CHAPTER IX

RETIREMENT (SUPERANNUATION) OF EMPLOYEES

Age of superannuation has been fixed by the Govt., following the suggestion of the Central Pay Commission. In fixing the age of retirement, two opposite views have been considered by the Pay Commission. The view point and interest of the tax payer demands, that the retirement age should be consistently with the requirement of efficiency, be as high as possible, so that the full benefit of the accumulated training and experience of the employees obtained, and pension may have to be paid for as short a period as possible. This may be said to be view point of a large section of the Central Govt. employees (including railway) mostly of the middle and lower rank. The younger elements in the service may have the objection to the raising of the superannuation age on the ground that, it would block the prospects of early promotion of them. But what is apparent in actual practice, such blocking is a temporary phase, because those who are thus blocked to-day will get their due chance after a few years and be compensated for the delay by being able to stay in service correspondingly longer. On the other hand(social point of view also) raising of superannuation age will definitely have an adverse effect, faced with the urgent need of finding as many vacancies as possible for the increasing number of the products of schools and colleges in India particular.
However, while dealing with this important chapter, some more topics will naturally come as a relevant factor of retirement such as retirement benefits, pension etc. which will also be dealt with in brief. Practically, the procedure prevailing in the N.F. Railway and what has been observed in course of study will be the main subject of dealing.

Firstly, the age of retirement of the railway employee which is fixed at 58 years and the railway employee on attaining that age retired compulsory as a rule. Rule is there that a ministerial railway servant who entered the Govt. service on or before 31st March, 1930 and held on that date (a) a lien or a suspended lien on a permanent post or (b) a permanent post in a provisional substantive capacity shall be retained in service till the age of 60 years. And (c) railway servant in Class IV service or post who prior to 1-12-62 were entitled to be on service up to the age of 60 years. But there is no such employee in the N.F. Railway at present falling under the above group, since all of them have already been retired. Yet a ministerial staff may be granted extension of service after the age of 58 years by the competent authority (beyond 60 years as a very special case) in the public interest. Records of such cases are there in the N.F. Railway till 1970-79 which are very few in comparison.
The railway servants are retired from service, as per normal rule, with effect from the date as shown against the dates of birth of staff as under -

<table>
<thead>
<tr>
<th>Date of birth</th>
<th>Date of retirement attaining the age of 58 or 60 years.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st of a month</td>
<td>Afternoon of the last day of the preceding month.</td>
</tr>
<tr>
<td>Any other day of a month</td>
<td>Afternoon of the last day of that month.</td>
</tr>
</tbody>
</table>

The above rule is applicable to all Class I railway employee with effect from 1st April, '74 and to all other categories of staff with effect from 1-11-73. Retirement on superannuation is automatic as per system unless otherwise ordered.

Railway servant may be retired before the superannuation age due to certain reason. Such as - no Chief Engineer shall without re-appointment (including officer in supervisor Revenue Establishment of State Railways in rank of Chief Engineer) hold the post for more than five years. But the term of re-appointment cannot be in anyway extended beyond the date of superannuation i.e. attaining the age of 58 years.

In Class I or Class II gazetted service railway servants may be retired by the appointing authority,

giving atleast 3(three) months notice or 3 (three) months

(1) Reference - Rly.Board's letter No.PCIII/73/RT/4 ct. 10-12-73 & 2-5-74 and 2-8-74 - can be seen in P/Branch of E.F.Railway, Maligaon.
pay and allowance in lieu, after the staff has attained the age of 50 (fifty) years. In this case, the appointing authority has the absolute right to do so, if it is of the opinion that the same is essential in the public interest. Such retirement, although their cases (service records etc.) are reviewed by the competent authority after attaining 50 years of age or 30 years of service. In any other cases – the competent authority may order retirement of staff after attaining the age of 55 years (after proper review as the case may be). This is applied to railway servant of all categories who entered railway service after attaining the age of 35 years. An exception is there in case of Class IV employees, for whom, it has been decided not necessary to review their cases as per instruction of Railway Board.

