

CHAPTER-7

PROCEDURE FOR FINALISATION, AUTHORISATION AND ACCOUNTAL OF PENSION PAYMENTS AND PAYMENTS FROM THE COMPASSIONATE FUND.

7.1 SETTING UP OF CENTRAL PENSION ACCOUNTING OFFICE

7.1.1 This chapter deals with all aspects of pension authorization, disbursement and their accounting relating to pension payments to the Central Civil Pensioners. The chapter also deals with the system of budgeting the expenditure for pension grant and accounting system for pension disbursements. The procedural details relating to pension authorization, transfer of pension and banking arrangements for pension payment has also been prescribed.

7.1.2 The Central Pension Accounting Office was established with effect from 1st January, 1990 for payment and accounting of Central (Civil) Pensions and Pension to Freedom Fighters, etc. With the establishment of the Central Pension Accounting Office, the Comptroller and Auditor General of India was relieved of the responsibility of compiling and accounting of Central (Civil) Pensions and Pensions to Freedom Fighters from the financial year 1990-91, as indicated in Annexure 'A'. The Central Pension Accounting Office is an attached office under the organization of Controller General of Accounts. It has been entrusted with the responsibility of administering the 'Scheme for Payment of Pensions to Central Government Civil Pensioners Through Authorized Banks'. Its core functions are mainly preparation of budget under the pension grant, issue of special seal authorities to the authorized banks for payment of pension, accounting of pensions, reconciliation with banks and Reserve Bank of India and audit of banks.

7.2 APPLICABILITY OF PENSION RULES

7.2.1 The pension rules applicable to the various categories of pensioners will be as under :

Category of pension		Pension Rules Applicable
1	Central (Civil) Pensioners (other than Railways, Post, Telecommunications and Defence)	Central Civil Services (Pension) Rules, 1972.
2	All India Service Pensioners of Union Territory Administration and those borne on State cadres but retiring from Central Government.	All India Service (Death-Cum-Retirement Benefits) Rules, 1958.
3	Former Presidents and Vice Presidents of India	President's (Emoluments and Pension) Act, 1951 as amended from time to time
4	Supreme Court Judges	The Supreme Court Judges (Conditions of Service) Act, 1958

5	High Court Judges.	The High Court Judges (Conditions of Service) Act, 1954..
6	Chairman/Vice- Chairman/Members of Central Administrative Tribunal	Central Administrative Tribunal (Salaries and Allowances and Conditions of Service of Chairman/Vice- Chairman/Members) Rules, 1985
7	Members of Parliament.	Salary, Allowances and Pension of Members of Parliament, Act, 1954.
8	. Central Freedom Fighters.	(i) Central Govt. Freedom Fighters Scheme, 1972. (j) Swatantrata Sainik Samman Pension Scheme, 1980.

7.3 Determination and Authorization of the Amounts Of Pension and Gratuity.

7.3.1 Role of the Head of Office:

In order to ensure expeditious pension payment, the Head of Office of the Ministry/ Department has been given several responsibilities as indicated below-

(i) The Head of Office undertakes the work of preparation of pension papers. With reference to the provisions of the rules applicable regarding timelines, he has to undertake the preparation of pension papers two years before the date of superannuation and is required to complete the pension papers eight months prior to the date of retirement of Govt. Servant;

(ii) The head of office will go through the service book of the employee and ensure that the service is verified and complete in all aspects;

(iii) The head of office will furnish a certificate to the Government servant regarding the length of qualifying service, emoluments and average emoluments proposed to be reckoned for pension and retirement gratuity payments, ten months before the date of retirement. The employee should make representations if any, within a fortnight of receiving the certificate;

(iv) He is required to forward pension papers in Form-5 and Form-7 along with the service book and other documents complete in all aspects for verification to the Pay and Accounts Office and further processing. The Head of Office has to forward the pension papers to the Pay and Accounts Officer not later than six months before the date of retirement of the Govt. servant. He should also retain a copy of all these papers for their record;

(v) He will give a copy of the pension calculation sheet to the pensioner, which will include the details of period of service rendered, date and rate of last increment and scale of pay etc;

(vi) Even after forwarding of the pension documents, if the Head of Office comes across any event that may have a bearing on the admissible pension, he should immediately intimate the same to the PAO;

(vii) The Head of Office after ascertaining and assessing the dues against the Government servant, shall furnish their details to the PAO, at least two months before the date of retirement of the Government servant. This is to enable the recovery of the outstanding dues from the gratuity amount before its payment is authorized; and

(viii) The Head of Office can sanction Provisional Pension, if he is convinced that it will not be possible to finalize the pension papers to be sent to the Accounts Officer within the prescribed period. The sanction letter in such cases will be addressed to the employee with a copy endorsed to the Accounts Officer.

7.3.2 Role of Pay and Accounts Officer:

The Pay & Accounts Officer on receiving the pension papers, will verify the service records and apply prescribed checks with reference to the applicable Pension rules, and assess the amount of pensionary benefits. The PAO concerned, keeping in mind that the intention is not a total overhaul or audit of the entire Service Book or records, but only a scrutiny limited to the immediate purpose on hand, that is the preparation of the pension papers. Any deficiency or imperfection or omission which still remains in the service records will be ignored at this stage and the determination of the qualifying service will be proceeded with on the basis of entries in the service records, whatever the degree of perfection to bring them by that time. However, for any such check of the correctness of past emoluments, the check should be the minimum that is absolutely necessary, and it should in any case not go back to a period earlier than a maximum of 24 months preceding the date of retirement. The pensionary benefits admissible in respect of the incumbent will be determined with reference to the relevant rules and necessary entries in the Terminal Benefits Register with regard to the entitlements. Necessary entries with regard to the authorized entitlements shall also be recorded in the Service Book under the signature of PAO to avoid double payment. The PAO concerned after applying the necessary checks prepares the Pension Payment Order (PPO) in the Proforma given in CAM-52 and forward the same to the Central Pension Accounting Office under the Special Seal Authority.

The pensioner's portion as well as disburser's portion should be got printed in a book form with a thick cloth bound cover. The amount of gratuity determined by the Accounts Officer should also be intimated to the head of office along with the details of other retirement benefits, for the preparation of bills to be submitted to the PAO for payment. The final responsibility of the correctness of calculations and authorization of admissible pension is that of the PAO. The Pay & Accounts Officer should issue the pension payment order/authorization at least one month in advance of the date of retirement of the Government servant.

7.3.3 Role of Central Pension Accounting Office:

(i). Central Pension Accounting Office will furnish to each PAO annually, in the first fortnight of November a list of running serial numbers to be allotted to Pension Payment Orders to be issued by them during the next calendar year. These numbers are to be used only up to 31st December each year with the serial numbers remaining unused with PPO Issuing Authorities as on 31st December being frozen. The details of unused frozen numbers should be intimated to the CPAO by the end of January every year. However, the new numbers supplied by Central Pension Accounting Office will be allocated in respect of Pension Payment Orders issued on and after 1st January each year

irrespective of actual date of retirement. The criteria for issuing new serial numbers will be the date of issue of Pension Payment Orders and has no relevance to the date of retirement or date of commencement of pension. The following system is followed for the allotment of numbers. Each PPO comprises of 12 digits, with the first five digits indicating the code number of PPO Issuing Authority, next two digits indicate the year of issue, and after this the four digits indicate the sequential number of the PPO while the last digit is a check digit for the purpose of computer. For example, a PPO bearing number 709650601302 implies that PPO has been issued by AG Madhya Pradesh, in the year 2006 and is the 130th PPO issued by that PPO issuing authority, and is allotted computer code-2.

7.3.4 In order that pension is disbursed to the pensioner on due date, the various authorities involved will observe the following time schedule.

	Name of the Authority	Time Schedule
1	PPO Issuing Authority	Dispatch/Delivery of PPO by the Accounts Officer to the Central Pension Accounting Office in case of payment through Authorised Bank or to the pensioner opting to draw pension from Departmentalized Pay and
2	Central Pension Accounting Office	Dispatch of PPO by Central Pension Accounting Office to Link Branch of the Bank by 20th of the month of retirement.
3	Link Branch	Dispatch of PPO by Link Branch to paying Branch by 23rd of the month of retirement.
4	Paying Branch	Paying Branch will complete all formalities and ensure that the pension has been credited to the pensioner's account on due date.

7.3.5 The PPO Issuing Authority, Central Pension Accounting Office and Link Branches will keep the pensioner informed of the issue of PPO and about its subsequent movement at all stages.

