
11

RESETTLEMENT AND WELFARE OF EX-SERVICEMEN



Ex-Servicemen participating in parade at Rajpath during Republic Day Parade, 2001

11.1. In order to maintain a youthful profile of the Armed forces, over 55,000 service personnel are retired/released every year at a comparatively young age. Majority of service personnel, at the time of retirement, are at an age where they have numerous unfinished responsibilities which necessitate their taking up of a second occupation. As per statistics maintained, a total of 15,67,390 ex-Servicemen (ESM) and 3,13,654 widows have been registered and reported to be surviving as on June 30, 2000. The ex-Servicemen population is mainly concentrated in the States of Uttar Pradesh (2,71,928), Punjab (1,91,702), Haryana (1,65,702), Maharashtra (1,43,951), Kerala (1,27,920), Tamil Nadu (1,03,156), Rajasthan (1,00,592) and Himachal Pradesh (78,321). A Kendriya Sainik Board (KSB) under the Chairmanship of the Raksha Mantri lays down general policies for the welfare of ESM and their dependents for the administration of welfare funds and also for coordinating the work of the Sainik Boards in the country. Similarly, at the State level, the Rajya Sainik Boards (RSBs) and at the district level, the Zila Sainik Boards (ZSBs), have been established. The Government of India bears 50% of the expenditure incurred on the organisations of RSBs, while the remaining expenditure is borne by the respective State Governments. The Directorate General of Resettlement (DGR) under the Ministry of Defence looks after all matters connected with the resettlement and welfare of ESM and their dependents.

RESETTLEMENT

11.2 Efforts continue to be made to explore various avenues for employment of ex-Servicemen. With a view to resettle/re-employ ex-

Servicemen, the Central Government arranges the following :-

- (a) Training programmes to re-orient retiring defence personnel towards civil employment.
- (b) Reservation of posts for providing re-employment opportunities in Government/Semi-Government/Public Sector Organisations.
- (c) Schemes for self-employment.

TRAINING PROGRAMMES

11.3 Training for preparing both ex-Servicemen and retiring service personnel for their resettlement in civil life is one of the major functions entrusted to the Directorate General of Resettlement. The main emphasis of the programmes run by the DGR has been to organise employment/self-employment oriented training programmes so as to open new resettlement avenues for officers as well as other ranks. A number of new courses and job-oriented training programmes have been included in the training schedule. The training includes inputs on managerial science as well as technology and know-how required in the civil field. Constant endeavour is made to improve the quality of training to enhance the post-employment opportunities of defence personnel and to equip them with necessary qualifications and expertise, commensurate with the skill and aptitude of each individual in the desired field of settlement in civil life.

OFFICERS TRAINING

11.4 The Resettlement Training Programmes range from vocational courses of 3 months

duration to degree/diploma courses in Business Administration, Personnel Management, Hotel Management and Tourism, Human Resource Training and Development etc. of one to three years' duration. During 2000-2001 (upto October), 88 officers have been trained in various disciplines.

JCOS/OR AND EQUIVALENT TRAINING

11.5 Training Programmes were also undertaken for the retiring as well as retired JCOs/OR and their equivalents from the three Services. These programmes included vocational courses like Security Management, Export/Import Management, Marketing/Sales Management and Tourism and Travel Agency Management. In an endeavour to further increase their employment potential, courses like Computer Hardware Maintenance, Diploma in Medical Laboratory and X-ray/ECG Technology, Ceramic Handicrafts, Electroplating, Machinist and Lens Making, Computer Science and Applications, Office Automation, Computer Aided Designing (CAD), Printing Technology and Desk Top Publishing (DTP), Bee-Keeping, Poultry Farming, Crop Production, Dairy and Animal Husbandry, Assistant Security Officer, Industrial Security and Fire Fighting courses etc. are being conducted. The Directorate General of Resettlement (DGR) has been conducting more than 400 courses for vocational training. Besides, courses at more than 200 ITIs for pre-and-post release training, and On-the-Job Training (OJT) courses at 85 PSUs/Departmental Undertakings along ex-Servicemen Resettlement training schemes are being run.

