

F. No. 18(6)/98-GM  
Government of India  
Ministry of Heavy Industries & Public Enterprises  
Department of Public Enterprises

Block No.14, CGO Complex,  
Lodi Road, New Delhi.  
Dated the April, 2018

### OFFICE MEMORANDUM

Subject:- Enhancement of age of superannuation from 58 to 60 years in Central Public Sector Enterprises (CPSEs) .

The undersigned is directed to state that consequent to enhancement of age of superannuation in CPSEs from 58 to 60 years in 1998, this Department had issued a number of guidelines on this matter. Since these guidelines have referral significance, the contents of these guidelines have been consolidated into a single guideline in chronological order retaining the operative part of each guideline for ease of understanding and better compliance as under.

#### **I. Age of retirement of below board level employees of Central PSEs-raising from 58 to 60 years (DPE O.M. No. 18(6)/98-GM-GL-002 dated 19th May, 1998)**

The Government has decided to enhance the age of retirement for below board level employees of Central Public Sector Enterprises in the manner mentioned below:-

(a) Except as otherwise provided specifically every employee at below board level in the Central Public Enterprises whose age of retirement is currently 58 years shall now retire from the services of the enterprise on the afternoon of the last date of the month in which he/she attains the age of 60 years. However, below board level employees of public sector enterprises whose date of birth is the first of the month shall retire from service on the afternoon of the last date of the preceding month on attaining the age of 60 years.

(b) There shall be a complete ban on extension of service beyond the age of superannuation i.e. 60 years;

2. These decisions will come into force w.e.f. the date the relevant rules and regulations of the PSEs concerned are amended by the concerned PSE. These decisions, however, do not apply in the cases of those employees who have already retired in accordance with the earlier rules, and who are on extension in service on the date of issue of these instructions or those who are governed by specific rules or regulations.

3. Consequent upon enhancement of age of retirement from 58 to 60 years, the public sector enterprises will review the vacancies arising from retirement in regard to direct

recruitment as well as promotion so that there is no over recruitment or litigation leading to creation of supernumerary posts or review DPCs because of change in the zone of consideration as a result of reduction in retirement vacancies.

## **II. Age of retirement of board level appointees in Central PSEs - raising from 58 to 60 years (DPE OM No.18(6)98-GM-GL-005 dated 30<sup>th</sup> May, 1998)**

The Government has decided to enhance the age of retirement for board level appointees of Central PSEs in the manner mentioned below:-

- a) The age of retirement of board level appointees in PSEs will be 60 years with effect from date of issue of this O.M.
- b) This will not apply to those who are on extension beyond 58 years on the date of issue of this O.M. They will retire upon expiry of the extension.
- c) Those existing incumbents who have not completed 58 years or 5 years' tenure, may continue upto 60 years or completion of 5 years' tenure, whichever is earlier. Orders may be issued by the Ministries concerned without reference to ACC.
- d) Where existing incumbents complete 5 years' tenure and there is a need to continue their service upto 60 years, reference will first have to be made to PESB on a case by case basis for assessment of their performance and thereafter approval of ACC obtained as per usual procedure.
- e) If as a consequence of (c) above, an existing incumbent completes 5 years' tenure before 31st August, 1998 and it is considered necessary to continue his service, the administrative Ministry/Department with the approval of the Minister concerned may grant extension of tenure upto three months pending completion of the procedures as prescribed in (d) above.

## **III. Age of retirement of board level appointees in Central PSEs—raising from 58 to 60 years (DPE O.M. No. 18(6)/98-GM dated 17th August, 1998)**

It has been decided to insert the following sub-para in the O.M. dated 30th May, 1998:-

- (f) No extension in service shall be granted to a board level appointee after he/she attains the age of 60 years. A Board level appointee who has attained the age of 60 years on or before 30th May, 1998 but was granted extension in service prior to 30th May, 1998 shall retire at the end of the extended period of service but no further extension in service shall be granted.

