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No.2005/ACII/21/19

New Delhi, Dated :13/10/2005

General Managers,
All Zonal Railways,
Production Units etc.

Sub: Payment of pension through Authorized Banks – Credit of pension to Joint Bank Account operated by a pensioner with his/ her spouse.

Under the existing scheme of disbursement of pension through Authorised Banks available to pensioners, a pensioner is entitled to receive his / her pension by getting it credited to a savings/ current bank account operated individually by him/ her. The matter regarding permission for operation of joint bank account by pensioner with his/her spouse has been under consideration of Ministry of Finance for quite some time. It has now been decided to permit credit of pension to a joint bank account operated by a pensioner with his/ her spouse in whose favour an authorization 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:

- (i) 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.
- (ii) 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.
- (iii) Payment of Arrears of Pension (Nomination) Rules 1983 would continue to be applicable to the joint account with the pensioner's spouse. This implies that if there is an 'accepted nomination' in accordance with these Rules (Annexure L & M of the Scheme for Disbursement of Pension to Railway Pensioners through Public Sector Banks ; Ann. II/ Chapter 10, A-I), arrears mentioned in the Rules shall be payable to the nominee.

- (iv) Existing pensioners desiring to get their pension credited to a joint account indicated above are required to submit an application to the branch bank from where they are presently drawing pension, in the enclosed form. The application shall also be signed by the pensioner's spouse in token of having accepted the terms and conditions.
2. The existing scheme shall stand modified to the extent indicated above. Formal correction to the scheme will be issued in due course.
3. Zonal Railways, etc. are required to give wide publicity to these instructions so that pensioners may avail of the benefit.

Please acknowledge receipt.

DA: As above

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(J. Srinivas)
Director Finance (CCA)
Railway Board.

Copy for information and necessary action to:

- ✓ 1. FA&CAOs / CPOs , All Zonal Railways / PUs .
- ✓ 2. EDF(E), DS(G), PAO, AC-III .
- ✓ 3. Jt. CGA, Department of Expenditure, Ministry of Finance, Lok Nayak Bhawan, New Delhi.
- ✓ 4. CGM/RBI, Department of Government & Bank Accounts, Central Office 4th floor, Byculla office Building, Opp Mumbai Central Station, Byculla. Mumbai- 400008 for issue of instructions to all Banks.

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(J. Srinivas)
Director Finance (CCA).
Railway Board

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To

The Branch Manager ,

_____ (Bank)

_____ (Branch and Address)

Sub: Payment of pension under PPO No. _____ through your bank branch .

Dear Sir/ Madam,

I wish to receive my pension under PPO No. _____ by getting it credited to the saving / current bank account no. _____ which is operated jointly in your branch by me and my spouse. , Mr/ Mrs _____ in whose favour an authorization for family pension exists in the Pension Payment Order (PPO).

I have read and understood the contents of the Government of India, Ministry of Railway's letter no. 2001/ ACII/ 21/19 dated 13.10.05 which contains the following terms and conditions :

- (a) Once pension has been credited to a pensioner's bank account, liability of the Government / Bank ceases. No further liability arises, even if the amount is wrongly drawn by the spouse.
- (b) 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.
- (c) Payment of Arrears of Pensions (nomination) Rules, 1983 would continue to be applicable to the joint account with pensioner's spouse. Thus if there is an 'accepted nomination' in, accordance with these Rules , arrears will be payable to the nominee.

I accept the above terms and conditions . My spouse too, in token of having accepted these terms and conditions , has put his/ her signature below.

1. Signature of Pensioner

2. Signature of Spouse