11.6 The details of the personnel imparted training in various fields during the last five years, till October 2000 are as follows:-

SCHEME	1996-97 (Upto October 2000)	1997-98	1998-99	1999-2000	2000-01
Officers Training	1145	1150	606	431	249
PBOR Training	5692	5114	5824	4563	3869
On-the-Job Training	1360	1228	1419	1393	840
ITI Training	1250	1324	1292	1847	4000

RE-EMPLOYMENT

11.7 The Central and State Governments provide a number of concessions to ex-Servicemen for their re-employment in Central/State Government posts. These include reservation of posts/relaxation in age and educational qualifications, exemption from payment of application/examination fees, priority employment to disabled ex-Servicemen and dependants of deceased service personnel on compassionate grounds.

RESERVATION FOR EX-SERVICEMEN IN GOVERNMENT JOBS

11.8 The Central Government has reserved 10% of Group 'C' posts and 20% of Group 'D' posts for ex-Servicemen. Central Public Sector Undertakings and Nationalised Banks provide 14.5% reservation in Group 'C' and 24.5% in Group 'D' posts to them. 10% posts of Assistant Commandants in Para-

Military Forces are also reserved for ex-Servicemen. In addition, most of the State Governments, except for the States of UP, Bihar, J&K, Kerala and Meghalaya, are providing reservations to ex-Servicemen in the State Government jobs. It has, however, not been possible to have statutory backing to the reservations being provided to them inter alia due to the overall ceiling of 50% imposed by the Supreme Court and 49.5% reservation already having been provided in the Government jobs for SC/ST/OBC. Therefore, the reservation being provided to ex-Servicemen is not of vertical nature as in the case of reservation for SC/ST/OBC. It is of horizontal nature, which implies that ex-Servicemen selected against the vacancies reserved for them are subsequently adjusted against the relevant category i.e., SC, ST, OBC or General to which they belong. There is also no carry forward of unfilled reserved vacancies under horizontal vacancies.

RELAXATION IN AGE

11.9 Ex-Servicemen have been provided age relaxation to the extent of military service plus three years against reserved/unreserved vacancies in Groups 'C' and 'D' posts and also in Groups 'A' and 'B' posts which are filled otherwise than by way of competitive examinations. The age relaxation is restricted to five years in Groups 'A' and 'B' posts which are filled by competitive examinations.

RELAXATION IN EDUCATIONAL QUALIFICATIONS.

11.10 Ex-Servicemen have been granted relaxation in prescribed educational qualifications. Army Class I, II and III certificates have been equated to 8th class, 6th class and 4th class respectively in the civil field. For reserved vacancies for which the minimum educational qualification is Matriculation, an ex-Serviceman, who has put in at least 15 years of service and has passed Army Class I or equivalent, is considered eligible. For the reserved jobs, for which the minimum educational qualification is graduation, an ex-Servicemen who has put in at least 15 years of service in the Army and has passed Matriculation or equivalent examination is considered eligible.

SECURITY AGENCIES

11.11 The Directorate General of Resettlement (DGR) registers/sponsors Security Agencies for providing Security Guards to various

Public Sector Undertakings and industries in private sector. The Scheme offers self employment opportunities to retired Defence Officers and employment opportunity to ex-PBOR. The Department of Public Enterprises (DPE) had issued instructions to the PSUs to get security personnel through DGR sponsored Security Agencies. The scheme has shown good results. The Director General Resettlement has also written to Chief Secretaries of all States urging them to issue suitable instructions to all concerned under their jurisdiction to obtain security cover through DGR empanelled agencies, thereby furthering the cause of resettling ex-Servicemen. A case has also been taken up with the Government of Maharashtra to exempt security agencies operating in that state from the Maharashtra Security Guard Regulations of the Employment and Welfare Act, 1981.

PLACEMENT OF JCOS/OR

- 11.12 The details of ex-Servicemen, provided employment through DGR and Zila Sainik Welfare Offices in the States during the last five years is as follows:

PLACEMENT OF JCOS/OR					
	1995	1996	1997	1998	1999
Central Government	5080	5385	4023	5188	3992
State Government	4962	4976	4815	2823	2529
Private Sector	5628	4390	5424	3306	2738
Security Agencies	6150	8821	8873	7140	13810
TOTAL	21820	22672	23135	18457	23069

OFFICERS EMPLOYMENT

- 11.13 During the year 2000 (upto October 2000), a total number of 402 officers were registered with the DGR for employment assistance, out of which names of 188 officers were sponsored for employment assistance.

