

In the said rules, for rule 37A, the following rule shall be substituted, namely;--

**“37A. Conditions for payment of pension on absorption consequent upon conversion of a Government Department into a Public Sector Undertaking.--** (1) On conversion of a department of the Central Government into a Public Sector Undertaking, all Government servants of that Department shall be transferred *en-masse* to that Public Sector Undertaking, on terms of foreign service without any deputation allowance till such time as they get absorbed in the said undertaking, and such transferred Government servants shall be absorbed in the Public Sector Undertaking with effect from such date as may be notified by the Government.

(2) The Central Government shall allow the transferred Government servants an option to revert back to the Government or to seek permanent absorption in the Public Sector Undertaking.

(3) The option referred to in sub-rule (2) shall be exercised by every transferred Government servant in such manner and within such period as may be specified by the Government.

(4) The permanent absorption of the Government servants as employees of the Public Sector Undertaking shall take effect from the date on which their options are accepted by the Government and on and from the date of such acceptance, such employees shall cease to be Government servants and they shall be deemed to have retired from Government service.

(5) Upon absorption of Government servants in the Public Sector Undertaking, the posts which they were holding in the Government before such absorption shall stand abolished.

(6) The employees who opt to revert to Government service shall be re-deployed through the surplus cell of the Government.

(7) The employees including quasi-permanent and temporary employees but excluding casual labourers, who opt for permanent absorption in the Public Sector Undertaking shall, on and from the date of absorption, be governed by the rules and regulations or bye-laws of the Public Sector Undertaking.

(8) A permanent Government servant who has been absorbed as an employee of a Public Sector Undertaking and his family shall be eligible for pensionary benefits (including commutation of pension, gratuity, family pension or extra-ordinary pension), on the basis of combined service rendered by the employee in the government and in the Public Sector Undertaking in accordance with the formula for calculation of such pensionary benefits as may be in force at the time of his retirement from the Public Sector Undertaking or his death or at his option, to receive benefits for the service rendered under the Central Government in accordance with the orders issued by the Central Government.

*"Explanation:-* The amount of pension or family pension in respect of the absorbed employee on retirement from the Public Sector Undertaking or on death shall be calculated in the same way as calculated in the case of a Central Government servant retiring or dying, on the same day".

(9) The pension of an employee under sub-rule (8) shall be calculated on fifty percent of emoluments or average emoluments, whichever is more beneficial to him.

(10) In addition to pension or family pension, as the case may be, the employee who opts for pension on the basis of combined service shall also be eligible to dearness relief as per industrial Dearness Allowance pattern.

(11) The benefits of pension and family pension shall be available to quasi-permanent and temporary transferred Government servants after they have been confirmed in the Public Sector Undertaking.

(12) A Permanent Government servant absorbed in a Public Sector Undertaking or a temporary or quasi-permanent Government servant who has been confirmed in the a Public Sector Undertaking subsequent to his absorption therein, shall be eligible to seek voluntary retirement after completing ten years of qualifying service with the Government and the Public Sector Undertaking taken together, and such person shall be eligible for pensionary benefits on the basis of qualifying service.

(13) The Central Government shall create a Pension Fund in the form of a trust and the pensionary benefits of absorbed employees shall be paid out of such Pension Fund.

(14) The Secretary of the administrative Ministry of the Public Sector Undertaking shall be the Chairperson of the Board of Trustees which shall include representatives of the Ministries of Finance, Personnel, Public Grievances and Pensions, Labour, concerned Public Sector Undertaking and their employees and experts in the relevant field to be nominated by the Central Government.

(15) The procedure and the manner in which pensionary benefits are to be sanctioned and disbursed from the Pension Fund shall be determined by the Government on the recommendation of the Board of Trustees.

(16) The Government shall discharge its pensionary liability by paying in lump sum as a one time payment to the Pension Fund the pension or service gratuity and retirement gratuity for the service rendered till the date of absorption of the Government servant in the Public Sector Undertaking.

