



CPAO/IT&Tech/Simplification/11.Vol-VI /2017-18/206

Dated: 12.03.2018

Office Memorandum

Subject:- Payment of arrears accruing in respect of deceased pensioners/family pensioners to the nominee/legal heir.

On death of the pensioners/family pensioners, the pension account is closed by the bank and the balance amount in the account of pensioners/ family pensioners is paid to the nominees/legal heirs. However, it is observed that the life time arrears arising subsequently on account of Pay Commission etc. are not paid to the nominees/legal heirs of the deceased pensioners/family pensioners either on account of fact that the pension/ family pension is not revised by the concerned Pension Sanctioning Authority (PSA) or the amount of arrears of revised pension/family pension is not paid due to closure of the bank account. In such cases action is to be taken by the concerned Pay & Accounts Officer as per provision of para 7.5.6 of the Civil Accounts Manual (copy attached).

DP&PW vide its OM No. 1/22/2012-P&PW (E) dated-10th July, 2013 (copy enclosed) has clearly defined the procedure so that nominees/legal heirs of pensioners/family pensioners are not subjected to harassment in claiming the payment of arrears of pension.

In view of the above, all the Head of Offices/PAOs/CPPCs of banks are requested to comply with the procedure as mentioned in the above OM of DP&PW for speedy settlement of claims of pension arrears.

Encl:- As above

(Md. Shahid Kamal Ansari)
(Asstt. Controller of Accounts)
Ph No.011-26103074

To

1. Pr. CCAs/CCAs/CAs/AGs/Administrators of UTs
2. Heads of CPPCs of all Banks
3. Heads of Government Business Divisions of all Banks (As per list)

Copy to:-

- i) Sr.PPS to CGA, O/o the CGA, Mahalekha Niyantarak Bhawan, E-Block, General Pool Office (GPO) Complex, INA, New Delhi.
- ii) PS to Addl. CGA (VP), Mahalekha Niyantarak Bhawan, E-Block, General Pool Office (GPO) Complex, INA, New Delhi.
- iii) PS to CC (P), CPAO, New Delhi
- iv) PA to CA, CPAO, New Delhi
- v) Sr.TD(NIC), CPAO, New Delhi
- vi) Sr. AOs of all the Sections, CPAO, New Delhi.

**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) Date 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.

No. 1/22/2012-P&PW (E)
Government of India
Ministry of Personnel, P.G. & Pensions
Department of Pension & Pensioners' Welfare

3rd Floor, Lok Nayak Bhavan,
Khan Market, New Delhi
Dated: 10th July, 2013

Office Memorandum

- Sub: (i) Payment of arrears of pension in cases where valid nomination has not been made under the Payment of Arrears of Pension (Nomination) Rules, 1983;
- (ii) payment of arrears of family pension – reg.

Attention is invited to the Payment of Arrears of Pension (Nomination) Rules, 1983 which provide that after the death of the pensioner, all moneys payable to the pensioner on account of pension will be paid to the nominee of the deceased pensioner. In the absence of any nomination made by the pensioner, the arrears of his/her pension are paid to the legal heir as per the procedure indicated in para 4 of part A of annexure to Ministry of Finance OM No. 1(3)-E.V/83, dated 11.10.1983. However, dependants of some pensioners expressed difficulties in obtaining the legal heir-ship certificates and represented that the necessity of production of legal heir-ship certificates may be waived where the amount of arrears payable is small.

2. The matter had been examined in Ministry of Finance, D/o Expenditure vide OM dated 04/06/1985 and it was decided that in case where a valid nomination does not exist under the Payment of Arrears-of Pension (Nomination) Rules, 1983 and the dependent of pensioner is unable to produce the legal heir-ship certificate, the Payment of Lifetime Arrears of Pension accruing to the deceased pensioner may be authorized on the basis of any documentary proof regarding the relationship and heir-ship of the claimant if the gross amount of arrear does not exceed Rupees 25,000. In such cases, if the gross amount did not exceed Rupees 5,000 and case represented no peculiar features, the accounts officer was authorised to make the payment on his own authority.

