

Government of India
Ministry of Railways
(Railway Board)

RBA No. 29 /2009

No. 2008/ACII/9/7

New Delhi, Dated : 14 .05.09.

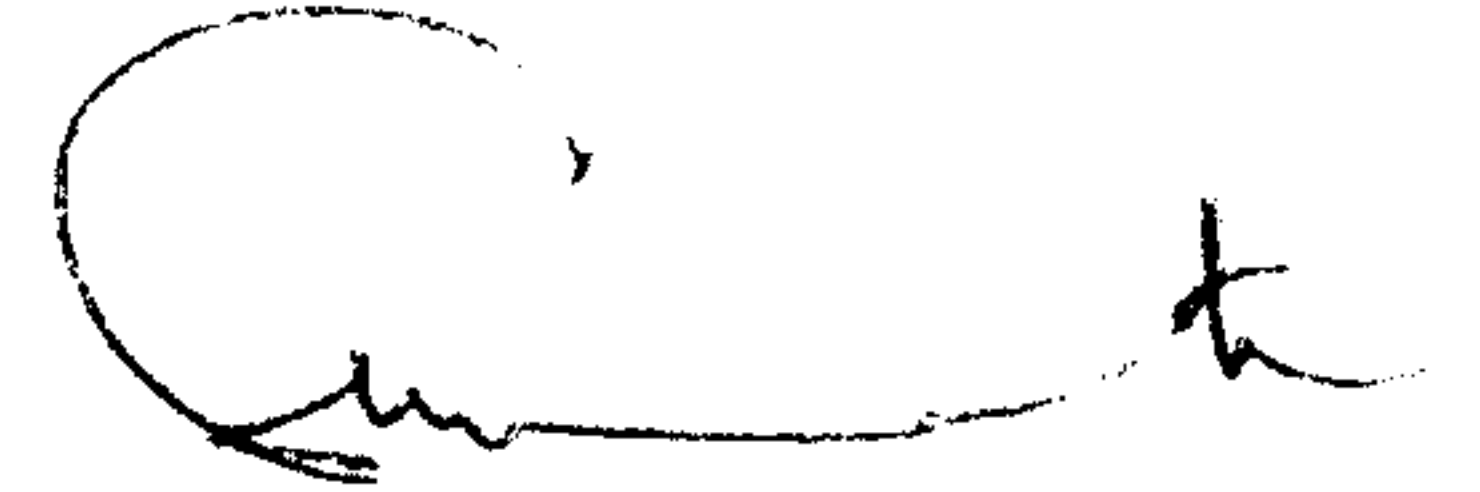
FA&CAO
All Zonal Railways/PUs etc

Sub: Disbursement of pension through Public Sector Banks.

The matter regarding deficiencies in pension payments and submission of pension debit scrolls on part of banks was taken up during the last Apex Committee Meeting held in Sep.,08. In this regard, Controller General of Accounts, Ministry of Finance had direct RBI to issue suitable directives to PSBs. Accordingly, Reserve Bank of India has since reiterated the instructions to the PSBs for disbursement of pension to Railway pensioners strictly as per laid down procedure. (copy enclosed).

Kindly ensure that the procedure is scrupulously followed by the banks and deficiencies, if any, are brought to the notice of banks and RBI under advice to Board's office.

Encl: (9 pages)



(S.N.Mathur)
Director Finance(CCA)
Railway Board

Copy for information to

1. CGA, Ministry of Finance, Deptt. of Expenditure, Lok Nayak Bhawan, New Delhi.
2. AGM/ RBI, Deptt. of Govt. and Bank Accounts, Central Office, Opposite Mumbai Central Railway Station, Byculla, Mumbai-400 008.



भारतीय रिज़र्व बैंक
सरकारी और बैंक लेखा विभाग
केन्द्रीय कार्यालय
4 थी मं तल, भायखला ऑफिस
बिल्डिंग
मुंबई सेंट्रल स्टेशन के सामने
भायखला, मुंबई - 400 008
टेलिफोन : 2308 4121
फैक्स : 2300 0370, 2301 0095

RESERVE BANK OF INDIA
Department of Government & Bank
Accounts
Central Office
4th floor, Byculla Office Building
Opp. Mumbai Central Station
Byculla, Mumbai - 400 008

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Fax : 2300 0370, 2301 0095
e-mail address:

Circular No. RBI / 2005/334

H 3389-3421
DGBA.GAD. No. /45.02.001/ 2004-05

January 6, 2005

The Chief Executive Officer
All Agency Banks

Dear Sir,

**Scheme for Payment of Pension to Railway Pensioners by
Public Sector Banks – Steps to avoid Fraudulent Payments**

Please refer to our Circular No. RBI/ 2004/ 224 dated October 18, 2004 advising you the steps required to be taken by your pension paying branches to avoid fake and fraudulent payments in respect of Defence Pensioners.