7.4 Authorities Competent to issue Pension payment Orders.

7.4.1 The authorities who are competent to issue PPOs to various categories of pensioners are indicated below :

3. (a)	Pensioners (including All India Service Officers borne on U.T. cadre) belonging to U.T. Administration.	
(i)	Whose accounts have been separated from Audit.	Respective Pay and Accounts Officer of the Union Territory.
(ii)	Whose accounts have not been separated from Audit.	Respective Accountant General of the Union Territory.
3. (b)	Pensioners belonging to All India Service (U.T. cadre) and retiring from U.T. Governments with legislatures.	Respective Pay and Accounts Officer of the Union Territory.
(i)	Whose accounts have been separated from Audit.	Respective Accountant General of the Union Territory.
(ii)	Whose accounts have not been separated from Audit.	
4.	Supreme Court Judges and Chairman/Vice Chairman/Members of C.A.T.	Respective Pay and Accounts Officer of the Supreme Court /Tribunal.
5.	High Court Judges	Respective State Accountants General.
6.	Central Freedom Fighters	Pay and Accounts Officer (Pensions and Misc.) Ministry of Home Affairs.
7.	Ex- Members of Parliament	Respective Pay and Accounts Officer of Lok Sabha /Rajya Sabha Secretariat, as the case may be.

Note: Even in those cases where the Accountants General before the departmentalization issued the original PPOs, the amendments to these PPOs to revise the original pension will be issued by the concerned departmentalized PAO.

7.5 Mode of Disbursal of pension and Transmission of Pension Payment Orders.

The disbursement of pension relating to Central Civil Pension/All India Service Officers including those borne on U.T. cadres/Supreme Court and High Court Judges/Central Freedom Fighters/Chairman/Vice Chairman/Members of CAT/Ex-Members of Parliament/the Ex-President of India will be authorised through the following channels viz:

- i. Public Sector Banks and Other Nominated Banks (Private Sector Banks);
- ii. Pay and Accounts Offices;
- iii. Money Orders; and
- iv. Treasuries (For High Court Judges only).

7.5.1 Payment of Pension through Public Sector Banks and Other Nominated Banks (Private Sector Banks)

Pensioners are given option for getting their pension credited to their saving or current bank accounts (either single account in their names or joint account with their spouses operated either by 'Former or Survivor' or 'Either or Survivor' basis). All Pr. Chief Controller of Accounts/Chief Controller/Controller of Accounts in charge of the Accounting Organisation, Accountants General and Director of Accounts, as the case may be, will forward the 'Facsimile of Special Seal' and specimen signatures of the Accounts Officer entrusted with the issuing of PPOs to the Central Pension Accounting Office. In case of a change in the incumbency of the nominated Accounts Officer, the specimen signature of the new officer will be sent to the Central Pension Accounting Office duly attested by the relieved officer.

7.5.2 All PPOs and subsequent amendments to PPOs issued by PPO issuing authorities will be sent to the Central Pension Accounting Office under Special Seal Authority for arranging payment through authorized Banks irrespective of whether the payment is to be made at the same station or another station. PPOs will be sent to Central Pension Accounting Office under the forwarding letter in Annexure H & H-1 to this Chapter.

7.5.3 The Central Pension Accounting Office will enter the following particulars in the Central Data Bank.

- (i) PPO number and date
- (ii) Class of pension
- (iii) Name of pensioner
- (iv) Department/Ministry in which the pensioner was last serving
- (v) Accounts Officer issuing the PPO with Code Number
- (vi) Ddate of retirement of pensioner
- (vii) Date of commencement of pension
- (viii) Gross amount of monthly pension
- (ix) Commutation of pension
- (x) Reduced amount of monthly pension on account of commutation
- (xi) Family pension etc.

After verifying the signature of the Pay & Accounts Officer who has issued the PPO and the Special Seal of his office the authorised officers in CPAO will transmit the PPO to the link Branch of the Bank for arranging payment through the paying Branch desired by the pensioner.

7.5.4 The detailed instructions to be followed by the authorised Banks in crediting pension into the pensioner's account have been incorporated in the book, titled 'Scheme for Payment of Pensions to Central Govt. Civil Pensioners by Authorized Banks'. It includes instructions on keeping record of PPOs received, keeping the pensioners informed of the movement of pension documents, duties and functions of Paying Branch before starting payment, functions of Link Branch for obtaining reimbursement of payment made, procedure for reimbursement to Banks, certificates to be furnished by the pensioners, procedure for transfer of pension payments from one branch / Bank to another, and payment of relief and family pension, etc.

7.5.5 It must be ensured that arrears of pension due to the pensioners on account of delayed finalization or for any other reason have been correctly worked out. They must be paid to the pensioners in accordance with the provisions of various rules and orders applicable, by the Pay and Accounts Offices as indicated in Annexure D. Only the future monthly pensions payable will be authorized to the Banks by transmitting the PPOs to Central Pension Accounting Office, in accordance with the procedure outlined in para 7.5.2.

7.5.6 There may be an occasion when the pensioner opting to draw pension through a bank dies before the PPO is sent to Central Pension Accounting Office. In such cases Pay and Accounts Office will make the payment of arrears of pension to the heirs of deceased pensioner, and PPO will

be sent to CPAO for authorizing family pension only.

7.5.7 PAYMENT OF PENSION AT PAY & ACCOUNTS OFFICES AND PAYMENT THROUGH MONEY ORDERS

The Pay and Accounts Officer of the Department/ Ministry will arrange to issue the necessary Pension Payment Order to the pensioner opting to draw pension directly from the concerned Pay and Accounts Office. The disbursement of pension in such cases will normally be made by crossed cheque or demand draft by the Pay and Accounts Office, and the expenditure will be booked to the final head of account. In case of disbursement of pension by money order, the procedure prescribed in Annexure 'B' to this Chapter shall be followed.

7.5.8 All PPO issuing authorities will furnish an abstract of PPO in the format as indicated in Annexure 'C' to this chapter for the pensioners who desire to draw pension through Pay and Accounts Offices or Money Order. This is required to be sent to Central Pension Accounting Office at the time of issuing the PPO for incorporation in the Data Bank maintained by them. However, at the time of making monthly payment of pension or payment of arrears of pension as indicated in para 7.5.5 above, the pension disbursing authority will prepare a schedule of payments in the format as shown in Annexure 'D' to this chapter and send the same to the Central Pension Accounting Office by 10th of each month. If the schedule in any particular month has undergone a change in comparison to the preceding month, a mention of the same will be made in the remarks column of the schedule indicating the authority and detailed reasons for it. This may happen due to change of class of pension or entitlement, non-release of pension for want of submission of any certificate required under the rules, death of pensioner or any other reason. The Pension Disbursing Authority will watch the timely submission of schedule of payment through the Calendar of Returns.

7.6 DISBURSEMENT OF PENSION TO PENSIONERS THROUGH TREASURIES

7.6.1 Where the PPOs were issued before 1st January, 1990, the existing arrangement for drawing of pension from the treasury counters by the Central Civil pensioners and Central Freedom Fighters will continue to be followed. The settlement of payments made on this account will be in the manner indicated in para 7.11.2.

7.6.2 All amendments to PPOs received from PPO issuing authorities prior to 1st January, 1990 in respect of existing pensioners drawing pension through treasury counters, will be transmitted to the Treasury Officers. The Central Pension Accounting Office will do it under special seal authority. For this purpose, an impression of the special seal together with specimen signatures of Pay and Accounts Officers authorised to forward the papers to Treasury Officer by the Central Pension Accounting Office, will be sent. The first time it will be sent to the Comptroller and Auditor General of India for onward transmission to the Accountant General for counter signature and forwarding the same to the Treasury Officers. Subsequently, in the event of a change in the incumbency of the Pay and Accounts Officer of Central Pension Accounting Office, the specimen signature of the new officer will be sent to the Treasury Officer directly, duly attested by the relieved officer. The Treasury Officer will keep the specimen signatures of Pay and Accounts Officers and the impression of the Special Seal so received on their records.

7.6.3 The system of payment of pension through the Treasuries in respect of the PPOs issued on and after 1st January 1990 has been totally closed, pursuant to the instructions of the Comptroller and Auditor General of India.

7.7 PROCEDURE REGARDING SWITCHOVER OF PAYMENT CHANNEL

7.7.1 A switch over of payment channel is permissible in the following cases:

- i. Treasury Office to authorized Bank;
- ii. Pay and Accounts Office to authorized Bank; and
- iii. One Pay and Accounts Office to another PAO of the same Ministry/Department at a different station.

