



दक्षिण रेलवे/SOUTHERN RAILWAY

No.P(R)MC-33/RE-Employment

प्रधानकार्यालय/Headquarters Office
कार्मिक शाखा/ Personnel Branch
चेन्नै/Chennai - 600 003
दि./ Dated: 26-12-2017

आर बी ई सं/RBE No173 / 2017

पी बी सी सं/ PBC No.231/2017

All PHODs / DRMs / CWMs / CEWE / CAO / CPM / Dy.CPOs / Sr.DPOs /
DPOs / SPOs / WPOs / APOs of HQ / Divisions / Workshops / other Units,
etc.,

(As per mailing list -'A')

विषय/Sub :Applicability of Railway Services (Revised Pay) Rules,
2016 to persons re-employed in Railway Service after
retirement and whose pay is dubitable to Railway
Estimates .

A copy of Railway Board's letter No.E(G)2017/EM 1-7 dated
22-11-2017 (RBE No. 173 / 2017) on the above subject is enclosed for
information, guidance and necessary action.

Railway Board's letter dated 21-01-1987 referred therein has been
circulated as PBC No. 50 / 1987.


(V.Srinivasan)

वरिष्ठकार्मिक अधिकारी/नियम
Senior Personnel Officer/Rules
कृते मुख्य कार्मिक अधिकारी
For Chief Personnel Officer

संलग्न/Encl: as above

प्रतिलिपि/Copy to : The Genl Secy / SRMU
The Genl Secy / AISCSTREA
The Genl Secy / AIOBCREA
The Genl Secy / NFIR

GOVERNMENT OF INDIA भारत सरकार
MINISTRY OF RAILWAYS रेल मंत्रालय
(RAILWAY BOARD रेलवे बोर्ड)

No.E(G)2017/EM 1-7

महाप्रबंधक का कार्यालय
GENERAL MANAGER'S OFFICE

New Delhi, dated: 22.11.2017

**The General Managers,
All Zonal Railways & PUs, etc.**
(as per standard mailing list)

06 DEC 2017

महानगर दक्षिण रेलवे
Chennai-600 033

Sub: Applicability of Railway Services (Revised Pay) Rules, 2016 to persons re-employed in Railway Service after retirement and whose pay is debitible to Railway Estimates.

The pay fixation of re-employed pensioners on re-employment in Railway Service, including that of Defence Forces personnel/officers, is regulated in accordance with Central Civil Services (Fixation of Pay of Re-employed Pensioners) Orders, 1986, issued vide DoP&T's O.M.No.3/1/85-Estt.(Pay II) dated 31st July, 1986 (as revised from time to time). These orders were circulated to the Zonal Railways etc. vide Railway Board's letter No.E(G)86/EM1-8 dated 21.01.1987. In this connection, it is to be noted that persons re-employed in Railway Service after retirement have been expressly excluded from the purview of the Railway Services (Revised Pay) Rules, 2016 vide Rule 2(2)(vii) thereof. Therefore, the question of extension of the benefit of the revised pay rules to such re-employed persons and the procedure to be followed for fixing their pay in the revised pay structure has been considered by the Government. After due consideration, the President is pleased to decide that, in partial modification of the Rule 2(2)(vii) of the Railway Services (Revised Pay) Rules, 2016, the provisions of these rules shall apply to such persons also who were in/came into re-employment on or after 1st January, 2016, subject to the orders hereinafter contained. This decision will cover all Railway servants re-employed in Railway Service (other than those employed on contract except where the contract provides otherwise), whether they have retired with or without a pension and/or gratuity or any other retirement benefits, e.g. contributory fund etc. from a civil post or from the Armed Forces.

2. Re-employed persons who become eligible to elect revised pay structure in accordance with these orders should exercise their option (in the manner laid down in Rule 5 and 6 of the Railway Services (Revised Pay) Rules, 2016) within three months of the date of issue of these orders. However, in cases where the existing scales of pay of the posts held by them were revised subsequent to the issue of these orders, said option should be within three months of the date of such orders for revision.