(17) The manner of sharing the financial liability on account of payment of pensionary benefits by the Public Sector Undertaking shall be determined by the Government.

(18) Lump sum amount of the pension shall be determined with reference to Commutation Table laid down in Central Civil Services (Commutation of Pension) Rules, 1981.

(19) The Public Sector Undertaking shall make pensionary contribution to the Pension Fund for the period of service to be rendered by the concerned employees under that undertaking at the rates as may be determined by the Board of Trustees so that the Pension Fund shall be self-supporting.

(20) If, for any financial or operational reason, the Trust is unable to discharge its liabilities fully from the Pension Fund and the Public Sector Undertaking is also not in a position to meet the shortfall, the Government shall be liable to meet such expenditure and such expenditure shall be debited to either the Fund or to the Public Sector Undertaking.

(21) Payments of pensionary benefits of the pensioners of a Government Department on the date of conversion of it into a Public Sector Undertaking shall continue to be the responsibility of the Government and the mechanism for sharing its liabilities on this account shall be determined by the Government.

(22) Nothing contained in sub-rules (13) to (21) shall apply in the case of conversion of the Departments of Telecom Services and Telecom Operations into Bharat Sanchar Nigam Limited, in which case the pensionary benefits including family pension shall be paid by the Government.

(23) For the purposes of payment of pensionary benefits including family pension referred to in sub-rule (22), the Government shall specify the arrangements and the manner including the rate of pensionary contributions to be made by Bharat Sanchar Nigam Limited to the Government and the manner in which financial liabilities on this account shall be met.

(24) The arrangements under sub-rule (23) shall be applicable to the existing pensioners and to the employees who are deemed to have retired from the Government.

(25) Upon conversion of a Government Department into a Public Sector Undertaking,-

(a) the balance of provident fund standing at the credit of the absorbed employees on the date of their absorption in the Public Sector Undertaking shall, with the consent of such undertaking, be transferred to the new Provident Fund Account of the employees in such undertaking;

(b) earned leave and half pay leave at the credit of the employees on the date of absorption shall stand transferred to such undertaking ;

(c) the dismissal or removal from service of the Public Sector Undertaking of any employee after his absorption in such undertaking for any subsequent misconduct shall not amount to forfeiture of the retirement benefits for the

service rendered under the Government and in the event of his dismissal or removal or retrenchment the decisions of the undertaking shall be subject to review by the Ministry administratively concerned with the undertaking .

(26) In case the Government disinvests its equity in any public sector undertaking to the extent of fifty-one per cent or more, it shall specify adequate safeguards for protecting the interest of the absorbed employees of such Public Sector Undertaking.

(27) The safeguards specified under sub-rule (26) shall include option for voluntary retirement or continued service in the undertaking or voluntary retirement benefits on terms applicable to Government employees or employees of the Public Sector Undertaking as per option of the employees and assured payment of earned pensionary benefits with relaxation in period of qualifying service, as may be decided by the Government."

**(11) In the said rules, after rule 37A, the following rule shall be inserted, namely;--**

**"37B. Conditions for payment of pension on absorption consequent upon conversion of a Government Department into a Central Autonomous Body.--**

(1) On conversion of a department of the Central Government into an Autonomous Body, all Government servants of that Department shall be transferred *en-masse* to that Autonomous Body on terms of foreign service without any deputation allowance till such time as they get absorbed in the said body and such transferred Government servants shall be absorbed in the Autonomous Body with effect from such date as may be notified by the Government.

(2) The Central Government shall allow the transferred Government servants an option to revert back to the Government or to seek permanent absorption in the Autonomous Body.

(3) The option referred to in sub-rule (2) shall be exercised by every transferred Government servant in such manner and within such period as may be specified by the Government.

(4) The permanent absorption of the Government servants of the Autonomous Body shall take effect from the date on which their options are accepted by the Government and on and from the date of such acceptance, such employees shall cease to be Government servants and they shall be deemed to have retired from Government service.