7.7.2 The applications for switch over of pension disbursing source will be made in duplicate as given in Annexure 'E', to the existing Pension Disbursing Authority in all the cases, as mentioned in para 7.7.1. He will forward the same to Central Pension Accounting Office through the nominated Pay and Accounts Officer/Treasury Officer. In the case of PAOs it will be sent after embossing the same with the Special Seal. Before sending the PPOs and other supporting documents to Central Pension Accounting Office, it will be seen that-

- (i) PPOs are correct and up to date, with all amendments to the PPOs attached with the disburser's portion of the PPO;
- (ii) Basic pension before commutation, reduced pension after commutation and the commuted value of pension paid along with date of payment of commuted value have been distinctly shown;
- (iii) Revised family pension has been shown in the PPO;
- (iv) Name of the department from which the pensioner retired has been distinctly indicated in the disburser's portion of the PPO;
- (v) Details of the payments made are enclosed with the PPO;
- (vi) A certificate to the effect that payment of pension has been made up to the month and that PPO consists of continuation sheets have been recorded; and
- (vii) In the event of replacement of the original Disburser's portion of PPO, a certificate is recorded to indicate the manner in which the original disburser's portion of the PPO has been disposed of. This is with a view to eliminate the chances of misuse of the original disburser's portion.

7.7.3 A switch over of payment of pension from Bank to Treasury/PAO or from Pay and Accounts Office to Treasury or from one treasury to another is prohibited in view of the provisions contained in para 7.6.3. However, any of these restrictions may be done away with, under the orders of Department of Pensions & Pensioners Welfare.

7.8 COMMUTATION OF PENSION

7.8.1 Commutation of pension is governed by the Central Civil Services (Commutation of Pension) Rules, 1981. These Rules are applicable to all Government Servants who are entitled to Pension under Central Civil Services (Pension) Rules 1972. Commutation of pension is allowed either on medical examination or without medical examination as specified in the Rules. However, a Government servant against whom departmental or judicial proceedings have been instituted cannot avail of commutation benefit during pendency of such proceedings. The Government servant may commute up to forty percent of pension. If pension to be commuted results in fraction of a rupee, such fraction of rupee shall be ignored for the purpose of commutation. The commuted value to be paid in lump sum will be rounded off to next higher rupee. The commuted value of the pension will be worked out with reference to the 'Commutation Table' at rates applicable to the pensioner on the date on which the commutation becomes absolute.

7.8.2 Government servants retiring on superannuation may desire authorisation for payment of the commuted value of the pension at the time of the issue of the pension payment order. He will in such cases apply for commutation along with the pension papers at least three months before the date of retirement. The Accounts Officer in such cases will calculate and authorise the Head of the office to draw the amount of the commuted value of pension by submission of a bill to him. When the bill is received, the Accounts Officer will issue a cheque or draft superscribed "Not payable before the ----- (date)", indicating the date following the date of retirement of the pensioner. The Accounts Officer shall also indicate in the PPO that the commuted value of pension has been authorised separately for payment through the Drawing and Disbursing Officer and that the monthly pension has correspondingly been reduced from pension. However, the gross pension and the amount commuted shall also continue to be exhibited in the PPO.

7.8.3 Where the pensioner has been drawing pension through the Bank and has not been paid commuted value of the pension by the Head of the Office on the authorisation issued by the Accounts Officer, the payment in such case will be made by the bank. This will be done on receipt of authorization from the Pay and Accounts Officer of the Ministry/Department or the Accounts Officer of the Union Territory Government/Administration, through a separate authority letter, as shown in Annexure 'I'. The payment Authority will be communicated to the concerned paying branch through Central Pension Accounting Office, in accordance with the procedure indicated in the Scheme for Payment of Pensions to Central Government Civil Pensioners by authorized Banks.

7.9 ALLOCATION OF THE LIABILITY ON ACCOUNT OF PENSIONARY CHARGES OF GOVERNMENT SERVANTS

7.9.1 The liability for pension including gratuity will be borne in full by the Department to which the Government Servant permanently belongs at the time of retirement. The system of allocation of liability for pension charges of Government Servant who has rendered service under more than one department in the Government of India, including Railways, Posts, Telecommunications and Defence Department as well as Union Territory Governments with or without legislature has been dispensed with.

7.9.2 With effect from 1st April 1987, the liability for pension including gratuity will be borne in full by the Central/ State Government to which the Government servant permanently belongs at the time of retirement. Accordingly, the recovery of proportionate pension will not be made any more from the Central/State Govt. under whom he had served earlier.

7.9.3 Allocation of pension will, however, continue to be made in those cases, where pension had been sanctioned prior to 1.4.87. Further, in respect of State Governments, the pension cases where the provisions of the State Act, 1953 and the States Re-organisation Act, 1956, govern allocation of pension, the allocation of pension between the State Governments concerned will continue.

7.10 PAYMENT OF PENSIONS TO STATE GOVERNMENT EMPLOYEES AND ALL INDIA SERVICE OFFICERS SETTLED IN THE NATIONAL CAPITAL TERRITORY OF DELHI

7.10.1 The pensioners belonging to the State Governments and All India Service Officers residing in the Union Territory of Delhi have been permitted by the Government of Delhi to avail of the facility of drawing pension through authorized Banks in the Union Territory of Delhi. In such cases, the Controller of Accounts, Government of National Capital Territory of Delhi will issue necessary authorisation/instructions to the concerned Banks for payment of pension to individual pensioners. Government of Delhi will make the reimbursement to the bank, and the payments thus made will be

distinctly shown by the bank in the payment scroll of Delhi Government. Thereafter, the Controller of Accounts, Government of Delhi will raise necessary debits against the concerned State Government/Union Territories for obtaining reimbursement of the amounts so paid from the concerned Accounting Authority of State Government/Union Territory.

7.10.2 PAYMENT OF PENSION TO AIS OFFICERS

The pensionary benefits in respect of the All India Service Officers borne on State cadre and retiring from the Government of India while on deputation, shall be finalised and paid at their option by the Ministry / Department from which they retire. This has been provided vide Ministry of Personnel, Public Grievances and Pensions, Department of Personnel & Training vide their O.M. No. 25014/2/2202-AIS (II) dated 3-6-2004. However, the liability on account of pensionary benefits will be borne by the State government on whose cadre they are borne.

(a) Procedure to be followed by Pay & Accounts Offices

The Pay & Accounts Officer of the Ministry/ Department concerned will process the pension papers in respect of AIS officer as per the provisions of the All India Service Officers (DCRB) Rules, 1958 and take necessary action with regard to the issue of Pension Payment Order and other authorities. The debits on account of payment of Commuted Value of Pension and Gratuity, in cases where payments are made at the counters of PAO, will be made by cheque and classified under the suspense head “8658 – Suspense Accounts – PAO Suspense – Transaction adjustable by.....” (name of the State Government) and reimbursement claimed from the respective Accountant General as in the case of any other outward claim raised by the Pay & Accounts Offices.

(b) Procedure to be followed at Central Pension Accounting Office

1. PPO number for All India Service Pensioners would incorporate, besides the 12- digit numeric component used for Central Civil Pensioner, a pre-fix indicating the service and the state cadre to which the officer belongs. A sample PPO number for an IAS Officer of Punjab cadre would be – IAS/Pb/438840700191.
2. All India Service Pensioners will have the option to draw pension only through the authorized banks i.e. public sector banks and authorized private sector banks, as in the case of Central Govt. (Civil) pensioners.
3. The Special Seal Authority (SSA) issued by the CPAO would be blue in colour to distinguish it from those issued for Central Civil Pensioners. In addition the authority will indicate the state Government to which the payment is debitible.
4. One copy of the Special Seal Authority will be sent to the concerned Accountant General for information and record.
5. The concerned paying branches after following the necessary procedure for identifying the pensioner would release the payment and add the name of the All India Service Pensioner to the scrolls prepared for State Government Pensioners to be routed for reimbursement to the reimbursing branches of the RBI or SBI. These scrolls should not be sent to CPAO.
6. The reimbursing branches would follow the procedure for the State Government Pensioners and send advice to RBI, CAS Nagpur and the corresponding scrolls to the concerned Accountant General.

The Reserve Bank of India, CAS, Nagpur would debit the concerned State Government as per the normal procedure.

(c) Payment of Other Retirement Benefits

The payment of encashment of leavy salary will be made by the Pay & Accounts Offices of the Ministry/Department from where the officer retires. The payment on account of the benefits under the Group Insurance Scheme may continue to be made in terms of Note below Para 6 of the accounting procedure notified vide O.M. No. S-11013/2/81/ta/3845 dated 26/12/1981.

