

No. A-29018/2/2016-PE-I

Government of India  
Ministry of Shipping  
(PHRD)

Transport Bhavan,  
1, Parliament Street,  
New Delhi-110001

Dated: 5<sup>th</sup> February, 2020

To,

1. The Chairpersons, All Major Port Trusts
2. The Chairman, Calcutta Dock Labour Board.

Subject: Revision of Pension and other pensionary benefits of pre-01.01.2017 retired Class I and Class II officers in the Major Ports and Dock Labour Board – reg.

Sir/Madam,

A Pay Revision Committee was set up by the Government vide OM No. A-29018/2/2016-PE-I dated the 20th October, 2016 to formulate the proposals for the pay revision of Class I & Class II officers of Major Port Trusts and Dock Labour Board to be effective from 01.01.2017. The recommendations made by this Committee in respect of pension consolidation, etc. have been considered and approval of the competent authority is hereby accorded for revision of pension and pensionary benefits of the officers of Major Port Trusts/Dock Labour Board who retired prior to 01.01.2017, as under:-

Consolidation of Pension for pre-01.01.2017 retired officers will be done as per the following two methods:-



## 2.0 First method for consolidation of pension

The first method is to grant DA merger and Fitment Benefit as allowed to serving employees.

2.1 The consolidation of pension in respect of pre-01.01-2012 retirees / Family Pensioners may be done as indicated below:

- (i) The existing Pension / Family Pension
- (ii) Dearness Relief as on 01.01.2017 (upto AICPI (2001=100) average index 277)
- (iii) Fitment Benefit @ 15% of (i) + (ii)

The amount (i+ii+iii) so arrived shall be considered as Consolidated Pension / Family Pension w.e.f. 01.01.2017. The fixation of Pension will be subject to the provision that the revised Pension shall in no case be lower than 50% of minimum of the revised pay scales corresponding with the pre-revised pay scales of the post from which the Pensioner had retired. The revised Family Pension shall in no case be lower than 30% of minimum of the revised pay scales of the post corresponding with the pre-revised pay scales of the post from which the Pensioner had retired.

2.2 The Pension / Family Pension of employees retired / died during the period from 01.01.2012 to 31.12.2016 may be consolidated as indicated below:

- (i) The Pension / Family Pension recalculated after excluding the element of Special Pay of 17.5% of mean pay.
- (ii) Dearness Relief as on 01.01.2017 (upto AICPI (2001=100) average index 277)
- (iii) Fitment Benefit @ 15% of (i) + (ii)



The amount (i+ii+iii) so arrived shall be considered as Consolidated Pension /Family Pension w.e.f. 01.01.2017.

2.3 For this purpose, existing Pension / Family Pension will be the basic Pension / Family Pension only without the element of additional pension available to the old pensioners / family pensioners of the age of 80 years and above.

2.4 The additional pension / family pension payable to the old pensioners/ family pensioners will be worked out separately.

2.5 Since the consolidated Pension will be inclusive of the commuted portion of Pension, if any, the commuted portion will be deducted from the said amount while making monthly disbursement.

3.0 **Second method for consolidation of pension:**

3.1 In the second Formulation, the Pension/Family Pension of employees who retired/died prior to 01.01.2017 may be revised by notionally fixing their pay in the revised scales of pay of the post corresponding to the pay in the pre-revised pay scale of the post at which they retired/died. This will be done by notional pay fixation under each intervening Pay Revisions, based on the formula for revision of pay. While fixing pay on notional basis, the pay fixation formulae as per pay revision orders and other relevant instructions on the subject in force at the relevant time shall be strictly followed. 50% of the notional pay as on 01.01.2017 shall be the revised pension and 30% of this notional pay shall be the revised family pension w.e.f. 01.01.2017 as per this formulation. In the case of family pensioners who were entitled to family pension at enhanced rate, the revised family pension shall be 50% of the notional pay as on 01.01.2017 and shall be payable till the period up to which family pension at enhanced rate is

 3



admissible as per Rules. The amount of revised pension/family pension so arrived at shall be rounded off to next higher Rupee.

3.2 The higher of the two Formulations i. e. the revised pension/family pension as per first method or the revised pension/family pension as worked out in accordance second method above, shall be granted to pre-2017 pensioners as revised pension/family pension w.e.f. 01.01.2017.

4.0 As the notional fixation of pay in different Pay Revisions will take time, Ports shall pay arrears of revised pension as per First Method and take expeditious action for notional fixation of pay and revision of pension. For calculation of arrears becoming due on the revision of pension/ family pension on the basis of Second Method, the arrears of revised pension/family pension already paid on revision of pension/family pension in accordance with First Method shall be adjusted. The interim relief granted vide Ministry letter no. A-29018/13/2013-PE-I (pt) dated 09.03.2019 shall be adjusted from the arrears.

