

CR1979091901

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Subject:- Treatment of a portion of the Dearness Allowance as pay for the purpose of retirement benefits sanctioned under Government Resolution, Finance Department, No. PEN-1079/CR-917/SER-4, dated the 19th September 1979.

GOVERNMENT OF MAHARASHTRA
Finance Department.
Memorandum No. PEN-1079/CR-1590/SER-4.
Mantralaya, Bombay-400 032, Dated the 26th November 1979.

MEMORANDUM

The undersigned presents compliments to the Accountant General, Maharashtra-I, Bombay and with reference to his demi-official letter No. PRI/Genl/File-8/Vol.II/2387, dated the 17th November 1979 on the subject mentioned above, is directed to inform him as under :-

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1. The State Government employees who had retired on 30th September 1977 After-Noon and onwards till 31st December 1977 will actually have drawn the dearness allowance on that crucial date less than what is now proposed to be merged retrospectively with effect from 30th September, 1977 A.N. for example a person drawing Rs.1000/-p.m. on 1st October 1977 has actually drawn dearness allowance at Rs.228/-p.m. whereas Government now propose to merge Rs.243/- as dearness pay. This will be the case in almost all the slabs. This is an anomaly in as much as the dearness allowance merged for the purpose of pension, is even more than that actually drawn. Normally, it will not be correct to merge more amount of dearness allowance than what is actually drawn by the individual Government servant. The exact intention of the Government may therefore, be clarified.
 2. Whether the orders contained in Government Resolution, Finance Department, No. PEN-1079/CR-917/SER-4, dated 19th September 1979 are also applicable to Non-Government Secondary Schools, Junior Colleges, etc. and Government

CLARIFICATION

The parity in dearness allowance with central Government rates has been accepted by the State Government and it will actually be reached on the 1st March, '80. It is true that the rates of dearness allowance admissible to State Government employees were slightly lower than that admissible to Central Government employees. This was mainly due to the Financial reasons. A conscious decision has been taken by Government that these financial difficulties should not affect the pensions of the employees permanently. Accordingly Government has decided that the benefit of dearness allowance as admissible to Central Government employees should be extended to State Government employees for purposes of pension by treating an equivalent amount of dearness allowance as "dearness pay."

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The Education, Employment and Youth Services Department and Rural Development Department have been requested separately to issue orders similar to the orders contained in Government Resolution, Finance Deptt.,

POINTS

5. (i) Whether 'Dearness Pay' will count as 'Pay' for the purposes of family pension. In case, however, the dearness pay is not to be taken into account for calculation of Family Pension, it is not clear how the enhanced family pension admissible for the first seven years, in cases where double the normal family pension admissible, exceeds the service pension admissible by merging dearness pay, is to be reported?

CLARIFICATION

"Dearness Pay" will not count as "Pay" for the purpose of calculation of family pension under the New Family Pension Scheme, 1964. As regards the calculation of the enhanced amount of family pension admissible for the first seven years, this point will be clarified later on. In the mean time, if such a case arises, the enhanced amount of family pension should be restricted to the amount of service pension, which the deceased Government servant would have drawn, had the dearness pay not been taken into account for calculation of service pension.

By order and in the name of the Governor of Maharashtra,

V.D. PANSE,
Deputy Secretary to Government,
Finance Department.

Copy forwarded for information and necessary action to :-

- (i) The Accountant General, Maharashtra II, Nagpur.
- (ii) All Departments of the Mantralaya.
- (iii) All Heads of Departments and Offices under the several Departments of the Mantralaya.
- (iv) Select File, SER-4.

OFFICE OF THE
SETTLEMENT COMMISSIONER AND
REGISTRAR OF LAND REVENUE
MAHARASHTRA STATE
POONA

K.W.PC

AB 11/11
for P.C. & D.R.
15/1/80

NO.A-336/CR-1561/A-3/80
Pune 9-1-80

Copy fwd. w/ to the Dy. Dir. of L.R. (Cell) for
information & guidance.