7.11 ACCOUNTING OF PENSION PAYMENTS TO CENTRAL CIVIL PENSIONERS/ CENTRAL FREEDOM FIGHTERS

7.11.1 Payments authorised through Banks:

(i) When pension payment is authorized through Banks as per the Scheme for Payment of Pensions through authorized Banks, the concerned bank will arrange to make payment of pension by credit to the Savings /Current bank account of the pensioner, including joint account with spouse.

(ii) On receipt of debit advice and scrolls supported with necessary documents from the banks transacting Government business, the Central Pension Accounting Office will check the scrolls with the reference to Central Data Bank created for the purpose. The check will be for the authenticity of the amounts paid. After the necessary check of scrolls and supporting documents, the amount paid by banks to Central (Civil) Pensioners/Central Freedom Fighters will be debited to the major head '2071 - Pension and other Retirement Benefits; 01 Civil" and major head '2235 – Social Security and Welfare - 60 - other Social Security and Welfare Programmes - 107- Swatantrata Sainik Samman Pension Scheme respectively. Contra credit will be afforded to the major head 8658 Public/Private sector bank suspense head. When the Put Through is received from RBI, the suspense head will be cleared by minus credit to 8658 Suspense Account and credit afforded to "8675 - Deposits with Reserve Bank: 101 - Central Civil".

7.11.2 PAYMENTS AT TREASURY COUNTERS

The amount of pension paid at Treasury counters will initially be debited in the 'State Section' of Treasury Accounts under the head '8658 Suspense Accounts; 101 - Pay and Accounts Office Suspense -Transactions adjustable by Pay and Accounts Officer - Central Pension Accounting Office. On receipt of Treasury accounts in respect of such transactions the State Accountants General will book the expenditure in State Section of his accounts under the above suspense head. He will raise a debit claim on monthly basis, for the pension paid through treasuries against the Central Pension Accounting Office, duly supported by schedules of payment in Annexure 'D-1', for settlement by cheque/demand draft. The Treasury Offices will send the paid vouchers directly to the Central Pension Accounting Office.

On receipt of the claim from the State Accountants General, the Central Pension Accounting Office will conduct prima facie checks to ensure that all pension vouchers relate to it. Thereafter, the Central Pension Accounting Office will incorporate the details in the 'Register of Inward Claims' in Annexure 'F'. Columns 1 to 7 of the Annexure shall be filled up through the Computer System. After this, voucher shall be prepared for making payment to the State Accountants General concerned, by debiting the amount to the final heads of account as indicated in para 7.11.1, and contra credit afforded to the major head '8670 cheques and Bills 102 - PAO cheques". The cheque along with a forwarding letter in Form CAM -54 shall be forwarded to the Accountant Generals concerned. The balance under the head 'PAO cheques' will be cleared by the Central Pension Accounting Office subsequently on receipt of payment scroll from the bank.

Note: For Central Govt. Civil pensioners and Central Freedom Fighters availing the facility of drawing pension at Treasury Counters of A.G. (A. & E.), West Bengal, the accounting procedure will

be the same as mentioned in Para 7.11.2 above.

7.12 ACCOUNTING OF PENSIONS TO HIGH COURT JUDGES

7.12.1 The channels through which pension are drawn by the retired High Court Judges are as under.

1. Authorized Banks; and
2. Treasuries.

The procedure for accounting of the pensions paid to the retired High Court judges through the authorized banks shall be as the provisions laid down in para 7.11.1 above.

As regards pensions paid through the counters of treasuries, the procedure as laid down in para 7.11.2 above will be followed. The schedules of payment sent in support of the debit claims would be prominently marked 'Pension to High Court Judges'. The claim for reimbursement of pension paid to retired High court Judges shall be raised separate from other claims in respect of pensions paid to Central (Civil) pensioners and Freedom Fighters.

7.12.2 RECOVERY OF AMOUNT OF PENSION PAID TO HIGH COURT JUDGES IN TERMS OF ARTICLE 290 OF THE CONSTITUTION OF INDIA

In terms of Article 290 of the Constitution of India, the charges for the payment of pension to the retired High Court Judges are to be borne by the respective State Governments. After reimbursement to authorized Banks on account of pension paid to the retired High Court Judges and reimbursement of the claims received from the State Accountants General for payment through State Treasuries, the scrolls/schedules of payment/vouchers shall be segregated State-wise. The Central Pension Accounting Office in this regard shall generate the monthly and quarterly statements on computer. The figures appearing therein shall be reconciled on monthly basis with the figures booked by Computer System from the sources indicated in para 7.12.1.

The CPAO will then take action to claim reimbursement of the reconciled amount as generated through Computer system by debiting the same to the head '8658 Suspense Accounts' - PAO Suspense - Transactions adjustable by A.G.'. Contra credit will be afforded to the minor head '106 – Pensionary Charge' in respect of the High Court Judges recovered from State Governments' under major head '0071 Contributions and Recoveries towards Pension and other Retirement Benefits'. The CPAO will then send an Outward Claim to the Accountant General concerned on quarterly basis for the quarters ending June, September and December in Annexure 'G'. The claim for January and February will however, be sent on monthly basis. In respect of transactions relating to the month of March, the debit shall be raised on weekly intervals against the A.G. concerned. In case of transactions arising on or after 25th March, telegraphic advices shall be sent to the A.G. concerned.

On receipt of cheque/demand draft from the A.G., a note shall be kept in column 6 of the statement in Annexure 'G'. The cheque/demand draft will be remitted to bank along with the challan. On receipt of Receipt Scroll from the bank, the Central Pension Accounting Office will clear the debit under to '8658 Suspense Account - PAO Suspense- transactions adjustable by A.G.'.

7.13 PAYMENT OF PENSION IN NEPAL

7.13.1 The following procedure will be adopted for payment of pension in Nepal:

(A). Payment of Defence pensions will be made by the Military Attaché to the Indian Mission in Kathmandu on the basis of authority from the Pr. Controller of Defence Accounts, Allahabad and the expenditure will be booked under the head '8658 - Suspense Accounts- PAO Suspense-Transactions adjustable by Pr. Chief Controller of Defence Accounts (Pensions) Allahabad and included in the monthly cash account of the Embassy to be rendered to the Chief Controller of Accounts, Ministry of External Affairs. The Schedule with supporting vouchers will, however, be sent directly to the Chief Controller of Defence Accounts (Pensions) Allahabad, by the Military Attaché in Kathmandu, for necessary adjustment to the final head. A copy of the Schedule will be attached by the Embassy to the cash account, to enable the Pr. Chief Controller of Accounts, Ministry of External Affairs to effect monetary settlement with the Chief CDA (Pensions), Allahabad.

Note: The Chief Controller of Defence Accounts (Pension) Allahabad will also accept debits for payments other than pensions based on authorities issued by various Controllers of Defence Accounts.

(B). (i) In respect of pension/gratuity payments to the personnel of Assam Rifles, the PAO Assam Rifles, Ministry of Home Affairs, will forward the PPOs under Special Seal Authority to the Central Pension Accounting Office. CPAO, after creating master data in the computer will forward the same under Special Seal Authority direct to the Mission in Kathmandu. The specimen signature of the PAO in the CPAO and impression of his Special Seal for the first time will be forwarded to the Mission through the Pr. Chief Controller of Accounts, Ministry of External Affairs. Subsequently, in the event of the change in the incumbency, the specimen signature of the new officer will be sent duly attested by the relieved officer.

Note: The payment of pension to ex-servicemen of Assam Rifles may be made through sub-post office at Vijaynagar in Arunachal Pradesh, as a special case. The debit on this account will be passed on by the Director of Postal Accounts to PAO, Assam Rifles, Shillong, who after reimbursing the same will debit it to the final head of account in his books.

(ii). In respect of other Central Government Departments the PPOs under Special Seal will be sent to Central Pension Accounting Office which, after creating Central Data Bank in the computer, will send the same to the Mission in Kathmandu.

(iii). These pension and gratuity payments will be adjusted to the final head of account under the major head "2071 -Pension and other retirement benefits" in the books of Pr. Chief Controller of Accounts, Ministry of External Affairs.

(iv). The Pr. Chief Controller of Accounts, M/o External Affairs, will send the vouchers relating to payment of pension and gratuity both in respect of Assam Rifles Personnel as well as other Central Govt. Department pensioners, along with certified lists of payments, to the Central Pension Accounting Office. This is required for post check and record in CPAO and for producing them to Statutory Audit Parties, whenever required.