SCHEME FOR SELF EMPLOYMENT

- 11.14 As it is not feasible to provide Government jobs to all ex-Servicemen after their retirement from the Armed Forces, Government has formulated several schemes for encouraging and giving financial support by way of loans to ex-Servicemen entrepreneurs intending to set up small and medium industries. Important Self Employment Schemes are SEMFEX-I, SEMFEX-II, National Equity Fund Scheme and SEMFEX-III. Applications for sanction of loans are submitted by ex-Servicemen directly to concerned Zila Sainik Boards in the States. The applications are scrutinised and those who satisfy eligibility criteria and other terms and conditions are recommended for sanction of loan through State Financial Corporations, aided by Small Industries Development Bank of India (SIDBI), Scheduled Commercial

Banks, District Central Cooperative Banks, State Land Development Banks and Regional Rural Banks aided by National Bank for Agriculture and Rural Development (NABARD) and the State KVIB/Banks aided by the Khadi and Village Industries Commission (KVIC).

EX-SERVICEMEN COAL TRANSPORT COMPANIES

- 11.15 Special provision exists for sponsoring ex-Servicemen coal transport companies for the execution of work in coal subsidiaries of the Coal India Limited. The unemployed retired officers and JCOs registered with DGR are selected to form ex-Servicemen coal transport companies and are sponsored to respective coal subsidiaries for five years, extendable by another two years. 102 companies of ex-Servicemen employing over 6000 personnel are operating in six different coal subsidiaries of Coal India Limited.

ALLOTMENT OF OIL PRODUCT AGENCIES TO THE EX-SERVICEMEN/ WIDOWS/DEPENDANTS UNDER DEFENCE QUOTA

- 11.16 Ministry of Petroleum and Natural Gas have reserved 8% of the Oil Product Agencies i.e. LPG, petrol pumps, kerosene depots etc. for disabled soldiers with disability of 50% and above attributable to military service and widows and dependants of those who died in war/peace due to causes attributable to military service. DGR sponsors eligible candidates for selection by the Oil Selection

**YEAR-WISE BREAKUP OF NUMBER OF CASES CLEARED FOR SETTING UP
PRODUCTION UNITS IN VARIOUS SCHEMES, LOAN AMOUNT SANCTIONED AND
ACTUAL DISBURSAL OF LOAN**

	Amount in lakh				
SCHEME	1995-96	1996-97	1997-98	1998-99	1999-2000
SEMFEX-I					
(i) No. of cases	31	10	12	12	9
(ii) Amount Sanctioned	25.60	13.75	5.50	15.49	5.63
(iii) Disbursed	24.12	10.41	5.50	14.97	5.61
SEMFEX-II					
(i) No. of cases	571	415	359	468	297
(ii) Amount Sanctioned	448.97	289.16	179.76	379.17	274.51
(iii) Disbursed	355.79	192.87	171.04	266.94	265.98
SEMFEX-III					
(i) No. of cases	66	39	45	13	83
(ii) Amount Sanctioned	52.37	119.39	57.13	27.24	135.54
(iii) Disbursed	32.94	105.47	48.84	25.19	100.79

Board constituted by the Ministry of Petroleum & Natural Gas. Final allotment is made by the concerned oil company. Approximately 70-80 'eligibility certificates' are issued every year. In addition to the 8% reservation, Ministry of Petroleum & Natural Gas has announced a Special Scheme for direct allotment of Retail Outlet/LPG distributorship to widows/next of kins (NOK) of Service Personnel killed in action in Kargil.

**ALLOTMENT OF ARMY SURPLUS
CLASS V-B VEHICLES**

11.17 Ex-Servicemen and serving personnel due to retire within six months, can apply for Army Surplus V-B vehicles. The allotment is made by the Army Headquarters through nine vehicle depots. On an average, 800 applications are registered every year under this scheme.

**RESERVATION OF CSD AND LOW
TECHNOLOGY ITEMS MANUFACTURED
BY THE EX-SERVICEMEN
ENTREPRENEURS**

11.18 The Canteen Stores Department of India (CSDI) has reserved 15% of the 30 selected CSD items and the Ministry of Defence has reserved 10% of the 262 selected items manufactured by the ex-Servicemen Entrepreneurs under the Defence Purchase Programme for which ex-Servicemen manufacturing units alone are eligible.

