

Master Circular – Disbursement of Government Pension by Agency Banks

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Introduction

Payment of pension to retired government employees, including payment of basic pension, increased Dearness Relief (DR), and other benefits as and when announced by the governments, is governed by the relevant schemes prepared by concerned Ministries/Departments of the Government of India and State Governments. This Master Circular consolidates important instructions on the subject issued by the Reserve Bank till June 30, 2015. It does not replace or supersede such existing government instructions. In case of any doubt or apparent contradiction, agency banks may be guided by the relevant government instructions. [Various circulars](#) issued in this connection by the Reserve Bank of India are summarised hereunder for information.

General Instructions

(a) Government orders on DR, etc. on websites

2. In order to obviate the time lag between issue of DR orders and payment of DR to the beneficiary and to render expeditious service to senior citizens, the following action is required to be taken:

As soon as the sanction of Dearness Relief at revised rates is received from Ministry of Finance, Orders for payment of Dearness Relief to pensioners at revised rates are issued and the copies of such orders are immediately sent to Heads of all Agency Banks by e-mail as well as by FAX with instructions to take necessary action for expeditious payment of Dearness Relief.

The orders are put on website of Ministry of Personnel, Public Grievance and Pensions (<http://www.persmin.nic.in>)

Copies of orders are also sent by post to Heads of all Agency Banks and published in leading newspapers by Indian Banks' Association.

Pension paying agency banks should act on the copies of the orders supplied by Government to the Head Offices and/or Regional Offices of authorised banks in the State headquarters or hosted on the website of the State Government.

The Controlling Offices/ Head Offices of agency banks should closely monitor and supervise timely and correct disbursement of Government pension to eligible pensioners.

(b) Nomination

3. With a view to avoiding inconvenience to pensioners, all pension paying branches to accept Nomination Forms 'A' or 'B' as the case may be, submitted by Central Civil/Railway pensioners for the payment of arrears of pension to the heir(s).

4. In the case of Central Civil and Railway pensioners, the pension paying banks should endorse the names of nominees as per nomination forms 'A' and 'B' on the front page of the pass book and the branches may be advised to ensure that the procedure laid down in Schemes for disbursement of pension to pensioners by public sector banks are followed scrupulously.

(c) All India Service officers retiring from Government of India

5. The accounting procedure to be followed for payment of pension to All India Service Officers retiring from Government of India while on Central Deputation is given below:

PPO number for All India Service Pensioners would incorporate, besides the 12 digit

numeric component used for Central Civil pensioner, a prefix indicating the service and the state cadre to which the pensioner belongs. A sample PPO number for an IAS Officer of Punjab cadre would be – IAS/Pb/438840400191.

All India Service Pensioners will have the option to draw pension only through the authorised banks.

The Special Seal Authority (SSA) issued by the CPAO would be in blue colour to distinguish it from authorities issued for Central Civil pensioners. In addition, the authority will indicate the State Government to which the payment is debitale.

One copy of the SSA will be sent to the concerned Accountant General for information and record.

The concerned paying branches of the bank after following the necessary procedure for identifying the pensioner would release the payment and add the name of All India Service Pensioner to the scrolls prepared for State Government Pensioners to be routed for reimbursement to the reimbursing branches of the Reserve Bank/ State Bank as the case may be. Such scrolls are **NOT** being handled under Single Window System of pension reimbursement for Central Government Civil Pensioners and **should not therefore be sent to CPAO.**

The reimbursing branches would follow the procedure for the State Government Pensioners and send advice to Reserve Bank, CAS, Nagpur and the corresponding scrolls to the concerned Accountant General.

The RBI, CAS, Nagpur would debit the concerned State Government Account as per the procedure.

(d) Credit of pension to joint account

6. Various Central Government ministries such as Ministries of Defence, Railways and Telecom, and State Governments such as Andhra Pradesh, Arunachal Pradesh, Assam, Maharashtra, Odisha, Punjab, Uttarakhand, Uttar Pradesh, and West Bengal, have modified the scheme for payment of pension permitting credit of pension also to a joint account operated by pensioner with his/her spouse in whose favour an authorisation for family pension exists in the Pension Payment Order (PPO). The joint account of the pensioner with the spouse could be operated either by 'Former or Survivor' or 'Either or Survivor' basis subject to the following terms and conditions:

Once pension has been credited to a pensioner's bank account, the liability of the government/bank ceases. No further liability arises, even if the spouse wrongly draws the amount.

As pension is payable only during the life of a pensioner, his/her death shall be intimated to the bank at the earliest and in any case within one month of the demise, so that the bank does not continue crediting monthly pension to the joint account with the spouse, after the death of the pensioner. If, however, any amount has been wrongly credited to the joint account, it shall be recoverable from the joint account and/or any other account held by the pensioner/spouse either individually or jointly. The legal heirs, successors, executors, etc., shall also be liable to refund any amount, which has been wrongly credited to the joint account.

Payment of Arrears of Pension (Nomination) Rules 1983 would continue to be applicable to a Joint Account with the pensioner's spouse. This implies that if there is an 'accepted nomination' in accordance with rules 5 and 6 of these Rules, arrears mentioned in the rules shall be payable to the nominee.

