GOVERNMENT OF INDIA (BHARAT SARKAR)
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)
(RAILWAY BOARD)

No. F(E)III/2007/PN1/4

New Delhi Dated: 19.08.2010.

The GMs & FA&CAOs,
All Zonal Railways & Production Units,
(As per mailing list).

Sub: Emoluments reckoned for calculating retirement/death benefits of staff working in the Construction Organisations.

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It has come to the notice of the Board that on certain Railways the retirement/death benefits of non-gazetted Railway servants, who retire from the service of Construction Organisations, are being sanctioned on the basis of higher amount of basic pay drawn by them on account of grant of higher grade posts/increments on adhoc basis than the amount of basic pay that would have been admissible had they been holding their cadre posts. This is in gross violation of the principles laid down in Board’s letter No. E(NG)I 70/SR/6/43 dated 13.3.1972. Since the higher grade posts in the Construction Organisations are granted to the Railway servants not by virtue of their seniority in their cadre, reckoning of emoluments drawn in the higher grade given on adhoc basis for retirement/death benefits is against the provisions governing “emoluments” as contained in Railway Services (Pension) Rules, 1993.

2. Board has desired that all Zonal Railways must uniformly follow the practice of computing the retirement/death benefits of the Railway servants retiring from Construction Organisations on the basis of the basic pay that they would have drawn in their cadre posts as per rules. The Zonal Railways are accordingly advised to ensure that the provisions under the Pension Rules as stated above are strictly complied with. In cases of Railway servants where the retirement and death benefits have been calculated in a manner contrary to the Rule position brought out in Para 1 above, the same should be rectified by following the due procedure and recoveries effected in a phased manner so that the retired Railway servants are not put to hardships.

3. Please acknowledge receipt.

(S.SREEERAM)
Joint Director Finance (Estt.),
Railway Board.