

## **Pension and Gratuity of Armed Force (Commissioned) Officers**

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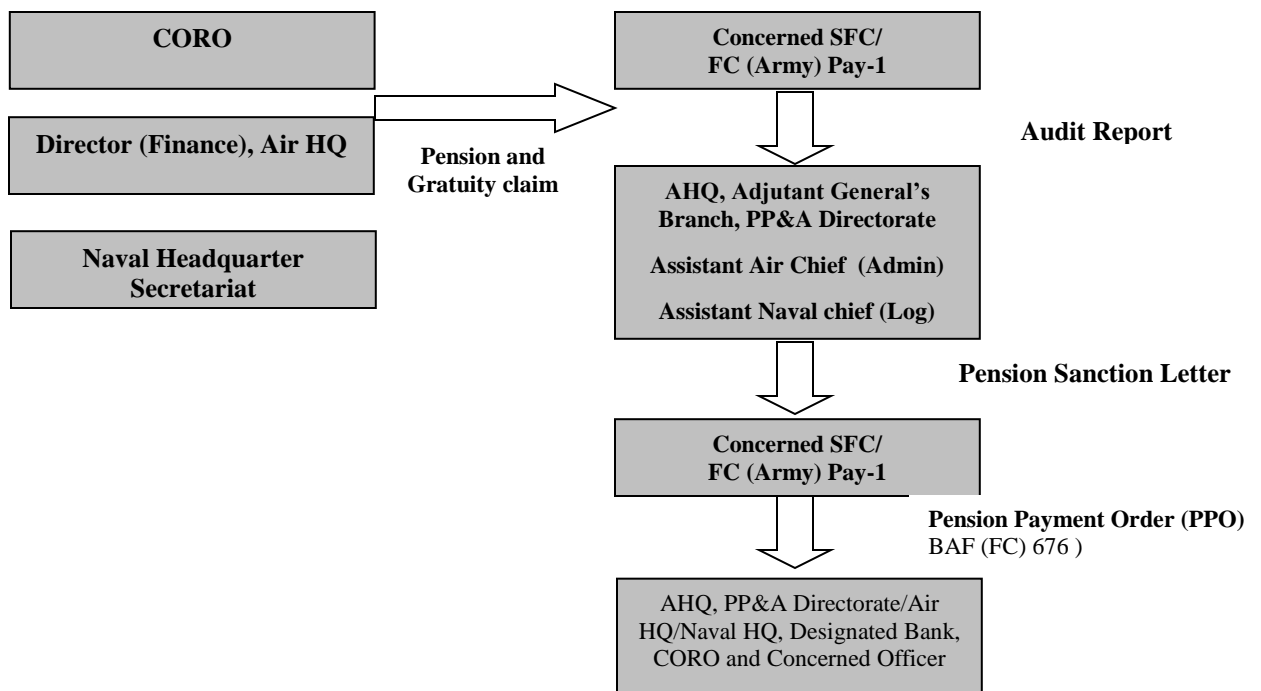
### **1.. Documents Required for Disposal of Retiring Pension and Gratuity**

	<b>Documents</b>	<b>Form No.</b>	<b>Number</b>	<b>Action</b>
●	Pension Claim Form	BAFA 865	2 (Two) sets	CORO/Director (Finance, Air Headquarter/Naval headquarter Secretariat
●	Administrative Order		2 (Two) sets	Ministry of Defence
●	Pension Application duly filled in	BAFA 862	2 (Two) sets	Pensioner and CORO/ Director (Finance), Air
●	Non-Employment Certificate		2 (Two) sets	Headquarter/Naval Headquarter Secretariat
●	Photographs (attested by CORO <sup>1</sup> )		2 (Two) Copies	
●	CORO Order (Part II)		2 (Two) sets	
●	Last Pay Certificate (LPC)	BAFA 438	2 (Two) sets	FC (Army) Pay-1
●	Final No Demand Certificate (NDC)	BAFA 450	2 (Two) sets	FC (Army) Pay-1
●	Pension Fixation Form	BAFA 942	2 (Two) sets	
●	Form of Undertaking		2 (Two) sets	Pensioner and CORO/ Director (Finance), Air
●	Declaration of Allegiance		2 (Two) sets	Headquarter/Naval Headquarter Secretariat
●	Declaration for 50% or 100% commutation		2 (Two) sets	
	Service calculation (cadet service) (if applicable)			