**GRANT OF PRICE SUBSIDY TO THE EX-
SERVICEMEN'S SMALL SCALE
INDUSTRIAL UNITS**

11.19 The ex-Servicemen's manufacturing units, supplying stores to Defence Establishments under Defence Purchase Programme, are eligible for 10% price subsidy of the total value of stores supplied or Rs 50,000/- whichever is less in a financial year for five consecutive years. 39 ex-Servicemen units have been granted over Rs. 60 lakhs under the scheme so far.

**ALLOTMENT OF PARKING SITES IN
NEW DELHI**

11.20 The New Delhi Municipal Committee currently has 105 parking lots in the area under their jurisdiction. 50% of these parking lots are allotted to ex-Servicemen on the basis of open limited tenders.

ALLOTMENT OF TYPEWRITERS/ DUPLICATORS

- 11.21 Ex- Servicemen are eligible to apply for a maximum of 5 repairable typewriters and one duplicator through DGR. These typewriters and duplicators are allotted by Directorate of Military Records and Forms through Regional Stationery Depots on nominal payment. On an average, 60 applicants including officers and JCOs are allotted these machines every year. As per feedback, these machines are used for setting up typewriting institutions in rural areas.

ALLOTMENT OF MOTHER DAIRY/DMS MILK BOOTHS AND FRUIT AND EGETABLE OUTLETS

- 11.22 This scheme was launched in consultation with the National Dairy Development Board (NDDB) to provide ready-made booths with deep freezers, electronic weighing machines and other accessories costing approximately Rs. 8 lakh borne by NDDB. Ex-Servicemen upto the rank of JCO or its equivalent, below the age of 55 years, are eligible for allotment of Mother Dairy Milk Booths and Fruit and Vegetable outlets till such time they attain the age of 60 years. More than 4500 ex-Servicemen have benefited under the scheme since 1987 on a rotational basis. Based on the success of this scheme, other States have also been approached to provide similar facilities to ex-Servicemen. Tamil Nadu and Karnataka have already responded with 50% and 100% reservation for allotment of automatic milk vending booths in

their States. Rajasthan Government is also considering preferential treatment to ex-Servicemen in allotment of milk vending booths.

WELFARE

- 11.23 The Kendriya Sainik Board (KSB) under the Chairmanship of Raksha Mantri lays down the general policy on the welfare of ex-Servicemen and their dependants, for the administration of Welfare funds and also coordinating the work of the Rajya Sainik Boards (RSBs) and Zila Sainik Boards (ZSBs). The expenditure on the resettlement work in the States is shared by the Central and the State Governments in the ratio of 50:50. The KSB also administers the Armed Forces Flag Day Fund collected on Flag Day through sale of car flags and token flags. Various welfare activities are financed from the interest earnings of the Fund. Financial assistance is provided to institutions such as Paraplegic Homes at Kirkee and Mohali, the Red Cross Society, Cheshire Homes, Military Hospitals, St Dustan's After Care Organisation and the Homes for taking care of old and physically handicapped ex-Servicemen and their dependents. Financial assistance is also provided to individual ex-Servicemen and their families who are in a state of penury to meet their specific needs.

FINANCIAL ASSISTANCE FROM RAKSHA MANTRI'S DISCRETIONARY FUND

- 11.24 A portion of the earnings of Armed Forces Flag Day Fund is set apart as Raksha Mantri's Discretionary Fund and is used to provide financial assistance to poor and needy ex-Servicemen for various purposes viz., medi-

cal treatment, marriage of daughters, repair of houses, education of children. Monthly financial assistance for upto a period of two years is also provided to old and infirm ex-Servicemen/widow of ex-Servicemen living in penury.

