

MINISTRY OF DEFENCE**DEMAND NO. 21****Defence Pensions**

A. The Budget allocations, net of recoveries, are given below:

Major Head	Actual 2014-2015			Budget 2015-2016			Revised 2015-2016			<i>(In crores of Rupees)</i> Budget 2016-2017			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	...	60449.75	60449.75	...	54500.00	54500.00	...	60238.00	60238.00	...	82332.66	82332.66	
Capital	...	...	...	...	...	...	...	...	...	...	...	...
Total	...	60449.75	60449.75	...	54500.00	54500.00	...	60238.00	60238.00	...	82332.66	82332.66	
Pensions and other Retirement benefits													
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1.01 Army	2071	...	54347.71	54347.71	...	48851.00	48851.00	...	54113.00	54113.00	...	74041.67	74041.67
1.02 Navy	2071	...	2296.31	2296.31	...	2132.99	2132.99	...	2310.99	2310.99	...	3172.29	3172.29
1.03 Air Force	2071	...	3765.54	3765.54	...	3482.96	3482.96	...	3773.75	3773.75	...	5085.49	5085.49
Total- Pensions and other Retirement benefits	60409.56	60409.56	...	54466.95	54466.95	...	60197.74	60197.74	...	82299.45	82299.45
2. Rewards - Army, Navy & Air Force	2071	...	40.19	40.19	...	33.05	33.05	...	40.26	40.26	...	33.21	33.21
Grand Total	60449.75	60449.75	...	54500.00	54500.00	...	60238.00	60238.00	...	82332.66	82332.66

Defence Pensions provides for pensionary charges in respect of retired Defence personnel (including civilian employees) of three Services viz. Army, Navy and Air Force and also employees of Ordnance Factories, etc. It covers payment of service pensions, gratuity, family pension, disability pension, commuted value of pension and leave encashment. The increase in BE 2016-17 is mainly due to normal growth in pensionary benefits and increase in provision towards payment of Gratuity, Commuted Value of Pension and Superannuation and Retirement Benefits. Increase of higher provision is also due to increase in number of pensioners and anticipated provisions of Dearness Relief, implementation of the recommendations of 7th Central Pay Commission and implementation of 'One Rank One Pension'.

Rewards- Army, Navy, Air Force: The amount is provided for casualty awards such as war-injury, Pay and Gallantry awards like Param Vir Chakra, Mahavir Charka etc. in respect of three services i.e. Army, Navy and Air Force.