3. Fixation/drawal of pay of Personnel/Officers re-employed prior to 01.01.2016 and who were in re-employment as on 01.01.2016:

3(a) The initial pay of a re-employed Railway Servant who elects or is deemed to have elected to be governed by the revised pay structure from the 1st day of January, 2016 shall be fixed according to the provisions of Rule 7 of the R.S. (R.P.) Rules, 2016, if he/she is:

- (i) A Railway servant who retired without receiving a pension, gratuity or any other retirement benefit and
- (ii) A retired Railway servant who received pension or any other retirement benefits but which were ignored while fixing pay on re-employment.

3(b) The initial pay of a re-employed Railway servant who retired with a pension or any other retirement benefit and whose pay on re-employment was fixed with reference to these benefits or ignoring a part thereof, and who elects or is deemed to have elected to be governed by the revised structure from the 1st day of January, 2016 shall be fixed in accordance with the provisions contained in Rule 7 of the Railway Services (Revised Pay) Rules, 2016. Pension (excluding the ignorable portion of pension, if any), as defined in para 3(1) of RS (Fixation of Pay of Re-employed Pensioners) Orders, 1986 which was circulated to the Railways vide Railway Board's letter No.E(G)1986/EM 1-8 dated 21.01.1987 admissible on relevant date, i.e. date of coming over to the revised pay structure, effective from 1.1.2016 or later, shall be deducted from his/her pay in accordance with the general policy of the Government on fixation and subsequent drawal of pay of re-employed pensioners.

3(c) In addition to the pay so fixed, the re-employed Railway servant would continue to draw the retirement benefits he/she was permitted to draw in the pre-revised scales, as modified based on the recommendations of the Seventh Central Pay Commission, orders in respect of which have been issued separately by the Department of Pension & Pensioners' Welfare.

3(d) Where a re-employed Railway Servant elects to draw his/her pay in the existing pay structure and is brought over to revised pay structure from a date later than the 1st day of January, 2016, his/her pay from the later date in the revised scale shall be fixed in accordance with the provisions of Rule 11 of the Railway Services (Revised Pay) Rules, 2016.

4. Furthermore, the existing ceiling of Rs.80,000/- for drawal of pay plus gross pension on re-employment is enhanced to Rs.2,25,000/-, the maximum basic pay prescribed for Secretary to the Government of India under Central Civil Services (Revised Pay) Rules, 2016 or Railway Service (Revised Pay) Rules, 2016.

5. Ignorable part of Pension

The President is also pleased to enhance the ignorable part of pension from Rs.4000/- to Rs.15,000/- (Rupees Fifteen Thousand) in the case of Commissioned Service Officers and Civil Officers holding Group 'A' posts who retire before attaining the age of 55 years. The existing limits of civil and military pensions to be

ignored in fixing the pay of re-employed pensioners will, therefore, cease to be applicable to cases of such pensioners as are re-employed on or after 1.1.2016.

6. In the case of persons who were already on re-employment as on 01.01.2016, the pay may be fixed on the basis of these orders, with effect from the date of coming over to the new pay structure, i.e. 01.01.2016 or later, as per the option exercised by them in terms of para 2 above. In such case, their terms would be determined afresh as if they have been re-employed for the first time from such date of coming over to the new pay structure.

7. Fixation/drawal of pay of employees appointed on re-employment basis on or after 1st day of January, 2016

Pursuant to the introduction of the system of Pay Matrix vide the Railway Services (Revised Pay) Rules, 2016, the President is further pleased to amend the relevant provisions of RS (Fixation of Pay of re-employed Pensioners) Orders, 1986 which was circulated to the Railways etc. vide Railway Board's letter No. E(G)1986/EM1-8 dated 21.01.1987 in the manner indicated below: -

