

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (A&E),
KERALA, THIRUVANANTHAPURAM**

PM/2/9-7/15-16/466145/1376

Dated: 01.03.2016

To

**All District / Sub Treasury Officers/Public Sector Bank Authorities
The Director of Treasuries, Thiruvananthapuram
All Accountants General (A&E)**

Sir,

Sub: Kerala State pensioners/family pensioners – revision of pension and related benefits from 1.7.2014 -reg
Ref: GO(P) 9/2016/Fin dated 20.01.2016

Government of Kerala, as per GO referred to above have issued orders revising pension and related benefits of Kerala State pensioners/family pensioners, with effect from 01.07.2014. A copy of the GO is endorsed for information and necessary action.

Applicability of the GO:

These orders shall apply to the following categories:

- All pensioners /family pensioners who are on State Pension Scheme and governed by KSRs Part III
- Aided College/ Aided School staff governed by Chapter III of the Pension Statute/Chapter XIV B of Kerala Education Rules
- Part-Time teachers.

These orders are not applicable to the following categories:

- All India service pensioners
- Retired High Court Judges
- Ex-Chairman/Members governed by KPSC regulations
- Retired State Judicial Officers governed by Central Judicial Scales of pay
- Ex-personal staff of Ministers/Leader of Opposition/Government Chief Whip etc
- Part-Time Contingent pensioners/family pensioners
- Pensioners coming under UGC/AICTE/Medical Education Scheme

- Re-employed pensioners

Minimum and maximum pension/family pension:

The minimum basic pension/ family pension stands enhanced to Rs.8,500/- pm with effect from 1.7.2014. The maximum pension will be Rs.60,000 and maximum family pension (normal rate) will be Rs.36,000 (50% and 30% respectively of the highest pay (ie, Rs.1,20,000) under State Government).

Revision of pension / family pension in respect of those who retired /expired while in service prior to 01.07.2014:

The existing pension/family pension shall be revised from 01.07.2014 by adding the following elements:

1. Existing basic pension/family pension as on 1.7.2014
2. Fitment Benefit at 18% of existing basic pension/family pension (rounded off to the next higher rupee)
3. Dearness Relief at 80% of the existing basic pension/family pension (rounded off to the next higher rupee)

In the case of **pensioners** having qualifying service of 30 years and above, if the consolidated pension arrived as above is less than 50% of the minimum of the corresponding revised scale of the post from which the pensioner retired, the pension shall be stepped up to 50% of the minimum of the revised scale. In the case of those who are having qualifying service less than 30 years, proportionate pension indicated in **Schedule I** of the GO shall be ensured.

In the case of **family pensioners**, the revision as above is applicable to both normal and higher rate of family pension. If the consolidated family pension (normal rate) arrived by adding the three elements is less than 30 % of the minimum of the corresponding revised scale of the post from which the pensioner retired/expired while in service, the family pension shall be stepped up to that amount, as indicated in **Schedule II**.

The corresponding revised scale means the scale of pay of the post the employee was holding at the time of retirement/ death while in service and not the time bound higher grade promotion scale as the person who enjoys time bound higher grade gets only the higher scale but not assigned with that designation. In the case of those who were enjoying time bound higher grade scale at the time of retirement/ death while in service, the revised pension/ family

pension shall be fixed based on the corresponding scale of pay, over successive pay revisions, as indicated in Schedule III of the GO.

The **Pro-rata pensioners/family pensioners** are allowed periodical revision of pension that have taken place after their deemed retirement or they will be allowed minimum pension/family pension from time to time, whichever is higher. Therefore consolidation of pension as contemplated in para 3.2 & 4.2 of the GO is applicable to them also. If the amount so arrived is less than minimum, the pension/family pension shall be stepped up to the revised minimum (ie, Rs.8,500/-). However, the revision of pension/family pension based on the minimum of the corresponding revised scale of pay of the post from which the pensioner retired is not applicable to them (refer para 3.10 of the GO).

