

Government of Pakistan
Finance Division
(Regulations Wing)

No. F. 9(3)/Reg.6/2024-264

Islamabad, the 3rd January, 2025.

OFFICE MEMORANDUM

Subject : } **SPECIAL FAMILY PENSION**
 } **VOLUNTARY RETIREMENT PENALTIES**

The undersigned is directed to refer Finance Division's O.M. No. F. 9(3)R-6/2024-264 dated: on the above subject(s) and it is inform that different organizations/departments have raised number of queries for necessary clarification. The responses to those queries are provided at attached **Annex-'I'** and **Annex- 'II'** for your information and necessary implementation, please.


(Nayab Sayyed)
Deputy Secretary (R-III)

All Ministries/Divisions/CGA/AGPR/MAG

Copy also forwarded for information to:

1. President's Secretariat (Public), Islamabad.
2. President's Secretariat (Personal), Islamabad.
3. Prime Minister's Office (Internal), Islamabad.
4. Prime Minister's Office (Public), Islamabad.
5. National Assembly Secretariat, Islamabad.
6. Senate Secretariat, Islamabad.
7. Election Commission of Pakistan, Islamabad.
8. Supreme Court of Pakistan, Islamabad.
9. Federal Shariat Court, Islamabad.
10. AGPR, Islamabad/Lahore/Peshawar/Karachi/Quetta.
11. Pakistan Mint, Lahore.
12. Auditor General of Pakistan, Islamabad.
13. Federal Public Service Commission, F-5/1, Agha Khan Road, Islamabad.
14. Capital Development Authority, Islamabad.
15. Cost Accounts Organization, Islamabad.
16. Military Accountant General, Rawalpindi.
17. Central Directorate of National Savings, Islamabad.
18. Chief Accounts Officer, M/O Foreign Affairs, Islamabad.
19. Chief Accounts Officer, Pakistan Railways, Lahore.
20. All Joint Secretaries (Exp)/Deputy Secretaries(Exp), Finance Division, attached to Ministries/Divisions etc.
21. Secretariat Training Institute, Islamabad.
22. Federal Tax Ombudsman's Secretariat, Islamabad.
23. DG, Post Offices, Islamabad.
24. Office of the Chief Commissioner, Islamabad.
25. Secretary, Wafaqi Mohtasib (Ombudsman)'s Secretariat, Islamabad.
26. Pakistan Atomic Energy Commission, Islamabad.
27. All Chief Secretaries/Finance Secretaries of the Government of Punjab/ Sindh/ Khyber Pakhtun Khwa/Baluchistan/Azad Government of Jammu & Kashmir & Gilgit Baltistan.
28. Directorate General of Inspection & Training, Customs & Central Excise, 8th 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)).

Subject: Special Family Pension

Sr. No.	QUESTIONS	Clarification of Finance Division
a)	i. The terms Special Family Pension need to be defined. ii. What is the eligibility criterion for Special Family Pension.	The Special Family Pension as used in Finance Division O.M. dated 10.09.2024 is admissible to Shuhada of Armed Forces/Civil Armed Forces only.
b)	i. In case of the widowed/divorced daughters become entitled to draw such pension for full 25 years or un-expired portion of 25 years. ii. Whether the said O.M. is also applicable on unmarried/widowed /divorced daughters, who are fully dependent on pensioners/parents.	The Special Family Pension after the death or ineligibility of the spouse/first recipient shall remained admissible for accumulated period of 25 years only, to the family members as per eligibility criteria, share of Special family pension, priority and manner set in Pension Regulations Vol-I (Armed Forces), 2010.
c)	i. Whether this OM is also applicable on existing special family pensioners/recipients who are second recipients and have already completed 25 years or more. Whether their pension may be discontinued w.e.f. 10.09.2024 or 25 years are counted from the date of this OM. ii. Whether the pension of unmarried / widow / divorced daughters who have already drawn their pension for more than 25 years as on 10-09-2024 i.e. issuance of ibid OM, would be stopped or otherwise. iii. Whether the defined period i.e. 25 years for second recipient be considered retrospectively? If yes, how much period will be considered for retrospective effect?	i. The condition of 25 years is not applicable to existing Special Family Pensioners who shall be treated as per the terms and conditions under which they were originally granted Special Family Pension. However, the rate revised under para 1(iii) of Finance Division's O.M. dated 10.09.2024 will be admissible to existing Special Family Pensioners w.e.f. 10.09.2024. ii. As above. iii. As above.

d)	<p>i. After disqualification of one member, whether next member is also entitled for 25 years or unexpired portion of 25 years or otherwise?</p> <p>ii. Age limit will be observed as per Rule 108 (b,c,d,e and f) of pension regulations Vol-I, 2010 or not?</p> <p>iii. After disqualification of 2nd life dependent pension/special family pension, whether the restriction of special family pension to 3rd life imposed vide Finance Division's u.o. No. F.2 (4)-Reg.6/2010-331 dated: 22-04-2014 has been terminated or otherwise.</p>	<p>i. The next eligible member is also entitled for un-expired portion of 25 years.</p> <p>ii. Yes.</p> <p>iii. No change.</p>
e)	<p>i. The rate of Special Family Pension after the death of 1st recipient is enhanced to 50% of last pension drawn of 1st recipient. Whether such increase in pension will be calculated on basic pension i.e. Net Family pension without increases or the monthly pension being drawn at the time of death?</p> <p>ii. The question arises that what is meant by last drawn pension?</p>	<p>i. Query is not clear, o/o the AGPP, may want to submit separate detailed reference for it along-with example cases.</p> <p>ii. As above.</p>

Subject: Voluntary Retirement Penalties

Sr No.	Questions	Clarification of Finance Division
a)	<p>i. Whether 3% annual flat reduction applicable to government employees who have opted for voluntary retirement before issuance of Finance Division O.M. 10-09-2024 and currently on Leave Preparatory to Retirement (LPR), or availing encashment of LPR, or those under a notice period?</p> <p>ii. Whether the said O.M. is applicable to existing employees or will be applicable or will these be applicable on new entrants only.</p>	<p>The decision does not apply to the government employees currently on Leave Preparatory to Retirement (LPR), or availing encashment of LPR, or those under a notice period for premature (voluntary) retirement. However, the reduction will be applied to the gross pension of all those employees who have or would have applied for premature (voluntary) retirement on or after the issuance of the Finance Division's O.M dated: 10-09-2024.</p>
b)	<p>i. As per existing pension formula, a maximum benefit of 30 years of service is admissible in pension. if a pensioner served for more than 30 years and got voluntary retirement, a reduction of 3% per year in gross pension from the date of retirement to the date of superannuation will result in double financial loss to him/her as on the other side there is no benefit for extra years of service beyond 30 years and on the other side 3% reduction in gross pension per year from date of retirement to date of superannuation. In this regard, two different views come forth; <u>either the service benefits for pension may be extended to the actual length of service (beyond 30 years of service) or the reduction policy may be limited to 30 years of service rather than to date of superannuation.</u></p> <p>ii. Whether the 3% reduction rate shall also be applicable on civil employee after completion of 30 years.</p>	<p>Noted.</p> <p>Yes.</p>

c)	How 3% deduction will be applied on gross pension?	Difficulty in this calculation may be conveyed clearly for proper appreciation of the issue.
d)	Whether the said deduction will be restored or not on completion of 60 years?	The deduction Will not be restored.