

Part VIII

Armed Forces Personnel Conditions of Service

One should recruit one's army, reflecting that "such is the army of my enemy; and this is my army to oppose it."

Kautilya

1966A

1961

Section I

Conditions of Service

1966A

1966B

Gallantry Awards

INTRODUCTION

*Scheme of
Gallantry
Awards*

156.1 The scheme of Gallantry Awards for Armed Forces Personnel can be broadly divided into two categories: Pre-Independence Gallantry Awards and Post-Independence Gallantry Awards. The Pre-Independence Gallantry Awards include Indian Order of Merit, Military Cross, Conspicuous Gallantry Medal etc. After Independence, different series of Gallantry Awards were introduced. The Vir Chakra series of awards are given for acts of conspicuous bravery/gallantry in the presence of the enemy and the Ashok Chakra series for bravery other than in the face of the enemy. These awards carry a monetary allowance with them which is payable for two lives. Besides these awards, there are certain awards like Sena Medal, Mention-in Despatches and Commendation Cards which are given both for acts of gallantry and distinguished service. In addition, for distinguished service of an exceptional or high order, awards like Param Vishisht Sewa Medal, Ati Vishisht Sewa Medal and Vishist Sewa Medal are granted. No monetary allowance is attached to these awards.

EXISTING POSITION

Existing Rates

156.2 The existing rates of the allowance attached to Pre-Independence and Post-Independence Awards are as follows :-

Pre-Independence Gallantry Awards	Rs.p.m	Post-Independence Gallantry Awards	Rs.p.m
Indian Order of merit	175	Param Vir Chakra	350
Indian Order of Merit C I	150	Ashok Chakra	325

Indian Order of Merit C.II	100	Mahavir Chakra	275
Distinguished Service Cross	100	Kirti Chakra	250
Military Cross	100	Vir Chakra	200
Distinguished Flying Cross	100	Shaurya Chakra	175
Conspicuous Gallantry Medal	100		
Military Medal	45		
Indian Distinguished Service Medal	35		
Distinguished Flying Medal	25		

Revision 156.3 The rates of these monetary allowances are revised by the Government from time to time.

ARMED FORCES PROPOSAL

Proposed Rates 156.4 It has been suggested by the Armed Forces that the rates of the monetary allowances for Pre-Independence and Post-Independence Gallantry Awards may be enhanced considerably, with Param Vir Chakra proposed at Rs. 2000 per month and Indian Order of Merit at Rs. 1000 per month. The proposal has been made keeping in view the conspicuous bravery displayed by the recipients as also the fact that most of the awards are given posthumously.

OUR RECOMMENDATIONS

Pre-Independence Awards 156.5 We have considered the existing position of the allowances and find that the rates relating to Pre-Independence Gallantry Awards have been revised recently in 1994, consequent to the recommendations made by the Committee on Remainder Problems of Ex-servicemen set up in 1992. We, therefore, do not recommend any change in the monetary allowances attached to these awards.

Post-Independence Awards 156.6 While the rates of Post-Independence Gallantry Awards were also similarly revised in 1995, we feel that the existing rates of the monetary allowance are not commensurate with the level of valour and self-sacrifice involved. Here, we would specifically like to mention the Param Vir Chakra which is awarded for the most conspicuous act of gallantry in the face of the enemy and is the highest military decoration in the country. We feel that the allowance attached to this award is inadequate and suggest that the monetary allowance attached to Param Vir Chakra be enhanced to Rs. 1500 per month. For other awards, the following upward revision is recommended :

Ashok Chakra	-	Rs. 450 per month
Maha Vir Chakra	-	Rs. 400 per month
Kirti Chakra	-	Rs. 350 per month
Vir Chakra	-	Rs. 300 per month
Shaurya Chakra	-	Rs. 250 per month

Other Awards

156.7

It has also been suggested that Sena Medals and Mention-in-Despatches should be included for grant of monetary allowances. We are unable to agree with this suggestion, as Sena Medal and Mention-in-Despatches are awarded both for gallantry and distinguished service, and having a monetary allowance for only some of the people would, in our opinion, not be appropriate. Besides, in other uniformed services also, there are decorations not accompanied by monetary awards and any change here would generate a spate of demands elsewhere.

Conditions of Service

INTRODUCTION

- General* 157.1 The conditions of service of the Armed Forces personnel broadly refer to the various entitlements and requirements that go with a career in the Armed Forces. While the entitlements are in the form of free rations, free or subsidised accommodation, liberal leave and travel entitlements, better medical facilities etc., the distinctive requirements of the services account for their pattern of recruitment, educational standards, rank structure, system of promotions and appointments, age of retirement, etc.
- Background* 157.2 The Third and Fourth CPCs, while reviewing the structure of emoluments and terminal benefits of the Armed Forces, had formulated their proposals based on the existing conditions of service. The conditions of service have in the past been reviewed by the Government. It is for the first time that we have been mandated to examine the conditions of service per se.
- Our Approach* 157.3 While examining the conditions of service of the Armed Forces personnel, we have given particular attention to the issues on which we have received suggestions either from the Armed Forces or from the Ministry of Defence. While some of the issues proposed for consideration have been dealt with in other chapters, in this chapter, we have first discussed certain issues which are common to officers and Personnel Below Officer Rank (PBOR) and then issues specific to officers and PBOR.

Common Issues

RATIONS

Existing position 157.4 Free rations are provided to all officers and PBOR of the three services both in peace and field areas. Though officers of the three services have a common scale of rations, there is difference in the scale and net calorific value of rations between the Army PBOR and PBOR in the Navy and Air Force. While the ration scales are same for both peace and field areas, a higher scale of rations exists for high altitude areas. Ration allowance in lieu of rations is also permissible to officers and PBOR. When it is not possible or economical for the Government to supply rations or where the serviceman lives beyond 3.2 kms from the unit, ration allowance is given at payment issue rates. In other areas, when ration allowance is granted at the request of the Serviceman, it is given at free issue rates. Payment issue rates include an element of departmental charges incurred by the Government in procuring and storing rations.

Suggestions made on issue of Rations 157.5 The Armed Forces have suggested a common scale of rations for PBOR of the three services. To consider the matter we commissioned the National Institute of Nutrition (NIN), Hyderabad to study the existing ration scales for the Armed Forces personnel and suggest rationalisation measures. The NIN could not get all the data required by it. It primarily relied on the data provided by the Defence Institute of Physiology and Allied Sciences (DIPAS) and also could not undertake field trials to support its hypotheses and recommendations. The NIN have only suggested certain minor changes in the existing scales of rations. They have not endorsed the Armed Forces' suggestion for a common scale of rations for PBOR of the three services.

Our recommendations 157.6 We have considered the Armed Forces' proposals for a common scale of rations for PBOR of the three services in the light of the suggestions made by the NIN. **We are of the view that any change in the ration scales of PBOR of Navy and Air Force to bring them at par with that of the Army PBOR must be backed by scientific study of their physical activity and the calorific requirements.** We recommend that a detailed scientific study in this regard should be carried out. Meanwhile, the existing arrangements may continue. As regards the changes and adjustments suggested by the NIN in the existing ration scales, we suggest that these may be looked into by the Ministry.

157.7 We have considered the existing system of grant of rations in kind to officers and PBOR in both field and peace areas in the light of the complaints regarding the quality of rations supplied and instances of officers not utilising rations due to their poor quality. We have also studied the present distribution pattern of rations in kind. **We recommend that while the existing system of grant of rations in kind to PBOR in both peace and field areas and to officers in field areas may continue, officers in peace stations may be granted ration allowance at free issue rates, in lieu of the existing system of rations in kind.**

This will not only lend more flexibility in the consumption pattern of officers but also will lead to savings in terms of the cost of procurement and transportation.

157.8 We find that there are two rates of ration allowance granted in lieu of rations in kind - one at normal (free issue) rates and the other at special (payment issue) rates. We have considered the circumstances under which ration allowance is granted at payment issue rates and we find that they do not warrant a special dispensation. Accordingly, we recommend that the special rate of ration allowance may be dispensed with and ration allowance be granted at normal rates i.e. the free issue rates.

HOUSE BUILDING ADVANCE

Existing position 157.9 The amount of House Building Advance (HBA) admissible to the defence personnel is 50 times of basic pay subject to a maximum of Rs.70,000, while for civilians it is 50 times of basic pay subject to a maximum of Rs.2,50,000. The lower amount of HBA for the defence personnel is on account of the fact that unlike the Group Insurance Funds of the Civilians which are placed at the disposal of the Government for financing HBA, the Armed Forces' Group Insurance funds are managed by the Services themselves.

Armed Forces' Suggestions 157.10 The Armed Forces have suggested that the quantum of HBA in their case may be enhanced to a maximum of Rs.7.5 lakh and the rate of interest on HBA should not exceed the savings bank rate. They have also stressed the need for higher budgetary allocation to adequately meet the HBA claims.

Our recommendations 157.11 We have recommended in another chapter that the quantum of HBA for civilians be raised to a maximum of Rs.7.5 lakh and that the grant of HBA should be delinked from the availability of Group Insurance Funds for financing HBA. As an enabling measure, we have recommended that there should be a Housing Fund to be partly financed by the Government employees. In view of these suggestions, we recommend that the quantum of HBA for the Armed Forces personnel should be the same as for Civilians and that the Armed Forces personnel should also contribute to the proposed Housing fund.

CONVEYANCE ADVANCE

Our recommendations 157.12 Conveyance Advances, which include Motor Car Advance, Two Wheeler Advance and Bi-cycle Advance, are admissible to the Armed Forces personnel at the same rates and with the same eligibility criteria as for civilians. While formulating our general recommendations on Conveyance advances, we have considered the Armed Forces suggestions. Our general recommendations on conveyance advance for civilians will equally apply to the Armed Forces personnel.

EXEMPTION FROM INCOME TAX

Existing position 157.13 At present, certain allowances admissible to the Armed Forces personnel, such as ration allowance, entertainment allowance, Kit Maintenance allowance, Gallantry Awards, Field Service Concessions etc. are exempt from Income Tax.

Armed Forces' Suggestions 157.14 The Armed Forces have suggested that all such elements of pay and allowances which are special or peculiar to the Services and are provided in the form of compensation should be exempt from income tax. They have also added that all income which accrues to pensioners from any kind of pension should be fully exempt from income tax.

Our recommendations 157.15 We have recommended elsewhere that all allowances of Central Government employees and pensions of retired Central Government employees should be paid net of taxes. These recommendations will apply to the Armed Forces personnel as well.

CONDITIONS OF SERVICE : OFFICERS

AUTHORISATION OF RESIDENTIAL TELEPHONES

Existing position 157.16 Residential Telephones are authorised to Service Officers of the rank of Colonel and equivalent and above and STD facility on residential phones to Major General and equivalent and above. This is as per the relevant Government orders which restrict the provision of residential telephones, on the civil side, to Deputy Secretary and above and of STD facility on residential phones to Joint Secretary above.

Armed Forces' Suggestions 157.17 The Armed Forces have suggested that as a consideration to the special service requirements, residential telephones be provided to the rank of Captain and equivalent and above and key JCO (and equivalent) appointments. They have also added that STD facility on residential telephones should also be extended to Brigadier and equivalent. Enhancement of the quantum of free calls on residential telephones has also been proposed.

Our recommendations 157.18 We have recommended in another Chapter that residential telephones be provided to all officers of the rank of Under Secretary and above, without any change in the existing authorization of STD facility on residential telephones. **On that analogy, we recommend that residential telephones may be provided to Service Officers of the rank of Lt. Colonel/ equivalent and above, without any change in the present authorization of STD facility on residential telephones. Our recommendations on the quantum of free calls on residential telephones and provision of cellular phones for civilians will equally apply to Service Officers on the basis of existing relativities.**

AGE OF RETIREMENT OF SERVICE OFFICERS

*Armed Forces'
Suggestions*

157.19 The Armed Forces have suggested an increase in the existing ages of retirement of Service Officers of the Army, Navy and Air Force by two years across the board, in view of the demand for increase in age of retirement in the civil side.

*Our
recommendations*

157.20 We understand that the present ages of retirement for officers of the three services have been determined on the basis of physical strain involved in each rank and the overall need to keep the Services fighting fit. Any general increase in the ages of retirement of Service Officers will certainly tell upon the combat effectiveness of the Services. The 19th Estimates Committee of Lok Sabha in their report expressed serious concern over the increase in the general age of Battalion Commanders in the context of the performance of certain Army Units during the IPKF operations. The immediate effects of the proposed enhancement in the ages of retirement would be on the dynamics of cadre management of the Services. It would not only have the impact of holding up promotions for at least two years, thereby resulting in a higher age profile at various ranks, but would also run counter to the underlying norm of a command-oriented system that superseded officers should not be retained in the system for unduly long periods.

157.21 In view of these considerations, we do not recommend any general increase in the ages of retirement for Service Officers. However, since we have recommended an increase of two years in the general age of retirement for civilians, we recommend an additional weightage of two years in qualifying service for determining the pension entitlement of officers of the three services. We are, however, recommending, in the succeeding paragraphs, rationalisation in ages of retirement of officers of certain Arms and Services.

RATIONALISATION OF AGES OF RETIREMENT OF SERVICE OFFICERS IN THE JAG BRANCH

Existing position

157.22 Judge Advocate General's (JAG) Branch is the judicial wing of the Army. Officers of this branch act as advisors to the Army commander on military and law matters, besides sitting as Judge Advocate on court martial duties. The minimum eligibility criteria for induction into the branch is a degree in law.

*Suggestions
Made*

157.23 We have been informed that the present ages of retirement for officers of the JAG branch neither give due weightage to the time taken for acquiring the requisite qualification and the resultant late entry nor do they ensure reasonable utilisation of the experience gained by these officers. In this regard, it has been suggested that their ages of retirement should be brought at par with that of comparable professionals in the Army Medical Corps (AMC), Army Dental Corps (ADC), Military Nursing Service (MNS) and Remount and Veterinary Corps (RVC).

157.24 Considering their professional qualification and job content and

the fact that they are not really required to go into battle, we feel that ages of retirement of officers of the JAG branch should be brought at par with that of officers of the AMC, ADC, MNS and RVC. Accordingly, we recommend the following changes in their ages of retirement :

Rank	Existing Age of Retirement	Proposed Age of Retirement
Lt. General	58 years	60 years
Maj.General	57 years	59 years
Brigadier	56 years	58 years
Colonel	55 years	57 years
Lt. Colonel and below	55 years	55 years

AGES OF RETIREMENT OF NAVAL OFFICERS

Existing position 157.25 Though the prescribed age of retirement of Captain/Commodore is 55 years, the operative part of it is governed by the "Working Principles" in force. Under the "Working Principles", a Captain/Commodore is permitted to serve upto 55 years if he is already placed in the Select List for Rear Admiral, otherwise he is retired at the age of 54 years. Similarly, the prescribed ages of retirement of Rear Admiral and Vice Admiral are operated as per the stipulations of the "Tenure Clause". Though the prescribed age of retirement for Rear Admiral is 56 years, under the "tenure clause" a Rear Admiral can have a tenure of 4 years or serve upto the age of 56 years whichever is earlier, provided that no Rear Admiral retires before the completion of 54 years of age. Though the prescribed age of retirement of Vice Admiral is 58 years, under the "tenure clause" a vice Admiral can have a tenure of 4 years or service upto the age of 58 years, whichever is earlier. However, in the case of Vice Admiral being appointed as vice chief of Naval Staff (VCNS) or Flag Officer Commanding-in-Chief (FOC-in-c), the officer will retire on completion of a further tenure of 4 years or on attainment of 58 years of age, whichever is earlier.

Naval Headquarters' suggestions 157.26 The Naval Headquarters have suggested that the "Working Principles" should be dispensed with and Captain/Commodore should be retired only at the prescribed age of retirement. They have also suggested the removal of the "tenure clause" as it leads to some unintended anomalies as well as intra-and-inter services disparities in ages of retirement.