Those who are drawing **Compassionate Allowance** are eligible for consolidation of pension as contemplated in para 3.2 of the GO. If the amount so arrived is less than minimum, the pension shall be stepped up to the revised minimum (ie, Rs.8,500/-). However, the revision of pension based on the minimum of the corresponding revised scale of pay of the post from which the pensioner retired is not applicable to them (refer para 3.11 of the GO).

Those who are drawing minimum pension/family pension sanctioned as per special orders of the Government or minimum family pension sanctioned in terms of GO(P) 146/86/Fin dated 11.2.1986 etc, pension/family pension may be fixed at the revised minimum, i.e., Rs.8,500. Consolidation of pension/family pension as per para 3.2, 3.3, 3.4, 3.5, 4.2 & 4.5 of the GO is not applicable to them.

Ex-gratia pension:

Ex-gratia pensioners are eligible for revised pension with effect from 1.7.2014 at the rate specified in para 10.2 of the GO, based on their length of qualifying service. **They are entitled to DR on pension with effect from 1.7.2014.**

Dearness Relief:

The rate of Dearness Relief on revised pension/family pension will be as shown below:

Date	Rate of DR
01.07.2014	0%
01.01.2015	3%
01.07.2015	6%

Medical Allowance:

Pensioners/ family pensioners are eligible for Medical Allowance as per the existing rate of Rs.300/- per month. Pro-rata pensioners/ family pensioners are eligible for Medical Allowance as per the existing rate of Rs.150/- per month.

If a pensioner draws both pension and family pension, only one Medical Allowance is payable.

Ex-gratia pensioners, re-employed pensioners and employed family pensioners are not eligible for Medical Allowance.

Procedure to be followed for revision of pension:

Revision of pension/ family pension of all **pre 1.7.2014** pensioners/ family pensioners shall be done by the Treasury concerned on receipt of application in **Appendix I. Those who are drawing pension/ family pension through Public Sector Banks shall apply for revision in the prescribed form to the Bank Authorities concerned who shall in turn forward the same to the treasury officer concerned for revision.** After revision the treasury shall prepare a statement in **Appendix II** in quadruplicate and send one copy to the pensioner, one copy to the Accountant General and one copy to the concerned bank in the case of those who are drawing pension through Bank (refer para 14.2 &14.4 of the GO). **The revised pensionary benefits of those who retired/expired while in service on or after 1.7.2014 will be authorised by the Accountant General in due course.**

Disbursement of arrears of pension:

In respect of pre 1.7.2014 pensioners/ family pensioners, arrears payable from 1.7.2014 to 31.01.2016 may be disbursed in four instalments each at 25% of the arrears, in cash on 1.4.2017, 1.10.2017, 1.4.2018 and 1.10.2018 respectively along with interest on arrears not drawn as on the above dates at the rate of interest admissible to State Government employees on their Provident Fund.

In the case of those who retired/expired while in service from 1.7.2014 to 20.1.2016, the arrears of pension and DCRG will be disbursed as stated above.

Arrears on commutation will be disbursed in two equal instalments in cash on 1.10.2017 and 1.10.2018 respectively. **No interest is payable on arrears of commutation.**

[For e.g., a pensioner entitled to commute Rs.2000 consequent on revision will get Rs.2,66,400 as Commuted Value of Pension(CVP). The Accountant General will authorize the

amount in lump with direction to disburse the amount in two instalments. The disbursing authority shall disburse Rs.1,33,200 on 1.10.2017 as 1st instalment and deduct an amount of Rs.1000 from the basic pension due on 1.11.2017 and pay the balance CVP of Rs.1,33,200 on 1.10.2018 and effect deduction of the remaining commuted amount of Rs.1000 from the basic pension due on 1.11.2018].

In the case of those who retired/expired while in service on or after 21.1.2016, the arrears of pension/ family pension, DCRG and Commutation, if any, shall be disbursed in lump.

In the event of death, the entire arrears on account of revision of pension/ family pension, DCRG and Commutation as the case may be, not drawn by the pensioner/ family pensioner along with interest (except on Commutation) shall be paid to the legal heirs of the pensioner/ family pensioner in lump.

Yours faithfully,

Sd/-
Sr.Accounts Officer