(v). The procedure prescribed in (iii) & (iv) above will be applicable to payments that are continuing on pension payment orders issued under Special Seal by erstwhile Accountants General, Central Revenues prior to Departmentalization of Union Govt.(Civil) Accounts.

(C). Pension Payment Orders issued by the State Accountants General in respect of State Govt. pensioners residing in Nepal, will be routed through the Pr. Chief Controller of Accounts, Min. of External Affairs to the Mission in Kathmandu for arranging payment. Vouchers relating to such payments received along with the monthly cash account from the Mission by the Pr.Chief Controller of Accounts, Ministry of External Affairs will be accounted for under '8658 - Suspense Accounts - PAO Suspense- Transactions adjustable by State A.G. and forwarded to the State AG concerned for obtaining reimbursement.

7.14 PAYMENT OF PENSION TO CENTRAL CIVIL PENSIONERS IN SIKKIM

7.14.1 Pension to Central Civil Pensioners in Sikkim will be disbursed only through State Bank of India, Sikkim. The detailed procedure to be followed, in such cases, will be the same as outlined in para 7.5 above.

7.14.2 Finance Department of the Govt. of Sikkim will continue to make payment of pension to the existing Central Civil Pensioners. After making payment they will claim reimbursement from the Central Pension Accounting Office, duly supported by relevant vouchers and other documents. On receipt of the claim and after necessary scrutiny, the Central Pension Accounting Office will reimburse the amount by Demand draft drawn in favour of Secretary, Finance Department, Govt. of Sikkim, Gangtok, and account for the debit under the final head of account.

7.15 ACCOUNTING OF PAYMENT OF PENSIONS TO FOREIGN PENSIONERS IN INDIA

7.15.1 Payment of pensions is also made to Indian nationals on behalf of some foreign Governments. They can be broadly classified as:

- a. Burma Civilian Pensioners and Family Pensioners;
- b. Singapore Pensioners;
- c. Sri Lanka Pensioners; and
- d. Pakistan Civil Pensioners and Family Pensioners.

7.15.2 Burma Civilian Pensioners/Family Pensioners

In the case of Burma Government pensioners who are Indian nationals, necessary sanction and PPO will be issued by the Accountant General, Burma, and sent to the Accountant General of the state where the pensioner intends to receive his pension. The pensioners will draw their pension from the Treasury offices concerned. The expenditure on this account will be debited by the State Accountant General against the major head '8679 - Accounts with Governments of Other Countries - Government of Burma'. The State Accountant General will send a debit claim to the Accountant General Burma, duly supported by paid vouchers. Simultaneously he will also send necessary advice to the Reserve Bank of India, Central Accounts Section, Nagpur, for obtaining necessary reimbursement from the foreign Government. On receipt of necessary reimbursement advice from the RBI, CAS, Nagpur, the transitory head of account 8679 - Accounts with Governments of Other Countries will be cleared, and paired off by the State Accountant General.

The State Accountants General will also be responsible for issuing necessary amendment to the Pension Payment Orders in the cases where the Burma Civilian Pensioners/Family Pensioners are drawing their pensions from treasuries located under their jurisdiction. In the case of pensioners drawing their pension from treasuries located in Union Territories, the Pay and Accounts Officer, Department of Economic Affairs, New Delhi will undertake the work of issue of amendments, etc.

In the case of Burma Government pensioners who are drawing their pensions from Treasury offices in Union Territories (with or without legislature), the Accountant General or Pay and Accounts Officer (where the accounts have been departmentalized) will raise necessary debit against the Pay and Accounts Officer (Foreign claims), Department of Economic Affairs, New Delhi. After making

reimbursement to the Accountant General or Pay and Accounts Office of the Union Territory, as the case may be, by debit to the transitory head of Account '8679 - Accounts with Governments of Other Countries', the Pay and Accounts Officer, Department of Economic Affairs, New Delhi will send an advice to the Reserve Bank of India, Central Accounts Section, Nagpur, for obtaining necessary reimbursement from the foreign Government. The Pay and Accounts Officer, Department of Economic Affairs will clear the debit lying under the head '8679 - Accounts with Governments of Other Countries', on receipt of advice of reimbursement from the RBI, CAS, Nagpur.

In order to mitigate the hardship of the Burma Civilian pensioners/family pensioners, the Government of India have sanctioned ad-hoc ex-gratia allowance and relief on pension as admissible to Central Govt. pensioners with effect from 1.6.87. The A.G. under whose jurisdiction the pensioner was receiving pension will sanction the ex-gratia allowance. The extra liability on this account will be debited by the State Accountant General in State Section of his account under the head '8658 Suspense Accounts' and settled with the Pay and Accounts Officer, Central Pension Accounting Office, in terms of Article 5.17 of Account Code for Accountants General.

7.15.3 Singapore/Sri Lanka Pensioners

In case of the Singapore and Sri Lanka Pensioners, sanctions and Pension Payment Orders with name of the pensioner, his full postal address, PPO number, amount of basic pension and any other relief on pension, etc. (both in foreign currency as well as in Indian currency with rate of exchange applicable) will be communicated by the foreign Governments to the Pay and Accounts Officer, Department of Economic Affairs. A copy will be sent to the Accountant General or Pay and Accounts Officer (where the accounts have been departmentalized), as the case may be, of the State/Union Territory in whose jurisdiction the pensioner is residing and intends to draw pension.

On receipt of sanction/PPO as above, the Pay and Accounts Officer, Department of Economic Affairs will issue necessary Special Seal Authority to the Accountant General or the Pay and Accounts Officer concerned, as the case may be, with a copy to the Foreign Government as well as to the pensioners. After making payment, the Treasury Officer will send the pension vouchers to the Accountant General with his monthly cash account. The Accountant General will debit the expenditure in State Section of his accounts under the head '8658 Suspense Accounts - Pay and Accounts Office Suspense' and claim reimbursement from the Pay and Accounts Officer, Department of Economic Affairs. Similarly, the Pay and Accounts Officer of the Union Territory (where the accounts have been departmentalized) will claim reimbursement after debiting the expenditure to the above suspense head by sending a reimbursement claim to the Pay and Accounts Officer, Department of Economic Affairs. On receipt of such claims from the Accountant General or the Pay and Accounts Officer, as the case may be the Pay and Accounts Officer, Deptt. of Economic Affairs will reimburse the claim as above by debiting a transitory head '8679 Accounts with Governments of Other Countries' and prefer a claim duly supported by the paid vouchers, against the foreign Government concerned. The foreign Government on receipt of such claims will make reimbursement by demand draft in favour of the Pay and Accounts Officer, Economic Affairs after exercising necessary checks. The head '8679 Accounts with Governments of other Countries is cleared when the credit on account of the demand draft appears in the bank scroll.

In fresh cases arising in future, the Pay and Accounts Officer, Department of Economic Affairs will arrange to make payment of such pensions directly by crossed cheque or bank draft on receipt of a pre-receipted bill.

7.15.4 Pakistan Civil Pensioners/Family Pensioners

In the case of Pakistan (including Bangladesh) Civil Pensioners/Family Pensioners, the following two types of payments are made on behalf of Pakistan/Bangladesh:

(i) Provisional pension under Indo-Pak Provisional Payment Scheme.

Pensions under Indo-Pakistan Provisional Pension Payment Scheme are sanctioned by the officer in charge 'Central Claims Organisation under the Rehabilitation Division of Ministry of Home Affairs (previously Ministry/Department of Rehabilitation). Based on such sanctions, the Pay and Accounts Officer (Pension & Misc) will authorize the State Accountant General concerned to make payment after due verification of the identity of the person. After making payment by debiting the Suspense head 8658 Suspense Accounts - PAO Suspense, etc, the Accountant General will prefer an outward claim duly supported by the paid vouchers to the Pay and Accounts Officer (Pension & Misc). Pay and Accounts Officer (Pension & Misc) will reimburse the claim by debit to the Suspense head '8679- Accounts with Governments of other Countries - payment on behalf of Pakistan/transactions on behalf of Bangladesh and eventually raise a debit against the foreign government. The above suspense head would be cleared on receipt of reimbursement from the foreign government concerned.

(ii) Provisional pension under the Ad-hoc payment scheme of Department of Rehabilitation.