7. Existing pensioners desiring to get their pension credited to a joint account as indicated above are required to submit an application to the bank branch, from where they are presently drawing pension in the prescribed form. This would also be signed by the pensioner's spouse in token of having accepted the terms and conditions laid down by the Ministry/Government concerned. The facility is applicable to existing / future pensioners.

8. The scheme of some states/ministries add that opening of joint account with any other person for credit of pension, except the spouse in whose favour family pension is authorised in the PPO, shall not be permissible. Family pensioners are also not covered under the revised scheme. For

specific details, the scheme of each individual Ministry/State Government may be examined.

(e) Issue of Pension Slip

9. It has been decided by Central Pension Accounting Office (CPAO)/Ministry of Defence/Railway and Governments of West Bengal, Goa and Kerala to issue pension slips to their pensioners including family pensioners. Accordingly, pension slips as per the prescribed format are to be issued to these pensioners/family pensioners at the commencement of pension and thereafter, whenever there is a change in quantum of pension. Both halves of the Pension Payment Order (PPO) would also need to be updated. All agency banks were advised to issue suitable instructions to their pension paying branches.

(f) Staggering of pension payments

10. Payment of pension only on the last day of the month causes much hardship to pensioners as they have to wait in queue for a long time to collect their pension. As per instructions issued in 1995, agency banks were advised to spread disbursement of pension over the last four working days of the month, except for the month of March, which will continue to be credited on or after the first working day of April.

(g) Recovery of excess/wrong payment made to a pensioner

11. Details of the uniform procedure evolved for recovery of excess/wrong payments made to pensioners drawing pensions under the Scheme for payment of pension to Central /Civil/Defence/Railways pensioners through public sector banks, are given below:

- a) As soon as the excess/wrong payment made to a pensioner comes to the notice of the paying branch, the branch should adjust the same against the amount standing to the credit to the pensioner's account to the extent possible including lumpsum arrears payment.
- b) If the entire amount of overpayment cannot be adjusted from the account, the pensioner may be asked to pay forthwith the balance amount of overpayment.
- c) In case the pensioner expresses his inability to pay the amount, the same may be adjusted from the future pension payments to be made to the pensioners. For recovering the overpayment made to pensioner from his future pension payment in instalments 1/3rd of net (pension + relief) payable each month may be recovered unless the pensioner concerned gives consent in writing to pay a higher instalment amount.
- d) If the overpayment cannot be recovered from the pensioner due to his death or discontinuance of pension then action has to be taken as per the letter of undertaking given by the pensioner under the scheme.
- e) The pensioner may also be advised about the details of over payment/wrong payment and mode of its recovery.

(h) Refund of excess pension payment to Government

12. Whenever any excess / overpayment is detected the entire amount thereof should be credited to the Government account in lump sum immediately when the excess/overpayment is due to an error on the part of the agency bank. If the excess/wrong payment to the pensioner is due to errors committed by the government, they may take up the matter with the full particulars of the cases with respective Government Department for a quick resolution of the matter. However, this must be a time bound exercise and the government authority's acknowledgement to this effect must be kept on the bank's record. The banks may take up such cases with government departments

without reference to the Reserve Bank of India.

(i) Withdrawal of pension by old/ sick/ disabled/ incapacitated pensioners

13. In order to take care of problems/ difficulties faced by sick and disabled pensioners in withdrawal of pension / family pension from the banks, agency banks may categorise such pensioners as under:

Pensioner who is too ill to sign a cheque / unable to be physically present in the bank

Pensioner who is not only unable to be physically present in the bank but also not even able to put his/her thumb impression on the cheque/ withdrawal form due to certain physical defect / incapacity.

14. With a view to enabling such old/sick/incapacitated pensioners to operate their accounts, banks may follow the procedure as under:

Wherever thumb or toe impression of the old/sick pensioner is obtained, it should be identified by two independent witnesses known to the bank, one of whom should be a responsible bank official.

Where the pensioner cannot even put his/her thumb/ toe impression and also would not be able to be physically present in the bank, a mark can be obtained on the cheque/withdrawal form, which should be identified by two independent witnesses, one of whom should be a responsible bank official.

Accordingly, the agency banks are requested to instruct their branches to display the instructions issued in this regard on their notice board so that sick and disabled pensioners could make full use of these facilities. Banks are also advised to sensitise staff members in the matter and to refer to the FAQs on pension disbursement hosted on our website www.rbi.org.in in case of any doubt.

(j) Reimbursement of pension payments

15. Link branches of agency banks may submit reimbursement claims to Reserve Bank of India, Public Accounts Departments/ Central Accounts Section, Nagpur for Central/State Government pension payments.

(k) Continuation of either or survivor pension account after death of pensioner

16. All agency banks disbursing Central Government pension have been advised that in case the spouse (Family pensioner) opts for existing joint account for credit of family pension, banks should not insist on opening a new account when the spouse is the survivor and having a joint account with the pensioner and in whose favour an authorisation for payment of family pension exists in the Pension Payment Order (PPO).