2. In this context, we have been informed by the Ministry of Railways, Government of India, (Railway Board) that their vigilance department has detected cases of fraud wherein pension / pension arrears have been disbursed to unauthorized persons by some of the Public Sector Banks against fake Pension Payment Orders. They have also observed that such fraudulent payments are made by Pension Paying branches without observing prescribed checks i.e. releasing payments by relying upon calculation sheet not signed by authorized signatory etc. as also non-compliance of laid down procedures, in particular regarding receipt of Pension Payment Orders (PPOs) by banks.

3. In view of the above, you are once again requested to issue necessary instructions to your Railway Pension Paying branches 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.

Yours faithfully,


(M. T. Varghese)
General Manager



भारतीय रिज़र्व बैंक

सरकारी और बैंक लेखा

विभाग

केन्द्रीय कार्यालय

4 थी मॉडल, भायखला ऑफिस

बिल्डिंग

मुंबई सेंट्रल स्टेशन के सामने

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RESERVE BANK OF INDIA

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Circular No RBI/2004/224

DGBA. GAD. No. 867-899/45.02.001/2004-05

October 18, 2004

The Chief Executive Officer

All Agency Banks

(As per list attached)

Dear Sir,

Scheme for Payment of Pension to Defence Pensioners by Public Sector Banks- Delay in Submission of Pension Payment Scrolls and Steps to avoid Fake & Fraudulent Payments

It has been reported by the Office of the Principal Controller of Defence Accounts (Pension), Allahabad that there is a lag of two to three months in submitting the pension payment scrolls to them by the Pension Paying Banks. Often these scrolls are bunched. In this connection, a reference is invited to paragraphs 9(6), 10 and 11 of the booklet "Scheme for Payment of Pension to Defence Pensioners" wherein the procedure for transmission of pension payment scrolls by Paying branches, Link branches and Reimbursing branches is clearly stipulated. The entire procedure needs to be completed as per the timeframe fixed so that the the payment scrolls are finally 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 April every year).

.....Contd. on Page 2

2. It has been observed that despite the clear instructions, the stipulated time schedule is not adhered to by the banks. 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. 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.

3. Ministry of Defence (Finance) has stipulated certain budgetary commitments regarding booking of budgetary allocation from the Finance Year 2004-2005. With a view to meeting such budgetary commitments by PCDA (Pension), the Pension Paying Branches/ Link Branches / Reimbursing branches are advised to put in place a more efficient system to ensure the following :

(i) 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 be done.

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

(iii) 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.

.....Contd. on page 3

(iv) 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.

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

4. Please advise your Defence pension paying branches suitably in the matter.

Yours faithfully,



(M. T. Varghese)
General Manager

Endt. No. DGBA. GAD. ⁹¹⁹⁻₉₃₅ /45.02.001/ 2004-05 of date.

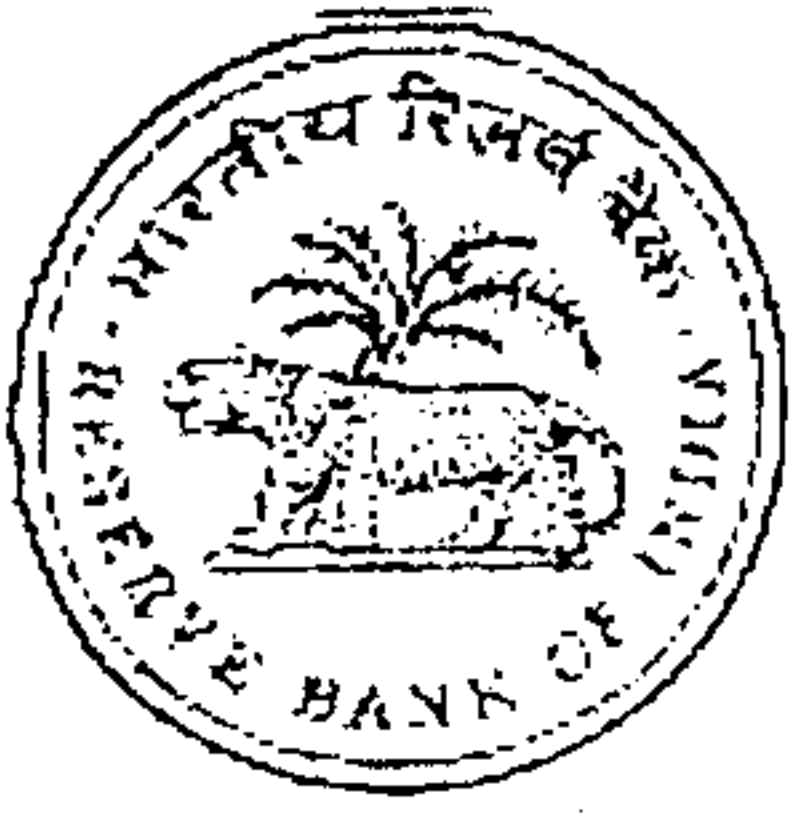
Copy forwarded for information to :