### **2. The Process**

#### **2.1 Pension Grant and Disbursement**

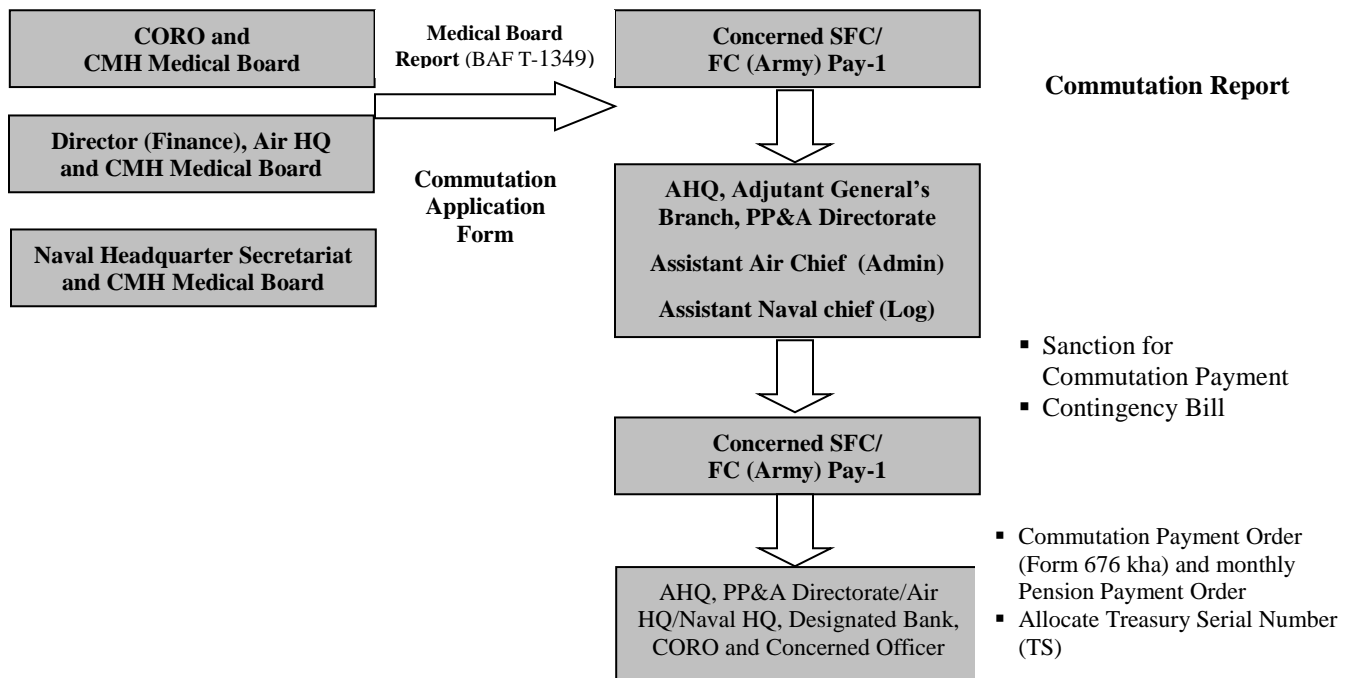
Documents related to pension and gratuity of retiring army officers are forwarded by CORO. In case of air force and naval officers, these are forwarded by Director (Finance), Air Headquarter and Naval Headquarter Secretariat respectively. On receipt of supporting documents, an audit report is issued by concerned SFC/FC (Army) Pay-1. In case of army officers, respective audit report is forwarded to Army Headquarters, Adjutant General's Branch, Pay, Pension and Accounts (PP&A) Directorate. Audit reports of air force and navy officers are forwarded to Director (Finance, Air HQ and Naval Headquarter Secretariat respectively. Based on the report, respective sanction letter is signed by the Adjutant General/Assistant Air Chief (Administration)/Assistant Naval Chief (Log) and again forwarded to the SFC/FC (Army) Pay-1. Accordingly, the sanction letter is embossed and payment order is issued. The payment order (BAFA 676) includes amount of pension payable, and all other entitled dues. Copy of the PPO is also issued to AHQ PP&&A Directorate/Director (Finance), Air Headquarter/ Naval headquarter Secretariat, designated bank and its head office, CORO and respective officer.



