

Point-Wise Summary: Dearness Relief (DR) Rules for Re-Employed Pensioners & Employed Family Pensioners

1. Reference Orders

- Circular No. **166 (07/03/2013)**
- Circular No. **173 (07/04/2014)**
- Circular No. **179 (12/05/2015)**
- DoP&PW OM No. **45/73/97-P&PW(G)** dated **02/07/1999**
- Important Circular No. **07 (13/08/1999)**

A. General Rule Before 18.07.1997

1. DR remains **suspended** for pensioners/family pensioners during re-employment/employment under:
 - Central Govt.
 - State Govt.
 - Statutory Corporations/Companies/Banks (India or abroad)
2. Same rule applies to those **permanently absorbed** in such organizations.

B. Clarification Due to Numerous Representations

- Many agencies, PDAs, pensioners and family pensioners sought clarification.
- Matter examined by the office; rules clarified below.

C. Rules Applicable w.e.f. 18.07.1997

1. PBOR / Below Group 'A' Re-Employed Pensioners

Eligibility for DR:

A re-employed pensioner will get DR **only if the ENTIRE pension is ignored** while fixing pay.
Conditions:

(A) Mandatory Certificate from Employing Department

Must certify the following:

1. Pensioner retired from **civil post below Group 'A'** OR **military post below Commissioned Officer**.
2. **Entire pension** has been ignored in pay fixation on re-employment.
3. Pay fixed at the **minimum of the pay scale** of the re-employed post.
4. If advance increments are given, **last pay drawn is NOT protected**.

(B) Special Case for PBOR Retired Before 55 Years

- If pay after **advance increments** is **still less than last pay drawn**, DR is allowed.
- If **last pay is protected**, DR is **not allowed**.
- A valid departmental policy for granting advance increments must be enclosed.

Illustration 1:

- Pay fixed **below last pay drawn** → DR **admissible**.
- Pay fixed **above last pay drawn** → DR **not admissible** (last pay protected).

Illustration 2:

- If re-employed in a pay scale where minimum is higher than old pay → Pay **must be fixed at minimum**.
- Granting advance increments in such cases → **DR not admissible**.

2. All Other Re-Employed Pensioners (Group A / Commissioned Officers)

- **No DR** is admissible during re-employment.
- Pay fixation rules:
 1. Fixed at **same stage as last pay** OR next higher stage.
 2. If last pay > max of scale → Pay fixed at **maximum** of the scale.
 3. If last pay < minimum → Pay fixed at **minimum** of the scale.
- Only a **portion of pension is ignored**, not the full pension → This itself disqualifies them from DR.
- Since DA is paid on re-employment pay, **DR on pension is not allowed**.

3. Disability Pensioners

- Disability element is also a **pension**.
- DR on disability/service pension during re-employment is regulated as per above rules.

4. When DR Becomes Payable Again

- DR becomes payable **only from the date the pensioner ceases re-employment**.
- PDA must obtain a **cessation-of-employment certificate**.

5. Cases Where DR Is Allowed Even During Re-Employment

DR is payable if the pensioner is working on:

- Consolidated pay **without DA**
- Consolidated fee / daily wage basis
- As **MLA/MP**
- As **Minister/Deputy Minister**
- With **Indian Red Cross Society**
- As **ED Agent (Department of Posts)**

6. Employed Family Pensioners

- Family pension is **never considered** in pay fixation.
- Therefore, **DR is always admissible** on family pension, regardless of employment.

PENSION REGULATION FOR THE ARMY 2008 PART -1

GRANT OF DEARNESS RELIEF ON PENSION/ FAMILY PENSION

12. (a) Dearness Relief against price rise may be granted to the pensioners and family pensioners at such rates and subject to such conditions as the Government may specify from time to time.

(b) If a pensioner is re-employed under the Central or State Government or a Corporation/Company/Autonomous Body/Bank under them in India or abroad including permanent absorption in such Corporation/Company/ Autonomous Body/Bank except as in clauses (d), (e) and (f) below, he shall not be eligible to draw dearness relief on pension except as in clause (d) below during the period of such re-employment and he shall be required to furnish a certificate of non-employment or re-employment once in a year in the month of November.

(c) In the event of non-production of above mentioned certificates, the payment of dearness relief on pension shall be stopped until the pensioner produces the same.

(d) The payment of dearness relief shall be allowed to re-employed Armed Forces pensioners in the case of those who held the rank below the rank of Commissioned Officer, subject to furnishing a certificate to the Pension Disbursing Authority from Central Government Department concerned including subordinate organisation employing Armed Forces Pensioners and maintaining service records of the re-employed pensioner retired from military service that –

- (i) The entire amount of pension sanctioned by the Central Government was ignored in the fixation of the pay on re-employment i.e. no part of pension was taken into account in such fixation of pay in the pay scale of the post in which the Armed Forces personnel was re-employed.
- (ii) The pay of the re-employed pensioner was/is fixed at the minimum of the pay scale of the post in which he had/has been re-employed after discharge from Armed Forces.

(e) The payment of dearness relief on family pension to employed family pensioners shall remain payable during the period of employment.

(f) A pensioner employed outside India under a Foreign Government or a private organisation shall remain eligible for dearness relief on pension/family pension.

Explanation:

Pensioner who held the rank of Officer is not entitled for dearness relief on his pension during the period of his re-employment.

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