(i) the Jt. CDA (Accounts), Office of the Principal Controller of Defence Accnts (Pension), Allahabad, with reference to his letter No. A/II/3795/ XLIII dated August 30, 2004

(ii) the Regional Director / Officer -in -Charge, Reserve Bank of India, Public Accounts Department, Ahmedabad/ Bangalore/ Bhubaneswar/ Chandigarh/ Guwahati/ Kolkata/ Belapur/ Chcnai/ Hyderabad/ Jaipur/ Kanpur/ Mumbai/ New Delhi/ Patna/ Thiruvananthapuram/ Nagpur/ Bhopal



(Ramesh Chand)
Assistant General Manager



भारतीय रिज़र्व बैंक

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RBI/2004/215

Ref. DGBA.GAD. No. 762 - 794 /45.05.031/2004-05

October 12, 2004

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The Chairman and Managing Director
All Pension Paying Banks
(As per List)

Dear Sir,

Disbursement of Railway Pension
-Holding Back of Railway Money by Agency Banks

Please refer to our Circular DGBA. GAD. No. H-1174/ 45.02.001/ 2003-04 dated June 16, 2004 regarding withholding of Defence Fund by the pension disbursing banks. We have since received similar complaints from Railway authorities saying that some of the pension paying banks are crediting pension amount to the account of pensioners even after their death. As you are aware, the amount credited to the bank accounts of pensioners after their death tantamount to over-payment. It, therefore, is the responsibility of the pension disbursing branch to obtain the required Certificates as per the Scheme for disbursement of pension to avoid over payment of pension and no pension amount is credited to pensioners/family pensioners account if they fail to submit the Life Certificate in the month of November each year. The pension papers of those pensioners who fail to submit Life Certificate for more than three years should be returned to the FA & CAO who had originally issued the PPO, for further necessary action.

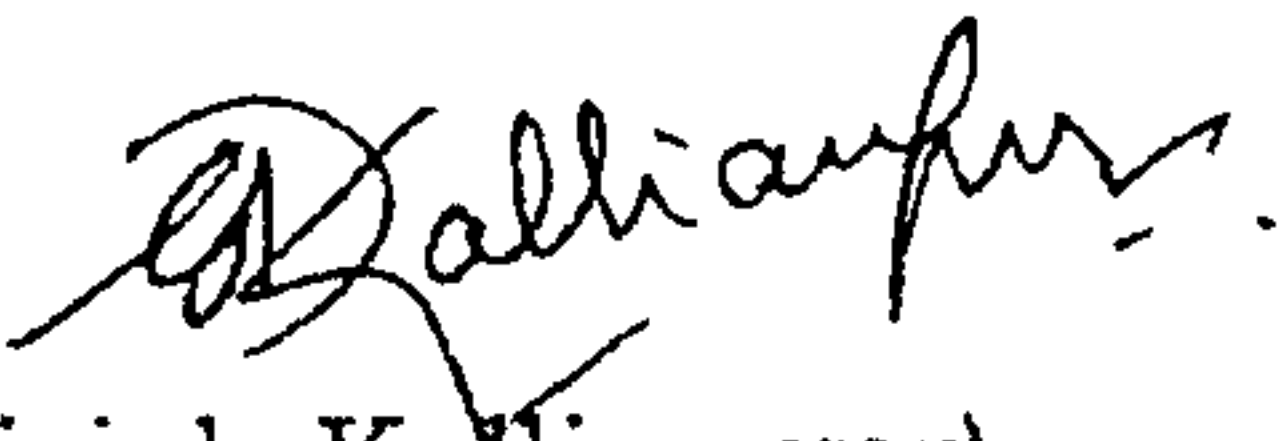
2. All pension paying banks are required to ensure that the Certificates i.e. non-marriage/remarriage/ marriage certificate, income certificate and Life Certificate, etc. are obtained as per the extant orders under the "Scheme for Disbursement of Pension Through Public Sectors Banks".