Our recommendations 157.27 We find that under the working principles governing the age of retirement of Captain/Commodore some sort of parity in the ages of retirement of equivalent ranks in the three services is maintained, although the prescribed age of retirement for Captain/ Commodore is higher than that of their counter parts in the other two services. Only those Captains/ Commodores, who are already placed in the select list for Rear Admiral, get the benefit of higher age of retirement. In our view, this is a reasonable arrangement and we do not recommend any change.

157.28 We have examined the Naval Headquarters suggestion for the removal of the "tenure clause" in the overall context of the exigencies of cadre management. We find that the operation of the "tenure clause" allows more officers to move into the ranks of Rear Admiral and Vice Admiral and thus, helps in better cadre management. We, therefore, do not recommend the removal of the "tenure clause". Rather, we suggest that in view of its stated advantages, the possibility of extending "the tenure clause" to the Army and Air Force should be explored by the Ministry of Defence.

<p>RATIONALISATION OF AGES OF RETIREMENT OF OFFICERS OF THE NAIIO, LAW CADRE AND EDUCATION BRANCH OF THE NAVY</p>
--

Naval Headquarters' suggestions

157.29 The Naval Headquarters have suggested that ages of retirement of officers of the Naval Armament Inspection Organisation (NAIO), Naval Law Cadre and the Education Branch of the Navy, should be rationalised vis-a-vis that of their counterparts in the Army. The suggested ages of retirement for these three cadres are as under:-

Rank	NAIO	Naval Law Cadre	Education Branch
Captain	56 years	56 years	56 years
Commander	55 years	55 years	55 years
Lt. Commander	55 years	55 years	55 years

Our recommendations

157.30 Though officers of the NAIO belong to the Executive branch of the Navy, they do not sail. Except for a very few officers who come to the NAIO sub-cadre from the Executive cadre, all the NAIO officers are of engineering background. Retirement ages of their counterparts in the Army (those permanently seconded to the Defence Research and Development Organisation and Directorate General of Quality Assurance) are uniformly 57 years. Considering the Naval Headquarters' suggestion we recommend that ages of retirement of Captain, Commander and Lt. Commander and below of the NAIO cadre may be enhanced to 56 years, 55 years and 55 years respectively. We further recommend that the NAIO cadre may be separated from the Executive branch and made a separate branch of the Navy. As in the case of the DRDO and DGQA, the NAIO branch should have a civilian component, which should be established through progressive civilianisation of posts.

157.31 Officers of the Naval Law Cadre compare, in terms of qualifications and job content, with officers of the JAG branch of the Army. In line with our recommendations on ages of retirement of officers of the JAG branch, we recommend that ages of retirement of Captain, Commander and Lt. Commander and below of the Naval Law Cadre may be enhanced to 58 years, 55 years and 55 years respectively. We further recommend that the Law cadre may be separated from the Executive branch and made a separate

branch.

157.32 Officers of the Education branch of the Navy functionally compare with Officers of the Army Education Corps (AEC). Considering the present ages of retirement of officers of the AEC and the Naval Headquarters suggestion, we recommend that ages of retirement of Commander and Lt. Commander and below of the Education Branch may be enhanced to 55 years and 55 years respectively (age of retirement of Captain is already enhanced to 56 years).

RATIONALISATION OF AGES OF RETIREMENT OF OFFICERS OF THE FLYING BRANCH OF THE AIR FORCE
--

*Air Headquarters'
suggestions*

157.33 As a measure to rationalise the intra-and inter-service disparities in respect of ages of retirement of officers of the Flying Branch, the Air Headquarters have suggested an increase of two years in the ages of retirement of Wing Commanders and Squadron Leaders and below of the Flying Branch of the Air Force and the removal of the "extension clause" from ages of retirement of Group Captain, Air Commodore of the Flying Branch and Air Vice Marshal of all the branches of the Air Force.

*Our
recommendations*

157.34 We have considered the Air Headquarters' proposal in the overall context of the operational exigencies of the Air Force, especially that of the Flying Branch. We understand that most of the officers in the Flying Branch complete their flying tenure well before the age of 45 years and then they are deployed on ground and staff duties. An increase of 2 years in ages of retirement of Wing Commanders and Squadron Leaders of the Flying branch, as suggested, would result in blocking of the likely vacancies for fresh induction into the Flying Branch for two more years. Already, our aircraft to pilot ratio is adverse compared to the neighbouring countries and the proposed move would further aggravate the situation. The argument that increase in the number of available officers in the ranks of Wing Commander and below, flowing out of higher retirement age, would alleviate the existing shortage of 500 officers in the Flying Branch, is not acceptable because the real shortage is in the availability of officers in the ranks eligible for active flying.

157.35 In view of these considerations, we do not recommend any increase in ages of retirement of Wing Commander, Squadron Leader and below of the Flying Branch.

157.36 The operation of the "extension clause", in respect of ages of retirement of Group Captain, Air Commodore of the Flying Branch and Air Vice Marshal of all the branches of the Air Force, ensures certain level of physical fitness and continued performance, though rejection rates under the clause have been low. We do not think it would be advisable to do away with the "extension clause". Rather, we feel that screening under the "extension clause" should be made more rigorous so as to achieve the objective underlying the "extension clause".

VOLUNTARY RETIREMENT SCHEME

- Existing position* 157.37 The existing voluntary retirement scheme (VRS) for officers of the Armed Forces is the same as for the other Central Government employees except that in the case of the Armed Forces, voluntary retirement can be sought in the wake of supersession or on compassionate grounds.
- Armed Forces' Suggestions* 157.38 The Armed Forces have suggested liberalisation of the existing policy, by permitting voluntary retirement on completion of 10 years of service instead of the existing 20 years of service. They have also suggested introduction of "Severance grant" as a necessary adjunct to the liberalised VRS.
- Our recommendations* 157.39 We have carefully considered the Armed Forces suggestions but we are unable to recommend any separate dispensation for the Armed Forces. Our general recommendations on the VRS will apply to the Armed Forces along with the conditions that are currently applicable to such cases. As far as the special VRS recommended in respect of identified surpluses is concerned, these will equally apply to the Armed Forces.

CONDITIONS OF SERVICE OF RE-EMPLOYED OFFICERS

- Existing position* 157.40 Due to shortage of officers in certain ranks, there is a scheme for re-employment of service officers. Officers upto the rank of Colonel and equivalent are re-employed in appointments tenable by officers upto the rank of Captain and equivalent. The re-employed officer can not stake a claim to officiate in any appointment in the establishment to which he is posted. For all practical purposes, he is considered attached to the unit in which he is detailed. While the re-employed officer is not entitled to substantive promotion, he is entitled to acting promotion. It is his rank on re-employment which is reckoned for the purpose of seniority and acting promotion as well as accommodation and travel entitlements.
- Armed Forces' Suggestions* 157.41 The Armed Forces have suggested that re-employed officers should be ineligible for acting promotion. Regarding other entitlements of re-employed officers, they have suggested same travel entitlements for medical examination, and on joining and termination of re-employment as during the period prior to re-employment, extension of sick leave and sick list concession as applicable to regular serving officers, and provision of accommodation as per the rank held at the time of retirement.
- Our recommendations* 157.42 We feel that the present scheme of re-employment of officers whereby officers can be re-employed in a rank lower than that from which they retired, is demeaning to the officer concerned. We therefore, recommend that officers be re-employed only in the rank from which they retired. The existing provisions regarding promotion of re-employed officers under which only acting promotion can

be granted, are quite reasonable and we do not recommend any change.

157.43 In view of our recommendation that officers should only be re-employed in the rank from which they retired, the Armed Forces' suggestion that the scale of accommodation for re-employed officers should be as per the rank held at the time of retirement would be met. As regards their travel entitlements for medical examination and on joining and termination of re-employment, we recommend that they should be based on the rank held at the time of retirement. However, we do not recommend any change in their present leave entitlements, as these officers are mainly employed on general administration and station duties and not in field areas.

CONDITIONS OF SERVICE : PERSONNEL BELOW OFFICERS RANK

ENHANCEMENT OF EDUCATIONAL STANDARDS

*Armed Forces'
suggestions*

157.44 The Armed Forces have suggested that the initial recruitment qualification for Cooks and Mess Waiters of the Army and Cooks and Stewards of the Navy should be enhanced from non-matric to matric standard. They have also suggested better promotion avenues for the Cooks of the Army and extension of the system of classification to Cooks (special) of the Army.

*Our
recommendations*

157.45 We find that Cooks of the Army are categorised as Cooks (unit), Cooks (Mess), Cooks (special) and Cooks (Hospital). While Cooks (special) and Cooks (Hospital) are in Group 'D' of the Army which is basically a matric entry group, Cooks (unit) and Cooks (Mess) are in Group 'E', a non-matric group. Since Cooks (special) and Cooks (Hospital) are already in the matric entry group, we recommend that the educational standard for initial recruitment of Cooks (special) and Cooks (Hospital) be enhanced from non-matric to matric. With this enhancement in their recruitment qualification, Cooks (Special) and Cooks (Hospital) may also be considered for promotion to the ranks of Junior Commissioned Officer (JCO). We further recommend that as in the case of other categories of Cooks in the Army, the system of classification may be introduced for Cooks (special) also. However, for Cooks (unit), Cooks (Mess) and Mess waiters in the Army, we do not find it feasible to recommend enhancement in their initial recruitment qualification.

157.46 Cooks and stewards of the Navy are presently in Group 'C' of the Navy which is basically a non-matric group. We do not find it feasible to recommend enhancement in their initial recruitment qualification.

TERMS OF ENGAGEMENT OF NON-COMBATANTS ENROLLED IN THE AIR FORCE

<i>Existing position</i>	157.47	Non-combatants Enrolled (NCsE) in the Air Force are initially engaged for a period of 15 years. They are required to apply for extension of service on completion of 15 years. They are then granted further extensions of 5 years at a time till the age of 55 years.
<i>Armed Forces Suggestion</i>	157.48	The Armed Forces have suggested that the initial engagement period of NCsE may be increased to 20 years to match the minimum pensionable service.
<i>Our recommendations</i>	157.49	The existing provisions of extending the period of engagement of NCsE upto 55 years through successive 5 year extensions do not serve any useful purpose. On the contrary, many NCsE, out of ignorance, fail to apply for extensions and in some cases are even deprived of the minimum pensionable service. To obviate this situation, we recommend that the engagement period of NCsE be raised to 55 years of age, without the provision for extension on application.

GOOD SERVICE PAY

<i>Existing position</i>	157.50	Good service/Good conduct/Badge pay is granted to Non-commissioned officers (NCOs) in the Army, sailors in the Navy and Airmen in the Air Force as an incentive to maintain high degree of discipline, good conduct, zeal and professional efficiency. In the Army, NCOs are entitled to good service pay after a period of three years of good service in the rank of Naik. Sepoys in the Army are, therefore, not eligible for the grant of good service pay. Sailors upto the rank of Chief Petty Officer in the Navy and airmen upto the rank of Junior Warrant Officer in the Air Force are entitled to good service pay after four years of good service.
<i>Armed Forces' Suggestions</i>	157.51	The Armed Forces have suggested that there should be uniformity in coverage and conditions of grant of good service pay for personnel of the three services. They have also suggested enhancement in the rates.
<i>Views of the earlier Commissions</i>	157.52	The issue of uniformity in coverage and conditions of grant of good service pay was considered by the Third CPC and they stated that although sepoy in the Army were not entitled to good service pay, they had the opportunity of getting the appointment of Lance Naik which carried appointment pay of Rs.5/-p.m. Further, a sepoy could get an additional pay of Rs.5/-or more per month on improving his class in the pay group, which is not available to the other services. They, therefore, did not make any change in good service pay rules. In fact, they stated that normally progression to higher ranks on the basis of performance should be considered sufficient incentive for good performance and conduct. However, they did not recommend discontinuance of the practice of giving good service pay in view of the keenness of the Services to retain it.

157.53 The Fourth CPC also considered the issue and recommended enhancement of the rates of good service pay, without changing the coverage and conditions of grant.

*Our
recommendations*

157.54 Taking a cue from the Malaysian pattern of remuneration, we have recommended elsewhere for civilian employees a scheme for grant of "Performance Related Increments".

157.55 For the Armed Forces personnel also, we recommend the same scheme of "Performance Related Increments" in place of Good Service/Good Conduct/ Badge Pay. In our opinion, the new scheme would be more beneficial in financial terms and there would be no restriction of rank as at present. Besides, it would lead to uniformity not only on an inter-service basis but across the Central Government.

REWARDS FOR MERITORIOUS SERVICE

Existing position

157.56 Meritorious Service Medal with an annuity of Rs. 100/- is given to selected Junior Commissioned Officers (JCOs) and equivalent of the three services. Long service and Good Conduct Medal with a gratuity of Rs. 100 is given to the selected Non-Commissioned Officers (NCOs) and equivalent of the three services. The scale for grant of these medals is 4 for every 800 personnel on authorised establishment of the respective services.

*Armed Forces
Suggestions*

157.57 The Armed Forces have suggested that the amount of annuity with Meritorious Service Medal should be enhanced to Rs. 1500 and the amount of gratuity with long service and Good Conduct Medal to Rs. 1500.

*Our
recommendations*

157.58 We have considered the Armed Forces suggestion and recommend that the rates of annuity with Meritorious Service Medal and of gratuity with long service and Good Conduct Medal may be doubled.

HONORARY RANKS AND COMMISSION

Existing position

157.59 In the Armed Forces, Honorary Commission is awarded in recognition of meritorious service to serving Junior Commissioned Officers (JCOs) and equivalents in the rank of Captain or Lieutenant by the Chiefs of Staff. In addition, selected Havildars and JCOs and equivalents are granted Honorary rank/Honorary Commission after retirement.

157.60 The grant of the Honorary Commission to JCOs does not confer on them any additional powers of command. However, JCOs granted honorary commission lose their entitlements of free accommodation, electricity, and water and allowances such as clothing, conservancy and water carrier and personal allowances

such as hair-cutting and washing.

157.61 The grant of honorary commission or rank to JCOs after retirement does not entail any additional pensionary benefits, though Havildars granted honorary rank of Naib Subedar get some pensionary benefit.

*Armed Forces
Suggestion*

157.62 The Armed Forces have suggested that serving JCOs granted honorary commission should be allowed to continue to be entitled to free accommodation, electricity and water and allowances such as clothing, conservancy and water carrier and personnel allowances such as hair-cutting and washing. They have further suggested that Havildars and JCOs granted honorary rank/commission on retirement be authorised non-effective benefits of honorary rank.

Views of the MOD

157.63 Regarding serving JCOs granted honorary commission, the Ministry of Defence have stated that on grant of honorary commission and consequent grant of appropriate pay and allowances, the status of JCO changes and as such there is no merit in the proposal to continue to allow free accommodation, water and electricity and allowances like clothing, etc. On the issue relating to Havildars and JCOs who are granted commission after retirement, the Ministry have stated that there is no justification for giving non-effective benefits of honorary rank, as they do not put in any service in such rank prior to retirement.

*Our
recommendations*

157.64 Serving JCOs granted honorary commission are entitled to higher pay than what they were drawing before the grant of honorary commission. Therefore, there is no need to continue grant of free accommodation, water, electricity etc. Accordingly, we do not recommend any change in the existing position. We also do not find enough justification to grant non-effective benefits of honorary rank to Havildars and JCOs granted honorary commission/rank after retirement.

AGE OF RETIREMENT

Existing position

157.65 Retirement of Personnel Below Officer Rank (PBOR) of the three services is governed by the terms of engagement or the age of superannuation applicable to each rank, which ever is earlier.

