50% of last Pay is admissible as Pension.

(iii) **Death Cum Retirement Gratuity (DCRG):**

DCRG will be given on the basis of completed qualifying service upto 33 years. For this $\frac{1}{4}$ of wage for each completed 06 monthly periods, up to maximum 33 years (66 six monthly periods) service subject to ceiling of ₹10,00,000/-. In case of death, the amount will be enhanced as shown in subsequent pages.

(iv) **Family Pension:**

30% of last Basic Pay + DR (Dearness Relief) subject to minimum of ₹3500/- + DR.

In case of death, 50% of last pay drawn or twice the normal family pension + DR whichever is less for ten years.

(vi) **Commutation**

40% of pension (optional).

(vii) **Leave Encashment**

Leave will be encashed upto maximum of 300 LAP. In case, LAP is less than 300 days, then LHAP will be encashed up to that limit by which LAP is lesser than 300 days.

5. **What are the documentary requirements for ensuring timely payment of settlement dues? List out.**

The check list of documents is:

- Personal File and Service Record duly completed in all respects
- Verification of Leave Records for last three years
- 'No Dues Certificate' duly vetted by finance
- Service History (Qualifying Service) duly vetted by finance
- D&AR/Vigilance clearance for final settlement dues issued within one month prior to retirement
- Pension Booklet duly filled

- 10 month's average Pay or Last Pay Drawn (calculated by Bill Section)
- National Electronic Fund Transfer (NEFT) Form with IFSC code of the Bank
- Bank Pass Book (photocopy)
- Photographs 9 + 2 booklet (individual) and one joint Photograph with spouse, size 2" x 3"
- 4 Photographs of spouse and each dependent (passport size) for issuance of Medical-cum-Pass Identity Card
- Death Certificate (in case of death).
- Birth Certificate of spouse and children who are eligible for Family Pension.

6. **Clearances to be obtained?**

Every Government servant who is going to retire should ensure that 'No Dues Certificate' regarding Railway Quarter Rent, Electric Charge, Lawn Charge, Laptop and Telephone Bill including CUG should be obtained in time. The DCRG may be withheld due to non-clearance of dues mentioned above.

7. **Period within which Settlement Dues are to be paid to Railway Servants?**

Railway Board's letter No. F(E)III/2005/PN-1/2 dated 25.01.2005 emphasizes that in case of superannuation Settlement Dues of Railway Servants should be paid on the date of retirement itself and to the family of those who die while in service as early as possible in order that the retiring person and the family of the deceased Railway Servant are not put to hardships.

PENSION

1. What is Pension?

Pension is a lifelong Retirement Benefit, paid monthly to a Railway Servant on retirement from service.

The pension scheme was introduced in 1957 was, however, made compulsory for all the employees appointed on and after 16.11.1957 in Railway Service.

2. Who are eligible for pension?

- (a) All those Railway Employees, who were appointed on or after 16.11.1957 (up to 31.12.2003) are compulsorily governed by Pension Scheme.
- (b) The employees who were in service on 1st April, 1957 or were appointed during the period from 1st April, 1957 to 15th November, 1957 were required to exercise an option to elect for Pension Scheme by 31.03.1958. These options were subsequently extended from time to time.

3. What are the different kinds of Pension?

Pensions are divided into the following four classes:

(i) Compensation Pension

Compensation Pension means the pension granted to a Railway Servant who is discharged from Railway service due to abolition of a permanent post.

(ii) Invalid Pension

Invalid Pension means the Pension granted to a Railway Servant who retires from service on suffering from contagious disease or a physical disability, which affects the efficient discharge of his duties.

(iii) Superannuation Pension

Superannuation Pension means the Pension granted to a Railway Servant who retires on attaining the age of 60 years.

4. What are Basic Conditions for Earning Pension?

Entitlement to pension commences on completion of 10 years qualifying service. A Railway Servant, who has completed less than 10 years' qualifying service, is entitled to a service gratuity only.

5. What is the New Pension Scheme?

The Government of India has introduced a New Pension Scheme (Defined Contributory Pension System) replacing the existing system of Defined Benefit Pension System. The New Scheme is applicable to new entrants to Government service w.e.f. 01.01.2004. Under Tier-I of the system,

Government servants shall compulsorily make a contribution at the rate of 10% of salary and a matching contribution will be made by the Government.

Tier-II is a withdrawable and Non-Pensionable Account and will have the system of Voluntary contribution. The contributions will be kept in a separate account and will be withdrawable at the option of the Government servant. Government will not make any contribution to Tier-II Account. This is not operative at present.

6. What is the formula for determining the Amount of Pension?

With effect from 01.01.2006, Pension is calculated as 50% of 10 months Average Emoluments or 50% of Last Pay Drawn whichever is beneficial to the employee subject to a minimum of ₹3500/- per month.

Note: If the amount of pension contains a fraction of a Rupee, the amount will be rounded off to the next higher rupee.