**Figure 2.1 : Pension Grant and Disbursement**

## 2.2 Commutation Grant and Disbursement

As per CMP, 1981, Rule 216, Medical Board Report (Form B-1349) and application for commutation is forwarded to FC (Army) Pay-1 by CORO. Respective commutation is determined based on the date of medical examination as follows



### A: Commutation

On receipt of commutation report from concerned SFC/FC (Army) Pay-1, a sanction letter is issued by AHQ PP&A Directorate/Assistant Air Chief (Administration)/Assistant Naval Chief (Log) based on 100% or 50% commutation. Respective contingency bill duly signed by concerned officer and countersigned by CORO/ Director (Finance), Air Headquarter/Naval Headquarter Secretariat is forwarded to concerned SFC/FC (Army) Pay-1 for payment. A Commutation Payment Order and Treasury Serial (TS) number is allocated against the pensioner. Accordingly, the amount is disbursed to designated bank (Sonal, Janata and Krishi Bank).

### B: Commutation

In case of 50% commutation, Respective pension book and pension card (applicable for banks) is forwarded to concerned SFC/FC (Army) Pay-1 by CORO/Director (Finance), Air Headquarter/Naval

Headquarter Secretariat. Pension Payment Order (PPO) is issued (6 sets) accordingly mentioning the monthly admissible rate (w.e.f from the immediate next date of medical examination), monthly medical allowance rate, dearness allowance (if applicable) and and related allowances.. The main copy is sent to the designated bank duly embossed with a copy to CORO/ Director (Finance), Air Headquarter/Naval Headquarter Secretariat. Concerned officer receives the order from CORO/Director (Finance), Air Headquarter/Naval Headquarter Secretariat which is placed before the bank for necessary payment.

Respective amount is reimbursed to the bank on receipt of claim to FC (Army) Pay-1. All arrear claims (since the date of SOS to the date of medical examination) is instructed in the PPO to the bank. Accordingly, respective amount is paid to concerned officer. A copy of the PPO is forwarded to CORO/Director (Finance), Air Headquarter/Naval Headquarter Secretariat, designated bank head office and to AHQ PP&A Directorate/ Assistant Air Chief (Administration)/ Assistant Naval Chief (Log) for information.

### **Readmission to Pension Establishment**

Non-drawl of pension beyond 1 (one) year will result towards discharge from pension establishment. Any readmission to pension establishment requires individual application of the pensioner with a request to revive the Treasury Serial (TS). Respective application must be supported with valid ground and addressed to FC (Army) Pay-1 forwarded through CORO. The matter is notified to the designated bank for pension payment including arrear. Under such circumstances, pensioners are required to draw pension at least once in a year.

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## **JCO/ORS PENSION CASE SETTLEMENTS**

*By FC(Army) PAY-2*

After completion of the required service and condition of job naturally all the service persons will retire one day. Retirement means a handsome package of money. All the pensioners get this package money through a particular process which is completed by concerned records and FPO.

Pension case is settled by FPO at two steps now, which was done at four steps earlier.

### **Procedure for submission and finalization of service pension/gratuity claim.**

JCO/ORS after completing his qualifying service, join the Demob section of record office. Record office submits pension case (BAFY 1948-A) to FPO (PG section) along with the following documents with duplicate copies for issuing audit report.

