

Subject: Establishment of Central Pension Processing Center for Pension Disbursement to Central Government Pensioners.

I. EXISTING PROCEDURE

1. As per the Scheme for Payment of Pensions to Central Civil Pensioners by Authorized Banks (issued by Central Pension Accounting Office) the procedure for payment of pensions is as follows:
2. The concerned Pay & Accounts Officer of the Ministry/Department/Office or the Authority mentioned in Paras 6.1, 6.2 and 7.4 of the Scheme is competent to assess the Pensionary benefits and to issue Pension Payment Order (both halves of PPO) and any subsequent amendments to the CPAO after embossing the Special Seal for arranging payment to the pensioner through the bank. The Pay & Accounts Officer would indicate the particular branch of the authorized bank from which the pensioner has opted to draw the pension.
3. The nominated Pay & Accounts Officer of CPAO is responsible for forwarding PPOs with Special Seal Authority (SSA) to the concerned Link Branch in the State/Union Territory. These provisions are also applicable to the subsequent amendment letters. Each Link Branch is to maintain a Register of the PPOs received by it from CPAO for arranging payments as its specified payment branches. Then the PPOs will be dispatched to the pension disbursing branches.
4. The Pay & Accounts Offices etc. mentioned in Paras 6.1, 6.2 and 7.4, CPAO and Link Branches will ensure that the pensioner is kept informed of the issue of PPO and its subsequent movements at all stages.
5. On receipt of the documents from the Link Branch and when the pensioner personally appears at the bank and produces his/her personal copy of the intimation received directly from the authority, the disbursing bank obtains Specimen Signature etc. and hands over the Pensioner's Portion of the PPO on proper identification. The Paying Branch should also obtain an undertaking from the pensioner that excess payment, if any, credited to his/her account, due to delay in receipt / of any bonafide error, can be recovered by the bank. The Paying Branch would be responsible for deducting Income Tax at source from the pension. They are also responsible for obtaining the Certificates such as Life Certificate, Non-employment, Re-employment Certificate etc. from the pensioners, whenever they become due.
6. The Paying Branch would prepare Pension Scrolls in the prescribed format to the Link Branch who would prepare a Summary Sheet and send the same along with

scrolls to the designated Nodal Branch. The Nodal Branch checks the scrolls, Summary Sheets and Certificates and forwards two sets of scrolls along with the relevant Payment Scrolls for reconciliation. Simultaneously an advice is also sent to its Link Cell located at Nagpur (GAD, Mumbai in the case of State Bank of India) for obtaining reimbursement with Reserve Bank of India, Central Accounts Section, Nagpur.

II. INTRODUCTION OF CPPC:

1. With a view to ensuring timely credit of pension payment to pensioners and arrears of pension/ dearness relief etc. and redressing grievances of pensioners, it has been decided to establish a Centralised Pension Payment Centre (CPPC) in each bank. This CPPC will act as a single window for arrangement of payments of all Central Civil Government Pensions for the PPAs and PAOs.

2. Role of CPPC:

Under the proposed arrangement the CPPC will perform the following functions:

- (i) CPPC would centralize back office functions related to pension payments which would include back office processes/sub-processes concerning calculation of pension, maintenance of pension records etc.
- (ii) The CPPC would build up a master database for existing valid pensioners. The database structure would be vetted by CPAO. The final master database will also be reconciled by CPAO's data. The database will also store scanned images of the Pension Payment Order (PPOs) which will be visible by Paying Branches and to the CPAO.
- (iii) The software for calculating pension payment would be vetted by the CPAO.
- (iv) Monthly pension will be processed at the CPPC and pension credit will be transmitted electronically to Pension Disbursing Branch where the pensioner maintaining their account.
- (v) The CPPC will be Focal Point Branch/Nodal Branch for settlement of Pension Fund and it will be reported directly to Link Branch of the concerned bank situated at Nagpur, (GAD, Belapur (Navi Mumbai) in case of SBI) for settlement of funds with

RBI. The CPPC will also forward the scrolls directly to the pension accounting authorities (CPAO) for reconciliation of pension transaction.

- (vi) The software, the database structure and the infrastructure at CPPC and the Paying Branch will be provided for storing and scanning.

