

# **CCS (Pension) Rules 2021**

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**AAO EXAM PAPER -II**

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# **CCS(Pension) rules 2021**

Central Civil Services (CCS) Pension Rules 2021

## **Rule 1- Short Title and commencement**

These rules may be called the Central Civil Services (Pension) Rules, 2021.

## **Rule 02- Application**

**To whom do the Central Civil Services (Pension) rules 2021 apply?  
Who are exempt from their application?**

These rules shall apply to the Government servants appointed **on or before 31st day of December, 2003**, including civilian Government servants in the Defence Services, appointed substantively to civil services and posts in connection with the affairs of the Union which are borne on pensionable establishments,

### **But shall not apply to,**

- (a) railway servants ;
- (b) persons in casual and daily rated employment ;
- (c) persons paid from contingencies ;
- (d) persons entitled to the benefit of a Contributory Provident Fund ;
- (e) members of the All India Services ;
- (f) persons locally recruited for service in diplomatic, consular or other Indian establishments in foreign countries ;
- (g) persons employed on contract except when the contract provides otherwise ; and
- (h) persons whose terms and conditions of service are regulated by or under the provisions of the Constitution or any other law for the time being in force.

## **RULE 3-Definitions**

- a) **Emoluments** -Basic Pay of Govt. Servant
- b) **Average emolument** – Last **ten months' average basic pay** from the date of retirement.
- c) **Qualifying service** – means service rendered while on duty or otherwise which shall be taken into account for the purpose of pensions and gratuities admissible under these rules.
- d) **Government** – means the Central Government
- e) **Pension** – Includes gratuity but does not include dearness relief.
- f) **Family pension** – means **Family Pension 1964**
- g) **Gratuity includes**
  - Service gratuity payable under sub rule (1) of Rule 49
  - Retirement Gratuity / death gratuity payable under sub rule (a) of Rule 50
  - Residuary gratuity payable under sub rule (2) of Rule 50.
- h) **Pension Disbursement Authority**
  - Account officer.
  - Treasury including sub treasury
  - Branch of Nationalized bank
- i) **Head of Office** – A Gazetted officer declared as such under Rule 14 of the Delegation of Financial Power Rules 1978
- j) **Head of Department**- An authority specified in Schedule 1 to the Delegation of Financial Power Rules 1978
- k) **Qualifying Service**- means service render while on duty or otherwise shall be taken into account for the purpose of pension and gratuities admissible under these rules.
- l) **Retirement Benefits** – Includes pension and service gratuity or retirement gratuity as admissible.

## **Q& A**

Question 1:

**What is the short title of the rules discussed?**

**Answer:** The rules are called the Central Civil Services (Pension) Rules, 2021.

Question 2:

**To whom do the Central Civil Services (Pension) Rules 2021 apply?**

**Answer:** These rules apply to Government servants appointed on or before December 31, 2003, including civilian Government servants in the Defence Services, who are appointed substantively to civil services and posts borne on pensionable establishments.

Question 3:

**Which categories of personnel are exempt from the application of these rules?**

**Answer:** The following categories are exempt: (a) Railway servants (b) Persons in casual and daily rated employment (c) Persons paid from contingencies (d) Persons entitled to a Contributory Provident Fund (e) Members of the All India Services (f) Persons locally recruited for service in foreign establishments (g) Persons employed on contract (unless specified otherwise) (h) Persons whose service terms are regulated by the Constitution or other laws.

Question 4:

**What is meant by "Average emolument" as defined in the rules?**

**Answer:** Average emolument refers to the average basic pay of a government servant calculated over the last ten months preceding their date of retirement.

Question 5:

**What does the term "Family Pension" refer to under these rules?**

**Answer:** The term "Family Pension" refers to the Family Pension Scheme of 1964.

Question 6:

**What are the components included under "Retirement Benefits"?**

**Answer:** Retirement Benefits include pension and service gratuity or retirement gratuity as admissible under the rules.

## **Q&A**

**Question 1: How is a claim to pension or family pension regulated according to Rule 5?**

**Answer:** A claim to pension or family pension is regulated by the provisions of the rules in force at the time the government servant retires, is discharged, resigns, or dies.