Existing provision	Revised provision
DoP&T's order dated 31.07.86 (circulated to Railways vide Railway Board's letter dated 21.01.1987) read with DoP&T's OM dated 5 th April 2010 (circulated to Railways vide Railway Board's letter No. E(G)2010/EM 1-2 (Pt.) dated 12.12.2011)	
<p>Para 4(a): Re-employed pensioners shall be allowed to draw pay only in the prescribed pay scale/pay structure of the post in which they are re-employed. No protection of the scales of pay/pay structure of the post held by them prior to retirement shall be given.</p> <p>Note: Under the provisions of RS (RP) Rules, 2008, revised pay structure comprises the grade pay attached to the post and the applicable pay band.</p>	<p>Order 4(a): Re-employed pensioners shall be allowed to draw pay only in the Level in the revised pay structure applicable to the post in which they are re-employed. No protection of the scales of pay/pay structure of the post held by them prior to retirement shall be given.</p> <p>Note: Revised pay structure in relation to a post will be as defined in Rule 3(ix) of the Railway Services (Revised Pay) Rules, 2016.</p>
<p>Para 4(b)(i): In all cases where the pension is fully ignored, the initial pay on re-employment shall be fixed as per entry pay in the revised pay structure of the re-employed post applicable in the case of direct</p>	<p>Order 4(b)(i): In all cases where the pension is fully ignored, the initial pay on re-employment shall be fixed as per Rule 8 of the Railway Services (Revised Pay) Rules, 2016.</p>

<p>recruits appointed on or after 1.1.2006 as notified vide Section II, Part A of First Schedule to RS (RP) Rules, 2008.</p>	<p>Note 1: The case where pension is fully ignored is given in Order 4 (d) below.</p> <p>Note 2: Pension is fully ignored means that pension is not deducted from pay.</p>
<p>Para 4(b)(ii): In cases where the entire pension and pensionary benefits are not ignored for pay fixation, the initial basic pay on re-employment shall be fixed at the same stage as the last basic pay drawn before retirement. However, he shall be granted the grade pay of the reemployed post. The maximum basic pay cannot exceed the grade pay of the reemployed post plus pay in the pay band of Rs.67000 i.e. the maximum of the pay band PB-4. In all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed.</p>	<p>Order 4(b)(ii): In cases where the entire pension and pensionary benefits are not ignored for pay fixation, the initial basic pay on re-employment shall be fixed at the same stage as the last basic pay drawn before retirement. If there is no such stage in the re-employed post, the pay shall be fixed at the stage next above that pay. If the maximum pay in the Level applicable to the post in which a pensioner is reemployed is less than the last basic pay drawn by him before retirement, his initial basic pay shall be fixed at such maximum pay of the re-employed post. Similarly, if the minimum pay in the Level applicable to the post in which a pensioner is reemployed is more than the last basic pay drawn by him before retirement, his initial basic pay shall be fixed at such minimum pay of the re-employed post. However, in all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed.</p>
<p>Illustration</p> <p>A Colonel who retired with basic pay of Rs.61700 (grade pay Rs.8700; pay in the pay band Rs.53000) is re-employed as a Deputy Secretary in an organization with grade pay of Rs.7600. In this case, on reemployment, his basic pay will continue to be Rs.61700. However, his grade pay on re-employment will be Rs.7600 and the pay in the pay band Rs.54100. Thereafter, the non-ignorable part of the pension will be reduced from the pay so fixed.</p> <p>Note: In the revised pay structure, basic pay is pay in the pay band plus the grade pay attached to the post.</p>	<p>Note 1: Revised pay structure in relation to a post will be as defined in Rule 3(ix) of the Railway Services (Revised Pay) Rules, 2016.</p> <p>Note 2: "Basic Pay" in the revised pay structure means the pay drawn in the prescribed Level in the Pay Matrix.</p> <p>Note 3: Last pay drawn shall be as per definition of pre-retirement pay in terms of Order 3 of the RS (Fixation of Pay of re-employed Pensioners) Orders, 1986, (circulated to Railway vide Board's letter No. E(G)86/EM 1-8 dated 21.01.1987) read with DoPT OM No. 3/19/2009-Estt.(Pay-II) dated 8th</p>