This provision is for Government pensioners and the pensioners of former princely states and local bodies who migrated to India from West Pakistan after 31st Nov. 1960 but before 1st April 1967. In such cases, the Government of India has sanctioned provisional payment of pension till an agreement is reached with Government of Pakistan for acceptance of the liability/ transfer of their pension to India.

The pension in these cases will be authorised by the Ad-hoc Committee in the Central Claims Organisation, to the Pay and Accounts Officer (Pension & Misc). He will arrange payment through the Accountant General of the State where the applicant desires payment. After making payment, the State Accountant General will obtain reimbursement from PAO (Pension & Misc). The Pay and Accounts Officer (Pension & Misc) debits the payments to the head " 8679- Accounts with Governments of Other Countries- Pakistan. At present there is no agreement with the Government of Pakistan for reimbursement of claims under the Ad-hoc payment scheme. Payment made in such cases will be centralised in the books of Pay and Accounts Officer (Pension & Misc) till an agreement is reached.

There was no scheme of Family Pension at the time of the partition of the Country. The families of retired employees who migrated to India after partition were not sanctioned any Family Pension in the event of death of the pensioners. Subsequently Government decided to divide such cases into two categories:

- i. Cases where name of the authority which had issued the PPO was known; and
- ii. Others, where no such details were available.

The procedure for finalizing the cases of above categories will be as follows:

(i) If the Accountant General's office had issued the Pension Payment Order, the Accountant General concerned may issue authority to sanction ex-gratia family pension on the basis of the following documents-

- a. Succession certificate from a Court, or
- b. Affidavit shown before a Magistrate, or
- c. Affidavit of the claimant on a plain paper supported by any two documents which may be acceptable to the Head of the Deptt./Pension Sanctioning Authority.

(ii) In other cases where no details are available, it will be the responsibility of the Settlement Commissioner, Rehabilitation Division, to process the cases for payment of ex-gratia family pension. On the basis of the sanctions received from the Settlement Commissioner, the PPO will be issued by the PAO (Pension and Misc.), Ministry of Home Affairs, New Delhi.

The extra liability on this account will be debited by the Accountants General to major head 8658 Suspense Accounts - PAO Suspense, and settled with the Pay and Accounts Officer, Central Pension Accounting Office.

For fresh cases arising in future, the Pay and Accounts Officer (Pension & Misc) will arrange payment of such pensions by crossed cheque/bank draft on receipt of pre-receipted bill from the beneficiary. The first payment in such cases will be made after proper verification on the basis of descriptive roll received from the Officer in charge (Claims) along with the sanction letter.

7.15.5 ICS Family Pension Fund (Transferred)

Government of United Kingdom communicates the basic pension and graded relief admissible to such Family Pensioners. Based on such communications, the payment of Family Pension will be arranged by the Pay and Accounts Officer, Department of Economic Affairs, New Delhi. The total expenditure involved is initially booked under 8679-Accounts with Governments of other Countries. After close of the financial year, reimbursement of the expenditure so incurred against ICS Family Pension Fund (Transferred) will be claimed from Govt. of U.K. through a Proforma Account. The Proforma Account has in it the details of name of pensioner and payments made. No vouchers are required to be sent in support of the claim. On receipt of the Proforma Account from the Pay and Accounts Officer, Department of Economic Affairs, the Govt. of U.K. will reimburse the claim by means of a demand draft. The above Suspense head is cleared by minus debit when the credit on account of the said demand draft appears in bank scrolls.

7.15.6 ICS Family Pension Fund (Un-transferred)

In this case the Ministry of Home Affairs issues the sanctions. Based on such sanctions, payment will be made by the Pay and Accounts Officer, Dept. of Economic Affairs. In respect of this category of Family Pension, the Govt. of U.K. pays only basic pension. The relief/graded relief on pension in these cases is still lying under the Suspense head awaiting a decision in this regard.

7.15.7 ICS Family Pension (Non-European Members)

In these cases also, the Ministry of Home Affairs issues necessary sanction. The payment of Family Pension will be made by the Pay and Accounts Officer, Dept. of Economic Affairs by debiting the major head '2071- Pensions and other Retirement Benefits, 01 – Civil- 200 -Other Pensions - Pensions under the ICS (NEM) Family Pension Fund'. In all these categories of ICS Family Pension Funds, payments will be made quarterly in advance i.e. for the quarters ending March, June, September and December. Necessary sanction giving therein the amount of pension admissible for the quarter in question will be sent to the widow of the pensioner, and on receipt of duly pre-receipted bill from the family pensioner, payment will be made by means of demand draft.

7.16 PAYMENT FROM COMPASSIONATE FUND OF GOVT. OF INDIA

7.16.1 Awards for payment from the Compassionate Fund fall under two categories namely:

- a. Lump sum payments; and
- b. Recurring payments to be made at quarterly intervals, in arrears.

7.16.2 In cases where the award is for a lump sum amount, payment shall be made by crossed cheque/bank draft to the beneficiary. The Pay and Accounts Officer will do this after proper identification on the basis of the sanction issued by the Ministry/Department with the concurrence of the Establishment Division of the Ministry of Finance. Bill in this regard will be submitted by the Drawing and Disbursing Officer in Form CAM-67, enclosing a descriptive roll of the beneficiary with the sanction. The expenditure on this account will be classified under major head '2235 - Social

Security and Welfare - Other Social Security and Welfare Programmes - Other Programmes - Payment from the Compassionate Fund’.

7.16.3 In cases where the award is of recurring nature and the payments are to be made at quarterly intervals, in arrears, the Administrative Ministry/Department will issue sanction as above. The Pay and Accounts Officer will note the sanction in a separate Register to be maintained in Form CAM-25. At the time of first payment, a descriptive roll of the beneficiary will be sent along with the sanction. The PAO after proper identification will make payment by crossed cheque/bank draft to the beneficiary on the expiry of each quarter to which the payment relates, through submission of a pre-receipted bill in Form CAM-67. The payment will be debited to the head indicated in para 7.16.2 above. The payment through Public Sector Bank is not permitted in these cases.

7.17 POST PAYMENT CHECKS

7.17.1 The Central Pension Accounting Office will conduct post checks of payments of pension through the Computer System and any irregularities noticed during the course of post check, would be communicated to the pension disbursing authority, who will be responsible for carrying out necessary rectification. The Central Pension Accounting Office through the “Objection Book will watch the rectification of irregularities.

7.17.2 The concerned Accountant General (Audit) will conduct audit of pension payments in such manner and to such extent as the Comptroller and Auditor General of India may prescribe from time to time. The accounts, records and registers maintained in the branches of authorized Banks making pension payments, and also those in the Link Cell Branches shall be open to audit by the Comptroller and Auditor General of India or any person appointed by the government in this regard.

7.18 DEFINED CONTRIBUTION PENSION SCHEME

7.18.1 Details of the Defined Contributory Pension Scheme:

- (i) Government of India vide Ministry of Finance, Dept. of Economic Affairs, ECB & PR Div. Notification No. 5/7/2003-ECB & PR Div. Dated 22/12/2003 introduced a new pension scheme viz. Defined Pension Contribution Scheme for all those government servants joining service under the Government of India on or after 1-1-2004 (except the armed forces, in the first stage). The scheme will have two tiers- Tier-I and Tier-II. Under Tier-I, the Government servants have to make a mandatory contribution at the rate of 10% of salary and DA while the Government will make equal matching contribution. The contributions and investment returns will be kept in a non-withdrawable Tier –I Pension account.
- (ii) In addition to the above pension account, each individual may also have a voluntary Tier-II withdrawable account at this option. The Government will not make any contribution to this. This amount will be kept in a separate account that will be withdrawable at the option of the Government Servant. GPF will not be available to those who are covered under the Defined Pension Contributory Pension Scheme. Employees would be free to withdraw part or all of the accumulations under Tier-II.
- (iii) Individuals can normally exit at the age of 60 or after 60 years of age for Tier –I of the pension system. At exit the individual would be mandatorily required to invest 40 percent of pension wealth to purchase an annuity (from an IRDA-regulated life insurance company). In case of government employees the annuity should provide for pension for the lifetime of the employee and his dependent parents and spouse. The individual would receive a lump sum of the remaining pension wealth, which he would be free to utilise in any manner. Individuals would have the flexibility to leave the pension system prior to the age of 60, but in such case the mandatory annuitisation would be 80% of the pension wealth.

- (iv) To implement the scheme, there will be a Central Record Keeping Agency and several Fund Managers shall be appointed to offer three categories of Schemes to Government servants viz. options A, B and C, the categories based upon the ratio of investments in fixed income instruments and equities.

