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A consultancy firm to provide help for the problems of govt. employees & retired pensioners

58 ਸਾਲ ਤੇ ਰਿਟਾਇਰਡ ਕਰਮਚਾਰੀਆ ਦੀ Commutation ਦੀ ਰਿਕਵਰੀ 11.5 ਸਾਲ (134.85 ਮਹੀਨੇ) ਅਤੇ 60 ਸਾਲ ਤੇ ਰਿਟਾਇਰਡ ਕਰਮਚਾਰੀਆ ਦੀ Commutation ਦੀ ਰਿਕਵਰੀ 10.194 ਸਾਲ ਵਿੱਚ ਕਰਵਾਉਣ ਲਈ ਸੰਪਰਕ ਕਰੋ ।

ਪੰਜਾਬ ਸਰਕਾਰ ਵਲੋਂ ਪੈਨਸ਼ਨਰਾਂ ਦੀ ਭਲਾਈ ਲਈ ਪੈਨਸ਼ਨ ਉਪਰ Commutation 15 ਸਾਲ ਲਈ ਕੱਟੀ ਜਾਂਦੀ ਹੈ ਕਿਉਂਕਿ ਇਸ ਉਪਰ ਵਿਆਜ ਦੀ ਦਰ 02.09.2008 ਤੋਂ 4.75% ਦੀ ਥਾਂ 8% ਕਰ ਦਿੱਤੀ ਹੈ ਜਦੋਂ ਕਿ ਬਜ਼ਾਰ ਵਿੱਚ ਵਿਆਜ ਦੀ ਦਰ ਘੱਟ ਰਹੀ ਹੈ ।

Commutation of pension is an option and is exercised by choice and voluntary. The commutation table is based on the mortality rates then extant amongst Government pensioners and a concessional rate of interest of 4.75% per annum as prescribed under rule 11.5 of the Punjab Civil Services Rules Volume-II. The new table had changed the interest from 4.75% to 8% per annum effective from 2nd September, 2008. Interest @ 8% is not abnormally high or unusual and is irrelevant even today. At present the prevailing interest rates for senior citizens ranges between 5% to 7.50% p.a.

Vide notification dated 19.03.1981 and 18.06.1981 the recovery of commuted value of pension along with interest at the prescribed rate comes to 12 years (144 Installments). Thereafter state vide notification dated 20.04.2004 amended rule 11.1 of the Punjab Civil Services Rule Volume-II enhancing the period of restoration of full pension from 12 years to 15 years w.e.f. 04.03.2003.

It is illegal and arbitrary action of the Punjab State in recovering excess amount of commuted value of pension along with prescribed rate of interest i.e. 8.1% p.a. within a period of 15 years (i.e. 180 installments) whereas the same stands recovered during the currency of 11.5 years (134.85 installments) hence for the balance 3.5 years as Punjab Govt. is recovering more from the retired employees which tantamount to unjust enrichment as (i) enhancement in period of restoration from 12 years to 15 years w.e.f. 04.03.2003 by bringing Punjab State employees at par with Central Government employees, same contravenes of Articles 14 and 16 of the Constitution of India inasmuch as employees of Punjab State stand retired at the age of 58 years as compared to 60 years.

That average life expectancy improved significantly to about 64 and then to 68.5 years i.e., 8.5 years more than the age of retirement i.e. 58 years. while in the case of employee retiring at the age of 58 years the relevant purchase factor would be 10.46 (now 8.371), resulting in the drastic difference between the calculation by applying both these factors and the recoverable amount.

The table reflect that the rate of interest would reflect that an employee / pensioner is repaying the amount at 18.73% instead of 8.1%, same is excess to the tune of 10.72% without any plausible reasons.

YEAR	COMMUTED VALUE OF BASIC PENISION	COMMUTATION VALUE/YEARS OF PUCHASE (assuming age of retirement as 58 years)	ROI	PERIOD OF RECOVERY	LIFE EXPECTANCY
01.01.2006-Till date	40%	8.371	8.1% p.a.	15 years	64.7 years-69.96 years

The State is recovering the amount at an exorbitant rate of interest @ 18.73%, which is contrary to the recommendations of the Pay Commission Report and same is otherwise legally not permissible.

The age of retirement continues to be 60 years. After the 6th CPC, since 1.1.06, the Commutation Factor (CF) has been downgraded from 9.81 to 8.194 for the 61 year old (age next birth day) retirees, thereby reducing the commuted amount by a whopping 16.5% !!! On top of that, the prescribed rate of interest has been enhanced from 4.75% to 8% p.a. which is an astronomical jump of 68% even in this low interest regime!!! The basic pension of an employees who superannuated on or after 1.1.06 in the pay scale (Rs.80,000) was fixed at Rs.40,000. Their commuted pension amount is Rs.15,73,248 with a deduction of Rs.16,000 per month. As per the old CF of 9.81, they would have been entitled to a commuted sum of Rs.18,83,520. Thus, there is a huge drop of Rs.3,10,272!!! The currently sanctioned principal amount of Rs.15,73,248 is fully recovered in 8.194 years [$8.194 \times 12 \times 16000 = 15,73,248$].