(l) Digital Life Certificate

17. As per the present pension scheme, pensioners are required to furnish a life certificate to the pension disbursing bank every year in November. In view of the difficulties faced by pensioners in submission of these certificates, and in order to alleviate these difficulties, the Government of India has since launched “Jeevan Pramaan”, a digital life certificate based on Aadhaar Biometric Authentication on November 10, 2014. In order to facilitate Jeevan Pramaan, a web portal (jeevanpramaan.gov.in) was launched on November 10, 2014. All agency banks disbursing government pension may take necessary steps to implement and benefit from the scheme and issue necessary instructions to all their branches concerned and dealing staff. They are requested to work towards creating awareness about this facility amongst their pensioner customers through their branches, websites and other means. Banks may also suitably amend the FAQs on pension

payments.

18. There have been complaints that life certificates submitted over the counter of pension paying branches are misplaced causing delay in payment of monthly pensions. In order to alleviate the hardships faced by pensioners, agency banks were instructed to mandatorily issue duly signed acknowledgements. They were also requested to consider entering the receipt of life certificates in their CBS and issue a system generated acknowledgement which would serve the twin purpose of acknowledgement as well as real time updation of records.

Payment of Central Civil Pension

(a) Pension Payment Orders

19. Some of the Pension Paying Bank branches do not update the amount of basic pension/family pension whenever there is change in basic rates in both halves of the Pension Payment Order (PPO) concerned. In this connection, paragraphs 12.17 and 19.1 of the "Scheme for Payment of Pensions to Central Government Civil Pensioners by Public Sector Banks" are reproduced below:

“Whenever there is change in the basic rates of pension and/or dearness relief on pension, the paying branch shall call back the pensioner's half of the PPO and record thereon the changes, indicating, inter-alia, the date(s) from which the changes are effective. After this is done, those halves will be returned to the pensioners.” (Para 12.17).

“Whenever any additional relief on pensions is sanctioned by Government, an intimation to this effect will be sent by the Ministry of Personnel, Public Grievances and Pensions (Department of Pension and Pensioners' Welfare) to the authorised representative (by name) of each nominated public sector bank at the address given by the latter. Thereafter, it shall be the responsibility of the banks to collect through their representatives operating at Delhi or otherwise, the required number of copies (to be intimated in advance) of the sanction orders, along with the ready-reckoner relating thereto, from the Ministry of Personnel, Public Grievances and Pensions (Department of Pension and Pensioners' Welfare) and send them immediately to their respective Head Offices for direct transmission to the paying branches within ten days for implementation. Each paying branch will promptly determine the revised rates of relief on pensions payable to the Central Government Civil Pensioners under its payment. The calculations of these rates applicable to individual pensioners would be made as in Annexure XXII (Page 41) and they will be noted in disburser's portion of the PPOs along with the date from which relief would take effect, under attestation by the Branch Manager or In-Charge before commencing payment of relief at the revised rates and/or payment of arrears, if any, due to the pensioners on this account...” (Para 19.1).

Agency banks may draw the attention of their pension paying branches to the above provisions and advise them to strictly follow the instructions.

Payment of pension to Defence pensioners

(a) Delay in submission of pension payment scrolls

20. The procedure for transmission of pension payment scrolls by paying branches, link branches and reimbursing branches is stipulated in paragraphs 9(6), 10 and 11 of the booklet “Scheme for Payment of Pension to Defence Pensioners”. The entire procedure detailed therein needs to be completed as per the timeframe fixed so that the payment scrolls are received at the Office of the PCDA (Pension), Allahabad latest by 15th of the following month (except for the month of March scrolls, which should invariably reach latest by 3rd week of every year). The Pension Paying Branches/ Link Branches / Reimbursing Branches are advised to put in place a more efficient system to ensure the following:

Pension Paying Branches to submit pension payment scrolls to Link Branches within the stipulated time (by 10th of the following month). No bunching of scrolls is done.

Link Branches to forward the original copy of the scroll along with summary sheet and summary documents to reimbursing banks (RBI/ SBI etc. as the case may be) by 11th of each month.

Reimbursing banks should forward the original copy of the scrolls directly to CDA (Pension), Allahabad after reimbursing pension paying bank, by debit to Government Account so as to reach PCDA (Pension) by 15th of the following month except for the March scrolls.

(b) Fake and fraudulent payments

21. The Office of the PCDA (Pension) has also noticed that in some cases of payment of gratuity and commutation amount were made to imposters on fake and fraudulent PPOs by the pension paying branches without observing prescribed checks.

(c) First payment of pension

22. It has also been observed that in the cases of first payment of pension, either PPO numbers were not mentioned on the scrolls or incorrect PPO numbers were mentioned making it difficult to verify the correctness of the payment. Further, these payments were being shown in the main pension payment scrolls along with the regular monthly payments of Defence Pensioners. The Pension Paying Branches/ Link Branches / Reimbursing Branches are advised to put in place a more efficient system to ensure the following:

In the cases of first payments of pension, pension paying branches should prepare scrolls carefully indicating correct PPO number, amount of gratuity and commutation against the name of each pensioner and submit the same separately on a monthly basis in addition to the regular monthly payment cases which will continue to be prepared separately along with separate summary sheet.

