

Government of Pakistan  
**Finance Division**  
(Regulations Wing)  
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F.No. 9(3)R-6/2024- 403

Islamabad, the 1<sup>st</sup> January, 2025

**OFFICE MEMORANDUM**

**Subject:- FUTURE INCREASE METHODOLOGY IN PENSION**

The undersigned is directed to refer to the subject noted above and to state that, on the recommendations of Pay and Pension Commission-2020, it has been decided that henceforth future increase methodology in pension shall be as under:

- a. The net pension [Gross Pension less Commuted portion of Pension] calculated at the time of retirement will be termed as baseline pension.
- b. Any increase in pension shall be granted on baseline pension.
- c. Each increase shall be maintained as a separate amount until the time, the Federal Government decides to review and authorize any additional pensionary benefits.
- d. Baseline pension will be reviewed by Pay and Pension Committee after every 3 years.

Provided that the current pension of existing pensioners on the date of issuance of this O.M. shall be considered as baseline pension.

Provided further that baseline pension is deemed to include restored commuted portion of pension as and when restored.

2. Existing instructions on the subject shall stand amended to the extent of above with immediate effect.

  
(Nayab Sayyed)  
Deputy Secretary(R-III)  
Ph. # 051-9245839

**All Ministries/Divisions/CGA/AGPR/MAG**

Copy also forwarded for information to:

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10. AGPR, Islamabad/Lahore/Peshawar/Karachi/Quetta.
11. Pakistan Mint, Lahore.
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28. Directorate General of Inspection & Training, Customs & Central Excise, 8<sup>th</sup> Floor, New Custom House, Karachi.
29. Earthquake Re-construction and Rehabilitation Authority (ERRA), Islamabad.
30. National Accountability Bureau, Islamabad.
31. Intelligence Bureau, Islamabad.
32. Member (Finance), KRL, P.O Box #1384, Islamabad.
33. Controller General of Accounts, Sector G-5/2, Islamabad.
34. Governor, State Bank of Pakistan, Karachi.
35. President, National Bank of Pakistan, Karachi.
36. PP&A Dte, GHQ and Joint Staff, Headquarter, Rawalpindi.
37. Web Administrator, Finance Division, Islamabad (for uploading at Finance Division's Website i.e. ([www.finance.gov.pk](http://www.finance.gov.pk))).