



भारतीय जीवन बीमा निगम  
LIFE INSURANCE CORPORATION OF INDIA

LIFE INSURANCE CORPORATION OF INDIA, CENTRAL OFFICE, "YOGAKSHEMA", JEEVAN BIMA MARG, MUMBAI-400021

Ref:ER/A/Pension/Implementation

18.08.2018

The Zonal Manager,  
LIC of India,  
Zonal Office,  
Mumbai/Hyderabad/Chennai/Kolkata/Patna/Delhi/Kanpur/Bhopal

Dear Sir,

Re: Implementation of Order dated 27.04.2017 pronounced by High Court, Delhi

This is to inform you that Hon'ble High Court, Delhi vide order dated 27.04.2017, revised Para 1 [point (iv) of the table] and Para 2 [Point (iii) and (iv) of the Table] of the Appendix –IV of the LIC of India (Employees) Pension Rules, 1995 and also revised the method of calculation of minimum pension. The soft copy of the order dated 27.04.2017 will be sent to you separately for your information. You are requested to refer to para 79, 83, 107, 108 & 109 of the order which deals with implementation of order.

In view of the considerable number of eligible pensioners and for ensuring compliance in the specified time frame, CO/ITSD has been requested to provide a suitable program for the purpose. The program will be released through e-feap Update in Pension Module. It will extract a list of eligible pensioners along with their basic details, individual calculation sheets in respect of each eligible pensioner and a summary sheet of all payments.

There are two aspects for compliance in the Order pronounced by the Hon'ble High Court of Delhi for calculation of arrears i.e. **(A)** Arrears in respect of Dearness Relief and **(B)** Arrears of Minimum Pension.

**(A) Arrears of Dearness Relief:**

- (1) The arrears of Dearness Relief shall be admissible to pensioner/family pensioner where the pensioner had **retired prior to 1.8.1997**.
- (2) Calculation sheets of eligible Pre-1.8.1997 pensioners/ family pensioners are to be generated after following the instructions contained in User Document released by CO/IT/SD along with the program in Pension Module.
- (3) As the accuracy of the calculation depends on accuracy of relevant data fields namely Date of Retirement, Date of Death, Basic Pension (without commutation), Basic Family Pension & Class to which the pensioner belonged to on the date of retirement, each such data field should be verified from the records available in the pension files of individual pensioners.



भारतीय जीवन बीमा निगम  
LIFE INSURANCE CORPORATION OF INDIA

LIFE INSURANCE CORPORATION OF INDIA, CENTRAL OFFICE, "YOGAKSHEMA", JEEVAN BIMA MARG, MUMBAI-400021

- (4) As per para 109 of the judgment dated 27.04.2017 pronounced by Hon'ble High Court, Delhi, ".....**Arrears, if any, would be paid from the date when the first Writ Petition was filed**, to all retired employees/pensioners who would be entitled to benefit of this judgment. Interest would not be payable in case, payment is made within a period of one year from the date copy of this order is received. **In case there is delay beyond one year interest @ 8% per annum**, unless explained and justified in writing to the retired employee, **would be payable from the date of this judgment till payment is actually made.**"
- Therefore, interest @ 8% per annum from the **date of order** i.e. **27.04.2017** till the date of actual payment shall be paid on the arrears calculated from **29.01.2007** till the month of order i.e. April 2017.
- (5) For subsequent months, interest @ 8% per annum shall be paid from the date when arrears for those months were due for payment till the date of payment,  
e.g.
- Interest on difference of pension for the month of April 2017 shall be paid from 01.05.2017 till the date of actual payment.
  - Interest on difference of pension for the month of May 2017 shall be paid from 01.06.2017 till the date of actual payment.
  - Interest on difference of pension for the month of June 2017 shall be paid from 01.07.2017 till the date of actual payment.
  - & so on.
- (6) Amount of Interest will be calculated as on the date of generation / extraction of the payment. You may operate Account Code 114026 i.e. "Sundry Interest Paid" for payment of interest on the arrears.
- (7) Revised Pension shall be released from August 2018 i.e. Pension for the month of August 2018 payable on 01.09.2018.
- (8) You are also requested to vouch for abnormal amounts on either side in the calculation sheets to ensure accuracy of the payment. Such cases are to be referred to CO-IT/SD/COSP Hyderabad before payment.
- (9) TDS may be deducted from the arrears payment as applicable. However, as informed by F&A Department, Central Office, family pension is taxable under "income from other sources". As such tax is not deductible at source on payment of arrear of family pension. Hence, question of issuing TDS Certificate (Form 16A) to family pensioners does not arise.
- (10) Accordingly, the calculation for payment of arrears of Dearness Relief shall be from 29.01.2007 till July 2018.
- (11) Please note that the payment voucher should be prepared on the **same day** as generation of calculation sheet as the interest is calculated on number of days.



भारतीय जीवन बीमा निगम  
LIFE INSURANCE CORPORATION OF INDIA

LIFE INSURANCE CORPORATION OF INDIA, CENTRAL OFFICE, "YOGAKSHEMA", JEEVAN BIMA MARG, MUMBAI-400021

**(B) Minimum Pension:**

A separate list of pensioners receiving minimum pension (minpen.prt) is also extracted by CO-IT/SD Department, Central Office and the same is attached herewith. On scrutiny of some of the cases, it was observed that all cases were pertaining to "Regular Part-time Employees", for whom the judgment of the Hon'ble High Court is not applicable. There is no separate field in the pension master to identify 'Regular Employees' from "Part-time Employees". There is a possibility that some cases do not appear in the extracted list. In view of the issue of data purity, minimum pension cases must be checked manually. Payment of arrears of minimum pension shall be made through Miscellaneous Payment Voucher Preparation Option available in Pension Module. The regular account codes for Basic Pension and Dearness Relief shall be used for payment of arrears. The interest on arrears of minimum pension is to be calculated as mentioned in Arrears of Dearness Relief.

**The payment has to be released on or before 8<sup>th</sup> September 2018.** Kindly ensure that the said timeline is strictly adhered to. It may also be noted that a copy of the calculation sheet is to be provided to the individual pensioner/ family pensioner along with a letter as per the enclosed format (Enclosure 1). You are also requested to send the payment details in a summary sheet as per the enclosed format in excel sheet for our record (Enclosure 2).

Yours faithfully,

**Executive Director (Personnel)**

- Encl: (1) Letter to Pensioners  
(2) Summary Sheet Format  
(3) Method of Calculation  
(4) Method of Calculation of Minimum Pension  
(5) Method of Calculation of Interest