While implementing the Defined Contribution Pension Scheme the following decisions were taken by Ministry of Finance, Department of Economic Affairs: -

- (a) As an interim arrangement, till such time the Statutory PFRDA is set up, an interim PFRDA would be appointed.
- (b) Such amounts representing the contribution made by the government servant and the matching contribution made by the Government will be kept in the Public Account of India.
- (c) During the interim period, only Tier I would be implemented and Tier II would not be operational.
- (d) Central Pension Accounting Office would act as the interim Record Keeping agency and maintain the individual accounts DCPS in respect of the Central Government servants.
- (e) No withdrawals would be permitted during the interim period.

M/o Finance D/o Economic Affairs vide their resolution No. F.5. (1)-PD/2003 dated 21/04/2005 have decided that during the interim period the accumulation under the Tier-I of the Pension Fund in respect of the subscribers to the New Pension Scheme (Defined Contribution Pension Scheme) would carry interest at the rate of 8% per annum for the period of interim arrangement. It has also been decided by the Government that in case of death of a government servant covered under the New Pension Scheme, the deceased government employee's own contribution and government's matching contribution plus 8% interest thereon may be payable to the legal heirs immediately- vide M/o Finance D/o Economic Affairs UO No. 5(27/A)/2006-ECB &PR dated 14/03/2006.

The guidelines issued by Controller Genral of Accounts vide OM. NO. 1(7)(2)/2003/TA/11 dated 7-1-2004 with regard to implementation of the New Pension Scheme and the accounting procedure outlilined in O.M. No. 1(7)/2/2003/TA/128 dated 24-2-2004 and O.M. No. 1(7)/2/2003/TA / 380-424 dated 10-5-2005 as amended from time to time should be folowed by PAOs/DDOs during the interim arrangement. One of the salient provisions in the above guidelines provides for the bills for payment of salary of all employees joining Government service under the new defined contribution pension scheme along with the bill for matching Government contribution to be paid only by the Pay and Accounts Officers, and all DDOs including the cheque drawing DDOs are required to send the bills to their respective PAOs for this purpose. The PAOs shall be responsible to account for these and report and reconcile it with the interim record keeping agency viz. the Central Pension Accounting Office.

**Annexure - A
(Para 7.1.1)**

(To be published in the Gazette of India part II Section-3, Sub-section ii)

**Ministry of Finance
Department of Economic Affairs
Budget Division**

New Delhi the 31st December,1990.

NOTIFICATION

No.F.1(19)-B(R)/90 : In exercise of the powers conferred by the first proviso to sub-section(1) of Section 10 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971) and in partial modification of the order of the Government of India in the Ministry of Finance (Department of Economic Affairs) No. F.1(15)-B(AC)/76 dated 8.9.1976, the President, after consultation with the Comptroller and Auditor General of India, hereby relieves the Comptroller and Auditor General from the responsibility for compiling the accounts of:

- a. The Ministry of Finance relating to pensions: and
- b. The Ministry of Home Affairs relating to pensions to freedom fighters.

2. This order shall come into force with effect from the financial year 1990-91. By order and in the name of the President.

Sd/-
(Smt. Janaki Kathpalia)
Officer on Special Duty (Budget)

To

The Manager
Government of India Press
New Delhi.

ANNEXURE -B
(Para 7.5.7)

Procedure for Payment of Pensions through Postal Money Orders

The payment of pension may be made by postal money order at the option of the pensioners, where the amount of monthly pension including relief on pension does not exceed Rs. **2000/-**. Where this mode of payment is adopted, the detailed procedure given in part V Section IV of CTRs in general and Rule 360 therein in particular will be followed by the Pay and Accounts Officer mutatis mutandis. Some of the important instructions on payment of pension through postal money order are as under:-

1. The pensioner who elects to have his pension paid by money order should present in person to the Pay and Accounts Office with a declaration to this effect with his copy of the PPO. The pensioner should be identified as per procedure laid down in rule 356 of CTR Vol. I. A separate file headed "Pension payable by money order" should be opened by the PAO and the declaration should be pasted in this file.

2. Purchase of postal money order forms and their accounting

The cost of money money order forms purchased for this purpose may be debited to the head "Cost of Remittances by Money Orders" under the MH "2071 - Pensions and other Retirement Benefits". Money orders forms will be purchased from nearest Post Office on payment by Cheque and a stock register of money order forms will be maintained by the Pay and Accounts Office and an account of receipt and issue of M.O. forms will be kept therein. The stock of the forms will be verified half yearly in August and February each year. Account of the M.O. forms will be submitted to the PAO on 15th of each month. Half yearly stock verification report should be submitted to CA/Dy.C.A. as the case may be. The submission of the register will be watched through Calendar of Returns. At the time of second half yearly stock taking i.e. in the month of February the cost of money order forms utilised for remitting pension to pensioners drawing pension in excess of Rs. 1,500/- P.M. plus relief thereof admissible from time to time may be debited to the head "Pension and Other Retirement Benefits" by minus debit to the head "Cost of Remittance by money order" where it was initially debited.

3. Payment of Pension

Pension up to Rs. **1,500/-** plus relief in pension admissible from time to time may at the request of the pensioner be remitted by postal money may at the request of the pensioner be remitted by postal money order at the cost of Govt. M.O. commission charges being shown as a distinct item in the pension bill and debited to the minor head "Other Expenditure" under-"2071 - Pensions and Other Retirement Benefits".

In respect of other pensioners drawing pension in excess of Rs **500/-** the charges of remittances will be deducted from the amounts of pension. The deduction on account of M.O. Commission and cost of M.O. should be shown at the foot of the M.O. form the information of the recipient.

In order to facilitate, as far as practicable, receipt by the pensioner of his pension on the first of the next month the Pay and Accounts Officer should arrange remittance of pensions through postal money order during last week of the month which pension relates, superscribing the same as "Not payable before the first proximo". However, in respect of pensions for the Month of March remittance should be arranged on or after the 1st day of April but not later than 10th of April.

The Pay and Accounts Office will prepare one cheque for the total amount of the bill in favour of the Post Master of nearest post office. A list in duplicate showing the amount to be remitted in each case which will be the amount of pension less money order commission will be prepared. All the Money Order forms duly filled in and marked prominently on the top of the M.O. form to be paid to the

payee only” and signed by PAO should then be sent in bulk to the nearest post office along with the cheque and the list indicating the details of Commission charges, etc.

4. *Watching of Acknowledgement*

In order to minimise the risk of fraud, the PAO should compare the signature on the money order receipt every month with the pensioners’ signature on the money order receipt every month with the pensioner's signature available on record or on the disburser’s portion of the PPO as per provision of rule 360 of CTR Vol. I. Next pension bill should not be drawn in respect of the pensioners till their acknowledgement is received. A reference to the pensioners to the effect that acknowledgement of the pension sent by M.O. for the month of has not been received should be made and formal receipt watched. The certificate stipulated in rule 360 (ix) of CTR Vol.1 that the PAO has satisfied himself that all pension indicated in the Schedule for the previous month have been paid to the proper person and that he has obtained all money order receipts in support of these payments and filed them in his office should be recorded in the Schedule for each month.

The various other checks prescribed in Rule 360 of CTRs Vol. 1 and other rules should be exercised while making payment by Money orders.

ANNEXURE 'C'
(Para 7.5.8).

ABSTRACT OF PENSION PAYMENT ORDER (CIVIL PENSIONER).

PENSION PARTICULARS:

1. PPO NUMBER
2. NAME OF PENSIONER
3. DATE OF BIRTH OF PENSIONER
4. CLASS OF PENSION
5. ACCOUNTS OFFICER ISSUING PPO
6. DEPARTMENT/MINISTRY IN WHICH PENSIONER WAS LAST SERVING
7. BASIC PENSION
8. PROVISIONAL PENSION (IF ANY)
9. DATE OF COMMENCEMENT OF PENSION
10. PRESENT ADDRESS OF PENSIONER

COMMUTATION PARTICULARS, IF ANY:

11. AMOUNT OF COMMUTED PENSION
12. DATE OF COMMUNICATION OF PENSION
13. RESIDUAL PENSION PAYABLE AFTER COMMUTATION AND DATE FROM WHICH PAYABLE

FAMILY PENSION PARTICULARS, IF ANY:

14. NAME OF RECIPIENT OF FAMILY PENSION AND HIS/HER AGE
15. RELATIONSHIP WITH DECEASED GOVT. SERVANT
16. FAMILY PENSION AT ENHANCED RATE : AMT.....FROMTO
17. FAMILY PENSION AT NORMAL RATE : AMT.....FROM.....TO.....