7. What are Average Emoluments?

- (i) The terms “Average Emoluments” is determined with reference to Basic Pay drawn by a Railway Servant during the last ten months of his service.
- (ii) If during the last 10 months of service, a Railway Servant is absent from duty or on extra ordinary leave (without leave salary) or has been under suspension, the aforesaid period of leave or suspension is disregarded in the calculation of the average emoluments and an equal period prior to ten months is considered.

8. What is the additional quantum of Pension available to benefit old aged Pensioners?

The quantum of pension available to old aged Pensioners shall be increased as under:

Age of Pensioner	Additional Quantum of Pension
From 80 years to less than 85 years	20% of revised Basic Pension
From 85 years to less than 90 years	30% of revised Basic Pension
From 90 years to less than 95 years	40% of revised Basic Pension
From 95 years to less than 100 years	50% of revised Basic Pension
100 years or more	100% of revised Basic Pension

9. What is the Pension Benefit admissible to different types of Railway Employees?

The Pension Benefits granted to Railway Employees, in different cases are:

(i) Permanent Railway Employees

(a) Qualifying service of less than 10 years

No pension but service gratuity shall be paid at a uniform rate of half months emoluments for every completed six monthly period of qualifying service.

(b) Qualifying service of 10 years or more shall entitle an employee to get pension subject to a minimum of ₹3500/- per month.

(ii) Temporary Railway Employees

(a) Temporary employees retiring at the age of superannuation or on being declared permanently incapacitated for further service by the appropriate medical authority after rendering service of not less than 10 years will be paid Retirement Benefits at the same scale as is paid to the permanent employees.

(b) A temporary employee's family, who dies in harness, will be allowed the same death benefits as are admissible to the family of permanent employees.

(iv) Employees who are removed or dismissed from Railway Service

No pensionary benefits are granted to Railway Servant on whom the penalty of removal or dismissal from service is imposed. However, in case of a Railway Servant so removed or dismissed, the authority who removed or dismissed him from service may award 'Compassionate grant' corresponding to ordinary gratuity and/or DCRG and/or allowances corresponding to ordinary pension, when he is deserving on special consideration, provided that the compassionate grant and/or allowances awarded to such employee shall not exceed two thirds of a pensionary benefits which would have been admissible to him if he had retired on medical grounds.

10. Through which authorities/offices can Pension be drawn?

Pension can be drawn through Post Offices, Treasuries or Nationalised Banks.

11. What are the conditions for disbursement of Pension?

Disbursement of Pension depends on furnishing of a non-employment or an employment/ re-employment certificate by Pensioner once in a year in the month of November each year in the prescribed form to the Pension Disbursing Authority. Similarly, besides non-employment certificate, a 'Life Certificate' duly signed by a Gazetted Officer or by some other well known and trustworthy person is also required to be furnished. Until the said certificates are furnished, Pension for the subsequent months will not be disbursed.

QUALIFYING SERVICE

1. What is qualifying service?

Qualifying service is the number of completed six monthly periods of service which is taken into account for determining the amount of pensionary benefits.

Broadly, all periods spent on duty (including Foreign Service for which contribution is paid to the Government) or on leave including leave on medical certificate are allowed to be counted for pension. The competent authority has discretion to allow extra ordinary leave to count for pension

The service and periods rendered in the following capacity are termed as 'Qualifying Service' and qualifying for pensionary benefits:

- (i) Continuous service on Indian (Government) Railways.
- (ii) Continuous service rendered on ex-company/ex-State Railway, taken over by the Government and followed by service in Indian (Government) Railways.
- (iii) Military/War Service rendered before joining the Railways in terms of Rule 22, 34 & 35 of Railway Service (Pension) Rules, 1993.
- (iv) Service rendered under Central or State Government before transfer to Railways.
- (iv) Period of training followed by absorption against regular post.
- (v) Deputation period out of India on duty.
- (vi) Authorised 'Joining Time'.
- (vii) Foreign Service rendered by a Railway Servant shall count as qualifying service provided that contribution towards cost of pensionary benefits of the Railway Servant, has been paid either by the foreign employer or a Railway Servant himself, in respect of entire period of Foreign Service.
- (ix) All periods of leave with leave salary taken up to the date of superannuation.
- (x) **Extra-ordinary Leave (EOL)**
 - (a) Extra-ordinary Leave taken on medical grounds
 - (b) If taken to join or re-join duty due to Civil Commotion or Natural Calamity, if he has no other type of leave.
 - (c) For higher scientific and technical studies.

(xi) **Period spent on suspension**

Time passed under suspension pending inquiry into conduct, counts in full if on conclusion of enquiry, the Railway Servant has been fully exonerated or the suspension is held to have been unjustified. In other cases the period of suspension will only count if the authority who reinstated him in service expressly declared to count towards pensionary benefits.

(xii) Service rendered in casual capacity

Half of service rendered in casual capacity after attaining temporary status will count for pensionary benefits on absorption against a regular post.

