



# MANUAL PENSION : OFFICERS

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### MESSAGE

- 1. It gives me immense pleasure and satisfaction to see that Dte of PP&R has taken the initiative to provide an update and exhaustive ready reckoner on pensionary benefits to all retiring officers.*
- 2. With constant efforts to improve the provisions related to pension and connected matters, both administering and claiming the rightful pensionary dues have become challenging. The current initiative aimed at providing a comprehensive compendium of relevant information on all 'pensionary' matters in the form of this manual, is commendable.*
- 3. I hope that the officers who are leaving us in the near future and the officers who have already retired draw maximum benefit from this effort. I also wish them success in all their future endeavours.*

*Jai Hind!*

*Air Chief Marshal  
Chief of the Air Staff*

23 Mar 12





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### MESSAGE

1. Directorate of PP&R is a reliable partner for every officer of the IAF who is going into his second innings with a pension. It is the single contact point for retired officers. This edition of Manual on pension has been comprehensively restructured to ensure that it is beneficial to officers and acts as a guide and reference book for them not only at the time of their retirement but also for all issues which can concern them after retirement including the family pension aspects.

2. This Manual will be uploaded in the IAF website and will be kept updated. I am confident that this book will be of great help and assistance to a large number of officers in their second innings.

*Jai Hind !*

**Air Marshal**  
**Air Officer-in-Charge Administration**

*27* March 2012





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### FOREWORD

1. The prospect of hanging their uniform and moving into the civil life can generate mixed feelings and apprehensions in an officer. At this juncture, while they are anxious about resettlement in civil life, it is important for them to understand the entire gamut of pension and other benefits.
2. Dte of PP&R has been helping officers in their preparations for retirement. The present edition of the manual has been extensively re-structured with the sole aim of making it more user friendly. It caters for almost all the queries a pensioner can have on pension related matters. Besides giving details about the eligibility to various types of pensions, the manual also provides details on various types of welfare schemes and touches upon many life cycle related issues which are extremely relevant for retired officers. It contains exhaustive information which will act as a self help reference source thus reducing frequent queries on pension matter from the Dte.
3. The manual has been written in a simple language for the benefit of retired officers of IAF and their families. Certain critical aspects of pension procedures have been repeated in more than one chapter of the manual so as to emphasise the point and reduce the requirement of cross reference between chapters. However, this manual is not to be quoted as an authority. The authority for pension entitlements will continue to flow from the Pension Regulations for the IAF and the letters issued by the Govt. from time to time.
4. I am confident that this manual will be of immense help to a large number of IAF pensioners and their families.

Jai Hind !

Air Marshal  
Director General (Works & Ceremonials)

27 Mar 12

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## **CHAPTER – I**

### **AN INTRODUCTION TO PENSION**

#### **Introduction**

1. Pension is a retirement benefit for government employees governed by a Pension scheme where in a recurring monthly payment for life and a lump sum gratuity is given at the time of retirement. The quantum of Pension and Gratuity is determined with reference to the length of service and last pay drawn. Pension has great significance since it is a measure of socio-economic justice and brings economic security in the fall of life when physical and mental prowess tends to ebb.

2. Judicially, 'Pension' is defined as a stated allowance or stipend made in consideration of past service. In the event of death, spouse of pensioner gets a monthly payment for life whereas other beneficiaries get such payment for limited period or for life subject to certain conditions.

3. The constitution and law of our country have recognised pension as a property and provides protection to it. The Courts will not allow refusal, reduction, forfeiture of pension unless there are genuine grounds for doing so and the employees can also seek redress in the Courts of Law, whenever, they feel that justice has been denied to them. Only misconduct of the gravest nature can lead to forfeiture of pension once sanctioned. Pension is also secure against attachment, seizure or sequestration by process of any civil court at the instance of a creditor or in satisfaction of a decree or order of any civil Court of Law. Amounts owed by the pensioner to Govt, though undisputed cannot be recovered by deduction from pension except with his express consent. However pension can be attached on orders of a criminal court for maintenance of wife under sec-125 of Cr PC.

#### **Monthly Pension and Free Medical Cover : The Two Pillars of Welfare After Retirement**

4. The benevolence of the Govt is always visible while one is in service. However this benevolence is visible in a magnified manner after retirement because of pension schemes and free medical care schemes of the Govt. No private sector jobs can ever match these schemes of the Govt.

5. The Govt pension has an average escalation of 10-14 % every year to cater for inflation (5-7% DA, every six months). It has an average escalation of 40 -50% every 10 years after a new pay commission. It increases by 20% at 80 years of age. Thereafter it increases by 10 % every five years. The Govt pension also has provisions for pension to widow, handicapped child, unmarried/divorced/widowed daughter and dependent parents/siblings for life.

6. If we take the case of a Wg Cdr who has become eligible for pension after 20 years of service and has proceeded on premature retirement, his pension will be close to Rs 29,000/- pm + DR(now 58%) i.e.45,820/- pm. He will be eligible for pension for next 35-40 years as per current life expectancy. If one compares it with an executive from private sector who was leaving private sector with 20 years of service then it will be worth pondering as to what kind of safe investment was required by him to become entitled to a regular pension of Rs 45,820/- pm with 10-14% increase every year to cater for inflation for the next 35-40 years. This calculation would amply illustrate that an investment of over crores of rupees would have been required to match the benefits of a Govt pension.

7. Defence Pension is only half the story. The other half is about free medical cover through ECHS. This medical cover is not only for self but also for wife, children below 25 years, handicapped child, unmarried/divorced/widowed daughter and dependent parents/siblings for life. This medical cover is cashless, without any upper financial ceiling or age limit. There is no medical cover in private sector which can match ECHS in its benevolence.

8. Thus after retirement every officer can bank on the support of his well-earned Pension and ECHS medical cover for a comfortable and healthy life style. This manual will help an officer in improving his understanding about Pension, ECHS and other related issues which can enhance his welfare after retirement.

### **How This Manual can Benefit an Officer**

9. When an officer is about to retire he only thinks about his own pension and other non-effective entitlements. If he has a disability he also wants to know about his entitlement to disability pension. At this stage his queries are limited to these issues only. After retirement the general focus is to satisfy oneself about the correctness of pension being received after a pay commission revision or revision of a pension rule or after restoration of commuted value of pension. However Dte of PP&R gets a large number of queries on invalid pension, disability pension and family pension. Many times widows come in a state of grief to our office not sure of what is their entitlement and unable to comprehend how life will be after the most important man in her life has passed away. We also have queries from retired officers, widows, and many times directly from children of deceased officers/ widows on entitlement to handicapped child's pension & entitlement to pension for unmarried/widowed/divorced daughter. Queries also come from parents of bachelor officers on dependent pension and on entitlement to pension of a widow after her remarriage.

10. During the life cycle of an officer his priorities and queries can change from time to time. Thus there is a need for an officer to have a comprehensive reference book which he can use to find answers to all his queries related to Pension, ECHS, Welfare measures, investments etc. This manual is precisely meant to provide answers to almost all queries which an officer can have before and after his retirement including his queries on what happens to his pension when he is not there in this world.

11. There is a lot of social networking amongst retired officers. We frequently get queries from retired officers on issues which are meant to help other retired officers, widows and their children. This manual will also act as a reference book for retired officers in extending constructive help and advice to other officers and their families on all issues of pension entitlement.

12. It is recommended that officers who are shortly proceeding on retirement start with first five chapters dealing with retirement pension and other types of pensions. After fifth chapter they can directly go to Chapter VIII which deals with briefing to serving officers who are proceeding on retirement. There after they can follow it up with the next chapter on 'Advice to officers proceeding on retirement and retired officers & widows'. Subsequently the officers can go through the remaining chapters on welfare schemes, ECHS, FAQ etc. as per their convenience and choice. The manual should be preserved after retirement and used as a reference book. The officers who have already retired should start reading this manual with the chapter 'Advice to retired officers, widows and service officers proceeding shortly on retirement' (Chapter IX). Thereafter they can read it as a reference book as per their requirement.

### **A Brief Insight Into Pension and Other NE Benefits of an Officer**

13. **Pension Entitlement.** Subject to fulfilling eligibility conditions, an officer could be eligible for any of the following types of Pension:-

(a) During Life Time

- (i) Retiring Pension
- (ii) Invalid Pension
- (iii) Disability Pension (includes war injury pension)

(b) After Death

- (i) Family Pension (for wife/Children, handicapped child and unmarried/divorced/widowed daughter)
- (ii) Dependent Pension (for parents/siblings of bachelor officers & widowers without children)

14. In addition to the above, an officer is entitled to Gratuity and Commutation at the time of his retirement. Both will be paid to the officer through the pension payment order (PPO) from the office of Deputy Controller of Defence Accounts (DCDA), Subroto Park, New Delhi.

15. **Other Non Effective Benefits.** Besides retiring Pension, the other non-effective benefits, from public/ non-public funds, which an officer could be eligible for at the time of his retirement are as follows:-

- (a) Leave encashment
- (b) DSOP Balance
- (c) IRLA balance
- (d) Survival benefit from AFGIS.
- (e) Eligibility to disability claim from AFGIS if the officer has been invalidated out.

16. Besides officers, Flt Cadets (direct) who are killed during training or are invalidated out during training are eligible for ex- Gratia compensation from public funds; however they are not eligible for pension. The flight cadets are also eligible for life insurance and disability claim from AFGIS. Details are given in chapter V.

### **Information on Pension & Other Issues in this Manual**

17. Exhaustive information on all types of pension and other NE benefits is given in the subsequent chapters of this manual. Detailed information on ECHS and other Welfare schemes is also given in this hand book. One chapter has been exclusively devoted to frequently asked questions. A detailed advice for officers who are proceeding on retirement and for officers who have already retired & widows has also been given in this manual.

18. This manual contains answers to almost all the queries which may be raised by retired officers/ officers proceeding on retirement. However for any further clarification /additional information Dte of PP&R, Air HQ (RKP) can be contacted by the officers/NOK through following means: -

- (a) Postal Address : Air HQ (RKP), DPP&R, West Block – VI,  
RK Puram, New Delhi – 110 066
- (b) E-mail address : pprmail@indiatimes.com
- (c) Contact Nos. : 011–26104394 & 011-26171370  
(both with fax facilities)



## **CHAPTER-II**

### **RETIRING PENSION**

#### **Qualifying Service for Earning Pension**

1. To earn a retiring pension an officer must have a qualifying service of 20 years. There is no provision to condone shortfall in qualifying service for officers. However officers who were selected from ranks for SSC/Emergency commission are authorised for retiring pension if they have 12 years of qualifying service. Previous service, if any, in ranks will be counted towards qualifying service. The minimum qualifying service before VI CPC to earn full pension was 33 years inclusive of rank weightage, wherein the pension of officers who had less than 33 years but more than 20 years of qualifying service was required to be reduced proportionately. However after VI CPC i.e. 01-01-2006, the service required to earn full pension has been reduced to 20 years and weightage has been done away with. For officers (PC & SSC both) who are getting invalided out of service, the rules for pension are liberal and the minimum qualifying service of 20 years is not a must in all cases. Detailed provisions of pension for invalided officers are covered in the next chapter.

#### **Reckonable Emoluments & Calculation of Pension**

2. The reckonable emoluments for calculating pension of an officer are Band pay + Grade pay + MSP + NPA (for medical officers). Pension is to be calculated @ of 50% of last reckonable emoluments or last 10 months average Pay, whichever is more beneficial. For the purpose of gratuity, reckonable emoluments will be same as above but will include DA.

#### **Procedure for Commutation of Pension**

3. Every officer who is proceeding on retirement has the right to opt up for 50% commutation of his pension. Commutation is calculated through a formula which primarily gives weightage to age. Commutation table with loading as per age is attached as Appendix 'A'. The dearness relief (DR) is always on full pension, even if pension is commuted. The commuted value of the pension can be restored by the bank after 15 years of actual receipt of commutation amount. An application should be sent to the bank for restoring commuted value of pension. The orders for restoration of commuted value of pension are written in the PPO itself, and the bank does not need any external order for the same.

#### **Dearness Relief (DR) on Pension**

4. DR is authorised on pension on the same lines and rates as dearness allowance (DA) to the serving personnel. DR is admissible on full pension even after commutation. Public sector absorbees who had earlier commuted 100% of their pension and are now in receipt of 43% of restored pension after 15 years, are entitled for DR on full pension.

### **Monetary Allowance on Gallantry Awards**

5. Monetary awards are authorised by the Govt on gallantry awards. The monetary awards of an officer are notified in the pension payment order (PPO) and are admissible on a monthly basis. The widow is entitled to same monetary awards after her husband's death. It is clearly mentioned in the PPO of gallantry awardees that the wife is entitled for the monetary allowance on gallantry award after the death of the officer. **In addition, the officer with gallantry award and subsequently his widow are also exempt from income tax on their full pension.** The monetary allowance is authorised for every Gallantry award/ Bar separately. The rates of monetary allowance are revised by the Govt at regular intervals. The old rates of monetary allowance are attached as Appendix 'B'. The current rates of monetary allowance wef 30 Mar 11 vide Min of Def letter No. 7(119)/2008-D(AG) dated 30 March 2011 and O/o PCDA (P), Allahabad circular No 09 dt 10-06-2011 of are as follows:-

#### (a) **Post- Independence Gallantry Awards**

(i)	Param Vir Chakra	: Rs. 10,000/- pm
(ii)	Ashok Chakra	: Rs. 6,000/- pm
(iii)	Maha Vir Chakra	: Rs. 5,000/- pm
(iv)	Kirti Chakra	: Rs. 4,500/- pm
(v)	Vir Chakra	: Rs. 3,500/- pm
(vi)	Shaurya Chakra	: Rs. 3,000/- pm
(vii)	Vayu Sena Medal (Gallantry) {VM(G)}	: Rs. 1,000/- pm

#### (b) **Pre-Independence Gallantry Awards**

(i)	Distinguished Service Order (DSO)	: Rs 4,000/- pm
(ii)	Indian Order Of Merit (IOM)	: Rs 4,000/- pm
(iii)	Indian Distinguished Service Medal (IDSM)	: Rs 4,000/- pm
(iv)	Distinguished Service Cross (DSC)	: Rs 2,800/- pm
(v)	Military Cross (MC)	: Rs 2,800/- pm
(vi)	Distinguished Service Medal (DSM)	: Rs 2,800/- pm
(vii)	Military Medal (MM)	: Rs 2,800/- pm
(viii)	Distinguished Flying Medal (DFM) for ORs	:Rs 2,800/- pm

**Note.** Dte of PP&R issues special identity cards to Gallantry award winners.

### **Additional Pension After Reaching 80 Years of Age**

6. Additional pension is authorized w.e.f. 01-01-06 for pensioners/family pensioners who are above 80 years. The details of this pension are as follows:-

(a) This additional pension is over and above the normal pension and is also applicable to SFP, LFP, War injury pension and Disability pension.

(b) DR is entitled on this additional pension. This additional pension will be paid by PDA (bank, treasury etc) from the same month in which pensioner has completed the age of 80 years or above.

(c) The rates for this additional pension is an increase by 20% to the basic pension at the age of 80 years. Thereafter, 10% increase of basic pension with every five years of increase in age (i.e. 30% for 85 years, 40% for 90 years and 50% for 95 years). Once a pensioner completes 100 years of age, the additional pension will be increased by 100 %.

(d) Public sector absorbees are a special class who had the option of commuting not just 33% of their pension, but were also permitted to commute 100% of their pension if they so desired. After protracted legal battle by pensioners who had commuted 100% pension, the Supreme Court has given a decision that such pensioners are not entitled for restoration of 100% commutation of pension. They are only entitled for part restoration (45% for ORs and 43 % for officers) of commutation after 15 years, like all other Govt employees. However they are entitled for DR on full pension. **Such pensioners are also entitled for additional pension on their full pension entitlement after reaching the age of 80 years and above.**

(e) If the date of birth of pensioner is available in the PPO, then payment of additional pension will be commenced by the bank straight away. If the date of birth is not mentioned in the PPO then the pensioner can produce the date of birth as given in PAN Card, Matric certificate, Passport, ECHS card, Driving license and Election ID card. Four copies of any of these documents, attested by a Gazetted officer/ MLA should be submitted to PDA for commencement of additional pension. Based on these documents the PDA will commence additional pension on provisional basis, for six months. Within these six months, the pensioner should contact Dte of PP&R with relevant documents for issue of Corr. PPO by CDA annotating the date of birth of the pensioner.

(f) An application should be given to the bank for commencement of additional pension one month before it is due. This will act as timely reminder for the bank to commence this additional pension.

### **Mandatory Submission of Life Certificate to Bank in November**

7. Annual identification of live pensioners by the banks is a must. This is done by banks every year in November by obtaining a life certificate from pensioners. If the life certificate is not submitted in time, the banks can stop the pension payment. This is a precaution which banks take to detect fraudulent withdrawal from pension accounts of pensioners who are dead. The format in which life certificate is to be submitted should be preferably taken from the bank. For a very sick and severely handicapped pensioners, the bank should be requested to send an official to home of the pensioner to physically verify and then issue the life certificate. It is easier to submit the yearly life certificate every year in November than to struggle subsequently for restarting a stopped pension. The life certificate is also required to be submitted before collection of first pension/family pension.

### **Procedure for Change of Branch/Bank**

8. A pensioner can change his PDA (pension disbursing agency) as per his choice. For this he has to apply to his PDA i.e. the bank or branch from where he is drawing pension. If there is any unusual problem he can contact Dte of PP&R for advice. With the advent of core banking, change of PDA within the same bank (SBI New Delhi to SBI Bangalore) is relatively simple and quick as compared to change of PDA from one bank to another i.e. SBI New Delhi to Central bank at Bangalore. Certain precautions should be taken before applying for change of PDA, such as there should be no major amount/ arrear due in the pension account and the last pension should be drawn as and when it becomes due and thereafter immediately apply for transfer. Depending upon the banks efficiency, the procedure can take 4 to 10 weeks. It can take even longer if there is a transit loss of documents. Widows who want to shift to their children's residence after their husband's death, must activate their jointly notified family pension and should draw their family pension for few months before applying for change of PDA.

### **Procedure for Non Receipt of PPO/Corr. PPO at Bank & Issue of Loss Certificate**

9. This situation emerges when the pensioner is waiting for his original or corrigendum (revised) PPO. However while the office of DCDA confirms dispatch of PPO to the link branch, the concerned branch of the bank reports non receipt of the PPO. This is a typical situation of loss of PPO in transit. The PPOs are dispatched under insured registered post, therefore their loss is rare. However if the link branch does not receive the PPO within one month of dispatch then it should be presumed as lost in transit and action should be initiated to get a duplicate PPO issued by the office of DCDA. The lost PPO has the potential of perpetuating a bank fraud, therefore a 'loss certificate' from link branch is a must for release of duplicate PPO by the office of DCDA. The loss certificate is in a particular format which banks are aware of. If in doubt Dte of PPR can be asked for this format on e-mail. The loss certificate issued by bank manager basically states that the loss of **PPO has been annotated in bank records and if the**

**PPO is found again and produced to the bank, no payment on it will be released by the bank.** This loss certificate in original should be sent to the office of DCDA. Another copy of original loss certificate should also be sent to Dte of PPR for necessary liaison with DCDA and early issuance of duplicate PPO. DCDA will only issue a duplicate PPO to the bank. It will not issue any duplicate PPO for loss of individual's copy of PPO.

**Procedure for Change of Joint Notification After Death of Wife / Divorce / Remarriage.**

10. Joint notification basically means that when an officer retires his pension as well as his legal wife's pension is jointly notified in the PPO. After joint notification the widow can collect her family pension from the same bank where her husband was drawing his pension. The bank after some bare minimum formalities commences the payment of family pension to the widow. However after death/divorce of first wife, if the officer remarries he can apply for change of Joint notification in PPO. Similarly an officer who was a bachelor at the time of retirement and marries after retirement can ask for joint notification with his wife. On similar lines there is a need for recording the birth of a child after retirement. Some essential formalities have to be completed before these changes can be made by Dte PP&R. Officers who require these changes should contact Dte of PP&R for necessary advice at the following address :-

- (a) Postal Address : Air HQ (RKP), DPP&R, West Block – VI,  
RK Puram, New Delhi
- (b) E-mail address : pprmail@indiatimes.com
- (c) Contact Nos. : 011-26104394 & 011-26171370  
(both with fax facilities)

**Procedure to Collect Pension for Officers who are seriously sick or in Comatose (vegetable) state.**

11, There are guidelines issued by RBI for such cases vide its Master Circular dated 30 Jun 08, available on RBI website [www.rbi.org.in](http://www.rbi.org.in). As per the guidelines, whenever a pensioner/ family pensioner is sick to the extent that he/she cannot sign the bank cheque, then he / she is permitted to put thumb impression on the cheque. In addition for pensioners who are in comatose state i.e. unconscious/ or mentally not stable; a legal guardianship certificate from district court will be required by the bank and thereafter the bank will release the pension to the legal guardian. For submitting the yearly life certificate in November for such pensioners, the bank should be requested to send an official to the home of pensioner so as to physically verify the pensioner and then issue the life certificate.

### **Provisions of Pension for Permanent PSU Absorbees**

12. There is difference in the percentage of pension which can be commuted between a civilian and a defence employee. The percentage is higher for defence employees. Earlier it was 43% for officers and 45% for ORs of defence personnel. In VI CPC, it has been increased to 50% for all defence personnel. However Govt employees from civil and defence who were permanently absorbed in Public Sector Undertakings (PSU) had the option to either commute the normal percentage (33.33% for civil & 43/45% for defence) or commute the entire 100% of pension at the time of retirement. Option for 100% commutation originally meant that such pensioners were not eligible for any pension in future. However many PSU absorbee pensioners moved the court of law demanding pension despite 100% commutation at the time of retirement. The matter went to Supreme Court which decided that such pensioners are eligible for restoration of 1/3 or 33.33 of their commuted pension after 15 years of commutation. However DA will be paid on full pension. Such pensioners cannot claim restoration for 100% of commuted pension. For defence pensioners the restoration as per original commutation is permitted up to 43 / 45%. The commuted pension of such absorbees will be restored after 15 years through the issuance of a PPO. Similarly such pensioners will require a PPO after each new pay commission. The widow of Defence PSU absorbees is authorised for ordinary family pension on the same lines and rates as any other officer of defence. Such pensioners should contact Dte of PP&R for guidance on issuance of PPO, as per requirement.

### **Provisions for Grant of Pension to Dismissed/Cashiered Officers**

13. There are a few cases of officers who have been dismissed through administrative action or dismissed/ cashiered by the orders of a court martial. Such officers are prima facie not entitled for retiring pension and gratuity. Such officers are also not eligible for job in any Govt organisation/PSU. Experience indicates that it is difficult for such officers to find meaningful employment even in corporate sector. Such officers along with their family suffer economic hardships. If such an officer has the minimum qualifying period of service required to earn his pension, then he is at liberty to write a mercy petition giving full details of his poor financial condition and other compassionate reasons, if any, like having a marriageable daughter, dependent parents etc. Earlier the mercy petition for grant of pension was decided by President, but now this power has been delegated to Service HQ. In IAF, the power to decide on such petitions has been delegated to AOA for officers. After considering the merits of the individual case, the competent authority (AOA) will take a considered decision on such petitions and the same will be communicated to the concerned officer.

### **Conditions Under Which Pension Can be Stopped**

14. Pension is subject to future good conduct. Pension can be stopped by competent authority due to any of the following reasons:-

- (a) In case of criminal conviction by a court of law.

- (b) Grave misconduct.
- (c) Accepting a job within one year of retirement without permission. Prior permission is required from AOP by officers who work for a foreign country or for a foreign employer in India. All Gp Capts (both Select & TS) and above ranked officers will require prior permission from AOP for accepting any kind of job/self-employment etc. in India or abroad within one year of retirement.

### **Other Legal Issues Which are Linked With Retiring Pension**

15. The legal issues which are related to officers proceeding on retirement are as follows:-

- (a) **Joint Notification of Pension.** There are cases where some officers are not keen on joint notification of pension with their wife on grounds of marital discord/divorce proceedings etc. It is clarified that joint notification should be done till the actual legal divorce is affected. The joint notification can be changed by the officer after receipt of divorce decree from a court of law.
- (b) **Will on Family Pension.** There are cases where individuals have written a 'Will' on family pension stating that it should pass on to somebody other than the wife. The court ruling on this matter is clear i.e. a 'Will' can only be written for own property and not for something coming out of public funds for a larger social cause. Thus, any 'Will' on Family pension is null and void.
- (c) **Definition of a Legal Wife.** As per Hindu marriage act the lady with whom the individual gets married for the first time in his life is his legal wife. All other marriages by the individual during the lifetime of the lady & without a divorce from a court of law are illegal and null and void in the eyes of law. Only a legal wife is entitled to Family pension.
- (d) **Definition of a Legal Child.** All children born from a legal marriage are legal. However in the eyes of law children born out of void marriages i.e. from illegal wives have legal status and come in the category of a legal child. Thus children from illegal marriages have same rights as legal children.

### **Income Tax Provisions On Pension**

16. **What is Exempted.** Following are exempted from income tax:-
- (a) Commutation amount
  - (b) Gratuity

- (c) Leave encashment
- (d) Provident Fund
- (e) The full monthly pension is exempted from income tax only for those pensioners who are in receipt of Disability element of pension, Gallantry awards and Liberalised Family Pension (LFP) for death in notified operations.

17. **What is not Exempted.** The monthly pension and Family pension [except for the type of pensions as stated at para 16 (e)] are not exempted from income tax. Also the interest earned on payments as mentioned at para 16 is not exempted from income tax.

18. **Provisions of Income Tax.** Section 10 of Income Tax Act 1961 provides the basic exemptions on the major one time payments made at the time of retirement. Pension of Gallantry award winners and the Liberalised Family Pension to the widow/NOK for death in the course of Operational duty is also exempt from income tax. The notifications of IT exemption for gallantry awards and family pension is attached as Appendix 'C'.

### **Types Of Gratuity**

19. Gratuity means a onetime reward given by the employer for the past services rendered. All service which qualifies for pension of an officer shall also qualify for gratuity. The reckonable emoluments for gratuity are same as for pension. However, gratuity will additionally include DA also. There can be many types of gratuity, details of each type of gratuity is as follows:-

- (a) **Retirement Gratuity.** An officer who has completed 5 years of qualifying service (actual) and is eligible for retiring /invalid/ special pension or gratuity of any type, will be granted retirement gratuity equal to  $\frac{1}{4}$ th of the reckonable emoluments for each of the completed six month period of qualifying service, subject to the maximum of  $16\frac{1}{2}$  times of the reckonable emoluments which will be restricted to Rs. 10 lakhs. No weightage in qualifying service is admissible for calculating Retiring Gratuity.
- (b) **Retiring Gratuity.** For qualifying service of less than 20 years (but more than 10 years), Retiring Gratuity will be admissible. Retiring Gratuity is calculated at a uniform rate of  $\frac{1}{2}$  a month's reckonable Emoluments for each of the completed six month period of qualifying service. No weightage in qualifying service is admissible for calculating Retiring Gratuity.
- (c) **Invalid Gratuity.** An officer invalidated out of service for causes which are neither attributable to nor aggravated (NANA) by Air Force service is granted invalid pension, if he has rendered more than 10 years' service. If the service rendered is less than 10 years at the time of



invalidment, only invalid gratuity is paid. The amount of Invalid Gratuity shall be calculated at half a month's Reckonable Emoluments i.e. pay in pay band, grade pay, Military service pay, NPA, if any, last drawn and dearness allowance, for each completed six monthly period of qualifying service. The maximum limit of Invalid Gratuity is Rs. 10 lac.

(d) **Death Gratuity.** Death Gratuity is admissible to the Next of Kin (NOK) when an officer dies while in service. Death Gratuity is calculated at the following rates depending upon the number of years of service rendered by the officer: -

(i)	For service less than one year	2 times of last reckonable emoluments
(ii)	For service one year or more but less than five years	6 times of last reckonable emoluments
(iii)	For service five years or more but less than twenty years	12 times of last reckonable emoluments
(iv)	For service twenty years or more	@ one month reckonable emoluments for each year of qualifying service subject to a maximum of 33 times or Rs. 10 lacs whichever is less.

(d) **Terminal Gratuity.** Terminal gratuity is paid to Short Service Commissioned Officers who are not entitled for any type of pension. The terminal gratuity is calculated at the rate of half-a-month's reckonable emoluments for each completed six-monthly period of service.

## **CHAPTER III**

### **DISABILITY PENSION AND INVALID PENSION**

#### **What is a Disability Pension?**

1. An officer can develop a disability while in service through an injury or disease. Depending upon the degree of disablement, he can be either retained in service or can be invalided out of service. Invalid medical board is done when an officer is permanently downgraded to the lowest medical category i.e. APGP. Invalid medical board is done for officers of flying branch who are medically unfit for flying duties but refuse to change their branch to ground duties.
2. When an officer's disability is attributable to or aggravated by military service and he has a disability of 20% or more, then he is entitled to disability pension. Thus disability pension is given for following reasons:
  - (a) For disability attributable to or aggravated only by the service.
  - (b) When the disability percentage as per medical board is 20% or more.

#### **Components of Disability Pension**

3. Disability pension has two components i.e, Service element and Disability element. For both these elements, separate PPOs are normally issued. Service element is similar to retiring pension i.e. 50% of last reckonable emoluments. Disability element is that part of the disability pension which is given for the disability which is attributable to or aggravated by service. Therefore disability element is directly linked with the disability percentage as decided by Release / Invalidment Medical Board (RMB/IMB). Disability percentage is the percentage of loss suffered w.r.t. 100% fitness of an officer. For 100% disability, 30% of last reckonable emoluments will be paid as disability element for the disability pension. For lesser disability, it will be reduced proportionately. Dearness Relief (DR) is payable on the service element as well as disability elements.

#### **What is Invalid Pension?**

4. The amount of disability pension is directly related to the percentage of disability as decided by medical board. The PPO for service element and disability element is issued separately. However the conditions for grant of disability pension are more benevolent in cases of invalidment vis-a-vis superannuation & premature retirement cases.

5. Quite often there is confusion between disability pension and invalid pension. Both are not the same. There can be a situation where an individual is invalidated out of service with a disability which is **neither attributable to nor aggravated by service (NANA)**. In such a case if the individual has a qualifying service of 10 years or more he will be granted with a service element of pension at 50% of last drawn pay or last 10 months average pay whichever is more beneficial. However he will not be entitled for disability element of pension. **This type of service element of pension (for invalidated out officers) where his disability is NANA is called as Invalid pension.** In cases of invalidment with disability as NANA, if the qualifying service is less than 10 years, the individual is entitled for **invalid gratuity** only (and not for invalid pension).

6. Thus an individual who is invalidated out of service will be eligible for disability pension if his disability is attributable to or aggravated by service. In such a case he will be eligible for the service as well as the disability element of disability pension. However if the individual is invalidated out of service with 10 years or more of qualifying service and his disability has been decided as NANA he will be entitled to Invalid pension only.

#### **Beneficial Provisions of Disability Pension for Invalidment Cases.**

7. An officer with a disability could be entitled for disability pension in three cases i.e. if invalidated out of service or if proceeding on superannuation or proceeding on premature retirement. For cases of superannuation and premature retirement the disability pension will be fixed as per guidelines explained in para 3 of this chapter. The Govt is also benevolent in deciding the disability pension for individuals whose normal service is cut short due to invalidation out of service which is based on recommendations of an Invalid Medical Board.

8. For cases of invalidation out of service, the eligibility criteria for service element of the pension is relaxed in the following ways:-

(a) For Invalidation cases where disability is attributable to/ aggravated by service:

(i) There is no requirement of a minimum qualifying service for earning service element of pension.

(ii) Service element of pension will be at 50% of last drawn pay or last 10 month's average pay whichever is more beneficial. There will be no pro-rata reduction for less than 20 years of service required to earn full pension ( applicable after VI CPC only).

(b) For Invalidation cases where disability is neither attributable to nor aggravated by service (NANA ):-

(i) If the officer has a qualifying service of 10 years or more, he

will be eligible for service element of pension at 50% of last drawn pay or last 10 months average of his pay whichever is more beneficial.

(ii) For service less than 10 years, the officer will be entitled for invalid gratuity only. Last drawn pay and reckonable emoluments are one and the same i.e. Band Pay, Grade Pay, MSP & NPA.

9. For invalidation cases, the eligibility criteria for disability element of the pension is also relaxed in the following ways:-

(a) There is no requirement for a minimum disability of 20%, to earn disability element of pension for invalidation cases. Disability percentage for invalidation cases are broad banded to a higher percentage as specified. The Govt rules on broad banding of disability percentage ensures that no body is invalided out of service, with disability attributable to or aggravated, which is less than 50%. Thus. In invalidation case, the corresponding disability element of disability pension is bound to be higher and more beneficial (when compared to disability element calculated for superannuation / PR cases).

(b) The existing provisions of broad banding, of disability percentage for invalidation cases are as follows:-

- (i) 01-49 % disability : Get 50% as disability element
- (ii) 50-75% disability : Get 75% as disability element
- (iii) 76-100% disability : Get 100% as disability element

### **What is War Injury Pension?**

10. War injury pension is given to an individual who receives injury under circumstances mentioned in category 'E' of relevant Govt letter. Category 'E' covers war or war like operations, operations specially notified by Govt, actions against terrorists/ extremists/ anti-social elements, Battle inoculation training exercise etc. War injury pension is of two types: -

(a) When an individual is invalided out of service due to his war injury.

(b) When the individual is retained in service and he proceeds on normal or premature retirement.

11. In both the cases of war injury, the service element is similar to retiring pension i.e. 50% of last reckonable emoluments. There is no requirement of a minimum qualifying service for eligibility to service element of pension. However for cases of war injury leading to invalidation out of service, the war injury element for 100% disability is equal to 100% of last reckonable emoluments. For cases where individual is retained in service he is entitled to war injury element @ 60%

of last reckonable emoluments for 100% disability at the time of retirement. For disability which is less than 100% the war injury element will be reduced proportionately. Wef 01-07-2009 there is no restricting upper ceiling/cap on the aggregate of service element and war injury element of war injury pension.

### **Provisions of Invalid Gratuity**

12. Whenever an officer is invalidated out with a disability which is NANA (neither attributable to nor aggravated by service) and if his actual service is less than 10 years, then he will be eligible to Invalid gratuity only. Invalid gratuity is calculated @ half- a-months reckonable emoluments + DA for every six months of service subject to a maximum limit of Rs 10 Lac.

### **Constant Attendant Allowance**

13. This allowance is sanctioned to an officer for 100% disablement on the recommendations of the medical board and subsequent acceptance by pension sanctioning authority. This allowance is subject to an actual employment of a paid attendant. It will not be payable for the duration of hospitalisation if any and it will not be paid for the period of re-employment if any. W.e.f.01-01-2006 it is @ of Rs 3000/- pm irrespective of rank. There is no DR payable on Constant Attendant Allowance. However this will further increase by 25% every time when the DR on the revised Pay Band goes up to 50%. This increased amount of constant attendant allowance is to be paid automatically by the banks as per the Govt orders on this matter.

### **Rates of Disability Pension**

14. The rates of disability element of pension for 100% disability are given below. DR is admissible on disability element of pension. For disability lesser than 100%, the amount has to be reduced proportionately. The rates for 100% disability are:-

- |     |  |                                |
|-----|--|--------------------------------|
| (a) | For normal disability element                        | - 30% of reckonable emoluments |
| (b) | For war injury element when retained in service      | - 60% of reckonable emoluments |
| (c) | For war injury element when Invalided out of service | -100% of reckonable emoluments |

### **The Importance of Medical Opinion in Deciding Attributability /Aggravation Factor**

15. The eligibility of Disability element of pension is directly dependent on the Attributability /aggravation aspect of disability. The only agency which is competent to comment upon disability is the medical board for diseases and the Court of inquiry/injury report for injury cases. The medical officers have well-

defined guidelines on this matter from the Govt, in the form of entitlement rules and guide to medical officers. The court of inquiry/ injury report is based on evidence and witnesses. The courts have said that the opinion of the medical board holds primacy in this matter. Thus, the attributability / aggravation factor of a disease is primarily dependent on the opinion of the medical board. Similarly attributability/ aggravation factor for cases of injury primarily depends on the findings of COI /injury report.