The record office will forward the following documents in duplicate to Field pay office (FPO) to issue report

- 1) Record copy of sheet roll.
- 2) BAFY -1984-A(Discharge roll)
- 3) BAFA 447 (LPC)
- 4) Specimen signature.
- 5) Identification certificate.
- 6) Left hand thumb and finger impressions.
- 7) a) Declaration under Rule -445(a) of BSR part -1  
b) Declaration under Rue PR-33  
c) Allegiance certificate  
d) No demand certificate etc.
- 8) Passport size photographs, duly countersigned.
- 9) Daily order part -ii
- 10) Assessment pro-forma for pension as per-JSI.
- 11) Medical Examination form 1321.
- 12) Application for pension commutation.
- 13) Pension book and pension card.
- 14) Bank nomination certificate.

**On receipt the pension claim** from record office, FPO (PG section) issues three audit reports.

- (a) Pension audit report.
- (b) Commutation audit report
- (c) Ration allowance audit report to Record Office to obtain sanction at the centre commandant.

On receipt the Audit Report, the Centre Commandant sanction and forward it to FPO (PG section) for issuing the PPO and Commutation payment authority with the following documents :-

- a. Pension Book.
- b. Pension Card.
- c. Commandant sanction letter.
- d. Bank nomination letter.
- e. Commutation sanction letter.
- f. Non-service Certificate
- g. Contingent Bill

After receiving the pension case with above documents FPO (PG section) pass the commutation bill and issue payment authority and PPO for monthly pension and ration allowance. Commutation payment authority is sent to record office for issuing cheque and PPO is sent to bank nominated by the pensioners.

Record office forward to (FPO) for issue of Report with the following documents

- 1) Record copy of sheet Roll.
- 2) BAFY -1984-A (Discharge roll)
- 3) BAFA 447 (LPC0)
- 4) Specimen signature.
- 5) Identification certificate.
- 6) Left hand thumb and finger impressions.
- 7) a) Declaration under Rule -445(a) of BSR part -1
- b) Declaration under Rue PR-33
- c) Allegiance certificate
- d) No demand certificate etc.
- 8) Passport Size photographs, duly countersigned.
- 9) Daily order part -11
- 10) Assessment performed for pension as per-JSI.
- 11) Medical Examination Fore 1321.
- 12) Application for pension Commutation.
- 13) Pension book and pension Card.
- 14) Bank nomination certificate.

On receipt the audit report, the center commandant issue pension /commutation sanction order and forward it to field pay office for notification and issue of pension payment order (PPO).The FPO issue six copies of PPO, original copy will forwarded to the individual respective bank, and other copies are forwarded to Record office, FC (Army) pay -2, head office of respective bank, pensioner, and office copy is kept in individual file. At the same time pension book BAFA 373 (Revise) is issued to pensioner. Pension card will be forwarded to his nominated bank, for payment of commutation value; After issuing payment order by FPO to Center Commandant, commandant will issue account payee cheque to pensioner's account.

## **Pension of the Government Civilian officers/Staffs**

**Pension:** According to “Basamorik sorkari cakurider pension monjuri o poroshed soachanto bidhi/poudoti audikotoro sohojikoron” January /2009 the Public servants of the People’s Republic of Bangladesh are enjoying Retirement & Pension benefit.

A civilian Officer or Staff of Bangladesh Arm Forces or Defense Finance Department shall retire from his service on the following ground:

- Completion of the fifty seven years of his age.
- At 25<sup>th</sup> years of service completed.
- Incapacitation or abolish of the post.

A civilian Officer or Staff of Bangladesh Arm Forces or Defense Finance Department or his/her family will get pension benefit life long (fulfilling certain conditions). According to the existing rules on the basis of the length of his/her service (pensionable service) completed, his or her pension benefit will be calculated. Besides pensioner himself or herself the existing rules accommodate family pension on the following ground:

- In case of death while in service the officer’s or staff’s family (at least 10 years) will be provided family pension on the basis of the length of service according to the existing rules.
- In case of death of the pensioner while enjoying pension benefit.

In case of the death of the officer or staff his wife/wives (not comprise to second marriage) may get pension benefit for lifelong. In capable retarded children will also get the pension benefit lifelong.