Pension paying branches should prepare separate summary sheets for regular monthly pension payment cases as well as first pension payment case.

(d) Single Window System

23. It has been decided in consultation with the Office of Principal Controller of Defence Accounts (Pension) to introduce Single Window System for reimbursement of Defence Pension with effect from April 1, 2007. Hence, the Reimbursing Banks i.e. RBI (PADs), SBI and its associate banks will cease to reimburse Defence pension payments made by the banks with effect from April 1, 2007. Pension payments transactions may be reported through Link Cell in Nagpur to Central Accounts Section, Reserve Bank of India, Nagpur for fund settlement as in the case of Central Civil Pension. The agency banks are required to send the Payment scrolls to the office of the PCDA (P), Draupadi Ghat, Allahabad.

24. All the past transactions remaining outstanding prior to April 1, 2007 for which Pension Payment Scrolls Advices are wanting shall be resolved through Reimbursing Branches of RBI/SBI and its Associates.

Payment of Pension to Railway Pensioners

(a) Fake and fraudulent payments

25. The Ministry of Railways has detected cases of fraud wherein pension/ pension arrears have been disbursed to unauthorised persons by some agency banks against fake Pension Payment Orders (PPOs). Such fraudulent payments are made by pension paying branches without observing prescribed checks such as releasing payments by relying upon calculation sheet not

signed by authorised signatory, as also noncompliance with laid down procedures, especially regarding receipt of PPOs by banks. Railway pension paying branches are therefore requested to strictly follow the procedure laid down in “Scheme for Payment of Railway Pension through Public Sector Banks” by the Ministry of Railways (Railway Board) for disbursement of pension to Railway pensioners to avoid fraudulent payments against fake pension payment orders.

(b) Overpayment of pension

26. A list of main areas where the banks tend to make overpayments in respect of Railway pensioners received from Financial Adviser & Chief Accounts Officer’s Office, Central Railway, Mumbai is given in [Annex 1](#). Agency banks were requested to circulate the same among their pension paying branches and instruct them to take appropriate action so as to avoid overpayments of Railway pension.

(c) Issue of Due and Drawn statement

27. All agency banks may issue suitable instructions to their pension paying branches for issuance of ‘Due and Drawn’ statement in the prescribed form to Railway pensioners, whenever there is a change/revision in their pension, so as to avoid inconvenience to the pensioners.

(d) Single Window System

28. The Single Window System (SWS) has been introduced in case of the reimbursement of Railway Pension payments with Bank of Baroda and Allahabad Bank effect from April 1, 2011, with United Bank of India with effect from July 1, 2011, with State Bank of India and Dena Bank with effect from July 1, 2012 and with Bank of Maharashtra and Union Bank of India with effect from August 1, 2012. Railway pension payments made by these banks will be reimbursed by RBI, Central Accounts Section, Nagpur.

Payment of Pension to Telecom Pensioners

(a) Single Window System

29. Single Window System (SWS) was introduced in the case of reimbursement of Telecom Pension payments with State Bank of India, its Associates and Nationalised Banks with effect from October 1, 2012. Telecom pension payments made by these banks will be reimbursed by RBI, Central Accounts Section, Nagpur.

Customer Service

30. All agency banks may issue instructions to their dealing branches to adhere to the recommendations of the Prabhakar Rao Committee relating to pension payments and accordingly also instruct their internal auditors/inspectors to bestow due attention to adherence to the items of work by the branches listed with respect to the checklist (provided in [Annex 2](#)) and comment on the quality of customer service in their reports which may be made available to Reserve Bank’s inspecting officers, as and when they visit the branches.

31. Grievances of pensioners are not being addressed properly at the branch level especially after the setting up of Centralised Pension Processing Centres (CPPCs). To provide hassle free service to the pensioners, there should be a forum for regular interaction and settlement of grievances. Accordingly, agency banks should appoint one/two nodal officers at each Region/Zone for monitoring the resolution of grievances of pensioners on regular basis and the GM/CGM concerned should review the position at monthly intervals.

32. At locations outside the CPPCs, there should be designated nodal officers for pension related

complaints who should be easily accessible to pensioners and who should hold regular meetings at different locations in their jurisdiction on the lines of Pension Adalat. Each bank should establish toll free dedicated pension line manned by trained persons with access to the database to answer queries, note down and redress complaints.

33. Following several complaints from pensioners alleging inordinate delay in disbursing revised pension and arrears, agency banks were advised as under:

Pension paying banks should compensate the pensioner for delay in crediting pension/ arrears thereof at a fixed interest rate of 8 per cent for the delay after the due date and the compensation shall be credited to the pensioner's account automatically without any claim from the pensioner on the same day when the bank affords credit for revised pension/ pension arrears, in respect of all delayed pension payments made since October 1, 2008.

Pension paying banks have been requested to put in place a mechanism to obtain immediately the copies of pension orders from the pension paying authorities directly and make payments without waiting for receipt of instructions from the Reserve Bank so that pensioners should get benefits announced by the Governments in the succeeding month's pension payment itself.