**Question 2: What is treated as a government servant's last working day?**

**Answer:** The day a government servant retires, voluntarily retires, is discharged, or resigns is treated as their last working day. Additionally, the date of death is also considered a working day.

**Question 3: Can a government servant earn two pensions from the same service?**

**Answer:** No, a government servant cannot earn two pensions from the same service or post at the same time or by the same continuous service.

**Question 4: What happens to a pensioner's entitlement if they are convicted of a serious crime?**

**Answer:** If a pensioner is convicted of a serious crime or found guilty of grave misconduct, the appointing authority may withhold or withdraw their pension or a part of it, either permanently or for a specified period.

**Question 5: What is the minimum amount a withheld pension can be reduced to?**

**Answer:** Where a part of the pension is withheld or withdrawn, it cannot be reduced below the amount of ₹9,000 per month.

**Question 6: What requirement must a pensioner fulfill before accepting commercial employment within one year of retirement?**

**Answer:** A pensioner who was a member of Central Service Group-A must obtain prior government sanction before accepting any commercial employment within one year of their retirement. They must submit their application in Form 25 for this purpose.

## Q&A

**Question 1: What is the definition of "Qualifying Service" as per the rules?**

**Answer:** Qualifying service refers to the duration of service that is considered for pension purposes. Only qualifying service counts toward pension eligibility.

**Question 2: When does the qualifying service of a government servant commence?**

**Answer:** Qualifying service commences from the date the government servant takes charge of their post in a permanent capacity. Temporary service followed by confirmation without interruption also counts.

**Question 3: Which types of leave are counted as qualifying service?**

**Answer:** The following leave types are counted as qualifying service:

- All leave during service for which leave salary is payable.
- Extraordinary leave granted on medical grounds.
- Extraordinary leave due to inability to join or rejoin duty due to civil commotion or for pursuing higher technical or scientific studies.

**Question 4: What periods are excluded from qualifying service?**

**Answer:** Periods excluded from qualifying service include:

- Service before attaining the age of 18 years.
- Service as an apprentice (except SAS apprentice).
- Unauthorized absence treated as dies non.
- Overstay of leave not regularized as leave with pay.
- Extraordinary leave taken for non-qualifying reasons.

**Question 5: Can a government servant who is reinstated after dismissal count their past service?**

**Answer:** Yes, a government servant reinstated after dismissal, removal, or compulsory retirement can count their past service as qualifying service, but

# Emoluments and Average Emoluments

## Rule 31- Emoluments for Pension Calculation

For government servants retiring with a qualifying service of ten years or more, the pension will be calculated as follows:

- **Pension Amount:** 50% of the average emoluments drawn during the ten months preceding retirement or 50% of the emoluments on the date of retirement, whichever is more beneficial.

## **Definition of Emoluments**

Emoluments for pension calculation include:

- **Basic Pay:** As defined in Rule 9 (21) (a) (i) of the Fundamental Rules, 1922, received immediately before retirement or on the date of death.
- **Non-Practising Allowance:** Granted to medical officers in lieu of private practice.

Current components include pay in the Pay Level of the Matrix and non-practising allowance.

## **Gratuity Calculation**

Gratuity is based on emoluments drawn on the date of retirement, including Dearness Allowance at that time.

## **Emoluments During Absence**

Emoluments will be calculated based on the following scenarios during various types of absence before retirement or death:

1. **Leave with Pay:** The emoluments received during leave with salary will be counted.
2. **Suspension:** Periods of suspension may count for pension if treated as duty subsequently.
3. **Unpaid Absence:** If absent without pay (e.g., extraordinary leave), the emoluments received immediately prior to the absence will be

considered, regardless of whether that leave counts as qualifying service.

4. **Increment During Leave:** If an increment is earned while on leave (and not withheld), it will be included as part of emoluments, even if not actually paid.
5. **Foreign Service:** Pay received while on foreign service will not count as emoluments. Instead, the emoluments that would have been drawn under government service, had the employee not been on foreign service, will be considered.

### **Rule 32- Average Emoluments Calculation**

Average emoluments for pension calculation are based on the emoluments drawn by a government servant during the last 10 months of service.

### **Considerations for EOL or Suspension**

If a government servant is on Extraordinary Leave (EOL) or under suspension during the last 10 months, and this period is not treated as qualifying for pension, the following applies:

- The time spent on EOL or suspension should be excluded from the 10-month calculation.
- An equivalent period preceding the 10 months will be included in the calculation to ensure an accurate average emolument assessment.

### **Q&A**

**Question 1: How is the pension amount calculated for government servants with a qualifying service of ten years or more?**

**Answer:** The pension amount is calculated as 50% of the average emoluments drawn during the ten months preceding retirement or 50% of the emoluments on the date of retirement, whichever is more beneficial.

**Question 2: What components are included in the definition of emoluments for pension calculation?**

**Answer:** Emoluments for pension calculation include:

- Basic Pay, as defined in Rule 9 (21) (a) (i) of the Fundamental Rules, 1922.



- Non-Practising Allowance granted to medical officers in lieu of private practice. Current components also include pay in the Pay Level of the Matrix and non-practising allowance.

**Question 3: How is gratuity calculated for retiring government servants?**

**Answer:** Gratuity is based on the emoluments drawn on the date of retirement, which includes the Dearness Allowance applicable at that time.

**Question 4: What is the treatment of emoluments during various types of absence before retirement?**

**Answer:**

- **Leave with Pay:** Emoluments received during leave with salary are counted.
- **Suspension:** Periods of suspension may count for pension if treated as duty subsequently.
- **Unpaid Absence:** Emoluments received immediately prior to the unpaid absence are considered, regardless of whether that leave counts as qualifying service.
- **Increment During Leave:** If an increment is earned while on leave (and not withheld), it is included as part of emoluments.
- **Foreign Service:** Pay received while on foreign service does not count; instead, the emoluments that would have been drawn under government service are considered.

**Question 5: How are average emoluments calculated for pension purposes?**

**Answer:** Average emoluments are based on the emoluments drawn by a government servant during the last 10 months of service.

**Question 6: What considerations are there for periods of Extraordinary Leave (EOL) or suspension in the calculation of average emoluments?**

**Answer:** If a government servant is on EOL or under suspension during the last 10 months and this period is not treated as qualifying for pension, it should be excluded from the 10-month calculation. An equivalent period preceding the 10 months will be included to ensure accurate average emolument assessment.

## Tax Exemptions

Under Section 10(10) of the Income Tax Act, 1961, Retirement Gratuity and Death Gratuity amounts are exempt from income tax.

### Protection from Court Attachment

Retirement Gratuity and Death Gratuity are also protected from court attachment and cannot be seized by courts of law.

## **Q&A**

**Question 1: What is the eligibility requirement for a government servant to receive a pension upon retirement?**

**Answer:** A government servant must retire on superannuation or invalidation after at least ten years of continuous service, or voluntarily retire after twenty years of continuous service, to be eligible for a pension.

**Question 2: How is the pension amount calculated for government servants who retire after completing ten years of qualifying service?**

**Answer:** For government servants retiring after completing ten years of qualifying service, the pension will be 50% of the average emoluments or the emoluments drawn on the date of retirement, whichever is more beneficial.

**Question 3: What is the minimum and maximum pension that can be granted to government servants?**

**Answer:** The minimum pension is set at ₹9,000. The maximum pension is capped at 50% of the highest government pay, which is ₹2,50,000, applicable to the original pension before any commutation.

**Question 4: What are the rules regarding rounding off pension and gratuity amounts?**

**Answer:** Pension and gratuity amounts will be expressed in whole rupees, with any fraction rounded up to the next higher rupee. For example, an amount of ₹50,000.55 will be rounded to ₹50,001.

**Question 5: What constitutes the calculation for retirement or death gratuity for a government servant?**

**Answer:** Retirement gratuity is calculated based on the government servant's emoluments and length of qualifying service. If a government servant dies while in service, the death gratuity varies based on years of service, with different rates for different service durations.

**Question 6: What is the maximum amount payable as retirement or death gratuity?**

**Answer:** The maximum amount payable for retirement or death gratuity is capped at ₹20 lakh.

**Question 7: How is the term "emoluments" defined for gratuity calculations?**

**Answer:** For gratuity calculations, "emoluments" refers to the basic pay as defined in FR 9 (21) (a) (i), which includes the pay drawn in the prescribed Level of the Pay Matrix immediately before retirement or on the date of death. It also includes non-practicing allowances for medical officers and stagnation increments, with no ceiling on the emoluments considered.

**Question 8: What happens if a government servant dies within five years of retirement regarding the Residuary Gratuity?**

**Answer:** If a government servant dies within five years of retirement and the total amounts received (including pension, Dearness Relief, Service Gratuity, and Retirement Gratuity) are less than 12 times the emoluments at retirement, the deficiency will be granted to the nominee(s) or heirs as Residuary Gratuity.

**Question 9: Who can a government servant nominate for gratuity benefits?**

**Answer:** A government servant can only nominate family members (such as spouses, children, and parents) if they have a "family." If there is no family at the time of nomination, they may nominate any person or entity, which becomes invalid if a family is acquired later.

**Question 10: What are the implications if a person eligible to receive gratuity is charged with the murder of a government servant?**

**Answer:** If a person charged with the murder or abetting the murder of a government servant is eligible for gratuity, their claim will be suspended until the conclusion of criminal proceedings. If convicted, they will be debarred from receiving the gratuity; if acquitted, their share will be payable to them.

**Question 11: Are retirement and death gratuities subject to income tax?**

**Answer:** Yes, retirement gratuity and death gratuity amounts are exempt from income tax under Section 10(10) of the Income Tax Act, 1961.

**Question 12: Are retirement and death gratuities protected from court attachment?**

**Answer:** Yes, retirement gratuity and death gratuity are protected from court attachment and cannot be seized by courts of law.

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## Pension Example

**Example 01-** From the following particulars given below calculate

- a. Qualifying service for pension
- b. Pension
- c. Retirement Gratuity
- d. Family pension
- e. Commuted value of Pension

Admissible to an officer of the central government who retired from service after attaining the age of superannuation on 31.07.2020 A/N

1. Date of birth 15.07.1960
2. Joined service as UDC 10.04.1986
3. Inducted to IA & AS 01.07.2009
4. Promoted to Junior administrative grade of IA & AS on 10.07.2019. His pay was fixed at 88,700 in the pay level 12 in the Pay matrix on that date with date of next increment on 01.07.2020
5. He availed of the following kinds of leave
  - a. Extraordinary leave from 02.01.1999 to 09.04.1999 due to personal reasons.
  - b. Extraordinary leave on medical certificate for 60 days from 01.10.1996
6. He was placed under suspension from 15.07.1994 but was reinstated from 31.10.1994 on the conclusion of inquiry instituted against him. The period of suspension was not allowed to be counted as qualifying service.
7. Overstay of joining time of 26 days was treated as dies non but did not entail forfeiture of past service.

**Ans.**

Date of birth	15.07.1960`
Date of entry in service	10.04.1986
Date of retirement	31.07.2020 A/N

<b>Qualifying service.</b>	<b>Y</b>	<b>M</b>	<b>D</b>
Gross service from 10.04.1986 to 31.07.2020	34	3	21

Deduction (non-qualifying service)	Y	M	D	
EOL 02.01.1999 to 09.04.1999	0	3	9	
Suspension from 15.07.94 to 31.10.94	0	3	17	
Overstayal of JT	0	0	26	
	<hr/>			
	0	7	22	
Net qualifying service				33 7 29

**33 <sup>1</sup>/<sub>2</sub> year (67 six monthly period)**

(Note – EOL availed from 02.01.1999 to 09.4.1999 due to personal reason is treated as non-qualifying service. )

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### **Regulation of Pay**

Period	Pay
10.07.19 to 30.06.2020	88,700
01.07.20 to 31.07.2020	91,400

Average Emoluments (last 10 month)

01.10.2019 to 30.06.2020	88700	9	798300
01.07.20 to 31.07.20	91400	1	91400
			889700

Average emoluments =  $889700/10 = 88970$

### **Pension.**

1. Pension admissible  
50% of average emoluments subject to min 9000 and a maximum of 1,25,000 =  $88970 \times 50/100 = 44485$ .
2. 50% emolument of last drawan  $91400 = 91400/2 = 45700$   
Pension is admissible = 45700