Desk officer-A-3

H-1021(7,000+5-11-79)-2a.

Copy to D.O.E-1

POINTS

employees finally allotted to the Zilla Parishads?

3. Whether the clarifications issued in Government Resolutions, Finance Department, No. PEN-2173/2698/73/S2, dated 8th January 1974 and No. PEN-2175/1375/75/SER-4, dated 16th December 1975 regarding dearness pay and additional dearness pay would also be applicable wherever relevant in conjunction with the provisions of these orders?
4. Whether the provisions of Government Resolution, Finance Department, dated 19th September 1979 are applicable to the following categories of Government servants :-

- (i) Government servants who are on deputation to Government of India and have opted for revised Central Scales of pay with effect from 1st January 1973 or thereafter.

CLARIFICATION

dated 19th September, 1979 extending the benefit of dearness pay for the calculation of pension to teaching and non-teaching staff of Non-Government Secondary Schools etc. and to Government employees finally allotted to Zilla Parishads.

The clarifications issued in Government Resolutions referred to in this point, should equally be applicable wherever relevant in conjunction with the provisions of Government Resolution, Finance Department, dated 19th September 1979. However, the portion of dearness allowance treated as "dearness pay" will not count as pay for the purpose of family pension admissible under the New Family Pension Scheme, 1964.

According to Government Resolution, Finance Department, No. PEN-2167/284-X, dated 3rd March 1969, the State Government servants who are on deputation to Government of India and who have been allowed to draw pay in the Central Scale of pay, are eligible to count that pay towards calculation of pensionable pay. The State Government Servants who have opted for the revised Central Scales of pay are therefore entitled to count a portion of dearness allowance as "Dearness Pay" for the purpose of pension in accordance with the Government of India orders contained in Office Memorandum No. 19(4)-EV/79, dated 25th May 1979.

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- (ii) Professors, Lecturers, etc. whose pay has been revised and fixed in the University Grants Commission scales of pay effective from 1st January 1973 even though their scales of pay have not been revised under the Maharashtra Civil Services (Revised Pay) Rules, 1978 with effect from 1st April, 1976.
- (iii) Judicial Department Officers such as Civil Judges, Junior Division, etc. where revised scales under the Maharashtra Civil Services (Revised Pay), Rules, 1978 have not been prescribed so far.
- (iv) Government servants who have not elected the scales under Maharashtra Civil Services (Revised Pay) Rules, 1978 at all or have elected them from a date subsequent to 30th September 1977. The exact amount of dearness pay to be taken in these cases for calculation of pension is not clear.

CLARIFICATION

The provisions of Government Resolution, Finance Department, dated the 19th September 1979 are also applicable to them as they are drawing dearness allowance at the same rate as is admissible to Government servants drawing pay in the revised scales.

The dearness allowance admissible to such Government servants comprises of two components, viz. (i) Dearness Allowance admissible as on 1st January 1973 and (ii) increases of Dearness Allowance sanctioned thereafter. So far as Dearness Allowance as on 1st January 1973 is concerned, orders have already been issued under Government Resolution, Finance Department, No. CPA-1175/125/S1, dated the 31st January 1975, treating that amount of Dearness Allowance as "Dearness Pay" counting for pension. The increases sanctioned after 1st January 1973, is equivalent to Dearness Allowance admissible to Government servants who have opted for the Revised scales, sanctioned under Maharashtra Civil Services (Revised Pay) Rules, '78. It therefore, follows that the same portion of the later Dearness Allowance which is being treated as 'Dearness Pay' counting for pension in the case of Officers who have elected to come on the revised scale, should also be allowed as 'Dearness Pay' in the case of persons who have opted to retain pre-1976 scales. This reasoning also applies in the case of judicial officers whose pay scales have not been revised on Dearness Allowance merger basis.