*Armed Forces'
Suggestion*

157.66 The Armed Forces have suggested an extension of 2 years of service beyond the existing terms of engagement applicable to each rank of the Army and to the rank of Chief Petty Officer (CPO) in the Navy, subject to the consent of the individual concerned, acceptable service record, medical fitness and exigencies of service

*Our
recommendations*

157.67 The Armed Forces have, in another proposal on "Revision of Terms of Engagement of Army PBOR" suggested reduction in the initial colour service in the case of combat and combat support categories to 7 years to be followed by re-mustering within the Army or lateral shift to Civil organisations. We find that the present proposal to enhance the terms of engagement across the board by 2 years is not

in keeping with their proposal on "Revision of Terms of Engagement of Army PBOR" and not in consonance with the imperative of keeping the services, particularly the Army, young. Moreover, the study report on "Age of Superannuation" has brought out that during discussions with the study team, the Armed Forces Pay Commission Cells had opined that due to special requirements of fighting forces, it was not possible to increase the period of engagement and a better course would be to improve resettlement opportunities.

157.68 In view of the above, we do not recommend any enhancement in the age of retirement of PBOR of the Army and CPO of the Navy. However, keeping in view our recommendation to enhance the general age for retirement of civilians from 58 to 60 years, we have recommended an additional weightage of 2 years in qualifying service for pension to PBOR of the three services.

ENROLMENT OF DSC PERSONNEL

Existing position 157.69 Recruitment to the Defence Security Corps (DSC) is made from the ex-servicemen and the Territorial Army (TA) personnel. The initial period of employment for DSC personnel is 5 years and further extensions can be allowed till the age of 55 years. The existing conditions for joining the DSC are as under:

- (a) Ex-servicemen of the three services having minimum 5 years of former service are eligible to join the DSC as sepoy or in the former rank subject to availability of vacancies.
- (b) TA personnel who have put in minimum 3 years' embodied service with minimum 7 annual training camps are eligible for entry into the DSC.
- (c) 50 percent of the Non-Commissioned Officers' (NCOs) vacancies are filled by recruiting ex-servicemen in their previous ranks. These vacancies are filled on first-come-first-served basis.

Armed Forces Suggestions 157.70 For direct enrolment of ex-NCOs in their previous ranks into the DSC the Armed Forces have suggested a scheme to lay down minimum previous service so that senior ex-NCOs do not suffer on account of first-come-first-served clause.

Our recommendations 157.71 We have examined the existing provisions of enrolling ex-servicemen in the DSC. We find that in filling 50 percent of the vacancies in the DSC, ex-servicemen are generally taken in a rank lower than the previous rank. In our view, this practice is demeaning to the personnel concerned. In line with our recommendations for re-employed service officers, we recommend that enrolment of ex-servicemen into the DSC may take place only in the ranks from which they retired.

157.72 As regards the remaining 50 percent of the vacancies in the DSC which are filled by enrolling ex-servicemen in their previous ranks, we find that the

operating provisions are quite in order. Accordingly, we do not recommend any change.

Entitlement of Accommodation

INTRODUCTION

General

158.1 It is a service requirement that Armed Forces personnel reside in cantonments close to their units. Entitlement of accommodation is, therefore, one of their conditions of service. The general entitlement of accommodation for PBOR is free single barrack accommodation. A prescribed percentage of the strength of PBOR in various ranks is entitled to free married accommodation in peace areas. Commissioned officers are authorised free accommodation and allied facilities in field areas and are provided with married accommodation on a percentage authorisation basis in peace areas on payment of licence fee and other charges.

PROVISIONS FOR PBOR

*Authorisation
of Accommo-
dation*

158.2 The provision of married accommodation for PBOR is based on the authorisation of married establishment, the existing authorisation being 50% for Sepoys and equivalent, 90% for Naiks and equivalent, 95% for Havildars and equivalent and 100% for Junior Commissioned Officers and equivalent. It is within this authorised married establishment that accommodation is either provided, hired or compensation in lieu of quarters paid. Keeping in view the functional requirements of units/ships/squadrons, scales of accommodation to be physically held and constructed have also been laid down. The existing scales of accommodation for NCOs and ORs of all Army units other than AOC, EME, RVC, AEC etc., for Leading Seaman and Seaman of Navy and Aircraftsmen of the Air Force is 14%. Scales of accommodation for Havaldar of ASC (Sup), AOC, EME, RVC, RT, APTC and APS and for Non Combatants (enrolled) is 100%; for NCOs of Air Force and Petty Officers of Navy it is 50% while other personnel in the Army are authorised a scale of 24% to 60%. In the case of JCOs, except for Junior Warrant officers of the Air Force for whom the scale is 75%, 100% authorisation exists for all other JCOs and equivalent.

STATE OF ACCOMMODATION

*State of
Accommodation-
PBOR*

158.3 The Armed Forces in their Memorandum have indicated the position of availability of married quarters to indicate the level of satisfaction and waiting period involved for different categories of personnel. Deficiency of 48,845 quarters against the authorisation of 2,09,000 quarters for the Army, 2,731 quarters against 13,943 quarters for the Navy and 22,078 quarters against 62,397 quarters authorised to the Air Force have been reported. It has also been brought out in the Memorandum that continuous stay in peace areas for troops ranges from 2 years 10 months for personnel of the infantry to 7 years for personnel belonging to the Armoured Corps, Mechanised infantry etc who are able to stay longer with their families in spite of low scales of accommodation. Waiting time for accommodation ranges from 5 months to 11 months. For JCOs, waiting time in class 'A' and 'B' cities ranges from 2 to 18 months and in metropolitan cities it is

AUTHORISED MARRIED ESTABLISHMENT-PBOR

*Armed Forces
Proposals*

158.4 The Armed Forces have proposed that the authorised married establishment for PBOR be raised to 100%. They have also suggested enhancement in the scales of married accommodation for Other Ranks and equivalent to 50%, and for Non commissioned officers and equivalent and Junior Warrant Officers of the Air Force to 100%. In the absence of adequate accommodation, the Armed Forces have proposed that hired accommodation should be made available to PBOR.

*Earlier
Opinion
on AME*

158.5 We find that the question of enhancement of scales and authorised married establishment has also been considered earlier. The Kamath Committee (1968) had mentioned the futility of increasing the scales of accommodation in view of the vast gap in available married accommodation. Feeling that it was undesirable that large number of personnel should be compelled to hire accommodation under their own arrangements, they had suggested increase in the authorised married establishment to existing levels. The issue of further enhancement of authorised married establishment was again considered by Third CPC which felt that while servicemen should have adequate opportunity to live with their families, there was considerable merit in requiring servicemen to live together in barracks in order to foster camaraderie and ensure proper nutritional intake. They, therefore, suggested that the issue may be considered by the Ministry of Defence in the light of availability of accommodation and proportion of personnel required to be retained in barracks. We have also gone through the recommendations of the 19th Estimates Committee according to which "it would be impossible to provide 100% satisfaction without committing disproportionately large resources which might be directly needed in other areas."

*Our Recommen-
dations*

158.6 We have deliberated on all aspects of the matter, and are of the view that the compulsions mentioned by the Third CPC have not undergone any material change. We have also taken into account the Armed Forces proposal to review the terms of engagement of soldiers and feel that the two issues of provision of accommodation and terms of engagement have an inherent linkage. We have

separately recommended shifting of soldiers to Central Police Organisations after 7 years of service to the extent of 25% of vacancies in CPOs. The other relevant factors such as percentage of married personnel, strength in field areas and number compulsorily required to stay in barracks should also be taken into account. We therefore recommend that the issue of enhancement of authorised married establishment may be considered by the Ministry of Defence in the light of all these factors. We have already illustrated the existing deficiency in authorised married accommodation and have been informed by the Ministry of Defence that long term measures for increasing the pool of married accommodation are being taken. We are, therefore, of the opinion that increase in scale of accommodation at this stage would not serve any useful purpose.

158.7 However, we agree with the suggestion made by the Armed Forces that hiring of accommodation for JCOs/ORs be liberally resorted to within the authorised married establishment.

COMPENSATION IN LIEU OF QUARTERS

Background

158.8 Married personnel below officer rank above the age of 25 years are entitled to compensation in lieu of quarters (CILQ), within the authorised married establishment, if they have not been provided with Govt. owned or hired accommodation. CILQ is meant to compensate for hiring of house, furniture, electricity and water etc. whereby it should be adequate for an individual to hire a house within the duty station or where his family resides. The payment of CILQ is rank-based, as against pay-based nature of House Rent Allowance for civilians.

Existing Rates

158.9 The existing rates of CILQ are as follows:

Category	A&B Class	C Class (in Rs.per month)	Other Towns
a) Sepoys & equivalent	300	200	150
b) Nks & equivalent	300	200	150
c) Havs & equivalent	350	250	170
d) JCOs & equivalent	450	300	200

Conditions for Grant of CILQ

158.10 CILQ is paid irrespective of whether the family is residing with the individual at duty station or not. Where the family does not reside at the duty station, the individual is paid CILQ at rates admissible for 'Other Towns'. Personnel posted to field areas, where free single accommodation and allied facilities are provided, are also eligible for payment of CILQ.

Armed Forces Proposals

158.11 The Armed Forces have suggested substantial enhancement in the rates of CILQ on the basis that the house rent element should be calculated as per market rent in the town where the family is residing, electricity and water charges be worked out at rates linked to fixed units of consumption and furniture hiring be regulated at 5% of basic pay. It has also been suggested that norms for classification of towns for the purpose of CILQ and hiring should be the same. A suggestion that rates for CILQ and hiring of accommodation should be revised

annually by local formation Commanders/ Competent Financial Authority has also been made.

Our Recommendations

158.12 We have gone into the issue in detail and are of the opinion that the present rates of CILQ are indeed insufficient in the context of prevalent market rates. On the same considerations, we have suggested revised rates of House Rent Allowance for civilian employees linking it with a percentage of the maximum of the pay scale. However, we feel that grant of CILQ on a percentage basis to Armed Forces personnel is not desirable as it would disturb the inter-trade group parity in rates and also lead to considerable accounting and clerical work. Keeping in view the position that personnel in all the three services are authorised a uniform scale of accommodation for a particular rank, we recommend that the existing rank-based nature of CILQ may continue. We are also not in favour of disturbing the existing composite nature of the CILQ. Keeping all these factors in view, we recommend that the existing CILQ may be revised as follows:-

	A1 Class Cities	A B1 B2 Class Cities (in Rs. per month)	C Class Cities	Unclassified Cities
Sepoy & Naik & equiv.	1800	900	600	450
Havildar & equiv.	2100	1050	750	510
JCOs	2700	1350	900	600

Classification of Towns and Revision of Rates

158.13 As regards norms for classification of towns, the recommendations made on classification of towns in our chapter on Housing Facilities and House Rent Allowance for civilians would apply to both hiring of accommodation and grant of CILQ. We also recommend that rates for CILQ and hiring of accommodation may be revised by the Ministry of Defence from time to time and not by local authorities, as it would lead to disparities in rates of hiring within the same station for different categories of Govt. servants and may also not be in consonance with the overall strategy for hiring and CILQ for personnel in similar classes of cities.

PROVISIONS FOR OFFICERS

Introduction

158.14 A married officer above 25 years of age is entitled for allotment of married accommodation at the duty station, provided his family is residing with him. If his family is not residing with him he is allotted single accommodation. Accommodation is generally provided to officers in existing Govt. buildings, including buildings of civil departments. In stations where Government-owned accommodation is insufficient, additional suitable accommodation is hired or the officer may make his own arrangements on rent reimbursement basis.

*Allotment
Rules*

158.15 All accommodation in the station is kept in the station pool at a station where more than one service has constructed accommodation. Accommodation built by a particular service is allotted primarily to officers belonging to that service, subject to the provision that no accommodation in the respective pool remains vacant. All surplus accommodation with one service is offered for allotment to officers of the other services. All other Govt. owned accommodation i.e. hired, requisitioned etc. is kept in a common pool for allotment to service officers, irrespective of service based on a common seniority roster at that station. Some weightage in seniority is available to officers coming from field areas or from stations where married accommodation could not be provided.

158.16 The authorization of married accommodation for officers of the three Services is as follows:

Ser	Rank	Army	Navy	Air Force	
		%	%	Flying Br %	Non Flying Br %
a)	Major & above	100	100	100	100
b)	Capt	80	83	70	60
c)	Lt. & below	33.33	63	25	50

*State of
Accommodation*

158.17 It has been brought to our notice that there is considerable deficiency of married accommodation resulting in low levels of satisfaction. Details of quarters authorised, held and satisfaction level in respect of the three Services is as under:

Rank	Army	Navy	Air Force
a) Quarters Authorised	38,700	4,080	7,917
b) Quarters Available	27,938	3,291	5,760
c) Deficiency	10,762	789	2,157
d) Satisfaction level	72%	80.6%	72.8%

Waiting Time

158.18 It has been represented by the Armed Forces that in most peace stations, officers have to wait for 8-16 months to get accommodation. Waiting period for regular accommodation in metropolitan cities, and large cantonments varies from 10 to 20 months and by the time an officer gets regular accommodation more than half his tenure is over. Secondly, the rental ceilings for hiring of accommodation are low and revision of ceilings is not carried out to cope with escalating rents.

*Armed Forces
Proposals*

158.19 In view of these constraints, the Armed Forces have suggested that existing deficiency of married accommodation should be made up by

- a) Releasing more funds for construction of additional dwelling units,

- b) Hiring houses and permitting re-imbursement on prevalent market rent,
- c) Granting permission to retain accommodation at previous station or to hire accommodation at any other station till appropriate married accommodation becomes available at duty station, and
- d) Revision of rents on annual basis to keep them in line with market rents by Local Formation Headquarters and provision in lease deeds for increase in rentals.

MOD's comments 158.20 We have been informed by Ministry of Defence (MOD) that service officers are entitled to higher scales of accommodation than their civilian counterparts and are generally provided with accommodation of the entitled type. The additional facility of hiring is also available, which is not permitted for civilians. The Ministry has also stated that it is taking up long-term remedial measures for improving accommodation, but increasing the scales to 100% may not be feasible.

Our Recommendations 158.21 We have taken note of the position brought out by the Defence Ministry and **suggest that additional funds may be earmarked by MOD for construction of additional units and hiring of accommodation may be done as per ceilings.** As regards retention of accommodation at previous duty station, we find the existing provisions, which allow retention upto 5 months, to be adequate and do not suggest any change.

Ceiling for Hiring of Accommodation 158.22 On the issue of increase in rental ceilings, we have been informed that the existing ceilings are based on plinth area requirements and present market rates etc. We observe that the existing rates of House Rent Allowance for civilians are substantially lower than rental ceilings for hiring. The Armed Forces have informed us that the Railways have enhanced the rental ceilings substantially in March, 1996. Keeping in view all these aspects, we suggest that the **revision of ceilings for hiring of accommodation for service personnel may be done by the Ministry of Defence keeping in view the quantum of HRA proposed by us for corresponding civilians and the ceilings for hiring fixed by the Railways.**

PROVISION OF SEPARATED FAMILY ACCOMMODATION

General 158.23 As per present provisions, an Armed Forces personnel, within the authorised married establishment on posting to field areas/ modified field areas, can either send his family to a selected place of residence at Govt. expense, select any of the stations where accommodation has been specifically constructed for separated families and move the family to that station or retain the family accommodation at the last duty station with the permission of the Station Commander or other allotting authority.

Present Position 158.24 In 1963 it was decided to provide 40,252 quarters as separated family accommodation for 1,50,000 troops posted in field areas. Since then, only 11,692 quarters have been constructed and a large deficiency still exists. Accommodation can also be hired for separated families posted to field areas at specified stations, subject to prescribed ceiling on number of houses in each station as specified by Hq. Commands and in accordance with prescribed scales of

accommodation and rental ceilings. Hiring on rent reimbursement is also permissible in Delhi/New Delhi only with permission of competent authority upto the quota fixed for Delhi. Separated families of Service Officers can also be permitted to live in their own houses on rent re-imbursement basis in Delhi/New Delhi only. The total number of hired houses and such houses should not exceed the quota fixed for Delhi.

*Armed Forces
Proposals*

158.25 The Armed Forces have made the following proposals with regard to Separated Family Accommodation:

- i) Revision of quantum of Separated Family (SF) Accommodation based on present strength of Army posted in field areas.
- ii) Release of a minimum of one more slab of Separated Family Accommodation to provide temporary relief.
- iii) Permission to hire own house/any other house irrespective of location at prevalent market rates.

