

RAJEEV CHANDRASEKHAR MEMBER OF PARLIAMENT RAJYA SABHA

Member of Standing Committee on Defence
Member of Consultative Committee on Defence
Member of Central Advisory Committee for the National Cadet Corps
Co-Chairman, Vigilance & Monitoring Committee, Bangalore Urban District
Vice Chairman, National Military Memorial Management Trust, Bangalore

23 February, 2016

Dear Raksha Mantriji,

Sub: Anomalies in One Rank One Pension Scheme

I write to you further to the Government's announcement and release of the One Rank, One Pension (OROP) implementation tables on 06 February, 2016.

At the outset, I congratulate you once again on fulfilling the four-decade long pending demand for OROP.

The One Man Judicial Committee headed by Justice (Retd) L. Narasimha Reddy, set up on 14 December, 2015 to look into the measures for the removal of anomalies that may arise during the implementation of OROP, is also a welcome step. However, since the Terms of Reference of this Committee state that the Committee shall "examine and make recommendations on references received from the Central Government", I am hereby submitting my representation to you, so that this could find place in your Ministry's reference to the One Man Judicial Committee.

Attached is a list of anomalies that require attention and revision in order to fully implement OROP in its true definition.

Sincerely,

RAJEEV CHANDRASEKHAR

Shri Manohar Parrikar Hon'ble Minister of Defence Government of India New Delhi

Encl.: Annexure I - List of Anomalies in the OROP Scheme



Annexure I

ANOMALIES - ONE RANK ONE PENSION SCHEME

I will not go into details of pensionary anomalies, as these will surely be examined in detail. However, I urge you to ensure that there is no distortion of pensions for any rank, arising from OROP. That should be a principle.

Below are the anomalies/concerns that require immediate addressing:

1. PENSION EQUALISATION:

Equalisation of pensions every five (5) years will bring about disparity in pensions and result in senior ranked officers drawing lesser pension than junior ranked officers for five years. This violates the definition of One Rank One Pension. This will also result in permanent violation of the definition as fresh cases will come up every year.

One Rank One Pension should be implemented in perpetuity and should not be linked with Central Pay Commissions. It is pertinent to mention that the Central Pay Commission award must integrate the OROP and should not adjudicate on it.

2. BASE YEAR FOR FIXATION OF PENSION 2013-14 VS 2014-15

Fixation of pension as per calendar year 2013 would result in past retirees getting less pension of one increment than the soldier retiring today. This will not only result in past retirees drawing lesser pensions than present retirees, but also result in loss of one increment across the board for past pensioners in perpetuity.

3. PAYMENT OF ARREARS: Payment w.e.f 01 July, 2014 instead of 01 April 2014

OROP was approved in the Central Budget 2014-15. Applicability of the same must be 1st April of the same financial year. In the case of OROP, the Government had issued specific orders on its applicability w.e.f 01 April, 2014. Hence, implementation date for OROP from 01 July, 2014 will be against the Parliament approval. Changing the date would result in a loss of three months' emoluments for OROP across the board.



4. DENIAL OF OROP TO PREMATURE RETIREES HEREON:

It is not desirable that Pension entitlements under the Pension Regulations as per Defence Services Regulations be modified through OROP. It will create a class within a class giving rise to a situation which may not withstand legal scrutiny.

Moreover, the clause on denial of OROP on premature retirement also goes against the recommendations of the Ajai Vikram Singh Committee, which had recommended measures to reduce the age profile of officers. The said recommendations were approved by the Cabinet and implemented by the Government in December 2004.

5. REVIEW OF OROP AFTER 7TH CENTRAL PAY COMMISSION (CPC) IMPLEMENTATION

In order to bring pre-2013 retirees at par with 2015 retirees, there is a need to review OROP soon after the 7th CPC implementation. This will ensure parity in rank for rank and service for service. It may well be meaningful to do this rationalisation from 01 January, 2016 and then use the multiplication factor - no rationalisation would be needed till the next CPC, unless there is a change in formula of fixing salaries as recommended by 7th CPC.

This will ensure the Government does not face legal challenges by Veterans seeking parity at par with similarly placed officers who were in service on 01 January, 2006. Such a review after the 7th CPC implementation will also settle the issue of Base Year (Point No. 2 above).