**IV. Age of retirement of below board level employees of Central Public Enterprises-raising from 58 to 60 years (DPE O.M. No. 18(9)/98-GM dated 21st August, 1998)**

The decision of the Government in this regard is binding on all undertakings. In case any administrative Ministry or Public Sector Undertaking does not want to increase the age of retirement of its employees, specific exemption from operation of the aforesaid decision would be necessary.

**V. Age of retirement of employees of Public Sector Enterprises (DPE O.M. No. 18(10)/99-GM-GL-025 dated 9th May, 2000)**

There has been proposals for rolling back the age of retirement in the case of some sick/unviable PSUs for which rehabilitation/revival packages are under consideration. The procedure to be followed in such cases was considered and it was decided that in such cases the Board of the concerned company should review its decision on the raising of the age of retirement and make suitable recommendations to the administrative Ministry/Department concerned for taking the approval of the Cabinet. All the administrative Ministries/Departments are requested to follow the above procedure in case the age of retirement of employees of sick/unviable PSU for which rehabilitation/revival packages are under consideration, is to be rolled back to 58 years. The PSUs under their administrative control may also be apprised of this procedure.

**VI. Age of retirement of employees of Public Sector Enterprises (DPE O.M. No. 18(10)/99-GM-GL-30 dated 1st January, 2001)**

The undersigned is directed to refer to this Department's O.M. of even number dated the 9th May, 2000 on the subject mentioned above wherein the procedure for rolling back the age of retirement of employees of sick/unviable PSUs for which rehabilitation/revival packages are under consideration, has been laid down. The procedure included taking the approval of the Cabinet.

2. The issue whether the approval of the Cabinet is necessary in such cases has been reconsidered and it has now been decided that such proposals for roll back of the age of superannuation from 60 years to 58 years in Public Sector Enterprises covered under the DPE O.M. dated 9.5.2000, which are duly approved by their Board of Directors and also the Minister in charge of the administrative Ministry need not be brought before the Cabinet.

**VII. Age of retirement of employees of Public Sector Enterprises (DPE O.M. No.**

**18(10)/99-GM-GL-33 dated 22<sup>nd</sup> August, 2001)**

The undersigned is directed to refer this Department's O.M. of even number dated 1.1.2001 on the subject mentioned above wherein the decision of the Government that proposals for roll back of age of retirement of employees of sick/unviable PSEs for which rehabilitation/revival packages are under consideration, which are duly approved by the Board of Directors and also the Minister-in-charge of the administrative Ministry need not be brought before the Cabinet was communicated.

2. The Government has further considered the question of extending the above decision to all PSEs and all categories of employees, both Board level and below Board level, and it has been decided that henceforth the Minister-in-charge of the administrative Ministry will have the authority to approve proposals for roll back of age of superannuation from 60 years to 58 years for all PSEs and all categories of employees, both Board level and below Board level, which are duly approved by their Board of Directors.

3. As a consequence of the above decision, the Government has also decided as under:

(i) To fix another cut-off age of 56 years for recruitment to Board level posts in respect of those PSEs where the age of retirement is 58 years so that a minimum of 2 years residual length of service before retirement is available on the same principle of the cut-off age of 58 years for recruitment to board level posts in respect of PSEs where the age of retirement is 60 years. This is in partial modification of this Department's O.M. No. 18(6)/98-DPE (GM) dated 3.2.1999.

(ii) To revert back the upper age limit for recruitment by the method of direct open competitive examination to below board level posts in the case of PSEs where the age of retirement is rolled back to 58 years. This would be in partial modification of this Department's O.M. No. 18(6)/98-GM dated 28.6.1999. A reasonable period of at least 3 months will be given for the reduced upper age limit to have effect.

**VIII. Age of retirement of employees of Public Sector Enterprises. (DPE O.M. No. 18(9)/2004-GM-GL-62 dated 1<sup>st</sup> April, 2005)**

The undersigned is directed to refer to this Department's O.M. No. 18(10)/99-GM-GL-33 dated 22.8.2001 on the subject mentioned above wherein, among other things, the authority to approve proposals for roll back of age of superannuation from 60 years to 58 years for all PSEs and all categories of employees, both Board level and below Board level, which are duly approved by their Board of Directors was delegated to the Minister-in-

charge of the administrative Ministry.

2. The Government has since reviewed this matter and it has now been decided that the powers for roll back of age of retirement of employees of PSEs, including Board level executives, shall henceforth vest with the Cabinet.

**IX. Enhancement of age of retirement of Board and below Board level employees of profit earning Central Public Sector Enterprises (DPE OM No. 18(1)/2007-GM-GL-80 dated 20<sup>th</sup> April, 2007)**

The Government had taken a decision to increase the age of retirement from 58 to 60 years of Board level and below Board level employees of Central Public Sector Enterprises (CPSEs) in May 1998. In May 2000, sick/unviable CPSEs were permitted to roll back the age of retirement from 60 to 58 years with the approval of the Cabinet. Subsequently in August 2001, the Cabinet delegated the authority to Minister-in-charge to approve proposals for roll back of age of retirement from 60 to 58 years for all CPSEs and all categories of employees, which are duly approved by their Board of Directors. This decision was reviewed in April 2005 and it was decided that the power for roll back of age of retirement of all categories of employees of CPSEs would thereafter vest with the Cabinet.

2. In the meantime, several sick CPSEs have started making profit and these CPSEs have requested for enhancement of age of retirement of its employees from 58 to 60 years. The matter has further been reviewed by the Government and it has now been decided that the Minister-in-charge of the administrative Ministry/ Department concerned is empowered to approve the proposals of CPSEs to enhance the age of retirement from 58 to 60 years, provided that-

(a) The CPSE concerned should as per its audited annual accounts have made net profits for the last 3 years continuously and should have a positive net worth during the last three years.

(b) The CPSE has not availed any budgetary support during the last 3 years and no budgetary support will be availed by the CPSE in future.

(c) The proposals are approved by the Board of Directors of the CPSE concerned and have the concurrence of Financial Advisor of the concerned administrative Ministry/Department.

**X. Enhancement of age of retirement of Board and below Board level employees of profit earning Central Public Sector Enterprises (DPE OM No. 18(1)/2007-GM-GL-87 dated the 19<sup>th</sup> July, 2007)**

The undersigned is directed to refer this Department's O.M. No. 18(1)/2007-GM-GL-80 dated 20<sup>th</sup> April, 2007 on the subject mentioned above.

2. The Government has further considered the matter and the condition relating to budgetary support [para 2(b) of above mentioned O.M. dated 20<sup>th</sup> April, 2007] has been modified.

3. Budgetary support would now mean support for "non-plan expenditure for salary, wages, payment of statutory dues, payment for Voluntary Retirement/Separations Schemes (VRS/VSS) and payment to meet cash losses".

4. Other provisions as mentioned in O.M. dated 20<sup>th</sup> April, 2007 will remain unchanged.

All the administrative Ministries/Departments are requested to take note of the provisions of this consolidated guideline for information and compliance and also to bring it to the notice of CPSEs under their respective administrative control.

(B.N. Mishra)  
Director  
Tel : 2436-0624

To Secretaries of all administrative Ministries/Departments (by name)

Copy to-

- (i) Establishment Officer & Special Secretary, Department of Personnel & Training, North Block, New Delhi
- (ii) Secretary, Central Vigilance Commission, Satarkta Bhawan, GPO Complex, Block A, INA, New Delhi – 110 023
- (iii) Secretary, Public Enterprises Selection Board, 14 CGO Complex, Lodhi Road, New Delhi
- (iv) Chief Executives of CPSEs

Copy also to :-

- (i) PS to Minister (HI&PE)
- (ii) PS to Minister of State (HI&PE)
- (iii) PPS to Secretary (PE)
- (iv) PPS to AS&FA (HI & PE)
- (v) PPS to AS(MG)
- (vi) All officers of DPE
- (vii) NIC, DPE - with a request to upload the guideline on DPE website