

F.No. 42/14/2016-P&PW(G)  
Government of India  
Ministry of Personnel, PG & Pensions  
Department of Pension & Pensioners Welfare  
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3rd Floor, Lok Nayak Bhawan  
Khan Market, New Delhi- 110003  
Date:- 24<sup>th</sup> Oct, 2016

**OFFICE MEMORANDUM**

**Subject :- Implementation of the recommendation of the 7th CPC-Option regarding commutation of additional amount of pension.**

The undersigned is directed to state that in pursuance of Government's decision on recommendation of 7th Central Pay Commission, orders have been issued for revision of provisions regulating pension/gratuity/commutation of pension etc. vide this Department's OM 38/37/2016-P&PW(A) dated 04.08.2016. In para 8.1 of the said OM, it has been mentioned that there will be no change in the provisions relating to commutation values, the limit upto which the pension can be commuted or the period after which the commuted pension is to be restored.

2. As per Rule 10 of CCS (Commutation of Pension) Rules, 1981, an applicant who has commuted a percentage of his final pension and after commutation his pension has been revised and enhanced retrospectively as a result of Government's decision, the applicant shall be paid the difference between the commuted value determined with reference to enhanced pension and the commuted value already authorised. For the payment of difference, the applicant shall not be required to apply afresh.

3. References have been received in this Department that many pensioners who retired after 01.01.2016 and have drawn pension/commuted value of pension based on their pre-revised pay/pension do not wish to commute the pension which has become additionally commutable on revision of pay/pension on implementation of recommendations of 7th CPC. The matter has been examined in consultation with Ministry of Finance (Department of Expenditure). It has been decided that those pensioners who retired from 01.01.2016 till 04.08.2016 i.e. the date of issue of orders for revised pay/pension based on the recommendations of the 7th CPC may be given an option, in relaxation of Rule 10 of CCS (Commutation of Pension) Rules, 1981, not to commute the pension which has become additionally commutable on revision of pay/pension on implementation of recommendations of the 7th CPC. The cases where the additional pension after 7th CPC has already been commuted will not be re-opened.

4. In their application to the employees of Indian Audit and Accounts Department, these orders issue in consultation with Comptroller and Auditor General of India.

5. This issues with the concurrence of Ministry of Finance, Department of Expenditure ID No. 192/E.V/2016, dated 30.09.2016.

6. Hindi version will follow.

  
(Sujasha Choudhury)  
Director(Pension)

To

1. All Ministries/Departments of Government of India
2. Principal Director, Office of Comptroller & Auditor General of India, New Delhi
3. Controller General of Accounts, New Delhi
4. CCA, Central Pension Accounting Office, New Delhi