	November 2010 (circulated to Railway vide Board's letter No. E(G)2013/EM 1-4 dated 24.07.2013.
Para 4(c): The re-employed pensioner will, in addition to pay as fixed under Para (b) above shall be permitted to draw separately any pension sanctioned to him and to retain any other form of retirement benefits.	Order 4(c): No change
Para 4(d): In the case of persons retiring before attaining the age of 55 years and who are re-employed, pension (including PEG and other forms of retirement benefits) shall be ignored for initial pay fixation in the following extent:- (i) In the case of ex-servicemen who held posts below Commissioned Officer rank in the Defence Forces and in the case of civilians who held posts below Group 'A' posts at the time of their retirement, the entire pension and pension equivalent of retirement benefits shall be ignored. (ii) In the case of Commissioned Service officers belonging to the Defence Forces and Civilian pensioners who held Group 'A' posts at the time of their retirement, the first Rs.4000/- of the pension and pension equivalent retirement benefits shall be ignored.	Order 4(d): In the case of persons retiring before attaining the age of 55 years and who are re-employed, pension (including PEG and other forms of retirement benefits) shall be ignored for pay fixation to the following extent:- (i) No change (ii) In the case of Commissioned service officers belonging to the Defence Forces and Civilian pensioners who held Group 'A' posts at the time of their retirement, the first Rs. 15,000/- of the pension and pension equivalent retirement benefits shall be ignored.

8. Apart from the above, it is also clarified as under: -

(i) **Drawal of increments:** Once the initial pay of the re-employed pensioner has been fixed in the manner indicated above, he will be allowed to draw normal increments as per the provisions of Rule 9 and 10 of RS (RP) Rules, 2016 read with Order 5 of the RS (Fixation of Pay of re-employed Pensioners) Orders, 1986 (circulated to Railways vide Railway Board's letter No. E(G) 86/EM1-8 dated 21.01.1987).

(ii) **Treatment of Military Service Pay (MSP):** MSP is granted to Defence Forces officers/personnel while they are serving in the Defence Forces. Accordingly, on their re-employment in civilian organizations, including

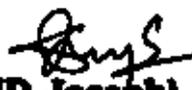
secret organizations under the Cabinet Secretariat umbrella, the question of grant of MSP to such officers/personnel does not arise. However, the benefit of MSP in the pension should not be withdrawn. **Accordingly, while the pension of such re-employed pensioners will include the element of MSP, they will not be granted MSP as part of pay while working in civilian organisations.** Also, in respect of all those Defence Officers/personnel, whose pension contains an element of MSP and whose pay on re-employment is subject to deduction of pension (excluding the ignorable portion, if any), the element of MSP as contained in the pension shall be ignored while deducting the pension at the time of pay fixation. In other words, the MSP portion of the pension need not be deducted from the pay fixed on re-employment.

(iii) Fixation/drawal of pay of re-employed persons who retired prior to 1.1.2016 and who have been re-employed after 1.1.2016, and whose entire pension and pensionary benefits are not ignored for pay fixation: The pay on re-employment will be fixed in terms of Order 4(b)(ii) of the RS (Fixation of Pay of Re-employed Pensioners) Orders, 1986, (circulated to Railways vide Railway Board's letter No. E(G) 86/EM1-8 dated 21.01.1987) as amended above, after notionally arriving at their revised basic pay at the time of retirement as if they had retired under the revised pay structure, in terms of Rule 7 of the Railway Services (Revised Pay) Rules, 2016. In all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed. Regulation of MSP, however, shall be as per clarification in para 8(ii) above.

(iv) Fixation/drawal of pay in all other cases: Pay fixation in cases not covered in Order 4(d) will be as per the general principle of 'pay minus pension', i.e. while the last pay drawn shall be reckoned for pay fixation, the entire pension shall be deducted from the pay so fixed. Regulation of MSP, however, shall be as per clarification in para 8(ii) above.

An undertaking may be obtained from re-employed pensioners who opt /are deemed to have opted for the revised pay structure to the effect that, they understand and agree that the special dispensation provided through this O.M. is subject to the condition of deduction of pension as admissible to them from time to time, wherever required as per extant instructions.

0. These instructions shall apply in respect of those re-employed pensioners who are re-employed against civil posts carrying pay upto Level 17 of the Pay Matrix of RS(RP) Rules, 2016.
1. These orders shall take effect from 1.1.2016.


(D. Joseph)
Dy. Dir. Estt.(Gen.) III
Railway Board

Fixation of pay of persons re-employed in Railway Service consequent to implementation of 7th Pay Commission's recommendation - Summary.

The provisions of Railway Service (Revised Pay) Rules, 2016 shall apply to such persons also who were in/came into re-employment on or after 1st January, 2016, subject to the provisions given below. This decision will cover all Railway servants, who joined Railway Service on re-employment basis other than those employed on contract except where the contract provides otherwise, whether they have retired with or without a pension and/or gratuity or any other retirement benefits, e.g. contributory fund etc. from a civil post or from the Armed Forces.