For calculation of the length of qualifying service, a fraction of a year equal to 3 months or more shall be treated as completed one half year period.

2. What is the formula for calculating Qualifying Service?

(i) The fraction of a year in the qualifying service shall be reckoned in the following manner:

<u>Fraction of a year</u>	<u>Number of completed Six-monthly periods (half year)</u>
Less than 3 months	NIL
3 months and above and less than 9 months	01 (one)
9 months and above	02 (two)

(ii) Qualifying service of 9 years and 9 months and above (up to 10 years) at the time of retirement shall be treated as ten years of service.

(iii) After completion of minimum 20 years of qualifying service voluntary retirement can be taken.

(iv) Where the authority reinstating the Railway Servant had not passed orders as to the treatment of period of suspension for the purpose of Qualifying Service for pensionary benefits, the period of suspension shall only be counted if it had been treated as duty or leave due as the case may be.

DEATH-CUM-RETIREMENT GRATUITY (DCRG)

1. What is DCRG?

Death-cum-Retirement Gratuity (DCRG) is a lump sum payment to the employee on his retirement or to his family in the event of his death or superannuation depending on the case.

2. What is Retirement Gratuity?

- (i) It is a lump sum payment to the employee on his retirement.
- (ii) A Railway Servant who has completed five years qualifying service is granted retirement gratuity equal to 1/4th of his salary for each completed six monthly period of qualifying service subject to a maximum of 16 ½ times the emoluments, provided that the amount of retirement gratuity payable shall, in no case exceed Rupees Ten Lacs .

3. What is Death Gratuity?

- (i) It is lump sum payment to the family of a Railway Servant in the event of his death while in service.
- (ii) In the event of death of an employee during service, the Death Gratuity shall be admissible at the following rates:

<u>Length of Service</u>	<u>Rate of Gratuity</u>
(a) Less than 1 year	: 2 times of salary
(b) One year or more but less than 5 years	: 6 times of salary
(c) 5 years or more but less than 20 years	: 12 times of salary
(d) 20 years or more	: Half of salary for every completed six monthly period of qualifying service subject to a maximum of 33 times of salary provided that the amount of death gratuity shall, in no case, exceed Ten Lacs.

4. Death Gratuity is payable to whom?

The Railway Servant shall make a nomination conferring on one or more persons the right to receive DCRG provided that if, at the time of making nomination, he has a family, the nomination shall not be in favour of any person other than the family members.

For the purpose of DCRG, the 'Family' includes the following relatives of the Railway Servant:

- (i) Wife/Husband
- (ii) Sons

(iii) Un-married and widowed Daughters

(iv) Father

(v) Mother

(vi) Brothers below the age of 18 years and un-married or widowed sisters

(vii) Children of a pre-deceased son.

In absence of any nomination, the Death Gratuity is paid in order of preference as mentioned above against the term family.

In case, the payment of DCRG is arranged late and the delay is attributed to administrative lapse, interest as per extant rate of interest on PF shall be payable for the period beyond 3 months after it became due. The powers to grant interest rest with General Manager.

5. What can be deducted from DCRG?

- (i) Any dues, if found outstanding, will be recovered from DCRG of the retired official. If they could not be recovered at the time of retirement then they can be recovered from the Dearness Relief of the retiree's pension, without the consent of the pensioner. (Rule 16(6) of Railway Services (Pension) Rules 1993).
- (ii) If the Railway Employee is in occupation of Railway Quarter, vacation of the Railway Quarter and proof of handing over to Engineering Department and clearance of recoverable Water charges, Lawn Charges and Electric Charges etc. is necessary before payment of gratuity.

FAMILY PENSION

1. What is Family Pension and when it was introduced?

- (i) It is a social security benefit paid monthly to the surviving widow/widower or eligible child of a Railway Servant irrespective of whether death occurs during service or after retirement. The benefit has also now been extended to post-retiral spouse.
- (ii) Family Pension Scheme on Railways was introduced from 01.01.1964 in terms of Railway Board's letter No. F(P)63/PNL/40 dated 02.01.1964 and is applicable to both permanent and temporary employees. The employees who entered service on or after 01.01.1964 are compulsorily governed by these rules. However, the employees who were appointed prior to 01.01.1964 were given an option to elect this scheme.

2. What is the basis of determination?

The amount of Family Pension is determined on the basis of last emolument drawn at the time of death or retirement, without any reference to the number of years of service rendered by the deceased employee. Family Pension is calculated at 30% of the emoluments, subject to a minimum of ₹3500/- per month, and a maximum of ₹27000/- per month.

3. What is the minimum qualifying service for Family Pension?

Family Pension is admissible after completion of one year of continuous service. However, before completion of one year service, Family Pension will be admissible if the deceased Railway Servant, immediately prior to the appointment to the service or post, was examined by the appropriate medical authority and declared fit for the Government service.