On the other hand any railway servant after giving (Three) 3 months notice in writing to the Administration may be also retire after he has attained the relevant age. It is upto the discretion of the appointing authority to with-hold permission to a railway servant under suspension who seeks the retirement. Class III employee of the railway, who is not governed by the pension rules can also be retired on the above procedure. Apart from the above, the competent authority (who can remove a railway servant) has the right to retire a pensionable staff after completion of 30 years qualifying service, observing necessary formalities. The employees (Class III) also enjoy
the reciprocal right to retire from service after 30 years by giving notice to the appropriate authority. In case of railway servant under suspension, it will be a subject of prior approval of the authority who is empowered to make substantive appointment to the post or service from which the employee seeks retirement.

Now it is needed to discuss about the process of notice (from both sides) and the question of review, since both are vital in case of retirement of staff. The three months notice referred to above, should be given in writing by the employee for consideration of retirement, which provides that the employee has completed the relevant and prescribed age and may be relieved of his service. What is apparent in the I.F.Railway is that, the notice for retirement (or even resignation) is not considered immediately, rather takes a long time by observing formalities. At least in one case it is seen (though more cases are there) that railway employee give notice for voluntary retirement, has been considered after the notice period is over. In case of resignation also, it is seen in the record of Personnel Branch that a staff of Commercial Branch has submitted his resignation by giving due notice to the authority as per rule. The resignation was accepted, but subsequently reviewed and withdrawn by the staff on the advice of the competent authority observing the formal procedure.
With a view to assess the suitability of the employee for retention beyond the specified age or 30 years of qualifying service, a review is made by the competent authority. Review is made generally six months in advance on which a railway servant attains the age of 50/55 years or completes 30 years of service whichever is earlier. This review is done by a committee constituted for each department to examine the cases and the appropriate authority takes further action on the recommendations of the Committee.

The criteria followed by the Committee in making recommendations in reviewing case referred to above are (all based on service record) - (a) Railway employees whose integrity is doubtful, he will be retired. (b) Employees, found ineffective are also retired. If an employee is found unfit to continue his present post, his fitness/competence to continue in the lower post from which he was promoted is often considered by the Committee. But in this case - the entire service period is taken into consideration though last five years service record is the main point of consideration whether this period is satisfactory or unsatisfactory. (c) When it is proposed to retire a railway employee, the appropriate authority records in the file its opinion.

(1) In this connection Rly. Board's instruction vide Letter E(F&A)1-77/RT-53 dt. 15-11-77 can be seen in the office of Rly. Haligao.
The opinion recorded by the authority are for such action in pursuance of the rules in the public interest, giving the employer all benefit of retirement as per rule.

If it is considered that, the employee could be retained in the next lower post a notice in the prescribed form is served to retire him from the service. Simultaneously, it is explained to him in a covering letter, that his continuance in service beyond 50/55 years or after completion of 30 years qualifying service can be considered, if he is willing to revert to the lower post held by him previously. If the employee consents to the reversion, notice of retirement is withdrawn and allow him to continue in the lower post. It is observed that later on his case of promotion to the higher post, in due course, is considered along with others after he has completed atleast two year service in the lower post satisfactorily.

The date of premature retirement of a railway servant is generally effected from the forenoon of the day following the day of expiry of 3 months notice period.

These conditions are not observed in other cases of premature retirement. Particularly - (a) to retire a railway servant on grounds of specific acts of misconduct, as a shortcut to initiating formal disciplinary proceedings, (b) for reduction of surplus staff or as a measure of general economy, without following the rules and
and instructions relating to retrenchment. The review in this case is to be based on an assessment of the entire service record of the railway employee in an objective manner and premature retirement is effected only on the grounds of public interest. These conditions are compelled to be followed, unless a particular case, though categorically observed, considering the case of review of a railway employee. While reviewing the cases strict secrecy is maintained in all cases of staff belonging to Class II, Class III and Class IV categories. In case of Class I gazetted Officers - review is done by a Committee of the Railway Board, of which one member will essentially be included from U.B.S.C.