System of attending to customer service including pension payments may be reviewed at periodical intervals.

The branch should continue to be a point of referral for the pensioner lest he/she feel disenfranchised.

All branches having pension accounts should guide and assist the pensioners in all their dealings with the bank.

Suitable arrangements should be made to place the arithmetic and other details about pension calculations on the web, to be made available to the pensioners through the net or at the branches at periodic interval as may be necessary and sufficient advertisement is made about such arrangements.

All claims for agency commission in respect of pension payments must be accompanied by a certificate from ED/CGM in charge of government business that there are no pension arrears to be credited/ delays in crediting regular pension/arrears thereof.

Training

34. In order to create better awareness among staff about pension payment schemes/ rules, banks may include this as an integral part of the training programmes conducted by their training establishments.

35. Regular training session for bank personnel dealing with pension matters may be organised in consultation with concerned Government Department.

Annex 1

Main areas where banks tend to make overpayments in respect of Railway pensioners

1. Continued Payment of Enhanced Family pension (EFP) beyond Cut-Off date:

Family pension at Enhanced Rate is payable for 7 years from the date of death or upto the age the pensioner/deceased railway servant would have attained 65/67 years of age had he/she survived whichever is earlier and beyond that date family pension is payable only at Normal Rates. Though this has been clearly mentioned in the PPO, banks fail to notice the same and continue to pay the family pension beyond the cut-off date, resulting in overpayment of pension.

2. Wrong payment of PP (personal pension) beyond 01-01-1996

Personal Pension was being paid as a separate element to some pre'86 retirees to compensate them the loss suffered due to the difference of DA merger. Consequent upon revision of pension w.e.f. 01-01-1996, (after notional fixation of pay as on 01-01-1986 of all Pre'86 retirees, bringing them at par with serving employees as on 01-01-1986) as per Vth PC recommendations, this personal pension (PP) which was being paid as a separate element had to be discontinued w.e.f. 01-01-1996, as per DOP's O.M. No: 45/86/97/P&PW(A)Pt. III of 10- 02-1998 & 26-09-2000. The banks however continue to pay the personal pension as a separate element, resulting in overpayment of pension.

3. Continued Payment of family pension beyond 25 years of age in case of children of the deceased railway servant.

While Family pension payable to the spouse shall cease on his/her death or re-marriage, Family pension payable to the children of the deceased railway servant shall cease to be payable on the death or he/she attaining 25 years of age or if he/she starts earning more than Rs.2550/ per month or on marriage whichever date is earlier.

Though specific remark about the date of cessation and the date beyond which it is not payable is mentioned in the PPO, banks fail to notice and continue to pay family pension to the children even after he/she attains 25 years. of age or start earning Rs.2550/- per month.

4. Wrong stepping up of Ex-Gratia Payment to minimum family pension.

The railway servants and the families of the railway servants who are not covered by Pension Rules have been sanctioned Ex-Gratia Payment (EGP) instead of pension/family pension. The EGP to families of such railway servants who retired or died prior to 31/12/1985 was Rs.150/- upto 1/11/1997 and Rs.605/- from 01-11-1997. The EGP payable to such surviving retired railway servants is Rs.600/- payable from 01-11-1997.

Since this is only the Ex-Gratia Payment and not pension, this should not be stepped up to Rs.1275/- (i.e. minimum pension admissible w.e.f. 01-01-1996). But some of the banks have stepped up the same to Rs.1275/- resulting in overpayment.

5. Wrong Payment of fixed medical allowance of RS.100/- per month to EGP beneficiaries.

Fixed Medical allowance of Rs.100/- per month, which was introduced w.e.f. 01-12-1997, vide Board's letter No pc-v/98/1/7/1/1/Pt.3 dated 21-04-99, is not payable the EGP beneficiaries (i.e.

surviving CSRP retirees / Family of deceased CSRPF optees). Despite clear instructions on the issue FMA is being paid to them, resulting in overpayment.

6. Payment of D.A/Relief paid at higher rate than admissible.

The rate of relief admissible to the families of the deceased railway servants who are in receipt of Ex-Gratia Payment of Rs.150/ or RS.605/-, is less than the rate of relief admissible to all other pensioners and the surviving Ex-Gratia Beneficiary. But no such distinction is made and relief admissible to pensioners are being paid to these Ex-Gratia Beneficiaries resulting in overpayment of pension.

7. Wrong Payment of Dearness Pension/Dearness Family Pension:

Consequent upon conversion of 50% of relief as Dearness Pay/ Dearness Pension w.e.f. 01-04- 04, banks have to work out 50% of the Basic Pension/Family Pension authorised and show distinctly as Dearness Pension/ Dearness Family Pension and consequent relief is payable on both Basic Pension + Dearness Pension w.e.f. 01-04-04.

This Dearness Pension has to be worked out by the banks only in respect of those cases where the date of cessation of service of the retired/deceased railway servant is on or before 01-04-04. Where the date of cessation is on or after 01-04-2004 banks should not work out any Dearness Pension, as the element of Dearness Pay has already been reckoned while authorizing the pension/family pension in post 01-04-2004 cases.

It is observed that some of the banks work out Dearness Pension in post 01-04-2004 cases also.