Our Recommendations

158.26 We have considered the suggestions made by the Armed Forces on the issue and find that the strength of troops in areas classified as field areas has not undergone any substantial change. In any case, separated family accommodation actually held by the Armed Forces is far short of the authorisation and increasing the scales would not serve any useful purpose. We, therefore, recommend that construction of balance of authorised accommodation may be taken up on priority basis by the Ministry. While selecting stations for construction, availability of Government land, existence of adequate educational, medical and other facilities should be the main consideration. As regards permission to hire accommodation, the Ministry of Defence have stated that it may not be desirable to permit hiring of separated family accommodation at any station at prevalent market rates in view of the budgetary constraints. In view of this, we do not suggest any change in the restriction on hiring of houses for separated families.

PROVISIONS RELATING TO LICENSE FEE, HIRING OF FURNITURE, WATER AND ELECTRICITY

*Present
Provisions*

158.27 Personnel Below Officer Rank are granted rent free accommodation and allied services, and consequently no license fee and other charges are recovered from them. However, JCOs and ORs residing in government hired buildings are permitted to hire furniture and claim compensation to the extent of 2.5% of pay scales applicable prior to 1988. Service Officers when allotted accommodation pay license fee at concessional rate of 5 percent in case of married officers and 2 1/2 percent in case of single officers. Service Officers are provided furniture by the Military Engineering Service at the prescribed scale and the rent is charged at 2 1/2 percent of pay or 80% of the capital cost of furniture per annum, whichever is less. If furniture cannot be provided by MES, the officer is authorised to hire furniture upto 5% of pay, his own liability being 2 1/2 percent of pay. Service Officers also pay electricity and water charges at half the all India recovery rates for electricity and water. The concessional rate for electricity is not applicable

to energy consumed as power.

*Services
Proposals*

158.28 The Armed Forces have suggested the following changes with regard to compensation for hiring of furniture:

- a) Compensation in lieu of furniture for JCOs and ORs should be provided on current pay. Amount of compensation be increased from 2.5% to 5% of Basic Pay.
- b) For officers, actual amount spent on hiring of furniture should be reimbursed and reimbursement of furniture hire charges when an officer hires own house with furniture should be permitted.

Our Recommendations

158.29 We have considered the two demands and since reimbursement will continue on the basis of percentage of pay and the entitlement would go up automatically consequent on pay revision, we do not suggest any change in the existing provisions for JCOs/ORs. However, **compensation may be paid on the basis of revised pay**. For officers, cost of hiring would depend on type and quality of furniture hired. Therefore, restriction on reimbursement should continue.

Schemes for Educational Assistance

EDUCATIONAL CONCESSIONS FOR THE CHILDREN OF BATTLE CASUALTIES

Introduction

159.1 The children of Armed Forces personnel are governed by the same scheme of educational concessions available to civilian personnel. However, for children of personnel killed/disabled or missing in various operations, government has sanctioned a separate scheme of concessions. While the general scheme of educational concessions would also apply to Armed Forces personnel, the specific proposals with regard to children of battle casualties and some specific demands for children of serving employees have been discussed in the succeeding paragraphs.

Existing Position

159.2 Certain educational concessions are granted to the children of Armed Forces Personnel killed/ disabled/missing in 1962, 1965 and 1971 conflicts and operations 'Pawan' and 'Meghdoot'. These concessions include:

- (i) Complete exemption from tuition and other fees, including bus fees and actual fares for railway passes;
- (ii) Grant of hostel charges in full for those studying in boarding schools and colleges;
- (iii) Reimbursement of the cost of books and stationery, subject to a maximum of Rs. 250/-p.a. ;
- (iv) Reimbursement of the cost of uniform upto Rs. 810/- for the first year and Rs. 350/- p.a. for the subsequent years; and
- (v) Reimbursement of the cost of clothing upto Rs. 250/- for the first year and Rs. 150/- p.a. for the subsequent years.

Separate notification required

159.3 These concessions are not automatically extended to the children of those killed/disabled/ missing in operations but a separate government notification in respect of each operation is required to be issued.

*Armed Forces
Suggestions*

159.4 The Armed Forces have suggested that these educational concessions should automatically apply to the wards of personnel classified as battle casualties and those in receipt of liberalised pensionary awards. They have also suggested that the actual cost of books, stationery and uniforms should be reimbursed without any ceiling.

*Our
Recommend-
ations*

159.5 We have carefully considered the Armed Forces' suggestion regarding automatic applicability of educational concessions to the wards of those affected in war-like operations and do not find it feasible to accede to the same. We have also examined the Armed Forces suggestion regarding the removal of the ceiling on reimbursement of the cost of books, stationery and uniforms and **recommend that the existing ceiling on reimbursement of cost of books, stationery, uniforms and clothing may be enhanced by 50%.**

EDUCATIONAL CONCESSIONS/FACILITIES FOR SERVING DEFENCE PERSONNEL

*Armed Forces
Suggestions*

159.6 On the issues relating to children of serving defence personnel, the Armed Forces have suggested that the wards of the defence personnel should be given guaranteed admissions in Kendriya Vidyalayas (KVs) and should be treated as having the first priority for admissions irrespective of the number of transfers, with more powers for Chairman of Kendriya Vidyalayas (KVs) to monitor admissions. They have also suggested that the domicile rules for admission of their wards in colleges and professional institutions be waived. On the existing schemes for children's educational assistance, the Armed Forces have suggested some rationalisation and enhancement of the rates.

*Priority in
admission in KVs*

159.7 With regard to the issue of priority for wards of defence personnel in KVs, we have been informed by the Ministry of Human Resource Development (HRD) that the wards of defence personnel are always in Category-I for admissions into all KVs of civil and defence sectors irrespective of the number of transfers. However, as per the general Government policy, priority in admissions to KVs can not be totally delinked from the number of transfers during the last seven years. The Ministry have further stated that since the demand for admissions to KVs is always higher than the number of seats available, admissions for wards of defence personnel can not be guaranteed.

Our views

159.8 Considering all relevant factors, we are inclined to go by the Ministry's views. However, in order to provide greater educational opportunities to the wards of the Armed Forces personnel, more KVs should be opened in the defence sector.

*Powers of
Chairmen of KVs*

159.9 Regarding the monitoring of admissions by the Chairman of KVs, the Ministry of HRD have clarified that admissions are the prerogative of the Principals who are supposed to abide by the laid down guidelines in this regard and the Chairman can only be apprised of the admissions finalised by the Principals.

Our views

159.10 The existing arrangement, as explained by the Ministry, is quite in order and we do not recommend any change in it.

*Domicile
Requirement*

159.11 On the issue of domicile for admissions in colleges and professional institutions for wards of defence personnel as well as civilians with all India transfer liability, we feel that a piece of central legislation is urgently required so as to relate domicile of such personnel to either the state to which they belong or the state from which their wards have taken their 10+2 examination. We, therefore, suggest that the matter be taken up by the Ministry of HRD on a priority basis.

*General
Recommend-
ations*

159.12 The existing children's educational concessions are commonly admissible to both the defence personnel and civilian employees. We have considered the Armed Forces suggestions while formulating our general recommendations on children's educational concessions. Our general recommendations on them will equally apply to the Armed Forces personnel.

Leave Entitlements

PRESENT POSITION

General

160.1 Leave entitlements of Armed Forces personnel are more liberal than those of civilian employees, in view of the consideration that they always remain in full mental and physical readiness for performing military duties. The existing entitlements are as follows:

	Officers	PBOR
a) Annual Leave	60 days	60 days
b) Casual Leave	20 days	30 days
c) Furlough	60 days in a cycle of 3 years	Not applicable
d) Sick Leave	24-30 months	No limit

*Casual Leave
and Annual
Leave*

160.2 As in the case of civilian employees, casual leave due in a year can only be taken within the year. Annual leave admissible in each calendar year is 60 days. In case of PBOR, while proceeding to a leave station which necessarily involves a journey of more than two days each way, additional leave in excess of annual leave or accumulated leave is granted to cover the journey period in excess of two days each way.

*Encashment
of Leave*

160.3 Unavailed portion of annual leave subject to a maximum of 30 days in a year can be accumulated upto 240 days for encashment on retirement. The amount of encashment in the case of Armed Forces personnel is further restricted by the number of years of service put in. Armed Forces officers on superannuation are entitled to encash a maximum of 210 days if they have rendered less than 22 years' service. However, if service rendered is 22 years and above, encashment upto 240 days is permitted. In the case of officers leaving on own request and for PBOR, the entitlement is as follows :

Service at time of Retirement/Discharge	Quantum of Leave Encashment
1. 22 yrs. and above	240 days
2. 20 yrs. and above and less than 22 yrs.	210 days
3. 17 yrs. and above and less than 20 yrs.	105 days
4. Less than 17 yrs.	90 days

For all Armed Forces personnel who die while in service, leave encashment is allowed in the following manner :

Service at the time of Death	Quantum of Encashment
a) Below 17 years	180 days
b) 17 yrs. and above but below 22 yrs.	210 days
c) 22 yrs. and above	240 days

Furlough 160.4 Furlough can be compared with half-pay leave of civilians and is granted only to Commissioned Officers. The period of leave admissible as furlough, which is non-accumulative, is two months for every three calendar years and can be availed at any time after the commencement of the 3-year cycle.

Sick Leave - Officers 160.5 There is no difference between attributable and non-attributable diseases for the purpose of grant of sick leave. Sick leave on medical certificate is admissible to Commissioned Officers for a period upto 6 months in the first instance. Thereafter, provided there is reasonable prospect of an officer becoming fit for duty, extension of sick leave by 3 months at a time on the recommendation of the competent medical board may be granted upto a maximum of 12 months, extendable upto 24 months. Officers on flying duties, if they are injured or ill as a direct result of a flying accident, can be granted sick leave upto a maximum of 2 1/2 years. Sick leave is granted on full pay for six months and on furlough/half pay after that. However, full pay for further period may be granted after Government sanction for attributable cases.

Sick Leave PBOR 160.6 For Personnel Below Officer Rank, the entire period spent in a military or recognised civil hospital is treated as on duty for individuals who fall sick while on duty. After discharge from hospital, sick leave may be granted on the recommendation of competent medical authority. There is no limit to such leave, except that it should be restricted to a period in which there is a reasonable prospect of the individual becoming fit for duty.

Leave on Posting Abroad 160.7 Leave entitlement on posting abroad to Indian Embassies or Missions is the same as entitlement in India. For personnel sent abroad on course of instruction or on deputation, casual leave is granted by Heads of Missions subject to the condition that its grant should not have the effect of extending the period of deputation. Annual leave is given to coincide with recognised breaks in

courses of instructions. Officers who take leave in continuation of the deputation/course of instruction abroad for personal reasons do not have benefit of the transit time for return journey being treated as duty, except when leave is either less than 14 days or less than 50% of period of duty abroad. Government sanction is required for grant of leave in excess of 14 days.

ARMED FORCES PROPOSALS

*Armed
Forces
Proposals*

160.8 The Armed Forces have suggested that the present ceiling for encashment of leave should be enhanced from the existing 240 days to 360 days, with annual encashment of unavailed portion of leave being permitted upto 30 days in a year. It has further been suggested that the quantum of encashment of leave should be delinked from number of years of service. Extension of the provision of accumulation, commutation and encashment of leave to furlough has also been proposed.

OUR RECOMMENDATIONS

*Relativity
with
Civilians*

160.9 We have studied in detail the existing provisions relating to encashment of leave of Armed Forces personnel. We find that the ceiling on encashment available to service personnel has always been linked to the maximum leave encashment available to civilian employees and ceilings for Armed Forces personnel have been raised consequent on such increase for civilians. For civilian employees, in our chapter on Leave Entitlement, we have recommended that the ceiling on encashment of leave may be raised from 240 days to 300 days. We have also suggested that this increase of 60 days may be permitted to be encashed at the time of availing LTC subject to the following conditions:

- i) The total leave so encashed during the entire service career should not exceed 60 days;
- ii) Earned leave of at least an equivalent duration is also availed of simultaneously by the employee;
- iii) A balance of at least 30 days of earned leave is still available to the credit of the employee after taking into account the periods of encashment as well as leave; and
- iv) The period of leave encashed should be deducted from the quantum of leave that can be normally encashed by him at the time of superannuation to the extent that the leave then accumulated is in excess of 240 days.

*Our
Recommendations*

160.10 Keeping in view our recommendations with regard to civilian employees, we suggest that ceiling on encashment of leave for Armed Forces personnel be also raised from 240 days to 300 days. As regards the proposal to delink the encashment from number of years of service, owing to the lesser number of years of service and early retirement of service personnel, we are unable to accede to the proposal. We therefore recommend the following revised ceilings on encashment of leave for Armed Forces personnel:

**TABLE : CEILING ON ENCASHMENT OF LEAVE
FOR ARMED FORCES PERSONNEL**

No. of yrs. of Service	Quantum of Encashment
------------------------	-----------------------

1. Officers on Superannuation

a) 22 yrs. and above	300 days
b) Below 22 yrs. service	265 days

2. Officers leaving on own request and PBOR

a) 22 yrs. and above	300 days
b) 20 yrs. and above and less than 22 yrs.	265 days
c) 17 yrs. and above and less than 20 yrs.	132 days
d) Less than 17 yrs.	113 days

3. In case of death in Service:

a) 22 years and above	300 days
b) 17 years and above but below 22 years	265 days
c) Below 17 years	225 days

*Annual
Encashment*

160.11 With regard to the new provisions concerning encashment of leave at the time of availing LTC, we suggest that encashment may be permitted for Armed Forces Personnel also subject to the conditions suggested for civilians, to the extent of additional number of days proposed to be added to the ceiling for them. We however do not agree with the Armed Forces proposal to allow accumulation, commutation and encashment of furlough for officers as it would not be justified to grant a concession to service officers which is not granted to PBOR.

*Leave when
serving
Abroad*

160.12 The Armed Forces have also proposed removal of the requirement for Government sanction in case of grant of leave exceeding 14 days for personnel serving abroad. We have examined the issue and feel that the existing position is reasonable and no change is warranted.

*Review of
Leave
Entitlement*

160.13 The IDSA Report on manpower optimisation in the Armed Forces has suggested that leave entitlement of Armed Forces personnel may be re-examined and annual leave brought down to 30 days in a year and suitable monetary compensation introduced instead. The present entitlement is based on the concept that servicemen should avail themselves of annual leave regularly so that they keep themselves fit for military duties. Secondly, the present entitlement also ameliorates to some extent the problem of separation from family especially in the case of PBOR. We are, therefore, not in favour of any reduction in the existing leave entitlement.

*Encashment
of Leave -
DSC Personnel*

160.14

With regard to encashment of leave for DSC personnel it has been suggested that DSC personnel should be permitted to accumulate leave at par with other service personnel. We have considered the suggestion and **recommend that DSC personnel may be allowed to accumulate and encash leave upto limits available to service personnel, subject to the condition that period of annual leave encashed should be included in the period of accumulation.**

Section II

Pensionary Benefits

2000A

2008

General Principles for Pension Structure

INTRODUCTION

*Terms of
Reference*

161.1 Our terms of reference with regard to pensionary benefits of Armed Forces personnel are identical to those for civilian employees, i.e.

"To examine, with a view to having a proper pension structure for pensioners, the existing pension structure including death-cum-retirement benefits and make recommendations relating thereto which may be desirable and feasible."

*Peculiar
conditions of
Service*

161.2 We have considered the peculiar conditions of service and nature of duties of Armed Forces Personnel while arriving at their salary structure and allowances etc. While our approach to the general principles governing the pensionary benefits would apply to Service personnel also, their peculiar conditions of service and their impact on the pension structure are also required to be considered separately.