Against the orders of premature retirement - representation can be submitted by the concerned railway employee within three weeks from the date of receipt of such notice. The representation is considered by a committee formed (in the Head Quarters by I.F.Railway) for this purpose by order of superior authority. Final orders on the representation, as a general rule, is passed by the superior authority as per recommendation of the aforesaid Committee. If the representation is rejected by the Committee, approval of the Ministry of Railways, Railway Board will be necessary on the proposal of rejection, which will be communicated to the employee concerned. (1) 

(1) Ibid.
The names of Class III employees due to retire, are published one year in advance in the H.F. Railway Gazette. In case of Class IV employees, a notice is issued to each individual employee one year in advance of the date of superannuation. But it is seen that the above action i.e. publish the names of employees to be retired within a year is a common factor - although all the names are not published within the stipulated time. Of course, that does not confer any prescriptive right on the staff for retention in service.

It is already mentioned earlier that railway servant is eligible to retire voluntarily with full benefits fulfilling certain conditions - particularly under -

(a) Provident Fund Rules and (b) Pension rules. They are -

(a) In cases of gazetted officers, on completion of 30 years service or on attainment of the age of 50 years and in case of non-gazetted staff 30 years or 55 years whichever is earlier.

(b) Both in cases of gazetted and non-gazetted employees - on completion of 30 years qualifying service.

Apart from voluntary retirement with additional benefits, the railway employees may retire from service under a separate scheme. The scheme is that - railway servants (of all classes) who have completed not less
20 years qualifying service, by giving 3 months notice in writing to the appointing authority, may retire from service voluntarily with the benefits of retiring pension and other benefits. It is noticed that, this scheme is purely voluntary, the initiative resting with the railway employee himself and obviously the Railway administration does not have the reciprocal right to retire railway servants of its own.

The notice of voluntary retirement given after 20 years of qualifying service by an employee may be accepted by the appropriate authority considering the necessary factors to the rules laid down under the scheme. In case of Group 'B' (Class -II) railway servants, if the notice is given less than three months, the General Manager is empowered to accept it, subject to obtaining vigilance clearance and in consultation with the FC&MD. In cases of Group 'C' & 'D' (Class III & IV), notices of less than three months may also be accepted by the General Manager personally in consultation with the Accounts.

The weightage given under the above scheme is only an addition to qualifying service of the railway servant for the purpose of pension, gratuity etc. after voluntary retirement.

Before the retirement of the employee the concerning section of Personnel Branch has to observe a series of
formalities.

A register showing the dates of superannuation of staff is maintained and the names of the employee retiring are listed and circulated one year in advance. This list contains names, designation, P.F. account no., and date of retirement of the staff on receipt of which the Accounts office (P.F. Section of Accounts branch of P.F.Rly.) take necessary steps to ensure that P.F. Accounts of concerning staff are brought up to date.

Special care is taken to see that all entries in the service records are completed sufficiently in advance of the date of superannuation of the staff concerned. Leave account are considered as the integral part of service record and completion and checking up of the same is undertaken simultaneously. The important factor i.e. verification of signature/ finger print insertions etc. are also checked and not left to be undertaken at the time of retirement.

Office order is issued by the staff section indicating the date of retirement of staff and copies are sent to the Accounts Officer, pay bill section, E/Fs section and the concerning office/unit/station where the staff is employed. As soon as the staff retires, his settlement pay bill will be drawn by pay bill section making all permissible recoveries (if any) and sent to Accounts Officer(concerning and authorised) for audit and payment. They pay bill section.
on receipt of the notice, sends the last pay certificate showing therein recoveries made (if any) and are due to be made, the F.F. Account number with the amount of F.F. recoveries made, the settlement pay bill number and date, Railway quarters number occupied (if any) by the staff etc. to the settlement section.