5.0. While implementing the pay revision order dated 03.08.2010, some Port Trusts had upgraded the pre revised pay scale of Rs. 9,100-15,100/- to 10,750-16,750/- on 31.12.2006 and then revised the pay scales to Rs. 20,600-46,500/- on 01.01.2007. This issue was examined by this Ministry in consultation with Department of Expenditure and clarification was issued on 23.11.2016. The clarification issued by this Ministry has however, been challenged in the Hon'ble Calcutta High court and Mumbai High Court which is now the subject matter in the pending W.P No. 1128 of 2016 and pending W.P No 1703 of 2017 respectively. The pension of the officers affected by the above mentioned litigation may be revised w.e.f. 01.01.2017 but no arrears shall be paid or recoveries shall be made till the final outcome of the above said Court cases. This fixation is an interim measure. Final settlement of such cases shall be based on the decision of the Hon'ble Courts in the said cases.

 4

6.0 This Pension Consolidation Order shall be implemented by the Major Port Trusts only after rectifying the anomalies, if any, done by some Ports in respect of officers who retired from 01.01.2007 to 31.12.2016, by upgradation of pay scales, grant of bunching increments and stepping up of pay, as directed by this Ministry's letter no. A-29018/4/2019-PE-I dated 01st October, 2019. Ports shall submit a confirmation to this effect to the Ministry.

### **FIXED MEDICAL ALLOWANCE**

7.1 Eligible pensioners will receive fixed medical allowance at a revised rate of Rs. 1000/- per month w.e.f. 01.07.2017.

### **FAMILY PENSION**

8.1 For the purpose of grant of Family Pension, the 'Family' shall be categorized as under:-

#### CATEGORY-I

- (a) Widow or widower, upto the date of death or remarriage, whichever is earlier,
- (b) Son/Daughter (including widow daughter), upto the date of his/her marriage/remarriage or the date he/she starts earning or till the age of 25 years, whichever is the earliest.

#### CATEGORY-II

- (a) Unmarried/widow/divorced daughter, not covered by Category-I above, upto the date of marriage/remarriage or till the date she starts earning or upto the date of death, whichever is the earliest.
- (b) Parents who are wholly dependent on the employee when he/she was alive provided the deceased employee had left behind neither a widow nor a child. Family Pension to dependent parents, unmarried/divorced/widowed daughter will continue till the date of death.

 5



(c) Dependent disabled siblings. Family Pension to dependent disabled siblings will continue till the date of death.

8.2 Family Pension to unmarried/widowed/divorced daughters in Category-II and dependent parents and dependent disabled sibling 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. Grant of family pension to children in respective categories shall be payable in order of their date of birth and younger of them will not be eligible for family pension unless the next above him/her has become ineligible for grant of family pension in that category.

8.3 For the purpose of Family pension/enhanced family pension, the rule position as per Rule 54 of the CCS (Pension) Rules, 1972 would be applicable.

9.0 The additional expenditure involved on implementation of these orders will be met by the Port Trusts from its own resources and no budgetary support will be provided by the Central Government for the same.

10.0 The above mentioned consolidation of pension is subject to audit.

11.0 Any excess payment made to the pensioner(s) due to this pension consolidation order shall be recovered from the pensioner(s) concerned as and when it comes to the notice.

12.0 If there are any confusion/ doubt with regard to the interpretation of any of the clauses of this order, the matter should be referred to the Ministry of Shipping for clarification.

13.0 The consolidation of pension conveyed in this Order is subject to the final judgment in W.A. No. 1642 of 2017 pending in the Hon'ble High Court of Judicature at Madras, W.P. No. 1128 of 2016 pending in the Hon'ble High Court



of Calcutta and W.P. No. 1703 of 2017 pending in the Hon'ble High Court of Judicature at Bombay.

14.0 This issues with the concurrence of the Internal Finance Wing of Ministry of Shipping and approval of competent authorities.

Yours faithfully,

  
(Rajiv Nayan)

Under Secretary to the Govt. of India

Tel -011-23719492

Copy to:

- i) PS to Minister of State (I/C) (Shipping)]
- ii) PS to Secretary (Shipping)
- iii) PS to AS&FA (Shipping)
- iv) All Directors/DS of Ports Wing
- v) Deputy Secretary (Finance), M/o Shipping
- vi) MD, IPA, New Delhi
- vii) Ministry of Finance (Department of Expenditure), New Delhi

  
(Rajiv Nayan)

Under Secretary to the Govt. of India