

**No. 3/3/2016-Estt. (Pay II)**  
**Government of India**  
**Ministry of Personnel, Public Grievances & Pension**  
**Department of Personnel & Training**

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*North Block, New Delhi*

*Dated 1.05.2017*

**OFFICE MEMORANDUM**

Subject: Applicability of Central Civil Services (Revised Pay) Rules, 2016 to persons re-employed in Government Service after retirement and whose pay is debitable to Civil Estimates.

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The pay fixation of re-employed pensioners on re-employment in Central Government, including that of Defence Forces personnel/officers, is being done in accordance with Central Civil Services (Fixation of Pay of Re-employed Pensioners) Orders, 1986, issued vide this Department's O.M. No. 3/1/85-Estt. (Pay II) dated 31<sup>st</sup> July, 1986 (as revised from time to time). Persons re-employed in Government service after retirement have been excluded from the purview of the Central Civil Services (Revised Pay) Rules, 2016 vide Rule 2 (2)(vii) thereof. The question of extension of the benefit of the revised pay rules to these persons and the procedure to be followed for fixing their pay in the revised pay structure has been considered by the Government. The President is pleased to decide that, in partial modification of the Rule 2 (2)(vii) of the Central Civil Services (Revised Pay) Rules, 2016, the provisions of these rules shall apply to such persons also who were in / came into re-employment on or after 1<sup>st</sup> January, 2016, subject to the orders hereinafter contained. This decision will cover all Government servants re-employed in Central Civil Departments other than those employed on contract except where the contract provides otherwise, whether they have retired with or without a pension and/or gratuity or any other retirement benefits, e.g. contributory fund etc. from a civil post or from the Armed Forces.

2. Re-employed persons who become eligible to elect revised pay structure in accordance with these orders should exercise their option in the manner laid down in Rule 5 and 6 of the Central Civil Services (Revised Pay) Rules, 2016, within three months of the date of issue of these orders or in cases where the existing scales of pay of the posts held by them are revised subsequent to the issue of these orders, within three months of the date of such order.

**Fixation / drawal of pay of Personnel / Officers re-employed prior to 01.01.2016 and who were in re-employment as on 01.01.2016:**

3 (a) The initial pay of a re-employed Government servant who elects or is deemed to have elected to be governed by the revised pay structure from the 1<sup>st</sup> day of January, 2016 shall be fixed according to the provisions of Rule 7 of the C.C.S. (R.P.) Rules, 2016, if he/she is-

- (i) a Government servant who retired without receiving a pension, gratuity or any other retirement benefit and
- (ii) a retired Government servant who received pension or any other retirement benefits but which were ignored while fixing pay on re-employment.

3(b) The initial pay of a re-employed Government servant who retired with a pension or any other retirement benefit and whose pay on re-employment was fixed with reference to these benefits or ignoring a part thereof, and who elects or is deemed to have elected to be governed by the revised structure from the 1<sup>st</sup> day of January, 2016 shall be fixed in accordance with the provisions contained in Rule 7 of the Central Civil Services (Revised Pay) Rules, 2016. Pension (excluding the ignorable portion of pension, if any), as defined in para 3(1) of CCS (Fixation of Pay of Re-employed Pensioners) Orders, 1986 admissible on relevant date, i.e. date of coming over to the revised pay structure, effective from 1.1.2016 or later, shall be deducted from his / her pay in accordance with the general policy of the Government on fixation and subsequent drawal of pay of re-employed pensioners.

3(c) In addition to the pay so fixed, the re-employed Government servant would continue to draw the retirement benefits he / she was permitted to draw in the pre-revised scales, as modified based on the recommendations of the Seventh Central Pay Commission, orders in respect of which have been issued separately by the Department of Pension & Pensioners' Welfare.

3(d) Where a re-employed Government servant elects to draw his / her pay in the existing pay structure and is brought over to revised pay structure from a date later than the 1<sup>st</sup> day of January, 2016, his /her pay from the later date in the revised scale shall be fixed in accordance with the provisions of Rule 11 of the Central Civil Services (Revised Pay) Rules, 2016.