4. When the Family Pension at enhanced rates is applicable?

- (i) For a period of 10 years following the date of death, the family pension will be payable at enhanced rates.
- (ii) The enhanced family pension shall be equal to 50% of the emoluments last drawn by the Railway Servant or twice the family pension admissible at the normal rates, or the original pension sanctioned, whichever is less.

5. What is the additional quantum of Family Pension available to benefit old Family Pensioners? The quantum of Family Pension available to old Family Pensioners shall be increased as under:

Age of Family Pensioner	Additional Quantum of Family Pension
From 80 years to less than 85 years	20% of revised Basic Family Pension
From 85 years to less than 90 years	30% of revised Basic Family Pension
From 90 years to less than 95 years	40% of revised Basic Family Pension
From 95 years to less than 100 years	50% of revised Basic Family Pension
100 years or more	100% of revised Basic Family Pension

6. Who are included as 'Family' for the purpose of Family Pension?

The term 'Family' for the purpose of Family Pension includes:

- (i) Wife in case of male Railway Servant
- (ii) Husband in case of female Railway Servant
- (iii) Sons up to age of 25 year (in case of physically crippled or mentally disabled son there is no age bar).
- (iv) Unmarried daughters.
- (iv) Divorced/Widow daughters.
- (v) Parents (mother and then father) wholly dependent.
- (vii) The criteria of dependency is earning less than ₹3500/- and applicable in item (iii) to (vi) above.

7. How Pensionary benefits are granted to the family of persons missing or whose whereabouts are not known?

A person who has disappeared or whose whereabouts are not known, is deemed to be dead after 7 years of the date of his disappearance and as such the family of the employee concerned has to wait for 7 years for the grant of settlement dues. To mitigate the hardship, the following benefits are granted to the family:

- (i) In the first instance, the family after disappearance of the employee, will be paid the amount of salary due, leave encashment due and Provident Fund.
- (ii) Subsequently after the elapse of a period of one year after lodging FIR in Police Station, other benefits like DCRG and Family Pension may also be granted to the family.
- (iii) However, the Deposit Linked Insurance will not be payable in such cases.
- (iv) Before granting the above benefits, final report after one year of lodging FIR should be submitted and it should be ensured that the missing person is not a member of any terrorist organization.
- (iv) The payment of GIS will be made after seven years after date of missing.

These orders are also applied to missing pensioners.

NOMINATION

1. What is the process for nomination for the purpose of payment of Provident Fund?

The Supervisor/Accounts Officer shall as soon as the account is opened, invite every subscriber to make a nomination conferring the right to receive the whole or part of the amount that may stand to his credit in the event of his death.

- (i) A subscriber shall, at the time of joining the fund, make a nomination and send it to the Accounts officer, if a Gazetted Railway Servant; otherwise to his immediate supervisor.
- (ii) A subscriber may in his nomination distribute the amount that may stand to his credit in the fund amongst his nominees at his own discretion.
- (iii) A subscriber may provide in a nomination in respect of any specified nominee that in the event of his pre-deceasing, the subscriber, the right conferred upon that nominee shall pass to such other persons as may be specified in the nomination. The nomination shall become invalid in the event of happening of a contingency specified therein.
- (iv) The nomination made by a Railway Servant who has no family at the time of making it, shall become invalid in the event of the Railway Servant subsequently acquiring a family. If, at the time of making nomination, the Railway Servant has a family, the nomination shall not be in favour of any other person, other than the members of his family.

2. Why is nomination necessary?

- (i) It is in the interest of the Railway Employee himself to make timely nomination to avoid delay in the payment of settlement dues to his family in case of his/her unfortunate death while in service.
- (ii) There is now a single nomination form for the purpose of Provident Fund, Death Gratuity and Group Insurance Scheme.

3. Whether nomination can be made for the purpose of Family Pension?

No nomination is required for the purpose of Family Pension under the 'Family Pension Scheme 1964' under which the Family Pension is payable first to Widow/Widower and then to children as per age.

COMMUTATION OF PENSION

1. **What is the process for Commutation of Pension?**

A Railway Servant who is due to retire and desires payment of commuted value of pension being authorized at the time of issue of PPO itself, may apply for commutation of pension along with pension papers prior to the date of retirement. Commutation will, however, not be allowed if the employee dies before retirement. Now Commutation Form is also annexed with Pension Forms.