Before an employee is due to retire, his service book is sent by the Departmental officer/personnel officer to the Accounts Officer - who verified the continuity of the service of concerning staff. The Officer make outstanding claims (if any) against the retiring employee and issue claim memo for certification and obtaining clearance of dues (if any) and a 'No demand certificate' from the office/Unit/Station where the staff is employed etc. and then send all the papers to the Accounts for necessary audit and payment.

Although - it may seem to take a considerable time to observe all the above formalities, yet these are done by taking as little time as possible to avoid any further complicacy. Delay in any case is avoided as far as practicable by the concerning section of Personnel Branch on the aforesaid matter. Else action may be taken against officer/staff dealing with the same as per standing instructions of Railway Board.

The entire subject is dealt with by the F.F. or
Establishment Final Settlement Section of Personnel Branch at Maligaoon Headquarters. This section is an important section of Personnel Branch and definitely plays a vital role before the staff is released from the railway.

Papers relating to the retirement benefit of the employee gets ready at this section before the stipulated period and sent to Accounts department for verification/ Audit and payment.

Preparation of pension papers begins 2 (two) years before the date of normal retirement of the employee. In case of early retirement, compulsory retirement or voluntary retirement papers should get ready within a short notice.

Assembling of the information necessary for working out the qualifying service ( or at a later date for calculating of average emoluments ) i.e. updating of service sheet, leave account etc. which shall have to be completed not later than 6 months in advance of the date of normal retirement of an employee.

Actual work of preparation of pension papers viz., reckoning of qualifying service and calculation of average emoluments should be taken up/completed after reaching the stage i.e. 8 months before the normal retirement.

Calculation of average emoluments and check of
correctness of the same which enter into calculation of last 10 (ten) complete months emoluments at a time mentioned as 'par. above'.

Determination of the qualifying service and the average and admissible pension and gratuity should be completed within two months before normal retirement.

Pension papers are sent to the officer responsible for issuing the pension payment order and should be completed not later than 6 (six) months before the date of retirement.

The Officer mentioned above is to issue the pension order payment of DCRG (death-cum-retirement gratuity) also not later than one month in advance of the retirement of staff.

Where retirement takes place earlier than the normal date of retirement, the pension cases should be processed expeditiously.

All the formalities mentioned above are observed by the concerning section (E/Fs section of Personnel Branch, E.F.Railway) and compiled papers are sent to Accounts department for payment as per mode mentioned by the employee in writing. As for final settlement of the Divisions, the aforesaid formalities are also to be observed strictly, since there is clear instruction of Railway Board.
for initiating proper action against the staff or officer responsible for the delay.

Besides retirement, service may be terminated by the appropriate authority for obvious reasons. Service may be terminated by giving of notice, for instance -

a) In the case of temporary non-gazetted employers below 3 years service - 14 days notice, and above 3 years continuous service, one month's notice is to be given from either side.

b) In the case of probationary officers/temporary probationary officers, 3 months notice must be given and one month's notice for those in medical department.

c) Except as otherwise provided in the service agreement the service of an apprentice may be terminated on one week's notice.

Services of any of the employees may be terminated forthwith and on such termination, he is entitled to claim a sum equivalent to the amount of pay and allowances for the stipulated period of notice at the same rate before termination. In no case the railway servant has any option to leave service by paying one month's pay in lieu of notice to the administration.

Apart from the above, railway employees (non-gazetted)
can submit resignation to the competent authority. Gazetted Officer may also submit resignation to the General Manager. Resignation may be accepted with immediate effect or from a prospective date. But, in no case it is accepted from a date earlier than the date on which the letter of resignation is submitted.

Resignation of a railway servant, against whom an inquiry or investigation is pending (whether he has been suspended or not) - is not accepted generally by the authority. But on certain condition in such a case resignation is accepted, considering necessity in the public interest with due approval of the authority competent.

We have so far discussed the procedure for retirement. Now we shall consider the superannuation benefits.