(5) Upon absorption of Government servants in the Autonomous Body, the posts which they were holding in the Government before such absorption shall stand abolished.

(6) The employees who opt to revert to Government service shall be re-deployed through the surplus cell of the Government.

(7) The employees including quasi-permanent and temporary employees but excluding casual labourers, who opt for permanent absorption in the Autonomous Body, shall on and from the date of absorption, be governed by the rules and regulations or bye-laws of the Autonomous Body.

(8) A permanent Government servant who has been absorbed as an employee of an Autonomous Body and his family shall be eligible for pensionary benefits (including commutation of pension, gratuity, family pension or extra-ordinary pension), on the basis of combined service rendered by him in the government and Autonomous Body in accordance with the formula for calculation of such pensionary benefits as may be in force at the time of his retirement from the Autonomous Body/death or at his option, to receive benefits for the service rendered under the Central Government in accordance with the orders issued by the Central Government.

*Explanation:-* The amount of pension or family pension in respect of the absorbed employee on retirement from Autonomous Body or death shall be calculated in the same way as would be the case with a Central Government servant retiring or dying, on the same day.

(9) The pension of an employee under sub-rule (8) shall be calculated at fifty percent of emoluments or average emoluments, whichever is more beneficial to him.

(10) In addition to pension or family pension, as the case may be, the absorbed employees who opt for pension on the basis of combined service shall also be eligible to dearness relief as per central dearness allowance pattern.

(11) The benefits of pension and family pension shall be available to quasi-permanent and temporary transferred Government servants after they have been confirmed in the Autonomous Body.

(12) The Central Government shall create a Pension Fund in the form of a trust and the pensionary benefits of absorbed employees shall be paid out of such Pension Fund.

(13) The Secretary of the administrative Ministry of the autonomous body shall be the Chairperson of the Board of Trustees which shall include representatives of the Ministries of Finance, Personnel, Public Grievances and Pensions, Labour, concerned Autonomous Body and their employees and experts in the relevant field to be nominated by the Central Government.

(14) The procedure and the manner in which pensionary benefits are to be sanctioned and disbursed from the Pension Fund shall be determined by the Government on the recommendation of the Board of Trustees.

(15) The Government shall discharge its pensionary liability by paying in lump sum as a one time payment to the Pension Fund the pension or service gratuity and retirement gratuity for the service rendered till the date of absorption of the Government servant in the Autonomous Body.

(16) The manner of sharing the financial liability on account of payment of pensionary benefits by the Autonomous Body shall be determined by the Government.

(17) Lump sum amount of the pension shall be determined with reference to Commutation Table laid down in Central Civil Services (Commutation of Pension) Rules, 1981.

(18) The Autonomous Body shall make pensionary contribution to the Pension Fund for the period of service to be rendered by the concerned employees under that body at the rates as may be determined by the Board of Trustees to that the Pension Fund shall be self-supporting.

(19) If, for any financial or operational reason, the Trust is unable to discharge its liabilities fully from the Pension Fund and the Autonomous Body is also not in a position to meet the shortfall, the Government shall be liable to meet such expenditure and such expenditure shall be debited to either the Fund or to the Autonomous Body, as the case may be.

(20) Payments of pensionary benefits of the pensioners of a Government Department on the date of conversion of it into an Autonomous Body shall continue to be the responsibility of the Government and the mechanism for sharing its liabilities on this account shall be determined by the Government.

(21) Upon conversion of a Government Department into an Autonomous Body .--

(a) the balance of provident fund standing at the credit of the absorbed employees on the date of their absorption in the Autonomous Body shall, with the consent of such body, be transferred to the new Provident Fund Account of the employees in such body.

(b) earned leave and half pay leave at the credit of the employees on the date of absorption shall stand transferred to such body.