4. Further, the existing ceiling of Rs. 80,000/- for drawal of pay plus gross pension on re-employment is enhanced to Rs.2,25,000/-, the maximum basic pay prescribed for Secretary to the Government of India under Central Civil Services (Revised Pay) Rules, 2016.

#### **Ignorable part of Pension**

5. The President is also pleased to enhance the ignorable part of pension from Rs. 4000/- to Rs. 15,000/- (Rupees Fifteen Thousand) in the case of Commissioned Service Officers and Civil Officers holding Group 'A' posts who retire before attaining the age of 55 years. 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 as are re-employed on or after 1.1.2016.

6. In the case of persons who were already on re-employment as on 01.01.2016, the pay may be fixed on the basis of these orders, with effect from the date of coming

over to the new pay structure, i.e. 01.01.2016 or later, as per the option exercised by them in terms of para 2 above. In such case, their terms would be determined afresh as if they have been re-employed for the first time from such date of coming over to the new pay structure.

**Fixation / drawal of pay of employees appointed on re-employment basis on or after 1<sup>st</sup> day of January, 2016**

7. Pursuant to the introduction of the system of Pay Matrix vide the Central Civil Services (Revised Pay) Rules, 2016, the President is further pleased to amend the relevant provisions of CCS (Fixation of Pay of re-employed Pensioners) Orders, 1986 in the manner indicated below: -

Existing provision (1986 Orders read with OM dated 5 <sup>th</sup> April 2010)	Revised provision
<p>Para 4(a): Re-employed pensioners shall be allowed to draw pay only in the prescribed pay scale/pay structure of the post in which they are re-employed. No protection of the scales of pay/pay structure of the post held by them prior to retirement shall be given.</p> <p><i>Note: Under the provisions of CCS (RP) Rules, 2008, revised pay structure comprises the grade pay attached to the post and the applicable pay band.</i></p>	<p>Order 4(a): Re-employed pensioners shall be allowed to draw pay only in the Level in the revised pay structure applicable to the post in which they are re-employed. No protection of the scales of pay/pay structure of the post held by them prior to retirement shall be given.</p> <p><i>Note: Revised pay structure in relation to a post will be as defined in Rule 3(ix) of the Central Civil Services (Revised Pay) Rules, 2016.</i></p>
<p>Para 4(b)(i): In all cases where the pension is fully ignored, the initial pay on re-employment shall be fixed as per entry pay in the revised pay structure of the re-employed post applicable in the case of direct recruits appointed on or after 1.1.2006 as notified vide Section II, Part A of First Schedule to CCS (RP) Rules, 2008.</p>	<p>Order 4(b)(i): In all cases where the pension is fully ignored, the initial pay on re-employment shall be fixed as per Rule 8 of the Central Civil Services (Revised Pay) Rules, 2016.</p> <p>Note 1: The case where pension is fully ignored is given in Order 4 (d) below.</p> <p>Note 2: Pension is fully ignored means that pension is not deducted from pay.</p>
<p>Para 4(b)(ii): In cases where the entire pension and pensionary benefits are not ignored for pay fixation, the initial basic pay on re-employment shall be fixed at the same stage as the last basic pay</p>	<p>Order 4(b)(ii): In cases where the entire pension and pensionary benefits are not ignored for pay fixation, the initial basic pay on re-employment shall be fixed at the same stage as the last basic pay drawn</p>