All railway employees have to subscribe a certain amount of pay to a fund which are received compulsorily and held on their individual account and paid after retirement with interest on such subscription. The amount of contribution towards the P.F. for any month, shall be one-twelfth of the emolument or pay which is realised through salary bills. Railway servant has an option to subscribe any amount voluntarily to the fund in addition to his compulsory subscriptions. From the Govt. side, a contribution equal to the compulsory subscriptions paid by the subscriber, is made from the railway revenue.
Govt. contribution will not be made to employees governed by the pension rules. Pensions are paid to railway employee appointed on or after 16-11-57 and those who have exercised their option to come under these rules. The rules have been liberalised after 1959 to admit of the benefits of pension rules to temporary staff as well to a limited extent. Ordinary pension rules provides 

1) monthly pension or ordinary/service gratuity 
2) Family Pension - which is paid to the family of retired/deceased railway employee. Family pension scheme 1964 succeeded the existing rules for employees appointed on or after 1-1-64 and to those, who have opted to come under these scheme. 

Generally, family pension under the aforesaid scheme is admissible to only one person at a time of the following relatives of the railway employee in order of preference -

a) wife/husband
b) Minor sons (upto the age of 21 years)
c) unmarried daughters (upto the age of 24 years or till her marriage whichever is earlier).

Family pension is admissible for a period of seven years from the date of death of the railway employee or upto the date of which the deceased employee would have attained the age of 65 years if survived, whichever is less.

It is observed that there is the provision of
'Commutation' of certain amount of pensionable amount and this is at the option of the employee retired and receiving pension. This commutation is arranged by converting a part of pension into a lumpsum amount to be received on retirement or death or conversely, by commuting a part of the lumpsum obtainable from the provident fund into annuity payment. The maximum amount of pension that may be commuted is 1/3rd (one third) at the discretion of the employee subject to a provision that uncommuted residue of pension shall not be less than ₹240/- per annum.

Pensioners willing to commute pension, is required to apply in the prescribed form attaching two passport size photographs, to the appropriate authority. In some cases—particularly for those employees, who retired otherwise than on superannuation, commutation of pension will be subjected to medical examination. Medical examination, where necessary is conducted by a medical board or authority and for this purpose, the pensioner have to pay for prescribed for this purpose. Railway employee retiring after attaining 58 years and applied for commutation within one year is excepted from the medical examination.

The commuted value of any part of a pension is expressed in a number of years of purchase as indicated in the prescribed table for this purpose. The lumpsum payable in commutation are calculated in accordance with the table of present values prescribed by the Govt.
from time to time as per rule provided in the Estt.

To have a brief idea - an extract from the table (mentioned above) is appended:

<table>
<thead>
<tr>
<th>Age next birthday</th>
<th>Commutation values expressed as years of purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>51</td>
<td>Rs. 12.95</td>
</tr>
<tr>
<td>52</td>
<td>Rs. 12.66</td>
</tr>
<tr>
<td>53</td>
<td>Rs. 12.35</td>
</tr>
<tr>
<td>54</td>
<td>Rs. 12.05</td>
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<td>55</td>
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</tr>
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<td>59</td>
<td>Rs. 10.46</td>
</tr>
<tr>
<td>60</td>
<td>Rs. 10.13</td>
</tr>
<tr>
<td>61</td>
<td>Rs. 9.81</td>
</tr>
</tbody>
</table>

The commuted value expressed as years of purchase is determined in case of non-impaired lives and those railway employees who are not subjected to medical examination on the basis of actual age (2). An example of commuted value to be payable to a railway employee is mentioned below:

<table>
<thead>
<tr>
<th>Age</th>
<th>Amount offered for commutation</th>
<th>Commuted value</th>
</tr>
</thead>
</table>
| 59 years | Rs. 30/- | 30x12x10.46 = Rs. 3765.60 (only an ordinary pension may be commuted as per rule).

