

Pension - Counting of Previous Service  
No.E(F)III/84/PN1/4, dated 08.04.1985

Sub: Mobility of personnel between Railways and Autonomous Bodies - Counting of service for Pension.

1. As per existing orders, service rendered outside Central Government does not count for pension on Railways except in the case of scientific employees of Autonomous Bodies financed or controlled by the Government, who, on permanent absorption on the Railways, are allowed to count their previous service for pension subject to certain conditions. In respect of personnel other than scientific employees, who are permanent on Railways in the event of their subsequent permanent absorption in Public Sector Undertakings or any Autonomous Body, proportionate retirement benefits for the service rendered on the Railways till the date of permanent absorption are allowed as per rules in force at the time of absorption. No such benefit is allowed to temporary employees going over to autonomous body or undertaking.
2. A number of Central Autonomous/ Statutory Bodies have also introduced pension schemes for their employees on the lines of pension scheme available to the Central Government employees including Railway employees. It has, therefore, been urged by such Autonomous/ Statutory Bodies that the service rendered by their employees under the Railways or other Autonomous Bodies before joining them may be allowed to be counted in combination with service in Autonomous Body, for the purpose of pension, subject to certain conditions. Similar provisions for employees of Autonomous Bodies going over to Railways have also been urged. In other words, the suggestion is that the benefit of pension based on combined service should be introduced.
3. This matter has been considered carefully and the President has now been pleased to decide that the cases of Railway employees going over to a Central Autonomous Body or vice-versa and employees of the Central Autonomous Body moving to the Railways may be regulated as per the following provisions:-
  - (A) **In case of Autonomous Bodies where a Pension Scheme is in operation:**
    - (i) Where a Railway employee borne on pensionable establishment is allowed to be absorbed in an Autonomous Body, the service rendered by him on the Railway shall be allowed to be counted towards pension under the

autonomous body irrespective of whether the employee was temporary or permanent on the Railways. The pensionary benefits will, however, accrue only if the temporary service is followed by confirmation. If he retires as a temporary employee in the Autonomous Body, he will get terminal benefits as are normally available to temporary employees on the Railways. The same procedure will apply in the case of employees of the Autonomous Bodies, who are permanently absorbed on the Railways.

The Railway/ Autonomous Body will discharge its pension liability by paying in lump-sum as a one-time payment, the pro-rata pension/ service gratuity/ terminal gratuity and DCRG for the service upto the date of absorption in the Autonomous Body/ Railways, as the case may be, lump-sum amount of the pro-rata pension will be determined with reference to commutation table laid down in Railway (Commutation of Pension) Rules, as amended from time to time.

- (ii) A Railway employee with SRPF(C) benefits on permanent absorption in an autonomous body will have the option either to receive benefits under SRPF(C) Rules which have accrued to him from the Railway and start his service afresh in that body or choose to count service rendered on Railways as qualifying service for pension in the Autonomous Body by foregoing Railway share of contribution with interest, which will be paid to the concerned autonomous body by the Railways. The option shall be exercised within one year from the date of absorption. If no option is exercised within the stipulated period, employee shall be deemed to have opted to receive SRPF(C) benefits. The option once exercised shall be final.

**(B) Autonomous Body where a Pension Scheme is not in operation:**

- (i) A permanent Railway employee borne on pensionable establishment, on absorption under such autonomous body will be eligible for pro-rata retirement benefits in accordance with the provisions of this Ministry's orders issued from time to time in regard to permanent absorption of Railway employees in Public Sector Undertakings/ Autonomous Bodies. In case of temporary employees, the terminal gratuity as may be admissible under the rules would be actually payable to the individual on the date when pro-rata retirement benefits to permanent employees become payable. However, in the case of absorption of a Railway employee with

SRPF(C) benefits, in such an autonomous organization, the amount of his subscriptions and the Railways contribution, if any, together with interest thereon shall be transferred to his new Provident Fund account with the consent of that Body.

- (ii) An employee of an Autonomous Body on permanent absorption under the Railway will have the option either to receive SRPF(C) benefits which have accrued to him from the Autonomous Body and start his service afresh on Railways or choose to count service rendered in that Body as qualifying service for pension on Railways by the forgoing employer's share of Contributory Provident Fund contributions with interest thereon, which will be paid to the Railways by the Autonomous Body. The option shall be exercised within one year from the date of absorption. If no at option is exercised within stipulated period, employee shall be deemed to have opted to receive SRPF(C) benefits. The option once exercised shall be final.

- 4.1 "Central Autonomous Body" is defined as a Body, which is finance wholly or substantially from cess or Central Government grants. "Substantially" would cover cases where more than 50 per cent of the expenditure of the Autonomous Body is met through such cess or Central Government grants. Autonomous Body would include a Central Statutory Agency or a Central University but exclude a public undertaking.
- 4.2 Only such service which qualifies for pension under the relevant rules of Railways/ Autonomous Body shall be taken into account for the purpose.
- 5.1 The employee of a Central Autonomous body or Railways, as the case may be, who have already been sanctioned or have received pro-rata retirement, benefits or other terminal benefits for their past service will have the option either:-
  - (a) To retain such benefits and in that event their past service will not qualify for pension under the autonomous body or the Railways as the case may be; or
  - (b) To have the past service counted as qualifying service for pension under the new organization in which case the pro-rata retirement or other terminal benefits, if already received by them will have to be deposited along with interest thereon from the date of receipt of those benefits till the date of deposit with the autonomous body or the Railways as the case may be. The right to count previous service as qualifying service shall not revive until the whole amount has been refunded. In other cases where pro-rata retirement

benefits have already been sanctioned but have not yet become payable, the concerned authorities shall cancel the sanction as soon as the individual concerned opts for counting of his previous service for pension and inform the individual in writing about accepting his option and cancellation of the sanction. The option shall be exercised within a period of one year from the date of issue of these orders. If no option is exercised by such employees within the prescribed time limit, they will be deemed to have opted for retention of the benefits already received by them. The option once exercised shall be final.

- 5.2 Where no terminal benefits for the previous service have been received, the previous service in such cases will be counted as qualifying service for pension only if the previous employer accepts pension liability for the service in accordance with the principles laid down in this letter. In no case pension contribution/ liability shall be accepted from the employee concerned.
6. These orders will be applicable only where the transfer of the employee from one organization to another was/ is with the consent of the organization under which he was serving earlier, including cases where the individual had secured employment directly on his own volition provided he had applied through proper channel/ with proper permission of the administrative authority concerned.
7. These orders will take effect from 29.08.1984. The revised policy as enunciated will above will be applicable to those employees, who have retired or would retire from service on or after the said date namely 29.08.1984.
8. The provisions contained in the relevant orders issued from time to time in regard to permanent absorption of Railway employees in Public Sector Undertaking/ Autonomous Bodies and letter of even number dated 25.09.1984 or any other order shall, in so far as it provides for any of the matters contained in this latter, would cease to be operative.

**Download Railway Board Circular dated 08.04.1985**

**Forward reference** ⇒ [RBE No. 18/2021](#)