2. **What are the facts regarding admissibility of Commutation of Pension?**

Some facts are:

- (i) Commutation of only ordinary Pension (viz. Compensation, Invalid, Superannuation and Retiring Pension) is admissible.
- (ii) Compassionate Grant/Allowances granted to a person who is removed or dismissed shall also be treated as Pension for the purpose of commutation.
- (iii) The maximum amount of pension granted may be commuted to the extent of 40% at the discretion of the employee.
- (iv) The lump sum payable on commutation shall be calculated in accordance with the Table prescribed for the purpose from time to time.
- (v) An employee shall not be subjected to medical examination, if he applies for commutation within one year of his retirement or superannuation.
- (vi) A Railway Servant against whom a judicial or departmental proceeding has been instituted shall not be permitted to commute any portion during the pendency of such proceedings. He will be eligible for Pension on conclusion of such enquiry and thus be entitled for commutation without medical examination and the period of one year for applying for commutation in this case will be from the date of orders issued on the conclusion of proceedings.
- (vii) If the pensioner dies on or after the day on which commutation become absolute (commutation becomes absolute on the date following the retirement) but before receiving the commutation value, this value shall be paid to his heirs.
- (viii) The Commutation of Pension shall be valid for 10 years. If, however, the pensioner is alive for more than 15 years, the commuted portion of pension of pensioner will be restored after 15 years.
- (ix) Pursuant to the judgement of Supreme Court delivered on 09.12.1986, Pensioners who have commuted their pension are entitled to have the commuted portion restored irrespective of their date of retirement, provided they have completed or will complete 15 years of retirement on or after 01.04.1985 i.e. the date from which restoration has been allowed. In case where period of 15 years has already been over before 01.04.1985, the restoration will be permissible from 01.04.1985 only.

3. What is the Commutation Value for Pension?

Presently the Commutation Value for a Pension of ₹1 per annum is done as per Commutation Table given below:

Age next birthday	Commutation value expressed as number of year's purchase	Age next birthday	Commutation value expressed as number of year's purchase	Age next birthday	Commutation value expressed as number of year's purchase
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
28	9.178	49	8.881	70	6.897
29	9.176	50	8.846	71	6.763
30	9.173	51	8.808	72	6.562
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		

WITHHOLDING OF PENSIONARY BENEFITS

1. Why Pensionary Benefits are withheld?

Earlier, for the grant of full pensionary benefits, service being 'thoroughly satisfactory' was the pre-condition. However, as a result of deletion of this provision, DCRG/Pension cannot ordinarily be withheld now. Withholding of Pension can be done with the sanction of the President, who reserves to himself, for withholding or withdrawing a Pension or DCRG or both; whether permanently or for a specified period, if in a departmental or judicial proceeding the Railway Servant is found guilty of grave misconduct or negligence, during the period of service, subject to the fulfillment of the following conditions:

- (i) Such departmental proceedings, if instituted while the Railway Servant was in service before his retirement shall, after the final retirement, be deemed to be proceedings and shall be continued and concluded in the same manner as if the Railway Servant had continued in service.
- (ii) Such proceedings, if not instituted while the Railway Servant was in service before retirement:
 - (a) Shall not be instituted, save with the sanction of the President.
 - (b) Shall not be in respect of any event which took place more than 4 years before such institution.
- (iii) No such judicial proceedings, if not instituted while the Railway Servant was in service before his retirement, shall be instituted in respect of a cause of action which arose or an event which took place more than 4 years before such institution.

2. In which cases Government dues can be recovered from pensionary benefits?

A claim against a Railway Servant may be on account of one or the other of the following:

- (i) Losses (including short collection in freight charges, shortage in Stores) caused to the Government, as a result of negligence or fraud on the part of the Railway Servant while he was in service.
- (ii) Other Government dues such as overpayment on account of pay and allowances or admitted and obvious dues such as house rent, Post Office, Life Insurance premium, outstanding advances etc.

Recovery in respect of items (i) and (ii) above can be made from DCRG whereas the dues as mentioned in item (c) above, such as amount payable by a Railway Servant to Consumer Co-operative Society/Consumer Credit Society or the dues payable to autonomous organizations by a Railway Servant, may be recovered from the DCRG provided he gives his consent for doing so in writing to the administration.

If all the above mentioned government dues cannot be recovered from DCRG, then they can be recovered from the Dearness Relief on the Pension, as per Rule 16 (4) of Railway Servant Pension Manual.

Efforts should be made to assess and adjust the recoverable dues before the superannuation of the employee. In any case, it would be presumed that there is no claim against the Railway Servant if none is made after his retirement, within the period indicated below.

(i) 15 months, if commercial debits are involved.

(ii) 6 months, if commercial debits are not involved.

To reduce the above mentioned limit, the Board have issued various instructions from time to time.

3. Which pensionary benefits are withheld on retention/unauthorized retention of Railway accommodation?

In respect of recovery on account of rent for Railway accommodation, it is in the own interest of the employee to vacate the Railway accommodation immediately after retirement or within the permissible period, in order to get early payment of DCRG. To discourage the unauthorized retention of Railway accommodation, it has been decided to take the following steps:

(i) 'No Claim Certificate' should not be issued unless the employee after retirement has vacated the Railway quarter and cleared all his arrears of rent, lawn, water, electricity and other charges etc.

(ii) DCRG will be withheld in full and will not be released till the Railway Accommodation is vacated and all the arrears of rent are finally adjusted.

(iii) For every month of unauthorized retention of Railway quarters, one set of post retirement passes should be disallowed by giving a show-cause notice before disallowing the pass.