CONCESSIONS AND FACILITIES

- 11.25 Under-mentioned concessions and facilities are available to eligible personnel:-

- (a) Free educational facilities to children of defence personnel killed or disabled in action.
- (b) 28 seats in the MBBS, one seat in BDS and two seats in engineering stream are available through KSB to dependants/wards of certain categories of defence personnel.
- (c) 25% seats are reserved for the wards of serving and ex-Servicemen personnel in Sainik Schools.
- (d) States/UTs have made reservation of seats in professional colleges/ITIs/polytechnics for wards of serving and retired defence personnel.
- (e) Two educational grants of Rs 600/- and Rs 300/- p.m. per student are provided to wards of war-bereaved, disabled, attributable and non-attributable peace- time casualties, respectively, housed in 35 War Memorial Hostels to enable them to pursue their studies.

(f) **Medical Facilities**

(i) Ex-Servicemen, their families and families of deceased service personnel, drawing pension of any kind, are entitled to free out-patient treatment at Military Hospitals. These personnel can also be provided in-patient treatment in Military hospitals subject to certain conditions. In addition to the existing military hospitals, 24 MI Rooms and 12 dental centres have specially been created from the funds provided by the Services and KSB for provisioning medical facilities to ex-Servicemen pensioners and their dependants.

(ii) Ex-Servicemen suffering from serious diseases are given financial assistance of upto 90% (in case of PBOR) and 75% (in case of officers) of the total expenditure for treatment in civil hospitals, in case they cannot raise funds from other sources. These are by-pass surgery, open-heart surgery/valve replacement, pacemaker implant, angiography/angioplasty, kidney/renal transplantation, dialysis, cancer, joint replacement, stroke, prostate surgery and spastic paraplegics. Assistance for dialysis and cancer is restricted to Rs 75,000/- per year.

(iii) The leading hospitals throughout the country have been empanelled from where the ex-Servicemen can get treatment for serious diseases on payment of 25% / 10% of the total expendi-

ture. In case of officers and PBORs respectively, the remaining 75% / 90% is paid directly to the hospitals by the KSB. For the purpose, the ex-Serviceman is required to submit to the hospital a letter issued by KSB in this behalf.

(iv) Ex-Servicemen, not availing medical facilities from military hospitals, due to non-availability of Military Hospitals in the near vicinity, can draw a fixed medical allowance of Rs 100/- every month.

(g) **Travel Concession:** The following concessions are available to War Widows/Gallantry Award Winners, which can be availed on production of identity card issued by KSB:-

(i) **Rail Travel Concession:** 75% concessions in rail fare for travel in II Class is available to war widows, including those of IPKF casualties. Besides, recipients and widows of posthumous recipients of Chakra series of gallantry awards are entitled to free rail pass for travelling in Class I/II AC Sleeper.

(ii) **Travel Concession:** Certain categories of personnel are eligible to 50% concession in fare for air travel in domestic flights of the Indian Airlines. These are:-

(a) Recipients of Gallantry Awards of Class I and II viz. PVC, MVC, Ashok Chakra and Kirti Chakra.

(b) Permanently war disabled officers who have been invalided out of service and the dependent members of their families.

(c) War widows of post Independence era.

(h) **Reservation of House Sites/Houses:** Majority of Sates have made reservations for serving/retired Armed Forces personnel in allotment of house sites/houses.

(i) **Grant for Repair of Houses:** Financial assistance is provided especially to War Widows/War-disabled for repair of houses on 50% cost sharing basis with State Governments upto an extent of Rs 10,000/- .

(j) **Sainik Rest House Facilities:** Over 252 Sainik Rest Houses have been created in the country, which provide transit facilities to ex-Servicemen and their dependants at nominal rates.

(k) Cash Award/Annuity/Cash, in lieu of Land for Gallantry/Non-Gallantry Award Winners: The State/UTs provide Cash Award/Annuity/Cash in lieu of Land for Gallantry/Non-Gallantry Award Winners.

PENSION TO ARMED FORCES PERSONNEL

11.26 The service conditions of Armed Forces personnel differ greatly from civilians owing to exigencies of service and the need to work

in different geo-climatic conditions, such as deserts in the west, glaciers in the north, rain-forests in the east and the high seas in south is in-built, which obviously, would involve periodic separation from the family. In the event of hostilities, they are also expected to make the supreme sacrifice of life to maintain the territorial integrity of the country. The Armed Forces are required to maintain a youthful profile at all times for the upkeep of the highest degree of combat efficiency. Hence, they are retired/released at a younger age as compared to civilian employees and are granted pensionary benefits at somewhat liberal scale as compared to their civilian counterparts. The nature of retirement/release from service determines the admissibility of the type of pension in the case of Armed Forces personnel. The eligibility conditions, rates etc. of the different types of pension are enumerated in the succeeding paragraphs.