8. Other Miscellaneous reasons

This represent the items shown under the head Ex-Gratia by the banks in the Debit Scroll.

9. Non collection of required Certificates Life Certificate, etc.

The banks should ensure that Life Certificates are submitted by the pensioners in the month of November each year and stop automatic credit of pension after November till the same is submitted. If Life Certificate is not submitted for more than three years: the pension papers of all the concerned pensioners should be returned to the FA&CAO that issued the PPO through the designated FA&CAO mentioning the reason for return and the period up to which the pension was disbursed. It is however observed that banks are disbursing pension without obtaining the Life Certificate. A copy of Life Certificate is also not endorsed to the designated FA&CAO. The banks should invariably endorse a copy of Life Certificate to the designated FA&CAO every year and take action as above if the Life Certificate is not submitted by the pensioners to avoid overpayment of pension.

Similarly, apart from life certificate, bank should also ensure collection of the following certificates to avoid overpayment of pension/family pension.

a) In case of Children of deceased pensioner:

Income certificate- stating that he/she has not started earning income over RS.2550/- per month. This should be obtained - half yearly.

Non Marriage certificate:- That she is not married - half yearly

Disability Certificate:- In case of disabled children for disbursement of pension beyond 25 years of age- once in three years.

b) In case of spouse: Not re-marriage certificate- half yearly.

10. Quoting the correct and Full PPO number:

Pension Payment Order Number (PPO) is the key field with which the internal check is conducted by this railway. It is observed that the banks are not quoting full and correct PPO numbers. Banks may be advised to quote the Revised PPO number instead of the old PPO number, wherever the revision authority has been issued.

The RBI's inspection party may kindly be advised to pay special attention to all the above aspects and the bank staff may be educated properly and advised to evolve a system by which the overpayments on these accounts may be eliminated/avoided.

Annex 2

Check list relating to Pension payments/government business for internal inspection of bank branches

Whether the bank staff, both operative and supervisory, has been suitably sensitised to the important and socially useful work of pension payments?

Whether there is delay in payment of pension, revision of pension, revision in Dearness Relief etc.?

Whether there is delay in restoring full pension after 15 years as indicated in PPO itself?

Whether there is delay at Link Branch/ Focal Point Branch/ Pension Disbursing Branch of bank in prompt payment of pension?

Whether the bank branch ensures that the overpayments are not made to pensioners since this will lead to hardship to the pensioner later?

Whether the Branch Manager had structured interaction with pensioners on quarterly basis?

Whether regular training sessions for bank personnel dealing with pension matters were organised in consultation with the concerned Government departments, such as Central Pension Accounting Office, Controller, Defence Pensions etc.?

Whether the Nominations to all the pension accounts have been complied?

Whether the pension accounts have been converted into joint account wherever applicable?

Whether pension slips are issued to Central Civil/ Defence/ Railway pensioners?

Whether the bank branch has an effective complaint redressal mechanism and the complaints of pensioners are promptly attended to and their grievances redressed expeditiously?

Whether the pension is credited to pensioner's account during the period of last four working days of the month except for the month of March for which the pension is credited on or after first working day of April as per Reserve Bank of India instructions?

Whether the pension paying branch maintains a detailed record of pension payments made by it in the prescribed form?

Whether pension paying branch obtains Life Certificate/ Non-employment certificate/ Employment Certificate from the pensioners in the month of November every year?

Whether pension paying branch deducts Income Tax at Source from pension payments wherever applicable?

Whether bank branch strictly follows the process of verification of PAN number of existing assesses from the CD to eliminate any incorrect entry by the assessee?

Whether paper tokens in acknowledgement of the receipt of the cheque are invariably given by the tax collecting bank branches?

Whether the challans are stamped giving the bank's BSR Code and the Challan Identification Number (CIN) clearly?

Whether the stamped challans are kept in the custody of the bank staff and handed it over to the concerned tax payer only on production of the paper token?

Appendix

List of circulars consolidated by the Master Circular

No.	Circular No.	Date	Subject
1	Ref.Co.DGBA(NBS)No.44/GA.64(11-CVL) 90/91	18.04.1991	Scheme for payment of pension to Central Civil/Defence/Railways pensioners through public sector banks -Recovery of excess/wrong payments made to the pensioners
2	Ref.Co.DGBA(NBS)No.50/GA.64(11-CVL) 90/91	06.05.1991	Scheme for payment of pension to Central Civil/Defence/Railways pensioners through public sector banks -Recovery of excess/wrong payments made to the pensioners
3	Ref.DGBA.GAD.No.H-416/45.01.003/2002-03	21.03.2003	Hosting of Government Orders for Dearness Relief (DR)etc. of State Government Pensioners on Web Sites of State Governments.
4	Ref.DGBA.GAD.No.H-506/45.01.001/2002-03	12.04.2003	Payment of Pension to Government Pensioners through Public Sector Banks – Steps taken by Government to minimize delay in payment of Dearness Relief (DR) to Pensioners – Discontinuation of forwarding Government orders in respect of DR etc. through Reserve Bank of India.
5	Ref.DGBA.GAD.No.770/45.1.003/2003-04	25.02.2004	Hosting of Pension Circulars on RBI's Website
6	Ref.DGBA.GAD.No.H-94/45.05.031/2004-05	24.08.2004	Acceptance of nomination in form 'A' and 'B' – Central Civil/ Railway Pension.
7	Ref.DGBA.GAD.No.612-644/45.01.001/2004-05	07.10.2004	Implementation of procedure for payment of pensions and other retirement benefits to All India Service Officers retiring from Government of India while on central deputation
8	Ref. DGBA.GAD.No.867-899/45.02.001/2004-05	18.10.2004	Scheme of Payment of Pension to Defence Pensioners by Public Sector Banks – Delay in Submission of Pension Payment Scrolls and Steps to avoid fake and fraudulent payments.
9	Ref.DGBA.GAD.No.H-	10.10.2005	Acceptance of nomination in

