

# Pension Scheme

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## Q1. What is the formula for calculating the Pension amount?

$$\text{Pension} = (\text{Pensionable Salary (average of last 60 months)} \times \text{Pensionable Service}) / 70.$$

## Q2. What is the quantum of pension a member can get on his superannuation?

A member who joins the Employees' Pension Scheme 1995 at the age of 23 and superannates at the age of 58, and contributes to the (present) wage ceiling of Rs.15000/- may get about Rs.7500/- as pension if service is 35 years.

$$(\text{Pensionable Salary} \times \text{Pensionable Service}) / 70 = (15000 \times 35) / 70 = 7500$$

## Q3. How the average salary is determined for granting pension?

The average salary is determined only for giving the pension to member. It is the average of last 60 months. (Non-contributory period, if any, is reduced)

## Q4. At what age a member is eligible for pension?

A member is eligible for pension on superannuation at the age of 58 years. If a member leaves employment between 50 and 57 years he can avail the early (reduced) pension.

**Q5. In case the employer has failed to pay the pension contribution whether any pension is payable or not?**

Non-payment of pension contribution by an employer will not affect the grant of Pension. Pension is guaranteed.

**Q6. Is there any increase in the pension amount every year?**

No.

**Q7. When a member avails reduced pension at the age of 50 can he get his full pension on attaining 58 years?**

No. Once Pension is sanctioned it cannot be altered.

**Q8. Can a member avail pension even while he is in service?**

The member who continues in service even after 58 years can avail the Pension from the age of 58. If a pensioner, who has availed the early pension, may take up employment thereafter and in such cases he will not be eligible to join the Pension Scheme. And the 8.33% contribution from Employer side will go towards EPF fund.

**Q9. Can I surrender or sell my full pension for getting a lump sum payment?**

No.

### Q10. What will be the effect of unemployment period under the Pension Scheme?

The unemployment period will be excluded from the actual service. Pension is based on contributory service only.

### Q11. In the absence of family members (family here means the family procreated by the member and not the family in which he/she was born) and nominee, to whom the pension is payable?

It is payable to the dependant parents.

### Q12. What are the advantages of taking a Scheme Certificate?

1) It facilitates transfer of Pension Accounts when the employment is changed. 2) If the Holder of Scheme Certificate dies the family will get family pension.

### Q13. Who is eligible to get a Scheme Certificate?

A member whose service is 10 years or more and not attained the age of 58 years will be mandatorily issued scheme certificate. A member whose service is less than 10 years can avail the Scheme Certificate to carry forward his pension service but it is not mandatory for such member.

#### Q14. When and to whom the pensioner is to give a life and non-remarriage certificate?

All pensioners drawing pension under Employees' Pension Scheme, 1995 are required to give a Life/Non-Remarriage Certificate, duly attested by the Bank Manager/Gazetted Officer after 12 months from the month in which the pension was sanctioned or date of submission of last Life certificate. Physical Life Certificate is to be submitted to the Bank through which the pension is being paid. Failure to submit Life Certificate after one year will result in stoppage of pension after 12 months from the date of submission of last Life Certificate or sanction of pension in case of new Pensioners. In place of physical life certificate 'Digital Life Certificate' (DLC) has been introduced from the financial years 201516. Now Pensioners can use their Aadhaar number to submit the DLC. The facility to submit DLC is available in 'Common Service Centers' (CSCs), branches of Pension Disbursing Banks, 'Post Offices' through 'India Post Payment Banks' (IPPB) as well as PF offices.

#### Q15. Whether member can delay the pension beyond 58 years?

Yes, the member has option to delay the pension beyond 58 years: 1) Member can opt for receiving pension after attaining 59 or 60 years of age but pension contribution stops after 58 years. In this scenario quantum of pension is increase by 4% per year beyond 58 years. 2) Member can opt for receiving pension after attaining 59 or 60 years of age but pension contribution continues after 58 years. In such a scenario the quantum of pension shall be higher than the first case cited above.

#### Q16. In the absence of nomination, how the P.F. amount of a deceased member is paid?

It is payable to the family members in equal shares, under Para 70 (ii) of EPF Scheme, 1952. If there is no eligible family member, it is payable to the person(s) who are legally entitled to it.

#### Q17. What is the need for giving nomination for pension?

On the death of a Pension member (before receiving the pension), if there is no eligible family member, pension is payable to the nominee.

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