.....Contd. on page 2

3. You are, therefore, advised to reiterate the above instructions to your concerned branches and instruct them to follow these instructions meticulously so as to avoid over payment from Government Account and as also to stop crediting pension to pensioners account, especially when they have been informed about the demise of the pensioners.

4. You are also requested to conduct a review to see whether any such cases where the pension/ family pension is being credited to the pensioner's account beyond the date of cessation of pension/ family pension.

Yours faithfully,



(Girish Kallianpur)
Deputy General Manager



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Ref. DGBA.GAD. No. 6073/45.05.031/2004-05

May 30, 2005
Jyestha 9, 1927 (S)


The Chairman & Managing Director
All Agency Banks
(As per list)

Dear Sir,

Disbursement of Railway Pension
by Agency Banks - Overpayment

Please refer to our Circular No.RBI/2004/215 (Ref DGBA GAD No.762-794/45.05.031/ 2004-05) dated October 12, 2004 on the captioned subject. We now forward herewith a list indicating the "Main areas where the banks tend to make overpayments" received from Financial Adviser & Chief Accounts Officer's Office, Central Railway, Mumbai for general guidance (Annexure). You are requested to circulate the same among your pension paying branches and instruct them to take appropriate action so as to avoid over payments of pension.

Yours faithfully,


(M.T. Varghese)
General Manager

Encl: as above.

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Main Areas where the banks tend to make overpayments :**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.

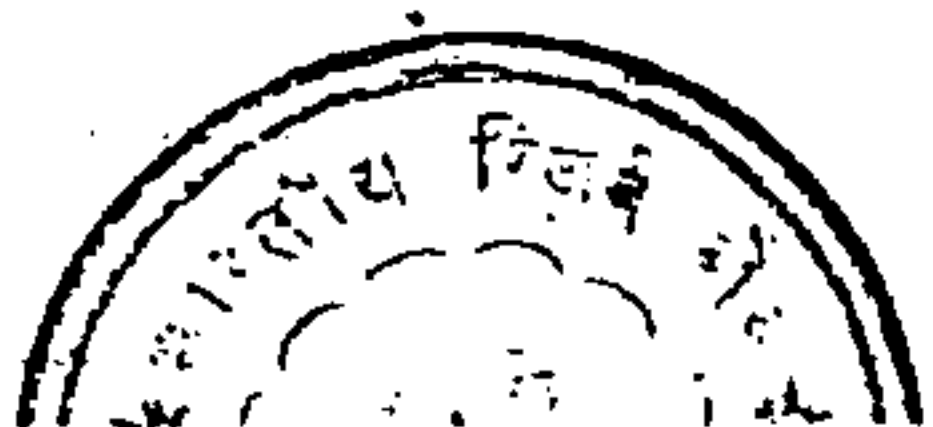
Since this is only the Ex-Gratia Payment and not pension, this should not be stepped up to Rs.1275/- (i.e. minimum pension admissible w.e.f. 01-01-1996) . But some of the banks have stepped up the same to Rs.1275/- resulting in overpayment.

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 CSRPF 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 workout 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 upto 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:

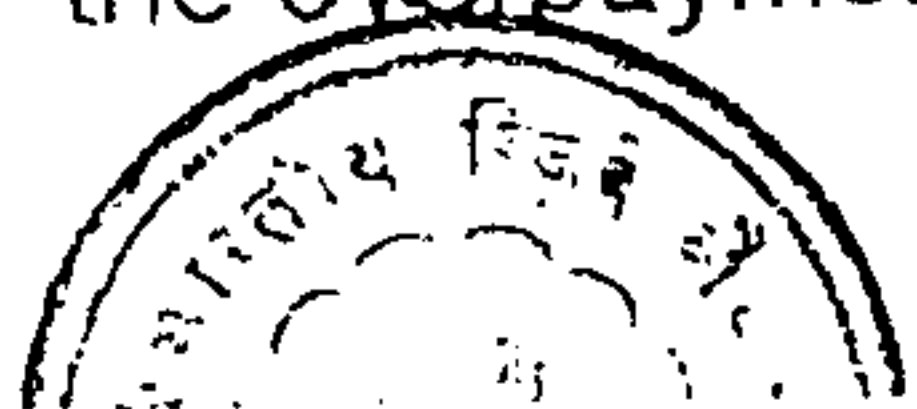
1. Income certificate- stating that he/she has not started earning income over RS.2550/- per month. This should be obtained - half yearly.
2. Non Marriage certificate:- That she is not married - half yearly
3. Disability Certificate:- In case of disabled children for disbursement of pension beyond 25 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.



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