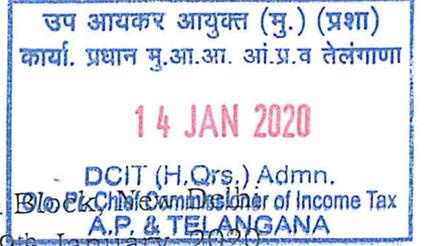


F.No. 38012/2/2020-DP/Per
Government of India
Department of Revenue
Central Board of Direct Taxes



North Block, New Delhi
Director of Income Tax
A.P. & TELANGANA

Dated the 9th January, 2020

To

All the Pr. CCIT/CCA



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Addl CIT (Opn) (ADN)
See para 4 and para
up ATR.

Subject: Clarification on pension on pre-mature retirement-
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Sir/Madam,

I am directed to refer to refer to the subject cited above and to say that the Department has been receiving communication seeking clarification on the disbursal of retirement benefit to those officers who have compulsorily retired under FR 56(j).

2. All the Pr.CCIT/CCA are requested to take action as per G.I.M.F. O.M. No. 7(2)-E.V(A)/75 dated 18.3.1976 and the 17..8.1978 and C&AG's letter No. 523/Audit/37-75 dated 12.5.1976 contained in CCS(Pension) Rules, GOI's Decision on instructions regarding premature retirement para (4) which may be read as under :-

(4) Pension is admissible in addition to pay and allowances (inclusive of HRA and CCA) for the entire period in lieu of notice.- (1) As the Government servant concerned will retire immediately on payment of pay and allowances in lieu of notice, he would be entitled to pension from the date of such retirement and the pension shall not be deferred till after the expiry of the period of three months for which he is paid pay and allowances. In other words, pay and allowances given in lieu of the notice period would be in addition to pension for the said period.

- (ii) The Government servants who are given pay and allowances in lieu of the notice period are entitled to House Rent Allowance and City Compensatory Allowance at the rates at which they were drawing the allowances immediately before retirement.
- (iii) The payment of pay and allowances in lieu of the notice period should be made simultaneously with the order of retirement.
- (iv) The pay and allowances to be given in lieu of notice period would be the pay and allowances drawn by him immediately before retirement. Since he would stand retired immediately on payment of pay and allowances, the question of taking into consideration the date of increment does not arise.
- (v) The three months' pay and allowances given in lieu of notice are salary and therefore, income tax is required to be deducted at source.

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(iv) The Government servant would stand retired immediately on payment of three months' pay and allowances in lieu of the notice period and will not be in service thereafter. Therefore, the question of counting any period subsequent to the date of such retirement for purposes of pension, etc., does not arise.

3. In case, such retired officers are facing any vigilance/administrative/judicial proceedings, provisional pension and other retirement benefits as provided under Rule 69 of CCS(Pension) Rules may be considered/extended in respect of all officers retired under clause (j) of Rule 56 of Fundamental Rules.

4. A compliance report may be sent to the Board within 7 days from the date of receipt of the letter.

Yours faithfully,


09/01/2020
(Rakesh Kumar)

Under Secretary to the Govt. of India

Copy to :- 1) Pr. CCIT, Delhi w.r.t. their letter No. Pr.CCIT/DCIT(Hqrs-Fin)/SRS/56(j)/2019-20/1309 dated 07.01.2020 for necessary action.

2) Data Base Cell with the request to upload the O.M. on the website of the IRS officers.