*Non-effective
benefits*

161.3 The 'non-effective' or retirement benefits of Armed Forces personnel include retiring pension, family pension, disability pensions and Death-cum-Retirement Gratuity (DCRG) provisions. While the scheme of family pension and DCRG are by and large similar to those for civilian employees, the scheme for disability pensionary awards shows some differences as these are based on flat rates against percentage rates for civilians. The distinctive features of military service mainly find compensation in retiring pension granted to service personnel. We have discussed below the historical background so as to highlight the specific provisions made with regard to the Armed Forces.

HISTORICAL PERSPECTIVE

*Approach
followed by
Armed Forces
Pension
Revision
Committee*

161.4 The pension code for Armed Forces personnel has been evolved on the basic principles enunciated by the Armed Forces Pension Revision Committee (AFPRC), 1950. In the case of Service Officers, the AFPRC based its recommendations on the principle that the scheme of pensions should secure to the government, services of officers in the prime of their life and after that induce retirement at reasonable rates of pensions. The rates of pension should further be arranged so as not to induce continuance in service to gain more pensions once they have ceased to be useful. For Service Officers, the Committee recommended the introduction of the concept of standard years of service for pension and also suggested rates of deduction from standard pension where actual service rendered was less than standard service. For PBOR, the AFPRC had followed the pension scheme for civilians and no compensatory element in pension was provided. On the contrary, there was a depression of 2 years IN qualifying service if service rendered was 15 to 17 years and one year if actual service was 18 to 23 years. The Committee held that parity between civil pension and service pension should be achieved only at 24 years of service as soldiers who retired early would be capable of securing a second employment. The depression in qualifying service in the case of PBOR was abolished with effect from 1.3.1968 on the recommendations of the Kamath Committee (1968).

DCRG Scheme

161.5 The scheme of Death-cum-Retirement Gratuity was introduced for Armed Forces personnel with effect from 10th Sept., 1970 and the then existing rates of pension were depressed by 16% in the case of officers and 11% in the case of PBOR in order to offset this provision.

*Principles
evolved by Third
CPC*

161.6 The Third CPC went into the pensionary provisions in detail and evolved the following basic principles:

1. Pensions should be regulated in a manner so as to enable servicemen to earn full pensions at a relatively younger age as compared to civilians.
2. Length of service beyond a point should not influence pension so as to discourage personnel from continuing in service in order to earn higher pensions.
3. An element of compensation in pensions for early termination of career should be provided in an explicit manner.

*Approach
followed by Third
CPC*

161.7 In line with the principles enunciated by them, the Third CPC continued the scheme of standard retiring pensions for commissioned officers. The rate of pension was equated to civilian rates and the compensatory element was provided by a) introducing a system of weightage in qualifying service and b) calculating pension on the maximum of the pay scale. For PBOR also, a system of weightage of five years in qualifying service and calculation of pension on the maximum of the pay scale was introduced.

*Slab system of
pensions*

161.8 In 1979, when civilian employees were brought on to the slab system of calculation of pensions, service personnel were also granted the benefit.

161.9 The Fourth CPC recommended that retiring pension for Service Officers may be calculated on the pay and actual qualifying service rendered by them in view of the introduction of the integrated pay scale. The system of weightage was however, allowed to continue. For PBOR, no change was suggested in the scheme of pensions and the compensation as suggested by Third CPC continued.

161.10 Subsequently on the recommendations of a High Level Empowered Committee, the Government granted in 1992 a 'One Time Increase' in order to bridge the gap in pension between past and present Armed Forces pensioners.

DEMANDS

161.11 We have received proposals with regard to the pension structure both from the Armed Forces and from various Ex-servicemen's bodies. The Armed Forces have suggested the following broad principles for formulating the pension structure.

- (i) pension to enable the serviceman to maintain a near similar standard of living after retirement,
- (ii) full protection of pension against inflation,
- (iii) simplification of pension procedures,
- (iv) parity in pensions between past and future pensioners,
- (v) provision of second employment till universal age of retirement,
- (vi) edge in monetary value of pensioners and instead of weightage a higher rate of pension,
- (vii) introduction of a system of ex-gratia awards; and
- (viii) modification in the scheme of retiring pension.

OUR RECOMMENDATIONS

161.12 We have gone into these suggestions and other suggestions made by Ex-servicemen bodies in the context of the compensations provided in pensionary benefits through successive Committees/Pay Commissions. The guiding principle has been that the organisational need to retain young and physically fit manpower should influence pensions in a manner as not to encourage continuance in service beyond a certain point and that this curtailment should be compensated in an explicit manner. However, pension is not expected to be the sole means of livelihood of personnel retiring at a young age. Effective arrangements have to be made for resettlement of Ex-servicemen and the government's responsibility in this regard has also been emphasised. In our opinion, these imperatives have not

undergone any substantial change over the years and still continue to be relevant.

*General
Principle*

161.13 With regard to the specific proposals made by the Armed Forces, the requirement of maintaining a standard of living and protection of pension against inflation are general issues and have been covered in our general chapter on the principles governing pensionary benefits. The principle of parity in pensions has also been considered in our chapter on Past Pensioners.

*Compensatory
element*

161.14 On the issue of enabling personnel to serve till the universal age of retirement, we feel that the State has a responsibility to ensure smooth transition to civilian life and suggest that purposive efforts be made in this direction. Specific suggestions in this regard have been made in our chapter on Ex-servicemen. With regard to immediate compensation in pension, in our opinion, the existing system of weightage ensures a reasonable amount of pension and also effectively neutralises the effect of a truncated career. We are therefore in favour of continuing the practice of providing an edge through the system of weightage. We also feel that additional compensation in the case of death attributable to service should be available in the form of ex-gratia awards in order to motivate personnel who undertake risky duties.

*Commutation of
pension*

161.15 In our opinion, the higher percentage of commutation available to Service Personnel also provides a greater lumpsum monetary benefit and a larger number of Service pensioners are able to avail of the provisions of restoration of commuted portion of pension because of their retirement at an early age. In view of the benefits granted by the scheme, we have not suggested any differential in the period of eligibility for restoration.

*Other
suggestions*

161.16 While formulating our proposal on pensions, we have kept in mind the broad principles outlined above and have tried to incorporate also the effect of any changes in conditions of service on the civilian side which are likely to have an impact on the Armed Forces personnel, significant among them being the recommendation to increase the weightage by two years in view of the proposed increase in retirement age for civilians. In areas where pension procedures have been found to be cumbersome and prone to inordinate delays, we have also suggested simplification of procedures so that Servicemen do not have to suffer on this account.

Retiring Pensions

INTRODUCTION

General

162.1 The imperatives of maintaining a youthful profile of the Armed forces necessitates that personnel are discharged at a relatively young age after completing their terms of engagement. On an average, about 55,000 personnel retire from the Armed Forces every year. The scheme of retiring pension for Armed Forces personnel broadly corresponds to the scheme available to civilians but certain additional features have been provided as compensation for the peculiar hierarchical structure and the operational requirement of keeping the Armed Forces young and physically fit.

EXISTING POSITION

Calculation of Retiring Pension

162.2 We have already indicated elsewhere the present ages of superannuation of officers and terms of engagement of PBOR. The minimum pensionable service for Commissioned Officers is 20 years and that for PBOR is 15 years. Based on the recommendations of the Third CPC, a weightage in qualifying service was introduced for both officers and PBOR and pension was calculated on the maximum of the pay scale. The Fourth Pay Commission recommended an integrated pay scale for officers from 2nd Lt. to Brigadier. They recommended continuance of the weightage but suggested that retiring pension may be based on actual service rendered and pay drawn by an officer during the last 10 months of service. The formula for calculation of retiring pension of service officers is, therefore, identical to the formula for civilian employees. Since the pay structure for PBOR did not undergo any change, no change in the scheme of standard pension for each rank and group was made. Retiring pension for PBOR is thus calculated on the maximum of the scale including 50% of the highest classification pay of the rank held and the group in which paid for at least 10 months. The quantum of pension for both officers and PBOR is 50% of reckonable emoluments. The existing weightage in qualifying service for PBOR is 5 years and for service officers, the following weightage exists:

<u>Rank</u>	<u>Service Officers</u> (Weightage in Years)	<u>MNS Officers</u>
Subaltern	9	-
Captain	9	7
Major	8	6
Lt. Col.(TS)	5	5
Lt. Col.(S)	7	-
Col.	7	5
Brig.	5	5
Maj. Gen.	3	3
Lt. Gen.	3	
Lt. Gen. (Army Commander/VCOAS)	3	
COAS	3	

*Impact of
weightage*

162.3 The impact of the weightage for officers is that it enables them to earn full pension if they serve up to their compulsory age of retirement. For PBOR, however, pensions still continue to remain depressed upto 28 years of qualifying service. However, the addition of weightage, where period of qualifying service prescribed for earning pension is itself lower than the period prescribed for civilian employees, is a considerable benefit.

RECKONABLE EMOLUMENTS

162.4 The reckonable emoluments for the calculation of pension are determined with reference to the emoluments drawn during the last 10 months of service and are as follows:

- i) Officers- Average of pay including stagnation increment, rank pay and NPA, if any, drawn during the last 10 months of service.
- ii) PBOR- Maximum of the pay scale including 50% of the highest classification pay, if any, of the rank held and the group in which paid continuously for at least 10 months before discharge.

COMMUTATION OF PENSION

162.5 In view of the early retirement and the need for resettlement, a higher percentage of commutation is permitted to Armed Forces personnel. While civilians can commute 33% of their pension, Service Officers can commute 43% and PBOR 45% of pension. As in the case of civilians, service personnel are also authorised restoration of commuted portion of pension after 15 years.

DEATH-CUM RETIREMENT GRATUITY

162.6 The Death Cum Retiring Gratuity (DCRG) scheme was introduced for the Armed Forces in September, 1970. On the introduction of the DCRG Scheme, pension was depressed by 16% for Officers and 11% for PBOR. Till the Fourth Pay Commission, weightage in qualifying service for working out retiring pension was not added for purpose of DCRG. Based on the Fourth CPC's recommendations, addition of 5 years to actual qualifying service for determining DCRG subject to a maximum of 33 years of service has been allowed. Quantum of DCRG is determined by the same formula that is applicable to civilian employees.

RETIRING/SERVICE GRATUITY

162.7 Where service rendered is less than 20 yrs. in the case of officers and 15 yrs. in case of PBOR retiring/service gratuity is paid. The min. period of qualifying service for earning gratuity is 10 yrs. in the case of service officers and 5 yrs. in the case of PBOR. Till Fourth CPC service gratuity was paid at reduced rates in case of discharge on compassionate grounds or personal reasons. The Fourth CPC recommended that there should be no reduction in service gratuity irrespective of type of retirement for Armed Forces personnel. The existing rate of retirement gratuity is 1/2 month's emoluments for each completed six monthly period of qualifying service.

ARMED FORCES PROPOSALS

162.8 With regard to retiring pension, the Armed Forces have suggested that:

- i) On account of early retirement, pension should be equal to pay last drawn till universal age of retirement, unless suitable alternative employment is provided.
- ii) After universal age of retirement and in case of premature retirement, normal retiring pension should be 75% of emoluments.
- iii) Linkage with 33 years of service should be done away with.

OUR RECOMMENDATIONS

*Responsibility for
Resettlement*

162.9 In our chapter on Principles of Pension Determination we have discussed in detail our approach to retiring pensions of service personnel. Against the backdrop of our approach, we have considered the suggestions made by the Services and feel that the proposal to grant pay last drawn till universal age of retirement cannot be accepted in view of the fact that for a serviceman retiring early, his pension is not expected to be his sole means of livelihood and he can be reasonably expected to find second employment. Govt. already has several schemes for rehabilitation of exservicemen including reservation of jobs in

Government. Earlier Pay Commissions have also felt that the State should make effective arrangements to assist rehabilitation and pensionary benefits alone should not be looked upon as the means of compensation for early retirement. We therefore, feel that schemes for rehabilitation of ex-servicemen have to be strengthened and some new schemes introduced so as to make transition to civilian life easier. It is pertinent to mention that Servicemen, when they join the Armed Forces, are aware of the terms of engagement and possible curtailment of career due to the operational requirements of the service. While we have separately suggested a lateral shift to CPOs for Armed Forces personnel, in our view the role of the State should be restricted to providing re-employment where possible and in assisting resettlement while not necessarily guaranteeing it.

Retiring Pension

162.10 In view of the above, we do not suggest any change in the present method of calculation of retiring pensions for service personnel. As far as the quantum of pension as a percentage of pay is concerned, the changes in the formula proposed for civilians would also apply to Armed Forces personnel i.e pension may be calculated at 50% of reckonable emoluments which will be worked out on the basis of 6 months instead of 10 months as at present.

Linkage with 33 years

162.11 The rationale behind linkage with 33 years is that both civilians and service personnel who have rendered less service should be given equal treatment. For shorter terms of employment, compensation has been provided separately in terms of weightage and reckonable pay. In our view, this approach is reasonable and should continue. At present, while pensions of PBOR are depressed due to the linkage with 33 years of service, for officers who serve till their compulsory age of retirement, due to the weightage element there is actually no depression in pensions. However, since the present ages of retirement of defence personnel are being retained, there is justification for of some increase in the weightage in qualifying service in view of the proposed increase in the general age of retirement for civilians. It is therefore suggested that weightage in qualifying service for pensions may be increased to 7 years against the existing 5 in the case of PBOR and a two year increase in the existing norms of weightage may also be given to officers.

Service Gratuity

162.12 With regard to service/retiring gratuity, it has been suggested that for individuals taking retirement between 10 and 20 years for officers and 5 and 15 years for PBOR, retiring gratuity should be revised to one month's emoluments for each completed six monthly period of service. We have examined the issue in the context of similar provisions for civilians and do not suggest any change.

Other Provisions

162.13 With regard to commutation of pension, while we suggest no change in the extent of commutation, provisions on restoration of pension after 12 years instead of 15 years as at present, suggested for civilian personnel would also apply to the Armed Forces pensioners. The provisions on DCRG suggested for civilian employees would also equally apply to service personnel. This would base their calculations on pay + dearness allowance on the date of retirement, as also do away with the ceiling.

162.14 The weightage of 5 years in qualifying service for calculation of DCRG may, however, continue. We also do not suggest any change in the elements of pay included for grant of pension.

PENSIONARY TERMS IN RESPECT OF JCOs/OR GRANTED EMERGENCY/SHORT SERVICE COMMISSION
--

- Existing position* 162.15 Serving JCOs and Other Ranks granted Emergency Commission /Short Service Commission have the option to either draw pension based on pre-commissioned service with gratuity payable for EC service or to count emergency commission service towards pension. Service rendered in the ranks prior to grant of Emergency or Short Service Commission is counted in full towards commissioned service for those personnel and minimum qualifying service for pension is 12 years against 20 years in case of regular commissioned officers.
- Demand* 162.16 It has been suggested that for these officers, pension should be calculated in the same manner as recommended for other regular commissioned officers without any change in existing provisions on minimum qualifying service and counting of service.
- Our recommendations* 162.17 We have considered the issue and recommend that calculation of pension may be done for these personnel on the same basis as for regular commissioned officers i.e. on the basis of pay drawn for the last 6 months of service.

Family Pensions

INTRODUCTION

General

163.1 The scheme of family pensions for Armed Forces personnel corresponds to the scheme available for civilian employees. Family pension is granted to family or dependents of personnel in the event of death in service or after retirement. At present, the following three types of family pension are admissible depending on the circumstances of death:

1. Ordinary Family Pension when death is on account of causes neither attributable to nor aggravated by military service
2. Special Family Pension when death is attributable to or aggravated by military service and
3. Liberalised Special Family Pension when the serviceman is killed in action or dies of wounds or injuries sustained in action or during hostilities

Quantum of pension

163.2 The quantum of pension presently granted is the same as that granted to dependents of civilian employees under similar circumstances.