### **Attributability Factor for Injury while on Duty**

16. The COI/ injury report will recommend an injury as attributable only when the injury has taken place while performing duty. The following cases will also be considered on duty: -

- (a) Injury while proceeding to or returning from place of duty on the normal route.
- (b) Injury while proceeding on leave or returning from leave if injury takes place during journey period between duty station and place of leave. Mode of travel, type of leave and using a warrant / form D etc. has no relevance on this attributability. However once an officer has reached his place of leave, any injury thereafter will not be attributable unless he has been specifically tasked to undertake a service task during leave by a competent authority and the injury takes place while carrying out that task.

### **Provision for Appeal Against Rejection of Disability Pension**

17. Disability pension is granted to an officer if the disability of the officer is considered as attributable to or aggravated by service. If the competent authority has rejected the claim for disability pension on the grounds of the disability being neither attributable to nor aggravated by service (NANA) then the officer can appeal against the rejection. He can appeal to PD PP&R at Air HQ giving reasons as to why he thinks that his disability is attributable to or aggravated by service. His first appeal will be considered as per Govt guidelines on the matter and a decision of the first appeal committee (PD PP&R) on his appeal will be conveyed to him. If his appeal is rejected by the first appeal committee (PD PP&R) and he is not satisfied, then he has a right to make a second and final appeal. He can send second / final appeal to PD PP&R and it will be sent to the second appeals committee chaired by Vice Chief of Air staff (VCAS) at Air HQ. The second / final appeal will be considered as per Govt guidelines and the final decision will be conveyed to him. The constitution of first and second appeal committee is enclosed as Appendix 'D'.

### **Other Beneficial Provisions for Pre and Post 2006 Disability Pensioners**

18. The other beneficial provisions of disability pension are as given below:-

- (a) **New Rates of Disability Element.** The earlier rates for 100% disability element of pension @ Rs 5,880/-pm for officers and HFO/HFL

and Rs 4,300/- and 3,510/- pm for warranted ranks (JWO,WO& MWO) and other ranks respectively have been revised. Vide a Govt letter dated 15 Feb 11, 100% disability element has been revised to 30% of the notional pay as per modified parity method, for pre -2006 pensioners. For war injury (retained in service) and war injury (invalidation out of service) the rates are 60% and 100% respectively. For disability, which is less than 100%, proportionate reduction will be done in the amount. The new rates are automatically credited by the banks as per above quoted Govt letter and PCDA (P) circular 456 of 18 Mar 11.

(b) **Broad Banding for Invalidation.** Broad banding of disability pension for invalidated officers (due to attributable/aggravated causes) was permitted for the first time in V CPC i.e. wef 01-01-1996. This broad banding of disability percentage is done to the nearest higher figure at 50%, 75% and 100%. Earlier this facility was not extended to pre 01-01-1996 pensioners. Wef 01-07-2009, this facility has been extended to all pre 01-01-1996 disability pensioners who were invalidated out of service, due to attributable/aggravated causes. The effective date of broad banding for pre-1996 invalid pensioners is likely to be changed by the Govt from 01-07-2009 to 01-01- 1996 in near future. (The Govt is yet to take a final decision on this matter).

(c) **Disability Pension @ 60% of Reckonable Emoluments.** For permanent disability of 60% and above the disability pension (service+ disability element) shall not be less than 60% of reckonable emoluments last drawn. For past cases, if the PPO is not reflecting the correct rate of disability pension then it will have to be revised through a Corr. PPO. Such pensioners should contact Dte of PP&R Air HQ for advice and help.

(d) **Authorisation of Service Element of Pension to Emergency commissioned and SSC officers.** Before 30 August 2006 emergency commissioned and SSC officers were not entitled to service element of Pension, they were only entitled to disability element. Now vide GOI MOD letter No 1(9)/2006/D(Pen-C) dated 30 August 2006 the Emergency Commissioned & SSC officers whose disability is attributable to/aggravated by service and who are entitled to disability element will also be entitled for service element of disability pension as per existing provisions as applicable to a permanent commissioned officer. For those Emergency Commissioned and SSC officers who are in receipt of disability element and have retired before 30 August 2006, following provisions of Govt letter will apply:-

(i) Those officers whose disability was attributable to service at the time of retirement will be entitled for service element wef 30 Aug 2006 (prospectively). No arrears will be admissible due to notional fixation of revised pension for the period prior to 30 August 2006. No commutation will be admissible and there shall be no change in the

retirement gratuity already paid. Affected officers can contact Dte of PP&R Air HQ, if they have been left out due to any reason.

(ii) Those officers whose disability was aggravated by service at the time of retirement will not be entitled for service element of disability pension. For cases of aggravation service element of disability pension will be granted to only those emergency commissioned & SSC officers who have retired on 30 August 2006 or there after i.e. issue date of Govt letter.

(iii) Past cases will not be opened.

(e) **Removal of Previous Cap on War injury pension.** As per earlier rules the total of service element and War injury element could not exceed the last pay drawn. This cap has been removed wef 01 July 2009 for all pensioners including all past pensioners vide MOD letter 10 (01)/D (Pen/Pol)/2009/Vol.II dated 19 January 2010 and MOD letter no 70(4)/2008(1)D (Pen/Policy)/-Vol-V dated 15 Feb 2011 ( follow up PCDA(P) Circular No 456 dated 18 Mar 11). For the purpose of deciding last pay for pre-2006 pensioners notional pay as per VI CPC will be taken i.e. Minimum of the pay in the Pay Band +Grade Pay +MSP+ EX Group Pay (where applicable).

(f) **Provision for Additional Pension on Disability element of Pension after 80 years of Age.** Additional pension with DR as per prescribed rates is authorised on disability element of pension after reaching the age of 80 years. The rates for this additional pension are additional 20% of basic pension at age of 80 years, 10% increase of basic pension with every five years increase in age (i.e. 30% for 85 years, 40% for 90 years and 50% for 95 years). Once a pensioner completes 100 years of age, the additional pension will be increase to 100 %.

(g) **Exemption From Income Tax.** Disability pensioners are *exempted* from income tax on their whole pension which includes service element and disability element

### **Payment of Disability Claim by AFGIS for Invalidation Cases Only**

19. Every member of Air force Group Insurance Society (AFGIS) who is invalided out of service due to recommendations of an invalid medical board on account of disability will be provided disability benefit at half the rate of life cover for 100% disability. For lesser disability the amount will be reduced proportionately. Attributability/aggravation to service is not a factor in this claim. **All cases of disability linked with invalidation out of service only, can enjoy this benefit.** However this benefit is for a disability of 20% and above only. In addition, if a member is invalided out within one year of enrollment and the disability is not attributable to service, the member will not be eligible for this benefit. This payment is not from public funds but welfare funds of IAF i.e. AFGIS built up on personal contribution of serving/retired IAF personal.



**Information About Entitlements of Flight Cadets**

20. Flt Cadets (direct) who are invalided out during training or are killed during training are eligible for ex- Gratia compensation from public funds. However, they are not eligible for pension. Flight cadets are also eligible for life insurance and disability claim from AFGIS. Details of their entitlement are given in chapter V.

**Payment of Ex-Gratia Lump-sum Compensation to Defence Service Officers and Personnel Below Officer Rank who are Invalided out of Service on account of Disability Attributable to or Aggravated by Military Service**

21. Such Defence Service personnel , who are disabled, incapacitated in the performance of their bonafide official duties under various circumstances and are boarded out from service on account of disability / war injury attributable to or aggravated by military service, shall be paid Ex-gratia lump sum compensation amounting to Rs. 9 lac for 100% disability. For disability / war injury less than 100% but not less than 20%, the amount of Ex-gratia compensation shall be proportionately reduced. No Ex-gratia compensation shall be payable for disability war injury less than 20%. The proportionate compensation would be based on actual percentage of disability as certified by the Invaliding Medical Board, without applying broad banding provisions as contained in Para 7.2 of MoD letter No. 1(2)/97-D (Pen-C) dated 31 Jan 2001.

## **CHAPTER-IV**

### **FAMILY PENSION**

#### **Eligibility Criteria for Family Pension**

1. The legal wife/NOK of every officer who dies in service is entitled for family pension irrespective of qualifying service of the officer. Similarly the legal wife/NOK of every retired officer who is in receipt of service element of pension is entitled to family pension, after death of the retired officer. The pension scheme of Govt is very benevolent in nature. After death of an officer it has provisions for family pension not only for the wife but also for dependent children up to 25 years of age, unmarried /divorced/ widowed daughter for life (subject to minimum income criteria), handicapped child for life and for dependent parents of bachelors and widower officers. Family pension is always authorised through a Pension Payment Order (PPO). For death while in service the PPO for family pension is issued directly to the widow/NOK. For officers who are proceeding on retirement the family pension is jointly notified for the wife along with the officer's own entitlement of retiring pension.

2. For the purpose of Family Pension, the family can be defined as follows:-

**(a) Category -I**

(i) Widow or widower, up to the date of death or re-marriage, whichever is earlier?

(ii) Son / daughter (including widowed daughter) up to the age of 25 years or date of his/her marriage/remarriage whichever is earlier.

**(b) Category-II**

(i) Unmarried/ widowed / divorced daughter, not covered by category- I above, up to the date of marriage /remarriage or till the date she starts earning or up to the date of death, whichever is earlier.

(ii) Parents who were wholly dependent on the Armed Forces personnel when he was alive provided the deceased had left behind neither a widow nor a child.

3. Salient aspects of eligibility of family pension are: -

(a) Family pension to dependent parents, unmarried/divorced/widowed daughter will continue till the date of death (subject of fulfillment of income criteria)

(b) Family pension to unmarried/widowed/divorced daughters in category-II and dependent parents shall be payable only after the other eligible family members in Category-I have ceased to be eligible to receive family pension and there is no disabled child to receive the family pension.

(c) Grant of family pension to children in respective categories shall be payable in order of their date of birth. The younger of them will not be eligible for family pension unless the brother / sister above him/her has become ineligible for grant of family pension in that category.

(d) The dependency criterion for the purpose of family pension shall be an income which is not more than minimum family pensioning along with dearness relief i.e. Rs 3500/-pm + DR.

(e) A legally separated wife or husband (not yet legally divorced) is eligible for family pension provided such separation is not on grounds of adultery.

### **Types of Family Pension**

4. **Ordinary Family Pension (OFP)**. Ordinary Family Pension is normally paid to the widow for all cases of death after retirement and for those cases of death while in service where the death is neither attributable to nor aggravated by service (NANA). It is paid @ 30% of last reckonable emoluments (Band pay, Grade pay, MSP & NPA for medical officers) + dearness relief (DR). OFP will stop on remarriage except for widows who are issue less. For widows with children, it will pass on to her eligible children as per their seniority.

5. **Enhanced Ordinary Family Pension (EOFP)**. This pension is basically an ordinary family pension which has been enhanced for a limited period as a benevolent measure by the Govt for cases of death while in service and for an early death after retirement. Enhanced ordinary family pension is paid @ 50% of last reckonable emoluments +DR. It is paid for 10 years to the widow for death in service. There is no upper age limit. For death after retirement, it is paid for 7 years after death or up to 67 years of age of deceased officer (65 years for pre-13 May 1998 retirees). For a widow to be eligible for enhanced ordinary family pension (EOFP) a minimum of seven years' qualifying service is required to have been rendered by the deceased officer.

6. **Special Family Pension (SFP)**. Normally SFP is given to the widow for death of an officer while in service where the death is attributable to/or aggravated by service. It is paid @ 60% of last reckonable emoluments +DR. However if an

invalidated out officer dies within seven years of his invalidation out of service and in the medical opinion his death has been primarily caused by the disability for which he was invalidated out of service, then the widow could be eligible for SFP. In such a case she should contact Dte of PP&R for advice. SFP will not stop after remarriage. However if widow does not support her children it can be divided between the widow and the children.

7. **Liberalized Family Pension (LFP).** LFP is granted for death which besides being attributable to and aggravated by service should take place in the face of enemy (in war/on border/notified operations), engagement with militants, while trying to maintain law and order amongst unruly crowds, weather extremities during op deployment, fratricide in combat heat, Battle inoculation training exercise, death in Op deployment due to snakebite, poisoning of water by enemy etc. The recommendation for LFP will depend on the circumstances of death as emerging out of Court of inquiry/injury report and subsequent medical opinion on death. It is paid @ 100% of last reckonable emoluments +DR. LFP will not stop after remarriage. However if widow does not support her children after remarriage, it will be divided between the widow and the children.

8. **Family Pension to Children Below 25 Years.** When both parents/ single surviving parent, eligible for pension expire/ become ineligible, then Children below 25 years of age unmarried and unemployed (income less than minimum pension of Rs 3500/-pm +DR) will be eligible for family pension. The Family pension will start with eldest child below 25 years of age. Once he/she is 25 years of age it will be given to the next child in line who is below 25 years. For release of family pension to a minor child, a legal guardian will be required from a court of law till the child is 18 years old. If there is a handicapped child who is eligible for life long Family pension, then the family pension to handicapped child will be issued only after all other eligible children below 25 years have received their family pension, in sequence.

9. **Family Pension for Handicapped Children/ Handicapped Siblings.** Handicapped unmarried children (not capable of earning their livelihood) are eligible for family pension for life, after the death of their both the parents. Such children have to be examined by competent medical authorities and a certificate as per prescribed format AFMSF – HD (i) should be counter signed by a doctor not less than the rank of a Brigadier or equivalent. Married handicapped children are not eligible for this pension. A guardian for such children should be nominated by parents in their life time. Handicapped siblings (brothers and sisters) are also eligible for family pension on similar lines as handicapped children. For endorsement of the name of handicapped child/sibling in the PPO, an officer can apply during his life time itself. Applications for the same should be sent to Dte of PP&R. Guidelines for applying and the application forms for grant of family pension to a disabled child is annexed as Appendix 'E'.

10. **Family Pension for Unmarried/ Divorced/ Widowed Daughter.** Unmarried / divorced / widowed daughter can apply for family pension only after the death of both her parents. She is eligible to apply only if she is unmarried/ remains divorced at the time of demise of her last surviving parent (father or

mother). Her pension is subject to minimum income criteria and audit verification of her claims. Her name will not be annotated in the PPO during her parent's life time. Applications by eligible daughters should be sent to Dte of PP&R after the death of both parents.

11. **Family Pension to Wife/NOK of Missing Personnel in Service or After Retirement.** Ordinary family pension is admissible for personnel who are missing in service or after retirement. The family pension can commence six months after lodging of FIR about the missing person. For cases of missing personnel while in service, an inquiry at the unit level must establish that the person is actually missing and is not a deserter. The same has to be supported by a Police investigation report on the matter. For cases of missing personnel after retirement the family pension will only be admissible to widow/NOK if the missing officer was in receipt of service element of pension and the police investigation report establishes clearly that the retired officer is missing. Thereafter in such cases family pension will be released after proper audit verification.

12. **Provision for Additional Pension After 80 Years of Age.** Additional pension is authorised wef 01-01-06 for the benefit of pensioners / family pensioners who are 80 years and. The details of this pension are as follows:-

(a) This additional pension is over and above the normal pension and is also applicable to OFP, SFP, LFP, disability pension and war injury pension.

(b) DR is entitled on this additional pension. This additional pension will be paid by PDA (bank, treasury etc.) from the same month in which pensioner has completed the age of 80 years or above.

(c) The rates for this additional pension are additional 20% of basic pension for 80 years, 10% increase of basic pension with every five years (i.e. 30% for 85 years, 40% for 90 years and 50% for 95 years). However once a pensioner completes 100 years of age, the additional pension will be increased to 100 %.

(d) If the date of birth of pensioner is available in the PPO, then additional pension will be started by the bank straight away without reference of JCDA. If date of birth is not there in the PPO then pensioner can approach his Bank with date of birth as given in PAN Card, Matric certificate, Passport, ECHS card, Driving license and Election ID card. Four copies of any of these documents duly attested by a Gazetted officer/ MLA should be submitted to PDA for commencement of additional pension. Based on these documents the PDA will commence additional pension on provisional basis, for six months. The pensioner should contact Dte of PP&R within one month with relevant documents for issue of Corr. PPO by CDA annotating the date of birth of the pensioner along with other relevant details like, latest Bank account No., full address of bank & its Link Branch, BSR Code of bank & its Link Branch.

13. **Provision for Appeal Against Rejection of Special Family Pension (SFP).**

SFP is granted to a widow if the death of the officer in service is considered as attributable to or aggravated by service. If the competent authority has rejected the claim for SFP, on the grounds of death not being attributable to or aggravated by service, then the widow can appeal against the rejection. She can appeal to PD PP&R at Air HQ giving reasons as to why she thinks that her husband's death is attributable to or aggravated by service. Her first appeal will be considered by PD PP&R as per Govt guidelines and a decision of the First Appeals Committee will be conveyed to her. If she is not satisfied, then she has a right to make a second and final appeal. She can once again send the appeal to PD PP&R who in turn will send to the Second Appeal Committee headed by Vice Chief of Air staff (VCAS). The second appeal will be considered as per Govt guidelines and the final decision will be conveyed to her. There is no provision for appeal by a widow/NOK against rejection of LFP. The composition of First and Second Appeal Committee is enclosed as Appendix 'D'

**Joint Notification of Family Pension with Legal Wife.**

14. For all cases of death in service, the family pension is granted to the widow as per existing rules. However, for death after retirement, the wife is normally entitled to family pension only if the husband was in receipt of service element of pension. Every officer who has retired or gone out of service after 1986 with a pension has a joint notification of pension along with his legal wife. Joint notification in the pension payment order (PPO) basically means that the wife is automatically entitled to family pension after the death of her husband. The lady has to contact her husband's bank along with death certificate of her husband for claiming the Family pension. She will have to meet certain procedural formalities at the bank like submission of original death certificate, submission of a few witnesses who know her status as the legal wife, life certificate for herself, remarriage related certificate etc. The Family pension should normally commence within four to six weeks of completing the procedural formalities required by the bank.

15. Before 1986 there was no provision for joint notification of Family pension with wife and the pension was made on the name of retiring officer / other rank only. After death of the individual a fresh case for family pension was sent for audit verification and issue of PPO. It was a cumbersome and time consuming procedure. However provision exists for such pensioners to apply for joint notification of pension through Dte of PPR, Air HQ. Joint notification of Family pension has been completed for majority of pre-1986 pensioners also. Those who have not done so they should immediately apply for the same. If a pensioner who does not have joint notification expires then his wife's case will be taken up for Family pension with audit as per pre 1986 procedures.

**Family Pension Entitlement After Remarriage of a Widow**

16. **Family Pension After Remarriage of a Widow in Receipt of Liberalised Family Pension (LFP).** Before 01-01-1996, widows in receipt of LFP could

continue to draw LFP only if they were married to the real brother of the deceased. If they married anybody else their LFP was stopped and OFP was given to them. Continuation of LFP for widows remarrying anybody else (not the real brother of deceased) was permitted for the first time after V CPC i.e. 01-01-1996. However for widows who were remarried before 01-01-1996, and whose LFP was stopped, there was no provision to restart their LFP. Now the Govt vide its order dated 24 Jun 2005 has permitted restoration of LFP for such cases of remarriage for pre-1996 widows wef 24-06 2005. Application for restoration of LFP should be sent to Dte of PP&R.

17. **Family Pension After Remarriage of a Widow in Receipt of Special Family Pension (SFP)**. Family pension of widows in receipt of SFP is permitted even after remarriage after V CPC i.e. 01-01-1996. SFP is primarily given for death of an officer while in service when the death is attributable to or aggravated by service. Widows in receipt of SFP who were remarried before 01-01-1996, were however not eligible for pension. Now widows in receipt of SFP who were remarried before 01-01-1996 and whose family pension was stopped are eligible for grant of SFP wef 20-01-2009. The widows who are eligible should apply to DPP&R.

18. **Family Pension After Remarriage of a Widow in Receipt of Ordinary Family Pension (OFP)**. Normally the family pension of a widow in receipt of ordinary family pension (OFP) stops after remarriage. OFP is given when death is neither attributable to/ nor aggravated by service and for cases of death after retirement. However, as an exception a childless widow in receipt of OFP/enhanced family pension is eligible for continuation of her family pension after remarriage subject to fulfillment of certain laid down minimum income criteria. Initially this provision was applicable to prospective cases wef 01 Jan 06. Now, childless widow of a deceased employee who expired before 01 Jan 06 will also be eligible for family pension after re-marriage. Applications by eligible widows should be sent to Dte of PP&R.

### **Understanding Legal Aspects Related with Family Pension**

19. **Who in the Family has First Claim to Family Pension**. It is quite common to see tussle between wife and parents of late officer for family pension. As per the existing pension rules the parents can have no claim over Family pension if the officer has left behind a widow or a child. Thus parents are primarily eligible for family pension of bachelor officers or widowers without children. The sequence of eligibility for family pension is Widow/Widower, children of officer, parents and dependent siblings. Legal guardianship certificate from a court of law will be required for release of family pension to a minor child.

20. **Legal Wife and Legal Child**. Instances of plural marriages are extremely less in officer cadre. But they exist and normally surface after retirement/death of the officer. The legal position on this matter is as follows:-

(a) As per Hindu marriage act (applicable to most other religions) the lady with whom the officer got married for the first time is the legal wife of the officer. Any marriage with another lady before the death/divorce (as given by a court of law) of first wife is void in the eyes of law. A wife from void marriage is not entitled for family pension.

(b) A marriage solemnised done before death /divorce with the legal wife will continue to remain void even after subsequent death/ divorce of first wife. The fact that the first wife had consented for such a marriage in her life time does not make it legal and the marriage will continue to be void in the eyes of law.

(c) However children born from void marriages are considered as legal children and they will be legally entitled to family pension as per their eligibility on the same lines as children from a legal marriage.

21. **Will by an officer on the Family Pension.** There are instances where serving/retired personnel have expressed disappointment with their wives behavior/character and have written a Will that the family pension due to them should not go to their wife and should be given to some other NOK. Such matters have gone to court and the legal position is that a Will by the officer on family pension is null and void due to following:-

(a) A Will can only be written for own property. Family pension comes out of Govt money for a social cause hence will on family pension is null and void.

(b) Marital discord/ other related issues may be a reason to seek divorce. However after an individual is dead, the status of a legal wife continues uninterrupted and her right to claim family pension and other related benefits is legally valid. Even in cases where divorce proceedings are going on, her legal status as a wife will remain unchanged till a divorce decree is pronounced by the court. If the death of the individual takes place before the pronouncement of divorce decree, the divorce proceedings will cease & become irrelevant. The lady's status as the legal wife will continue for all benefits due to a widow.

22. **Family Pension Entitlement Where Wife is Accused of Murdering her Husband.** Only in those cases where the legal wife is accused of murder of her husband, the claim to family pension can be deferred pending an investigation report by police. If police also charge sheets the lady, then her claim to family pension will depend on the outcome of the court verdict on the matter. If the wife is convicted by court of law, the Family pension may be released to the children of deceased.

23. **Provisions for division of Family Pension.** Family pension can be divided in following circumstances:



(a) **Ordinary Family Pension (OFP)**. Division of OFP can take place if legal child from a divorced/deceased wife is not in the custody/care of present wife then the pension between the two can be divided.

(b) **Special Family Pension (SFP)**. If a widow in receipt of SFP does not support her children (below 25 years of age), then her SFP will be divided as 50% to her and the balance 50% to her children.

(c) **Liberalised Family Pension (LFP)**. If a widow in receipt of LFP does not support her children (below 25 years of age) then her LFP will be divided as OFP (30% of last emoluments) to her and SFP (60% of last emoluments) to her children.

24. **Restrictions on Drawing more Than One Family Pension**. A defence pensioner can earn his second pension from the new organisation where he is re-employed after retirement. The present Govt rules do not permit two family pensions to a widow. She can draw only one family pension whichever is more beneficial to her. Wef 27-7-2001, in addition to her defence family pension, a widow can also draw the second family pension only if it comes under following two categories:-

(a) Employees Provident Fund (EPF) scheme 1995 and

(b) Family Pension Scheme (FPS) 1971

### **Monetary Allowance and Free Railway Passes for Widows of Gallantry Awards Winner**

25. **Monetary Allowance For Widows of Gallantry Award Winners**. Widows whose husbands were in receipt of gallantry awards (PVC, Ashok Chakra, MVC, Kirti Chakra, Vir Chakra, Shaurya Chakra, VM (Gallantry), are entitled to receive monetary allowance for the same after the death of their husband. In addition, they are also exempted from income tax on their full pension. The monetary allowance is authorised for every Gallantry award/ Bar separately. The rates of monetary allowance are revised periodically by the Govt. The old rates of allowance are attached as Appendix 'B'. The current rates of monetary allowance wef 30 Mar 11 vide Min of Def letter No. 7(119)/2008-D(AG) dated 30<sup>th</sup> March 2011 and O/o PCDA (P), Allahabad circular No 09dt10-06-2011 of are as follows:-

(a) **Post- Independence Gallantry Awards**

(i)	Param Vir Chakra	: Rs. 10,000/-pm
(ii)	Ashok Chakra	: Rs. 6,000/- pm
(iii)	Maha Vir Chakra	: Rs. 5,000/- pm
(iv)	Kirti Chakra	: Rs. 4,500/- pm

- |       |                |                  |
|-------|----------------|------------------|
| (v)   | Vir Chakra     | : Rs. 3,500/- pm |
| (vi)  | Shaurya Chakra | : Rs. 3,000/- pm |
| (vii) | VM (Gallantry) | : Rs. 1,000/- pm |

(b) **Pre-Independence Gallantry Awards**

- |        |  |                |
|--------|--|----------------|
| (i)    | Distinguished Service Order (DSO)          | :Rs 4,000/- pm |
| (ii)   | Indian Order of Merit (IOM)                | :Rs 4,000/- pm |
| (iii)  | Indian Distinguished Service Medal (IDSM)  | :Rs 4,000/- pm |
| (iv)   | Distinguished Service Cross (DSC)          | :Rs 2,800/- pm |
| (v)    | Military Cross (MC)                        | :Rs 2,800/- pm |
| (vi)   | Distinguished Flying Cross (DFM) for Offrs | :Rs 2,800/- pm |
| (vii)  | Distinguished Service Medal (DSM)          | :Rs 2,800/- pm |
| (viii) | Military Medal (MM)                        | :Rs 2,800/- pm |
| (ix)   | Distinguished Flying Medal (DFM) for ORs   | :Rs 2,800/- pm |

26. **Free Railway Passes for Widows of Gallantry Award Winners.** The recipients of Gallantry award winners of Chakra series (PVC, MVC, VrC, Ashok Chakra, Kirti Chakra and Shaurya Chakra) and their widows are entitled for complementary passes along with a companion from the Indian Railways, for free travel in first class/ second AC. The passes will be issued by the office of Divisional Railway Manager and Headquarters office of the Railways on receipt of an application on plain paper. Widows will be required to additionally submit copy of death certificate and non-remarriage certificate from a Gazetted officer.

**Important Bank Procedures Affecting Pension**

27. **Mandatory Submission of Life Certificate to Bank in the Month of November.** Annual identification of live pensioners by the banks is a must. This is done by banks every year in November through submission of a life certificate by pensioners. If the life certificate is not submitted in time the banks can stop the pension payment. This is a precaution which banks take to detect fraudulent withdrawal from pension accounts of pensioners who are dead. The format in which life certificate is to be submitted should be preferably taken from the bank. For very sick and severely handicapped pensioners, the bank should be requested to send an official at home of pensioner to physically verify and then issue the life certificate. It is easier to submit the yearly life certificate every year in November than to work hard subsequently towards restarting a stopped pension. The life certificate is also required to be submitted before collection of first pension/family pension.

28. **Procedure for Change of Branch/Bank.** A pensioner can change his PDA (pension disbursing agency) as per his choice. For this he has to apply to his PDA i.e. the bank or branch from where he is drawing pension. If there is any unusual problem he can contact Dte of PP&R for advice. With the advent of core banking the change of PDA will normally be faster within the same bank. Certain precautions should be taken before applying for change of PDA. Firstly there should be no major amount/ arrear due in the pension account. Secondly draw the last pension as and when it becomes due and thereafter immediately apply for transfer. Depending on banks efficiency the procedure can take 4-10weeks. It can take longer if there is transit loss of documents. Widows must activate their jointly notified family pension and should draw their family pension for few months before applying for change of PDA.

29. **Procedure for Non Receipt of PPO/Corr. PPO at Bank & Issue of Loss Certificate.** This situation emerges when the pensioner is waiting for her original or corrigendum (revised) PPO. However while the office of DCDA confirms dispatch of PPO to link branch, the concerned branch of the bank reports non receipt of the PPO. This is a typical situation of loss of PPO in transit. The PPOs are dispatched under insured registered post therefore their loss is rare. However if the link branch does not receive the PPO within one month of dispatch then it should be presumed as lost in transit and action should be initiated to get a duplicate PPO issued by the office of DCDA. The lost PPO has the potential of perpetuating a bank fraud therefore a 'loss certificate' from link branch is a must for release of duplicate PPO. The loss certificate is in a particular format which banks are aware of, in case of doubt Dte of PPR can be asked this format on e-mail. The loss certificate issued by bank manager basically states an annotation of the loss of PPO has been annotated in bank records and if the PPO is found again and produced to the bank; no payment on it will be released by the bank. This loss certificate in original should be sent to the office of DCDA, another copy of original loss certificate should also be sent to Dte of PPR as a backup and for necessary liaison with DCDA and early issuance of duplicate PPO. DCDA will only issue a duplicate PPO for the bank. It will not issue any duplicate PPO for loss of individual's copy of PPO.

30. **Procedure to Collect a Family Pension for a Seriously Sick or Comatose (vegetable) State Pensioner.** When ever a family pensioner is sick to the extent that he/she can't sign their bank cheque then he / she is permitted to put thumb impression on the cheque. In addition for pensioners who are in comatose state i.e. unconscious/ or mentally not stable, a legal guardianship certificate from district court will be required by the bank and there after the bank will release the pension to the legal guardian. For the purpose of submitting yearly life certificate for such pensioners, the bank should be requested to send an official to the home of pensioner so as to physically verify the pensioner and then issue the life certificate.

31. **Claiming Life Time Arrears (LTA) of Late Husband from Bank.** Life time arrears are defined as the dues/ money/pension of the late officer which was due to the officer but could not be paid during his life time. In many cases the late

officer had a single account and the name of nominee was not filled up by the individual at the time of opening his pension account, it was left blank. In such cases the wife can not claim life time arrears of the late officer. As per the existing rules Banks can pay the left over money in late individual's account, to the nominee or to the next heir as per succession certificate from a court of law. The wife automatically can not claim life time arrears of her late husband if she is not a nominee. A large number of widows are dismayed to find themselves in this frustrating situation after their husband's death. In such a situation the banks are fully within their rights to ask for a succession certificate from the widow/NOK. However at times with a bit of liaison they release the LTA to widow/NOK provided there is an authentic WILL of the late officer to support the claim for LTA. It is therefore desirable for family pensioners also to have a nominee for their bank account. The nominee should preferably be one of her children who is looking after her.

### **Ex - Gratia Lump Sum Compensation**

32. Ex-gratia lump-sum compensation is admissible to the families of the Commissioned Officers who die in harness in the performance of their bonafide official duties. This is not admissible for every death which is attributable to service but only when the officer had died in harness in performance of his bonafide official duty. The claim where it is due will be initiated by the last unit, after completing of all procedural formalities. The details of the Ex –Gratia Lump sum compensation are as follows:-

(a)	Death due to accidents	Rs. 10 Lac
(b)	Death due to acts of violence by terrorists, antisocial elements, etc.	Rs. 10 Lac
(c)	Death in border skirmishes and action against militants, terrorists, extremists	Rs. 15 Lac
(d)	Death while on duty in the specified high altitude area, inaccessible border posts etc. on account of natural disaster, extreme weather conditions	Rs. 15 Lac
(e)	Death in enemy action in international war or such war like engagements which are specifically notified by Ministry of Defence	Rs. 20 Lac

**Note.** The earlier max limit of Rs 20 lac on ex- gratia from all sources (Centre and State) has been removed. From the year 2010 there is no max limit.

### **Other Financial Benefits to Widows**

#### **33. Claiming Pre/Post Retirement Insurance Cover (PRIC) from AFGIS.**

Air Force Group insurance Society (AFGIS) provides life insurance cover to its officers while in service and after retirement. For death while in service AFGIS will contact the widow through the last unit and release the insurance money after necessary formalities. However in case of death after retirement the widow must inform AFGIS about the same. AFGIS will advise the widow on completing necessary formalities and thereafter release the insurance amount to her. The

insurance amount and the cut off age will vary depending on the year of retirement and the scheme as applicable at that time. The current insurance coverage for death in service is Rs 50,00,000/- (Rs. Fifty lac) and for death after retirement is Rs 10,00,000/- (Rs. Ten lac) upto 72 years of age wef 01 Apr 2010. Details of PRIC and other welfare schemes of AFGIS is covered in chapter VI.

34. **Financial Assistance Scheme (FAS) for Widows/NOK by IAFBA.** While in service a very small sum (less than Rs30/-pm) is contributed by all officers & other ranks to IAF Benevolent Association (IAFBA). The primary welfare activity of IAFBA is to provide monthly financial assistance to widows of IAF personnel. IAFBA provides assistance to the widow for 15 years in cases of service death and eight years for death after retirement. The rates will vary (1500/-pm to Rs3000/-pm) as per the scheme in force and the matching contribution made at the time of retirement. The details of FAS and other welfare schemes of IAFBA are covered in chapter VI.

35. **Grant From AFWWA.** For a widow who was an AFWWA member, the AFWWA Central gives a one time grant after the death of the husband. Proof of being an AFWWA member in terms of photocopy of AFWWA card or the card number will have to be sent to the AFWWA central office. The present rate of one time grant is Rs 6,000/-. It is subject to revision from time to time. The other welfare schemes of AFWWA are covered in chapter VI.

### **Common Problems Faced by Widows.**

36. **Not Knowing Their Correct Pension Entitlement After a New Pay Commission.** It is one of the most common problems faced by widows. We frequently see cases where a widow is getting pension as per IV CPC whereas she is required to transit to VI CPC pension. Such delays where the upgradation of last pay commission has not taken place is common in respect of widows. Such kind of delays results in procedural complications and invariably further delay revision of family pension as per new pay commission. This situation primarily results from failure of banks to implement the revision of pension as per new pay commission. Such a failure/ mistake of bank can be corrected only if the pensioner is alert and aware of her revised entitlement after a new pay commission. It appears that many widows are tending to live in isolation after their husband's death and therefore they are not aware of their new entitlements after every pay commission. It is advisable for widows to write to Dte of PP&R, Air HQ after every new pay commission and check their revised pension. In addition it is desirable for them to become a member of Air force Association who issues regular bulletins on matters beneficial to pensioners. It will also be desirable for the widow to remain in touch with her ex Air Force friends and other similar placed retirees so that she can compare notes on her family pension and initiate timely action when required.

37. **Not Knowing Whom to Write and What to Write Regarding Their Problems.** A widow of an officer has a single point contact for all her problems i.e. Dte of PP&R Air HQ. Our address is Dte of PP&R, Air HQ, West Block-VI, RK Puram, New Delhi 110066. This office can also be contacted through e-mail

(pprmail@indiatimes.com) and direct civil telephone number i.e. 011-26104394 and 011 - 26171370. She should also write her problem in a simple lay man language, the way one writes a letter to a friend so that Dte of PP&R can understand her problem and help her. She must mention the late officers name, branch, service number, her present address for correspondence and her bank address. She must also write her email address, residential telephone number and mobile number so that we can contact her swiftly for any additional information/clarification.

