

भारत सरकार  
वित्त मन्त्रालय, व्यय विभाग  
केन्द्रीय पेंशन लेख कार्यालय  
त्रिकूट-II भीकाजी कामा प्लेस  
नई दिल्ली-110066  
फोन : 26174596, 26174456, 26174438



GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE  
CENTRAL PENSION ACCOUNTING OFFICE  
TRIKOOT-II, BHIKAJI CAMA PLACE,  
NEW DELHI-110066  
PHONES : 26174596, 26174456, 26174438

CPAO/IT&Tech/Clarification/Part-II/13(Vol-IV)/2016-17/ 157

21<sup>th</sup> October, 2016

### Office Memorandum

**Subject:- Payment of Commuted Value of Pension- issuance of separate Authority for Commuted Value of Pension (CVP) and revision of pension regarding.**

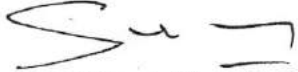
Attention is invited to para 7.8.2 of Civil Accounts Manual which provides that when "Government servants retiring on superannuation desires authorisation for payment of the commuted value of the pension at the time of the issue of the pension payment order. He will in such cases apply for commutation 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)" or make *online RTGS payment*, 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 authorized 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".

Further para 7.8.3 provides that "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".

Accordingly, for processing the payment of revised pension and **first time** Commuted Value of Pension (CVP) separate facilities are made in the PARAS software of CPAO.

It has been observed that in many cases the above instructions of Civil Accounts Manual are not followed and PAOs are issuing a consolidated Special Seal Authority for payment of revised pension and **first time** CVP for arranging the payment through authorized bank. Consequently, CPAO has to return the SSA to concerned PAO for issuing separate authorities for revised pension and commuted value of pension and unnecessary delay's occur.

In view of above, all Pr. CCAs/CCAs/CAs/AGs/Administrators of UTs are requested to issue necessary instructions to their Pay & Accounts Officers to issue separate Special Seal Authorities for **first time** CVP and revision of pension respectively. However, where **first time** CVP payment has already been made to the pensioner, for differential amount of CVP and revision of pension, a single SSA may continue to be issued as hitherto.

  
(Subhash Chandra)  
Controller of Accounts  
Phone No.26174809

To,

All Pr. CCAs/CCAs/CAs/AGs/Administrators of UTs

**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.....  
(Rupees .....only)

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.