<p>drawn before retirement. However, he shall be granted the grade pay of the re-employed post. The maximum basic pay cannot exceed the grade pay of the re-employed post <i>plus</i> pay in the pay band of Rs.67000 i.e. the maximum of the pay band PB-4. In all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed.</p> <p>Illustration</p> <p>A Colonel who retired with basic pay of Rs.61700 (grade pay Rs.8700; pay in the pay band Rs.53000) is re-employed as a Deputy Secretary in an organization with grade pay of Rs.7600. In this case, on re-employment, his basic pay will continue to be Rs.61700. However, his grade pay on re-employment will be Rs.7600 and the pay in the pay band Rs.54100. Thereafter, the non-ignorable part of the pension will be reduced from the pay so fixed.</p> <p><i>Note: In the revised pay structure, basic pay is pay in the pay band plus the grade pay attached to the post.</i></p>	<p>before retirement. If there is no such stage in the re-employed post, the pay shall be fixed at the stage next above that pay. If the maximum pay in the Level applicable to the post in which a pensioner is re-employed is less than the last basic pay drawn by him before retirement, his initial basic pay shall be fixed at such maximum pay of the re-employed post. Similarly, if the minimum pay in the Level applicable to the post in which a pensioner is re-employed is more than the last basic pay drawn by him before retirement, his initial basic pay shall be fixed at such minimum pay of the re-employed post. However, in all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed.</p> <p><i>Note 1: Revised pay structure in relation to a post will be as defined in Rule 3(ix) of the Central Civil Services (Revised Pay) Rules, 2016.</i></p> <p><i>Note 2: "Basic Pay" in the revised pay structure means the pay drawn in the prescribed Level in the Pay Matrix.</i></p> <p><i>Note 3: Last pay drawn shall be as per definition of pre-retirement pay in terms of Order 3 of the CCS (Fixation of Pay of re-employed Pensioners) Orders, 1986, read with DoPT OM No. 3/19/2009-Estt.(Pay-II) dated 8<sup>th</sup> November 2010.</i></p>
<p>Para 4(c): The re-employed pensioner will, in addition to pay as fixed under Para (b) above shall be permitted to draw separately any pension sanctioned to him and to retain any other form of retirement benefits.</p>	<p>Order 4(c): No change</p>

<p>Para 4(d): In the case of persons retiring before attaining the age of 55 years and who are re-employed, pension (including PEG and other forms of retirement benefits) shall be ignored for initial pay fixation in the following extent:-</p> <p>(i) In the case of ex-servicemen who held posts below Commissioned Officer rank in the Defence Forces and in the case of civilians who held posts below Group 'A' posts at the time of their retirement, the entire pension and pension equivalent of retirement benefits shall be ignored.</p> <p>(ii) In the case of Commissioned Service officers belonging to the Defence Forces and Civilian pensioners who held Group 'A' posts at the time of their retirement, the first Rs.4000/- of the pension and pension equivalent retirement benefits shall be ignored.</p>	<p>Order 4(d): In the case of persons retiring before attaining the age of 55 years and who are re-employed, pension (including PEG and other forms of retirement benefits) shall be ignored for pay fixation to the following extent:-</p> <p>(i) No change</p> <p>(ii) In the case of Commissioned service officers belonging to the Defence Forces and Civilian pensioners who held Group 'A' posts at the time of their retirement, the first Rs. 15,000/- of the pension and pension equivalent retirement benefits shall be ignored.</p>
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8. Apart from the above, it is also clarified as under: -

- (i) **Drawal of increments:** Once the initial pay of the re-employed pensioner has been fixed in the manner indicated above, he will be allowed to draw normal increments as per the provisions of Rule 9 and 10 of CCS (RP) Rules, 2016 read with Order 5 of the CCS (Fixation of Pay of re-employed Pensioners) Orders, 1986.
- (ii) **Treatment of Military Service Pay (MSP):** MSP is granted to Defence Forces officers/personnel while they are serving in the Defence Forces. Accordingly, on their re-employment in civilian organizations, including secret organizations under the Cabinet Secretariat umbrella, the question of grant of MSP to such officers/personnel does not arise. However, the benefit of MSP in the pension 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 as part of pay while working in civilian organizations.** Also, in respect of all those Defence Officers / personnel, whose pension contains an element of MSP and whose pay on re-employment is subject to deduction of pension (excluding the ignorable portion, if any), the element of MSP as contained in the pension shall be ignored while deducting the pension at the time of pay fixation. In other words, the MSP portion of the pension need not be deducted from the pay fixed on re-employment.