3. The Government has further looked into the matter and decided to increase the limits of Rupees 5000 and 25000 as indicated in Department of Expenditure OM, dated 4.6.85 to Rupees 50,000 and 2,50,000 respectively. The conditions and the procedure of payment as indicated in Department of Expenditure OM, dated 22.10.1983 and 04.06.1985 will remain the same, which are reiterated hereunder.

4. The Pension Disbursing Authority (PDA) may receive application along with any documentary proof regarding the relationship and heir-ship of the claimant. In case the claimant is the recipient of family pension, the disbursing Officer will verify the identity of the claimant with reference to the disburser's half as well as pensioner's half of the PPO and give a certificate of having done so. PDA will duly attest the documents received from the applicant and forward these along with the application to the Accounts Officer. The Accounts Officer, on receipt of application along with a copy of PPO of the pensioner and other documents from the PDA, will calculate the amount of arrears and issue necessary authority for payment of life-time arrears to the disbursing authority if the case does not present any peculiar features and the amount does not exceed Rs.50,000. In case the amount exceeds Rupees 50,000 but does not exceed Rupees 2,50,000, the Accounts Officer will obtain the

orders of the Head of Department or Administrator or the CAG in the case of pensioners from Indian Audit & Accounts Department or any Officer of that Department declared as an HOD. Payment will be made on execution of a duly stamped indemnity bond in Form T.R. 14/G.A.R. 26, with such sureties as necessary in terms of para 7 below. In case of any doubt and also in cases where the amount of arrears exceeds Rupees 2,50,000, payments shall be authorized to be made only to the persons producing the legal authority.

5. This department's OM No. 43/4/95-P&PW(G), dated 30.10.1995 stipulates that in the event of death of a family pensioner, the right to receive any arrears of family pension would automatically pass on to the eligible member of the family next in line. The requirement of succession certificate for payment of any arrears occurs only where there is no member in the family who is eligible to receive family pension after the death of the family pensioner. Therefore, it has been decided that the provisions of this office memorandum will also apply to the payment of arrears of family pension where no member of family is eligible to receive family pension.

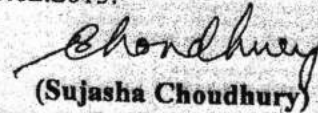
6. The Head of Department here means the Head of Department as defined in rule 2 (xvi) of the General Financial Rules, 2005. However, in order to ensure that the citizens do not have to face unnecessary hardships, it has been decided that in the case of field establishments, the Administrative Ministries/Departments may delegate the power of Head of Department to the Head of Office in the rank of Deputy Secretary/Director, if felt necessary by them. It is also clarified that this OM will cover all such past cases.

7. Normally, there should be two sureties, both of known financial stability. However, in case the amount of claim is less than Rs.75,000/-, the authority accepting the indemnity bond for and on behalf the President of India should decide on the merits of each case whether to accept only one surety instead of two. The obligor as well as the sureties executing the indemnity bond should have attained majority so that the bond has legal effect or force. The bond is required to be accepted on behalf of the President by an officer duly authorised under Article 299 (1) of the Constitution.

8. These orders will not be applicable in cases where a valid nomination exists under the Payment of Arrears of Pension (Nomination) Rules, 1983. In such cases, the payment of arrears will be authorised to be made to the nominee (s).

9. As regards pensioners/family pensioners belonging to the Indian Audit and Accounts Departments, these Orders issue after consultation with the Comptroller and Auditor General of India.

10. This issues with the concurrence of Ministry of Finance, Department of Expenditure, vide their ID Note No.568/E.V/2013, dated 28th June, 2013 and O/o Controller General of Accounts vide their ID No. 1(7)/TA-III/2011-12/Misc/116, dated 13.02.2013.


(Sujasha Choudhury)

Deputy Secretary to the Govt. of India

1. All Ministries/Departments of the Government of India
2. O/o The Comptroller & Auditor General of India
3. O/o The Controller General of Accounts, Lok Nayak Bhavan, New Delhi.
4. Pensioners' Associations as per mailing list maintained in this department.