August 11, 2020

Guidelines for easy use of Excel sheet for deciding deferred pension is beneficial or not.

Further to the study and report on deferred pension notification, based on the feedback from members, the Executive Committee of CREWAS had a discussion with Adv. Mohanakumaran Nair of Vanchiyoor court for preparing a representation to be submitted to EPFO, Thiruvananthapuram. As per his suggestion, it is better to give the representation on behalf of CREWAS with the signed list of benefitted members. To decide whether a member will be benefitted if he/she opts for deferred pension, we have made an Excel sheet to compute the financial implications of the option with the help of Shri. Thomas George. Though most of the steps of the computation are self explanatory, we have made the following guidelines to make it more easy.

1. Higher pension being received

   Enter the amount of higher pension being received currently.

2. Pension for service prior to 1995 being received

   This is the amount taken by EPFO for compensating the contribution we have made to the family pension scheme for the service prior to 1995. This is an amount between Rs.500/- to Rs.600/-. For making the computation easy, a default value of Rs.500/- is given in this cell. This is because, the effect of actual figure in total computation is not very significant. But if somebody wants to put the actual figure, it may be calculated as given at the end of the document*. Enter the calculated amount (**Pb)** in the cell meant for this or leave 500 as it is.

3. Total pensionable service in years @ 58 with weigthage

   Enter pensionable service in years as given in Pension Pay Order (PPO). Convert months and days portions of the pensionable service into fraction of a year. This is the figure *PSr calculated in the calculation procedure step, 2 (B).

4. Years elapsed since age 58 to date

   Self explanatory.

5. Years elapsed since higher pension arrear received to date

   This the number of years elapsed after receiving pension arrear. Convert number of months into fraction of a year.

6. Averag 12 month salary prior to age 59

   Self explanatory.

7. average 12 month salary prior to age 60

   Self explanatory.

Since the computed results portion is self explanatory, it is not further elaborated.

It is to be noted that the computations are based on the current understanding of the matter and are approximate to a level enough to make a decision. Hope, these guidelines are useful. Request all of you to make use of this Excel sheet and decide whether the option is beneficial or not. If found beneficial and willing to participate in giving the representation, please forward your willingness and details of name, phone No, Email. ID and PPO No to any of the Exec. Comm. member at the earliest. CREWAS shall prepare the list of participants, which will have to be signed by the members later before submitting to EPFO.

If any member doesn't have the computing facility to use the Excel sheet, please forward the details as per the data collection portion of the Excel sheet to any of the Exec. Comm. Member and CREWAS shall inform the result to the concerned member.

We thank Shri. Thomas George for making this Excel sheet.

* **Calculation of Pension for service prior to 1995 being received**

it may be calculated from the Pension Pay Order (PPO) as follows.

Note the figures of Pension amount (P), Pensionable Salary (PS), Pensionable Service and Weightage (w) from the PPO. The pensionable service will be given in the format completed years (x), months (y) and days (z). Calculate the Pension for service prior to 1995 as follows:

A. Convert the months and days into fraction of an year by computing (((y * 30) + z) / 365) assuming 30 days per month. This will result into a figure 0.dd, where dd is the decimal fraction of the year of service.

B. Calculate the total number of years of pensionable service as, PSr = x + dd + w

C. Calculate the pension for the period of service after 1995 as, Pa = (PS * Psr) / 70

D. Calculate the **pension for service prior to 1995** as, **Pb = P – Pa**