(c) the dismissal or removal from service of the Autonomous Body of any employee after his absorption in such body for any subsequent misconduct shall not amount to forfeiture of the retirement benefits for the service rendered under the Government and in the event of his dismissal or removal or retrenchment the decisions of the body shall be subject to review by the Ministry administratively concerned with the body.

(22) In case the Government disinvests its equity in any Autonomous Body to the extent of fifty-one per cent or more, it shall specify adequate safeguards

for protecting the interest of the absorbed employees of such Autonomous Body.

(23) The safeguards specified under sub-rule (22) shall include option for voluntary retirement or continued service in the body, as the case may be, or voluntary retirement benefits on terms applicable to Government employees or employees of the Autonomous Body as per option of the employees, assured payment of earned pensionary benefits with relaxation in period of qualifying service, as may be decided by the Government.

(24) Nothing contained in this rule shall be applicable to the officers or employees including members of Indian Information Service, Central Secretariat service or any other service or to the persons borne on cadres outside Akashvani and Doordarshan, serving in the Akashvani and Doordarshan and engaged in the performance of functions transferred to Prasar Bharati established under Prasar Bharati (Broadcasting Corporation of India) Act, 1990.

Note: The principal rules were published *vide* notification number S.O.934, dated the 1<sup>st</sup> April, 1972 and were subsequently amended *vide* notification number--

1. S.O.254, dated the 4<sup>th</sup> February, 1989
2. S.O.970, dated the 6<sup>th</sup> May, 1989
3. S.O.2467, dated the 7<sup>th</sup> October, 1989
4. S.O.899, dated the 14<sup>th</sup> April, 1990
5. S.O.1454, dated the 26<sup>th</sup> May, 1990
6. S.O.2329, dated the 8<sup>th</sup> September, 1990
7. S.O.3269, dated the 8<sup>th</sup> December, 1990
8. S.O.3270, dated the 8<sup>th</sup> December, 1990
9. S.O.3273, dated the 8<sup>th</sup> December, 1990
10. S.O.409, dated the 9<sup>th</sup> February, 1991
11. S.O.464, dated the 16<sup>th</sup> February, 1991
12. S.O.2287, dated the 7<sup>th</sup> September, 1991
13. S.O.2740, dated the 2<sup>nd</sup> November, 1991
14. GSR 677, dated the 7<sup>th</sup> December, 1991
15. GSR 399, dated the 1<sup>st</sup> February, 1992
16. GSR 55, dated the 15<sup>th</sup> February, 1992
17. GSR 570, dated the 19<sup>th</sup> December, 1992
18. S.O.258, dated the 13<sup>th</sup> February, 1993
19. S.O.1673, dated the 7<sup>th</sup> August, 1993
20. GSR 449, dated the 11<sup>th</sup> September, 1993
21. S.O.1984, dated the 25<sup>th</sup> September, 1993

22. GSR 389(E), dated the 18<sup>th</sup> April, 1994
23. S.O.1775, dated the 19<sup>th</sup> July, 1997
24. S.O.259, dated the 30<sup>th</sup> January, 1999
25. S.O.904(E), dated the 30<sup>th</sup> September, 2000
26. S.O.717(E), dated the 27<sup>th</sup> July, 2001
27. GSR 75(E), dated the 1<sup>st</sup> February, 2002
28. S.O.4000, dated the 28<sup>th</sup> December, 2002
29. S.O. 860(E), dated the 28<sup>th</sup> July, 2003
30. S.O. 1483 (E), dated the 30<sup>th</sup> December, 2003
31. S.O. 1487 (E), dated the 14<sup>th</sup> October, 2005
32. GSR 723(E), dated the 23<sup>rd</sup> November, 2006
33. S.O. 1821 (E), dated the 25<sup>th</sup> October, 2007
34. GSR 258 (E), dated the 31<sup>st</sup> March, 2008
35. S.O. 1028 (E), dated the 25<sup>th</sup> April, 2008
36. S.O. 829(E), dated the 12<sup>th</sup> April, 2010
37. GSR No. 176 dated 8<sup>th</sup> June 2011