	3611/45.03.002/2005-06		form 'A' and 'B' – Central Civil/ Railway Pension.
10	Ref. DGBA.GAD.No.H-3389-3421/45.02.001/2004-05)	06.01.2005	Scheme of Payment of Pension to Railway Pensioners by Public Sector Banks- Steps to avoid fraudulent payments.
11	Ref.DGBA.GAD.No.H.3452-3485/45.01.001/2004-05	11.01.2005	Payment of Central Civil Pension – Entry of Dearness Pension in both halves of Pension Payment Order (PPO)
12	Ref.DGBA.GAD.No.6073/45.05.031/2004-05	30.05.2005	Disbursement of Railway Pension by Agency Banks.
13	Ref.DGBA.GAD.No.H-10746/45.03.001/2005-06	24.01.2006	Scheme of Payment of Pension to Railway Pensioners through Public Sector Banks – Designation of FA & CAOs of seven new zones by Ministry of Railways.
14	Ref.DGBA.GAD.No.11303/45.01.003/2005-06	06.02.2006	Disbursement of pension through Public Sector Banks – Payment of Dearness Relief (DR)
15	Ref.DGBA.GAD.No.12736/45.03.001/2005-06	24.02.2006	Payment of Pension through Authorised Banks – Credit of Pension to Joint Account operated by pensioner with his/ her Spouse.
16	DGBA.GAD.No.H- 2134/45.02.001/2006-07	04.08.2006	Payment of pension through Authorised Banks-Credit of Pension to Joint Bank Account operated by a pensioner with his / her spouse.
17	DGBA.GAD.No.6926/45.05.005/2006-07	30.10.2006	Scheme for payment of pension to West Bengal (Part-A) Government Pensioners by Public Sector Banks-Credit of Pension to Joint bank Account operated by a pensioner with his/ her spouse
18	DGBA.GAD.H-10975/45.05.031/2006-07	09.01 2007	Issue of Pension Slips.
19	DGBA.GAD.No.H-13834/45.02.001/2006-07	13.03.2007	Introduction of Single Window System for reimbursement of Defence Pension Payments.
20	DGBA.GAD.No.H-14279/45.05.024/2006-07	23.03.2007	Scheme for payment of pension to Arunachal Pradesh Government pensioners by public sector banks.
21	DGBA.GAD.No.H-17663/45.05.031/2006-07	12.06.2007	Issue of Pension Slips.
22	DGBA.GAD.No.H-3856/45.05.031/2007-08	08.10.2007	Issue of Pension Slips.
23	DGBA.GAD.No.7570/45.05.018/2007-08	15.01.2008	Scheme for payment of pension to Assam Government pensioners by Public Sector Banks - Credit of pension to

			Joint Bank Account operated by a pensioner with his / her spouse.
24	DGBA.GAD.No.11653/45.05.013/2007-08	06.05.2008	Payment of pension through Authorised banks – Credit of pension to Joint Account operated by a pensioner.
25	DGBA.GAD.No.H 12499/45.05.010/2007-08	04.06.2008	Scheme for payment of pension to Uttar Pradesh Government Pensioners by Public Sector Banks- Credit of pension to Joint Account operated by a pensioner with his / her spouse.
26	DGBA.GAD.No.H 12656/45.05.010/2007-08	05.06.2008	Scheme for payment of pension to Uttarakhand Government Pensioners by Public Sector Banks- Credit of pension to Joint Account operated by a pensioner with family pensioner/ nominee
27	Ref.DGBA.GAD.No.H 12704/45.05.005/2007-08	11.06.2008	Issue of Pension Slips.
28	Ref.DGBA.GAD.No.H 13024/45.05.006/2007-08	24.06.2008	Scheme for Payment of Pension to Orissa Government Pensioners by Public Sector Banks - Credit of pension to Joint Bank Account operated by a pensioner with his / her spouse
29	Ref.DGBA.GAD.No.924/45.05.012/2008-09	23.07.2008	Issue of Pension Slips.
30	Ref.DGBA.GAD.No.H-1917/45.04.001/2008-09	21.08.2008	Scheme for Payment of pension to Telecom pensioners through Authorized Banks-Credit of pension to Joint Bank Account operated by a pensioner with his / her spouse
31	Ref.DGBA.GAD.No.1918/45.05.016/2008-09	21.08.2008	Scheme for Payment of Pension to Andhra Pradesh Government pensioners through Authorised Banks- Credit of Pension to Joint Pension Account operated by a pensioner with his / her spouse.
32	Ref.DGBA.GAD.No.H-3085/45.01.001/2008-09	01.10.2008	Recommendations of the Prabhakar Rao Committee on customer service – Pension Payments.
33	Ref.DGBA.GAD.No.2090/45.05.015/2009-10	01.09.2009	Issue of Pension Slips.
34	Ref.DGBA.GAD.No.H - 7652/45.05.031/2008-09	03.03.2009	Scheme for payment of pension to Central Government Civil/Defence/Railway/Telecom/ Freedom Fighters/ State Governments Pensioners by

			Public Sector Banks-Staggering of pension payments by PSBs.
35	Ref.DGBA.GAD.No.H-9326/44.01.001/2008-09, dated April	29.4.2009	Issue of Pension Slips / Updation of Pension Payment Order by Pension paying branches of Agency banks.
36	Ref.DGBA.GAD.No.H-10450/45.03.001/2008-09	01.06.2009	Recovery / Refund of overpayment of pension to the Government Account.
37	Ref.DGBA.GAD.No.H-2434/45.05.031/2009-10	15.09.2009	Recovery / Refund of overpayment of pension to the Government Account.
38	Ref.DGBA.GAD.No.H 2084/45.03.001/2009-10	01.09.2009	Scheme of Payment of Pension to Railway Pensioners through Public Sector Banks-issue of Due and Drawn statement
39	Ref.DGBA.GAD.No.H 3194/45.01.001/2009-10	14.10.2009	Scheme for payment of pension to Central Civil/ Defence/ Railway/Telecom Pensioners/ Freedom Fighters/ State Governments' Pensioners through Public Sector Banks-Facility for withdrawal of pension by old/ sick/ disabled/ incapacitated pensioners.
40	Ref.DO.No.CSD.CO/8793/13.01.001/2009-10	09.04.2010	Pension Payment to central/ State Govt. Pensioners by agency Banks-Compensation for delay
41	DGBA.GAD. No.H- 46/45.01.001/2010-11	02.07.2010	Pension Payment to central/ State Govt. Pensioners by agency Banks-Compensation for delay
42	DGBA. GAD. No.H- 6212 & 6213/45.01.001/2010-11	11.03.2011	Pension Payment to central/ State Govt. Pensioners by agency Banks-Compensation for delay
43	Ref.DGBA.GAD.No.H-6493/45.03.001/2010-11,	21.03.2011	Introduction of Single Window System for Reimbursement of Railway Pension Payments.
44	DGBA.GAD.No.H-74/45.03.001/2011-12	05.07.2011	Introduction of Single Window System for Reimbursement of Railway Pension Payments.
45	Ref.DGBA.GAD.No.H-6581/45.03.001/2011-12	09.04.2012	Irregularities in the Railway pension payment by the public sector banks
46	DGBA.GAD.No.H- 6760 and 6762/5.01.001/2011-12	13.04.2012	Pension Payment to central/ State Govt. Pensioners by agency Banks-Compensation for delay
47	DGBA.GAD.No.H-8024 & 8026/45.03.001/2011-12	06.06 2012	Introduction of Single Window System for Reimbursement of Railway Pension Payments.
48	Ref.DGBA.GAD.No.H-	07.06.2012	Payment of Central / State

	8042/45.01.001/2011-12		Government pension by agency banks- Settlement of reimbursement claim for pension payments made.
49	DGBA.GAD.No.H-562 & 563/45.03.001/2012-13	27.07.2012	Introduction of Single Window System for Reimbursement of Railway Pension Payments.
50	Ref.DGBA.GAD.No.H-1594/45.04.001/2012-13	14.09.2012	Introduction of Single Window System for Reimbursement of Telcom Pension Payments.
51	Ref.DGBA.GAD.No.H-5443/45.04.001/2012-13	19.03.2013	Introduction of Single Window System for Reimbursement of Telcom Pension Payments.
52	Ref.DGBA.GAD.No.H-7386/45.01.001/2012-13	03.06.2013	Payment of pension to the Central Government pensioners- Continuation of either or survivor pension account after death of a pensioner
53	Ref.DGBA.GAD.No.H-27/45.01.001/2014-15	01.07.2014	Redressal of Grievances of Pensioners
54	Ref.DGBA.GAD.H.2529/45.01.001/2014-15 dated December 09, 2014	09.12.2014	Submission of a digital life certificate based on Aadhaar Biometric Authentication
55	Ref.DGBA.GAD.No.H 4064/45.03.001/2014-15	13.03.2015	Recovery / Refund of overpayment of pension to the Government Account.
56	RBI/2014-15/587 : DGBA.GAD.No.H – 5013/45.01.001/2014-15	07.05.2015	Mandatory issue of acknowledgement to pensioners on submission of life certificates
57	RBI/2015-16/340: DGBA.GAD.No.2960/45.01.001/2015-16	17.03.2016	Recovery of excess payments made to pensioners