2. Re-employed persons who become eligible to elect revised pay structure in accordance with these orders should exercise their option in the manner laid down in Rule 5 and 6 of the Railway Services (Revised Pay) Rules, 2016, within three months of the date of issue of these orders or in cases where the existing scales of pay of the posts held by them are revised subsequent to the issue of these orders, within three months of the date of such order.

3. In the case of persons retiring before attaining the age of 55 years and who are re-employed, pension (including PEG and other forms of retirement benefits) shall be ignored for pay fixation to the following extent:-

(a) In the case of ex-servicemen who held posts below Commissioned Officer rank in the Defence Forces and in the case of civilians who held posts below Group 'A' posts at the time of their retirement, the entire pension and pension equivalent of retirement benefits shall be ignored.

(b) In the case of Commissioned service officers belonging to the Defence Forces and Civilian pensioners who held Group 'A' posts at the time of their retirement, the first Rs. 15,000/- of the pension and pension equivalent retirement benefits shall be ignored.

(c) Ignorable part of pension is enhanced from Rs.4000/- to Rs.15,000/- (Rupees Fifteen Thousand) in the case of Commissioned Service Officers and Civil Officers holding Group 'A' posts who retire before attaining the age of 55 years.

Note: Pension is fully ignored means that pension is not deducted from pay.

Fixation/drawal of pay of Personnel/Officers re-employed prior to 01.01.2016 and who were in re-employment as on 01.01.2016:

4. (a) The initial pay of a re-employed Railway servant who retired with a pension or any other retirement benefit and whose pay on re-employment was fixed with reference to these benefits or ignoring a part

thereof, and who elects or is deemed to have elected to be governed by the revised structure from the 1st day of January, 2016 shall be fixed in accordance with the provisions contained in Rule 7 of the Railway Services (Revised Pay) Rules, 2016. Pension (excluding the ignorable portion of pension, if any). as defined in para 3(1) of RS (Fixation of Pay of Re-employed Pensioners) Orders, 1986 (which was circulated to the Railways vide Railway Board's letter No.E(G) 1986/EM 1-8 dated 21.01.1987) admissible on relevant date, i.e. date of coming over to the revised pay structure, effective from 1.1.2016 or later, shall be deducted from his/her pay in accordance with the general policy of the Government on fixation and subsequent drawal of pay of re-employed pensioners.

(b) Where a re-employed Railway Servant elects to draw his/her pay in the existing pay structure and is brought over to revised pay structure from a date later than the 1st day of January, 2016, his/her pay from the later date in the revised scale shall be fixed in accordance with the provisions of Rule 11 of the Railway Services (Revised Pay) Rules, 2016 as given below:

"In the case of all employees – the pay in the applicable Level in the Pay Matrix shall be the pay obtained by multiplying the existing basic pay by a factor of 2.57, rounded off to the nearest rupee and the figure so arrived at will be located in that Level in the Pay Matrix and if such an identical figure corresponds to any Cell in the applicable Level of the Pay Matrix, the same shall be the pay, and if no such Cell is available in the applicable Level, the pay shall be fixed at the immediate next higher Cell in that applicable Level of the Pay Matrix."

Fixation/drawal of pay of employees appointed on re-employment basis on or after 1st day of January, 2016

5. Re-employed pensioners shall be allowed to draw pay only in the Level in the revised pay structure applicable to the post in which they are re-employed. No protection of the scales of pay/pay structure of the post held by them prior to retirement shall be given.

Note: Revised pay structure in relation to a post will be as defined in Rule 3(ix) of the Railway Services (Revised Pay) Rules, 2016.

6. In all cases where the pension is fully ignored, the initial pay on re-employment shall be fixed as per Rule 8 of the Railway Services (Revised Pay) Rules, 2016 as given below:

"The pay of employees appointed by direct recruitment on or after 1st day of January, 2016 shall be fixed at the minimum pay or the first Cell in the Level, applicable to the post to which such employees are appointed:

Provided that where the existing pay of such employee appointed on or after 1st day of January, 2016 and before the date of notification of these rules, has already been fixed in the existing pay structure and if his existing emoluments happen to exceed the minimum pay or the first Cell in the Level, as

applicable to the post to which he is appointed on or after 1st day of January, 2016, such difference shall be paid as personal pay to be absorbed in future increments in pay.