**Income Tax Provisions on Family Pension.**

38. Income tax, as per Income Tax Act will be charged on family pension. However following categories of family pensioners are exempt from income tax:-

- (a) Family pensioners in receipt of monetary allowance for Gallantry awards.
- (b) Family pensioners in receipt of Liberalised Family Pension (LFP) i.e. death during notified operations only.

## CHAPTER-V

### DEPENDENT PENSION & EX- GRATIA FOR FLT CADETS

#### Dependent Pension

1. **What is Dependent Pension.** Dependent's pension is the pension which is given to parents of a bachelor officer or an officer who is a widower without children. If parents are not alive then this pension can also be given to dependent siblings (brothers and sisters) of the deceased officer. The dependent pension will be admissible to parents/siblings till:-

(a) **In case of parents.** Upto the date of death or in the case of female parent who re-marries - up to the date of re-marriage.

(b) **In the case of brothers/sisters.** Upto the date he/she attains the age of 25 years or until she gets married, whichever is earlier. The dependent pension may be continued beyond 25 years if brothers / sisters are incapable of self-support by reason of mental or physical infirmity.

2. **Rates and Types of Dependent Pension.** The rate of dependent pension for death which is neither attributable nor aggravated by service ( NANA) corresponding to OFP is 30% of last reckonable emoluments. Even for death which is attributable to or aggravated by service, corresponding with SFP, the rate is same i.e. 30% of last reckonable emoluments. The only difference is that for NANA cases corresponding to OFP the means limit (income) criteria is there i.e. income should not be more than Rs. 3,500/-pm + DR. However for cases corresponding with SFP there is no means limit but the rates are authorised at half of SFP rates which will finally work out to 30% of last reckonable emoluments i.e. half of 60%. For death case corresponding with LFP the rates will be 75% of last reckonable emoluments for both parents being alive and 60% of last reckonable emoluments for single parent being alive. Whenever the dependent pension is subject to means limit, yearly verification of income will be required for release of pension.

**Note.** Parents of a bachelor or widower without children, who dies after retirement, will become eligible for Family pension only if both were dependent on him while he was in service.

#### Ex-Gratia Provisions For Flt Cadets

3. **Ex Gratia for Disability and Death of Flight Cadets (direct).** Flight Cadets (direct) are not entitled for pension like commissioned officers/ other ranks. However they are entitled to Ex Gratia awards for disability and death. The current rates of Ex Gratia for flight cadets (also applicable to all officer cadets (direct) in three services) are as follows:-

(a) **Ex Gratia Awards to Flt Cadets in Case Of Disablement (Invalidation on Medical Grounds)**

- (i) Monthly Ex Gratia - Rs 3500/-pm + DR
- (ii) Monthly Ex-Gratia Disability Award - Rs 6300/-pm + DR  
(For 100% disability will be reduced proportionately for lower disability)
- (iii) Constant Attendant Allowance (CAA) - Rs 3000/- pm

**Note.**

- \* CAA is admissible for 100% disability only
- \*\* DR is not admissible on CAA
- \*\*\* CAA will increase by 25% whenever DR crosses 50%

(b) **Ex Gratia Awards to Flt Cadets in Case Of Death**

- (i) One time Ex-Gratia Amount - Rs 5 Lac
- (ii) Monthly Ex-Gratia Amount to Next of Kin- Rs 3500/-pm + DR

(c) **Additional Data on Ex-Gratia for Flt Cdts.**

- (i) The above rates of disablement & death are only for those cases where disablement/death is attributable to/aggravated by military training.
- (ii) The rules and procedures regarding acceptance of attributability /aggravation of disablement/death shall be the same as for regular commissioned officers.
- (iii) The Awards under these orders are covered by GOI, MOD department of Ex-servicemen welfare letter No 6(1)2009-D (Pension Policy) dated 01 June 2010 and PCDA (P) Allahabad section order No 4 dated 20 July 2010.
- (iv) The date of implementation for post 01-01-2006 cases of disablement and death is 01-01-2006. However for pre-2006 cases the date of implementation is 01-09-2008.



5. **Payment of Disability Claim by AFGIS to Flt Cadets who are Invalidated out of training.** Every Flight Cadet of IAF who is a member of Air force Group Insurance Society (AFGIS) and who is invalidated out of training on recommendations of an invalid medical board on account of disability will be provided disability benefit at half the rate of life cover for 100% disability. For lesser disability the amount will be reduced proportionately. Attributability/aggravation to service is not a factor for granting this claim. However this benefit is for a disability of 20% and above only. **In addition, if a member is invalidated out within one year of enrollment and the disability is not attributable to service, the member will not be eligible for this benefit.** This payment is not from public funds but welfare funds i.e. AFGIS created by contribution from serving and retired IAF personnel.

**CHAPTER-VI****OTHER BENEFITS AND WELFARE MEASURES FOR WIDOWS AND  
RETIRED PERSONAL FROM NON PUBLIC FUNDS AND SAINIK  
BOARDS****INDIAN AIRFORCE BENEVOLENT ASSOCIATION (IAFBA)****Introduction**

1. Indian Air Force Benevolent Association (IAFBA) is a self-administered body registered under the Societies Registration Act (XXI) 1860. It came into effect from 22 Nov, 1940. This was first registered at Lahore on 22 Nov, 1940. Subsequently the same was registered at Delhi on 10 Jun, 1981. The aim of IAFBA is to relieve financial hardship and distress of all IAF personnel and their dependents, both from the past and the present, through various welfare schemes.

**Various Post Retirement Welfare Schemes of IAFBA**

2. Some of the important welfare schemes of IAFBA for widows and other retired personnel are as follows:

- (a) Family Assistance Scheme (FAS) for Widows.
- (b) Lump Sum Death Grant (for less service cases).
- (c) Monthly Maintenance Grant for Medically Boarded out Personnel.
- (d) Monthly Maintenance Grant of Bereaved Wives of Medically Boarded out Personnel.
- (e) Grant to World War II Veterans Served in the IAF.
- (f) Grant to Widows of World War II Veterans
- (g) Grant to Wife/Parents in case of missing Personnel.
- (h) Grant For Daughter's Marriage.
- (j) Grant for Purchase of Trade Instrument to Bereaved Wives.
- (k) Special Scholarship to Orphan Children of AF Personnel.
- (l) Grant for Purchase of Mechanical Aid for self

### **Family Assistance Scheme (FAS)**

3. This scheme aims to provide monthly financial assistance to widows for a fixed period of 15 years for death while in service and 08 years for death of an officer after retirement. The widow will get the rates as per the scheme of which her husband was member at the time of his death in service or at the time of his retirement. Her financial assistance will also depend on whether her husband had opted to be a member of this scheme when it was on a voluntary basis i.e. before 01 April 1997. This scheme became compulsory only after 01 April 1997. The rate of assistance will also depend on the minimum years of service put in by the officer before death in service/retirement. The details of the two FAS schemes currently in vogue are given in subsequent paragraphs.

4. **FAS-97.** This scheme is applicable for the widows of those AF personnel who have died on or after 01 Apr 97 and are not the members of FAS-09 scheme. The minimum service of the officer required for eligibility of a widow to this scheme is 20 Yrs. This scheme is available for a period of 15 years for death in service and 08 years for death after retirement. The rates are as follows:

- (a) **For Death in Service.** Valid for a period of 15 years and minimum service requirement is not there. The rates are as follows:

Officers	Airmen	NCs(E)
2000/- pm	1,500/- pm	1,500/- pm

- (b) **For Death After Retirement.** Valid for a period of 08 years and a minimum service of 20 years is required to be eligible for this family assistance scheme. The rates are as follows:

Officers	Airmen	NCs(E)
1,500/- pm	1,000/- pm	1,000/- pm

- (c). **Lump Sum Death Grant for Less Than 20 Years Service.** Widows of pensioners having less than 20 years of service who were discharged prior to Apr 97 and are not covered under the Family Assistance scheme (FAS) will be provided with lump sum Death Grant. This is applicable for death which has taken place on or after 01 Oct 2008.

Officers	Airmen	NCs(E)
8,000/-	5,000/-	5,000/-

5. **FAS- 09.** This scheme is applicable for the widows of those AF personnel who were in service on 01 Apr 09 or later and have contributed to revised rates of FAS. The minimum service of the officer required for eligibility of widow to this scheme is 10 years. This scheme is available for a period of 15 years for death in service and 08 years, for death after retirement. The rates are as follows: -

(a) **For Death in Service.** Valid for a period of 15 years and minimum service requirement is not there. The rates are as follows:-

<b>:Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
4000/- pm	3,000/- pm	3,000/- pm

(b) **For Death After Retirement.** Valid for a period of 08 years and a minimum service of 10 years is required to be eligible for this assistance scheme. The rates are as follows:-

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
3000/- pm	2,000/- pm	2,000/- pm

(c) **Lump sum Grant With Less Than 10 Years Service**

(i) **Service between 5 to 10 Years**

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
30,000/-	20,000/-	20,000/-

(ii) **Service less than 05 Years**

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
15,000/-	10,000/-	10,000/-

### **Monthly Maintenance**

6. Monthly Maintenance Grant is provided to the medically boarded out Air Force Personnel. This grant is given to personnel pending award of disability pension. This is initially given for three months and can be extended to a maximum of six months. The family members of deceased Air Warriors who expire after being medically boarding out are also eligible for a similar grant. The details of the grant are listed below:-

(a) **Monthly Maintenance Grant for Medically Boarded out Personnel**

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
2,000/-	1,500/-	1,500/-

(b) **Monthly Maintenance Grant for Medically Boarded out Personnel with 100% Disability**

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
3,000/-	2,500/-	2,500/-

**(c) Monthly Grant to Bereaved Wives of Medically Boarded out Air Warriors**

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
2,000/-	1,500/-	1,500/-

**Note.** In case an Air Warrior expires before finalisation of his disability pension, the grant will be extended to his widow pending finalisation of pension in her name subject to a maximum of six months.

**Grant to World War II Veterans who Served in the IAF & their Widows**

7. The grant to World War II veterans who are not in receipt of pension is as follows:

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
2,000/-	2,000/-	--

8. The grant to World War II veterans' widows who are not in receipt of pension is as follows:

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
1,500/-	1,500/-	--

**Grant to Wife/Parents in Case of Missing Personnel while in Service**

9. The grant is given to Wife/ Parents of missing Personnel while in service. It is for a max period of 12 months. This grant will be recovered if missing person joins duty or will be adjusted against FAS rehabilitation grant. The rates of grant are as follows:

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
4000/-	3000/-	3000/-

**Grant for Daughter's Marriage**

10. This grant is given for both death in service and death after retirement. There is no minimum service requirement for cases of death in service. However an Air Warrior should have put in at least 24 years of service for a widow to claim this grant after retirement. The rates of this grant are as follows:-

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
35,000/-	28,000/-	28,000/-

### **Special Scholarship to Orphan Children of AF Personnel**

11. This scholarship is meant for orphan children of AF Personnel who die while in service. Application form from guardian is to be sent on Form DD-40 through Zila Sainik Board with their recommendation along with a certificate from school showing details of expenditure and details of terminal benefits received by the guardian. A maximum of two children can be covered under this scheme. The rates of this scholarship are as follows:-

	<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
<b>Boarders</b>	3,000/-	3,000/-	3,000/-
<b>Day Scholars</b>	800/-	800/-	800/-

### **Grant For Commercial Venture**

12. **Grant for Medically Boarded out Air Force Personnel.** Lump sum grants are provided to medically boarded out Air Force personnel for commercial ventures. The rates are as mentioned below: -

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
50,000/-	20,000/-	20,000/-

13. **Grant for Purchase of Trade Instrument to Bereaved Wives.** Similarly lump sum grants are provided to the wives of the deceased Air Force Personnel for purchase of trade instruments or reimbursement of tuition fee for vocational/professional course. In this case wife/orphaned child will also be eligible and the cheque will be prepared in the favour of the institute. The rates for both grants are as mentioned below:-

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
25,000/- (max)	25,000/- (max)	25,000/- (max)

### **Grant for Purchase of Mechanical Aid for Self**

14. This is a lump sum payment and is given only when the mechanical aid is not available through service sources. The rates are as given below:-

<b>Officers</b>	<b>Airmen</b>	<b>NCs(E)</b>
8,000/-	8,000/-	8,000/-

### **Contact Details of IAFBA**

15. The contact details of IAFBA are as follows:-

- (a) **E-mail Address.** [iafba@yahoo.com](mailto:iafba@yahoo.com)
- (b) **Telephone numbers.**
- (i) Director : 011-25691367
  - (ii) Secretary : 011- 25699704
  - (iii) JD (fin& Sys) : 011-25699845
  - (iv) WAC Exchange : 011-25687194-95  
(Extn. for FAS section-7851)
  - (v) Fax No : 011- 25698069
- (c) **Website.** Detailed information about all the welfare schemes of IAFBA is available on their website. The same can be logged Logging on to IAF website [www.indianairforce.nic.in](http://www.indianairforce.nic.in) and choosing **welfare** in right top corner followed by **IAFBA** at top right corner. Typing IAFBA on Google will also result in displaying this site.
- (d) **Postal address of AFGIS.**
- AFGIS Bhawan  
Subroto Park  
New Delhi- 110010

### **AIR FORCE WIVES WELFARE ASSOCIATION**

#### **Introduction**

16. Air Force Wives Welfare Association (AFWWA) was formed on 28th October, 1970 as a registered body to provide assistance to the families of deceased / disabled/ retired / serving personnel of the Indian Air Force. AFWWA also extends its helping hand to poor and needy people of the society. Its willing contribution to the senior citizens, special children, orphans etc. is praiseworthy and worth emulating. AFWWA has adopted villages around the Air Force bases which lack basic amenities. It organises health camps at regular intervals with the help of specialists from Air Force and Civil Hospitals for check-up and treatment of ailing persons.

### Various Post Retirement Welfare Schemes of AFWWA

17. AFWWA provides a number of benefits for its members. To claim these benefits the lady should be a life member of AFWWA and is required to present the following documents: -

- (a) Proof of membership
- (b) Death certificate of husband, if required
- (c) Any other relevant certificate

18. Various welfare schemes of AFWWA are as follows: -

- (a) Ex-Gratia Payment for Widows Rehabilitation
- (b) AFWWA Pension
- (c) Wedding Grant
- (d) Medical Assistance
- (e) Dwelling Unit for Widows
- (f) Rehabilitation of Widows of NCs(E)
- (g) Various types of Educational Scholarship
- (h) Scholarship for Sportsmen/Artists
- (j) Allotment of Oil Products Agencies to Defence Personnel and their dependents

19. A summarised form of major AFWWA welfare schemes is given below in chart form:-

Name of Scheme	Amount Officers (p.a.)	Amount Airmen (p.a.)	Amount NCs(E) (p.a.)	Eligibility and Duration
<b>Benefits for Retired AF Personnel</b>				
<b>1. Grant to wives of AF Personnel (Medically Boarded out)</b>	Rs. 10000/- Lump-sum	Rs. 10000/- Lump-sum	Rs. 10000/- Lump-sum	Husband is boarded out on medical grounds not attributable to service is given a one time grant of Rs.5000/-.
<b>Benefits for Deceased AF Personnel</b>				
<b>1. Ex gratia Grant for Widows Rehabilitation</b>				
(a) Death in Service	Rs. 6000/-	Rs. 6000/-	Rs. 6000/-	On demise of husband.
(b) Death after Retirement	Rs. 6000/-	Rs. 6000/-	Rs. 6000/-	



<b>2. AFWWA Pension</b>	Rs. 6000/- Lump-sum	Rs. 6000/- Lump-sum	Rs. 6000/- Lump-sum	Paid to widow whose husband dies while in service.
<b>3. Wedding Grant to Children of Widow</b>	Rs. 7000/- Lump-sum	Rs. 7000/- Lump-sum	Rs. 7000/- Lump-sum	To one child of a widow whose husband dies while in service.
<b>4. Rehabilitation Grant to Widows of NCs(E)</b>	----	----	Rs. 2000/-	Widows of those NCs (E) who die while in service and intend to resettle themselves by tailoring / stitching.
<b>5. Grant for Dwelling Unit to Widow</b>	Rs. 15000/- Lump-sum	Rs.10000/- Lump-sum	Rs.10000/- Lump-sum	Widow whose husband is killed in accident while in service.
<b>6. Educational Scholarship for Children of Deceased AF Personnel</b> (a) School going Day Scholar (b) School going Boarders (c) College going Day Scholar & Boarders (d) For Medical /Engg. Courses	Rs. 1800/- Rs. 3000/- Rs. 3000/- Rs. 5400/-	Rs. 1800/- Rs. 3000/- Rs. 3000/- Rs. 5400/-	Rs. 1800/- Rs. 3000/- Rs. 3000/- Rs. 5400/-	From 1st standard onwards for a period of six years only or completion of studies which is earliest.
<b>7. Scholarship for Vocational training</b>	Rs. 4800/- Lump-sum	Rs. 4800/- Lump-sum	Rs. 4800/- Lump-sum	To widow or their children for pursuing vocational training for certificate / diploma course of 6 months and above.

### **Employment Opportunity to Widows**

20. Widows are also eligible for commissioning in Ground Duty Branches of Indian Air Force (SSC). The eligibility conditions are as follows:

<b>Branch/Type of Entry</b>	<b>Educational Qualification</b>	<b>Age Limit</b>	<b>Advertisement Schedule</b>
a) Administration b) Logistics c) Accounts	First Class Graduate Or Second Class PG in subjects as per advertisements	20-23 20-25	Mar/Sep
d) Education e) Meteorology	Second Class PG in subjects as per advertisements	20-25	Mar/Sep

**Note.** There is relaxation of age upto 04 years for the widows in certain Branches, which is published in the advertisements or can be ascertained from [www.careerairforce.nic.in](http://www.careerairforce.nic.in) or Publicity Cell, Air Headquarters, 'DISHA' Motilal Nehru Marg, New Delhi - 110011.

Tele: 011-23010231 Extn-7080. Telefax: 011-23017918, E-mail: [career\\_jaf@bol.net.in](mailto:career_jaf@bol.net.in).

### **Contact Details of AFWWA**

21. AFWWA website can be contacted by typing AFWWA on google and clicking the site open. In addition this site can be opened through www.indianairforce.nic.in On opening of this website, click **welfare** towards top right corner. Thereafter click AFWWA. The contact details of AFWWA are as follows:-

Santushti Shopping Complex, New Willingdon Camp,  
Opposite Samrat Hotel, Race Course,  
AF Station New Delhi-110003

Tele - 011-26878099  
Fax - 011-24104681  
E-mail : afwwa@bol.net.in

### **AIRFORCE GROUP INSURANCE SOCIETY (AFGIS)**

#### **Introduction**

22 Air Force Group Insurance Society is registered under the societies registration act (XXI of 1860). It has come into existence w.e.f. 01 Nov 1975. The society is established by the Armed Forces of the Union (Air Force) for the welfare of the past and present members and their dependents.

#### **Welfare Schemes of AFGIS For Pensioners**

23. Following important welfare schemes are being supported by IAFBA:

- (a) Group insurance cover while in service
- (b) Post retirement insurance cover (PRIC)
- (c) Disability claim
- (d) Subsidy to a widow for procuring a dwelling unit
- (e) Interim payment to personal declared missing
- (f) Financial assistance to officers Hospitalised beyond six months
- (g) Investment through fixed deposits with multiple options
- (h) Facility for loan up to 75% of fixed deposit in AFGIS

### **Group Insurance Cover While in Service and During Training for Flt Cadets**

24. The insurance cover by AFGIS is reviewed periodically. The present insurance cover for death of a serving IAF officer and an Flt cadet while in training is Rs. 50 lac. The insurance amount will be disbursed by AFGIS as per nomination signed by the officer. In the absence of valid nomination, the beneficiaries would be wife, minor children and major unmarried daughters. 50% of share will be paid to the wife and the balance will be equally shared between minor and major children. Money will be adjusted up to 100% of AFGIS claim, against house building advance from financial institutions; if the officer has opted for the same by executing a nomination in favour of the financial institution while taking a loan.

### **Post Retirement Insurance Cover (PRIC)**

25. The PRIC scheme was first started by AFGIS from 01 August 1981. The aim was to provide insurance cover even after retirement and to provide a social and financial security to the families in case of death of an AF veteran. The cover by PRIC is revised after every 7-10 years. In 1981 it was on a voluntary basis however it was made compulsory w.e.f. November 1991. The cover from PRIC will vary as per the existing scheme at the time of retirement.

26. The period of cover is 15 years or till 70 years of age whichever is earlier for those in service upto 29 Mar 2005. W.e.f. 30 Mar 2005 period of cover was extended till 72 years of age or 15 years whichever is earlier. However in all cases the cover is reduced to 50% after 15 years of retirement till upper age limit of 70 or 72 years is reached. The Amount of PRIC will vary as per retirement date and the scheme which was in force at that time. W.e.f. 01 April 2011 the PRIC cover is Rs. 10 Lac. PRIC 2005 cover was Rs. 05 Lac and the earlier PRIC schemes before 2005 will have relatively lesser cover.

### **Disability Claim**

27. Every member of AFGIS (including Flt Cadets), who are invalided out of service or out of training, due to recommendations of an invalid medical board on account of disability, will be provided disability benefit at half the rate of life cover for 100% disability. For lesser disability the amount will be reduced proportionately. Attributability/aggravation to service is not a factor in this claim. All cases of disability linked with invalidation out of service only, can enjoy this benefit. However this benefit is for a disability of 20% and above only.

28. Members with a disability which is less than 20% will not be entitled to this benefit. Members who are being invalided out because they have refused alternate employment offered by IAF ie change of branch; will not be entitled to this benefit. Members invalided out of service due to Alcoholism, Drug addiction, Self-inflicted injuries, Disability arising out of attempted suicide, Disability arising out of an intentional act resulting in criminal conviction will not be eligible for this benefit. In addition if a member is invalided out within one year of enrollment and

the disability is not attributable to service, the member will not be eligible for this benefit. Members who are having disability but are going out on superannuation or premature release through a release medical board (RMB) are not eligible for this benefit. This benefit is only for a forced exit out of service due to invalidation, on recommendations of an invalid medical board (IMB).

### **Subsidy to a Widow for Procuring a Dwelling Unit**

29. The widow of an officer /Airman & NCs(E) could be eligible for a subsidy of Rs three lac and Rs 2 lac respectively subject to following eligibility conditions:-

(a) The subsidy will be payable to widows of AF personnel killed in an accident while in service and subject to the provision that the widow would actually occupy and live in the dwelling unit.

(b) The widow of the deceased personnel should not be already owning a dwelling unit.

(c) If the AF personal had already purchased a dwelling unit and full payment had not been made, the scheme will cover such cases also.

(d) Acquisition of dwelling unit will be applicable to schemes of AFNHB/AWHO/Civil housing agencies including private builders and for self-construction.

(e) The house can not be sold or let out for 10 years after receipt of subsidy amount. This will also be binding upon legal heirs of widow in case of her demise before 10 years.

### **Interim Payment to Personal Declared Missing**

30. A sum of Rs 2000/- and Rs 1000/- is paid to family of officers and Airmen/NC(E) respectively for a period of nine months from the date of missing or until his /her death is confirmed, whichever is earlier.

### **Financial Assistance to Officers Hospitalised Beyond Six Months**

31. Officers who are hospitalised beyond six months will have 50% reduction in pay and allowances (furlough rates) unless their disease/injury is attributable to/aggravated by service. In cases where the pay and allowances is reduced to furlough rates, a financial assistance of Rs 10000/- PM for a period not exceeding six months during the period of hospitalisation will be paid.

### **Investment Through Fixed Deposits**

32. Air Force personnel who retire and families of AF Personnel who die while in service get substantial benefits. Proper advice on judicious investment of lump sum money is not readily available to retiring personnel/families. The possibility of



**BENEFITS & WELFARE SCHEMES BY KENDRIYA/ RAJYA/  
ZILA SAINIK BOARD**

35. **Kendriya Sainik Board, Rajya Sainik Board, Zila Sainik Board and benefits to ESM.** Welfare of the ex-Servicemen (ESM) and their dependents is the joint responsibility of the Centre and the States/UTs. Like the Kendriya Sainik Board at the Centre, the Rajya and Zila Sainik Boards at the State and District level respectively are advisory bodies in respect of policy formulation with regard to resettlement and welfare of their ex-Servicemen/families. To assist the State Governments in this regard, there are 32 Rajya Sainik Boards in the country. The welfare activities of Zila Sainik Boards will marginally differ from state to state. For full information on benefits extended to ESM by various Rajya/Zila sainik boards please visit DGR site of [www.dgrindia.com](http://www.dgrindia.com). Registration in the nearest Zila Sainik Board is a must for becoming eligible for various state sponsored welfare schemes. Normally benefit to ESM at state level will relate to following issues: -

- (a) Amendment to Rent Control Act
- (b) Cash Grants to Gallantry and Non-Gallantry Award Winners
- (c) Ex Gratia Grant to War-Widows NoK and to Disabled Soldiers
- (d) Exemption of House Tax for Self-Occupation
- (e) Financial Assistance to World War II Veterans
- (f) Re-Employment
- (g) Relaxation in Physical Efficiency Test
- (h) Removal of Domiciliary Reservations at Professional Colleges
- (j) Reservation of Seats Professional Colleges
- (k) Self Employment
- (l) War Jagir Allowance

**Note.** This information is also available on official website of IAF i.e. [www.indianairforce.nic.in](http://www.indianairforce.nic.in) On opening of this site navigate to Ex-Air warrior on top right corner, for the required information.

## CHAPTER-VII

### EX- SERVICEMAN CONTRIBUTORY HEALTH SCHEME (ECHS) (Understanding the system of sick report after retirement)

#### Introduction.

1. In order to provide quality medicare to the retirees of armed forces, the necessity was felt to establish a medicare system which is comprehensive and could provide relief to ex-servicemen similar to the one available for other Central Government employees i.e. CGHS. After due deliberations a comprehensive scheme was launched with effect from 01<sup>st</sup> April 2003 named as ECHS which was authorised by GoI, MoD letter No. 22(i) 01/US/D(Res) dated 30<sup>th</sup> December 2002. The Scheme is financed by Govt of India.

2. With the introduction of ECHS, retired armed forces personnel and their dependents who were earlier entitled for treatment in only service hospitals, are now authorised Medicare facilities not only in service hospitals, but also in those civil/private hospitals which are empanelled with the ECHS. The ECHS is being managed through the existing infrastructure of Armed Forces which includes command and control structure, spare capacity of Service Medical facilities (Hospitals and MI Rooms), procurement organisations for medical and non medical equipment, defence land, buildings etc, which has minimised the administrative cost of the scheme.

3. The ECHS Central Organisation is located at Delhi and functions under the Chiefs of staff committee (COSC) through AG and DGDC&W in Army HQ. The Central organisation is headed by Managing Director, ECHS, a serving Major General. In addition there are 13 Regional Centers of ECHS organisation.

#### Eligibility Conditions

4. The Scheme caters for medical care to all Ex-servicemen (ESM) pensioners including disability and family pensioners and their dependents, which includes wife/husband, legitimate children and wholly dependent parents. To be eligible for membership of ECHS a person must meet following two conditions:-

(a) **Ex-servicemen Status.** The eligibility criteria for the retired defence personnel for status of ex-servicemen are governed by the definition laid down by Department of Personnel and Training, Ministry of HRD, Govt of India. Details of these criteria and definition can be viewed at ECHS web site i.e. [www.indianarmy.nic.in/arechs.htm](http://www.indianarmy.nic.in/arechs.htm).

(b) **Should be Drawing Normal Service /Disability/ Family Pension.**

(i) For the purposes of eligibility for the ECHS, the word “pension” implies any type of pension received from Controller of Defence Accounts (Pension) or its subordinate offices. In case an ESM joins a second career and his pension from the Defence Services Estimates is merged, second pension earned after retirement from the second career is also eligible for these ESM/their widows for seeking ECHS membership, subject to fulfillment of other conditions of eligibility for ECHS membership.

(ii) **Family Pensioner.** Implies the legally wedded spouse of an Armed Forces personnel, whose name figures in the Service Records of the personnel and whose husband/wife has died either while in service or after retirement and is granted family pension. This term also includes a child or children drawing family pension on the death of his/her pension drawing father/mother, as also parents of a deceased bachelor soldier, who are in receipt of family pension. (Authority:- Central Org ECHS letter No B/49701-PR/AG/ECHS dt 26 Mar 07)

(iii) **Emergency Commissioned Officers (ECOs)/Short Service Commissioned Officers (SSCOs).** ECOs and SSCOs who were permanently absorbed in National Cadet Corps as Whole Time Officers (WTOs) after their release from the Armed Forces meeting the twin conditions of being an ex-servicemen and in receipt of pension/family pension/disability pension. (Authority:- Central Org ECHS letter No B/49764/AG/ECHS dt 10 Oct 2003)

(iv) **Indian Coast Guard Pensioners and retired Personnel of Defence Security Corps.** Authority: - Central Org ECHS letter No B/49701-CG/AG/ECHS dt 02 May 08 & letter no B/49701-DSC/AG/ECHSdt 17 Apr 08.

(v) **Service Officers who, prior to completing their pensionable service, joined PSUs.** Officers in this category joined PSUs like Air India, Indian Airlines, Pawan Hans and Shipping Corporation of India, in organisational interest, and Govt had sanctioned pension to these officers on a pro-rata basis. On secondment or transfer to PSUs these officers received their pension either as lump sum or full commutation, or on monthly basis. They would be deemed to comply with the condition of being in receipt of pension from Defence Sources. However a mandatory certificate will have to be endorsed by these ESM in their Affidavit stating that “I certify that I am NOT a member of any other Govt/PSU medical health Scheme”.



### **Eligibility Status for Dependents**

5. The following qualify to be dependents of ESM:-

(a) **Parents.** Father and mother of the pensioner shall be deemed to be dependent if they normally reside with the ESM pensioner, and their combined income from all sources is less than Rs 3500/-pm. If both husband and wife are Defence Personnel, parents of both members are eligible if both pay subscription subject to meeting dependency criteria.

(b) **Spouse.** The following shall be deemed eligible as spouse:-

(i) Legally wedded spouse (More than one spouse and children from the second spouse are not permitted to avail ECHS benefits).

(ii) Name should be included in the record of service.

(iii) Legally separated spouse is included as long as the ESM pensioner is responsible for her maintenance.

(iv) If the spouse is employed in Govt service then he/she can only be a member of any one Govt/Public sector medical benefit Scheme and not be a simultaneous member of two Govt medical Schemes.

(v) If a war widow remarries, then she alone is eligible. Her husband and children from him will not be eligible.

(vi) In case the ESM pensioner marries after retirement, following documents will be required as proof for dependency of wife :-

(aa) Marriage certificate from authorised Registrar of Marriages/ Municipal Committee.

(ab) Fresh ECHS Application Form for enrolling the spouse as a dependent.

(ac) Part II Orders /Gen Form/Personal Occurrence published.

(c) **Daughter(s).**

(i) Her/their details must exist in the service record of the pensioner.

(ii) Unmarried as well as divorced daughter (s) with total income from all sources less than Rs 3500/-per month.

(iii) Widowed daughters who are dependant on the pensioner and whose income from all sources is less than Rs 3500/- per month are entitled.

(iv) In case daughter is born after the pensioner's joining ECHS, following documents will be required to enable the child to be declared as a dependant and to become entitled to ECHS benefits :-

(aa) Birth Certificate.

(ab) Fresh ECHS Application Form to enroll her as a dependant.

(ac) Part II Orders/Gen Forms/Personal Occurrence are required to be published stating birth of the child or an Affidavit by the widow in case the ESM pensioner could not get Part II Orders published for birth of his children.

(d) **Son(s).**

(i) His/their details must be included in the pensioners Record of Service.

(ii) His total income from all sources should not exceed Rs 3500/-pm. Son(s) above 25 years of age are not eligible to be dependent(s) in ECHS.

(iii) In case where the son(s) is/are born after the pensioner's joining the ECHS, the following documents will be required as proof of dependency:-

(aa) Birth Certificate.

(ab) Fresh ECHS Application Form to enroll him as a dependant.

(ac) Part II Orders/Gen Forms/Personal Occurrence stating birth of the child or an Affidavit by the widow in case the ESM pensioner could not get Part II Orders published for birth of his children.

(e) **Children with permanent disability.** Children suffering from permanent physical or mental disability and are unable to earn their livelihood are permitted to be dependents for life time, irrespective of age limit or medical condition. The certificate of disability is to be certified, by either the Service Classified Specialist or a Civil Surgeon. (Auth ; Central Org ECHS letter No B/49701-PR/AG/ECHS dt 05 Apr 2007

(f) **Conditions for continuance of eligibility.** In case an ESM pensioner (male/female) has declared his/her parents as dependants, they shall continue to receive ECHS benefits for their life time, subject only to the condition that their joint income from all sources does not exceed Rs 3500/-pm from all sources. In the event of the male pensioner's death, the widow shall be covered as she will start drawing family pension but, her parents will NOT become eligible as dependants. However, parents of the deceased pensioner, if already enrolled as dependants, would continue to enjoy benefits of the ECHS in the event of death of the ESM pensioner, and provided their joint income from all sources does not exceed Rs 3500\ - pm +DR.

### **Persons Who are Not Eligible.**

6. The following are NOT eligible for becoming members of ECHS: -
- (a) Whole time NCC officers who do not meet the twin conditions referred to under Para 4(a) & (b) of this chapter.
  - (b) Ex-ECOs/SSCOs who do not meet twin conditions referred to at para 4(a) & (b) of this part.
  - (c) Legally divorced spouse.
  - (d) Married and/ or employed daughters/and any child whose total monthly income from all sources is more than Rs 3500/-.
  - (e) Son(s) above 25 years of age or who have starting earning which ever is earlier.
  - (f) Parents of widow/war widow.
  - (g) Husband of a remarried war widow including children born from him.
  - (h) Gorkha Pensioners of Nepal Domicile.

### **How to Become an ECHS Member?**

7. (a) **Pre 01 Apr 2003 retirees.** The ESM who retired on or before 31 March 2003 are entitled for Fixed medical allowance (FMA) per month as authorized in their PPO. However, they may opt to become an ECHS member after which they would cease to be entitled for FMA by and will have to fulfill the following:-
- (i) Computerised application form available at nearest Station HQs of Army/Navy/Air force or downloaded from internet website [www.indianarmy.nic.in/arechs.html](http://www.indianarmy.nic.in/arechs.html).

(ii) Pensioners will have to personally report to their nearest Station HQs with the completed application form, along with original/photocopy of the following documents:-

(aa) Pension Payment Order (PPO), copy duly attested by Bank/Treasury from where pension is being drawn. Pre-1986 pensioners may submit copy of pension book showing rate of pension.

(ab) DPDO/Banker Certificate.

(ac) Discharge book or Certificate/Dependent Identity cards (issued for Naval Officers)/Personnel Occurrence Report.

(ad) Two copies (in original) of the Military Receivable Order (MRO) as proof of deposit of contribution, if not exempted from payment of ECHS contribution.

(ae) Affidavit duly notarised.

(af) Demand Draft for Smart Cards.

(iii) Membership will commence from the date of receipt of correctly filled application form at Stn HQ. A receipt will be given to the individual.

(b) **Post 01 Apr 2003 retirees.** The ECHS membership is compulsory for personnel who retired after 01 Apr 2003, the contribution for which is being deducted by the Pension Paying Authorities. All documents along with application form will also be submitted by such retirees to their record office. The membership will begin from the date when his correctly filled application along with all requisite documents is accepted at Stn HQ or from the date of retirement of new retirees provided his application is accepted by Record Office.

### **Smart Cards**

8. The Smart Card containing various details both in physical as well as digital form in a chip is being issued to all members as a proof of membership of the scheme. After issuance, the card needs to be activated by giving thumb impression at any polyclinic, preferably parent polyclinic. The information can be accessed at all polyclinic.

(a) **Quantity.** Normally, a total of four cards (one master and three additional cards) can be issued to a single member. Dependent parents will be included in the Master Card and no separate add on card will be issued since they normally reside with the ESM. Additionally, a mentally/physically challenged child will be issued with a white card for life dependency once eligibility is ascertained.

(b) **Cost.** The cost of each card is Rs. 135/- and is to be borne by the member.

(c) **Amendment to Card.** In case of any incorrect entry in the smart card, it should be brought to the notice of the issuing authority within seven days from the receipt of the card to get a free replacement. However, any amendment at a later stage to the Card desired by the member will require a new card to be made on approval of ECHS organisation, the cost which is to be borne by member.

(d) **Loss of Card.** In case of loss of card, member is to apply for issue of duplicate cards along with an affidavit and the cost of new cards will be borne by the member. However, for issue of new smart card due to any reason, a fresh application form along with relevant document need to be submitted.

(e) **Contribution.** The contribution for ECHS is mandatory w.e.f. 01 April 2003 and is recovered through PPO at the time of retirement. However a large number of pre-2003 pensioners who had the option to choose between joining ECHS or drawing a Fixed Medical Allowance of RS100/-PM opted for Fixed Medical Allowance per month (now Rs300/-PM w.e.f. 01-09-2008). Many of them now feel that it was a wrong decision and want to join ECHS. However, they are not clear about the rates and the procedure of joining ECHS. Firstly, medical expenses are bound to increase with advancement in age, therefore, it makes a lot of sense to join ECHS and forgo the Fixed Medical Allowance. Pre-Apr 2003 pensioners, who wish to join ECHS, should contact ECHS Regional Centre / nearest Military Base for advice. In addition they can go on ECHS official Website i.e. [www.indianarmy.nic.in/arechs.htm](http://www.indianarmy.nic.in/arechs.htm). The revised rate of subscription for pre-Apr 2003 pensioners is as follows: -

(i) **ESM who Retired prior to 01 Jan 1996.** Those pensioners who wish to join the ECHS do not have to pay any subscription as per the prevailing Gol Orders.

(ii) **ESM who Retired between 01 Jan 1996 to 31 Mar 2004.** Though the scheme was made compulsory w.e.f. 01 Apr 2003, the money from PPO was deducted from 01 Apr 2004. Those pensioners who have retired between 01 Jan 1996 to 31 Mar 2004 and now want to take ECHS membership (on or after 01 Jun 2009) will have to pay the revised rates of subscription effective from 01 Jun 2009 i.e.

<b>Grade Pay corresponding to last rank</b>	<b>Contribution (in rupees)</b>
Rs. 1800/-, Rs. 1900/-, Rs. 2000/-, Rs. 2400/-, and Rs. 2800/-	: 15,000/-
Rs. 4200/-	: 27,000/-
Rs. 4600/-, Rs. 4800/-, Rs. 5400/-, and Rs. 6600/-	: 39,000/-
Rs. 7600/- and above	: 60,000/-

(f) **Exemption from Contribution.** Following are exempted from payment of ECHS contribution:-

(aa) War widows and NOKs of deceased soldier who are in receipt of 'Liberalised Family Pension'

(ab) War disabled soldiers.

(g) **Parent Polyclinic.** The nearest ECHS polyclinic is the first contact point for availing treatment for ECHS member and their dependents. Every member will be allotted a parent polyclinic, one nearest to his permanent/temporary residence, irrespective of parent polyclinic a member can take treatment at any polyclinic in India. If required a member can be given referral to hospital by any polyclinic as per referral policy. However, member can be issued with only seven days medicines at a time from non parent polyclinic unless he carries a Temporary Attachment Certificate (TAC). The validity of TAC is for six months at a time.

(h) **How to change parent polyclinic.** The Parent polyclinic can be changed, if required, by submitting the following documents to nearest Stn HQs :-

(i) An application on plain paper containing the details of old ECHS Regn No., old address, old parent polyclinic, new address and new parent polyclinic.

(ii) An undertaking on a separate plain paper stating that no information has been concealed or suppressed and any false information submitted will make him liable for termination of his ECHS membership.

(iii) Proof of new address (electricity/telephone/water bills or RWA certificate etc.)

(iv) A fresh ECHS application form with relevant columns filled and super scribed "CHANGE OF ADDRESS" and "CHANGE OF PARENT POLYCLINIC".

(v) Old cards duly defaced.

(vi) Demand draft issued in favour of concerned Regional Centre @ Rs 135/- per card.

## **How to Get Normal and Emergency Treatment**

9. The nearest ECHS polyclinic is the first contact point for availing treatment for ECHS member and their dependents. Doctors at polyclinics will provide required out-patients treatment and medicines. In case further treatment or investigations are required, polyclinic will refer patient to any of the service/civil empanelled hospitals or diagnostic centers.

10. Initially, the patient will be referred to the local service hospital in the station (where available) subject to availability of required specialty/facility. In case of non-availability of facility or bed space at local service hospital, the patient can be referred to the desired empanelled hospital/diagnostic Centre as per his/her choice. Once referral to empanelled facility is recommended, the ECHS member will have the right to make the selection of desired empanelled hospital in the station.

11. On completion of treatment in empanelled hospital, the patient is to sign the bills raised by the hospital so that treatment charged for, is confirmed to have been provided.

12. **Payment to empanelled hospitals.** ECHS Members are NOT required to pay to empanelled hospitals. **Payment made, if any, is not reimbursable.** Payment for empanelled facilities is directly made by local Station HQ on behalf of ECHS at the agreed rates for treatment provided or diagnostic tests carried out on ECHS members on referral. Certain facilities like telephone, television, transport, food/catering (except in certain specified cases) are not entitled and charges for these, if availed, have to be borne by the patient. Also, certain medical procedures require prior approval as per laid down guidelines. Request for such prior approvals will be initiated by the empanelled hospital on a specified form, which the hospital is required to submit to the concerned SEMO. Once approved, the expenditure incurred on the particular medical procedure will be borne by ECHS. Unapproved medical procedures, if carried out, are not liable to be paid by ECHS. In case any charges are levied by empanelled hospital without the patient's consent, Polyclinic/SEMO/Stn HQs are required to be informed for taking necessary action. The list of all empanelled hospitals in india is given on ECHS website [www.indianarmy.nic.in/arechs.htm](http://www.indianarmy.nic.in/arechs.htm)

13. **Emergency Treatment.** Treatment in case of emergency can be availed by adopting following procedure:-

(a) **Service Hospital.** Free treatment is provided hence no action is required.

(b) **Empanelled Hospitals.** Nearest ECHS polyclinic is to be informed regarding admission by the hospital within 48 hr (two working days). After verification of emergency, referral is generated by the polyclinic for the hospital and treatment is provided by the empanelled hospital. Members are not to make any payment. However if emergency is not established, members are to bear the expenditure.

(c) **Non-Empanelled Hospitals**. Nearest polyclinic is to be informed by the member/patient/NOK within 48 hours (two working days). After verification, an 'Emergency Information Report' (EIR) is initiated by the OIC polyclinic. Hospital bills are to be cleared by the member. In case of emergency in a station other than home station of the ECHS beneficiary, the EIR is to be obtained from the nearest polyclinic. In case of emergency in a station without any polyclinic, the nearest polyclinic should be informed by telephone/fax/telegram. Proof of such intimation should be attached with the claim. Claim for re-imburement along with original bills and investigation reports, bill summary, discharge summary, photocopy of ECHS smart card. Emergency Certificate by the Hospital/treating doctor and the EIR should be submitted along with a written application by the member to the OIC polyclinic explaining circumstances of emergency (briefly) and with a request to process the claim. All bills of treatment will be submitted to parent polyclinic within one month of termination of hospitalization. Onus of proving emergency lies with the ECHS member. Reimbursement will be admitted at approved rates and subject to conditions.

14. **Conditions of Emergency**. The ECHS is designed to provide treatment at authorized hospitals on referral basis, which makes it a cashless as far as possible. However, under the following circumstances which are unavoidable due to absolute emergency reimbursement is permitted:-

- (a) Acute Cardiac conditions/syndromes.
- (b) Vascular catastrophes.
- (c) Cerebra-Vascular accidents.
- (d) Acute abdominal pain.
- (e) Acute respiratory emergencies.
- (f) Life threatening injuries.
- (g) Acute poisonings and snake bite.
- (h) Acute endocrine emergencies.
- (j) Heat stroke and cold injuries of life threatening nature.
- (k) Acute renal failure.
- (l) Severe infections leading to life threatening situations.
- (m) Any other condition in which delay could result in loss of life or limb.

15. **Issue of Medicines**. Members/dependents are to visit polyclinics and register themselves for issue of any kind of medicine, which will be issued for duration as prescribed by the treating doctors. Medicine issues will be on the basis of Generic names only. Branded medicine may be issued on non availability of generic equivalent in the existing list of PVMS and NIV drugs only. This list contains all the essential drugs, as approved by the DGAFMS, and is updated periodically. Super-specialty medicines may take sometime for procurement.



16. On prescription of doctor, medicines may be issued for a maximum period of 90 days at a time for patients with chronic diseases on long term treatment and review of the patient during the period is not due. However, medicines issued from any polyclinic other than "Parent Polyclinic" will be restricted to a max of 07 days at a time, unless Temporary Attachment Certificate is carried.

17. For patient's admitted/advised treatment in Service Hospital, medicines for up to one month will be issued from the Service Hospital concerned on discharge. However, for long term medications, patient will get medicines for use beyond one month period from his/her parent polyclinic. For this, the patient should put in a demand (beyond one month) with his Parent Polyclinic at the earliest.

18. Medicines prescribed on discharge from empanelled hospitals will be issued from Polyclinic. However, if the same is not available, the following action will be taken:-

(a) In Non Military Station OIC Polyclinic will arrange procurement through SEMO and issue at the earliest.

(b) In Non Military Stations, the OIC Polyclinic can procure essential medicine requirement for 07 days at a time from an empanelled chemist and issue to the patient. Vitamins, minerals, nutritional supplements and Tonics will NOT to be purchased from Empanelled Chemist unless Therapeutically prescribed.

(c) In following cases patients can purchase medicines for one month period after discharge from hospital/review if the same is 'Not Available' from Polyclinic, and claim reimbursement of the same:-

(i) Post-operative cases of major Cardiac Surgery/Interventional Cardiology.

(ii) Oncology.

(iii) Post-operative organ transplant cases.

(iv) Post-operative joint replacement cases.

(v) Post-operative major Neurosurgical/Neurology cases.

19. **Equipment For Home Use.** Specified medical equipment have been authorised by the Govt to be issued to the ECHS members for home use, under laid down conditions, which will be issued to the member when use of such equipment at home is considered absolutely essential on medical grounds, on recommendations of the Service Specialist and approval of Senior Advisor and / or Consultant of the concerned specialty as applicable. The equipment will be procured through a special demand by the OIC polyclinic. Consumables on the equipment will be issued under arrangements of OIC Polyclinic. Cost of repair and

annual maintenance contracts will be borne by the members themselves and will not be reimbursable. Following equipment are authorised:-

- (a) Hearing Aids.
- (b) Artificial Limbs/Appliances.
- (c) Glucometers and Nebulisers.
- (d) CIPAP/BIPAP Machines.
- (e) Spectacles (For post conventional cataract surgery cases only).

### **Referral Procedure**

20. **Treatment at Polyclinics.** Polyclinics are basically points of treatment and those patients needing additional diagnostic test/consultation/hospitalization may be referred beyond the ECHS polyclinic. However, it will be done only when all the facility available at a polyclinic are fully utilized.

21. **Referral for General Service Facilities.** Referral for general specialties not available in polyclinic will be made to a service hospital having the requisite facilities and located in the station subject to the load at the time of the referral. However, for facilities not available in service hospitals and in non-military stations, patients may be offered the choice of being referred to an Empanelled facility/Govt Hospital/Institute of National Repute or to the nearest Service Hospital having the facility.

22. **Referral for Specialised Services.** Referral for super specialties (like cardiology, Oncology etc) can only be made by a Specialist at the polyclinic or on the advice of concerned specialist of Service Hospital, subject to load, or concerned specialist of Local Govt Hospital or concerned specialist of empanelled hospital (in the absence of service hospital/facility).

23. **Hospital Admission.** All cases requiring hospital admissions will be referred to Service Hospitals except under the following circumstances:-

- (a) Non availability of beds in the concerned ward of service hospital, at that point of time.
- (b) Non availability of concerned Specialist facility in the service hospital at that point of time.
- (c) Non availability of machine time/laboratory time or referral on account of diagnostic tests.
- (d) In Non-Military stations.
- (d) In Military Stations without Service Hospitals.

## **Other Issues**

24. **Travelling Allowance.** When referred to a medical facility in other station, patients are entitled to return journey rail fare for intercity move for treatment. The attendants, if authorized to move along with patient in the referral sheet, would also be entitled for return rail fare in entitled class which will be same as entitled immediately before retirement of the member. The reimbursement will be made only on production of original rail/public bus tickets and will be limited to authorized rail fare or actual expenditure, whichever is less. Travel by private car/taxi or by civil air is not authorized.

25. **Use of Ambulance.** On recommendations of Medical Officer, ambulance is available at the Polyclinics for transportation of patients from ECHS Polyclinic to Service/Empanelled Hospital where referred. Such use will ordinarily be restricted to within municipal limits of town/city except when the nearest Service Hospital is outside the city/station limits. In such cases the ambulance may be utilised provided the Medical Officer-in-charge considers that conveyance, by other means will be detrimental to the health of the patient. The Officer-in-Charge Polyclinic, in consultation with Medical Officer-in-Charge Polyclinic may prioritize the use of Ambulance in a particular situation when more than one patient needs to be evacuated/transferred. More than one patient may be transferred at the same time as per the situation, keeping in mind the essentiality of use and health of the patients.

26. **Treatment of Senior Citizens.** Patients above 75 years of age in case of males and 70 years in case of females will be given priority for registration, treatment and issue of medicines in the ECHS Polyclinics. They would be attended out of turn.

27. **ECHS Membership to Nepal Domiciled Gorkhas (NDG).** The proposal to extend the Ex-servicemen Contributory Health Scheme facilities to Nepal Domiciled Ex-Servicemen has been approved by the Government. However, the NDG veterans will have to visit polyclinics and empanelled hospitals located in India to avail the Ex-servicemen Contributory Health Scheme benefits.

28. **Tele Nos. of Regional Centers (RC) of ECHS.** The list of regional centers along with contact nos. are appended below:-

	<b><u>Regional Centres (RC) of ECHS</u></b>	<b><u>Tele number</u></b>
(a)	RC Jammu	0191-2433139
(b)	RC Chandimandir	0172-2589400
(c)	RC Delhi Cantt	011-25682657
(d)	RC Jaipur	0141-2249159
(e)	RC Lucknow	0522-2482745
(f)	RC Jabalpur	0761-2608177

(g)	RC Pune	020-26334257
(h)	RC Patna	06115-225955
(j)	RC Hyderabad	040-27797932
(k)	RC Chennai	044-25673092
(l)	RC Kochi	0484-2373394
(m)	RC Kolkata	033-22318988
(n)	RC Guwahati	0361-2642727

29. **ECHS Helpline.** In order to resolve the medical care related queries of its 36 Lakh members, spread across the country, an endeavor is being made to resolve the medical care related queries, through a phone call. The ECHS runs a 24X7 helpline, which will provide simplified solutions to veterans on health care issues. This will ensure that our veterans receive an optimum level of medical service, with better connectivity to health scheme services, from any part of the country. The helpline number 080-43004300 is being run by Health Care Info Exchange, a total health care service provider.

30. **List of Empanelled hospitals.** The list of hospitals empanelled with ECHS is available on ECHS site [www.indianarmy.nic.in/arechs.htm](http://www.indianarmy.nic.in/arechs.htm). To get ECHS site through Google type ECHS Army on Google. The first site opening will be the official ECHS site.

### **Must Know Points**

31. Certain important aspects of ECHS must be known to all defence pensioners eligible for ECHS. These are as summarized below:-

- (a) Smart Card will be issued on production of original receipt of Application Form.
- (b) Validity of receipt is for 60 days only. In case of non receipt of Smart Card validity can be further extended by 15 days at Stn HQ and another 15 days by the concerned Regional Centre.
- (c) The member and bonafide dependents should activate Smart Card at any convenient Polyclinic on receipt by giving thumb impression at the earliest.
- (d) Any false declaration/misuse of benefits will entail cancellation of membership. Central Organisation, ECHS will be the final authority for cancellation of membership.
- (e) Ensure safe custody of Smart Card. Do not put in a polythene jacket.

(f) To avail treatment facilities, the ECHS member or his/her dependent is required to go to the ECHS Polyclinic with the Membership Card.

(g) In case further treatment or investigations are required, the polyclinic doctors will refer the patient to Service Hospital/Lab/Dental Centre or Empanelled civil facility.

(h) In Military Stations patients will be referred to Service Hospitals only. Referrals to empanelled civil medical facilities will only be provided if Service Hospitals do not have capacity to treat cases.

(j) A list of Empanelled Hospitals/Nursing Homes, Diagnostic Centers and Dental Clinics/Centres will be available in the Polyclinics for the guidance of patients. The patient will be required to report to the empanelled facility of his choice along with his ECHS membership card and referral form from ECHS Polyclinic. On completion of treatment/diagnostic procedure, he is not required to make any payment. Bill will be cleared by ECHS.

(k) In an emergency situation, the ECHS member may not be able to follow the normal referral procedure. He can report to the nearest/most convenient Hospital, preferably a Service Hospital or an Empanelled Hospital. In such cases, no payment is required to be made, and the bill of Empanelled Hospital will be cleared by ECHS. In case a member goes to a non-empanelled hospital he has to pay the bill and submit a claim for reimbursement to the ECHS Polyclinic subsequently. In all cases of emergency admissions, the **nearest ECHS Polyclinic must be informed within 48 hrs of admission**. The reimbursement will be limited to approved CGHS rates.

(l) In case of any incorrect entry in the Smart Card, it should be brought to the notice of the issuing authority within 07 days from the receipt of Card. If brought out later Card will not be replaced free of cost.

(m) In case of any complaint/difficulty in availing medical facilities at ECHS Polyclinic, please liaise/refer your correspondence (brief and to the point) to the Stn Cdr/Stn HQ in whose jurisdiction the polyclinic is functioning.

(n) On receipt please activate your card as soon as possible at the polyclinic.

### **Dos and Don'ts**

32. Certain other important aspects of ECHS must also be known to all Defence pensioners eligible for ECHS. These are as summarized below as DOs and DON'Ts:-

- (a) Carry your ECHS Smart card/ECHS registration slip and identification documents when visiting ECHS clinics.
- (b) Avail all diagnostic and therapeutic facilities in the polyclinic.
- (c) Exercise the option of being referred to empanelled facility of your choice in your station but only when referral is advised by polyclinic.
- (d) Carry your referral form and ECHS smart card/ ECHS registration slip to the empanelled facility.
- (e) Try to use a Service / Empanelled hospital in an emergency as then no spot payment would be required to be made. Otherwise in a non empanelled hospital, the payment would first have to be made for emergency treatment at normal rates and subsequently claim gets reduced refund as per ECHS contract rates.
- (f) Inform your polyclinic within 48 hours when admitted directly to empanelled/non empanelled hospital in an emergency.
- (g) Allow some time to the polyclinic to procure super speciality drugs prescribed for you, if not readily available.
- (h) Do not insist on referral for facilities available in the polyclinic. It is not authorised.
- (j) Do not insist on a particular brand name of drug from polyclinic. You may be issued with different brand but with same pharmacological composition.
- (k) Do not purchase drugs yourself and ask for reimbursement. It is not authorised.
- (k) Do not pay bills in empanelled hospitals. ECHS will clear your bills.
- (l) Do not accept sub- standard treatment at empanelled hospitals. Report to your polyclinic.

## **CHAPTER-VIII**

### **BRIEFING FOR SERVING OFFICERS WHO ARE PROCEEDING ON SUPERANNUATION/PREMATURE RETIREMENT/INVALIDATION**

#### **Introduction**

1. Every officer who is proceeding on superannuation or premature retirement has a stake in understanding the system through which his Pension payment order & other Non Effective (NE) benefits will come out. The officer must not only complete his part of paperwork in time but also must monitor and ensure that the paperwork required from the station/unit is also dispatched in time. In addition the officers proceeding on retirement must ensure that they attend the final clearance and briefing at Dte of PP&R Air HQ (RKP). Attending this briefing will not only prove educative and beneficial but it will also help you in completing your paper action correctly. This finally will result in timely release of your pension and other retirement benefits by the office of Deputy Controller of Defence Accounts (DCDA) Subroto Park.

2. This chapter contains explanation about the entire spectrum of pension processing, role of audit in release of Pension and other NE benefits, role and importance of various other agencies in pension processing and the common mistakes which are made by officers proceeding on retirement. The chapter also contains guidelines to avoid roadblocks which if not handled correctly can result in avoidable delays in release of pension.

#### **Pension & other Non Effective Benefits Due to an Officer & the Expected Timeframes**

3. The non effective benefits (including Pension) are as follows:-

- (a) Commutation of Pension
- (b) Gratuity
- (c) Monthly pension
- (d) Leave Encashment
- (e) IRLA (Individual Running Ledger Account) balance
- (f) Survival benefit AFGIS
- (g) DSOP Balance

4. Commutation, Gratuity and Monthly pension will be released through a pension payment order (PPO). The PPO is issued by the Pension Sanctioning Authority of IAF i.e. office of DCDA, Subroto Park New Delhi after successful completion of Audit. If there are no major objections the PPO is normally issued

about a month before retirement for superannuation cases and within 5-6 months after retirement for premature retirement cases. The commutation and gratuity money can be claimed from the bank on the next day of retirement however the first monthly pension can be claimed after one month of retirement.

5. Leave encashment is one of the attractive NE benefits. 90% of leave encashment will be paid by AFCAO within about one month of retirement for superannuation cases and 3-4 months for premature cases. The balance 10% of LE along with the left over balance of IRLA balance (credit due to increase in DA etc) will be paid within 3-4 months of the 90% payment. LE and IRLA balance will be paid only after completion of successful audit by the office of DCDA, Subroto Park New Delhi.

6. AFGIS will pay the survival element of insurance scheme with a postdated check about a week before retirement. The check is valid from the next day of retirement. AFGIS will make net payment after deducting its outstanding loans/advances. However if an officer wants to continue with his loan after retirement he must request AFGIS for the same and comply with their terms and conditions for continuation of loan.

7. DSOP balance is paid through a postdated check valid from the next day of retirement by the last unit for superannuation cases. For premature cases the money will be paid by AFCAO after successful completion of audit. The money will be paid by AFCAO directly into the bank account of the officer. The process could take up to three months after premature retirement.

**Note.** For officers who are invalided out the time lines could be one to two months extra in comparison to premature retirement cases. The actual time line will largely depend on speedy completion of paper work by the officer and his unit after his invalidation.

### **Sequence of Activity and Expected Time Lines**

8. Dte of PO issues orders for superannuation one year before retirement. With the issuance of this order a series of activities are triggered at the level of the officer, his last unit & station, at AFCAO, AFGIS, IAFBA, Dte of PP&R, PO & Medical directorates at Air HQ. Thus the action to process the case for Pension & NE benefits starts one year before superannuation. However for premature retirement this process of one year has been compressed into 5-6 months. Accordingly an undertaking is taken from officers applying for premature retirement that they will not represent for any NE benefit till 05 months after retirement. Thus most of the activity related to premature retirement starts after the actual retirement of the officers and issue of NE POR by the last unit. The Sequence of activity and related timelines are as given below:-



**TIMELINES FOR ISSUE OF PENSION PAYMENT ORDER**

**ISSUE OF RETIREMENT ORDER**  
**(BY DTE OF PO 12 MONTHS IN ADVANCE OF DOR)**



**(D-11)**

**DESPATCH OF BLANK PENSION FORM**  
**TO THE OFFICER/UNIT**  
**SUBMIT DRAFT COS TO PO DTE**



**(D-8)**

**CONDUCT RMB AT UNIT**



**(D-7)**

**ISSUE OF CERTIFICATE OF SERVICE**  
**(By Dte of PO on receipt of draft COS**  
**By the officers)**

**(D-6/7)**

**SUBMISSION OF PENSION PAPERS & ECHS APPLICATION**  
**(By Officers/Stn Adjnt)**



**(D-5/6)**

**DESPATCH OF LPC-CUM-DATA SHEET TO AFCAO, PENSION PAPER TO JCDA (AF)**  
**ECHS FORM TO CENTRAL ECHS ORGANISATION**  
**(By DTE OF PP&R)**



**(D-4)**

**ISSUE OF 10 MONTH AVERAGE PAY CERTIFICATE**  
**{By AFCAO (OPS – III)}**



**(D-1)**

**ISSUE OF PENSION PAYMENT ORDER**  
**{By Dy CDA (AF) One Month Advance Of DOR}**

## **Timeline for Completing Important Activities Before retirement and Common Mistakes in the Process**

9. **Issuance of Retirement Order by PO Dte.** Normally this is always done in time. However there is one case where issuance of a medical officer's retirement order was missed out by the system and the officer chose to keep quiet. The mistake was eventually discovered and he retired with four months additional service beyond his retirement age. There after his pension processing got stuck in serious audit objections, he was asked to refund additional four months of pay and allowances. His overstay was required to be regularized by the Govt. The whole process took time and the pension was delayed by over two years. Moral of the story, a mistake by the organization doesn't increase your retirement age. If due for retirement and there is unusual delay in issue of retirement orders, then you must draw the attention of relevant agency at Command HQ/ Air HQ.

10. **Dispatch of Blank Pension Forms & ECHS Forms from Dte of PP&R Air HQ to Officer/Unit.** Normally this is done automatically and should not be an issue. However if there is undue delay due to any reason (transit loss/wrong address etc), then a telephonic/written reminder can be sent to Dte of PP&R with emphasis on address of current unit or address of care taking station, if on course/deputation. **For officers proceeding on premature separation from service** dispatch of blank pension papers and ECHS forms will be done after issuance of release order by PO Dte. Different kinds of forms and photographs are required to be submitted to different agencies, details of these forms are placed at Appendix 'F'. A set of filled pension forms, as a sample, is enclosed as Appendix 'G'. The blank pension forms are also available on IAF net and can be down loaded as per requirement.

11. **Submission of Draft Certificate of Service (COS) & Issue of COS by PO Directorate.** COS is the summary of your service records i.e. personal particulars (S.no. name, DOB, Sub Rank etc) , date of commission & retirement , type of commission, qualifying service , date of marriage and details of family i.e name of wife and children with date of birth. COS is required for audit of pension claims and other NE benefits. A draft COS is to be sent by the officer to Dte of PO. Based on this draft COS and service records, a COS is issued by PO Dte. Audit will look for the details filled in your pension papers and compare it with details in COS, Air force list and as available in IRLA during IRLA audit. Any discrepancy will result in audit objection. Some of the common mistakes related to draft/ actual COS are as follows:-

- (a) **Wrong Name of Self.** There are cases where officers own name could be written wrongly vis-à-vis its spelling or sequencing of various words in the name. It is desirable that an officer checks his name as given in Air Force list. Audit will compare COS, Air Force list and the pension papers. Any discrepancy will result in audit objection.

(b) **Wrong Name or Wrong Date of Birth of Wife.** There are a large number of cases where retired officers are contacting Dte of PP&R for change in name/date of birth of wife as a result of carelessness while filling papers at the time of retirement. The wife will not get her family pension unless what she claims to be her name is same as what is jointly notified in the PPO. If there is difference in these two names, then the bank will not release her family pension after death of husband. Many widows undergo this frustrating experience because of mistake in spelling / surname etc. Similarly additional pension after 80 years of age depends on correct annotation of date of birth in the PPO.

(c) **Wrong Name Or Date Of Birth of Children.** Children could be entitled to certain defence quota concessions in admission, employment etc. Thus, what is written in draft certificate of service and actual COS should be same as written in class X Board certificate. Any discrepancy will deprive the child of defence quota. Similarly, in case of death of both parents children are entitled to Family pension upto 25 years of age. They could also be entitled for family pension beyond 25 years of age in future, if they come in the category of unmarried /divorced /widowed daughter or a handicapped child. This could get blocked by the bank if the name or date of birth of the child is not correct in the COS or the pension papers.

(d) **No Mention of Gallantry Awards.** Gallantry awards carry monthly monetary allowance through PPO. They also provide exemption from income tax. The audit will annotate this monetary allowance in PPO provided the gallantry award is mentioned by Dte of PO in COS. Therefore officers in receipt of Gallantry awards must check the annotation of Gallantry awards in their COS.

(e) **No Mention of Gazette Notification Number.** Every promotion of an officer is approved by Govt through Gazette notification. The Gazette notification number of last rank held must be mentioned in COS. Normally this is done by Dte of PO automatically. However officers must check this aspect in the COS issued by Dte of PO. If Gazette notification number is not mentioned audit will not clear your pension and raise an objection on the pension claim. This can delay your pension. If you don't find your Gazette notification number mentioned in the COS, contact Dte of PO immediately. In addition officers also must check the Air Force list. The rank which is given in the current Air Force list is normally the rank for which gazette notification is available. If you find that you are one rank lower in the Air Force list then you must contact Dte of PO for clarification.

(f) **Counting of Previous Service in Ranks Not Mentioned.** There are a large number of officers corresponding with Dte of PP&R that their previous service in ranks has not been counted for calculating their pension. There are a large number of BC officers/service commissioned officers having previous service in ranks. They must check that their previous service in ranks is reflected correctly in their COS. If past service

is mentioned correctly in COS only then it will be possible for audit to reflect it in pension calculation.

12. **Conduct of RMB at Last Unit.** This is a very important pre requisite for timely release of pension. Regrettably its importance is least understood by the officer or the last unit/station. It has to be understood that issue of PPO for an officer by the office of DCDA Subroto park is the final outcome of two successful audits. The first audit is initiated by Dte of PP&R and relates to the officers service and personal details and involves audit of COS, Pension Papers and Bank details. The second audit is a complete financial audit of IRLA and is initiated by AFCAO. This audit results in issuance of Last Pay Certificate (LPC). Pension flows out of last pay ie 50% of last pay as reflected in LPC. It is in this context that the role of RMB and RME (for A1G1) is to be understood. Unless RMB/RME is available along with load factor of life expectancy, the Office of DCDA will not undertake any of these two audits. Thus a delay in RMB/RME means a delay in commencement of basic audit leading to a delay in release of pension. Officers must ensure that their RMB/RME is completed and dispatched to Command HQ six to seven months before superannuation date. **In case of premature retirement, officers must do it at the earliest.**

13. **Timely Submission of Pension Papers & ECHS Papers.** It is important that filled pension papers are submitted to Dte of PP&R by D-7 i.e. seven months before retirement and ECHS papers can be submitted upto D-5 i.e. five months before retirement Officers proceeding on premature retirement should submit both the papers (pension papers and ECHS application) at the earliest. Early submission gives margins for rectification of any error by the officer. One of the safest ways of ensuring correct filling up of pension papers and ECHS papers is to take these filled documents to the final clearance briefing held at Dte of PP&R Air HQ (RKP). Vetting of pension/ ECHS papers is a part of final clearance SOP at Dte of PP&R. Face to face vetting of these papers at Dte of PP&R will help the officer to understand deficiencies/errors in the papers and rectify the same at the earliest.

#### **Precautions Required While Filling up of Pension and ECHS Papers**

14. **Filling Up of Pension Papers.** In order to ensure smooth passage of pension papers in audit, officers must take following precautions:

(a) Officer should open a joint account with spouse positively in a Nationalised Bank and submit a Bank Certificate duly signed by the Manager of Pension Disbursing Bank containing complete address of its Main/Link Branch along with Pension Papers (Specimen of a bank certificate is forwarded along with pension papers to the Adjt in advance).

(b) Family particulars mentioned in pension papers, should tally with the details forwarded in Draft Certificate of Service forwarded to Dte of PO. Especially if surname has been added in wife's name it should be in both the documents.

(c) Percentage of amount to be commuted has been enhanced from 43% to 50% as per VI CPC and the same is to be written in the Declaration Form and Application for Commutation.

(d) Address of Nominee is also to be written in Nomination Form. Signature of Witness on nomination form is absolutely essential.

(e) Particulars of Spouse form should not be forwarded without attestation of Adjt and without affixing unit seal.

(f) Joint photographs with spouse should be in civil dress and of passport size (5x3 Cm) and it should be attested by Adjt on reverse with an annotation "Joint Photograph of (Rank and Name of officer) and his spouse (Name of spouse)."

(g) All forms should be in triplicate and ink signed (no photo copy of pension papers is accepted by Dy CDA (AF).

**15. Filling Up of ECHS Papers.** In order to ensure smooth scrutiny of ECHS papers in the ECHS Regional Centre Delhi, officers must take following precautions:

(a) Affixing officer's photograph in civil dress. Since it is post retirement identification requirement, the photograph should mandatorily in civil dress with red background.

(b) Generally it is seen that the address filled in the ECHS form is too long. It should be restricted to maximum 60 characters.

(c) Another common error is seen that Black/other colour ink is used while filling ECHS application which is not acceptable. **Only blue ink** is to be used while filling the ECHS Forms. Use of blue ink is a software requirement for printing ECHS cards.

(d) However all the signatures in the ECHS application should be in **black ink** only. Again it is a soft ware requirement.

(e) Demand Draft should be made in favour of "Regional Centre (ECHS) Delhi Cantt" and payable at Delhi Cantt.

(f) A consolidated demand draft @ Rs 135/- per ECHS Card is to be attached.

(g) Signature of the officer should not be left out in the signature column of page 1 (below photograph & in two oval shapes) and page no. 4.

(h) Dependent certificate from adjutant should be enclosed along with application for ECHS Cards by the officer applying for ECHS Cards for dependent parents. This certificate is mandatory.

(j) Disability Certificate issued by Competent Authority is to be attached for the officers applying for ECHS Cards for disabled child. For a disabled child the Smart Card is valid for life. For normal children ECHS smart card is valid till 25 years of age for the son and till date of marriage for daughter. However if both pick up employment before deadline they will become ineligible.

(k) Affidavit submitted along with ECHS application is rejected due to deficiencies. Affidavit is to be prepared as per the specimen given in ECHS application. It must have the signature of two witnesses and is to be attested by Notary Public/Magistrate.

(l) Non submission of receipt for documents page along with ECHS application. The ECHS form has a separate page (along with space for self and family photo) for certifying receipt of ECHS documents. This certification is given by Directorate of PP&R (after annotating registration number of ECHS membership) and sent back to the concerned officer. This certificate will be accepted by MH/Polyclinics for medical treatment through ECHS after retirement till Smart Card is received. It has to be understood that after retirement without this receipt/ smart card medical facility will not be provided.

(m) ECHS application is received in single copy. ECHS application is to be forwarded in triplicate (One original + two photocopies of Page no. 1 to 4).

### **The importance of Attending Final Clearance Briefing at Dte of PP&R, Air HQ (RKP)**

16. Attending briefing on final clearance at Dte of PP&R is strongly recommended for all officers proceeding on superannuation or premature retirement. This briefing is compulsory up to rank of Gp Capt and is voluntary basis for air officers up to the rank of AVM. This briefing not only focuses on the procedure and release of Pension and non-effective benefits but also helps an officer in preparing for his second innings i.e. life beyond the uniform. Following aspects are covered in this briefing:

(a) Understanding the full implications of change over from uniform to civil life.

(b) Understanding the procedure for release of Pension and other NE benefits.

- (c) Understanding the importance of COS. RMB, DGN and Air Force List for successful audit.
- (d) Understanding the role of Dte of PO, AFCAO and Office of DCDA Subroto Park in release of Pension and other NE benefits.
- (e) Important tips on retirement: -
  - (i) Income tax provisions after retirement
  - (ii) Coping with stress and taking care of health
  - (iii) Understanding life cycle and the expected future changes
  - (iv) Money and Retirement
  - (v) Investment strategies after retirement
  - (vi) A talk by financial advisors on post retirement financial planning
- (f) Documents to be preserved after retirement
- (g) Important land marks after retirement
- (h) Legal issues linked with pension
- (j) Conditions under which pension can be stopped /suspended
- (k) Importance of becoming member of Air Force Association
- (l) Understanding ECHS
- (m) Vetting of filled Pension And ECHS papers
- (n) Talk by an officer from AFCAO on IRLA Audit, leave encashment and AFGIS loans, post retirement insurance cover and investment options in AFGIS

17. This briefing has been found to be extremely beneficial and all who attend the final clearance and briefing find it extremely useful and officers proceeding on retirement must ensure to attend this briefing. It is conducted on the first Tuesday and Wednesday of every month at Dte of PP&R and move on Temporary Duty is authorised for this purpose.

### **How Does Bank Release Pension After Receipt of Pension Payment Order (PPO)**

18. **Release of Pensionary Benefits by Banks.** For all officers who are proceeding on retirement, the office of DCDA Subroto Park will issue a PPO after successful completion of Audit. The PPO in original will be addressed to the

controlling branch (link branch) of the bank from where the officer has opted to draw his pension. In addition to PPO, certain parts of pension paper linked with identification of pensioner and his wife will also be sent to the bank. One copy each of the PPO will also be dispatched by the office of DCDA to the individual and Dte PP&R, Air HQ, for their records. The link branch/ Centralised Pension Processing Cell (CPPC) will undertake the vetting and related documentation formalities and intimate the end branch from where the pensioner has opted to draw his /her pension. Thereafter, the end branch or pension paying branch will identify the pensioner and complete certain procedural formalities like, submission of life certificate, undertaking for refund in case of excess payment by bank etc. Once these formalities are completed the end bank (pension paying bank) will be ready to pay gratuity and commutation on the next day of retirement. The monthly pension will be paid by pension paying bank after one month of retirement. Generally there is a delay in completion of formalities between the link branch and the pension paying branch of the bank. A bit of liaison by the retiring officer can cut down this delay between both the branches of the bank. A sample copy of PPO is placed at Appendix 'H'.

19. **What Happens if PPO Sent by Office of DCDA is Lost in Transit.** This situation may happen when the pensioner is eagerly awaiting the release of his pension. However while the office of DCDA confirms dispatch of PPO to link branch and the concerned link branch of the bank reports non receipt of the PPO. This is a typical situation of loss of PPO in transit. The PPOs are dispatched under insured registered post therefore its loss is rare. However if the link branch does not receive the PPO within one month of dispatch then it should be presumed as lost in transit and action should be initiated to get a duplicate PPO issued by the office of DCDA. The lost PPO has the potential of perpetuating a bank fraud therefore a 'loss certificate' from link branch is a must for release of duplicate PPO by the office of DCDA. The loss certificate is in a particular format about which the banks are aware of. If in doubt Dte of PPR can be asked for this format on e-mail. The loss certificate issued by the Manager of link bank basically states that an annotation of the loss of PPO has been made in the bank records and if the PPO is found again and produced to the bank; no payment on it will be released by the bank. This loss certificate in original should be sent to the office of DCDA. Another copy of original loss certificate should also be sent to Dte of PPR as a back up and for undertaking liaison with DCDA for early issuance of duplicate PPO. DCDA will only issue a duplicate PPO for use by the link bank. DCDA will not issue duplicate PPO to the officer in case there is loss of individual's copy of PPO.

### **Procedure for payment of Leave Encashment, IRLA Balance, DSOP and Survival Benefit of AFGIS insurance**

20. The procedure for payment of other non-effective benefits as mentioned above is primarily AFCAO driven. A compressed brief on the subject, in presentation format, is enclosed as Appendix 'J'.



### **Useful Information for Officers Proceeding on Retirement**

21. **Requirement of a New CSD Smart Card After Retirement.** The CSD canteen Smart Card you possess while in service will cease to work from the day you retire. You will require a new Smart Card as applicable for retired officers. For this contact your nearest CSD canteen and take advice on the procedures for a new card after retirement.

22. **No Advance Payment of Transfer Grant After Retirement.** While in service, advance is given to the officer which is settled later. But after retirement, no advance payment will be made. An officer proceeding on retirement can opt to move to his hometown or selected place of residence. All his claims including baggage allowance will be pre audited and he will receive payment later. A briefing can be taken on this matter from SAO of last unit.

23. **Membership of Air Force Association (AFA).** The rules of pension keeps changing and improving with time. In order to be current on the rule position and benefit flowing from new rules, it is desirable that officers take membership of AFA at the time of retirement.

24. **Agencies to be Contacted for Various Queries.** For all retired officers Dte of PPR is the single point contact for guidance and advice. Dte of PPR will advise the pensioners regarding the directorate / office to be contacted for solving their query/problem.

- (a) On matters of all kinds of Pension, Gratuity, Commutation & issues related with Bank - Dte of PP&R, Air HQ
- (b) On matters of Leave encashment, IRLA Balance, DSOP & Any claim of wrong Pay Fixation/LPC - AFCAO
- (c) On matters of survival benefit &PRIC - AFGIS
- (d) On matters of any change in last rank, promotion Due but not given, change of name/DOB of wife, child, DGN of last rank, any change in COS - Dte of PO, Air HQ
- (e) On matters of medical board, RMB/RME Recommendations - DGMS (Air), Air HQ
- (f) On all matters related with welfare - DPS, Air HQ

### **Benefits From Kendriya Sainik Board, Rajya Sainik Board & Zila Sainik Board.**

25. Welfare of the ex-Servicemen (ESM) and their dependents is the joint responsibility of the Centre and the States/UTs. Like the Kendriya Sainik Board at the Centre, the Rajya and Zila Sainik Boards at the State and District level

respectively are advisory bodies in respect of policy formulation with regard to resettlement and welfare of their ex-Servicemen/families. To assist the State Governments, there are 32 Rajya Sainik Boards in the country. The welfare activities of Zila Sainik Boards will marginally differ from State to State. For full information on benefits extended to ESM by various Rajya/Zila sainik boards please visit DGR site of [www.dgrindia.com](http://www.dgrindia.com). Registration in the nearest Zila Sainik Board is a must for becoming eligible for various state sponsored welfare schemes. Normally the benefits for ESM at State level will relate to following issues: -

- (a) Amendment to Rent Control Act
- (b) Cash Grants to Gallantry and Non-Gallantry Award Winners
- (c) Ex Gratia Grant to War-Widows NoK and to Disabled Soldiers
- (d) Exemption of House Tax for Self-Occupation
- (e) Financial Assistance to World War II Veterans
- (f) Re-Employment
- (g) Relaxation in Physical Efficiency Test
- (h) Removal of Domiciliary Reservations at Professional Colleges
- (i) Reservation of Seats Professional Colleges
- (k) Self Employment
- (l) War Jangi Allowance

**Note.** The above information is also available on official website of IAF i.e. [www.indianairforce.nic.in](http://www.indianairforce.nic.in). On opening of this site navigate to Ex- Air warrior on top right corner for required information.

### **Employment Opportunities, Information on Placement Cell and Director General Resettlement(DGR)**

27. AOP site on IAF net gives wide publicity to Govt jobs, deputation etc for officers who are seeking retirement. It also has information on placement cell which can give information on job opportunities in private sector. In addition Director General Re settlement (DGR) has a lot of self-employment schemes and training programs which can help in getting employment. Details of what DGR has to offer can be obtained from website of DGR i.e. [www.dgrindia.com](http://www.dgrindia.com)

## **CHAPTER-IX**

### **ADVICE FOR OFFICERS PROCEEDING ON RETIREMENT AND ALSO FOR RETIRED OFFICERS & WIDOWS**

#### **Introduction**

1. In IAF majority of officers will retire as compared to their civilian counterparts. Officers proceeding on premature retirement with pension, could be anywhere between the age of 42 - 54 years. While in service we do get used to a certain military way of life and the secure environment provided by Air Force camp. Thus besides understanding pension related matters, the first challenge after retirement is to prepare oneself for life as a civilian.

2. Inflation is your enemy number one after retirement. The average inflation rate in last 25 years in India is 7.6%. Basically it means that things will be costly by 06 times in next 25 years i.e. for the purchasing power of a Rs 40000/- pension today, a person will require Rs 2.4 lac after 25 years. Considering the improved medical facilities you could live much longer than one thinks i.e. into late 80s, may be longer. Thus it makes sense to think beyond fixed deposits, with a little bit of investment (20-25%) into equity/real estate.

#### **Advice on Investments and Finances**

3. The average amount an officer gets after retirement (gratuity, commutation, leave encashment & AFGIS survival benefit) could vary between Rs. 25 to 40 lacs depending on length of service and the last rank held. Considering the post retirement liabilities, the average amount available for investment for an officer could vary between Rs. 20-35 lacs. Optimisation of retiring benefits involves planning one's investment in a manner which involves capital preservation, protection against erosion of capital due to inflation, steady flow of income throughout one's life, provision for spouse after unfortunate demise and finally leaving a legacy.

4. It is therefore recommended that one should plan the investment on the basis of age, need and risk appetite. While planning for maximum capital preservation one should also ensure some growth portfolio to beat inflation. As far as possible the investments must be tax efficient, should also have liquidity and flexibility. The various investment avenues available to an officer are as follows: -

(a) **Debt Schemes.**

- (i) Post Office fixed deposit schemes
- (ii) Fixed deposits in a Bank
- (iii) Fixed deposit in AFGIS

- (iv) Fixed deposit in a company
- (v) Certain type of mutual funds
- (vi) Pension plans

(b) **Equity Schemes.**

- (i) Shares and ELSS
- (ii) Mutual funds
- (iii) Guaranteed plans
- (iv) ULIPS

(c) Investment in Gold

(d) Investment in property

5. The information given above can also be categorised in a different investment perspective:

(a) **Capital Preservation**

- (i) Public Provident Fund (PPF)
- (ii) Senior citizen Saving Scheme (SCSS)
- (iii) Post office Monthly income Scheme (POMIS)
- (iv) Fixed deposit and company deposit
- (v) Guaranteed Plans

(b) **Growth**

- (i) Mutual Funds
- (ii) ULIP's And Pension Plans
- (iii) Real Estate

(c) **Tax Efficiency**

- (i) PPF
- (ii) ULIPs
- (iii) Insurance Plans

6. The general advice for people proceeding on retirement is to play it safe and go for fixed deposits/ postal deposits/ deposits with AFGIS etc. This is a valid advice because unlike a young individual, the risk taking ability of a person who has retired is quite less. Retired personnel depend on their funds for sustenance therefore it makes sense for them to play safe. However due to long life expectancy the risk of erosion of real purchasing power, of the principle amount invested in fixed deposits, is quite high. The taxation of the interest on fixed deposits reduces the actual interest rate earned on it. Thus many financial advisors advise that in order to protect the purchasing power of principle amount in the long run, a window of risk should be opened for investment in equities/ real estate. This window of risk should however be well planned as per your age and in no case it should exceed 20-25% of your total investments. In addition if you have crossed 72 years of age, it makes a lot of sense for having Zero risk tolerance i.e. only fixed deposits with no exposure to equity.

7. Investments in shares / equity is recommended to be done only through the Mutual Fund route.

8. Some experts suggest that one alternate and simple method of investment into equities is to go for Systematic investment plan (SIP). This is a monthly/quarterly way of investing into mutual funds through the bank. It has a lot of advantages due to law of averages. The expected return from mutual funds through SIP could vary from 10-19% in a 3-5 year period. One must consult a reputed financial advisor to decide on the mutual funds in which money should be invested through SIP route.

9. A chart indicating various investment options and expected post taxation returns is as tabulated: -

NAME	RETURNS	LOCK IN	MAX LIMIT	TAX IMPLICATION	ASSET CLASS	POST TAX RETURN
SCSS	9%	5 YRS +3 YRS	15 LAKH	TAXABLE	DEBT	6.3%
POMIS	8%	6 YEARS	4.5 LAKH	TAXABLE	DEBT	5.97%
PPF	8%	15 YEARS	70000/YEAR	TAX FREE	DEBT	8%
FD	9%	AS PER BANK	NO LIMIT	TAXABLE	DEBT	6.3%
PENSION PLAN	10%	5 YEARS	NO LIMIT	1/3 TAX FREE	DEBT	AS PER TAX SLAB
ULIP	10%	5 YEARS	NO LIMIT	TAX FREE	EQUITY	10%*
MF	18%	3 YEARS	NO LIMIT	TAX FREE	EQUITY	10%*

10. There are many experts who feel that having a second house is a good investment and a protection against inflation. If the house is purchased in a good town/city/metro where the real estate prices have a clear potential for an increase. However the kind of money/ loan which is required for buying a house may not be available with everyone who is retiring. Therefore this is an option for those who have surplus money at the time of retirement. In addition property does not have instant liquidity and the full rent potential / property prices could take 5-10 years to mature. Hence this factor should be kept in mind while investing in property.

### **Important Documents to be Preserved After Retirement.**

11. We keep getting requests from pensioners to send a copy of the PPO in which the name of spouse has been jointly notified. Many times the banks misplace it/ lose it in floods/fire etc and demand the same for releasing family pension. In one's life time, a special folder should be made which should have copies of all important documents related to pension and other issues. It should contain all PPOs including Corr PPOs, certificate of service, post retirement insurance cover papers of AFGIS and gazette notification of gallantry awards. This folder can also have information on all the investments, bank accounts, fixed deposits, debit and credit cards with pin code, ownership papers of house, car, other property and finally the will. All this information will be handy for the spouse and will help her to manage things in a better manner after her husband's death.

### **Procedure for Change in Certificate of Service /PPO**

12. Certificate of Service (CoS) is issued by the Dte of PO, Air HQ. It reflects the official records in terms of name of wife, children, their date of birth etc of the officer as on date of retirement. This information has relevance to family pension of wife, children below 25 years and lifelong pension for handicapped child, unmarried/divorced/widowed daughter.

13. Request for change of CoS pertaining to occurrences while in service due to typographical errors or modification, would be affected by Dte of PO through issue of appropriate amendments after verifying the relevant document available with Dte of PO. Dte of PO will also issue a CoS on revocation of Suspension Order for an officer after favourable Court judgement.

14. However, in case of retired / NE officers involving occurrences for the period after his date of non-effectiveness which affects his pension / family pension, the non effective officer / NOK should approach Dte of PP&R which would verify the supporting documents and issue confirmation to DCDA that a change has been affected in the officer's personal pension file to enable issue of corrigendum PPO by DCDA. The following occurrences (after retirement) can result in a situation where Dte of PP&R will be required to issue confirmation to DCDA: -

- (a) Endorsement of particulars of spouse (Name, Date of Birth etc) on marriage / re-marriage after retirement.

(b) Endorsement of particulars of children born/adopted after retirement.

(c) Other occurrences affected after retirement, requiring furnishing of certificate / confirmation to DCDA.

15. Dte of PP&R would take up cases as mentioned at para 14 above with DCDA for issuance of Corrigendum to PPO by them. The officer / his wife / NOK could contact Dte of PP&R for advise on matters mentioned at paras 12, 13 & 14.

### **Important Landmarks After retirement**

16. **New Pay Commission.** The first important landmarks after retirement is a new pay commission. The present trend is that those who have retired under the provisions of a previous pay commission, their revised pension after a new pay commission will be fixed by the banks. The past experiences indicate that the bank staff generally have a poor understanding of defence pensions and tend to fix lower pensions than the entitlement. Thus a pensioner should be alert and should find out his correct pension entitlement after every Pay Commission. If in any kind of doubt, he/she should contact Dte of PP&R for advice and help.

17. **Restoration of Commuted Value of Pension.** This is the second important land mark after retirement. This provision means that whatever amount was reduced from Pension due to commutation, the same amount will now get added to your pension. Since Dearness Relief (DR) is always on full pension, the restoration of commuted value of pension doesn't result in any increase in DR. This restoration is not after 15 years of retirement but after 15 years of receiving commutation money. Those pensioners whose pension is of a new pay commission and who have received commutation amount in two/three installments (as per old/new pay commission rates) will have commuted value restored after 15 years of receiving each individual installment. The PPO authorises restoration of commuted value of pension after 15 years, no external sanction is required. It is desirable to put an application to bank 1-2 months before restoration of commuted pension is due. Normally restoration of commuted value of pension is carried as a routine by the bank. However in case of any problems Dte of PP&R should be contacted for advice and help.

18. **Additional Pension After 80 Years Age.** This is the third important land mark after retirement. Additional pension is authorized wef 01-01-06 for the benefit of 80 years and above pensioners/ Family pensioners. This additional pension is over and above the normal pension and is also applicable to SFP, LFP, War injury pension and Disability pension. DR on this additional pension is entitled. This additional pension will be paid by PDA (bank, treasury etc) from the same month in which pensioner has completed the required age of 80 years or above. The rates for this additional pension are additional 20% of basic pension for 80 years of age, 10% increase of basic pension with every five years (i.e. 30% for 85 years, 40% for 90 years and 50% for 95 years) however once a pensioner completes 100 years, the additional pension will be revised to 100 %. It is desirable to put an application to bank two months before additional pension is

due. Normally restoration of additional pension is carried out as a routine by the banks, however in case of any problem with the bank, Dte of PP&R should be contacted for advice and help.

### **Beneficial/ New Provisions of Pension.**

19. Detailed provisions of Retiring pension, Invalid pension, Disability pension, Family Pension, Dependent Pension (for Parents of bachelor officers), Ex gratia for Flt Cadets and additional pension is given in the previous chapter. The same can be referred to detailed information.

### **Fixed Medical Allowance in Lieu of ECHS Membership for Pre-2003 Retirees.**

20. **Fixed Medical Allowance.** Ex-Servicemen Contributory Health Scheme (ECHS) is compulsory for those who retired/became family pensioners on or after 01 April 2003. Such persons are not entitled to Fixed Medical Allowance. For any reason if such persons (particularly Family pensioners) have not yet become members of ECHS, they can contact their nearest military station/ECHS regional centre and become an ECHS member. However pre-01 April 2003 retirees/family pensioners had an option to opt for ECHS or remain out of it. Those pensioners who opted to remain out of ECHS are entitled for a fixed medical allowance per month. Earlier this amount was Rs 100/- pm. Now w.e.f. 01-09-2008 it has been increased to Rs 300/-pm. Such retirees still have the option to become ECHS members after completing certain formalities. They can contact nearest ECHS Regional Centre for the same. They can also get relevant information on ECHS website. ECHS official website is [www.indianarmy.nic.in/arechs.htm](http://www.indianarmy.nic.in/arechs.htm). Alternatively to reach ECHS website type "ECHS army" on Google or any other search engine and the first site listed there will normally be the official website of ECHS.

21. **Advise to Pre- Apr 2003 Pensioners about Joining ECHS.** A large number of pre-2006 pensioners who had the option to choose between joining ECHS or drawing a Fixed Medical Allowance per month opted for Fixed Medical Allowance. Many of them now feel that it was a wrong decision and want to join ECHS. However, they are not clear about the rates and the procedure of joining ECHS. The medical expenses are bound to increase with advancement in age, therefore, it makes a lot of sense to join ECHS and forgo the Fixed Medical Allowance. Pre-Apr 2003 pensioners who wish to join ECHS, should contact ECHS Regional Centre / Military Base for advice. In addition they can go on ECHS official Website i.e. [www.indianarmy.nic.in/arechs.htm](http://www.indianarmy.nic.in/arechs.htm). The revised rate of subscription for pre-Apr 2003 pensioners is as follows: -

(a) **ESM who Retired prior to 01 Jan 1996.** Those pensioners who wish to join the ECHS do not have to pay any subscription as per the prevailing Gol Orders.

(b) **ESM who Retired from 01 Jan 1996 to 31 Mar 2004.** Though the scheme was made compulsory wef 01 Apr 2003, the money from PPO was deducted from 01 Apr 2004. Those pensioners who have retired between



01 Jan 1996 to 31 Mar 2004 and now want to take ECHS membership (on or after 01 Jun 2009) will have to pay the revised rates of subscription effective from 01 Jun 2009 i.e.

<b>Grade Pay corresponding to last rank</b>	<b>Contribution (in rupees)</b>
Rs. 1800/-, Rs. 1900/-, Rs. 2000/-, Rs. 2400/-, and Rs. 2800/-	: 15,000/-
Rs. 4200/-	: 27,000/-
Rs. 4600/-, Rs. 4800/-, Rs. 5400/-, and Rs. 6600/-	: 39,000/-
Rs. 7600/- and above (Sqn Ldr & above)	: 60,000/-

### **Income Tax Provisions on Pension**

22. Clarification on exemption / taxability of pension amount is as follows: -

(a) **Amount Exempted From Income Tax**. Following are exempted from income tax:-

- (i) Commutation amount
- (ii) Gratuity
- (iii) Leave encashment
- (iv) Provident Fund
- (v) Complete monthly pension amount is exempt from income tax only for those pensioners who are in receipt of Disability element of pension, Gallantry awards and LFP for death in notified operations.

(b) **Amount not Exempted From Income Tax**.

- (i) The monthly pension and Family pension (except as stated above) is not exempt from income tax.
- (ii) In addition the interest earned on payments given as para 36 (a) (i) to (iv) above is not exempt from income tax.

### **Procedure for Complaint Against Your Bank**

23. Pensioners have to deal with banks on all financial issues related to pension i.e. payment of correct pension, calculation of DR and arrears correctly, timely release of family pension etc. Thus there can be occasions for deficiency in banking service and the consequent complaints. In many cases, when local liaison with bank fails, the pensioners bring their complaints to the knowledge of service HQ/Record Offices who in turn issue relevant advice to the concerned bank. However, pensioners can also utilize the complaint channels of a bank to

lodge a complaint directly against their local bank. The procedure for lodging such complaints is as given below:-

(a) **Against State Bank of India.** SBI is the largest public sector bank in India. It is holding about 40% of pension accounts of IAF personnel. It has recently appointed Defence Banking Advisors (DBA) across the country on a Zonal basis. The DBAs are retired Defence officers who besides other things are looking into complaints of Defence pensioners. To resolve a complaint against a branch of SBI following four methods can be adopted:-

(i) **Online Redressal of Grievances.** Online complaints for the issues pertaining to State Bank of India can be lodged on its official website i.e. [www.sbi.co.in](http://www.sbi.co.in) by further selecting the option Complaints> Defence>Air Force / Army / Navy. Alternatively, Air Force pensioners /account holders of SBI may lodge their complaints directly at [www.dspairforce.customers@sbi.co.in](mailto:www.dspairforce.customers@sbi.co.in). Army and Navy may do it at [www.dsparmy.customers@sbi.co.in](mailto:www.dsparmy.customers@sbi.co.in) and [www.dspnavy.customers@sbi.co.in](mailto:www.dspnavy.customers@sbi.co.in) respectively.

(ii) **Redressal Through DBA.** In case the issues still remains unresolved after online complaints as mentioned above then the Defence Banking Advisors (DBA) of SBI, who are specialists on Defence pensions may be approached at [www.dba.airforce@sbi.co.in](mailto:www.dba.airforce@sbi.co.in) by Air Force pensioners and [www.dbaarmy@sbi.co.in](mailto:www.dbaarmy@sbi.co.in) by other services pensioners (there is no separate DBA for Navy).

(iii) **Complaints Through SMS.** SBI has recently launched an SMS service for redressal of grievances/complaints of its customers. To lodge a complaint through SMS one has to type 'UNHAPPY' in its message box and send it to 8008202020 which is a toll free number. Within 48 hours, an official from your nearest SBI branch will establish contact to know about the problem and will refer the case to appropriate agency for necessary action.

(iv) **Complaints Through Call Centre.** SBI has started its 24 x 7 call Centre to help its customers. Apart from getting information, option to lodge complaint on pensionery matters is also possible through these call centres. The following toll free numbers can be dialled from Landline or mobile phone:-

- (aa) 180112211 (from landline)
- (ab) 08026599990 (from mobile)
- (ac) 18004253800 (from landline and mobile)

(v) **Against Other Public Sector Banks.** All public sector banks have their inbuilt systems for redressal of banking complaints. All public sector banks in their official websites have specific provisions for complaints. Thus following provisions can be used for all other public sector banks to lodge complaints:-

(aa) **Online Complaints.** All the public sector banks have their own official websites, information on which can be sought from local branch. Alternatively, the sites can be found through any of the search engines like Google, Yahoo etc. These official sites have option for lodging one's banking complaints.

(ab) **RBI, Ombudsman Scheme-2006.** In order to find the resolution of banking related complaints, RBI has started a Banking Ombudsman scheme, wherein a person is appointed by RBI to redress the customers' complaints. The Banking Ombudsman appointed by RBI is a quasi-judicial authority. The aggrieved person is required to file his/her complaint on a plain paper to any of the 15 Banking Ombudsmen appointed by RBI. However, before lodging complaint with Banking Ombudsman the complainant should have lodged a written complaint with the concerned bank. Evidence to this effect should be given to the Banking Ombudsman. The address(es) of such ombudsmen is available at official website of RBI. Online complaints can be filed at [www.bankingombudsman.rbi.org.in](http://www.bankingombudsman.rbi.org.in). Pensioners can file complaints related to non-receipt/delay of their pension related dues.

### **Extracts of Latest Pamphlet 'Check Your Pension Entitlement'**

24. There are a lot of issues which bothers a retired person. The most important of them is 'am I getting my correct pension entitlement'. Dte of PP&R issues advisory pamphlets on this matter which also includes latest updates and the beneficiary provisions of the pension rules. The latest pamphlet is updated upto 16 August 2011 and can be viewed on IAF official website [www.indianairforce.nic.in](http://www.indianairforce.nic.in). Some extracts of this pamphlet 'Check your Pension Entitlement' which can help one know the correct pension entitlement are reproduced in subsequent paragraphs.

25. We all believe in the correct system and expect that justice will be done. However presumption that the bank is paying the correct pension, may not be correct. Experience indicates that Banks are frequently doing the mistake of paying lower rates of pension vis a vis authorisation to many pensioners due to poor understanding of defence pension provisions by their staff. Therefore it is a must for every pensioner to know his/her correct entitlement of pension. The

pensioners, who have retired on or after 01-01-06, generally do not have any problem in getting their correct pension. The CDAs in their case have issued Pension Payment Order (PPO) as per the new provisions of VI CPC. For these pensioners the banks have no option, but to pay the pension as specified by the CDA in the PPO. However, the story is different for pre 01-01-06 retirees.

26. **Pre-2006 Pensioners.** Considering the large volume of pre-2006 pensioners (25 lacs Appx), the CDAs have expressed their inability to issue a revised PPO as per VI CPC entitlement. The Govt has therefore issued orders to Pension Disbursing Agencies (Banks, Treasury Offices etc) to calculate the revised pension (as per VI CPC) and pay the same to the pre-2006 pensioners directly. Govt has issued instructions to banks (with necessary reference tables) for calculating and releasing the revised pension. Efforts are on at the highest level to ensure that revised PPOs are issued for pre-2006 pensioners also, by the CDAs in near future. However it is linked to digitalisation of past records and data capture of pre-2006 pensioners on a large scale by CGDA and could take some time. Therefore as on date, it is only banks which will decide the post VI CPC revision of pension, for the pre-2006 pensioners.

27. **Calculation of Correct Pension Entitlement (Pre-2006 Pensioners).**

The revised pension for pre-2006 pensioners is required to be fixed by the banks by calculating it through two specified methods. Out of the two methods, the revised pension is to be fixed as per the method which is more beneficial to the pensioner. The two methods of pension calculation are explained below:-

(a) **Consolidation Method.** In this method, the pension has been consolidated by adding together the following:

- (i) The Existing Pension / Family Pension.
- (ii) Dearness Pension.
- (iii) Dearness Relief @ 24% on (i) & (ii) above.
- (iv) Fitment weightage @ 40% on (i) above.

**Note.** The thumb rule for calculating revised pension under the consolidated method is to multiply the existing basic pension by a factor of 2.26. For those who retired on or after 01 Apr 04 and before 01 Jan 06, their basic Pension as reflected in PPO is inclusive of dearness pay (DP). Such pensioners have to remove the DP and go by the basic pension for correct calculation. There is a formula to do it. For example if the basic pension inclusive of DP is Rs. 11325/-, then the basic pension will be  $11325/1.5 = 7,550/-$ . Thumb rule for calculating revised pension (consolidation method) will be to multiply the existing basic pension of Rs 7550/- by a factor of 2.26. This method of calculation is generally as per Annexure I of relevant Govt letter.

(b) **Modified Parity Method**. The pension under modified parity has been revised by taking fifty percent of the minimum of the pay in pay band plus the grade pay and the MSP (+ Gp X pay for other ranks, as applicable) introduced from 01-01-06 (VI CPC) corresponding to pre revised scales from which the pensioner had retired/ was discharged. However, pension calculated under modified parity has been reduced on pro-rata basis, wherever the full qualifying service of 33 years, has not been rendered by the pre -2006 pensioner. A table-showing pension under this method is given in the subsequent page. This calculation is as per Annexure II for officers and Annexure III for other ranks.

**Note.**

1. After calculating pension by both methods and ascertaining the most beneficial pension, the commuted amount should be deducted to arrive at the correct take home pension. Monthly DR is always on full pension entitlement.

2. All Govt letters on pension provisions are followed by a circular from PCDA(P) Allahabad. The circular amplifies the implementation procedure of a Govt order. Banks will release payment to pensioners only after issuance of a circular by PCDA(P) Allahabad. These circulars are available on PCDA (P) Allahabad website.

3. The detailed Govt letters on pension are primarily available on PCDA (P), Allahabad website [www.pcdapension.nic.in](http://www.pcdapension.nic.in). In addition other websites which will have similar information are [www.cgda.nic.in](http://www.cgda.nic.in), [www.mod.nic.in](http://www.mod.nic.in) and IAF website [www.indianairforce.nic.in](http://www.indianairforce.nic.in).

28. **Complaint Against Banks.** It is a common complaint by pre 01-01-06 pensioners that banks are not revising their pensions correctly. They are also complaining that banks are not issuing Annexure IV despite clear Govt orders for its issuance. Annexure IV reflects the pension fixation methodology by banks. It should have calculations by both methods i.e. consolidation and modified parity. The larger experience indicates that banks are inclined to revise pension as per consolidation method only. This method is beneficial for only 10-15% of defence pensioners. For the rest of defence pensioners who are in majority, modified Parity method is more beneficial. Thus the first challenge for a pensioner is to find out his revised pension as per the most beneficial method. This pamphlet will help him/her in finding out the correct pension after VI CPC.

29. **Correcting a Wrong Pension.** As explained above, calculating pension as per consolidated method (thumb rule) should be extremely easy. Practically the thumb rule gives almost 100% accurate input. For modified parity method calculation, the table given in the next page can be referred. Both the calculations must be checked for arriving at the most beneficial pension. In case the pension of a pre -2006 pensioner has not been revised correctly, the pensioner should approach the bank for necessary corrections. If the problem is not resolved by the bank in a reasonable time (3-4 weeks), then this office must be contacted by Officers. Our address is Dte of PP&R, Air HQ, West Block-VI, RK Puram, New

Delhi 110066). This office can also be contacted through e-mail (pprmail@indiatimes.com) and direct civil No-011-26104394.

**Note.**

1. The modified parity table in the next page covers only pre-2006 pensioners.
2. Public Sector absorbees who had opted for 100% commutation of pension will require a fresh PPO and this modified table do not indicate their pension.
3. Disability pensioners who have more than 60% disability should not get less than 60% of their last reckonable emoluments after adding service & disability elements.. For such pensioners the table in the next page may not indicate the correct rates. Such pensioners would require a fresh PPO.
4. The Govt has not yet recommended modified parity rate for enhanced rate of family pension. The same is to be calculated as per consolidated method. The issue has been taken up with the Govt for clarification.
5. The modified parity rates of disability element of pension, war injury element of pension and war injury pension on invalidation has also been provided.

**RETIRING PENSION / FAMILY PENSION /DISABILITY PENSION -PRE-2006**  
**(TABLE 1 : RETIRING PENSION AS PER MODIFIED PARITY)**

<b>Qualifying Service</b>	<b>Fg Offr</b>	<b>Flt Lt</b>	<b>Sqn Ldr</b>	<b>WgCdr (TS)</b>	<b>Wg Cdr (S)</b>	<b>Gp Capt (TS)/ Gp Capt (S)</b>	<b>Air Cmde</b>	<b>AVM</b>	<b>Air Mshi</b>	<b>VCAS/ AOC-in-C/ DGAFMS</b>	<b>CAS</b>
10	7773	7975	7975	11682	13240	13420	13420	13420	14379		
10.5	7978	8185	8185	12072	13629	13815	13815	13815	14932		
11	8182	8394	8394	12461	14019	14210	14210	14210	15485		
11.5	8387	8604	8604	12850	14408	14604	14604	14604	16038		
12	8591	8814	8814	13240	14797	14999	14999	14999	16591		
12.5	8796	9024	9024	13629	15187	15394	15394	15394	17144		
13	9000	9234	9234	14019	15578	15788	15788	15788	17697		
13.5	9205	9444	9444	14408	15988	16183	16183	16183	18250		
14	9410	9654	9654	14797	16355	16578	16578	16578	18804		
14.5	9614	9863	9863	15187	16744	16972	16972	16972	19357		
15	9819	10073	10073	15576	17134	17367	17367	17367	19910		
15.5	10023	10283	10283	15966	17523	17762	17762	17762	20463		
16	10228	10493	10493	16355	17913	18157	18157	18157	21016		
16.5	10432	10703	10703	16744	18302	18551	18551	15778	21569		
17	10637	10913	10913	17134	18691	18946	18946	18946	22122		
17.5	10841	11122	11122	17523	19081	19341	19341	19341	22675		
18	11046	11332	11332	17913	19470	19735	19735	19735	23228		
18.5	11250	11542	11542	18302	19860	20130	20130	20130	23781		
19	11455	11752	11752	18691	20249	20525	20525	20525	24334		
19.5	11660	11962	11962	19081	20638	20919	20919	20919	24887		
20	11864	12172	12172	19470	21028	21314	21314	21314	25440		
20.5	12069	12382	12382	19860	21417	21709	21709	21709	25993		
21	12273	12591	12591	20249	21807	22104	22104	22104	26546		
21.5	12478	12801	12801	20638	22196	22498	22498	22498	27099		
22	12682	13011	13011	21028	22585	22890	22890	22890	27652		
22.5	12887	13221	13221	21417	22975	23288	23288	23288	28205		
23	13091	13431	13431	21807	23384	23682	23682	23682	28758		
23.5	13296	13641	13641	22198	23754	24077	24077	24077	29311		
24	13500	13850	13850	22585	24143	24472	24472	24472	29864		
24.5	13500	13850	13887	22975	24532	24866	24866	24866	30417		
25	13500	13850	14100	23364	24922	25261	25261	25261	30970		
25.5	13500	13850	14100	23754	25311	25656	25656	25656	31523		
26	13500	13850	14100	24143	25700	26050	26050	26050	32076		
26.5	13500	13850	14100	24532	25700	26050	26050	26050	32629		
27	13500	13850	14100	24922	25700	26050	26050	26050	33182		
27.5	13500	13850	14100	25311	25700	26050	26050	26050	33735		
28	13500	13850	14100	25700	25700	26050	26150	26150	34288		
28.5	13500	13850	14100	25700	25700	26050	26150	26150	34841		
29	13500	13850	14100	25700	25700	26050	26150	26150	35394		
29.5	13500	13850	14100	25700	25700	26050	26150	26296	35947		
30 & above	13500	13850	14100	25700	25700	26050	26150	26700	36500	40000	45000

**TABLE 2 : FAMILY PENSION**

PENSION TYPE		Fg Offr	Flt Lt	Sqn Ldr	Wg Cdr (TS)	Wg Cdr (S)	Gp Capt (TS)/ Gp Capt (S)	Air Cmde	AVM	Air Mshl	V/CAS/AOC-in-C/DGAFMS	CAS
OFP		8100	8310	8460	15420	15420	15630	15690	16020	21900	24000	27000
SFP		16200	16620	16920	30840	30840	31260	31380	32040	43800	48000	54000
LFP		27000	27700	28200	51400	51400	52100	52300	53400	73000	80000	90000

**TABLE 3 : DEPENDENT PENSION**

Min Dep Pension		8100	8310	8460	15420	15420	15630	15690	16020	21900	24000	27000
Min Liberalised Dep Pension	For Both Parents (75%)	20250	20775	21150	38550	38550	39075	39225	40050	54750	60000	67500
	For Single Parent (60%)	16200	16620	16920	30840	30840	31260	31380	32040	43800	48000	54000

**Note.**

1. The dependent pension for death which is not attributable to/ aggravated by service (corresponding to OFP) is subject to minimum income criteria i.e. Rs 3500/- pm +DR.
2. The dependent pension for death which is attributable to/ aggravated by service (corresponding to SFP) is not subject to any minimum income criteria however the pension is paid at half the rate as admissible for SFP. Thus the dependent pension corresponding to OFP and SFP will be same.
3. The dependent pension will however be different for LFP as indicated above. There is no minimum income criterion for LFP also.