Family Pension

163.3 The Armed Forces have suggested that there should be only two types of family pension, the first being admissible on death while in service or after retirement, and the Liberalised Family Pension to be applicable to families of servicemen who die in battle in operational areas or while on internal security duties. The rate of family pension to be granted under normal circumstances should be equal to retiring pension which he would have been drawing had he retired at the age when he died. Depression of family pension by 25% where the personnel deserted or was absent without leave or refused to take medical treatment or indulged in wilful misconduct has been suggested. It has also been suggested that families of Short Service Commissioned Officers and Emergency Commissioned Officers and next of kin of single officers may also be granted this pension. A proposal to entitle widows to pension on re-marriage has also been made.

163.4 With regard to liberalised family pension, pension equal to reckonable emoluments last drawn has been suggested to be paid. It has been proposed that Liberalised Family Pension should be applicable to families of servicemen who die in battle, in operational area/sea or while on Internal Security Duties while handling live mines/explosives/ammunition, in battle inoculation exercises or in aircraft/ parajumping/diving accidents. Automatic application of provisions of liberalised family pension rules in cases of death has been demanded. An ex gratia amount of Rs.5 lakh and provision for commutation of pension have also been suggested. With regard to Children Allowance, raising of the amount to Rs.500/- per month per child has been proposed.

OUR RECOMMENDATIONS

*General
Approach*

163.5 We have considered the suggestions made by the Services and have, in the relevant chapter, considerably liberalised the scheme of family pensions. While doing so, we have specifically kept in view the difficult conditions under which the Armed Forces Personnel have to operate. Our recommendations in this regard are applicable to the civilians as well as the Armed Forces personnel. For the same reason we have introduced a scheme for liberal ex-gratia payments which would also be applicable to the Armed Forces. We, however, do not recommend commutation of family pensions. Our recommendations on certain specific demands of the Armed Forces are however indicated below.

*Ordinary Family
Pension*

163.6 The Ordinary Family Pension Scheme for service personnel is based on the corresponding scheme on the civil side. We suggest continuance of the existing parity and **our recommendations with regard to Family Pension for civilians will also apply to Armed Forces pensioners.** We are however, not in favour of any depression in family pension under the circumstances suggested by the Armed Forces nor do we recommend grant of Ordinary Family Pension to families of Short Service and Emergency Commissioned Officers.

*Special Family
Pension*

163.7 Based on the recommendation made by Third CPC, the Special Family Pension Scheme for Armed Forces personnel was brought on the pattern suggested for Extraordinary Family Pension of civilians. While the rates of pension under the two schemes are identical, a major difference exists in the facility that PBOR of the Armed Forces have of nominating anyone of the eligible nominees of the family for the first award of special family pensions and of transferring the same in full to the widow regardless of her financial position in the event of death of parents. We have in our recommendations made in the relevant chapter suggested that **Extraordinary Family Pension be granted at a uniform rate of 60% of reckonable emoluments irrespective of whether the widow has children or not, which would apply to Armed Forces personnel also.** We however, do not recommend any change with regard to system of nomination available to PBOR.

*Liberalised
Family Pension*

163.8 Consequent on the issue of Government order notifying an operation as eligible for grant of liberalised family pension, Liberalised family pension at reckonable emoluments last drawn is sanctioned. The nature of casualties presently qualifying for grant of liberalised pension are those which take place:

- i) as a result of action in international wars,
- ii) as a result of participation in war-like operations or border skirmishes with other countries,
- iii) during action against armed hostiles
- iv) during action with a peace keeping mission abroad,
- v) during laying or clearance of mines including enemy mines as also minesweeping operations between one month before the commencement and three months after the conclusion of the operations,
- vi) on account of accidental explosions of mines while laying operationally oriented mine-fields or lifting or negotiating mine-fields laid by the enemy or own forces in operational areas near international borders or the line of control,
- vii) as a result of attack by extremists, terrorists, anti-social elements etc. or during action against dacoits, smugglers, hostiles etc; and
- viii) as a result of operations specially notified by the Govt. from time to time.

*Our
recommendations*

163.9 In the case of PBOR, there is provision for a second life award in case the first recipient dies or is disqualified. In our Chapter on extraordinary pensions for civilians, we have discussed in detail the circumstances under which the provisions of liberalised family pension scheme would be applicable. We find that the various circumstances suggested by the Armed Forces for grant of liberalised family pension have been covered either under provisions of Special Family Pension or Liberalised Family Pension rules and suitable lumpsum ex-gratia would also be admissible depending on the circumstances of death. In view of this, while we recommend continuance of the scheme of second life awards, the provisions suggested for civilians may also apply to Armed Forces personnel. However, in the case of casualties in battle inoculation exercises, where liberalised family pension is presently paid at 90% of reckonable emoluments, we recommend that liberalised family pension at reckonable emoluments last drawn may be authorised. Regarding the grant of ex-gratia sums, our recommendations made for civilians would equally apply to service personnel.

REMARRIAGE OF WIDOWS

*Present
Provisions*

163.10 As per existing provisions, widows in receipt of ordinary family pension are denied family pension on re-marriage and the pension passes to eligible children in order of birth. In the case of remarriage of widows who are in receipt of Special Family Pension, special family pension at rates prescribed for childless widows is paid to children. In the case of Liberalised Family Pensionary Awards, the widow continues to draw liberalised pension if she marries the real brother of the deceased. If she marries with a person other than the real brother of the

deceased, she becomes entitled to ordinary family pension and the children are granted children allowances. The liberalised family pension passes on to the parents of the deceased at rates which are regulated on the basis of whether 7 years have passed or not from the date of death of the personnel.

Proposal

163.11 It has been represented that the existing provisions with regard to regulation of pensions on remarriage of widows lead to unnecessary hardship to them and that they should continue to remain entitled to full pension after remarriage.

Our recommendation

163.12 We have considered the suggestion and feel there is some justification in the demand. We, therefore, recommend that for all types of family pension, on remarriage of widows, pension may be regulated as follows:

If she has children

- a) If she continues to support children after re-marriage - Full Pension
- b) If she does not support children after remarriage - Pension to pass on to children
- c) If widow has no children - Full Pension

163.13 We suggest that Government may frame suitable rules to regulate the above and recommend that these provisions may apply irrespective of whether she remarries the real brother of the deceased or not. We also suggest that the question of applying the same provisions prospectively to widows who may have re-married in the past may be considered separately by the Government.

CHILDREN ALLOWANCE

Present Position

163.14 Children allowance at Rs. 150/- per month per child for Officers and at Rs. 100/- per month per child for PBOR, is presently granted in case of Liberalised Pensionary Awards under the following conditions :

1. if the widow remarries a person other than the brother of the deceased
2. if the serviceman is survived not by a wife but only children, all children together are granted SFP at childless widow rates and children allowance in addition,
3. in case of second life award, after 7 years.

Our recommendations

163.15 It has been suggested that Children Allowance should be enhanced to Rs. 500 p.m. and rates thereof may be revised whenever pensions are revised. We have examined the existing conditions of applicability of the allowance, and in view of the proposed rationalisation of special family pension rules and provisions

on re-marriage of widows, we recommend that the children allowance may be abolished.

Disability Pensionary Awards

INTRODUCTION

General

164.1 Armed Forces personnel retired/invalided out from service on account of disability attributable to or aggravated by such service and assessed at 20% or more on retirement/invalidment are awarded a disability pension. While the basic scheme of disability pension corresponds to the scheme for civilians, the distinctive feature is that disability element for service personnel is fixed at flat rates while civilians are granted disability element at a percentage of pay equal to admissible family pension.

Types of Disability pension

164.2 The various kinds of disability pensionary benefits include i) Disability Pension, ii) Invalid Pension/Gratuity and iii) War Injury Pension. The disability pension comprises service element and disability element. The service element is determined with reference to service rendered at the time of invalidment and disability element is determined with reference to the degree of disablement. Invalid pension is granted to Armed Forces personnel invalided out of service on account of causes neither attributable to nor aggravated by military service, after completion of 10 years of service but before minimum period for grant of pension. If the period is less than 10 years, invalid gratuity is paid. War Injury Pension is paid to service personnel boarded out of service after sustaining injuries in war or warlike conditions as specified by Govt. from time to time.

Disability Pension - Sanctioning Procedure

164.3 In cases considered for sanction of disability pension to service personnel, a Release Medical Board is held in Military Hospitals. The Medical Board proceedings are then sent to Army Hqrs. in the case of officers and to the Record Office in the case of PBOR. In the case of officers, Army Hqrs. in consultation with the Medical Advisor (Pensions) in the DGAFMS forwards the case to the Government for notification of disability pension and on the basis of the Govt. sanction, disability pension is authorised by CCDA(Pensions). In the case of PBORs the medical board proceedings are sent alongwith the pension documents to the CCDA (Pensions) for adjudication of the claim in consultation with the Medical Adviser (Pension) (also under DGAFMS), stationed for this purpose in the office of the CCDA(P) Allahabad. The Medical Adviser recommends sanction of disability pensions based upon the degree of disability and

its attributability to or aggravation by military service after which the CCDA (Pensions) notifies the disability pension. If an individual desires to appeal against the decision, two appellate boards exist, the first at the level of Deputy Secretary (Pensions) and the second at the level of Raksha Mantri, which has RRM, Defence Secretary, Chief of Staff, DGAFMS and FA(DS) as its members

DISABILITY PENSION

Service Element 164.4 Based on the Fourth CPC's recommendations, service element for both officers and personnel below officer rank is fixed at retiring pension admissible at the time of invalidment, after including weightage, even if actual length of service does not qualify for pension. In case of PBOR, service element is computed at not less than 2/3rd of minimum retiring pension. However, in case of injuries sustained by PBOR while on flying or parachute jumping duties or while being carried on aircraft, minimum pension of the rank and group is granted even if service rendered is less than 15 years. In all cases where the disability is assessed at 20% or less and the personnel is boarded out, only service element is paid.

Disability Element 164.5 The amount of disability element depends on the degree of disability assessed by the medical board. The rates of disability element for 100% disability admissible over the years is tabulated below:

Rank	Pre IIIrd CPC	After IIIrd CPC	After IV CPC
(in Rupees per month)			
Officers	170	200)	750
Honorary Commissioned Officers	142.50	170)	
Subedar Major	105)	110)	550
Subedar	90))	
Naib Subedar	65))	
Havildar	48)	60	450
Naik	40)		
Sepoy	35	45	

For disabilities less than 100% but not less than 20%, the rates are proportionately reduced.

*Armed Forces
Proposals*

164.6 The Armed Forces have suggested that :

- I) the concept of 'non-attributability' of disability to service may be removed and all injuries/ disabilities in peace conditions should

- ii) It has also been proposed that the service element should continue as it exists and disability element may be revised as under:

a)	For OR/NCs(E)	- Rs.1800/- p.m
b)	For JCOs	- Rs.2200/- p.m
c)	Officers and Hony. Commissioned Officers	- Rs.2900/- p.m

*Our
recommendations*

164.7 We have considered the above demands and are of the opinion that the condition of 'attributability' is inherent in the scheme where government is expected to bear the liability of higher compensations. Therefore, we suggest retention of the concept of 'attributability' of disability pension. However, we have suggested further classification of the scheme of disability pensions for civilian employees and have suggested that for disability sustained due to an accident while on duty or due to a violent action which need not necessarily take place while on duty service element without any depression i.e. at 50% of the reckonable emoluments may be paid. We suggest that for service personnel also the service element may be calculated in this manner under identical conditions. For other cases of disability, service pension may continue to be calculated on the basis of service rendered and subject to the existing conditions. With regard to the disability element, for civilians the disability element is granted at admissible family pension which is calculated on the basis of percentage of pay. We feel that calculation on the basis of percentage of pay may be more beneficial to the serviceman also. However, keeping in view the present minimum disability element for 100% disability admissible to other ranks as compared to minimum disability element of Rs. 375/- available to civilians, we feel there is a need to fix a suitable minimum disability element for Service personnel as distinct from the minimum for civilians. Therefore, in order to ensure uniformity and to provide a higher benefit, disability element for Service personnel may also be calculated as a percentage of pay i.e. equal to the admissible ordinary family pension but subject to a minimum of Rs. 1350 as disability element for 100% disability.

*Degrees of
Disability*

164.8 We also feel that some rationalisation with regard to the degree of disablement is also required as the existing system is prone to delays. We suggest that for personnel boarded out of service due to disability attributable to service, the minimum disability element should be reckoned as 50% irrespective of what it actually is and where an individual can be retained in service with transfer in trade, remustering etc, the Armed Forces may, if possible, make provision to retain him till he completes his term of engagement, especially if the disability is of such a nature that is capable of improvement. However, we would not like to compromise on the requirement of physical fitness in the Armed Forces and would, therefore like to suggest that where it is not feasible to retain such personnel, a minimum disability element calculated at 50% may be paid. For individuals who are boarded out and degree of disability is assessed between 50% and 75%, disability element may be authorised at 75% and for more than 75% disability, the element should be calculated at 100%. Thus there will be a broad-banding of the extent of disability and the likelihood of mistakes on disagreements would be minimal.

*Other
Suggestions*

164.9 A suggestion to provide all Medical Board papers to personnel whose claim has been rejected has also been made. We find that the present position is that papers are provided to the Board considering the appeal which, in our opinion, is reasonable. **We therefore, recommend that a communication indicating that the claim has been rejected and the reasons thereof only may be provided to the individual.**

*Re-assessment of
Disability*

164.10 The Armed Forces have also represented that the existing system of reassessment of disability after specified periods of time leads to considerable delays, thereby causing unnecessary hardship to the disabled pensioner. They have suggested that disability as stated in the Release Medical Board should be treated as final unless the individual requests for a review. We have considered this aspect and agree that the existing system is prone to delays and since the personnel has been boarded out on the basis of the disability constant compensation is justified. We have already suggested rationalisation of the existing system of percentage of disability and in our opinion the scope for change in degree of disability would be minimised. We have also suggested that for disability capable of improvement, provision to retain personnel should be made. Considering all these, **we agree with the proposal that disability once assessed may be treated as final unless the individual himself requests for a review.**

*Disability
Pension on
Voluntary
Retirement*

164.11 As regards the suggestion that disability pension be made admissible to personnel proceeding on voluntary retirement, since we have not suggested any change in the concept of boarding out due to 'attributable' disability, **we feel that the existing provisions are reasonable and do not require any change.**

*Capitalised Value
of Disability
Element*

164.12 We have been informed that in case an Armed Forces personnel is found to have a disability which is accepted as attributable or aggravated by service and is assessed at 20% or more for life but the individual is retained in service despite such disability, he is paid compensation in lumpsum in lieu of disability element. The rank for disability element in this case is the rank at the time of onset of disability and age next birth day is reckoned with reference to date of onset of disability with loading for age, if any, recommended by the Medical Board. Once a compensation for this has been paid, further entitlement to disability element for the same disability ceases and no pensionary benefit is granted on this. We recommend that this system may be continued but for personnel retained in service, capitalised value of disability element should be paid on the basis of disability actually assessed and not at a minimum of 50% since these personnel enjoy the benefits of continuing in service.

CONSTANT ATTENDANCE ALLOWANCE

*Our
recommendations*

164.13 Armed Forces personnel in receipt of disability pension for 100 percent disablement are granted constant attendance allowance, if in the opinion of the invaliding/resurvey board such services are required. The existing rate of the allowance is Rs. 300 per month. It has been suggested that Constant Attendance Allowance be revised to twice the minimum wage applicable to Gp. D civilian of Central Govt. to cater to two attendants for round-the-clock attendance. In view of the fact that Constant Attendance Allowance is only admissible to personnel with 100% disability and is granted if medical board accepts the necessity of constant

attendance, we recommend that the present rate be doubled to Rs.600/-per month.

