

No. 14028/6/93-Estt(L)  
Government of India  
Ministry of Personnel, Public Grievances & Pensions  
Department of Personnel & Training.

.....  
New Delhi, Dated the 24-10-94

OFFICE MEMORANDUM

Subject:- Encashment of Half Pay Leave to Central Government Employees on superannuation, etc.

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The undersigned is directed to refer to this Department's OM No. 14020/1/90-Estt(L), dated 6.4.93 on the subject mentioned above and to say that the issue of prescribing the formula for calculating the equivalent of Pension/PEG of CPF retirees for the purpose of deduction from HPL encashment on retirement etc. has been examined in consultation with Ministry of Finance.

2. In case of persons retiring with CPF benefits, the amount of employer's contribution plus the interest thereon, and the amount of gratuity received may be treated as pensionary benefits. For purpose of calculating the pension, the following formula may be adopted:-

Total amount of employer's contribution to CPF	plus	Interest till the date of retirement
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Pension =

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Commutation factor  
as per age on next birthday x12

For calculating the pension equivalent of gratuity (PEG) the formula will be as follows :-

PEG =  $\frac{\text{Gratuity}}{\text{Commutation factor} \times 12}$

3. In their application to the officers of the IA&AD, these orders issue in consultation with the Comptroller & Auditor General of India.

4. Hindi version is attached.

  
(B. GANGAR)

UNDER SECRETARY TO THE GOVT. OF INDIA.

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Copy also forwarded to:-

1. Controller General of accounts/Controller of Accounts, Ministry of Finance.
2. Secretaries to UPSC/Supreme Court of India/Election Commission, Lok Sabha Sectt./Rajya Sabha Sectt./Cabinet Sectt./Central Vigilance Commn./President's Sectt./Vice-President's Sectt./Prime-Minister's Office/Planning Commission.
3. Department of Personnel and Training (AIS Division)/JCA/Admn. Section.
4. Addl Secy. (Union Territories), Ministry of Home Affairs.
5. All State Governments and Union Territories.
6. Governors of All States/Lt. Governors of Union Territories.
7. Secretary, National Council (Staff Side), 13-C, Feroz Shah Road New Delh.
8. All Members of the Staff Side of the National Council of JCM/Departmental Council.
9. All Officers/Sections of the Department of Personnel & Training, Deptt. of Administrative Reforms & Public Grievances/Deptt. of Pension & Pensioner's Welfare.
10. Ministry of Finance, Deptt. of Expenditure (E.V. Branch).
11. Legislative Department, Min. of Law & Justice.
12. Official Language Wing (Legislative Deptt.), Bhagwan Das Road, New Delhi.
13. All Benches of Central Administrative Tribunal.
14. 200 spare copies.

  
(B. Ganger)

Under Secretary to the Govt. of India.