**TABLE 4 : DISABILITY ELEMENT FOR 100% DISABILITY**

Minimum Disability Element		8100	8310	8460	15420	15420	15630	15690	16020	21900	24000	27000
Mini War Injury Element for Disability		16200	16620	16920	30840	30840	31260	31380	32040	43800	48000	54000
Minimum War Injury Element for Invalidment		27000	27700	28200	51400	51400	52100	52300	53400	73000	80000	90000

**Note.** The disability element rates are for 100% disability. For lesser disability the amount will reduce proportionately.



### **Understanding the Modified Parity Table**

30. The modified parity tables are based on Annexure II to GOI MoD letter No.17(4)/2008(1)/D(pen/policy) dated 11.11.08 revised vide 11.12.08, 20.1.09, 21.5.09,20.01.10 and 15.11.10 for commissioned officers. These Govt letters have been followed up by circulars of PCDA(P) Allahabad i.e. 397 dated 18 Nov 08, 401 dated 18 Dec 08, 403 dated 02 Feb 09, 412 dated 26 May 09,428 dated 19 Feb 10 and 453 dated 22 Feb 11 respectively. Similarly, modified parity for other ranks is given in Annexure III of above Govt letter and recent Govt letter No. PC 10(1)/2009-D(Pen/Pol) dated 08 Mar 10. Modified parity for SFP, LFP and Disability pension for all ranks is covered vide GOI No-17(4)/2008(1)/D(Pen/Policy)/Vol-V dated 15 Feb 2011. The follow up PCDA (P) circular No. is 456 dated 18 Mar 11. The above quoted letters are available on web sites as mentioned above.

31. The modified parity tables for the other ranks is very large in number and volume, hence they have not been displayed in this manual. The same can be accessed through PCDA (P) Allahabad website.

32. The modified parity table is inclusive of entitled weightage for each rank. Adding weightage second time will lead to wrong pension calculation. Thus, actual years of qualifying service rendered (without weightage), should be used for calculations. All pensioners, who have opted for commutation, should calculate their revised pension with full pension entitlement, add DR and then subtract commuted amount to find out their take home pension. DR payment is always on full pension i.e. even after commutation. The DR rates are; Jan 2006 = 0%, Jul 2006 = 2%, Jan 2007 = 6%, Jul 2007 = 9%, Jan 2008 = 12%, Jul 2008 = 16%, Jan 2009 = 22%, Jul 2009 = 27%, Jan 2010 = 35%, Jul 2010 = 45% , Jan 2011 = 51% and Jul 2011 = 58%.

33. It has been observed that generally the pension/ family pension under consolidation method is beneficial for the Sqn Ldrs and below and for Medical branch officers. For pension/family pension of all other officers, modified parity is more beneficial. However, it is always better to check one's pension entitlement through both these methods (consolidation and modified parity) and then decide on the pension that is more beneficial.

34. **Other Ranks.** For other ranks also the majority will be benefitted by modified parity method of Govt letter No. PC 10(1)/2009-D(Pen/Pol) dated 08 Mar 10 and No-17(4)/2008(1)/D(Pen/ Policy)/-Vol-V dated 15 Feb 2011. These letters are available on PCDA (P) Allahabad website [www.pcdapension.nic.in](http://www.pcdapension.nic.in) and CGDA website [www.cgda.nic.in](http://www.cgda.nic.in). The correct approach of pensioners should be to check the pension from both the methods and decide on the beneficial pension. Any query on pension by other ranks including Honorary Commissioned officers should be addressed to AFRO.

35. For pre-2006 Family Pensioners in receipt of (SFP), Liberlised Family Pension (LFP), Enhanced Ordinary Family Pension, there was no provision for pension fixation as per modified parity method hence, only consolidated method was applicable to these categories earlier. Now Govt has issued orders vide No-17(4)/2008(1)/D(Pen/Policy)/-Vol-V dated 15 Feb 11 which permits family pension and dependent pension to be paid to pensioners who are drawing SFP/LFP as per modified parity method. The orders for implementation has been issued by PCDA (P) Allahabad to banks vide circular No-456 dt 18-3- 2011. The family pensioners can approach their banks for revised pension. This new order is effective wef 01 Jan 06 and will benefit a large number of family pensioners. However the Govt order is silent on fixation of Enhanced ordinary family pension (EOFP) as per modified parity method. This matter has been taken up with the Govt for clarification.

36. Public Sector absorbees who had opted for 100% commutation of pension will require a fresh PPO for revision of their pension as per VI CPC. They should contact Dte PPR for the same. The modified parity tables as given above will not indicate their correct pension entitlement correctly.

### **Beneficial Provisions of Minimum Pension**

37. **Minimum Pension.** Wef 01-01-06 the minimum rates of pension for various types of pension for are as follows:-

- |     |  |                     |
|-----|--|---------------------|
| (a) | Retiring & Ordinary family pension   | - Rs 3500/- pm + DR |
| (b) | Special & Liberalised family pension   | - Rs 7000/-pm + DR  |
| (c) | Min Disability element for officers<br>(for 100% disability, proportionate reduction for lesser disability)                            | - Rs 8100/-pm + DR  |
| (d) | Min Disability element for other ranks<br>(for 100% disability, proportionate reduction for lesser disability)                         | - Rs 3510/- pm + DR |
| (e) | Min Disability pension (total of service + disability element) for permanent Disability not less than 60%                              | - Rs 7000/-pm + DR  |
| (f) | Min war injury element for officers<br>(for 100% disability on retirement/Discharge, proportionate reduction for lesser disability)    | - Rs 16200/-pm+ DR  |
| (g) | Min war injury element for other ranks<br>(for 100% disability on retirement/Discharge, proportionate reduction for lesser disability) | - Rs 7020/-pm + DR  |

### **Air Force Association (AFA) Senior Citizens Home.**

38. IAF has a Senior Citizen Home (SCH) near 7BRD, AF Stn Tughlaqabad Delhi. It is run on a very reasonable “pay and stay” basis. It has all the comforts and facilities expected in a modern Senior citizen home i.e. fully furnished accommodation, house keeping, a good dining hall and bar, 24X7 power & security services, Medicare, Laundry services etc. All Senior Citizens of IAF (ex-service personnel of 60 years and above, their spouses and widows) who are member of AFA, couple or single and free from contagious/communicable diseases, mentally and physically agile and coherent are eligible to seek admission as a “Pay and Stay” member.

39. Any Officer / family seeking admission of ‘Pay and Stay’ basis in the SCH is to first register his/her name by paying a registration fee of Rs. 20000/-. The Officer/ family approved for admission will be required to pay one time license fee of Rs. 5 lac in one lump sum. This license fee can be refunded after one year of admission on vacation of SCH subject to certain deductions. In addition there will be a requirement of refundable security deposit of Rs one Lac. . The residents will also be required to make payments for housekeeping / maintenance charges, messing/extra messing, electricity, telephone, laundry and Dish Antenna connection for TV etc. on the basis of actual consumption/fixed by the SCH.

40. For further information officers can contact Air Force Association (AFA) Race Course at Air Force Station New Delhi.

### **Advice for NRI Pensioners.**

41. Many pensioners retire at a young age and settle down in a foreign country. Many of them get the citizenship of the new country. Over the years these pensioners start experiencing a lot of problems related to their pension. These problems primarily relate to stoppage of their pension. Experience indicates that the problems of these pensioners are primarily caused due to non-submission/transit loss of yearly life certificate and non-adherence to procedural requirements of FEMA (foreign exchange management act). No money can go out of India without meeting FEMA requirements. Attempts to use credit card will eventually get blocked by the bank. Such pensioners can open NRO account and give power of attorney to the bank. They will be required to have a PAN card and fill certain forms prescribed by Central Board of Direct Taxes (CBDT).

42. Such pensioners are advised to take appropriate advice from their bank and also take the help of a chartered accountant to meet the procedural requirements of the bank. The NRI pensioners who do not want regular transfer of money from India can tie up the same with their banks and withdraw the money during their visits to India. Since monthly pension is taxable, banks will deduct tax as applicable on pension account. Other problems like delay in restoring commuted value of pension and commencement of additional pension after 80 years of age etc can be taken up directly with bank and if there is delay in action by bank then Dte of PP&R can be approached for advising the bank to hasten up. A guide line for NRI pensioners from PCDA(P) Allahabad is enclosed as Appendix ‘K’.

### **Common Problems Faced by Pensioners**

43. Some of the common problems faced by pensioners are of a repetitive nature and can be reduced / avoided if shared and understood by other pensioners. Some of these common problems are as given below:-

(a) **Joint notification of Family Pension.** For all cases of death in service, the family pension is granted to the widow as per existing rules. However, for death after retirement, the wife is normally entitled to family pension only if the husband was in receipt of service pension. Every officer / other ranks who has retired or gone out of service after 1986 with a pension has a joint notification of pension along with his legal wife. Joint notification basically means that like the husband the wife is automatically entitled to family pension after the death of her husband. The lady has to contact her husband's bank along with death certificate of her husband for claiming the Family pension. She will have to meet certain procedural formalities at the bank like submission of original death certificate, submission of a few witnesses name who know her status as the legal wife, life certificate for herself, remarriage related certificate etc. The Family pension should normally commence within 4-6 weeks of completing the procedural formalities required by the bank. If there is a delay in commencement of family pension by the bank, the lady should seek help from Dte of PP&R. Before 1986 there was no provision for joint notification of Family pension with wife and the pension was made on the name of retiring officer / other rank only. After death of the individual a fresh case for family pension was sent for Audit verification and issue of PPO. It was a cumbersome and time consuming procedure. However provision exists for such pensioners to apply for joint notification of pension through Dte of PP&R. By now joint notification of Family pension has been completed for majority of pre-1986 pensioners also. If anybody is left out they should immediately apply for the same. If a pensioner who does not have joint notification expires then his spouse's case will be taken up for Family pension with audit as per pre 1986 procedures

(b) **Not Having Joint Account With Wife.** If an individual is lucky enough to die because of ripe old age, the possibility of his wife outliving him by a few years is very bright because in most cases the wife is younger. A joint account makes the transition to family pension smooth. It also helps in early start of family pension and claiming of life time arrears of the late officer.

(c) **Not giving Any Nomination in Bank Account.** In many cases the pensioner has a single account and the nominee is not filled up by the individual at the time of opening the pension account, it is left blank. In such cases the wife can not claim life time arrears of the late officer. As per the existing rules Banks can pay the left over money in late individual's account, to the nominee or to the next heir as per succession certificate from a court of law. The wife automatically can not claim life time arrears of

her late husband if she is not a nominee. A large number of widows are surprised to find themselves in this frustrating situation after their husband's death and seek our advice on this matter. There are cases where a widow had to wait for over one year to complete legal formalities in a court and claim the money. Similarly it is desirable for Family pensioners also to have a nominee in their bank account. The nominee should preferably be one of her children who is looking after her.

(d) **Wife's Name Different From What is Notified in PPO.** After death of an individual the family pension by Bank will be released to the legal wife as notified in the Pension Payment Order (PPO). It is very common for many bereaved wives to discover in the Bank that what they claim to be their name is different from what is notified in PPO. If the two names differ the banks do not release Family pension, as technically it could be a case of impersonation. This matter thereafter has to be resolved procedurally with the help of Service HQ/ Record office/CDA. This whole process takes time and is a frustrating experience for the widow. Experience indicates that the mistakes could be related to spelling i.e. Reeta and Rita, Malati Tyagi and Malti Tyagi or difference in surname i.e. Reena Rai and Reena Roy. Sometimes there are variations due to extra words in one name i.e. Savitri Singh Mankar and Savitri Mankar. There are also instances where the officer absent mindedly writes the nick names of their wife used at home instead of the formal name outside i.e. Munni Sharma instead of Manyata Sharma. Surname can be changed after marriage, however it should be a mutually agreed change between the couple. The best way to avoid future problems is to re-verify the name of wife as jointly notified in PPO with the wife herself and her certificates etc. Where ever there is a discrepancy, the same should be rectified at the earliest by taking advice from Dte of PP&R.

(e) **Non Submission of Life Certificate in Time.** A large number of pensioners in general and NRI pensioners in particular suffer due to non-submission/delayed submission of life certificate to bank in November every year. If the life certificate is not submitted in time the banks can stop the pension payment. This is a precaution which banks take to detect fraudulent withdrawal from pension accounts of pensioners who are deceased. It is easier to submit the yearly life certificate every year in November than to work hard subsequently towards restarting a stopped pension.

(f) **Not Writing a Will.** Death is inevitable. If one is lucky he/she will die of ripe old age but the possibility of an unexpected/premature death due to accident/ disease can not be ruled out. Therefore prudence demands that everyone should write a Will immediately after retirement and revise it at regular intervals. A Will need not always be on a stamp paper and through a lawyer. It can be written on a plain sheet of paper also in one's own handwriting. Two independent witnesses (preferably much younger) are required to sign the Will. Basically a will can be written primarily on the property which the individual has earned himself. If the

property is inherited he can write Will only on that portion which is due to him after division with other legal heirs. If one is depriving his spouse and immediate family and giving property to an outsider then the reason behind the same should be clearly spell out in the will to avoid future litigation. If one is very old and handwriting is not legible then a typed will is desirable. For writing a Will one can initially do self education on internet and then write the Will. For property of a complicated/disputed nature it is better to take advise from a civil lawyer before writing the Will.

### **Use of Internet Banking and Credit Card.**

44. It is advisable to resort to Internet banking. We are all used to debit cards. However, it makes a lot of sense to have a combination of credit card and an internet banking account. Credit card could give us free credit for 20-50 days and hence is a good back up for emergency. Internet account helps us to avoid long queues in a bank and operate our account at the convenience of being at home. Internet account also helps in timely and assured clearance of our credit card dues every month.

### **The Option of Reverse Mortgage.**

45. One of the major problems after retirement is that banks do not give home loans. Most of public sector banks do not give home loans beyond 60 years of age unless there is a younger member like an earning son ./ daughter who is a co-petitioner for loan. However, if a retired officer wants, he can get a loan from any public sector bank through a reverse mortgage. Normally these banks will given loan upto 75-80% of market value of the house as assessed by them. The loan with interest will be recovered after the death of the pensioner and his wife by selling the house. The surplus money earned in the sale, if any, will be given to the nominee of the officer. The children of the officer may be given the option, as per agreement to repay the dues and have a first claim on the house.

### **Guidelines for Officers proceeding on retirement**

46. Good advice stands the test of time. **This excellent piece of guidelines from a retired officer is still relevant.** Some of the investment options as suggested in this pamphlet may need suitable replacements as per present times however the concept of these investment is still fully relevant. This advice should be read not only by officers proceeding on retirement but also by the officers who have already retired. This advice in its entire originality is placed as Appendix 'L'.

**CHAPTER- X****FREQUENTLY ASKED QUESTIONS (FAQs)****Retiring Pension**

**Q1.** What is minimum qualifying service for full pension of an officer?

**Ans:** The minimum qualifying service for pension is 20 years for an officer. However there are following exceptions:-

(a) For SSC/emergency commissioned officers who were selected from other ranks, the minimum qualifying service for pension is 12years.

(b) Those officers who are medically invalidated out of service and whose disability is attributable to or aggravated by service will be eligible for pension consisting of service element and disability element. There is no minimum qualifying service required for that.

(c) Those officers who are medically invalidated out of services and whose disability is neither attributable to nor aggravated by service will be eligible for service element of pension if they have a minimum qualifying service of 10 years or more.

**Q2.** I am from ranks and I have 14 years of short service commissioned service and 06 years of service in ranks as an airman. Will I get pension for 20 years of qualifying service?

**Ans:-** Service in ranks is fully counted for qualifying service towards pension wef 01-01-96. Before that only 2/3<sup>rd</sup> of service in ranks was counted towards qualifying service. Thus your total qualifying service will be 20 years. You will get pension for the last rank and pay held as an officer for 20 years qualifying years.

**Q3.** I have been dismissed from service. Can I get a pension?

**Ans:** An officer who has earned his pension i.e. has a qualifying service of 20 years can put up a mercy petition for grant of pension explaining his individual indigent circumstances ,number of dependents on him, his financial burden, his own /dependents medical condition etc. The application can be addressed to CAS/AOA. Based on the merits of the case the competent authority (AOA for AF officers) will take a decision on the matter and at his discretion, based on merits of the case, he may refuse pension or may clear restoration of part or full pension of the officer.

**Disability pension**

**Q4.** What kind of disability makes a person eligible for disability pension?

**Ans:** That disability which is attributable to or aggravated by service is eligible for disability pension provided the disability is 20percent or more. However when an officer is invalidated out of service on recommendations of invalid medical board(IMB) then he is eligible for disability pension even if the disability percentage is less than 20 percent provided if disability is attributable to or aggravated by service.

**Q5.** Who decides on the Attributability to/ aggravation factor of an officer's disability?

**Ans:** All officers have to undergo annual medical examination. An officer's disease /disability is picked up either during his voluntary sick report or due to detection in annual medical checkup which is compulsory for all officers. Having picked up the disease or disability the same is treated by the medical authorities. During treatment the officer's medical category could be downgraded temporarily. Thereafter the officer is required to undergo a medical board at regular intervals which decides on his medical category and the Attributability/ aggravation aspect of the disease. Medical officers follow very clear guideline on these matters. Similarly when an officer's disability/injury is caused by an accident then the Attributability/aggravation aspect of the disability will be decided by his injury report/Court of inquiry recommendations on the matter. Thus it is the medical board which has the final say on the Attributability/aggravation. In case of accident cases the medical board will go through the injury report/COI on the matter.

**Q6.** What is broad banding of disability pension? How does the disability % go up in broad banding?

**Ans:** Govt. rules on pension show more benevolence for personnel who are invalidated out of service on medical grounds. In their case the disability percentage is broad banding to the next higher figure of 50%, 75% and 100%. Broad banding was introduced for the first time in 5<sup>th</sup> pay commission ie 01-01-1996. However for those who were invalidated out of service before 1996 there was no provision for bunching. Now in 6<sup>th</sup> pay commission persons who were invalidated out of service before 1996 are now eligible for broad banding effect with effect from 01 Jul 2009. There is also a possibility of this decision of broad banding for pre-1996 invalided officers to be changed by the Govt to 01 -01-1996 in near future due to certain legal issues on the matter.



**Q7.** What is service element and what is disability element?

**Ans** Service element is similar to retiring pension whereas disability element is a pension specifically given for the disability which was attributable to or aggravated by service.

**Q8.** Is income tax exempt on both service element and Disability element of pension?

**Ans:** Yes, income tax is exempt on both.

**Q9.** Is there any DR on constant attendant allowance?

**Ans:** Constant attendant allowance (CAA) is given on the recommendations of invalid medical board. DR is there only for service element and disability element of pension, there is no DR on CAA. However when ever DR percentage goes beyond 50% CAA will increase by 25%. Thus the Rs 3000/- pm CAA stands revised to Rs 3750/- pm wef 01 January 2011 after DR has crossed 50%.

**Q10.** What is the rate at which Disability element of pension is given?

**Ans:** The rate of disability pension w.e.f. 01-01-2006 is as follows:

- (a) Normal disability pension - 30% of last reckonable Emoluments
- (b) War injury pension, normal release - 60% of last reckonable Emoluments.
- (c) War injury, invalidation - 100% of last reckonable Emoluments

**Note.** The above rates are for 100% Disability, for lesser disability it shall proportionately get reduced.

### **Family Pension**

**Q11.** If a person has more than one marriage which wife is entitled for family pension?

**Ans:** Only legal wife is entitled for Family pension. The lady with whom the officer has got married for the first time is the legal wife. Any other marriage done before the death or legal divorce with first wife is null and void in the eyes of law.

**Q12.** I was married to my husband when his divorce proceedings were going on with first wife. He got divorced from first wife after few months of our marriage. Am I entitled to family pension?

**Ans:** Since your marriage took place when the first wife was still the legal wife, it is null and void in the eyes of law. You should have waited for her legal divorce before your marriage with her husband. The fact that her divorce took place few months after your marriage does not make your marriage legal. Since your

marriage was ab- initio null and void it will continue to remain null and void in the eyes of law and therefore you are not entitled for Family pension.

**Q13.** My first wife is not loyal to me can I write a will to grant family pension to my second wife with whom I stay?

**Ans:** Such incidents have happened in the past and such a will has been challenged in court of law. The court rulings are very clear. Since will can be written only on own property and family pension comes out of Govt money for a social cause therefore any will on family pension is illegal and hence null and void. Family pension will go to legal wife only.

**Q14.** I am the mother, my son died in an air crash as an IAF pilot. He was recently married. Will I get family pension?

**Ans:** Parents can get family pension only for a bachelor officer or an officer who has not left behind any widow or child after his death. In this case the officer's widow will get family pension.

**Q15.** What is the eligibility to Family pension after remarriage of a widow?

**Ans:** Widows who are in receipt of special family pension (SFP) and liberalized family pension (LFP) will continue to get their SFP/LFP after remarriage provided they support their children after remarriage. If the widow does not support her children then her family pension will be divided between her and her children till they attain 25 years of age. However if a widow in receipt of ordinary family pension (OFP) remarries then her Family pension will continue only if she is childless at the time of remarriage. If she has children her family pension will stop and get passed on to eligible children below 25 years of age.

**Q16.** What are the rules on eligibility of Family pension for children if both parents expire/become ineligible?

**Ans:** When both parents/ single surviving parent, eligible for pension expire/ become ineligible, then Children below 25 years of age unmarried and unemployed (income less than minimum Pension of Rs 3500/-pm +DR) will be eligible for family pension. The Family pension will start with eldest child below 25 years of age. Once he/she is 25 years of age it will pass to the next child in line who is below 25 years. For release of family pension to a minor child a legal guardian will be required from a court of law till the child is 18 years old. If there is a handicapped child eligible for life long pension then Family pension to handicapped child will be issued only after all other eligible children below 25 years have received their share of Family pension.

**Q17.** What are the rules on eligibility of Family pension for handicapped children/ handicapped siblings?

**Ans:** Handicapped children (not capable of earning livelihood for life) are eligible for family pension for life after the death of both parents. Such children have to be examined by a competent medical authority and a certificate from the doctor (not less than the rank of Brigadier or equivalent) as per prescribed format will be required. Married handicapped children are not eligible for this pension. A legal guardian for such children should be nominated by parents in their life time. Handicapped siblings (brothers and sisters) are also eligible for family pension on similar lines as handicapped children. For Endorsement of the name of handicapped child/ sibling in the PPO, an officer can apply during his life time itself. Applications for the same should be sent to Dte of PP&R.

**Q18.** What are the rules on eligibility of Family pension for unmarried/ divorced/ widowed daughter?

**Ans:** Unmarried / divorced / widowed daughter can apply for family pension only after the death of both her parents. She is eligible to apply only if she is unmarried/ remains divorced at the time of demise of her last surviving parent (father or mother). Her pension is subject to minimum income criteria and audit verification of her claims. Her name will not be annotated in the PPO during parent's life time. Applications by eligible daughters should be sent to Dte of PP&R.

**Q19.** What are the rules on eligibility of Family pension to Wife/NOK of missing personnel in service or after Retirement?

**Ans:** Ordinary family pension is admissible for personnel who are missing in service or after retirement. The family pension can commence six months after lodging of missing FIR. For cases of missing personnel while in service, an inquiry at the unit level must establish that the person is actually missing and is not a deserter. The same has to be supported by Police investigation reports on the matter. For cases of missing personnel after retirement the family pension will only be admissible to widow/NOK if the missing officer was in receipt of service element of pension and the police investigation report establishes clearly that the retired officer is missing. Thereafter in such cases Family pension will be released after proper audit verification.

**Q20.** My husband was getting two pensions one from IAF and another from the central Govt job taken up after premature retirement. He has expired recently; can I get two family pensions?

**Ans:** While defence pensioners can earn a second pension from their new organization after retirement however the present Govt rules don't permit two family pensions to a widow. She can draw only one family pension whichever is more beneficial to her. However in addition to her defence family pension w.e.f

27-7-2001, a widow can also draw the second family pension only if it comes under following two categories i.e. EPF scheme 1995 and FPS 1971

**Q21.** How can I collect pension of my husband who is very sick and not in his senses?

**Ans:** Whenever a pensioner is sick to the extent that he/she can't sign her bank cheques then they are permitted to put Thumb impression on the cheque. In addition for pensioners who are in comatose state i.e. unconscious/ or mentally not stable, a legal guardianship certificate from district court will be required by the bank and there after the bank will release pension to the legal guardian. For the purpose of submitting yearly life certificate for such pensioners, the bank should be requested to send an official at the home of pensioner so as to physically verify the pensioner and then issue the life certificate.

**Q22.** I am a widow drawing family pension. I am not keeping well, I want to shift permanently with my daughter staying in another state. What is the procedure to shift my pension account to another bank/branch of same bank?

**Ans:** A pensioner can change his PDA (pension disbursing agency) as per his/her choice. For this he/she has to apply to their PDA i.e. the bank or branch from where they are drawing pension. If there is any problem they can contact Dte of PP&R for advice. Certain precautions should be taken before applying for change of PDA. Firstly there should be no major amount/ arrear due in the pension account. Secondly draw the last pension as and when it becomes due and thereafter immediately apply for transfer. Depending on banks efficiency the procedure can take 4-10 weeks. It can take longer if there is transit loss of documents. Widows must activate their jointly notified family pension and should draw their family pension for few months before applying for change of PDA.

**Q23.** My husband was invalided out of service two years ago due to injuries in an air accident. His disability was attributable. He has recently expired and I am in receipt of Enhanced ordinary family pension. Can I get Special Family Pension?

**Ans:** If an officer is invalided out for a disability which is attributable to or aggravated by service and dies within seven years of his invalidation then his wife is eligible for special family pension if the death, as per medical opinion, is caused due to the disability for which he was boarded out. In such a case the lady should contact Dte of PP&R at Air HQ for further advise.

### **Dependent Pension & Ex-Gratia for Flt Cadets**

**Q24.** What is the difference between Family pension and dependent pension?

**Ans:** Family Pension is paid to the widow/child of an officer who has died while in service or after retirement. A claim for dependent's pension arises in favour of parents/ eligible brothers and sisters (in the absence of parents) of the deceased officers who die as a bachelor or widower without children.

**Q25.** Are the rates of dependent pension for parents same in cases of death which is attributable(similar to SFP) and death which is not attributable(similar to OFP)?

**Ans:** The rate of dependent pension for not attributable to or aggravated by service(NANA) cases of death corresponding to OFP and for attributable to or aggravated by service cases of death corresponding with SFP is same i.e. 30% of last reckonable emoluments. The only difference is that for NANA cases corresponding to OFP the means limit (income) criteria is there i.e. income should not be more than Rs 3500/- pm +DR. However for cases corresponding with SFP there is no means limit but the rates are authorised at 50% of SFP i.e. 30% of last reckonable emoluments. However For death case corresponding with LFP the rates will be 75 % / 60% of last reckonable emoluments for both parents /single parent being alive respectively.

**Q26.** Are parents of a bachelor officer eligible for Family pension if he dies after being invalidated out/retirement?

**Ans:** Parents of a bachelor officer who dies after his invalidation /retirement will be eligible for Family pension only if they both were dependent on him while he was in service.

**Q27.** Are Flt Cadets entitled to pension?

**Ans:** Flight Cadets (direct) are not entitled for pension like commissioned officers/ other ranks. However they are entitled to Ex Gratia awards for disability and death.

**Q28.** What are the current rates of Ex Gratia awards for disability and death for flight cadets?

**Ans:** The current rates of Ex Gratia for flight cadets (applicable to all officer cadets (direct) in three services) are as follows:-

(a) **Ex Gratia Awards to Flt Cadets in Case Of Disablement (Invalidation on Medical Grounds)**

- (i) Monthly Ex Gratia - Rs 3500/-pm + DR
- (ii) Monthly Ex Gratia Disability Award - Rs 6300/-pm + DR  
(For 100% disability, will be reduced proportionately for lower disability)
- (iii) Constant Attendant Allowance (CAA)- Rs 3000/- pm

**Note.**

\* CAA is admissible for 100% disability, on recommendations of IMB.

\*\* DR is not admissible on CAA

\*\*\* CAA will increase by 25% whenever DR crosses 50%

**(b) Ex Gratia Awards to Flt Cadets in Case Of Death**

(i) One time Ex-Gratia Amount - Rs 5 Lac

(ii) Monthly Ex-Gratia Amount to Next of Kin - Rs 3500/-pm + DR

**Q29.** Flt cadets join AFGIS when they join IAF. What are the benefits from AFGIS for flt cadets in case of death or invalidation during training.

Ans. As on date (in 2011) the death cover by AFGIS is 50 lacs. In addition Every Flight Cadet of IAF who is a member of Air force Group Insurance Society (AFGIS) and who is invalided out of training on recommendations of an invalid medical board on account of disability will be provided disability benefit at half the rate of life cover for 100% disability. For lesser disability the amount will be reduced proportionately. Attributability/aggravation to service is not a factor for granting this claim. However this benefit is for a disability of 20% and above only. In addition if a member is invalided out within one year of enrollment and the disability is not attributable to service, the member will not be eligible for this benefit. This payment is not from public funds but welfare funds i.e. AFGIS created by contribution from serving and retired IAF personnel.

**EX-Servicemen Contributory Health Scheme (ECHS)**

**Q 30.** What is the concept of ECHS treatment?

Ans. ECHS facility for ex-servicemen is on the same lines as CGHS facility for retired central Govt employees.

**Q 31.** Who all are eligible for ECHS?

Ans: All Ex-servicemen who are in receipt of pension, including disability and family pensioners and their dependents are eligible for ECHS membership.

**Q 32.** What is fixed medical allowance in lieu of ECHS facility?

Ans: Ex Servicemen Contributory Health Scheme (ECHS) is compulsory for those who retired/became family pensioners on or after 01 April 2003. Such persons have nothing to do with Fixed Medical Allowance. For any reason if such persons (particularly Family pensioners) have not yet become members of ECHS,

they can contact their nearest military station/ECHS regional center and become an ECHS member. However pre - 01 April 03 retirees/family pensioners had an option to opt for ECHS or remain out of it. Those pensioners who opted to remain out of ECHS are entitled for a fixed medical allowance per month. Earlier this amount was Rs 100/- pm. Now wef 01Sep 08 it has been increased to Rs 300/- pm. Such retirees still have the option to become ECHS members after completing certain formalities, they can contact nearest ECHS Regional Centre for the same. They can also get relevant information on ECHS website. ECHS official website is [www.indianarmy.nic.in/arechs.htm](http://www.indianarmy.nic.in/arechs.htm). Alternately to reach ECHS website type ECHS army on Google or any other search engine and the first site listed there will normally be the official website of ECHS.

**Q33.** I am a pre- Apr 2003 pensioner. I had opted for drawing medical allowance earlier, now I want to join ECHS please advise me on the procedures.

**Ans:** A large number of pre-2003 pensioners who had the option to choose between joining ECHS or drawing a Fixed Medical Allowance per month opted for Fixed Medical Allowance per month. Many of them now feel that it was a wrong decision and want to join ECHS. However, they are not clear about the rates and the procedure of joining ECHS. Firstly, medical expenses are bound to increase with advancement in age, therefore, it makes a lot of sense to join ECHS and forgo the Fixed Medical Allowance. Pre-Apr 2003 pensioners, who wish to join ECHS, should contact ECHS Regional Centre / nearest Military Base for advice. In addition they can go on ECHS official Website i.e. [www.indianarmy.nic.in/arechs.htm](http://www.indianarmy.nic.in/arechs.htm). The revised rate of subscription for pre-Apr 2003 pensioners is as follows: -

(a) **ESM who Retired prior to 01 Jan 96.** Those pensioners who wish to join the ECHS do not have to pay any subscription as per the prevailing Gol Orders.

(b) **ESM who Retired from 01 Jan 1996 to 31 Mar 04.** Though the scheme was made compulsory wef 01 Apr 2003, the money from PPO was deducted from 01 Apr 2004. Those pensioners who have retired between 01 Jan 1996 to 31 Mar 2004 and now want to take ECHS membership (on or after 01 Jun 2009) will have to pay the revised rates of subscription effective from 01 Jun 2009 i.e.

Grade Pay corresponding to last rank	Contribution (in rupees)
Rs. 1800/-, Rs. 1900/-, Rs. 2000/-, Rs. 2400/-, and Rs. 2800/-	: 15,000/-
Rs. 4200/-	: 27,000/-
Rs. 4600/-, Rs. 4800/-, Rs. 5400/-, and Rs. 6600/-	: 39,000/-
Rs. 7600/- and above (sqn Ldr & above)	: 60,000/-

**Appendix 'A'**

(Refers para 3 of Chapter II)

**COMMUTATION VALUE FOR A PENSION OF Rs.1 PER ANNUM**

<b><u>Age next birthday</u></b>	<b><u>Commutation value</u></b>
35	9.145
36	9.136
37	9.126
38	9.116
39	9.103
40	9.090
41	9.075
42	9.059
43	9.040
44	9.019
45	8.996
46	8.971
47	8.943
48	8.913
49	8.881
50	8.846
51	8.808
52	8.768
53	8.724
54	8.678
55	8.627
56	8.572
57	8.512
58	8.446
59	8.371
60	8.287
61	8.194

**Example :** Pension(Gp Capt) : Rs. 25900/-  
Amount commuted (50%) : Rs. 12950/-  
Age Next birth day at the time of retirement : 57 Years  
Commutation Value : 8.446  
Commutation amount =  $12950 \times 12 \times 8.512$  = Rs. 13,22,764/-  
Carry Home amount =  $25900 - 12950 + 16\% \text{ DR on } 25900$   
=  $12950 + 4144$  = 17094/- pm (as on 1.7.08)

**Note.** If the medical board is of the opinion that an individual does not have the prospect of an average duration of his life due to his disability then it will recommend an additional loading to his age which will result in his commutation value being reduced. For example if three years loading in age is given by the medical board in the example given above then commutation value comes down from Rs. 13,22,764/- to 12,87,799/-.



**Appendix 'B'**

(Refers to para 5 of Chapter II and para 23 of Chapter IV)

**OLD RATES OF GALLANTARY AWARDS PER MONTH**

Gallantry / Decorations	01.01.72 to 31.12.81	01.01.82 to 30.04.85	01.05.85 to 31.12.86	01.01.87 to 31.01.95	01.02.95 to 31.12.95	01.01.96 to 31.01.99	01.02.99 to 13.05.08	14.05.08 to 28.02.11
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Param Vir Chakra	100	150	150	200	350	1500	1500	3000
Each Bar	40	60	150	200	350	1500	1500	
Maha Vir Chakra	75	115	115	160	275	400	1200	2400
Each Bar	25	40	115	160	275	400	1200	
Vir Chakra	50	75	75	120	200	300	850	1700
Each Bar	20	30	75	120	200	300	850	
Ashok Chakra	90	135	135	180	325	450	1400	2800
Each Bar	35	55	135	180	325	450	1400	
Kirti Chakra	65	100	100	140	250	350	1050	2100
Each Bar	20	30	100	140	250	350	1050	
Saurya Chakra	40	60	60	100	175	250	750	1500
Each Bar	16	25	60	100	175	250	750	

**Note.** Monetary allowance for VM (G): -

- (a) Started wef 26 Jan 99 @ 250/- pm.
- (b) Enhanced wef 14 May 08 @ 500/- pm.
- (c) Enhanced wef 30 Mar 11 @ 1000/- pm.