INVALID GRATUITY

Invalid Gratuity 164.14 The rates of invalid gratuity are half month's emoluments for each six-monthly period of service. DCRG is paid in addition to invalid pension/gratuity if minimum service of 5 years has been rendered. **We suggest no change in the scheme.**

WAR INJURY PENSION

Present Position 164.15 Based on the recommendations of Fourth CPC, War Injury Pay has been renamed as War Injury Pension and revised to reckonable emoluments last drawn for 100% disability. Where disability is less than 100%, War Injury Pension is proportionately reduced. However, no reduction below 60% of emoluments and below 80% of emoluments is made for officers and PBOR respectively, even if the disability is assessed at below 20%. In addition, to War Injury Pension, Retirement Gratuity is also paid counting service upto retirement age for the rank plus weightage of 5 years (not exceeding 33 years) War Injury Pension can also be commuted.

Armed Forces Proposals 164.16 With regard to War Injury Pension the following proposals have been made by the Armed Forces:

1. War Injury Pension be renamed as War/Operation Injury Pension and made admissible during war, operations, field service, sea/submarine service, Internal Security duties, handling live mines/ explosives/ammunition, aircraft/diving/para jumping accidents/battle inoculation and training exercises. It has also been suggested that it should automatically be applied without special Govt. notification.
2. War Injury Pension should be the salary last drawn but not less than the salary of a Naik in the case of a PBOR; in the case of NCs(E) it should be that of a Findal and for officers that of a Lt. Col. (TS).
3. War Injury lumpsum compensation for those retained in service despite injury should be double the rates of Disability Element of Disability Pension.
4. There should be no bar on grant of war/operation/ injury award on voluntary retirement.

Authority for determining applicability

164.17 We have considered the demands and find that on the civilian side the Administrative Ministry determines if provisions of liberalised disability pension are applicable in a particular case. This is sought to be changed to the pension sanctioning authority. It is suggested that for Armed Forces personnel also the pension sanctioning authority may be authorised to determine if provisions of war injury pension are applicable for individual accidents etc.

However, at present a Govt. Order notifying the operation as eligible for grant of liberalised disability pension is issued. This practice may continue.

Rate of Pension 164.18 War Injury Pension is granted on the basis of reckonable emoluments last drawn. No change in existing position is recommended, as in our view the compensation should not be more than the pay drawn by the personnel.

Lumpsum Compensation 164.19 At present lumpsum compensation for disability element in war injury cases is calculated at double the rate of ordinary disability pension. In view of the changed scheme suggested for disability pension, we recommend that for lumpsum compensation for War Injury Disability, double the rate of Ordinary Family Pension may be reckoned for calculation of lumpsum amount. The minimum amount for such cases should be Rs.2700/- for 100% disability.

Voluntary Retirement cases 164.20 War Injury Pension need not be extended to personnel proceeding on voluntary retirement as it is a special compensation for personnel boarded out of service on account of injuries sustained in battle. For personnel retained in service inspite of the disability, lumpsum compensation is admissible or they are allowed to give an option and even while opting for pension they are expected to serve till the age of superannuation.

PROCEDURAL CHANGES

Demand 164.21 The Ex-servicemen's bodies have demanded that the authority to determine the attributability of disability to military service should be the commanding officer against the present system of adjudication by CDA (Pensions) for PBOR and Ministry of Defence for Officers.

Our recommendations 164.22 We have studied this aspect and find that there is considerable delay in finalisation of disability pension cases due to the present cumbersome procedure and the requirement of having to send each case to the Ministry or to the Chief Controller of Defence Accounts (Pensions). While the benefits of having uniformity in application are undeniable, Medical Adviser (Pensions) does not physically examine the personnel but adjudicates on the basis of the reports of the Medical Board. We have already suggested that for personnel boarded out of service due to disability attributable to service, minimum disability element should be 50%, for disability between 51 and 75%, 75% should be paid and between 76 and 100%, 100% rates should be paid. This would lead to considerable broadbanding and simplification. In view of this we suggest that authority to determine attributability may be vested in the authority next higher to the Commanding Officer.

Services proposals 164.23 It has been suggested that for cadets at Service academies who are killed/disabled during training an ex-gratia award of Rs. 2.5 lakhs may be granted and the system of grant of pension on an adhoc basis depending on merits of each case should continue.

Our recommendations 164.24 We have been informed that Govt. have recently in April 96 sanctioned the following ex-gratia amounts to cadets killed/disabled during training due to causes attributable to or aggravated by military training:

In Disability cases

- a) ex-gratia amount of Rs.375/- p.m. for life as service clement
- b) Rs.600/- p.m. for 100% disability

In Death Cases

For married personnel:

- a) ex-gratia amount of Rs.600/- p.m. to widow/children of the deceased

For unmarried personnel:

- a) Rs.375/- p.m. to dependent parents/brothers/sisters

164.25 We have considered the issue and recomend the following revised compensation in cases of death/ disablement while in Service Academies :

1. For death cases a) an ex-gratia amount of Rs.2.5 lakhs may be paid, b) for married personnel an ex-gratia of Rs.4000/- p.m. may be paid in addition, and c) for unmarried personnel, an ex-gratia of Rs.2000/- p.m. may be paid.
2. For disabled cadets, it is proposed that an ex-gratia of Rs.3000/- p.m. for 100% disability may be granted.

The condition of attributability to military service would continue to apply as at present

Past Pensioners

INTRODUCTION

General 165.1 There are about 16.5 lakh defence pensioners belonging to various periods of retirement and drawing pensions on the basis of Govt. Orders issued from time to time. We have received proposals with regard to past pensioners both from the Armed Forces and from the prominent Ex-servicemen's Bodies. The various demands made with regard to past pensioners have been considered in the succeeding paragraphs.

Comparison with Civilian pensioners 165.2 We find that the Armed Forces and civil pensioners were treated similarly till 1992 and similar benefits were given to the two categories. However, in 1992, a new element called 'One Time Increase' was granted to Armed Forces pensioners, which reduced the gap between past and present pensioners to a considerable degree. No such benefit was extended to civil pensioners.

PARITY IN PENSIONS

One Rank One Pension 165.3 One of the major demands of the past pensioners has related to grant of One Rank One Pension. One Rank One Pension implies that in the existing situation pre 1.1.1986 retirees get the same rates of pension as post 1.1.1986 retirees by matching the three factors that govern the pensions of ex-servicemen i.e. rank, length and the trade group (in case of PBOR only). Any future increase in pension would automatically apply to past pensioners.

Historical Background 165.4 We have analysed the demand and find that the issue of grant of One Rank One Pension has been considered by the Govt. from time to time. The Estimates Committee (1980-81) on resettlement of ex-servicemen noted that disparity in pension between past and present pensioners of equal rank was inequitable and recommended that the matter should be examined and a just solution found to end this disparity. Thereafter, this issue was raised in 1984 by

the High-Level Empowered Committee on the problems of ex-servicemen headed by Shri K.P. Singh Deo, the then Minister of State for Defence. This Committee recommended that the Fourth CPC may consider the issue particularly in the light of the principle established regarding pension of Judges of the Supreme Court and High Court. The Fourth Pay Commission considered the issue and stated that the amount of pension undergoes changes as and when pay scales are revised and any attempt to equalise pension with reference to the revised scales of pay would amount to retrospective application of pay scales.

*Sharad Pawar
Committee
Report*

165.5 In 1990 Government appointed a Committee to consider the issue of 'One Rank One Pension'. However, this Committee's recommendations could not be implemented due to change in Govt. Subsequently, a High Level Empowered Committee chaired by the then Defence Minister, Shri Sharad Pawar, was formed in 1991. This Committee observed that the terms and conditions of service of Armed Forces Personnel were distinct and as such a special dispensation for them was required. Based on this, grant of a One Time Increase (OTI) was recommended on the following lines:

a) Sepoy Pensioners

- i) Grant of benefit of 18 years service to all retiring on or after 1.1.1986.
- ii) Pre and Post 1.1.1973 retirees brought at par and stepped up by neutralising 95% differential between post 1.1.86 and post 1.1.73 rates of pension.

b) NCOs/JCOs/Honorary Commissioned Officers - Pension of post 1.1.1986 retirees reduced in a graded manner by Rs.10/-p.m for 15 yrs service and by additional Rs.2/- p.m for additional years of service upto 24 yrs of service. The difference between existing pension and revised pension so arrived at was rounded off to the lower multiple of 5 and granted as OTI.

c) Officers:

- i) Pre 1.1.1973 pension stepped upto post 1.1.1973 level.

Officers Below Colonel

- ii) Pension further raised by giving benefit of 33 years as system of weightage only started from 1.1.1973. The revised consolidated pension (RCP) was thereafter determined with reference to improved original pension and difference between this RCP and existing pension granted as One Time Increase.

*Categories
covered by OTI*

165.6 Initially the provisions did not apply to State Forces Pensioners, Territorial Army Pensioners, Pensioners in receipt of service element or invalid pension, battle casualty pensioners, Pakistan pensioners, Burma pensioners, Re-employed pensioners, King's Commission Indian Officers etc. In 1994 the provisions were extended to the above categories. Re-employed pensioners were granted pension in a graded manner depending on the number of years spent in re-employment with 100% OTI for those who spent less than one year in re-employed

service and no OTI for those with 10 years or more of re-employed service. However, certain categories like reservist pensioners, DSC pensioners and pensioners drawing two pensions were not covered.

Demands

165.7 It has been stated by the Services that the principle of parity in pensions between pre- and post-86 retirees for ranks upto Nb/Sub with 24 years of service has already been accepted. They have suggested that application of this principle be extended to all remaining categories including officers without any restrictions on length of service. In addition the same formula must be applied to family pensioners as also remaining categories of pensioners. The pension as calculated above should be improved in the same ratio as the pay is improved. Various other demands have also been made for grant of full parity with future retirees.

Our Recommendations

165.8 We have examined the various demands and our approach to the issue of parity in pensions has already been outlined while considering the civilian employees. A similar approach would also apply to Armed Forces personnel. While it is agreed that the gap between past and future pensioners should be narrowed down, it is pertinent to note that every Pay Commission gives certain benefits in pay which are over and above the impact of inflation. The additional benefit is given either due to upgradation of recruitment qualifications or change in job content etc. The benefit accrued on this account need not necessarily be passed on to pensioners. Keeping all these factors in mind and taking a cue from the Sharad Pawar Committee Report, the following recommendations for Armed Forces personnel are made:

Recommendations for Officers

ii) With the grant of One Time Increase, all officers retiring before 1.1.73 have been brought on to post 1.1.73 levels of pension. Going by the principle followed by the OTI Scheme, total parity may now be brought between pre-1.1.1986 and post-1.1.1986 retirees by notional fixation of pay in the post-1.1.86 scales and the notional revised pension be worked out on the basis of this pay. Thereafter, for all pre-1.1.1996 retirees the fitment formula suggested for past civilian pensioners i.e., Basic Pension + Dearness Relief + IR1 + IR2 + 20% of Basic Pension, may be applied. If the resultant figure falls short of the minimum pension applicable to the post-1.1.96 retirees for the rank held, it may be stepped up to the minimum pension prescribed for the rank.

Recommendations for PBOR

ii) As far as PBOR are concerned, there is at present a defined pension structure based on rank, groups and qualifying service. The grant of One Time Increase has brought pensions of pre 1.1.86 retirees almost upto post 1.1.86 levels particularly for those who have rendered less than 25 years of service. However, the scheme of rounding off to the lower multiple of 5 while calculating OTI has resulted in an extremely complicated structure. In the case of PBOR, the need for notional fixation of pay does not exist in view of the existence of pension tables. Therefore, for PBOR all pre 1.1.86 pensioners may be brought on to post 1.1.86 levels by bridging the present gap in the pension tables and the same fitment formula on pension

as for officers may be applied. If the resultant figure falls short of the minimum pension for the rank and group for post-1.1.96 retiree it may be upgraded to that level.

165.9 As a result of these recommendations all pensioners who retired before the date of implementation suggested by us will be granted total parity but the additional benefits suggested by us for future pensioners would not be fully available to them.

*Other
Suggestions*

165.10 As regards the other suggestions made with regard to extension of the OTI scheme to **re-employed pensioners, DSC personnel, personnel granted two pensions, in the new scheme proposed by us all these categories will be covered.** With regard to family pensioners, our recommendations made with regard to past civilian family pensioners would also apply to family pensioners of Armed Forces personnel.

DEARNESS RELIEF TO RE-EMPLOYED PENSIONERS

*Present
Position*

165.11 At present re-employed pensioners are not granted Dearness Relief on pensions. It has been suggested that dearness relief should be granted to re-employed pensioners, as present pension is a continuous process of basic pension and Dearness Relief getting merged and in effect dearness relief is nothing but a part of pension.

Our Recommendations

165.12 We have considered the issue and feel that for PBOR who are re-employed, since their pay is fixed at the minimum of the pay scale of the post to which re-employed, there could be some justification for grant of dearness relief on pensions also. **We therefore recommend that for re-employed PBOR, dearness relief on pension may also be granted.** For re-employed officers, since pay is fixed at the same level as pay last drawn, no dearness relief may be granted.

RESERVIST PENSION

Proposal

165.13 Prior to 1968, the soldier after completing his reserve and colour service, at the time of discharge, had the choice of either opting for pension or retiring benefits. After 1968, every body was granted pension only. It has been suggested that all such pensioners who did not opt for such pension should be granted pension, since widows of such reservists have been given ex-gratia of Rs.150/- p.m by the Govt. w.e.f 1.1.1992.

Our Recommendations

165.14 We have considered the demand and in view of the possible repercussions on employees who have commuted their pension fully, **we recommend grant of some ex-gratia to be considered by Ministry of Defence, only in case of reservists who did not opt for grant of pension and have not availed themselves of the benefit of rehabilitation assistance granted by the Govt. and are not in receipt of any other pension.**

OTHER SUGGESTIONS

Widows of Pensioners drawing two pensions

165.15 The Armed Forces have suggested that widows of personnel who have earned two pensions, should be authorised all earned pension. We find that till 1992, widows of such ex-servicemen were only entitled to pension earned due to civil employment. On the recommendations of the High Level Empowered Committee, the option to draw the higher of the two pensions was made available. We feel that the position is reasonable and **do not recommend any change.**

Means Limit for Dependent Pension

165.16 Prior to Fourth CPC, dependant's pension to family of Service Officers was granted based on prescribed means limits. Based on Fourth CPC's recommendations, the condition regarding means limit was done away with and revised orders were made applicable to cases occurring on or after 1.1.86. The Armed Forces have demanded abolition of 'Means' condition for cases where death took place before 1.1.86 also.

Disability Pensions

165.17 We have considered the issue and suggest **no change in the existing position.**

165.18 Prior to 1973, the service element of disability pension was only granted on completion of minimum prescribed service. After 1973, the condition was done away with and the service element is granted even if disability element falls below 20%. It has been proposed that individuals who were discharged from service on medical grounds before 01 Jan 73, be also entitled to a Service element based on length of service rendered even if their disability is assessed to be less than 20% by the subsequent Re-survey Medical Boards.

Jangi Inam and Compassionate Allowance

165.19 We have examined the issue but are unable to agree to the suggestion.

165.20 Suggestions on revision of rates of Jangi Inams which were granted to World War Veterans and monthly compassionate allowance granted to some State Forces personnel have also been made. We have considered these suggestions and since Jangi Inams have been revised only recently to Rs.100/- per month in pursuance of recommendations of the Committee on Remainder Problems of Ex-servicemen (1994), we do not suggest further enhancement at this stage. As regards compassionate allowance, we **suggest that the issue may be considered by the Ministry of Defence** as these personnel have not rendered the minimum pensionable service.