7. In cases where the entire pension and pensionary benefits are not ignored for pay fixation, the initial basic pay on re-employment shall be fixed at the same stage as the last basic pay drawn before retirement. If there is no such stage in the re-employed post, the pay shall be fixed at the stage next above that pay. If the maximum pay in the Level applicable to the post in which a pensioner is reemployed is less than the last basic pay drawn by him before retirement, his initial basic pay shall be fixed at such maximum pay of the re-employed post. Similarly, if the minimum pay in the Level applicable to the post in which a pensioner is reemployed is more than the last basic pay drawn by him before retirement, his initial basic pay shall be fixed at such minimum pay of the re-employed post. However, in all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed.

Note 1: Revised pay structure in relation to a post will be as defined in Rule 3(ix) of the Railway Services (Revised Pay) Rules, 2016.

Note 2: "Basic Pay" in the revised pay structure means the pay drawn in the prescribed Level in the Pay Matrix.

Note 3: Last pay drawn shall be as per definition of pre-retirement pay in terms of Order 3 of the RS (Fixation of Pay of re-employed Pensioners) Orders, 1986, (circulated to Railway vide Board's letter No.E(G)86/EM 1-8 dated 21.01.1987) read with DoPT OM No.3/19/2009-Eatt.(Pay-II) dated 8th November 2010 (circulated to Railway vide Board's letter No.E(G)2013/EM 1-4 dated 24.07.2013)

8. The re-employed pensioner, in addition to pay as fixed above shall be permitted to draw separately any pension sanctioned to him and to retain any other form of retirement benefits.

Fixation/drawal of pay of re-employed persons who retired prior to 1.1.2016 and who have been re-employed after 1.1.2016, and whose entire pension and pensionary benefits are not ignored for pay fixation:

9. In cases where the entire pension and pensionary benefits are not ignored for pay fixation, the initial basic pay on re-employment shall be fixed at the same stage as the last basic pay drawn before retirement. If there is no such stage in the re-employed post, the pay shall be fixed at the stage next above that pay. If the maximum pay in the Level applicable to the post in which a pensioner is reemployed is less than the last basic pay drawn by him before retirement, his initial basic pay shall be fixed at such maximum pay of the re-employed post. Similarly, if the minimum pay in the Level applicable to the post in which a pensioner is reemployed is more than the last basic pay drawn by him before retirement, his initial basic pay shall be fixed at such

minimum pay of the re-employed post. However, in all these cases, the non-ignorable part of the pension shall be reduced from the pay so fixed.

10. **Fixation/drawal of pay in all other cases:** Pay fixation in cases not covered in Order 4(d) will be as per the general principle of 'pay minus pension', i.e. while the last pay drawn shall be reckoned for pay fixation, the entire pension shall be deducted from the pay so fixed. Regulation of MSP, however, shall be as per clarification in para 8(ii) of orders contained in Railway Board's letter No.E(G)/2017/EM 1-7 dated 22.11.2017.

UNDERTAKING

(to be given by persons who are on re-employment on or after 01.01.2016 and who have chosen/are deemed to have chosen to be governed by the RS (Revised Pay Rules), 2016 in terms of Department of Personnel & Training Office Memorandum No.3/3/2016-Estt.(Pay-II) dated 01.05.2017 (circulated to Railway vide Railway Boards letter No.E(G)2017/EM 1-7 dated 22.11.2017). (Para 9 of the letter No.E(G)2017/EM 1-7 dated 22.11.2017 refers)

I,, S/o, W/o, D/o Shri, hereby undertake that I understand and agree that the special dispensation of pay fixation under the Railway Services (Revised Pay) Rules, 2016 provided to me through the Letter No.E(G)2017/EM 1-7 dated 22.11.2017 is subject to the specific condition of deduction of pension as admissible to me from time to time, wherever required as per extant instructions.

Signature

Name

Designation

Date :

Place: