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24.04 Pension & Gratuity (Old Pension Rules)

***Permanent Employees***

Initially pensionary benefits were given to the Work charged staff in C.P.W.D. with effect from 1.7.46, if they had not opted to continue to remain subscribers to the Workmen's Contributory Provident Fund Vide Government of India, Ministry of WM & P letter No.4097-EII/47, dated 5.12.47. According to these orders:

- (i) (a) Pension was admissible to a permanent worker who retired at the age of 60 years and had at least 35 years service to his credit.
- (b) Or to a permanent worker who had been incapacitated in service but had put in 35 years service before he was incapacitated.
- (ii) Gratuity was admissible:
  - (a) to a permanent worker who retired at the age of 60 years and had at least 25 years of service to his credit.
  - (b) Or to a permanent worker who was incapacitated in service but had put in 20 years of service before he was incapacitated at whatever age.

The person getting pension as per item (i) above will not be eligible for grant of gratuity as per item (ii) and vice-versa. The pension or gratuity was calculated under Article 474 or 481 C.S.R.

The above orders were liberalized with effect from 7.8.51, vide Ministry of WH & S letter No. 66/127/56-EII dated 6.8.56. According to these orders permanent worker was entitled to pensionary benefits as follows :

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- (i) Pension only, calculated under CSR 474, if he had completed 30 years of service and was retired at the age of 55 or later.
- (ii) Gratuity only, calculated under Article 474 or CSR.
  - (a) If he had rendered more than 20 years of service and was retired at the age of 55 or later.
  - (b) If he had rendered 15 years of service before he was incapacitated for further service.

The nominee or legal heir of a worker who died in harness after rendering 15 years service was also eligible for grant of gratuity calculated @  $\frac{1}{3}$  of a months emoluments for each completed year of service subject to a maximum of 12 months emoluments.

***Pension & Gratuity (under the liberalized pension Rules of 1950)***

The Liberalized Pension Rules of 1950 (with limited benefits of Family Pension) were made applicable to the work-charged staff who retired/died on or after 18.11.1960. The workers who were permanent at that time were given option to effect the Liberalized Pension Rules or to retain the old Pension Rules. The temporary employees who were in service on 18.11.60 were also given option to elect the Liberalized Pension Rules or to retain Contributory Provident Fund benefits at the time of their confirmation. However, if no option was exercised within 6 months, the workers were deemed to have opted for Liberalized Pension Rules 1950. Workers appointed in service on or after 18.11.1960 were to be governed by the Liberalized Pension Rules after their confirmation automatically.

The New Family Pension Scheme, 1964, in substitution of the limited benefits of family pension admissible under the Liberalized Pension Rules, 1950 was also offered to the work-charged staff, if they had opted for these Rules earlier.

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***Non Permanent Employees***

**Family Pension:-** The temporary work-charged employees were to be admitted to the W.C.P. Fund benefits until their confirmation in accordance with the Ministry of Finance O.M. No. F. 17(5)-EV(A)/60, dated 18.11.60. Such employees when they were governed by the W.C.P. Fund benefits, were not regarded as on pensionable establishment and the benefits of the New Family Pension Scheme 1964 were not extended to them. In the Ministry of Finance Memo No.F.43(4)-EV (B)/71, dated the 21<sup>st</sup> May, 1971 the benefits of New Family Pension Scheme 1964 were extended to all temporary work-charged employees. These temporary work-charged employees were given an option to join the Pensionary establishment or to be admitted to or retain the W.C.P. Fund benefit. The option to join the pensionable establishment or to be admitted to or retain the W.C.P. Fund benefit was to be exercised in writing within a period of six months from the date of issue of the memo dated 21.5.1971, in the case of existing temporary employees and from the date of appointment in the case of fresh entrants, as the case may be and the option so exercised was treated as final and irrevocable. If any employee failed to exercise the option within the prescribed time limit, he was to be deemed to have elected the W.C.P. Fund benefits. However, in the case of temporary W.C. employees who entered service on or after 18.11.60 elects to retain the W.C.P. Fund benefits, he will on confirmation be automatically brought on to the pensionary scheme. If he elects pensionary benefits initially, he will continue to be governed by the New Pension Scheme.

[ DG (W) Memo No. 26(29)/71-WCSII dated 3<sup>rd</sup> April, 1975 ]

**Gratuity:** - The non-permanent work-charged employees who exercise option for pensionary benefits, shall be governed under the Central Civil Service (Temporary Service) Rules, 1965 as amended for purpose of payment of terminal/death gratuity, subject to the condition where compensation is payable under the Industrial Disputes Act, the amount of such compensation will be set off against the amount of gratuity admissible under these rules.