- (iii) **Fixation / drawal of pay of re-employed persons who retired prior to 1.1.2016 and who have been re-employed after 1.1.2016, and whose entire pension and pensionary benefits are not ignored for pay fixation:** The pay on re-employment will be fixed in terms of Order 4(b)(ii) of the CCS (Fixation of Pay of Re-employed Pensioners) Orders, 1986, as amended above, after **notionally** arriving at their revised basic pay at the time of retirement as if they had retired under the revised pay structure, in terms of Rule 7 of the Central Civil Services (Revised Pay) Rules, 2016. In all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed. Regulation of MSP, however, shall be as per clarification in para 8(ii) above.
- (iv) **Fixation / drawal of pay in all other cases:** Pay fixation in cases not covered in Order 4(d) will be as per the general principle of 'pay minus pension', i.e. while the last pay drawn shall be reckoned for pay fixation, the entire pension shall be deducted from the pay so fixed. Regulation of MSP, however, shall be as per clarification in para 8(ii) above.

9. An undertaking may be obtained from re-employed pensioners who opt / are deemed to have opted for the revised pay structure to the effect that, they understand and agree that the special dispensation provided through this O.M. is subject to the condition of deduction of pension as admissible to them from time to time, wherever required as per extant instructions.

10. These instructions shall apply in respect of those re-employed pensioners who are re-employed against civil posts carrying pay upto Level 17 of the Pay Matrix of CCS(RP) Rules, 2016.

11. In so far as the persons serving in the Indian Audit & Accounts Department are concerned, these orders are being issued after consultation with the Comptroller & Auditor General of India.

12. These orders shall take effect from 1.1.2016.

  
(Pushpender Kumar)

Under Secretary to the Government of India.

To

**All Ministries/Departments of the Government of India (As per standard list)**

**Copy to :** Director (NIC), Department of Personnel & Training, to upload the O.M. on this Department's website under the Head "Notifications – OMs and Orders – Establishment", Sub-Head "Pay Rules".

**Copies also forwarded to:**

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Commission/President's Secretariat/Vice President's Secretariat/Prime Minister's Office/Planning Commission/C&AG of India.

2. Controller General of Accounts/Controller of Accounts, Ministry of Finance.

3. Department of Personnel & Training (AIS Division)/JCA/Admn. Section.

4. Additional Secretary (Union Territories), Ministry of Home Affairs.

5. All State Governments and Union Territories.

6. Secretary, National Council (Staff Side), 13-C, Feroz Shah Road, New Delhi

7. All Members of the Staff Side of the National Council of JCM/Departmental Council.

8. All Officers/Sections of the Department of Personnel & Training/Department of Administrative Reforms & Public Grievances/Department of Pension & Pensioners' Welfare.

9. Ministry of Finance, Department of Expenditure.

10. 50 spare copies for Estt(Pay.II) Section.



(Pushpender Kumar)

Under Secretary to the Government of India.

**UNDERTAKING**

*(To be given by persons who are on re-employment on or after 01.01.2016 and who have chosen / are deemed to have chosen to be governed by the CCS (Revised Pay Rules), 2016, in terms of Department of Personnel and Training Office Memorandum No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017)*

*(Para 9 of the OM No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017 refers)*

I, \_\_\_\_\_, S/o / W/o / D/o \_\_\_\_\_, hereby undertake that I understand and agree that the special dispensation of pay fixation under the Central Civil Services (Revised Pay) Rules, 2016 provided to me through the O.M. No. 3/3/2016-Estt.(Pay-II) dated 1.5.2017 is subject to the specific condition of deduction of pension as admissible to me from time to time, wherever required as per extant instructions.

Signature \_\_\_\_\_

Name \_\_\_\_\_

Designation \_\_\_\_\_

Date :

Place :