FORMALITIES TO BE OBSERVED TO INITIATE SETTLEMENT CASES

1. What formalities are observed for initiating settlement cases?

The mandatory requirement of the Pension Rules is that the payment of pension and Gratuity should in all cases commence on the first day of the month in which they are due. The Railway Administration is, therefore, solely responsible to ensure the compliance with this mandatory provision. For this purpose, Head of Office and others responsible or connected with processing of Pension cases, are required to observe a set time schedule, for the various processes. The preliminary and preparatory work should, therefore, be commenced sufficiently in advance and adequate time allowed for the various stages and processes of work. For this purpose a Time Schedule containing firm cut-off dates has been prescribed for each stage, such that when a cut-off date is reached, the work then necessarily proceeds to the next stage.

2. What action is required to be observed to initiate 'Normal Retirement Settlement' cases?

Normal Retirement Settlement cases are initiated in three stages:

First Stage

- (i) As per rule 76 of Railway Service (Pension) Rules, 1993, in every six months, i.e. on 1st January and 1st July each year, a list of all Railway Servants who are due to retire within the next twenty four to thirty months of that date will be published.
- (ii) The administration will initiate the pension case two years before the date of retirement of a Railway Servant. At this stage, the work will be essentially that of scrutiny of Service Record/ Leave Account and to get them completed in all respects, with a view to assessing total qualifying service and at a later date, the calculation of average emoluments. This process should be completed in good time and at any rate not later than 8 months in advance of the date of retirement of the employee concerned.
- (iii) Rectifying any deficiencies, imperfections of omission in Service Record.
- (iv) Recording of certificate of verification of Service in the Service Record.

Second Stage

- (i) At this stage, the process of determining the emoluments should be initiated and completed. The qualifying service should be determined on the basis of entries in the Service Record.
- (ii) The average emoluments should be determined with reference to the emoluments drawn during the last 10 months. The work involves not merely an arithmetical calculation but also a check of the correctness of emoluments, correctness of emoluments on the first date of the ten months period depends on the correctness of emoluments prior to this date for which a check of correctness should be carried out.

(iii)The process of determining the qualifying service and the average emoluments and the admissible pension and Gratuity should be positively completed with in a period of two months and the pension papers sent to Accounts for issuing PPO.

Third Stage

The Accounts Office on receipt of the pension papers will scrutinize the papers and after necessary scrutiny will issue Pension Payment Order (PPO) including the order for the Payment of the DCRG not later than one month in advance of date of retirement.

To observe and complete the necessary formalities to process the settlement cases at various stages, the time schedule is as under:

SN	Various Stages	Time by which work is to be completed before retirement
1	Preparation and publication of list of staff retiring in next two years	1 year
2	Service Record and Leave Account to be completed by the concerned Section	6 months
3	Check of Leave Account by leave Inspector or S&M or nominated Superintendent of Section	5 months
4	Getting verification of Service Record and Leave Account completed from Accounts	4 months
5	Time by which Service Record and Leave Account should go to Settlement Section after Account's verification	4 months
6	To get settlement forms filled from concerned staff	4 months
7	Getting 'No Demand Certificate'	3 months
8	Sending settlement papers to Accounts	Latest 2 months
9	Time by which PF/PPO to be passed and issued by Accounts	Not later 1 one month in advance
10	Encashment of leave papers completed and bills sent to Accounts	20 days
11	Time by which leave encashment, commutation and other settlement dues to be passed and payment arranged	Last working day of retirement

3. What action is required to be observed to initiate 'Other than Normal Retirement Settlement' cases?

'Other than Normal Retirement' cases pertain to death cases wherein special attention is paid to ensure quick payment to the bereaved family. To facilitate swift action, the following guidelines are laid down:

- (i) When an employee dies, while in service, the concerned supervisory official should immediately report the matter to Sr.DPO/DPO and the Sectional Staff & Welfare Inspector.
- (ii) The Sectional Staff & Welfare Inspector should immediately contact the family members of the deceased employee and provide every possible assistance in obtaining Death Certificate, filling up of settlement forms and submit them to the Settlement Section.
- (iii) The Staff & Welfare Inspector should also obtain necessary application forms for employment on Compassionate Ground, duly completed in all respects and submit the same in the office along with his Enquiry Report.
- (iv) Immediately on receipt of death information, Sr.DPO/DPO should instruct the Settlement Section staff to enter the name of the deceased in the Register maintained for the purpose and also to give information to the Accounts so that they can bring the PF Account with interest up to date.
- (iv) As the family of the deceased employee is suddenly deprived of the steady monthly income, the Insurance payment should be arranged immediately, as calculation for the same is very simple. In the meanwhile, Service Record, Leave Account etc. should be completed. Similarly, the Accounts Officer to whom the death intimation had already been given, should calculate the PF amount due, interest due etc. and keep the amount ready for payment.
- (v) As soon as all the settlement forms are duly filled and submitted by the widow/family members of the deceased employee, payment of necessary settlement dues should be arranged.

