

No34/3/2006-P&PW(G)
Government of India
Ministry of Personnel, PG & Pensions
Department of Pension &PW

Lok Nayak Bhawan,
New Delhi
29th June, 2006

OFFICE MEMORANDUM

Subject: Commutation of Pension on voluntary retirement

It has been brought to the notice of this Department that in certain cases where Central Government employees have taken voluntary retirement a few days before the date of their superannuation, the commuted value of pension has been calculated by using the higher commutation values than those actually applicable without taking into consideration the age on the next birthday of the retiring employee, thus, causing considerable financial loss to the Government.

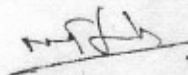
2. In such cases, the Commuted value of pension does not appear to have been computed according to the provisions of Rule 6 and Rule 8 of CCS (Commutation of Pension) Rules 1981. Rule 6 *ibid*, clearly stipulates, *inter alia*, that the commutation of pension becomes absolute on the date following the date of retirement. Further, according to Rule 8 *ibid*, the lump sum payable to the retiring Government Employee is calculated in accordance with the prescribed commuted values in consonance with the age on his/her next birthday and such values are applicable on the date on which the commutation becomes absolute.

3. All such cases where above procedure has not been followed and lump sum of commuted value of pension has been paid in excess of what would have been due, may be reviewed immediately and the excess amount wherever paid, may be recovered from the pensioners according to the relevant rules along with interest at the prescribed rates. The details of such cases alongwith the details of excess amount recovered/ to be recovered therefrom may also be sent to this Department within a month.

4. All Ministries/ Departments may take appropriate departmental action against the erring officials who were/are responsible for wrong calculation of commuted value of pension and excess payment thereof causing financial loss to the Government.

5. All Ministries/ Departments may kindly ensure that such discrepancies do not re-occur.

Hindi version will follow.



(M.P. Singh)
Director