ANNEXURE 'D'
(PARAS 7.5.5 & 7.5.8)

SCHEDULE OF PENSION PAYMENTS FOR THE MONTH OF.....

NAME OF PAY AND ACCOUNTS OFFICE.....

CODE NO. OF PAY AND ACCOUNTS OFFICE.....

Name of the pensioner	Pension Payment Order No.	Period for which the pension is paid	Amount of pension			Recovery of over payment, if any	Income Tax deducted	Net amount paid	Allocation of pension	Remarks
			Basic pension	Personal pension	Dearness Relief					
1	2	3	4			5	6	7	8	9

**ANNEXURE D-1
(PARA 7.11.2)**

ABSTRACT OF SCHEDULE OF PAYMENT OF PENSIONS

Sl. No.	Name of Treasury	Month to which pension relates	Superannuation & Retirement Allowance	Family Pension
1	2	3	4	5

High Court Judges	Pensions to legislators (Member of Parliament)	Central Freedom Fighters Pension	Commuted value of pension	Gratuity
6	7	8	9	10

Allocation of pension (if any)		Others (specify Category)	Gross Total	Income Tax Recovered	Net Amount paid.
Nomenclature of Government	Amount of Pension				
11	12	13	14	15	

**ANNEXURE 'E'
(Para 7.7.2)**

**APPLICATION FOR DRAWAL OF PENSION THROUGH
AUTHORISED BANK
(TO BE SUBMITTED IN DUPLICATE)**

To

The Pension Disbursing Officer (Exact designation
Of the Officer to be indicated)
(Place).

Sir,

I opt to draw my pension through Authorised Bank and give below the necessary particulars to enable you to make arrangements in this regard:

1. PARTICULARS OF PENSIONER:

- (a) Name
- (b) PPO No.....
- (c) Present Address.....

2. PARTICULARS OF THE AUTHORISED BANK

- (a) Name
- (b) Branch where payment desired

3. *Pensioner's S.B./Current Account No. at the Branch to which pension is to be credited.

Yours faithfully,

Place:

Date:

(Pension)

*(Joint Account of the Pensioner with the spouse could be operated either by 'Former or Survivor' or 'either or survivor')

Pensioner's Specimen Signature.....

FOR USE IN THE OFFICE OF THE PENSION DISBURSING AUTHORITY

Forwarded to the Central Pension Accounting Office for transmission to Link Branch of PSB(Name of Branch). The Disburser's half of PPO of Shri/Smt./Km..... bearing No. is (are) sent herewith.

The pensioner has been paid pension @ Rs. p.m. and dearness relief thereon @ Rs..... p.m. for the period up to the month ofPension due from the month of is to be arranged by the Bank.

(Pension Disbursing Authority)
(with Name & Seal)

Station :

Date :

ANNEXURE 'F'
(PARA: 7.11.2)

REGISTER OF INWARD CLAIMS.

Sl.No.	No.& Date of letter with which account was received	Name of AG from which received	Period of Accounts	Debits Rs.	Credits Rs.	Net Debit Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Particulars of Cheque sent to AG	Amount Rs.	No. & Date of letter forwarding Cheque/ Draft to AG	Date on which Cheque appeared in Scroll	No. & Date of Register sending DISO	Remarks
(8)	(9)	(10)	(11)	(12)	(13)

ANNEXURE 'G'
(PARA 7.12.2)

STATEMENT OF OUTWARD ACCOUNTS IN RESPECT OF HIGH COURT JUDGES.

Sl. No.	Name of A.G. against which pension is adjustable	Period to which pension relate	Amount Rs.	No. & date of letter forwarding claim	No. & date of cheque received	Date of Scroll for credit of cheque	Initials of the A.O.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

ANNEXURE 'H'
(PARA 7.5.2)

Registered A/D (if sent by post)

Office of the Pay and Accounts Officer
Department of
Ministry of.....

To

The Pay and Accounts Officer,
Central Pension Accounting Office,
Ministry of Finance
Govt. of India
Trikoote-II, Bhikaji Cama Place
R.K. Puram, New Delhi - 110066.

Sir,

A Pension Payment Order in favour of Shri/Smt details of which are given below is forwarded herewith for arranging payment.

Details

1. PPO No. & date
2. Category of pension.....
3. (a) Amount of Basic pension Rs.....
(b) Family pension in the event of death of pensioner.....

Enhanced Rate up to
.....
Normal Rate Rs.
.....
with effect
from.....

4. Date of commencement of pension
5. Name of Bank
- Branch
- Location and Code No.....
- Account No.....
- Distt.
- State
6. * Commutation not applied for /Commutation already paid/being authorised through DDO/Commutation authorised simultaneously through a separate letter.

Conditions attached to pension payment may be made subject to the conditions specified in the PPO as well as in the CCS (Pension) Rules and Treasury Rules.

- Strike out whichever is not applicable.

Yours faithfully,

PAY & ACCOUNTS OFFICER

Encl:

1. PPO (Pensioner & Disburser's portion).
2. Photo
3. Specimen Signature Slip
4. Option of the pensioner indicating Name and full address of the Authorised Bank.

ANNEXURE 'H-1'
(PARA 7.5.2)

Deptt./Ministry

To

The Pay and Accounts Officer
Central Pension Accounting Office
Ministry of Finance
Department of Expenditure
Trikoote-II, Bhikaji Cama Place
R.K. Puram
New Delhi- 110066.

Subject: Revision of pension of Shri/Smt.....
holder of PPO No.....

Sir,

I request you to make arrangement for carrying out the modification in both the halves of the said PPO as detailed below:

- (a). Revised pension Rs.
(Rupees.....)
effective from
- (b). Revised pension commuted Rs.
(Rupees)
- (c). Revised Reduced Pension after commutation Rs.....
(Rupees)
effective from

2. (a). Differential commuted value paid or being arranged through Pay and Accounts Office Rs.....
(Rupees.....)

(b). Differential commuted value of pension payable by the bank Rs.....
(Rupees.....)

(a) or (b) whichever is applicable should be filled up. The other column should be prominently marked as 'Not applicable').

3. Additional amount of Death/retirement Gratuity payable by the bank due to revision (this column is to be prominently marked as 'not applicable' if additional amount of gratuity is arranged through Pay and Accounts Officer concerned or no Death/Retirement gratuity is payable as a result of revision) Rs.....
(Rupees.....)

* 4. Revised Family Pension.

- a. At enhanced Rate Rs.
(Rupees.....) up to
- b. At normal Rate w.e.f. Rs.

4. Details of Disbursing Bank.

- i. Name of Bank
- ii. Branch and Code No. (if any).
- iii. Account No.
- iv. Deptt.
- v. State.

Yours faithfully,

Pay and Accounts Officer.

* In case the family pension does not undergo any change as a result of revision of pension, the words "No change" should be inserted in column No. 4. In case family pension is not admissible, the words 'Not applicable' should be inserted in this column.

ANNEXURE 'I'
(PARA 7.8.3)

Office of the Pay and Accounts Officer
Deptt./Ministry.

Regd. AD (if sent by post).

To

The Pay and Accounts Officer,
Central Pension Accounting Office
Govt. of India, Ministry of Finance
Trikoort -II, Bhikaji Cama Place
R.K. Puram, New Delhi -110066.

(Authority for Commutation)

Subject: Commutation of pension of Shri/Smt./Kum.....
holder of PPO No.

Sir,

I request you to make arrangement for payment of commuted value of pension amounting to Rs..... (Rupees.....) in respect of PPO mentioned above by carrying out the modifications in both halves of PPOs as detailed below:-

1. (A) Basic Pensions Rs.....
(Rupees..... only)
- (B) Pension Commuted Rs.....
(Rupees.....only)

Reduced pension payable after
Commutation Rs.....
(Rupeesonly)

2. Details of Disbursing Bank:

- (i) Name of Bank.....
- (ii) Branch, location and Code No. (if known)
- (iii) Account No.
- (iv) Distt.....
- (v) State

3. * Already drawing pension from the Bank indicated at 2 above/pension being authorised simultaneously.

Note:

- I. Reduced monthly pension after commutation will take effect from the date commuted value is credited into the pensioner's Account by the Bank.
- II. Pension/provisional pension, if paid, may be adjusted suitably.
- III. Dearness Relief to be allowed as admissible from time to time.

* Strike out whichever is not applicable.

Yours faithfully,

Pay and Accounts Officer
(Signature with Special Seal Authority).