EASTERN RAILWAY

Serial No. 120/2014

No. E 897/0/Vol.IV

Kolkata, dated 13th October,2014.

All Concerned.

Sub:-	Fixation of pay of re-employed pensioners – treatment of Military Service Pay.

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The following Copy of Railway Board's letter No. E(G) 2013/EM 1- 4 dated 24.07.2013 (RBE No. 73/2013) on the above mentioned subject is forwarded for information guidance and necessary action. Board's earlier letter dated 12.12.2011 mentioned therein was circulated under his office serial circular No. 90/2012.

13.10.14

(S. Ganguly)
Asstt. Personnel Officer/R& Bills
for Chief Personnel Officer

Copy of Railway Board's letter No. E(G) 2013/EM1-4 dated 24.07.2013 (RBE No. 73/2013) addressed to the General Managers, All Indian Railways and others.

Sub:-	Fixation of pay of re-employed pensioners – treatment of Military Service Pay.

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A copy of Ministry of Personnel, Public Grievances & Pension, Department of Personnel and Training's OM No. 3/19/2009-Estt. Pay-II dated 8/11/2010 on the above subject is enclosed for information and necessary action. These instructions shall apply mutatis-mutandis on the Railways also. DOP&T's O.M. dated 5/4/2010 referred to in the enclosed O.M. was circulated /adopted on the Railways vide Board's letter No. E(G) 2010/EM1/2 pt. dated 12.12.2011.

Copy of Ministry of Personnel , Public Grievances & Pension, Department of Personnel and Training's OM No. 3/19/2009 Estt. Pay-II dated 8/11/2010.

Sub:-	Fixation of pay of re-employed pensioners – treatment of Military Service Pay.

The undersigned is directed to refer to the orders issued vide OM dated 5.4.2010 on fixation of pay of re-employed pensioners. These orders inter-alia lay down that on re-employment in civilian organizations, Military Service Pay shall not be admissible. However, the benefit of MSP given to all retired Defence Forces officers/personnel by reckoning it at the time of calculation of their pension (notionally in the case of pre-1.1.2006 pensioners) should not be withdrawn. Accordingly, while the pension of such re-employed pensioners will include the element of MSP, they will not be granted MSP while working in civilian organizations.

In the instructions issued by the Ministry of Defence vide their letter No. 1/69/2008/D(Pay/Service) dated 24th July 2009, pre-retirement pay has been defined as under:

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

(ii) 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 basic pay including stagnating increment and Rank pay plus the Dearness pay and Dearness allowance drawn at the time of retirement.

As per these orders, for pre-2006 retirees rank pay is included as a part of pay but for post -2006 retirees, the MSP is not reckoned in the pre-retirement pay for the purposes of pay fixation on re-employment. However, for pension purposes the reckonable emoluments are – basic pay + grade pay +MSP + NPA wherever admissible. Therefore, while MSP is not taken into consideration for the purposes of pay fixation on re-employment the element of MSP in pension is deducted.

It has been decided in consultation with the Department of Expenditure, that since the element of MSP is not reckoned in the pay fixation on re-employment, it need not be reduced from the pension either. Hence , in respect of all those Defence Officers/personnel, whose pension contains an element of MSP, that need not be deducted from the pay fixed on re-employment.

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