**Appendix 'C'**

(Refers to Para 18 of Chapter II)

**INCOME TAX EXEMPTION FOR GALANTRY AWARD WINNERS**

S. 10(19A)

I.T. ACT, 1961

1.68

- (i) in pursuance of any award instituted in the public interest by the Central Government or any State Government or instituted by any other body and approved<sup>60</sup> by the Central Government in this behalf; or
- (ii) as a reward by the Central Government or any State Government for such purposes as may be approved<sup>60</sup> by the Central Government in this behalf in the public interest;]
- <sup>61</sup>[(18) any income by way of—
- (i) pension received by an individual who has been in the service of the Central Government or State Government and has been awarded "Param Vir Chakra" or "Maha Vir Chakra" or "Vir Chakra" or such other gallantry award as the Central Government may, by notification<sup>62</sup> in the Official Gazette, specify in this behalf;
- (ii) family pension received by any member of the family of an individual referred to in sub-clause (i).
- Explanation.*—For the purposes of this clause, the expression "family" shall have the meaning assigned to it in the *Explanation* to clause (5);]
- (18A) <sup>63</sup>[Omitted by the Finance (No. 2) Act, 1998, w.e.f. 1-4-1999;]
- <sup>64</sup>[(19) family pension received by the widow or children or nominated heirs, as the case may be, of a member of the armed forces (including paramilitary forces) of the Union, where the death of such member has occurred in the course of operational duties, in such circumstances and subject to such conditions, as may be prescribed<sup>64a</sup>;
- <sup>65</sup>[(19A) the annual value of any one palace in the occupation of a Ruler, being a palace, the annual value whereof was exempt from income-tax before the commencement of the Constitution (Twenty-sixth Amendment) Act, 1971, by virtue of the provisions of the Merged States (Taxation Concessions) Order, 1949, or the Part B States (Taxation Concessions) Order, 1950, or, as the case may be, the Jammu and Kashmir (Taxation Concessions) Order, 1958:

60. For notified awards/rewards, see Taxmann's Master Guide to Income-tax Act. See also **Division Two**.

61. Inserted by the Finance Act, 1999, w.e.f. 1-4-2000.

62. For notified gallantry awards, see Taxmann's Master Guide to Income-tax Act. See also **Division Two**.

63. Prior to its omission, clause (18A), as inserted by the Rulers of Indian States (Abolition of Privileges) Act, 1972, w.e.f. 9-9-1972, read as under :  
 "(18A) any *ex gratia* payments made by the Central Government consequent on the abolition of privy purse;"

64. Inserted by the Finance (No. 2) Act, 2004, w.e.f. 1-4-2005. Earlier original clause (19) was omitted by the Rulers of Indian States (Abolition of Privileges) Act, 1972, w.e.f. 2-4-1973.

64a. See rule 2BBA for prescribed circumstances and conditions.

65. Inserted by the Rulers of Indian States (Abolition of Privileges) Act, 1972, w.e.f. 28-12-1971.

Appendix 'C' (cont'd)

Appendix 'A'

11:46 91-11-3012988 G. C. SRIVASTAVA, J. S. D. PAGE 01  
 (Ref. para 2 of CAO/10240/11 dated 06 Feb 2001)

Commander  
 Bapu.

**MINISTRY OF FINANCE**  
 (Department of Revenue)  
 Central Board of Direct Taxes

**NOTIFICATION**

New Delhi, the 24th November, 2000

**INCOME-TAX**

S. No. 1048(E).—In exercise of the Powers conferred by sub-clause (i) of clause (18) of Section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government, hereby specifies the gallantry awards for the purposes of section 10, mentioned in column 2 of the table below awarded in the circumstances as mentioned in corresponding column 3 thereof.


भारत का राजपत्र : अतिरिक्त

II—उप 3(ii)

**Table**

Sl. No.	Name of gallantry award	Circumstances for eligibility
(1)	(2)	(3)
1	Ashok Chakra	When awarded to civilians for gallantry.
2	Kirti Chakra	- do -
3	Shourya Chakra	- do -
4	Sanjivani Jeevan Raksha Padak	When awarded to civilians for bravery displayed by them in life saving acts.
5	Uttam Jeevan Raksha Medal	- do -
6	Jeevan Raksha Padak	- do -
7	President's Police Medal for Gallantry	When awarded for acts of exceptional courage displayed by members of police forces, Central police or security forces and certified to this effect by the head of the department concerned.
8	Police Medal for Gallantry	- do -
9	Sena Medal	When awarded for acts of courage or conspicuous gallantry and supported by certificate issued to this effect by relevant service headquarters
10	Neo Sena Medal	- do -
11	Vayu Sena Medal	- do -
12	Fire Services Medal for Gallantry	When awarded for acts of courage or conspicuous gallantry and supported by certificate issued to this effect by the last Head of Department
13	President's Police and Fire Services Medal for Gallantry	- do -
14	President's Fire Services Medal for Gallantry	- do -
15	President's Home Guards and Civil Defence Medal for Gallantry	- do -
16	Home Guards and Civil Defence Medal for Gallantry	- do -

[Notification No. 11561/F No. 142/29/99-TPL.  
 T. K. SHAH, Director]

सी. ए. डी. एल. 33004	REGD. NO. D L-33004/99
 <b>भारत का राजपत्र</b> <b>The Gazette of India</b>	
असाधारण	
EXTRAORDINARY	
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सं. 53.]	नई दिल्ली, सोमवार, जनवरी 29, 2001/माघ 9, 1922
No. 53]	NEW DELHI, MONDAY, JANUARY 29, 2001/MAGHA 9, 1922
वित्त मंत्रालय (राजस्व विभाग) (केन्द्रीय प्रत्यक्ष-कर बोर्ड)	<b>MINISTRY OF FINANCE</b> (Department of Revenue) (Central Board of Direct Taxes) <b>NOTIFICATION</b>
अधिसूचना नई दिल्ली, 29 जनवरी, 2001	New Delhi, the 29th January, 2001
का. आ. 81(अ).—केन्द्रीय सरकार, आयकर(अधिनियम, 1961 (1961 का 43) की धारा 10 के खंड (18) के उपखंड (i) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, उक्त धारा के प्रयोजनों के लिए शौर्य पुरस्कारों को विनिर्दिष्ट करती है और उस प्रयोजन के लिए, भारत सरकार के वित्त मंत्रालय, राजस्व विभाग (केन्द्रीय प्रत्यक्ष-कर बोर्ड) की अधिसूचना सं. का. आ. 1048(अ) तारीख 24 नवम्बर, 2000 में निम्नलिखित संशोधन करती है, अर्थात्:—	S. O. 81(E).—In exercise of the powers conferred by sub-clause (i) of clause (18) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government, hereby specifies the gallantry awards for the purposes of the said section and for that purpose makes the following amendment in the notification of the Government of India in the Ministry of Finance, Department of Revenue (Central Board of Direct Taxes) number S. O. 1048(E), dated the 24th November, 2000, namely:—
उक्त अधिसूचना की सारणी में, क्रम संख्यांक 1, 2 और 3 के सामने, "पात्रता के लिए परिस्थितियाँ" से संबंधित स्तंभ (3) के अधीन "सिविलियनों को" शब्दों का लोप किया जाएगा।	In the said notification, in the Table, against serial numbers 1, 2 and 3 under column (3) relating to "Circumstances for eligibility", the words "to civilians" shall be omitted.
[अधिसूचना सं. 22/फा. सं. 142/29/99-टी पी एल]	[Notification No. 22/F. No. 142/29/99-TPL]
टी. के. शाह, निदेशक	T. K. SHAH, Director
272 GI/2001	Printed by the Manager, Govt. of India Press, Ring Road, Mayapuri, New Delhi-110064 and Published by the Controller of Publications, Delhi-110054.

**Appendix 'C' (cont'd)****EXEMPTION OF INCOME TAX FOR FAMILY PENSION FOR DEATH IN THE COURSE OF OPERATIONAL DUTY****Circumstances and conditions for the purposes of clause (19) of section 10 (2BBA).**

1. For the purposes of clause (19) of section 10, the circumstances of death of a member of the armed forces (including para-military forces) of the Union **in the course of operational duties shall be the following**, namely : -

- (i) Acts of violence or kidnapping or attacks by terrorists or anti-social elements;
  - (ii) Action against extremists or anti-social elements;
  - (iii) Enemy action in international war;
  - (iv) Action during deployment with a peace keeping mission abroad;
  - (v) Border skirmishes;
  - (vi) Laying or clearance of mines including enemy mines as also mine sweeping operations;
  - (vii) Explosions of mines while laying operationally oriented mine-fields or lifting or negotiation mine-fields laid by the enemy or own forces in operational areas near international borders or the line of control;
  - (viii) In the aid of civil power in dealing with natural calamities and rescue operations;
  - (ix) In the aid of civil power in quelling agitation or riots or revolts by demonstrators.
- (2) It shall be certified by the Head of the Department where the deceased member of the armed forces (including para-military forces) last served, or the service headquarters, as the case may be, that the death of such member has occurred in the course of operational duties in circumstances mentioned in sub-rule (1).

**Appendix 'D'**

(Refers to para 17 chapter III &  
para 12 of Chapter IV)

**CONSTITUTION OF FIRST AND SECOND APPEAL FOR REJECTION OF  
DISABILITY PENSION AND SPECIAL FAMILY PENSION**

1. **Composition of Appellate Committee for First Appeal.**

Chairman : DDG (PS) / Equivalent rank in Air Force and Navy.

Members : (a) DDG (Pens), Office of DGAFMS  
(b) DFA (Pension)  
(c) Dir PS-4 / equivalent rank in Air Force & Navy

2. **Composition of of Appellate Committee for Second Appeal.**

(a) **For Commissioned Officers : IAF**

Chairman : Vice Chief of the Air Staff

Members : (a) DG (Wks & Cer)  
(b) JS & Addl FA  
(c) DG Hospital Services (Armed Forces)  
(d) JAG (Army) / JAG (Navy)

(b) **For Other Ranks : IAF**

Chairman : Vice Chief of Air Staff

Members (a) AOP  
(b) JS & Addl FA  
(c) DG Hospital Services (Armed Forces)  
(d) JAG (Army) / JAG (Navy)

**Appendix 'E'**

(Refers to para 8 of chapter IV)

**GUIDELINES FOR GRANT OF FAMILY PENSION TO DISABLED CHILDREN OF ARMED FORCES PERSONNEL**

Govt. has made provisions for grant of family pension for life to unmarried children of Armed Forces Personnel who are physically disabled/mentally ill including mentally retarded vide MOD letters No.A/49601/AG/ PS-4 (e)/3363/B/D (Pen/Sers) dated 27 Aug 87 and No. PC-MF-Air HQ/24229/283/FPHC/PP&R-3 (i)/582/A/D (Pen/Sers) dated 29 Nov 05. Provisions have also been made for nomination of guardian by parents during their lifetime in respect of their mentally retarded children vide Govt. letter No. PC/MF-Air HQ/24229/283/FPHC/PP&R-3 (i)/2678/D (Pen/Policy) dated 26 Oct 07. Salient features of the same are as under: -

1. **Documents required for processing the cases**

(a) Form for endorsement of family pension in three copies (all ink signed). Specimen enclosed as **Annexure - I**.

(b) Medical/disability certificate from civil hospital to be issued by Civil Surgeon or an officer of the rank of Brigadier or above from Armed Forces Hospital as per new format (AFMSF-HD (1)), specimen enclosed as **Annexure II**, specifying information on the following aspects: -

(i) Nature of disability.

(ii) Degree of disability.

(iii) Certificate to the effect that the child is physically/mentally/handicapped/challenged and the disability is of permanent nature and the child is unable to earn a living on his/her own.

(c) Legal guardianship certificate/Nomination required under the following categories: -

(i) In case, where the child is a minor, and both the parents are not alive then Legal Guardianship Certificate can be obtained from the Court of Law.

(ii) Mentally retarded child - Nomination of guardian by the parents during their lifetime (specimen enclosed as **Annexure III**). Consent letter from nominee to the effect that he is willing to act as guardian for the mentally retarded child. However, Armed Forces Personnel/pensioners can also appoint legal guardian through Local Level Committee in terms of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 & Rules, 2000.

**Annexure I to Appendix 'E'****PROFORMA****PARTICULARS FOR GRANT OF FAMILY PENSION TO****HANDICAPPED CHILDREN**

1. Details of Retiring pensioner:-

- (a) Service No, Rank & Name.
- (b) Date of Retirement
- (c) Original PPO No.
- (d) Issued by:-

2. Details of Family Pensioner:

- (a) Name & Relation with retiring officer
- (b) Date of Marriage
- (c) Present Address
- (d) PPO No. in which family pension was notified

3. Details of handicapped children:-

---

Name & address	Date of Birth	Marital Status	Whether employed or not	Details of disability
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4. Details of other children who are eligible for family pension.

Date:

Signature of the pensioner

Place:



**Annexure II to Appendix 'E'**

**AFMSF-HD-1**

**DISABILITY CERTIFICATE**

**FOR FAMILY PENSION FOR DISABLED DEPENDENTS**

**(This certificate is not valid for medico-legal purpose)**

Name of the hospital -----

No. ----- dated -----

This is to certify that Shri Smt/Kum -----

S/O, D/O No. ----- Rank ----- Name -----

Age ----- PPO No. -----

Is physically /mentally/handicapped/challenged and the disability is of permanent nature.

He/She is unable to earn a living on his/her own.

Diagnosis -----

Brief Clinical Notes (in support of the diagnosis)



Signature/Thumb impression of individual

Signature & Stamp of  
Classified Specialist

Signature & Stamp of  
Senior Advisor

Signature of Commandant  
Military Hospital Brig/Equivalent

**Annexure III to Appendix 'E'****Annexure to Govt of India Letter Number PC MF Air HQ/24299/283/FPHS/PP&R-3(i)/2678/ D(Pen/Policy) dated 26 Oct 07**

Nomination for receiving family pension on behalf of mentally retarded child to whom Family pension is admissible under MOD letter No. A/49601/AG/PS-4(e)/3363/B/ D(Pen/Sers) dated 27 Aug 87 as amended from time to time.

-----

I, \_\_\_\_\_, hereby nominate the person/persons mentioned below who is/are member(s)/non-members(s) of my family, to act as guardian after the death of undersigned and my wife/husband, Smt. \_\_\_\_\_/ Shri \_\_\_\_\_ for my mentally retarded son/daughter and to receive the amount of life long family pension as admissible under MOD letter cited above and which may authorized by Central Govt.:-

Name and address of nominee	Relationship with the Govt. servant/ Spouse	Age	Contingencies on the happening of which the Nomination becomes invalid	Name, address, relationship and age of person/persons, if any, to whom the right conferred on the nominee shall pass in the event of the nominee pre-deceasing the Govt servant and surviving spouse or the nominee dying after the death of Govt. servant and surviving Spouse
1	2	3	4	5

---

This nomination supersedes the nomination made by me on \_\_\_\_\_ which stands cancelled.

(i) The Govt servant/pensioner/spouse shall draw lines across the blank space below the last entry to prevent the insertion of any name after he has signed.

(ii) The Govt. servant/pensioner/spouse shall submit the following additional documents with this nomination:-

(a) Consent letter from nominee to the effect that he is willing to act as guardian for the mentally retarded child.

(b) Two photographs of nominee (s) duly attested by Gazetted Officer.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2000 \_\_\_\_\_  
at \_\_\_\_\_

Signatures and addresses of the witnesses

-----

1.

2.

Signature of Govt. servant  
(including retired/Spouse) with  
full address

(To be filled by the Head of Office)

Nomination by Sh/Smt. \_\_\_\_\_

Designation \_\_\_\_\_

Date of receipt of  
Nomination \_\_\_\_\_

**Appendix 'F'**(Refers to para 10 of  
Chapter VIII)**LIST OF FORMS/APPLICATION/DOCUMENTS WITH PHOTOGRAPHS  
TO BE SUBMITTED ON SUPERANNUATION  
(AFO 01/88 AND PARA 2 OF AFO 977/76)**

SL NO	FORM/ APPLICATIONS	NO. OF COPI ES	SUBMISSION OF FORMS	POTOGRAPH S DOCUMENTS	NO OF COPI ES	TO BE SENT TO
01	Statement of Particulars : Officers	03	08 Months prior to Date of Retirement	Joint photograph in civil dress with spouse (to be attested by OC/Adjt on reverse)	03	Air HQ (RKP) DPP&R-2
02	Nomination for Pension: Form 'A' (to be signed by one witness)	03	08 Months prior to Date of Retirement	Nil	Nil	Air HQ (RKP) DPP&R-2
03	Declaration for the Commutated Value of Pension	03	08 Months prior to Date of Retirement	Nil	Nil	Air HQ (RKP) DPP&R-2
04	Application for Commutation of Pension	03	08 Months prior to Date of Retirement	Nil	Nil	Air HQ (RKP) DPP&R-2
05	Particulars of Spouse (to be attested by Adjt)	03	08 Months prior to Date of Retirement	Nil	Nil	Air HQ (RKP) DPP&R-2
06	Bank Certificate (participation in the Pension Disbursement scheme of the National Bank for Defence Services Pensioners)	03	08 Months prior to Date of Retirement	Nil	Nil	Air HQ (RKP) DPP&R-2
07	Application for ECHS (Med)	03	04 Months prior to Date of Retirement	Nil	Nil	Air HQ (RKP) DPP&R-2

Appendix 'F' (Cont'd)

**LIST OF FORMS/APPLICATION/DOCUMENTS WITH PHOTOGRAPHS  
TO BE SUBMITTED ON SUPERANNUATION  
(AFO 01/88 AND PARA 2 OF AFO 977/76)**

SL NO	FORM/ APPLICATIONS	NO. OF COPIES	POTOGRAPHS / DOCUMENTS	NO OF COPIES	TO BE SENT TO
01	Certificate for reserve liability and future employment (AFI 01/S/74)	03	Nil	Nil	Air HQ (VB) [(JD PP-IV (Aux & Res)]
02	Mobilisation proforma : Reservist officers	03	In uniform duly attested by the Adjt on the reverse	02	Air HQ (VB) [(JD PP-IV (Aux & Res)]
03	Application for issue of Retired Officers, Identity card (IAFZ-2015A) (Para 4 of AFO 38/01)	03	Civil clothes along with negative with personal No on top right corner	02	Adjt
04	Application for service book : Air Force retired officers (Appendix A to corrigendum to AFO 03/75)	02	(a) Uniform  (b) Joint photographs in civil dress with wife  (c) Copy of Certificate of Service  (d) Copy of IAFF (F) 1517 of last pay drawN	(a) 02  (b) 02  (c) 01  (d) 01	Adjt
05	Application for issue of "No Demand " Certificate	02	Nil	Nil	S Adm O, WAC (U)
06.	Application for final payment of balance in DSSOPF along with simple receipt	02	Nil	Nil	SAO, WAC (U)

**Appendix 'F' (Cont'd)**

07	Survival Benefit from AFGIS (Form 212)	01	Nil	Nil	Secretary, AFGIS
08	Nomination form for PRIC (AFGIS) (Form 224)	02	Nil	Nil	Secretary, AFGIS
09	Membership for Air Force Association (Life membership fee for Air Cmde and above - Rs. 1000/- and Gp Capt and below – Rs. 700/-	01	Joint photograph in civil dress with wife	01	Secretary, Air Force Association
10	Notification regarding address of the officer post retirement	01	Nil	Nil	Adjt
11	Release Medical Board (to be held within 08 months prior to superannuation)		Nil	Nil	Air HQ (RKP) DGMS (Air) through SMO and HQ WAC (PMO)
12	Medical category, last pay drawn and total flying hours	--	---	---	Air HQ (VB) [JDPO-2(C )]
13	Family particulars (wife's name, date of marriage and children's name with date of birth) duly authenticated by Adjt with corresponding POR No.	--	--	--	Air HQ (VB) [JDPO-2(C )]
14	Original copy of clearance certificate [IAFF(P) 1518 with address] (both temporary and permanent) (within 04 weeks from date of retirement).	03	--	--	AFCAO through SAO
15.	NE POR to be promulgated within 24 hours of the casualty	-	---	--	AFCAO & Air HQ (VB) JDPO-3

**Appendix 'F' (Cont'd)**

16	Forms P-40, P-55 & AFMSF – 1	--	--	--	Air HQ (VB) JDPO-2(C ) for custody)
17	Encashment of leave (eight months prior to superannuation along with POR (on receipt of sanction by AFCAO)	04	---	--	AFCAO (LEC)
18	Details of service, furlough and sick leave availed during the service of the officer with POR Nos	--	--	--	AFCAO
19	Draft Certificate of Service in block capital letter as per Appendix 'B' to aFO 01/88 (to be submitted within two month of receiving the retirement order) (signed by the individual and counter signed by the unit Adjt)	02	--	--	Air HQ (VB) JDPO-3( C )

**Appendix 'G'**(Refers to para 10 of  
chapter VIII)**FILLED SAMPLE PENSION PAPERS**Dy CDA (AF) Pension Cell  
Subroto Park, New Delhi – 10

Unit : 414, AF Stn

**STATEMENT OF PARTICULARS : OFFICER PROCEEDING ON RETIREMENT**

Sir,

I, **Wg Cdr Albret Hazra (1803) F(P)** submit the following particulars/documents in connection with the sanction of my retirement pension :-

(a)	Address after retirement (in block capitals ) Change to be notified to Dy CDA (AF) & Air HQ (Dte of PP&R), RK Puram New Delhi – 66 (Tele No.)	<b>FLAT NO-412, JALVAYU RESIDENCY , 337, MOTILAL GUPTA ROAD, PO-SAKHER BAZAR KOLKATA-700 008</b>
(b)	Name of Govt/ Treasury/Defence Pension Disbursing Officer	<b>N/A</b>
(c)	Name & address of Public Sector Bank from which pension is proposed to be drawn. (See App I to Pen Regs for the AF Part II (1961) for the List of Treasuries/Defence Pension Disbursing Officer	<b>STATE BANK OF INIDA, SAKHER BAZAR KOLKATA-700 008 BSR CODE : 0003548</b>
(d)	Saving Bank A/C No. (Joint Account)	<b>200001442291</b>
(e)	Full Postal Address of the Link Branch with BSR Code	<b>CENTRALISED PENSION PROCESSING CENTRE, 2ND FLR SBI 83-1/A VIVEKANANDA ROAD, KOLKATA, WEB</b>

(f) Particulars of Wife &amp; Children/ Relation / Date of Birth.

<b>Name</b>	<b>Relation</b>	<b>Date of Birth</b>
<b>SMT NITA HAZRA</b>	<b>WIFE</b>	<b>17 JAN 1960</b>
<b>MISS NISHTHA HAZRA</b>	<b>DAUGHTER</b>	<b>12 JUN 1985</b>
<b>MISS SAROJ HAZRA</b>	<b>DAUGHTER</b>	<b>25 MAY 1991</b>

(g) Date of marriage and Nationality of Spouse : **23 JAN 1984/ INDIAN**(h) Three copies of Joint Photographs with wife (in civil) : **ATTACHED**(j) Whether likely to be re-employed : Army / Navy / Air Force : **N/A**(k) Whether anticipatory pension desired : **N/A**(l) Date of Retirement : **30 AUG 2011**

Signature :

Name : **ALBRET HAZRA**Rank : **WG CDR**Designation : **SFSIO**Thro : Air HQs (Dte of PP&R)  
RK Puram, New Delhi – 66.



Appendix 'G' (cont'd)(Annexure 'D' to Ministry of defence letter 5621/AT-Pt 653/D  
(Pension/Services) dated 06 May 93)DECLARATION

Whereas the Deputy Controller of Defence Accounts (Air Force) New Delhi – 10 has consented, provisionally, to advance me pension @ Rs \_\_\_\_\_ per month, and a sum of Rs \_\_\_\_\_, being the commuted value of 50% of pension mentioned above, in anticipation of completion of the enquiries/documents necessary to determine my pension entitlement. Viz. Pension, Death – cum – Retirement Gratuity and a part of pension that may be commuted, I hereby acknowledge that, in accepting the advance, I fully understand that the same is subject to revision on the completion of necessary enquiries/documents and I promise to raise no objection to such revision on the grounds that the provisional payment now made to me exceed the award which I may be eventually found entitled. I further promise to repay either in cash or by reduction from subsequent payments of pension any amount advanced to me in excess of that which I may be eventually found entitled.

---

 (Signature)
Personal No. : **1803-T**Rank : **WG CDR**Name : **ALBRET HAZRA**

Place : 414, AF Stn

Date : 21 Mar 12

**Appendix 'G' (cont'd)**

(Referred to in Table I of Regulation 16 and Regulation 108 of Pension Regulations for the AF Part II (1961).

**FORM OF APPLICATION FOR COMMISSIONED OFFICERS**  
**COMMUTATION OF PENSION**

When this form has been duly filled and signed, it should be sent to the appropriate authority mentioned in Reg 108.

	QUESTIONS	ANSWERS
1.	The Personal No. Rank and Name of the applicant.	<b>1803-T WG CDR ALBRET HAZRA</b>
2.	Place of Birth	<b>BOLPUR (WEST BENGAL)</b>
3.	Date of Birth, Age next birth day in years	<b>18 APR 1954, 54 YEARS</b>
4.	Married or single.	<b>MARRIED</b>
5.	Have you on any previous occasion applied for permission to commute a portion of your pension, and if so, with what result.	<b>NO</b>
6.	How much per annum of your pension do wish to commute.	<b>MAXIMUM PERMISSIBLE</b>
7.	How do you desire the capital sum to be paid to your agents or by draft for negotiation through Bank	<b>THROUGH BANK</b>

Signature

Personal No. : **18603-T**  
Rank : **WG CDR**  
Name : **ALBRET HAZRA**

Place : 414, AF Stn

Date : 21 Mar 12

**Appendix 'G' (cont'd)**

**FORM - A**

Pension disbursing authority / Head of office (Name of Bank / Trt / Post Office / Accounts Office

Place :

I, **Wg Cdr Albret Hazra (1803) F(P)** hereby nominate the Person named below under (Min of Def Letter No. 4(2)84/868/B/D(Pen/Sers) dated 01 May 84.

Name & Address Of the Nominee	<i>Relationship</i>	<i>Date of Birth</i>	If the nominee is minor name & address of person who may receive the said pension during the nominee's minority
(1)	(2)	(3)	(4)
<b>MRS. NITA HAZRA FLAT NO-412, JALVAYU RESIDENCY , 337, MOTILAL GUPTA ROAD, PO-SAKHER BAZAR KOLKATA-700 008</b>	<b>WIFE</b>	17.01.60	

NAME & address of other nominee in case the nominee under Col. 1 above predecease the pensioner	<i>Relationship with pensioner</i>	<i>Date of Birth if the other nominee is minor</i>	Name & Address of person who may receive the pension during the other nominee's minority
(5)	(6)	(7)	(8)
<b>MISS NISHTHA HAZRA</b>	<b>DAUGHTER</b>	} N/A	
<b>MISS SAROJ HAZRA</b>	<b>DAUGHTER</b>		

Contingency on happening of which nomination shall become invalid.
(9)
<b>DEATH / DIVORCE / INSANITY</b>

Witness : Sign. \_\_\_\_\_

Name - Wg Cdr D Singh

Signature of officer

Date: 26 Aug 11 414, AF Stn

\_\_\_\_\_ Certified that application/Nomination has been received from  
..... whose permanent address is:- \_\_\_\_\_

Place : Air HQ (RKP)

Signature :

Date :

Appendix 'G' (cont'd)PARTICULARS OF SPOUSERank WG CDR Name & Initial ALBRET HAZRA Per No. 1803-T

1. Name : **NITA HAZRA**
2. Personal marks of identification : A CUT MARK ON FOREHEAD
3. Specimen Signature (i) Nita  
(ii) Nita  
(iii) Nita
4. Right hand thumb and finger impressions (Left hand in case of male)

ATTESTED

Signature : DK Singh  
 Name : (DK Singh)  
 Designation : Wg Cdr  
Flt Cdr HRM Flt

**Appendix 'G' (cont'd)****CERTIFICATE**

1. It is certified that this bank has participation in the Pension Disbursement Scheme of the National Banks for Defence Service Pensioners. The Full Postal address is as under:-

(a) Pension disbursing branch (in which pensioner holds account): -

**STATE BANK OF INIDA,  
SAKHER BAZAR  
KOLKATA-700 008**

**BSR CODE : 0003548**

**RTGS / NEFT/ IFSC : SBIN0001535**

(b) Full postal address of **Link Branch** \* is as under: -

**CENTRALISED PENSION PROCESSING CENTRE,  
2ND FLR SBI 83-1/A VIVEKANANDA ROAD,  
KOLKATA, WEB**

**BSR CODE 004473**

2. Shri/Smt **Albret Hazra** resident of **FLAT NO-412, JALVAYU RESIDENCY, 337, MOTILAL GUPTA ROAD, PO-SAKHER BAZAR, KOLKATA-700 008** is holding a pension account No. **200001442291** on this Bank, which is in their joint names

1. **Albret Hazra**. 2. **Nita Hazra (Wife)**

(Signature of Manager with Rubber Stamp)

Date: Mar 12

\* Every Bank may have many branches in a district. Out of these, one branch is designated as the **Nodal Branch / Main Branch** for that district. This branch is known as **Link Branch** in the pension parlance. The Pension Payment Order (PPO) which is issued by the Pension Sanctioning Authority i.e.Dy CDA(AF) is addressed to the **Link Branch** which forwards it further to the **Paying Branch** for payment of pensionary benefits. (This paying branch is termed as Pension Disbursing Agency (PDA) by the MoD / CDA).

**Appendix 'H'**  
(Refers to para 18 of  
chapter VIII)

**SAMPLE PPO**

COMMISSIONED OFFICER PENSION OFFICE OF THE DY. C.D.A (A.F.) NEW DELHI									
PENSION PAYMENT ORDER NO.					08/14/A/ 0301/2011				
PROVISIONAL P.P.O. (IF ANY) PAY BAND: 37400-67000									
RECORD OFFICE AIR HQS. WEST BLOCK-VI, R.K. PURAM, NEW DELHI-66 IN TERMS OF MIN. OF DEFENCE LETTER NO. 17 (4) / 2006 (2) / D (Pen/Policy) Dated 12-11-2006 : 6th CPC									
A. RETIRING PENSION									
1. PERSONAL NUMBER		2. NAME					3. NATIONALITY		
18273		SUBIR ROY					INDIAN		
4. PAY IN PAY BAND	5. GRADE PAY	6. MSP	7. NPA	8. QUALIFYING SERVICE FOR PENSION (WITHOUT WEIGHTAGE)		9. QUALIFYING SERVICE FOR RETIREMENT GRATUITY (WITHOUT WEIGHTAGE)		10. DATE OF BIRTH	
48960	8000	6000		25/00/28		25/00/28		04/04/1963	
11. RANK LAST HELD		12. RANK FOR PENSION		13. BRANCH	13A. DATE OF COMMISSION		14. DATE OF COMMENCEMENT OF PENSION		
WG CDR		WG CDR		F(P)	07/06/1986		05/07/2011		
15. PENSION SANCTIONED PER MONTH FOR LIFE									
31480		RUPEES: THIRTY ONE THOUSAND FOUR HUNDRED EIGHTY ONLY.							
15740		RUPEES: FIFTEEN THOUSAND SEVEN HUNDRED FORTY ONLY.							
16. AMOUNT COMMITTED		17. RESIDUAL PENSION PER MONTH							
15740		RUPEES: NIL							
18. GALLANTRY AWARDS PER MONTH									
ECHS RECOVERED									
19. GROS DCRG		20. DEMANDS		21. CD	22. NET DCRG TO BE PAID			23. ABSOLUTE DATE OF COMMUTAION	
1000000					RUPEES: NINE LAKH THIRTY NINE THOUSAND ONLY.			939000	
AMOUNT WITHHELD Rs 1000		ECHS CONTRIBUTION Rs 60000							
05/07/2011		24. CAPITALISED VALUE OF PENSION TO BE PAID							
		1677444							
25. RUPEES: SIXTEEN LAKH SEVENTY SEVEN THOUSAND FOUR HUNDRED FORTY FOUR ONLY.									
B. FAMILY PENSION (ORDINARY)									
25. NAME					26. RELATION SHIP		27. DOB		28. NATIONALITY
JYOTI ROY					WIFE		5/10/1965		INDIAN
29. ENHANCED RATE OF FAMILY PENSION									
RUPEES: THIRTY ONE THOUSAND FOUR HUNDRED EIGHTY ONLY.									
The enhanced rate is payable for seven years from the date following the date of death or upto									
03/04/2030 WHICH EVER IS EARLIER									
30. NORMAL RATE OF FAMILY PENSION (ORDINARY)									
RUPEES: EIGHTEEN THOUSAND EIGHT HUNDRED EIGHTY EIGHT ONLY.									
C. AGENCY AND PLACE OF PAYMENT									
31. PENSION DISBURSEMENT OFFICE					32. STATION				
P. S. B					COIMBATORE				
33. BANK / SUBTREASURY			34. BANK BRANCH			35. BANK ACCOUNT NO.			
SYNDICATE BANK			774KM BLDG AVINASHI			61212200029789			
36. BANK / SUBTREASURY STATION			37. STATE			38. DATE OF DESPATCH			
COIMBATORE			TAMIL NADU			16 DEC 2011			
39. NAME OF HANDICAPPED CHILD							40. RELATION		

**Important :** See instructions and clarificatory notes on reverse

PPSR-2 23/11

Diary No. ....