OTHER BENEFITS ADMISSIBLE ON RETIREMENT/DEATH

1. **What are the other benefits admissible on Retirement/Death?**

Other benefits admissible on Retirement/Death are:

- (i) Leave Encashment
- (ii) Composite Transfer Grant
- (iii) Group Insurance
- (iv) Deposit Linked Insurance
- (v) Medical Facilities under RELHS
- (vi) Post Retirement Complementary Passes

2. **What is Leave Encashment?**

The lump sum amount paid to a Railway Employee on Retirement/Voluntary Retirement or on Death, pertaining to leave (LAP) to his credit, subject to a maximum of 300 days Leave on Average Pay (LAP). It is calculated on the last Pay drawn and the Dearness Allowance admissible on the last pay.

3. **What is Composite Transfer Grant?**

In the event of retirement the Railway Employee and in case of death, his family members are eligible for Composite Transfer Grant, Retirement Passes and Kit Passes, to carry the belongings to their new place of residence, after retirement/death.

4. **What is Group Insurance?**

The 'Group Insurance Scheme, 1980' which came into existence w.e.f. 01.01.1982, provides for the Railway Employee on a wholly contributory and self financing basis, the twin benefits of an Insurance cover to help their families in the event of death during service and a lump sum payment to augment their resources on retirement.

The subscription is partly credited to an 'Insurance Fund' (70%) and partly to 'Saving Fund' (30%). From Insurance Fund, payment is made for insurance cover in case of death while portion of subscription credited to this fund with interest thereon is paid to the employee on retirement or to the family, if he dies while in service.

Scale of Insurance Amount

Group of employee	Amount of Insurance payable in the event of death in service	Rate of Subscription
'A'	120000/-	120/-
'B'	60000/-	60/-
'C'	30000/-	30/-
'D'	15000/-	15/-

Nomination

Every Railway Employee, who is a member of this scheme, shall exercise a nomination in favour of a member of his family. In case of an employee who has no family, the payment will be made to the person who had been nominated for this purpose by the Railway Servant. If no nomination is made by an employee who has no family, the amount will be paid to the person who produces Succession Certificate.

5. What is Deposit Linked Insurance?

To provide extra social security to the families of the subscribers to SRPF and a positive incentive to Railway Employees who save more, a 'Deposit Linked Insurance Scheme' had been introduced w.e.f. 08.01.1975, which provides insurance cover without payment of premium. As per Railway Services (Revised Pay) Rules 2008, under this scheme, an additional amount equal to the amount standing at the credit of the Provident Fund Account of the deceased Railway Employee, provided during the last three years preceding the death, he had the following minimum qualifying balance in his Provident Fund Account:

Subscriber holding a post in Scale (Pay Band and Grade Pay)	Minimum balance in PF Account in last 36 months
(i) Pay Band 2 (9300-34800) or above and drawing Grade Pay 4800/- or more	25000/-
(ii) Pay Band 2 (₹9300-34800) and Grade Pay 4200/- or more but less than 4800/-	15000/-
(iii) Pay Band 2 (9300-34800) or Pay Band 1 (5200-20100) or Pay Band 1S (4440-7440) and Grade Pay 1400/- or more but less than 4200/-	10000/-
(iv) Pay Band 1S (4440-7440) and Grade Pay 1300/- or more but less than 1400/-	6000/-

The minimum balance available in Provident Fund Account during the last 36 months will be paid to heir of the deceased employee subject to ceiling limit of ₹60000/-.

6. **What are the Medical Facilities available to Retired Employees?**

Medical Facilities available to Retired Railway Employees are covered under RELHS-97 (Retired Employees Liberalised Health Scheme 97). They will be provided with full medical facilities (both indoor and outdoor) for Self, Family Members and Dependent Relatives, as admissible to serving employees in respect of Medical Treatment, Investigations, Diet and Reimbursement of Claims for treatment in Government or recognised non-Railway Hospitals.

"Family Members" and "Dependent Relatives" for purposes of these rules will include all such persons as are eligible under Pass Rules.

They will also be eligible inter-alia, for

- (i) Ambulance services
- (ii) Medical passes
- (iii) Home visits
- (iv) Medical attendance for first two pregnancies of married daughters at concessional rates (For this, special identification cards will be issued duly affixing photographs of married daughters with clear instructions on the card which shall read "*ONLY FOR CONFINEMENT AND TREATMENT DURING ANTE-NATAL AND POST NATAL PERIODS FOR THE FIRST TWO PREGNANCIES AT CONCESSIONAL RATES*").
- (v) Treatment of private servants as applicable to serving railway employees.

Those who join the RELHS-97 shall hold Identity Cards with photographs of all the beneficiaries.

The widow on the death of the Pensioner is entitled to medical treatment.

7. **What is the Qualifying Service for joining RELHS 1997?**

The Qualifying Service for joining RELHS is 20 years. However, family members of Railway Servant who died in harness rendering less than 20 years Qualifying Service at the time of death are also eligible for joining RELHS.