**Gratuity:** According to existing rules a civilian Officer or Staff of Bangladesh Arm Forces or Department of Defense Finance after having retirement from service along with pension benefit will get gratuity benefit too. As regards the scale and amount of gratuity admissible for a qualifying service of 5 years but not less than 10 years.

***Pensionable service:*** By definition a pensionable service is that length of service which is countable for pension.

Necessary Conditions for Pension able service are as follows:

- Service under the Government.
- Permanent Appointment.
- Pay & Allowances of the service must be from the Revenue Budget.

### **Different Type of Retirement:**

There are some set rules to enjoy Retirement benefit. Retirements are divided into different categories these are:

- Compulsory Retirement
- Optional Retirement
  - Voluntary Retirement
  - Retirement for Public Interest
- Retirement due to incapacitation.
- Compulsory retirement as a penal measure.

### **Different type of Pension:**

For pension able service the officer/ staff or in case of his/her death his family may get the following types of pension benefit according to existing rules:

- Compensation Pension
- Incapacitation Pension
- Pension due to age limit
- Retirement pension.
- Family pension.
- Extraordinary pension.

**Benefit admissible after Retirement:**

- Pension
- Gratuity
- Medical Allowances
- LPR benefit & Leave left over cash. Encashment.
- Group Insurance & Benevolent fund benefit.
- General Provident fund benefit.

**Pension & Gratuity calculation process:**

$\frac{\text{Last basic pay} \times \text{Rate of Entitlement}}{100} = \text{Gross pension. Gross pension} \times 50\% = \text{Nit pension}$

$\text{Nit pension} \times \text{Rate of Entitlement of gratuity} = \text{Gratuity}$

In case of 100% Pension surrender:

$\text{Gross pension} \times 75\% \times \text{Rate of Entitlement of gratuity} = \text{Total gratuity.}$

**Pension Table**

**Rate of Gratuity**

Length of service	% of pension	Length of service	% of pension
10	32%	18years	58%
11	35%	19years	61%
12	38%	20years	64%
13	42%	21years	67%
14	45%	22years	70%
15	48%	23years	74%
16	51%	24years	77%
17	54%	25+	80%

Pensionable service	Rate of Gratuity
More than 10 years less than 15 years	TK.230
More than 15 years less than 20 years	TK.215
20 years or more than that	TK.200

**Distribution of Pension:**

- In case of male officers/staffs his wife/wives
- In case of female officers/staffs her husband
- Children of officers/staffs will get the benefit (except son more than 25 years & married daughter)
- Wife/ wives/children of dead son of government officers/ staffs.

Besides the above mentioned, following relations of the government officer/ staff are included in the definition of family:

- Father.
- Mother.
- Brother less than 18 year's age.
- Unmarried & widow sister.

In case of absence of civilian officers /staffs his/her Husband/wife/wives alive elder son, unmarried daughter, widow daughter, widow of dead son, son of dead son & in absence of unmarried daughter of dead son eldest widow daughter of dead son.

In absence of above mentioned successor will be determined applying the same condition applicable to son who is more than 25 years, married daughter & daughter of dead officers/staffs according to existing pension rule.

**Incase of pensioner himself ,  
the following forms, certificate & papers are necessary to be submitted  
with the pension case for sanction of pension:**

- Service statement for gazetted officers& Service Book for non gazetted.
- Sanction order in favor of LPR.
- ELPC/LPC
- Pension form2.1(As prescribed)
- Attested photo graphs.(4 copies)
- Valid successors certificate in favor of getting pension.(As prescribed,3 copies)
- Specimen Signature/Impression of five finger.(As prescrobred,3 copies)
- No demand certificate.(As prescribed)
- Pension sanction order.

**In case of death of Pensioner while enjoying pension,  
necessary documents to be attached are as follows:**

- Pension Form.(2.2 form As prescribed)
- Attested photograph.(4 copies)
- Successors certificate & non marriage certificates.(3 copies)
- Specimen Signature/Impression of five finger.(As prescribed,3 copies)
- No demand certificate.
- Guardian nomination/Power of authorization to draw pension & gratuity.(As prescribed, 3 copies)
- Death certificate by Doctor/Pouroshova/Chairman of union parished/word commissioner.