RETIRING/SERVICE PENSION

- 11.27 While in the case of commissioned officers of the Army, Navy and Air Force, the minimum period of qualifying service (without weightage) actually rendered and required for earning retiring pension is 20 years (15 years in the case of late entrants), in the case of PBOR it is 15 years [20 years in the case of Non-Combatants Enrolled (NCsE)]. Retiring/Service pension admissible to the Armed Forces personnel is calculated at 50% of the average reckonable emoluments, as in the case of civil pensioners subject to a minimum of Rs.1275/- per month and maximum

of upto 50% of the highest pay applicable to Armed Forces personnel. With effect from 01.01.1996, pension would not be less than 50% of the minimum pay in the revised scale of the pay introduced w.e.f. 01.01.1996 for the rank, rank and group (in the case of PBORs) held by the pensioner. However, keeping in view their early retirement, Armed Forces personnel are given the benefit of added years of service while calculating their qualifying service for pension. The benefit of added years of service ranges from 9 years for Captains and below to 3 years for Generals. Personnel below officers rank are given the benefit of 5 added years of service for determining their qualifying service. In the case of officers, pension is calculated on the basis of the average of pay drawn during the last 10 months of service. In the case of personnel below officers rank, it is calculated with reference to the maximum pay of the rank held for 10 months preceding retirement. For calculating gratuity, a uniform weightage of 5 years added service is given to all ranks. Armed Forces personnel are also permitted higher commutation of their pension as compared to civilians.

DISABILITY PENSION

- 11.28 A person who is medically boarded out of service on account of a disease/injury/ wound attributable to or aggravated by military service, is entitled to disability pension, provided the disability assessed by the Medical Board is more than 20%. Disability Pension consists of Service element and disability element. The Service element is related to the

length of service rendered by the individual and the disability element is paid in the form of compensation for the disablement which depends on the degree of disablement. The amount of service element is equal to the normal retiring/service pension. With effect from 01.01.1996, the service element subject to a minimum of Rs. 1,275/- is also payable when the length of service rendered is less than the minimum pensionable service. Personnel with 100% disability are also paid a Constant Attendance Allowance at the rate of Rs.300/- p.m. on the recommendations of a Medical Board. In all other cases, where the personnel are invalidated out of service with a disability neither attributable to nor aggravated by military service, invalid pension is granted if the service actually rendered is 10 years or more. If the service is less than 10 years, such Service personnel are paid invalidating gratuity depending upon the length of service. The entire disability pension, i.e., disability element, and service element has now been exempted by the Government from income tax. Proposals relating to grant of disability pension at enhanced rates in the context of the Fifth Central Pay Commission's recommendations is under consideration of the Ministry of Defence.

WAR INJURY PENSION

- 11.29 War Injury Pension is sanctioned to an individual who sustains injury/disability in war or war like operations. In case of invalidment on account of war injury, war injury pension at the rate of last pay drawn is paid to the individual if the degree of disablement is 100%. Where war disability is less than

100%, the amount of war injury pension is proportionately reduced but the amount of war injury pension payable is not less than 60% of the reckonable emoluments in the case of Commissioned Officers and 80% of the reckonable emoluments in the case of personnel below officer rank in the event of invalidment on this count. War injury pension, at the above rates is also paid in case where disability is assessed at less than 20% on invalidment. Armed Forces personnel who are retained in service despite war injury and retire subsequently are given an option either to draw lump sum compensation in lieu of war injury or to draw war injury pension at the time of subsequent retirement foregoing lump sum compensation. With effect from January 1, 1986 the individual who opts for War Injury Pension on subsequent retirement is eligible for the following benefits:

- (a) **Service Element** –Equal to Service/Retiring pension, depending on the length of qualifying service.
- (b) **Disability Element** - on account of war injury at the following rates(for less than 100% disability ,the amount to be reduced proportionately upto 20%):-

Commissioned Officer	-	Rs.1,500/- p.m.
JCOs and equivalents	-	Rs.1,100/-p.m.
Other Ranks/NCs(E)	-	Rs. 900/- p.m.