These are not applicable to those Railway servants who quit service by resignation. However, the resignation tendered by Railway employees on permanent absorption in PSUs/Autonomous Bodies are entitled to enrol themselves under RELHS subject to fulfilment of the prescribed conditions as their resignation is treated as "technical resignation".

8. **What is the mode of joining RELHS?**

For joining RELHS, Employees with minimum 20 years of qualifying service in Railways can give their option at least 3 months prior to their date of retirement and by making one time contribution equal to the last month's basic pay at the time of retirement. Option given once will be treated as final.

Joining of RELHS-07 is MANDATORY for all retiring Railway employees. In case the retiring officer/staff is unwilling to join the scheme, he/she will have to submit his/her unwillingness in writing with a clear understanding that no further chance shall be given to join the scheme in future.

9. What is Fixed Medical Allowance?

Railway Pensioners/Family Pensioners, whether they are members of RELHS or not, who reside beyond 2.5 KMs from Railway Hospitals/Health Units, are entitled for Fixed Medical Allowance. Fixed Medical Allowance has been enhanced from ₹100 to ₹300/- per month w.e.f. 01.09.2008.

10. What is Constant Attendant Allowance?

Pensioners who retired on disability pension under the Railway Services (Extraordinary Pension) Rules, 1993 for 100% disability (where the individual is completely dependent on somebody else for day to day functions), are entitled for Constant Attendant Allowance of ₹3000/- per month in addition to the Disability Pension w.e.f. 01.01.2006, on the lines existing in Defence Forces. The pensioners who retired on disability pension before 01.01.2006 and fulfilling the conditions are also entitled to Constant Attendant Allowance. No Dearness Relief is admissible on Constant Attendant Allowance.

11. What is Relief on Pension?

All pensioners are eligible to relief on their pension to compensate the rise in the cost of living index at certain percentage notified by the Railway Ministry from time to time. This is generally the same as the rate of Dearness Allowance.

12. What are Post Retirement Complementary Passes?

(i) On Retirement

On Retirement, Post Retirement Complementary Passes are admissible as under:

Group	No. of Passes admissible
'A' & 'B'	i- Three sets of Passes when service is 25 years or more ii- Two sets of Passes when service is over 20 years but less than 25 years
'C'	i- Two sets of Passes when service is 25 years or more ii- One set of Pass when service is over 20 years but less than 25 years
'D'	One set of pass when service is 20 years or more

Note: Five sets of Complimentary Pass shall be given to CRB & Member of the Railway Board instead of three set of Pass (RB-85/2009).

(ii) On death

The widow/widower of the deceased Group 'A', 'B' & 'C' employee who was in service as on 12.03.1987 is eligible for half the number of Supplementary Passes as admissible to the deceased employee for self and dependent children, provided the deceased employee had not opted out of the scheme. For Group 'D' employee, one set for alternate year for self only is permissible if the limitation is below this limit.

FORMULAS FOR CALCULATING SETTLEMENT DUES

Formulas for calculating settlement dues are given below. For convenience, an illustration is also given. In case of an employee serving in Pay Band-2 Scale `9300-34800 in Grade Pay `4200 who was drawing Last Pay `20000/- retires on superannuation after completing 33 years of qualifying service. 40% commutation of Pension opted.

Item	Formula	Illustration
Pension (Minimum `3500/-)	= 50% of LP + DR	= 50% of 20000 = `10000/- + DR
Family pension (FP) (Minimum `3500/-)	= 30% of Last Pay (LP) = 30% of LP + DR	= 30% of 20000 = `6000/- + DR
Family pension at the enhanced rate in case of death of serving employee (for a period of 1 st ten years or remarriage, whichever earlier)	= 50% of the last pay drawn or twice the normal family pension or the retirement pension whichever is less = 50% of LP or NFP x 2	= 50% of 20000 = 10000 or = 6000 x 2 = 12000 i.e. `10000/- + DR
DCRG (Maximum `10,00000/-)	Retirement = $\frac{LP + DA}{4} \times \text{No. of SMCS}$	= $\frac{20000 + 9000}{4} \times 66 = `478500/-$
	Death = $\frac{LP + DA}{2} \times \text{No. of SMCS}$	= $\frac{20000 + 9000}{2} \times 66 = `957000/-$
Commutation Amount (CA)	= Pension x % of Pension Commuted	= 10000 x 40% = `4000/-
Commutation of Pension	= CA x CV x 12	= 4000 x 8.194 x 12 = `393312
Leave encashment	= $\frac{LP + DA}{30} \times \text{No. of LAPs}$	= $\frac{48920 + 22014}{30} \times 300 = `709340$

Abbreviations used

LP - Last Pay

DA - Dearness Allowance

DR - Dearness Relief

FP - Family Pension

SMCS - Six Months Completed Service

CV - Commutation Value (as applicable see Commutation Table at Page 26)

CA - Commutation Amount

LAP - Leave on Average Pay