III. PROPOSED PROCEDURE:

- I. After setting of CPPCs the following procedure would be followed:
 - (i) The PPOs will continue to be issued under Special Seal by the Authorized Authorities (mentioned in **Paras 6.1, 6.2 and 7.4 of the Scheme**) to CPAO. The CPAO after verifying Special Seal, forward the PPO (both halves of PPO) alongwith e-copy of pension details and an additional copy of Special Seal Authority (SSA) marked as "Not Good For Payment". The Disburser's portion of the PPO and the Special Seal Authority would be retained at CPPC. Pensioner's portion of PPO would be forwarded to Pension Paying Branch along with the additional copy of SSA marked "Not Good For Payment". Papers received from CPAO should be transmitted to PPB by CPPC within three days of its receipt. The CPPC would also place on its network a scanned image of the disburser's portion to be visible to the Pension Paying Branch and the CPAO.
 - (ii) The Pension Paying Branch would carry out the necessary formalities, identify the pensioner with reference to the photograph/information on the Pensioner's copy of the PPO and the scanned image of the disburser's portion on the bank's network and communicate accordingly to the CPPC and hand over the Pensioner's half to the pensioner. The CPPC will not release the payment till this certificate of identification is received from the PPB Manager. This will be recorded in the CPPC database. The Paying Branch should also obtain an undertaking from the pensioner that excess payment, if any, credited to his/her account, due to delay in receipt of any material information or due to bonafide error, can be recovered by the bank. **The Paying Branch would be responsible for deducting Income Tax at source from the pension.**
 - (iii) The pensioner will continue to transact only through his home branch where he maintains his account. The Pension Paying Branch is also responsible for obtaining the Certificates such as Annual Life Certificate in Annexure XVIII to the CPAO's

Scheme, Non-employment Certificate or employment in a Deptt./ Office of Central/State Govt. or U.T. in a Company, Corporation, Undertaking etc. on due dates (in Annexure – XVIII & XVIII A&B), as the case may be, from pensioner/family pensioner and CPPC will not release payment of pension/family pension for that month till the Life Certificate have been obtained by the PPB and so communicated to CPPC.

- (iv) All calculations of pension etc. would be done by CPPC and the advice communicated to all paying through electronic media for credit to the accounts of the pensioners maintained by them. The CPPC should ensure that the pension should be credited into the pensioner's account by the last day of the month except in the month of March when it would be credited in the first working day of April.
- (v) The CPPC will display on the computer, the details of calculation of pension and other elements payable to the pensioner/ family pensioner. The Pension Disbursing Branch will take a printout and hand over the same to the pensioner. **The Pension Paying Branch (PPB) will interact with the pensioners and redress their grievances within the prescribed time limit, if necessary, in consultation with CPPC. A monitoring cell will be established at CPPC to track pensioners' complaints forwarded by paying branches or CPAO.**
- (vi) Any change in the status of the pension which originates at the Pension Paying Branch such as death of pensioner, change in address, transfer to another branch or bank, non-operative pension cases, etc. will be communicated without delay by the Pension Paying Branch to the CPPC and in turn to CPAO. All such cases will be processed for further action as prescribed in the Scheme Booklet by the CPPC. The CPPC will retain this information on its database.
- (vii) All documents for any revisions/changes authorized by CPAO will also move, with an e-copy from CPAO to CPPC to PPB. It will be the responsibility of the CPPC to ensure that all revisions/amendments are recorded on the body of the disbursing copy of PPO, communicated to the Pension Paying Branch and also recorded on the Pensioner's copy by the PPB.
- (viii) It would be the responsibility of the Paying Branches to update the entries of the Pensioner's half under the signature of the appropriate authority. Since it would not be possible for CPPC to make entries in the Disbursing's Half on monthly basis, these entries can be made on annual basis or when a pensioner seeks transfer to another bank or to another branch of bank under another CPPC.

- (ix) CPPC would have to send Payment Scrolls electronically in a format that is compatible with the software used in Central Pension Accounting Office.
- (x) The reimbursement will be claimed by the link cell based only on the e-scroll (Daily Government Debit Scroll/Daily Government Credit Scroll) sent by the CPPC simultaneously to the Link Cell and CPAO. This will be verified by RBI before releasing reimbursement. The CPAO will cross check these claims with its own database and request RBI for reversing amounts where there is mis-match.
- (xi) A system for periodic reconciliation of database at CPAO and CPPC would be put in place. The database will be adequately secured at CPPC.
- (xii) A Grievance Cell would be established at CPPC to track pensioner's complaints forwarded by paying branches or CPAO, and the paying branch would be responsible for inviting and referring the pensioner's grievances within one week's time.
- (xiii) The Data would be adequately secured at the CPPC. The records maintained by both the paying branches and CPPC will be subject to Audit.

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