11.30 The above rates are applicable for calculation of lump-sum compensation also for

100% disability for life. In case where an individual is invalided out of service and granted war injury pension equal to reckonable emoluments last drawn on proportionate lower pension, commutation of war injury pension at the rate of 43% in the case of Officers and 45% in the case of PBOR, for disability of permanent nature is allowed. Where an individual is retained in service in spite of war injury and retires subsequently, commutation of service element and disability element, on account of war injury, as admissible, is allowed at the above rates, where the disability is of permanent nature.

11.31 As in the case of disability pension, decision with reference to the Fifth Central Pay Commission's recommendation regarding enhancement of the rates of War Injury Pension is yet to be taken and notified.

FAMILY PENSION

11.32 **Ordinary Family Pension:** Families of Armed Forces personnel who die during service or after retirement with pension, are granted family pension at a uniform rate of 30% of the reckonable emoluments subject to a maximum limit of 30% of the highest pay applicable to Armed Forces personnel. The amount of minimum family pension which was Rs. 375/- per month earlier has been raised to Rs. 1,275/- per month with effect from 01.01.1996 on the basis of the recommendations of the Fifth Central Pay Commission. As per orders issued with regard to modified parity, past family pension-

ers are entitled to get at least 30% of the minimum of revised pay scale which came into force w.e.f. 01.01.1996 for the rank and group last held by the pensioners/deceased individuals. If the deceased personnel had rendered 7 years or more service, then the family is given family pension at double the rate of the first 7 years or upto the time when the deceased would have reached the age of 67 years, whichever is earlier. The amount of enhanced family pension will, however, not be more than 50% of the emoluments, or the retiring pension if the death takes place after retirement but before 67 years of age.

11.33 With effect from 01.01.1996, Ordinary Family Pension is admissible also to (i) parents who were wholly dependent on Armed Forces personnel when he/she was alive provided the deceased had left behind neither a widow nor a child and (ii) widowed/divorced daughter till she attains the age of 25 years or upto the date of her remarriage whichever is earlier. The income criteria in respect of parents and widowed/divorced daughter is that their earning is not more than Rs. 2,550/- per month. Pensionary benefits to the eligible Next of Kin, as defined above, were made applicable from 1.1.1998 and as such, all past cases are also to be considered for grant of family pension from 1.1.1998.

11.34 **Special Family Pension:** If the death of a service personnel is on account of causes attributable to or aggravated by service, the family is paid Special Family Pension as follows:-

Reckonable Emoluments		Rates of Special Family Pension (per month)
(a) In case of widow having children	In all cases	60% of the emoluments, subject to a minimum of Rs.1275/-
(b) In case of widow having no children	1)Not exceeding Rs.1,500/-	50% of reckonable emoluments, subject to a minimum of Rs.1,275/-
	2)Exceeding Rs.1,500/- but not exceeding Rs.3,000/-	40% of reckonable emoluments, subject to a minimum of Rs1,275/-
	3) Exceeding Rs.3,000/-	30% of reckonable emoluments, subject to a minimum of Rs.1,275/-

11.35 Keeping in view the hardships being faced by the special family pensioners, necessary orders for consolidation of Special Family Pension in pre - 01.01.1996 cases without restriction on the maximum ceiling of Rs. 2500/- have already been issued by the Government. Pending issuance of final orders on the basis of the decisions to be taken on the Fifth Pay Commission's recommendations relating to enhancement of the rates of Special Family Pension, interim orders have been issued on September 22, 1999 by the Government for regulation of Special Family Pension in post 01.01.1996 cases at the existing percentage of Special Family Pension in the new pay scales effective from 01.01.1996 in case of officers and 01.01.1996/ 10.10.1997 in the cases of PBORs. The existing maximum limit of Rs. 2500/- has been revised, as an interim measure, to Rs. 8235/- in the case of widow without children and Rs. 9000/- in the case of widow with children. Further, it has been

provided for in the aforesaid letter that in those cases where the amount of Special Family Pension works out to be less than the Ordinary Family Pension calculated at the enhanced rates as per decision taken on the Fifth Central Pay Commission's recommendations notified by the Government, the latter amount would be authorised as an interim measure. Orders have been issued on March 14, 2000, containing instructions for revision of Special Family Pension in pre-January 1, 1996 cases. As per these instructions, the amount of Special Family Pension would not be less than 30% of the minimum pay in the revised scale, introduced w.e.f. January 1, 1996 for the rank held by the deceased. In all such cases, the Special Family Pension would be revised as soon as Government's decision on the Fifth Central Pay Commission's recommendations relating to grant of Special Family Pension is taken and notified.