If we consider the prescribed interest rate of 8% p.a. as simple interest, the total interest works out to Rs.5,10,417. This is recoverable in 2.66 years [$510417/16000 = 31.9$ months or 2.66 years]. Thus, total recovery period of the commuted amount is = $8.194 + 2.66 = 10.85$ years. Even after full recovery, the pensioner keeps on paying for $15 - 10.85 = 4.15$ years. Thus, excess recovery = $4.15 \times 12 \times 16000 = \text{Rs.}7,96,800$.

If we consider the prescribed interest rate of 8% p.a. as compound interest, the total interest works out to Rs.9,93,007. This is recoverable in 5.17 years [$993007/16000 = 62.06$ months or 5.17 years]. Thus, total recovery period of the commuted amount is = $8.194 + 5.17 = 13.37$ years. Even after full recovery, the pensioner keeps on paying for $15 - 13.37 = 1.63$ years. Thus, excess recovery = $1.63 \times 12 \times 16000 = \text{Rs.}3,12,960$. The above calculations are only illustrative, applicable to retired employee who retired on or after 1.1.2006 in the pay scale and their pension was fixed at the maximum. Calculations can be made similarly for other cases and the results would tally.

I may point out that the interest charged on various Govt advances like House Building Advance, Car Advance, Festival Advance, Marriage Advance etc. is simple interest and not compound. Who retired in 2006 or after: The recovery should be stopped and full pension should be restored after completion of 10.85 years." The commutation factor was effectively decreased from 10.46 to 9.81 when the retirement age in central service was increased from 58 years to 60 years.

The petitioner claims that restoration of commutation of full pension after 15 years is arbitrary and lacks a mathematical basis and foundation. In support of the contentions, reference was made to Chapter 136 of the report of the Fifth Central Pay Commission, which had recommended reduction of the period of recovery of commuted pension to 12 years from 15 years. This recommendation, it was argued, was unjustifiably and arbitrarily not accepted by the Central Government, though some State Governments like Kerala, Madhya Pradesh, Orissa and Punjab had permitted restoration of full pension after 12 years of commutation. Reliance is sought to be placed on decision of the Hon'ble Kerala High Court in **W.P. (C) No. 23282 of 2005, Central Government Pensioners Association v. Union of India** wherein it was held that recommendation of the pay commission for reducing the number of years from 15 to 12, would normally suggest that recovery effected over a period of 12 years is sufficient.

Contact at Mobile No. 98157-13297 or 90410-13814 to 19 (6 Lines)



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PERFORMA**

**Writ Regarding On 58 years retired employees commutation recovery in
11.5 years (134.85 Month) and 60 years retired employees commutation
recovery in 10.194 years**

Name	
Father's Name	
Designation	
School / Office Name	
Date Of Birth	
Aadhar Card No.	
Date of Appointment	
Date of Regular	
Date of Retirement	
Reduction of Commutation per month	
PPO number for Pensioner	
Bank Name With Account Number	
Mobile Number	
Whatsapp Number	
Email Address	
Residence Address & Distt	
Signature	

Important Points:-

Paytm Payment Mobile Number:- 9915031482
Google Pay Payment Mobile Number:- 9915031482
PhonePe Payment Mobile Number:- 9915031482

1. Send one copy of each Performa, Power of Attorney and Aadhar Card both sides by whatsapp and one by post.
2. Only Signature on Power of Attorney left side as written Signature or Thumb Impression of client.

State Bank of India Budhlada
Distt. Mansa(Punjab)
Current A/c No.39453963229
In Favour of: Krishana Consultancy
IFSC Code: SBIN0050050
Whatsapp No - 98157-13297

POWER OF ATTORNEY

In the Court of

..... [Plaintiff/Appellant
Complainant
Petitioner

VERSUS

..... [Defendant
Respondent,
Accused

KNOW ALL to whom these present shall come that I/We undersigned appoint

for the in the above mentioned case to do all the following acts deeds and things or any of them that is to say :-

1. To act appear and plead in the above mentioned case in the court or any other Court in which the same may be tried or heard in the execution or in any stage of its progress until its final decision.
2. Present pleading appeals letter patent appeal cross objection or petitions for execution review, revisions withdrawal compromise or other petitions or affidavit or other documents as shall deemed necessary or advisable for the prosecution of the said case in all its stage.
3. To file and take back documents and to file application for restoration there of in case it is dismissed in default.
4. To withdraw or compromise the said case or submit for arbitration any difference or disputes that shall arise touching or in any manner relating to the said case.
5. To deposit draw any receive money and grant receipt there of and to do all other acts and things which may be necessary to be done for the progress and in the case of prosecutions of said case.
6. To employee and other legal practitioner authorising him to exercise the power and authorities hereby conferred on the advocate whenever he may think fit to do so.

And I/We hereby agree to ratify whatever the Advocate or his substitute shall do in the promises.

And I/We hereby agree not to hold the Advocate or his substitute responsible for the result of said for hearing case in consequence from the court when the said case is called up or for any negligence of the said Advocate or his substitute.

And I/We hereby agree that in the event of whole or any part of fee agreed by me to be paid to the Advocate, remaining unpaid he shall be entitled to withdraw from the prosecution of the said case until the same is paid if any costs are allowed for an adjournment the advocate would be entitled to the same.

IN WITNESS WHERE OF I/We agree to set my/our hands to the represent the contents of which have been explained to understand by me/us this the
.....day..... 20.....

(Signature or Thumb Impression of client)

Accepted :