World War II Veterans

165.21 It has been suggested that World War II Veterans who were demobilised before earning normal pension and are in financial difficulties may be granted a sum of Rs.500/- per month or minimum pension. We find that the Committee on Remainder Problems of Ex-servicemen had gone into the issue and suggested that while 'pension' cannot be given without linkage to qualifying service, some financial assistance under the ongoing welfare activities/schemes could be provided by enhancing the existing corpus of welfare funds of Kendriya Sainik Board and utilising the interest therefrom for this purpose. We have been informed that a Committee under Addl. Secretary, Ministry of Defence has been appointed to define the term World War II veterans, identify their total number and

make recommendations in keeping with the financial, social and other implications related to the proposal, estimate the magnitude of funding required and identify alternative source of funding other than the defence pensions grant. **We recommend that the report of the Committee may be expedited.**

*Consolidation of
pension*

165.22 We have also received some suggestions with regard to consolidation of pension for pre 1.1.86 retirees drawing two pensions. We have gone into the issue and **do not recommend any change in the existing scheme.**

Ex-Servicemen

INTRODUCTION

General

166.1 To achieve the objective of maintaining a youthful profile, Armed Forces personnel are retired at a comparatively young age. Service officers are retired between the ages of 50 and 60 years depending on rank, JCOs and NCOs retire between 47 and 52 years and other ranks retire between 35 and 40 years. Considering the need for resettlement arising from such early retirement the Government has taken measures to ensure proper rehabilitation of ex-servicemen.

EXISTING PROVISIONS FOR RESETTLEMENT

*Agency for
Monitoring
Resettlement
Programmes*

166.2 The Director General of Resettlement (DGR) is the nodal agency for formulation and execution of resettlement programmes for ex-servicemen. Resettlement programmes consist of the following activities:-

- (a) Training programmes for equipping Service personnel to take up civil employment.
- (b) Re-employment in Central and State Governments and Public Sector Organisations.
- (c) Assistance for self-employment, which includes financial assistance for setting up SSI units, for transportation ventures, for agricultural and allied activities and for setting up village industries.

Sainik Boards

166.3 A Kendriya Sainik Board(KSB), under the Chairmanship of the Raksha Mantri, has been established for laying down general policy for the welfare of Ex-Servicemen and their dependants, for the administration of welfare funds and also for coordinating the work of the Rajya Sainik Boards. At the State level, the Rajya Sainik Boards and at the District level the Zila Sainik Boards have been established to carry out various welfare activities. The Govt. of India bears 50% of the cost of the state and district level bodies, the other half being borne by the

respective State Governments.

*Provisions for
Resettlement*

166.4 Civil employment constitutes the principal mode of resettlement of ex-Servicemen. The Central and State Governments provide educational and age concessions to promote employment of ex-Servicemen in civil posts. They have also provided reservation in posts and priority in employment for ex-Servicemen. In addition, various trades in which PBOR have been trained have been given suitable equivalence to civilian trades and many qualifications have been equated with civil qualifications to facilitate their employment.

166.5 Reservation of posts under the Central and State Governments has been provided as under:-

(a) Reservation under Central Government/Public Sector Undertakings (PSUs):

Post	Govt Departments	PSUs/Nationalised Banks
Group C	10%	14.5%
Group D	20%	24.5%

In addition, 10% of the posts of Asstt. Commandants in Para-Military Forces are reserved for ex-Servicemen. All posts in Defence Security Corps are exclusively reserved for ex-Servicemen.

(b) Reservation under State Governments: Various State Governments have provided reservation for ex-Servicemen ranging between 2% to 20% in Group 'C' and 'D' posts. Important States which have provided reservations for ex-Servicemen in Group 'A' and 'B' posts are H.P. (15%), Karnataka (10%), Haryana (5%) and Punjab (14%). State Government of Rajasthan has reserved 60% of Group 'B' posts in Armed Police for ex-Servicemen.

*Relaxation
in Age*

166.6 We find that for appointment to posts that are filled in Group C and Group D in the Central Govt. the ex-servicemen are eligible for relaxation in the upper age limit to the extent of military service rendered by them plus three years. The same concession is available to the ex-servicemen and commissioned officer including ECOs/SSCOs for appointment to any vacancy in Group A and Group B services/posts filled by direct recruitment other than on the basis of an open All India Competitive Examination.

166.7 As regards appointment to any vacancy in Group A and Group B services/posts filled by direct recruitment on the results of an All India Competitive Examination held by the UPSC, the ex-servicemen and commissioned Officers including ECOs/SSCOs who have rendered at least 5 years' service and have been released on completion of assignment or on account of physical disability attributable to military service or on invalidity, are allowed maximum relaxation of five years in the upper age limit.

RESETTLEMENT OF EX-SERVICEMEN

Demands

166.8 Resettlement of Ex-servicemen continues to be one of the major concerns of the Armed Forces. We have received a number of suggestions in this regard which have been summarised below:

- 1) Transfer on retirement to Para Military Forces and other Govt. Undertakings so that Armed Forces personnel can serve till 58 years of age;
- 2) Setting up of a Resettlement Commission;
- 3) Statutory Reservation for ex-servicemen in Govt. jobs including all Govt. aided institutions;
- 4) Change in present system of reservations to 20% posts in Gp. 'C' posts and 10% in Gp. 'D' posts; and
- 5) Higher officiating status for Ex-servicemen employed in lower posts.
- 7) Grant of antedated seniority to re-employed military pensioners.

*Earlier
Opinions*

166.9 We find that various Committees have gone into the problems of rehabilitation and welfare of ex-servicemen. A high level Committee in 1984, under the chairmanship of the then Minister of State for Defence, conducted a comprehensive review of the work done in this regard. The Sharad Pawar Committee in 1991 recommended grant of 'One Time Increase' to bridge the gap between past and present pensioners and an-Inter Ministerial Committee in 1992 considered various other demands of ex-servicemen. This Committee recommended revision of rates of gallantry awards, augmentation of medical facilities, revision of financial assistance for treatment of serious diseases, duty free import of therapeutic gadgets for disabled personnel besides other recommendations with regard to resettlement.

Steps taken

166.10 We have been informed that a number of suggestions made by the 'Committee on Remainder Problems of Ex-Servicemen' have already been implemented and the issues of appropriate change in colour service, lateral induction to Central and State Government, PSUs and reservation in Group 'A' and 'B' vacancies in Government are under consideration. Ministry of Industry has also advised all Ministries/Departments/PSUs regarding appointment of security personnel from Ex-Servicemen security agencies sponsored by DG, Resettlement.

*Utilisation of
Schemes*

166.11 We have examined the various suggestions made with regard to resettlement of Ex-servicemen in the context of the existing schemes and earlier opinion on the subject. We find that the actual utilisation of these schemes has been inadequate. The reason for under-utilisation of reserved vacancies are two fold (1) ex-servicemen after putting in a number of years in the Armed Forces already earn pension and prefer to stay nearer their home place and (2) no benefit of seniority is granted for military service rendered. Besides, there exists a need for proper monitoring of the various resettlement provisions so as to ensure better utilisation of the rehabilitation schemes. **We feel that purposive efforts should**

be made by the government to facilitate resettlement of Armed Forces personnel after retirement. Our specific suggestions in this regard are outlined below.

*Lateral Shift
to CPOs*

166.12 It is understood that the question of lateral induction of Armed Forces personnel to other organisations is under consideration in the Ministry of Defence. We have examined the issue of lateral shift to other organisations in the context of Armed Forces proposal to reduce colour service to seven years and laterally shift personnel to other organisations. While we have elsewhere recommended shifting from combat groups to support groups, in the long term perspective, the lateral shift from Armed Forces to organisations like Central Police Organizations (CPOs) has the advantage of keeping the Armed Forces young as well as reducing the defence pensionary liability and training costs of CPOs. We feel that it may not be in the best interests to recommend direct lateral transfer of all personnel required by CPOs from the Armed Forces and it may also not be possible to provide matching vacancies for all retired service personnel. However, there may be certain advantages in inducting a higher percentage of personnel from the Armed Forces. **We therefore recommend increase in the percentage of reservation in Group 'C' and 'D' posts in CPOs to 25% and recommend lateral transfer to this extent.** If the induction is available after 7 years service, instead of the present scheme under which it is available after completion of terms of engagement, the response may be better. We also suggest that pay may be protected (since no pension will be admissible) and service rendered may be counted. With regard to reservation in Group A posts in CPOs, **we suggest that 25% of the posts of Assistant Commandants in CPOs should also be filled in the same manner and pay and seniority may be similarly protected.** Therefore percentage of reservation at this level may also be increased from the existing 10% to 25%. This may particularly be made available to Short Service Commissioned officers.

*Recruitment
Procedure*

166.13 For recruitment to posts in CPOs to be filled by these Ex-servicemen, **we suggest setting up of a Joint Recruitment Board consisting of representatives of CPOs and Armed Forces Headquarters so as to jointly select officers/men who would render seven years service in the Armed Forces to be followed by lateral shift to CPOs.** The setting up of a Joint Recruitment Board would also ensure that proper quality of personnel suitable for both Services and CPOs are recruited. The protection of seniority is being suggested only in the context of this recruitment for lateral transfer to CPOs at a later date, and will not apply to appointment of ex-servicemen in other departments.

*Committees for
Monitoring*

166.14 In order to monitor the implementation of various schemes for resettlement of ex-servicemen, the creation of two Committees is suggested. **The first Committee may be formed at the level of Raksha Rajya Mantri and may include the Defence Secretary, Home Secretary and Secretary DOPT as well as Chief of Army Staff.** This Committee may meet once in four months to review the progress of rehabilitation. **The second committee may be formed consisting of Addl. Secretary, Ministry of Defence, Jt. Secretary (Police) in MHA, Jt. Secretary in DOPT, Director General (R) and representatives of the Services to meet once a month to coordinate the implementation of schemes.**

DEFINITION OF EX-SERVICEMEN

*Ex-servicemen
Status to
personnel
released before
completing
Terms of
Engagement*

166.15 As per the definition laid down by DOPT which governs the eligibility of the retired defence service personnel for the status of ex-Servicemen, the personnel discharged at own request/ compassionate grounds were eligible to the status of ex-servicemen till 30 June 87 if they had served for a continuous period of not less than 5 years after their attestation. It has been suggested that personnel released before completion of colour service should also be defined as Ex-servicemen.

Our Views

166.16 The High Level Committee appointed by the Govt. of India under the Chairmanship of Shri K.P. Singh Deo in 1984 to look into the problems of ex-Servicemen observed that a large number of personnel were taking advantage of the lenient definition of ex-servicemen by seeking premature retirement from the service. The Committee had suggested that the definition of ex-servicemen should be made more stringent so that only deserving personnel got the status of ex-Servicemen. The revised definition of ex-Servicemen recommended by the High Level Committee had, therefore, excluded the personnel discharged at own request/compassionate grounds without grant of pension from the definition of ex-Servicemen even if they had served for a minimum period of five years. Accordingly, the revised definition laid down by DOPT effective since 01 July 87 also excluded this category from grant of Ex-servicemen status. **In view of this, we do not feel the need for revising the existing definition to include the above category.**

TERMS OF RE-EMPLOYMENT OF EX-SERVICEMEN

*Terms for
Officers*

166.17 At present, if service officers are re-employed with Government or PSUs, their pay is fixed at the same stage as pay last drawn before retirement and the amount of pension ignored is Rs.500/- per month. The Ex-servicemen's bodies have contended that denying re-employed officers their full military pension if they take up re-employment with Govt. is not justified.

*Our Recommen-
dations*

166.18 We have considered the issue and feel that both in the case prior to re-employment and after re-employment, the employer is the Govt. and benefit of reservation for re-employment has been made available. Pay on re-employment is also fixed at pay last drawn. In view of all these considerations, ignoring full pension on re-employment may not be justified. **However, it is suggested that ignorable pension be enhanced from Rs.500/- p.m. to Rs.1500/-.**

*Counting of
Military
Service*

166.19 It has also been suggested that all re-employed ex-servicemen should be given benefit of their past military service for both increment and promotion. Short Service Commissioned officers on reappointment in Govt. Service should be accorded seniority as was being done for Emergency Commissioned Officers.

*Views of
Committee on
Ex-servicemen*

166.20 The Committee on Remainder Problems of Ex-servicemen had recommended that since pensionary benefits are granted to ex-servicemen, it will

not be correct to grant double benefit by counting previous service for seniority and increment and certain categories can be granted seniority and increments provided they forgo pensionary benefits.

Our Recommendations

166.21 We find that PBOR have been allowed to ignore the entire pension while fixing pay on re-employment as a result of which pay is fixed on minimum of pay scale. Majority of ex-servicemen re-employed in Govt. are appointed against vacancies reserved for ex-servicemen. **We therefore do not propose any change in the existing scheme of pay fixation for PBOR.**

Short Service Commissioned Officers

166.22 As regards Short Service Commissioned Officers, (SSCOs) the Committee on Remainder Problems of Ex-servicemen had recommended counting of previous service. Ministry of Defence has intimated that DOP&T did not agree with this recommendation as they felt that there was no justification for allowing the benefit of seniority to SSCO's who are recruited after 1964. **In view of this, we do not recommend any change in the existing position as it may lead to problems of seniority fixation etc. However, with the implementation of the proposed scheme for lateral transfer to CPOs, the aspect of seniority would be taken care of.**

TERMINAL BENEFITS OF SSCO's

Proposal

166.23 It has also been proposed that terminal gratuity for SSCO's be enhanced to equal one month's emoluments for each completed half-year's service against the existing 1/2 month's emoluments for a similar period.

Our Recommendations

166.24 Since any enhancement of terminal benefits of Short Service Commissioned Officers would have repercussions on civilians who retire before completing pensionable service, **we do not recommend any change in the existing scheme.**

MEDICAL FACILITIES FOR EX-SERVICEMEN

Present Position

166.25 Ex-servicemen and their families and families of deceased service personnel drawing pensions are entitled to free out-patient treatment including medicines in the nearest Armed forces Hospital/MI Room/Sick Bay/Sick Quarter. Indoor patient treatment is provided under the following conditions:

- a) If the disease is not curable.
- b) If beds in hospital are available.
- c) Treatment is limited to facilities available locally.
- d) No conveyance is to be provided.
- e) No special nursing would be admissible.

Demands

166.26 It has been represented that due to increasing load on Military Hospitals, proper treatment to ex-servicemen becomes difficult. In addition, since most ex-servicemen are rural based, majority of them cannot avail of the limited facilities available. The Armed Forces have therefore suggested the following

measures:

- a) Allotment of funds for planned expansion of medical services, to cover the needs of ex-servicemen.
- b) Creation of Veterans' Hospitals in high density ex-servicemen areas with specialists in old age diseases.
- c) Ex-servicemen wards/beds in civil hospitals, to be co-ordinated by Kendriya Sainik Boards with State Govts. on cost sharing basis.
- d) Ex-servicemen and families be entitled to the same medical facilities as are admissible to them while in service.
- e) In addition to the measures outlined, grant of medical allowance to those who cannot avail themselves of Military/Civil Hospital facilities due to distance and other location factors, may be considered at the following rates:

Officer - 10% of Basic Pension

JCOs - 15% of Basic Pension

ORs - 20% of Basic Pension

Our Recommendations

166.27 We have examined the issue and are of the opinion that **there is need to augment facilities available for ex-servicemen.** A step towards enhancing medical facilities for ex-servicemen has already been made with opening of MI Rooms and Dental Centres. However, for further augmentation of facilities for ex-servicemen who are residing near Military Hospitals, we suggest that Ministry of Defence may go into the issue and earmark funds for expansion of services. Creation of Ex-Servicemen's Wards in civil hospitals should also be pursued vigorously by Ministry of Defence and liaison with State Govts. be maintained to ensure this. Creation of Veteran Hospitals may be considered by Ministry of Health and Family Welfare. These should be set up where a concentration of civil and military pensioners exists.

Medical Allowance

166.28 In addition, for ex-servicemen in rural areas who cannot avail themselves of military/civil hospital facilities, **it is recommended that a medical allowance of Rs.100/- per month as has been proposed for civil pensioners may be granted.**

OTHER PROPOSALS

Our Views

166.29 It has been suggested that facility of 50% concession for travel by air be extended to Ex-servicemen and rail concession of 50% may also be granted. Certain other suggestions have been made with regard to extension of travel concessions available to Army pensioners attending Regimental/Corps reunions to Naval and Air Force personnel and on grant of travel concessions on transfer from one service hospital to another. A funeral allowance has also been proposed to be introduced for Ex-servicemen. We have gone into all these suggestions but find ourselves unable to accede to the same.