11.36 **Liberalised Special Family Pension:** In the event of death of Armed Forces personnel in war or war like operations, counter insurgency operations or in an encounter with or in an incident involving armed hostilities, terrorists/extremists, anti-social elements etc., their families are granted liberalised special family pension equal to the last pay drawn by the deceased personnel at the time of his death. Pension at this rate is payable to the widow until her death or disqualification. In case the person is not survived by a widow but is survived by a child/children only, children education allowance is also paid in addition to special family pension at the prescribed rates. In the absence of wife and children, pension at the prescribed rates is admissible to the parents of the deceased.

11.37 The Fifth Pay Commission has recommended some changes with respect to entitlement of the liberalised family pension to the widow/parent/ children of the deceased. The Ministry is considering a proposal for revision with respect to entitlement of the liberalised family pension in consultation with Ministry of Finance.

DEARNESS RELIEF TO RE-EMPLOYED PENSIONERS AND EMPLOYED FAMILY PENSIONERS

11.38 On the basis of the recommendations of the Fifth Central Pay Commission, orders have been issued by the Department of Pension & PW for payment of Dearness Relief to re-employed pensioners and employed family pensioners. Consequently, orders in respect of Armed Forces pensioners/family pension-

ers were issued on October 6, 1999 extending the benefit to the Armed Forces personnel, who are re-employed in civil posts and their pay is to be fixed, as per civil pay rules. Subsequently, separate orders, in respect of ex-Servicemen re-employed in the Armed Forces, have been issued on August 28, 2000. The payment of Dearness Relief is to be made to all the Armed Forces personnel, who were re-employed, as on July 18, 1997, or were/are re-employed subsequently. These orders become effective from July 18, 1997, subject to fulfilment of prescribed conditions.

EX-GRATIA AWARD IN THE EVENT OF DEATH WHILE PERFORMING MILITARY DUTY

11.39 On the basis of the recommendations of the Fifth Central Pay Commission, orders have been issued by the Ministry of Defence on September 22, 1998 for grant, in addition to Special Family Pension/ Liberalised Family Pension, of ex-gratia payment to the family of a deceased service personnel in the event of death occurring on or after 01.08.1997, as under:-

- (a) Death occurring due to accidents in the course of performance of duties - Rs.5.00 Lakh
- (b) Death occurring in the course of performance of duties attributable to acts of violence by terrorists, anti-social elements etc. - Rs.5.00 Lakh
- (c) Death occurring during (i) border skirmishes and (ii) action against militants, terrorists, extremists etc. - Rs.7.50 Lakh
- (d) Death occurring during enemy action in international war or such like engagements which are specifically notified by the MOD - Rs.10.00 Lakh w.e.f. 01.08.1997 w.e.f. 01.05.1999

11.40 Appropriate orders in pursuance of the Fifth Central Pay Commission's pension related recommendations in respect of the Armed Forces personnel have been issued, except for the recommendations relating to disability pension/special family pension/ war injury pension etc. which are under active consid-

eration of the Government. As soon as necessary decisions from the nodal Department, i.e., the Department of Personnel, and the Ministry of Finance become available, orders in respect of Armed Forces personnel would be issued by the Ministry of Defence.

11.41 The number of Defence Pensioners is estimated to be about 19.27 lakh. Approximately, 55000 Service personnel retire every year. Pension to Defence Pensioners is disbursed through 30000 branches of public sector banks, 543 Treasuries, 62 Defence Pension Disbursing Offices and 5 PAOs scattered all over India. The annual expenditure on Defence pensions during the last five years has been as follows:-

Year	Pension Disbursed (Rs.Crore)
1996-97	3683.00
1997-98	4947.42
1998-99	7270.00
1999-2000	11024.65
2000-2001(BE)	12000.00