(1) Appendix XL of established code Vol. II. The table was effective from 1-3-71 vide Rly. Board's letter F(E)III-71 11/71 dt. 23-6-71 - can be seen in P/Branch of F.Rly.Div. org.
(2) Rly. Board's letter ibid.
All railway employees retiring and entitled to pension are given dearness allowance @ 5% of their pension subject to a minimum of Rs.5/- per month and maximum Rs.25/- per month when there is 16 point average increase in the all india working class consumer price index.

The benefit under the Pension rules fall under two parts as -

1 (a) Monthly pension or ordinary gratuity

(b) Death-cum-retirement gratuity

2. Family Pension.

A pensionable railway employee being a member of non-contributory P.F., will also get the accumulated amount of his subscriptions with interest, on his retirement.

Monthly pension is permissible on retirement after 10 years of qualifying service till death. Ordinary gratuity is payable at a time to those retiring before 10 years qualifying service. Family pensions are admissible in case of death of an employee to his surviving members of the family - wife/husband, minor children. Moreover, an employee can also commute 1/3 (one third) of the monthly pension to lumpsum and this commutation will have no effect on the quantum of family pension granted under the Family Pension Scheme-1964, the family remaining entitled to the same benefits of family pension even if the pension was commuted or not.
Pensioner/family pension - granted relief (at the prescribed rate) in addition to pension with the rise in the price index.

Under P.F. Rule, an employee received his accumulated amount of subscriptions to P.F. with interest thereon. In addition to his self subscriptions and interest, he gets Govt. contributions to P.F. credited to his account every half year of service along with SC to P.F.

The system of calculation for arriving at the admissible amount of D.C.R.G. and S.C. to P.F. is the same with the exception that, although ceiling limit of 16½ times of the emoluments being the same, in terms of money, however, ceiling limits are different under the aforesaid two schemes.

In view of the above, it is apparent that the difference in the entitlements rests mainly in regard to two matters, viz., (i) Govt. contributions to P.F. in case of employees under P.F. rules and (ii) monthly pension/ordinary gratuity or Family Pension under the pension rules - former being in lieu of latter. Moreover, it is already stated above, a pensioner can commute 1/3rd (one third) of the monthly pension to a lumpsum by applying within the stipulated period.

The amount received as ordinary gratuity is almost
equal to that of Govt. contribution to F.F.
Similarly, the amount of gratuity admissible in case of discharge/death of a (even temporary in service) railway employee is also almost same in both the rules. But under the pension rules the spouse of a deceased employee is admissible to family pension in addition throughout her life, which can even be drawn over and above his/her pay or pension for service elsewhere. In the absence of the spouse, one of the sons/daughters at a time is entitled to family pension up to a certain age (i.e. till sufficiently grown up) in order of priority. In case of crippled son(s)/daughter(s) of the deceased pensioner - the above benefit is admissible to one of them at a time throughout life.

Railway staff retiring after 10 years qualifying service and entitled to monthly pension, gets the pension calculated on the basis of his service average emoluments drawn during last 10 months of his service. This would naturally be higher in comparison to the emoluments drawn by a non-pensionable employee of similar pay and service from the beginning of his service, upon which Govt. contributions were credited to his account. But, as length of qualifying service is limited to 35 years, such an employee does not get full benefits of his service. For those, who rendered beyond 33 years service, the Govt. contributions are credited to his P.F. account in proportions to the P.F. subscriptions made by that employee.
Moreover, the maximum amount of D.C.R.G. cannot be more than Rs.30,000/- as per rules and pension not more than Rs.1500/- per month and in case of death of the pensioner, family pension is limited to Rs.250/-. A highly paid employee would get more benefits under the P.F. Rules as the ceiling limit of S.C. to P.F. is much higher (i.e. Rs.45,000/-) and there is no ceiling limit of Government contribution to P.F. which would be equivalent to P.F. Subscriptions made.