TO 1. SYNDICATE BANK ANAKARA ST COIMBATORE 641001

2. Office-in-Charge C.H. Section PCDA (P) Allahabad

3. Air Hqrs. Dte. PP&R-3, West Block-VI, R.K. Puram, New Delhi-66

4. AFCAO

5. WG CDR SUBIR ROY SRK D PPR

AF126

For Dy. C.D.A. (AF)

## INSTRUCTIONS

## GENERAL

1. Temporary increase/Adhoc Increase/Adhoc Relief are not payable in addition to pension.
2. The Conditions/ Instruction for payment of pension/DCRG/Commutated value of pension/Gallantry Award/ Relief/Family/Pension contained in Pension Payment instructions (PP)1973. Edition as amended from time to time as well as in various circulars issued from time to time by PCDA (Pension), Allahabad will continue to be operative. The various certificates required to be obtained before marking payment will continue, to be obtained.
3. Payment already made on the authority of the provisional PPO quoted in this PPO, may be recovered/adjusted before making payment as authorised vide this PPO.
4. **DEARNESS RELIEF**  
The payment of dearness relife on Pension may be regulated in accordance with terms and rates, as sanctioned by the Govt. of India from time to time. Vide GOI MOP&PG OM No. - 42 / 2 / 08 - P&PW (G) Dated - 12/9/08 effective from :- 1 / 1 /06 - 0%, 1 / 7 / 06 - 2%, 1 / 1 / 07 - 6%, 1 / 7 / 07 - 9%, 1 / 1 / 08 - 12%, 1 / 7 / 08 - 16%, 1 / 1 / 09 - 22% etc.
- 4.1 Relief is not payable on the Gallantry Awards shown in column 18.
- 4.2 Relief is not payable during re-employment/employment
5. **RESIDUAL PENSION**  
As result of the commutation, the residual pension shown in Column No. 17 will become payable from the date of payment of capitalised value of pension or three months after the due date of this PPO. (see the date of despatch at the bottom of PPO) whichever is earlier. But in case the Pension is drawn from nationalised banks his pension will be reduced with effect from the date on which commuted value of pension is credited by the bank to the pensioner's account to which the pension is to be credited.
6. In column 21 RDR implies Revenue, Debt and Receipt Head and OTR implies other than RDR Head.
7. **DCRG**  
The amount of DCRG shown in column No. 22 payable on after the date shown in column No. 14, if however, the individual dies before receiving the DCRG, the amount thereof should not be paid to heirs and the matter should be referred to Pension Sanction of this office for further instructions
8. **CAPITALISED VALUE OF PENSION**  
The amount shown at column 16 has been commuted out of the amount of Retiring Pension shown in column 15. The capitalised value of pension shown in column 24 may be paid to the pensioner on or after the date shown in column 23 provided he is alive on that date.
9. **FAMILY PENSION**  
The enhanced rate of family Pension OR the normal rate of family Pension shown in Column 29/30 of this PPO is payable in the event of death of the Pensioner shown in case A of this PPO only after receipt of the Death Certificate of Pensioner and a report there of submitted to Audit Section of PCDA (Pension Allahabad).
10. When the family pension under this PPO become payable a certificate to the effect that the widow has not remarried and is not in receipt of any other family pension should invariably be obtained.
11. The enhanced rate family pension shown in column No. 29 is payable from the date following the date of death of the service pensioner.  
(i) till date shown in column No. 29 of this PPO or  
(ii) for 7 years from the date of death of the service Pensioner or  
(iii) till death /re-marriage of the family Pensioner, whichever is earlier.
12. The normal rate of the family Pension shown in col. 30 of this PPO is payable .  
(i) From the date following the date of cessation of enhanced rate of family pension vide instruction No. 11 above (if death taken place then the enhanced rate is payable) or  
(ii) From the date following the death of the service Pensioner (if death taken place after the date shown column 29 of this PPO)
13. **RESTORATION OF COMMUTED PORTION OF PENSION**  
The commuted portion of pension shall be restored and full pension shall be paid after expiry of 15 years from the date of the pension was reduced on account of commutation without waiting for an application from the pensioners.
14. **Handicapped child** : Family pension in respect of handicapped child shown in this PPO will be notified separately when contigency arises. Subject to fulfilment of prescribed conditions.

**Appendix 'J'**

(Refers to para 20 of chapter VIII)

**COMPRESSED BRIEF ON FINALISATION OF OTHER NE BENEFITS INVOLVING AFCAO****➤ Role of AFCAO In Finalization and Payment of Other NE Benefits**

- ❖ Get the 10 months average pay/Last Pay Details audited.
- ❖ Final payment of DSOPF balance.
- ❖ Payment of Leave Encashment ( 90%).
- ❖ Payment of final IRLA balance.

**➤ Some of the Common Observations in IRLA Audit as Observed by AFCAO**

- ❖ Delay in receipt of NE documents from the last unit.
- ❖ Details of draft gazette notification with regard to current rank not found in the COS.
- ❖ Mismatch of information given in COS with IRLA records such as :
  - Date of promotion
  - Date of commission
- ❖ Details of post course liability not mentioned in the retirement order

**➤ Payment of DSOP for Superannuation Cases**

- ❖ Unit to forward Appx G to AFO 66/76 (Vr for final pmt).
- ❖ Three months before date of superannuation subscription is ceased automatically by AFCAO.
- ❖ The Appx G along with the fund ledger card duly credited with interest is forwarded for audit.
- ❖ Audited Appx G forwarded to S Accts O of the unit from where the officer is retiring.
- ❖ S Accts O makes payment on the next working day after the officer retires.
- ❖ Officers are permitted to avail final withdrawal in the last year of retirement without assigning any reason. (On superannuation ground, only once)
- ❖ However they are advised not to avail final withdrawal in the last three months as the procedure for audit gets delayed and no interest is given for the delayed period.



**Appendix 'J' (Cont'd)****Payment of DSOP Pre- Mature Retirement Cases**

- ❖ Complete process of audit starts after the date of retirement of the officer.
- ❖ Officers are advised to complete App G to AFO 66/76 and forward to AFCAO after the retirement along with the NE POR.
- ❖ Also advised not to avail any final withdrawal / temp loan three months before retirement.
- ❖ Payment released by Accounts Section of AFCAO after date of retirement directly to the banker/home add as mentioned in the Appx G .

**➤ Payment of Leave Encashment**

- ❖ Complete procedure for processing payment of LE is laid down in DACL 14/2001.
- ❖ 90% of LE is paid after audit post retirement only on receipt of NE documents. The documents are :
  - NE POR
  - LE authorisation POR
  - Closed pay book
  - LE Sanction (Pt-III)
  - Simple receipt
- ❖ Remaining 10% of LE along with IRLA balance will be released after no demand certificates are received from the following agencies :
  - CDA(AF) Dehradun
  - UABSO/C Adm O
  - Jt CDA(AF) Subroto Park

**➤ Check List for processing LE payment**

- ❖ Though the promulgation of leave accumulation POR is the responsibility of Adjutant. Officers are requested to ensure the following :
  - Encashment POR is promulgated every year and forwarded to OPW (LE Cell).
  - Carry forward POR is mandatory even if full annual leave has been availed.
  - Regularisation has been done for excess leave availed, if any.
  - Regularisation has been done for hospitalisation / sick leave.

**Appendix 'J' (Cont'd)****➤ Common Avoidable Errors During Process of LE**

- ❖ Application- cum- sanction for LE not completed as per DACL 14/01. Such as part III of the application not signed by leave granting authority.
- ❖ Observations on encashment POR not addressed by the unit in time.
- ❖ In case of officers seconded from Army/Navy wrong transmission of data

**➤ Payment of Final IRLA Balance**

❖ Final IRLA balance includes :

- Balance 10% of LE.
- Any debit/credit of pay & allowance like :
  - DA arrears
  - IT Refund, if any
  - LE on LTC
  - TPT
  - HRA

❖ Final IRLA balance is released after no demand certificates are received from the audit agencies.

❖ At the time of release of final IRLA balance the Last Pay Certificate (LPC) is prepared and forwarded to Jt CDA(AF).

**➤ Points to Note on Timely Issue of NDCs**

❖ For NDC from PCDA(AF) Dehradun.

- Ensure that SAO forwards all the voucher details of TA/DA advances and its clearance particulars to AFCAO, particularly the advances drawn in the last year of retirement.

❖ **For NDC from UABSO.**

- Ensure that BSO forwards the vacation return in time and initiates action for forwarding NDC to AFCAO.

**Appendix 'J' (Cont'd)****❖ For NDC from Jt CDA(AF) Subroto Park.**

- Ensure that the recovery is affected in case of unutilized portion of OTK allowance.

**➤ Processing of Income Tax Return After Retirement**

- ❖ Retired officers can file their IT return through AFCAO for the financial year in which they retired.
- ❖ After that Officers are to file their IT return directly with their respective ITO (ward/circle)

**➤ Final TA claim : NE Officers**

❖ Officer has to prefer last posting claim for his movement from last duty station to hometown/selected place of residence as mentioned in his NE POR after the same move is complete.

**❖ Documents Required**

- Movement details of self & family.
- Family details.
- Consignment note and cash receipt for conveyance of luggage and motor car separately.
- NE POR.
- Pre-receipted over re 1 revenue stamp.
- Xerox copy of RC book duly attested.

**Appendix 'K'**

(Refers to para 56 of Chapter IX)

**PROCEDURE FOR DRAWAL OF PENSION BY THE NON RESIDENT INDIAN  
DEFENCE PENSIONERS THROUGH DPDOS, PAOS, TOS AND PUBLIC SECTOR  
BANKS AS ADVISED BY PCDA (P) ALLAHABAD**

1. To open a non-resident Bank Account in any scheduled bank in India.
2. To execute a power of attorney in duplicate (specimen enclosed as Annexure I) on Indian Non Judicial stamp paper of appropriate value or where no judicial stamp is available, on durable plain paper affixed with adhesive Indian Stamp of appropriate value in favour of authorized agent. The value of the stamp will be determined with reference to practice as obtained in the place where the power of Attorney is executed. The power of Attorney will be executed before Notary Public or Indian Mission abroad. If the power of Attorney is executed before Notary Public, it must be signed in the presence of an official of Indian Embassy /Mission abroad, who should attest the signature of the pensioner. If the power of attorney is executed on a plain paper, and is not affixed with adhesive Indian Stamp of appropriate value, the pensioner may write his agent in India, advising him to take the same to the Collector within three months of its receipt of getting it stamped according to Indian Stamp Act. However, power of attorney is not required by Public Sector Banks.
3. Submit pension claim on IAFA-380(a) or an arrear claim on IIAF (CDA) 651 to his / her PDA, if the pension has not been drawn for more than one year.
4. Submit Life Certificate (IAFA-409) to his / her PDA, issued by an authorized official of the Embassy / High Commission of India, or consuls of Indian Consulates or a Notary Public or an officer of an Indian Public Sector Bank attached to its branch in the country, where the pensioner is residing, once in a year in November each year.
5. Submit a certificate to his / her PDA once a year in April each year whose nationality at the time of retirement was Indian and who for the time being is residing outside India, on the following lines: -
 

“I Certified that I was an Indian National at the time of my retirement and have not thereafter changed my Nationality and become a naturalised citizen of a Foreign State.”
6. **Intimate the change of his / her nationality, if nationality has been changed, along with nationality certificate granted by the country where the pensioner is residing, to the PDA as well as to PCDA (P) Allahabad for updation of records.**
7. Forward an attested copy of pensioner's passport.
8. Submit other certificates viz. non-employment / re-employment certificate, non marriage certificate etc to his / her PDA.

**Note.** Execution of Power of Attorney is not required by the pensioner drawing his / her pension from Public Sector banks.

**Annexure I to Appendix 'K'****SPECIMEN FORM - POWER OF ATTORNEY**

Know all men by these present that (a).....(Full name, Personal No. and rank of the pensioner) do here by appoint (b)..... (Name of the schedule Bank). As my true lawful attorney and authorise the said attorney to do all things, Acts, deeds, that may be necessary or are usual to receive from the (c) ..... the pension payments etc. due to me as authorised by the Chief CDA(Pensions), Allahabad and to give receipt for the same and credit the same to my account.

And I do hereby agree to rectify all acts, deeds and things done or made by my said Attorney which shall be deemed to be done and made by me personally and shall be binding on me with force and effect. This power of Attorney shall remain in full force and effect until due notice in writing of its revocation shall have been given to the CCDA(Pensions) Allahabad.

In witness whereof the said (d) ..... (Name of the pensioner) has set his/her hand and seal this.....day of .....SIGNED SEALED AND DELIVERED by t he said (d) ..... (Name of the pensioner) in the presence of ..... (Execution of Power of Attorney).

**Appendix 'L'**

(Refers to para 58 of Chapter VIII)

**GUIDELINES FOR OFFICERS PROCEEDING ON RETIREMENT****Introduction**

1. These guidelines have been originally formulated by Air Mshl PK Jain, PVSM, VSM a veteran of the Indian Air Force. He has taken valuable advice from other veterans who were specialist in their own fields.
2. These are the guidelines which are well thought of and provide an insight to the expected changes after hanging the uniform. The content is full of human value, service ethos and social character of the Armed Forces which needs to be carried forward into the civilian life with dignity and honour.
3. The Dte of PP&R is grateful for this wonderful contribution and wish to spread this noble and virtuous advice to all Air Force Personnel on retirement.

**Need for These Guidelines**

4. These guidelines are based on the experiences of retired personnel of the three services with the aim of using the know-how of retired personnel in a composite manner and guide them to lead a meaningful life and keep them adjunct of previous services.
5. These guidelines are not a result of any long research of these aspects but inspired views of some retired personnel based upon their own experiences in the present social environments with the aim of keeping them afloat in the dynamic situation prevalent in the society.
6. **Needless to mention that these guidelines will need to be updated, whenever required to remain useful.**
7. Hanging off the uniform does not mean that one has put an end to all human activities; only the style of task changes, normal function should carry on till the end of the tunnel with full vigor, dedication and focus on achievements which we could not attend to for various reasons basically service laid down norms.
8. And yet we need to prepare ourselves-psychologically, physically, financially and environmentally-for days ahead after we hang the boots. First of all, do not put a label of 'Retired' on your personality "Veteran" will be better "Brand" name than "Retired" which over the time has known to be the "THE END".

9. Retirement from service can be a painful transition from an active life to supposedly inactive phase. We must resolve to lead independent life after retirement. There are instances when service personnel especially those retiring at higher ranks tend to fall back on the service to enjoy certain privileges. Nothing can be worse than this. In my opinion one should be in a position to offer to the service and the serving personnel rather than expecting favours just because of having adorned a particular position in service. It is better not to lure ourselves in indulging into expecting and taking privileges because the price for NOT getting them can be shattering. **RESOLVE THEREFORE TO ONLY GIVE AND NOT TAKE ANYTHING FROM THE SERVICE.** Gracefully accept the changed situation.

Some of the major areas which affect our lives after retirement are as follows:-

### **Financial Adequacy**

10. Your pension amount will need augmentation; you have to save money for investment into various available and secured channels. Do not fall prey to the temptation of higher returns via unscrupulous hands; a number of us had to suffer financial losses for not ensuring the credibility of investment channel. The most optimum choices are:-

- (a) RBI Bonds.
- (b) Post Office Monthly Income Scheme and time deposits scheme.
- (c) Public Provident Fund.
- (d) Air Force Group Insurance Investment Scheme.
- (e) UTI Mutual Fund.
- (f) Schedule Bank Mutual Fund.
- (g) Varishta Pension Bima Yojana.
- (h) Senior Citizen saving scheme.

11. Augmentation of income through employment in a job will depend upon your adjustment to new working environments and guard against emotional stress and physical strain due to commuting distance, work culture and the age factor. It is easier to adjust to a job at a relatively younger age, say between 45 to 55 and junior ranks than higher age group (55-65) and senior ranks. Starting your own venture or becoming a partner in running venture even with your close relatives is financially extremely risky.

12. The civilian fraternity in our country looks at a retired service man for being good and capable only for Security Duties. In contrast a lot many of us are more qualified to undertake bigger responsibilities. It is also a fact that as yet no workable and dependable system has evolved to absorb the talented ones into civil organization at the level they ought to be positioned. We must, therefore, prepare ourselves much in advance to get on to some meaningful occupation or activity.

### **State of Health**

13. It is the most important factor which needs your attention. A happy and successful, after service, life depends on your state of health. Timely health check ups more regularly than during service, proper diagnosis, meticulous prevention and prescribed treatment will help you in keeping Good Health. Please remember that old age effects can not be avoided, they should be borne with a stoic attitude.

14. Death is inevitable, but one should feel gratified at the end of the tunnel for having spent the life in a purposeful manner besides having accomplished the destined task with a sense of honesty and sincerity.

15. ECHS has been introduced to provide medical care for retirees. It is useful to be a member of this scheme, it may have teething trouble but it has all the potentials to provide you with requisite medical care, there is no skepticism in my mind about the utility of the scheme. Medical care outside the scheme is awfully expensive and highly unreliable.

### **Dwelling Units**

16. One should aim to possess a house of one's own where one can live in a relatively tension free surroundings. Fortunately, Air Force Naval Housing Board has completed and launched number of housing schemes; try to possess a unit in any of these schemes; such units are the cheapest and physically most suitable, alternately you may try for accommodation in the Army Welfare Housing and the State Housing Boards Schemes or building your own house after retirement has inbuilt complications and difficulties.

17. Sharing a house with your grown up and married children, unless you are a fortunate one, is not likely to have a smooth sailing mainly due to unbridgeable gap in the value system of your grown up children (especially married ones) and that of your own and your spouse.

### **Paper Work**

18. Most of us have enjoyed the benefit of camp life. Payment of electricity, telephone and water bills never crossed our minds. Maintenance of Sanitary and Hygiene standard was the responsibility of the organization. We never made Ration Card, or bothered about Telephone connection, Gas connection, renewal of Driving License, Fire Arms, and payment of Insurance renewals. It was all looked after by the staff and it was no hassle. Now all this has to be done personally by you. No secretarial staff to provide you any relief. Ensure that all documents are known to you and you may require to stand in a queue for completing the formalities that alone will keep your irritation under check and blood pressure within safe limits. However, nowadays banks provide the facility of electricity and telephone bill payment even through Internet.



19. One must start preparing a check list of the items, which would be required to be transferred to the place of settlement. This may include:-

- (a) Transfer of four wheeler/two wheeler.
- (b) Transfer of gas connection .
- (c) Transfer of bank account etc.

20. Also it would be a good idea to start making a list of all such agencies/transactions, where change of address would be required e.g., your insurance company, any mutual funds, any magazine subscription and so on. Keep adding to this list till D-2 or D-1 month, and then you start writing to these agencies for changing your address of communication to ensure that you don't miss any of your valuable letters.

21. After you reach your place of settlement, after the D day, get a ration card and a voter's card and PAN Card for yourself & your spouse made. Also get registered with the nearest Zila Sainik Board.

22. It would be prudent to make a list of all financial assets i.e. all your bank accounts, previous account, insurance details, mutual funds, PPF etc and share it with your spouse. Making nomination in all your accounts is a bright idea as it reduces many hassles for the NOK, should any thing happen to the retired/veteran officer/person. It would be rather a very practical idea to obtain check list from DPP&R about the formalities required to be done by the NOK regarding applying for family pension etc. in the above mentioned situation.

23. Advisable will be to keep a diary of all items, such as Income Tax return, Payment of Premiums. It keeps you abreast of changes in Tax Rules, record of accounts in various banks, investments with Amounts, various licenses and the maturity date of various schemes which need to be renewed at fixed dates. By keeping records of all such items, there are fewer changes of slip ups and less problem of gapping the slips which in civil set up can be back breaking exercise. Most importantly, the spouse should know all this too.

### **Adjustment With Change of Culture**

24. A sudden change is witnessed in the society outside the Service Enclave. It is a change from living in a highly organized society where your grievances and suggestions are meticulously addressed to at regular intervals in welfare meetings or individually at various levels of the service echelon; No such attention is available in the civil set up, efforts to put a word and seek relief from a civil set up at best is exasperating, if not impossible. Highly innovative ways have to be resorted to for achieving the objective. You may approach for necessary help to Air Force Association, MLA's, MPs and NGO's etc. A little amount of goodwill exists in the officialdom for Service personnel especially at higher levels; do not feel shy in making use of it.

### **Vacantness**

25. Shift from highly organized service life to an individualistic entity is bound to create a shocking experience. One has to organize the daily curriculum (DIN CHARYA). Hence, some kind of framework has to be thought of before leaving Air Force.

26. While in Service, Cultivation of some hobbies such as sports suitable to your physical fitness, walking routine, indulgence in painting, music, reading, coaching through clubs / welfare organization/organizing blood collections for societies like Red Cross or Hospitals, looking after the patients who do not have any attendants, learning Yoga especially Meditation Pranayam etc. without hard physical exercises, are some activities which can occupy your time. Particular emphasis should be on thought that we owe to the society in general, for what ever it has bestowed on us during early life. Thus one should be inclined to attend to social cause. Individual and organized effort should be devoted to eradication of social evils. Dent should be made on practices of Dowry, Drug Addiction, killing of Girl child before its birth, ostentatious living, Anti Corruption measures etc. A great deal can be achieved by writing articles in magazines/newspapers and through letters to the editor of News Papers. It should be your duty to approach the concerned civil Authorities for taking necessary action to improve the living conditions in your locality and City/Town in particular. Be in touch with Dist Sainik Boards and Air Force Association of your state for contributing to its welfare activities.

27. Keeping engaged in useful activities is a sure way of achieving happiness, good health and purposefulness of life.

### **Maintain Harmonious Relations With Your Relatives**

28. During Service period, due to frequent postings, at times to far off places as well as non availability of leave, we are likely to miss the family and that of relatives' functions and therefore unable to maintain close relations, this state should be suitably corrected. Post retirement, you are cut off from your service friends circle; you need the relatives and new friends for renewed social activities for the soundness of your mental and physical health and settlement of your children.

29. If one does not prepare for retirement, the "Retirement's Shock" may lead you to "Withdrawal Symptoms" and sometimes depression. Avoid it at all cost. "Social Activity" is the essence. One should consult a psychiatrist, if you reach such a situation, as he could enable you to overcome the situation.

### **Religious Faith**

30. Religious faith is necessary for healthy survival. A great deal of imponderables decide the happenings. Some Natural Forces, whose identity is at present beyond Mind's comprehension, play a vital part in your life's pattern. Faith

in your religion and these natural Forces help you in overcoming confusions and anxiety which may exist in our thinking process, especially when “Things go wrong”.

31. Whether you believe in the existence of God or not, is not the moot point, the relevance is that it is useful to create your own God even if it does not exist. When somebody asks me “How is life treating you?” My answer is “God could not be kinder”. It provides me feelings of well being as also to the other person.

32. Having said this, it is emphasized that one should be religious but not fundamentalist in pursuit of religion. Religious bigotry and fundamentalism have not been the culture imbibed by the Defence Personnel. Visits to religious places whether Temples, Gurudwaras, Mosques or Churches provide you moral strength and solace.

33. In our day to day conduct we have remained “Secular” with respect to all religious faiths. Even in service if somebody asked me “what is your Religion?” my reply was “Air Force” because I have been brought up under the Air Force value system. Even after hanging the uniform, our behavior should reflect the strength of Service values. One should not try to change. The population outside the services, pays due respect and recognize the ones service behavior and ethos.

### **Updation of Will**

34. Will, on your movable and immovable property/asset must be updated according to evaluation of relationship with the legal heirs, and preferably the Will should be “Registered”. It must be framed strictly as per the latest rules and regulations to eliminate chances of any friction after your death. Death is inevitable and its timings are uncertain. The writing of “Will” and its updation according to the changed circumstances is necessary for smooth transfer of assets to your next of kin.

### **Association with Services**

35. This benign Service looks after us till we reach the tomb. After leaving the active Service, one should keep contacts with its establishments, structures for Ex-Servicemen (who have contributed to the present shape of the Services). It is advisable to become the members of Air Force Association and AFWWA and take part in its activities.

36. However one should not expect the Service establishments to look after you in the manner it did when you were in Service, because its paramount responsibility is to take care of serving personnel. Occasionally certain aberration in behavior is noticeable in service personnel towards ESM. But it should be treated with the spirit of tolerance and compassion. A bit of appeal and educative attitude would be a correct measure. Making an issue out behavioral frictions with service personnel should be avoided. The higher echelons of Service have issued necessary instructions to the units to treat the Ex. Service personnel with

due courtesy and helpfulness. The positive attitude of ESM should be to give back to the Service in return, or what things Service has done to us during our long service career.

37. Slowly and gradually life leads to a stage when children are settled in jobs, posted at different places and one is left alone with the spouse. No support is available from children. Servants are becoming less and less available. Husbands and wives are to look after each other; the bondages between the two get strengthened out of necessity. The one day inevitable tragedy takes place and one of the partner leaves this world and second partner is to look after himself/herself and his/her assets.

38. The phase of life immediately after retirement is the most difficult stage of life and needs very careful planning. Physical security is the main problem since it is being threatened all over the country. The solution lies in shifting to secured localities. The best alternatives is to live in Senior Citizens' housing complex/old Age Housing schemes.

### **Leadership Qualities**

39. Service training has imbibed in us the qualities of leadership, patriotism, courage, honesty, truthfulness, spirit of sacrifice, adventurism and simplicity, Robustness, fearlessness, dutifulness, respect for the seniors are some of the strong pillars of a Leader. These qualities should manifest during the normal conduct by ESM with the civil community. By this you will earn a respect for yourself and for the Service. "Caring and Sharing" will automatically make you as Leader amongst the civil colleagues. In normal routine and especially in emergent situations your near and dear ones, look up to you for handling the situation. Be up to it and do not shirk away from taking the responsibility of leadership.

### **Philanthropic Nature**

40. If one has lived under the code of conduct of Service norms, one should have the satisfaction and feelings of fulfillment. Service life gave one enough to satisfy the needs of life and not for the greed. So after leaving the Service one should be able to contribute towards social causes. One doesn't have to be mighty rich to be a philanthropic. One has to practice not to possess beyond the daily needs and to give away to the more needy ones, the possessions beyond one's own needs. It will be a matter of tremendous happiness and give peace of mind to indulge in such deeds, however small they may be.

### **Quality of Life**

41. While in service we maintain certain standard of life. In many cases service personnel after retirement not only start living a shabby life but declare so openly. Nothing can be more disastrous than this. We must not compromise on the quality of life to be acceptable in the civil society. Outside society looks at Service personnel with reverence. We must not damage the image as by doing so we also

damage others. It is therefore essential to manage your savings much in advance to maintain reasonable good quality of life.

### **Service Privileges**

42. After leaving the Service one continues to enjoy certain privileges; the most significant being canteen facilities and medical care under the ECHS. Misuse of these facilities for the benefit of your relatives, friends and other unauthorized persons is

unethical, immoral and illegal. Such a use can lead to denial of these facilities to all service personnel. Avoid such temptation.

### **Change in Behaviour Pattern**

43. Uniform provides us with a degree of authority, privileges and egoism. We should get shorn of it to the extent possible in a gradual manner. Our relations with others should be governed by modesty, humbleness and it will pay us dividends.

### **Where TO Invest on Retirement and Earn Income But Save Tax**

44. A very big question that haunts persons who are about to retire is where to invest the money available on retirement. A large amount of money is available in the form of tax free capital on retirement. If not invested properly, it is wasted away. If invested properly, your pension and returns from the investments will ensure that you live life comfortably.

### **Concept of Returns vs Risk**

45. Important criteria while making investment decision is return and risk. These two have an inseparable relation with each other. One must, very carefully decide the amount of risk that the investor needs to be exposed to before taking an investment decision. Since the retirement benefits are available at an age when an individual is not likely to be exposed with risk investment. This paper primarily looks at the investment options where exposure to risk is nil or negligible.

### **Risk Free Investment Options**

46. Post office deposits are backed by Govt. and are, therefore, 100% risk free. Some of the high yield post office deposits are:

#### **Senior Citizen Saving Scheme + Recurring Deposit:**

47. This scheme, though available for persons with minimum age of 55 years, has been opened to all defence service personnel retiring on superannuation irrespective of age. A **max of Rs. 15 lac** can be invested into this scheme, which offers 9% interest p.a on quarterly basis. The tenure for the deposits in this

scheme is 5 years and can be parked with recurring deposits after first quarter. The combined annual yield is **11% approx**. The return is taxable.

48. This combination offers the highest yield in the Post office schemes. An individual can invest **max upto 6 lac** rupees in M.I.S which generates an interest of 8% p.a and a bonus of 10% on maturity after 6 years. The monthly interest income from the M.I.S can be parked with the recurring deposit scheme of the Post office, which offers interest @7.5% p.a. and has 5 years tenure through a standing instruction to the Post office. The combined annual yield is **11.10%**. The return is taxable.

### **Kisan Vikas Patra**

49. This scheme offers the rate of interest of 8% with investment for 8 years and 7 months. Premature withdrawal can be made after 21/2 years. Returns are available on maturity. The return is taxable.

### **Public Provident Fund (PPF)**

50. The PPF Scheme happens to be very beneficial because interest accrued on PPF amount is fully tax exempt and the money paid towards the account is eligible for rebate. The amount accumulated is again exempt from tax. The expected return of 8% compounded is quite handsome. Say you deposit Rs. 10,000/- p.a. in PPF. The yield after 5 years will be about Rs. 5000/-. Considering that the entire amount of interest is tax free, principal is tax free and principal is eligible for tax rebate, the virtual rate of return is whopping 20% when the limit of Section 80C (i.e. Rs. 100,000/- p.a.) is not crossed. Even when the account is in the name of spouse/minor child of the investor, he is entitled to rebate. Any credit balance in PPF cannot be attached by any court order. Facilities for loan and final withdrawal are available. PPF maturity period is 15 years.

### **Bonds**

51. There are bonds offered by RBI (Reserve Bank of India), NHAI (National Highway Authority of India), REC (Rural Electrification Corp Ltd), SIDBI (Small Industries Development Bank of India) and NHB (National Housing Bank). The highest yield is available on RBI bonds in which 8% interest p.a is payable half yearly, which can also be compounded. The lock in period in this bond is 6 years. The return is taxable other bonds provide return to 5 to 5.5% p.a. but are tax free.

### **National Savings Certificate**

52. NSC is a very safe investment, very secure and one can purchase it from any Post Office. On maturity after six years, investor will get back the principal amount with cumulative interest. The amount of investment up to Rs. 1,00,000/- qualifies under section 80C (max permissible limit of 1 lac). Thus if a taxpayer invest Rs. 10,000/- every year, the virtual yield would be about 15% p.a. The interest earned is tax free until upto end of 5<sup>th</sup> year. This again is very good.

### **GIS Investment scheme**

53. This scheme is opened to the retired members and NOK of deceased Air Force personnel excluding their major sons and married daughters. This scheme is affected in two ways. Investment under Cumulative Scheme (Min 3 years) and is subsequently renewable yearly. Interest @ 9.5% is paid per annum on maturity, but for non-cumulative deposit scheme it is @ 9.2% per annum (subject to changes as decided by the governing body). This scheme also provides loan facility on investment to the members. The interest earned is taxable.

### **House With Borrowed capital**

54. The tax savings options of the investment in residential house have not been changed in the Finance Bill 2003. They are unlikely to change in the coming years. Hence, investment in housing remains a major option opens to a taxpayer. The deduction of interest paid on housing loan (without limit for a rented house and within limit of Rs. 1,50,000/- for a self-occupied house) is a tax saving option that must be exercised by all. Apart from the deduction of interest paid, rebate on principal amount paid back upto Rs. 1,00,000/- is also available under 80C. The interest rates on housing loans have dropped. The capital is available in the market in abundance. Once just has to take the decision to purchase a house and take steps to implement that decision. Of course, it is a lifetime decision and one has to be careful about it, but time to do is NOW.

### **Medical Policies**

55. Under Section 80D, every taxpayer is eligible for deduction of upto Rs. 10,000/- for any premium paid towards Medicare policy for self, spouse or dependent parents. For senior citizens, the amount deductible is upto Rs. 15,000/- . Again, most life insurance companies like Chola General Insurance, Bajaj Allianz, and Royal Sundaram have got some policy or other for medical care, This is a less attractive option for Defence personnel because of medical cover is available through ECHS. Yet, one can go into the details and choose the policy as per requirement, because of medical cover and tax benefit.

### **Investment With Risk**

#### **Mutual Funds**

56. Investment in mutual funds are one of the options available after one exhausts other options. Based on their objectives and investment patterns, the funds can be classified into three categories Equity Funds, Balanced Funds and Debt Funds. Equity Funds are ones where the money is predominantly invested in equity shares by the fund managers. Debt funds are ones where the money is predominantly invested in debt instruments like debentures by the fund managers. Balanced funds are those where investment in both equity shares as well as Debt instruments is more or less the same. Obviously, equity funds are more risky but paying and debt funds are less risky and less paying. But if the fund managers are good, the risk is minimized.

### **ICICI Life Time Plan**

57. The biggest advantage of this scheme is that investment qualifies under Section 80C upto Rs. 1,00,000/- (Tax saving of Rs. 31,000/-). Insurance cover upto 5 times of invested amount can be opted for. Expected returns can be 12.15% depending upon market.

### **Portfolio Management Services**

58. A number of investment companies are offering individual Portfolio Management Services. They design the portfolio based on the risk profile chosen by an individual and take investment decision only with the consent of the investor. Such services, which are available for a commission, were earlier available to only very high net worth individuals but are now available to individual willing to invest minimum Rs. 5,00,000/-. IL&FS Finance Ltd, SSKI Securities Ltd, Indianinfo.com, India Bulls Ltd are few of the companies which offer individual Portfolio management services. The returns on these investments are taxable. One can either select a Portfolio Management Service provider from among those registered with the market regulator SEBI. All the Portfolio Management Service providers are registered with SEBI and the list is available at [www.sebi.gov.in](http://www.sebi.gov.in). It is advisable to run a check on the portfolio manager and the Portfolio Management Service outfit. "Take your time, to a thorough check with due diligence on the Portfolio Management Service before investing". As a prospective Portfolio Management Service investor, one should run a background check on Portfolio Management Service provider, understand the investment philosophy, know the processes and systems, and also look at their past records to decide. Investors should always go for experienced investment managers with solid track records. The next step is to ask for references from the Portfolio Management Service about their clients and talk to them about the service provider.

### **Mutual Fund and Equities**

59. It is not advisable for a retired air warrior to invest directly in mutual fund or equities unless the individual has sound knowledge to carry out fundamental and technical analysis and research. Investment on 'tips' in share market is a sure shot method of destroying one's hard earned retirement corpus. Unless an individual has sufficient exposure to financial markets, it would be risky to invest directly either in mutual funds or equities, returns on these investments are taxable. If the individual has some appetite for risk then one should restrict either to a Portfolio Management Services or invest in mutual funds having consistent track record of at least 5 years. Mutual funds are subject to market risks. It is important to read the offer document carefully for details on risk factors before investment.

60. The above information is for general information purposes and not responsible for the result of any action on its basis directly or indirectly. Investors should therefore read understand related provisions carefully. It is also to be



noted that expression of opinion with regard to tax exemptions are based on the law and practice currently in force and are subject of change from time to time.

### **Conclusion**

61. If one undertakes a little analysis of his/her income / expenditure and plans for the same keeping in pace with the changing financial scenario then one can definitely earn more by savings on tax etc and thus lead a healthier monetary life. One must remember that a rupee invested wisely will bring two rupees and vice versa.

62. Have you ever bothered to think what would happen to your family after you have departed from this world. You might have made enough money to keep your family comfortable for the rest of their lives after you had departed from this world. But will they get what is rightfully theirs? The complexities of modern life do not let matters to be as simple as they should be. Every aspect needs documents, a written statement. May be, you have them, but where are they? Are they easily accessible? Even the educated and working ladies generally do not take any interest in financial matters. They feel pride in saying that my husband looks after financial/bank matters. Does your spouse/family know where they are? Please tell them every think while you are alive.

63. As a matter of policy you should keep all your documents in joint names. Your spouse/family should know where to locate/to operate the following:-

- (a) Your WILL. Every man and woman, rich or otherwise, must make a WILL even if everything is in joint names.
- (b) Bank accounts, bank lockers and bank name in which lockers are located. Bank account and lockers should be in joint name with instruction of operation by any one. Facility of nomination should be availed. Nominee should be other than joint operators and nominee may or may not be informed as deemed proper.
- (c) Fixed deposits should be held jointly and date of maturity and date of receipt of interest should be noted in a diary or in a calendar for timely action.
- (d) Cumulative time deposit of Bank/Post office, Contributory Employee's Provident Fund Number.
- (e) Copy of nomination made after marriage.
- (f) Public Provident Fund Book.
- (g) Motor car papers and insurance.
- (h) Court decisions and pending litigation papers, if any.

- (j) Income tax/wealth tax files and concise and complete record of all vital information on taxation.
- (k) Policy files (LIC. GIC, Health /Medical/ Fire/ Accident etc).
- (l) Pension papers, if superannuated.
- (m) Property files (Real Estate, flat ownership and Property tax papers).
- (n) Telephone files.
- (o) Deposit receipts for gas/electricity/water etc.
- (p) Rent Papers (Receipts and other correspondence, if any)
- (q) Name of legal advisers and their contact numbers.
- (r) Any other matter of interest to your family.
- (s) Passport, driving licence and Identity card and Photocopies thereof to be kept separately.
- (t) Medical file of family members. This will be of great help when the disease relapses.
- (u) Share certificates with endorsement of calls in marketable lots and their allotment advice for ascertaining capital gains.

64. Apart from above, it is essential that you should train your spouse to be able to deal with all the above mentioned matters individually and independently or with the help of one of her relative(s) in whom there is faith. Today, most are concerned about himself. Sympathy wave on account of death of head of family may last for a short period of time.