**Incase of death of the pensioner before sanction of pension:**

- Service statement for gazetted officers& Service Book for non gazetted.
- Sanction order in favor of LPR.
- ELPC/LPC
- Family Pension form2.2(As prescribed)
- Attested photo graphs.(4 copies)
- Valid successors certificate in favor of getting pension. & non marrige certificate(As prescribed,3 copies)
- Specimen Signature/Impression of five finger.(As prescrobred,3 copies)
- No demand certificate.(As prescribed)
- Pension sanction order.
- Death certificate by Doctor/Pouroshova/Chairman of union parished/word commissioner.
- In case of incapable retited children According to Bangladesh retarded welfare act 2001 genuine certificate in favour of that.

**In the case of disposal of pension case,  
special attention shall be given on the following points:**

- In case of pensionable service less than 3 years pension& gratuity is not admissible.
- In case of pensionable service more than 3 years but less than 5 years gratuty is admissible @ 3 month basic salary. No pension is admissible.
- In case of pensionable service more than 5 years but less than 9.5 years gratuty is admissible @ of each year basic salary.
- In case of pensionable service more than 9.5 years but less than 10 years gratuty is admissible at definite rate prescribed in pension rules
- Incase of incapacitation pension 30 days gross period will be provided from the date of medical board decision of incapacitation. (CSR455).

- In case class 1&2 officers compulsory Retirement as a measure of penalty/punishment, consultation with PSC is a must. But in case of civilian related to defense & officers from NSI it is not compulsory.
- In case of compulsory Retirement while in temporary dismissal the dismissal period will be less from pensionable service. Pension & gratuity benefit & interest of GPF will not admissible for the period.
- Pension is admissible up to the date of death.
- In case of compulsory Retirement as a measure of penalty LPR& leave left over is not admissible
- Considering the age of 57 years LPR shall start one day before the age of 57 years completed. Otherwise LPR & leave left over benefit will lapse.
- Age will automatically Condon.
- In case of those pensioners who surrender 100% pension benefit they don't have any relation with the department, so medical allowances is not admissible for his family in case of his death.
- If the wife of the pensioner gets second marriage she will not get pension benefit of the pensioner but in case of gratuity she may get it if the case is delayed due to administrative reasons mean while she got 2<sup>nd</sup> marriage.

**Ref. For prescribed form and above mentioned order please visit  
www.mof.gov.bd**

### **Example: Case study**

a pension case of a civilian officer who was serving in Bangladesh Army.

Name: Mr. A.K.M Abdullah.

Designation: Sub Assistant Director.

### **Eligibility for getting pension:**

- His service was under the Government of Bangladesh.
- He was getting the salary from Revenue Budget.
- He was holding a permanent post.
- He joined the service in 10.05.1982 upto 31.10.2007 (he had a length of service of 26years +)
- According to existing pension rules after completion of 25 years of service he is eligible to get pension benefit at highest rate.

### **Process of sanctioning Pension:**

- Mr. A.K.M Abdullah, Sub Assistant Director applied to his controlling office for sanction of Pension with all necessary supporting documents.
- His controlling office prepared his LPC & forward it to the FC(m) for verification & certification of no demand certificate.
- FC(m) office after verifying the no demand certificate & LPC, if found it valid forwarded it (with ambush seal) to the controlling office.
- Controlling office along with the pension form & other documents with pension sanction order will forwarded it to FC(m) for the payment of pension.

### **Necessary Action to be taken by FC(misc.) Office:**

- After receiving the case in FC(m) office, having a signature of FC it is directed to the Pension Grants section for necessary action.
- After verification in PG section it is put up in office note for the approval of superior officer.
- After getting approval it is ready for payment.



- After payment all the supporting documents related to pension are forwarded to the concerned Accounts office or Treasury office from where the pensioner is willing to draw his pension.

For any clarification, please contact:

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