Tendering resignation by an employee governed by pension rules before rendering 30 years qualifying service, disqualifies him for pension benefits as per rule. The benefits admissible on resignation after 20 years qualifying service may be given by covering other rules of voluntary retirement which are equally applicable to employees governed by P.F. Rules with 20 years service.

Pensionary benefits are not at all admissible in case of removal/dismissal from service, though a compassionate allowance is admissible depending upon the mercy of the Administration. But, in no case but contribution to P.F. is being withheld in the cases of removal/dismissal or resignation from service even after 5(five) years.

Further, it is seen that the number of years qualifying service of the railway employee is one -
main factor for determining pensionary benefits. In many cases - as periods passed on extraordinary leave without pay other than medical ground are not treated as qualifying service. Consequently the employee is in a disad-vantageous position on this issue. One consolation to them is that the above period are not however, excluded for finding out the length of service for calculation of special contribution to P.F.

Pension is enjoyable by an employee in survival after retirement and family pension in case of death - provided he leaves behind his spouse and/or minor children. Govt. contribution to P.F. which is in lieu of pension is payable irrespective of cases of survival or death and leaving spouse and/or minor children. In their absence, these are payable to major children/dependents according to nomination or otherwise the person inherits the property of the employee. Unlike U.C. G., P.C. to P.F. is paid on resignation also, before 30 years service subject to rendering atleast 15 years service on fulfilling the condition that the ground/reason of resignation is sufficient from the administration point of view.

Thus, it is apparent that the pension rules are more beneficial to an employee since a considerable lumpsum amount is paid as commuted value and P.F. bonus under the Provident Fund Rules.

Moreover, in case of early death of an employee -
when his P.F. contributions as well as Govt. contributions thereof are very small, the family would be much gainer since the amount of family pension does not depend on the length of service rendered by the employee.

No doubt the pension scheme provides social security to families of a railway servant since large amount of money received as the retirement benefits. But, it is also a common factor from the staff point of view, that all the time the retired employee has to remain alert for the same and this will not be feasible for him in his ailments or in old age.

Moreover, as there are social liabilities when person grow in age - there is possibility of the lump sum amount being spent. But as the pensioner will remain entitled to monthly pension or the wife/husband of the deceased employee for family pension - throughout life, the pensioner/family pensioner will not have the chance of being a burden to others and thus pass the rest of life in peace.

As an integral part of personnel administration, the system of retirement leaves not much scope of criticism, since retirement eliminates those employee from the railway (Public) service who, due to incapacity or old age unable to discharge his duties properly. It is evident that continuance of incapacitated men in service means both loss of efficiency as well as finance, but a
separate picture may also be revealed, when it will be
seen that an efficient hand is retired at the due date of
superannuation and the pension replaced is not at par
in capacity with the previous one. Does the Admin:
istration get any material gain from its inefficient employees?
The answer is emphatically 'No'. Yet on humanitarian
grounds the older employee must retire from service to
make room and opportunities for promotion to lower rank
employees. In this respect what Prof. L.D. White observed
and remarked is "a retirement system for Civil employ-
ees is primarily designed to facilitate the termination of
employment of men and women whose powers have failed on
account of age or disability by granting allowances for
past services; to provide benefits to dependents in case
of death; and to improve the morale of service by creating
a sense of economic security." On the above plea— the
aged and disabled— should get off from service, but in
practical sphere, particularly in many of the departments
of L.F. Railway, have lost efficient and sincere services
of persons retired on due date of superannuation. In the
L.F. Railway, on an average 5 to 10 Class I, 15 to 20 Class II,
Class III and IV and about 2000 to 2500 (taking the year 1981-82 as our
records of L.F.Rly.) employees retire yearly and it cannot
be definitely said that all of them are disabled or
incapacitated due to old age.

However, there cannot be or should not be any
doubt that a sound retirement system is beneficial to the
employee as well as to the Government. From the
general point of view, in the public service as a whole,
retirement system is essential for the morale and
efficiency which are the keystones of public
Personnel Administration.