

No.42/15/2022-P&PW(D)/3  
Government of India  
Ministry of Personnel, P.G. & Pensions  
**Department of Pension & Pensioners' Welfare**

3<sup>rd</sup> Floor, Lok Nayak Bhawan,  
Khan Market, New Delhi-110003  
Date:- 25<sup>th</sup> Oct, 2022

**OFFICE MEMORANDUM**

**Subject:- Clarification regarding pension to be taken for commutation after retirement-reg**

In accordance with Rule 5 of CCS (Commutation of Pension) Rules, 1981, a Government servant can commute for a lump-sum payment of an amount not exceeding 40 per cent of his pension.

2. Doubts have been raised as to which pension i.e pension authorized at the time of retirement or the pension revised subsequently and payable at the time of application for commutation shall be allowed to be commuted.

3. 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 authorized. For the payment of difference, the applicant shall not be required to apply afresh.

4. This Department's OM No. 42/14/2016-P&PW (G) dated 24.10.2016 provides 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 7<sup>th</sup> 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 7<sup>th</sup> CPC. The cases where the additional pension after 7<sup>th</sup> CPC has already been commuted will not be re-opened.

5. In cases where the pension was authorized on retirement before 01.01.2016 and the pensioner applied for commutation on or after 01.01.2016, the pension which was originally sanctioned at the time of retirement only shall be allowed to be commuted.

  
(Charanjit Taneja)  
Under Secretary

1. All Ministries/Departments of the Government of India (as per standard distribution list).
2. C&AG of India, UPSC, etc. as per standard endorsement list.